

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF BROWNSTOWN

JACKSON COUNTY, INDIANA

January 1, 2011 to December 31, 2014



FILED
03/23/2016

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	William David Willey	01-01-11 to 12-31-19
President of the Town Council	James A. Phillips John Nolting	01-01-11 to 12-31-11 01-01-12 to 12-31-16
Superintendent of Wastewater Utility	Scott Hunsucker	01-01-11 to 12-31-16



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

TO: THE OFFICIALS OF THE TOWN OF BROWNSTOWN, JACKSON COUNTY, INDIANA

This report is supplemental to our examination report of the Town of Brownstown (Town), for the period from January 1, 2011 to December 31, 2014. It has been provided as a separate report so that the reader may easily identify any Examination Results and Comments that pertain to the Town. It should be read in conjunction with our Financial Statements Examination Report of the Town, which provides our opinion on the Town's financial statements. This report may be found at www.in.gov/sboa/.

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Examination Results and Comments contained herein describe the identified reportable instances of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Official Response to the Examination Results and Comments, incorporated within this report, was not verified for accuracy.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

December 17, 2015

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CLERK-TREASURER
TOWN OF BROWNSTOWN

CLERK-TREASURER
TOWN OF BROWNSTOWN
EXAMINATION RESULTS AND COMMENTS

APPROPRIATIONS

The records presented for examination indicated the following expenditures in excess of budgeted appropriations:

Fund	Year	Excess Amount Expended
Debt Services - General (Pool)	2011	\$ 511
Cemetery	2011	22,709

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

OVERDRAWN CASH BALANCE

The financial statements presented in the Financial Statements Examination Report included the Sidewalk/Trail Project fund with an overdrawn cash balance of \$15,235 at December 31, 2014.

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

COLLECTION OF FEES FOR MOVING TRAFFIC VIOLATIONS

During the period of examination, the Town collected fines for ordinance violations through an Ordinance Violations Bureau established in accordance with Indiana Code 33-36. If a citizen waived their right to a trial, the Town collected the fine. There were numerous instances where the Town collected fines for moving traffic violations through the Ordinance Violations Bureau. Total fines collected for moving traffic violations during the examination period amounted to \$17,475.

Indiana Code 36-1-6-3 states:

"(a) Certain ordinances may be enforced by a municipal corporation without proceeding in court through:

- (1) an admission of violation before the violations clerk under IC 33-36; or
- (2) administrative enforcement under subsection 9 of this chapter.

(b) Except as provided in the subsection (a), a proceeding to enforce an ordinance must be brought in accordance with IC 34-28-5, section 4 of this chapter, or both.

(c) An ordinance defining a moving traffic violation may not be enforced under IC 33-36 and must be enforced in accordance with IC 34-28-5."

CLERK-TREASURER
TOWN OF BROWNSTOWN
EXAMINATION RESULTS AND COMMENTS
(Continued)

The accounts of each public official and public office should reflect the proper treatment of fines collected for moving traffic violations as required by Indiana Code 36-1-6-3(c), Indiana Code 34-28-5, and this Directive. Failure to do so will result in a civil action against those public officials who are responsible for the improper enforcement and collection of fines for moving traffic violations as allowable by law. (State Examiner Directive 2015-1)

TRAVEL CLAIMS

Three of the ten travel claims reviewed included meal reimbursements to an employee of the Town without the meal receipts being properly itemized.

All claims, invoices, receipts, and accounts payable vouchers regarding reimbursement for meals and expenses for individuals must have specific detailed information of the names of all individuals for which amounts are claimed, including the nature, name, and purpose of the business meeting, to enable the governing body to authorize payment. Payments which do not have proper itemization showing the business nature of the claim, may be the personal obligation of the responsible official, employee or other person for whom the claim is made. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CLERK-TREASURER
TOWN OF BROWNSTOWN
EXIT CONFERENCE

The contents of this report were discussed on December 17, 2015, with William David Willey, Clerk-Treasurer, and John Nolting, President of the Town Council.