

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

EXAMINATION REPORT

OF

BROWN TOWNSHIP

MONTGOMERY COUNTY, INDIANA

January 1, 2007 to December 31, 2009



FILED

05/12/2010

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OFFICIALS

Office

Official

Term

Trustee

Darrell Simpson

01-01-07 to 12-31-10

Chairman of the
Township Board

Jack A. Reynolds

01-01-07 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF BROWN TOWNSHIP, MONTGOMERY COUNTY, INDIANA

We have examined the financial information presented herein of Brown Township (Township), for the period of January 1, 2007 to December 31, 2009. The Township's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the Township for the years ended December 31, 2007, 2008 and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

March 29, 2010

BROWN TOWNSHIP, MONTGOMERY COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
As Of And For The Years Ended December 31, 2007, 2008 And 2009

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 25,015	\$ 6,439	\$ 19,810	\$ 11,644
Township Assistance	18,388	2,008	18,476	1,920
Firefighting	32,382	33,188	45,000	20,570
Park and Recreation	9,677	-	2,100	7,577
Cumulative Fire	66,186	5,531	6,153	65,564
Fiduciary Fund:				
Payroll Withholdings	735	651	1,386	-
Totals	<u>\$ 152,383</u>	<u>\$ 47,817</u>	<u>\$ 92,925</u>	<u>\$ 107,275</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 11,644	\$ 15,731	\$ 19,409	\$ 7,966
Township Assistance	1,920	39,205	34,595	6,530
Firefighting	20,570	46,446	44,650	22,366
Park and Recreation	7,577	-	2,100	5,477
Cumulative Fire	65,564	29,355	15,000	79,919
Totals	<u>\$ 107,275</u>	<u>\$ 130,737</u>	<u>\$ 115,754</u>	<u>\$ 122,258</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 7,966	\$ 22,009	\$ 23,760	\$ 6,215
Township Assistance	6,530	13,811	11,621	8,720
Firefighting	22,366	45,526	44,650	23,242
Park and Recreation	5,477	-	1,800	3,677
Fire Debt	-	12,409	12,282	127
Rainy Day	-	1,263	-	1,263
Cumulative Fire	79,919	16,162	5,000	91,081
Totals	<u>\$ 122,258</u>	<u>\$ 111,180</u>	<u>\$ 99,113</u>	<u>\$ 134,325</u>

The accompanying notes are an integral part of the financial information.

BROWN TOWNSHIP, MONTGOMERY COUNTY
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Township was established under the laws of the State of Indiana. The Township provides the following services: public safety, health and social services, culture and recreation, and general administrative services.

Note 2. Fund Accounting

The Township uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Township in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Ordinarily, taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. In 2007, installments were due July 20 and November 13. In 2008, installments were due August 15 and November 10.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the Township to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

BROWN TOWNSHIP, MONTGOMERY COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2009

The Township has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Notes and loans payable		
2009 Note	\$ <u>15,000</u>	\$ <u>15,319</u>

BROWN TOWNSHIP, MONTGOMERY COUNTY
EXAMINATION RESULT AND COMMENT

PENALTIES, INTEREST, AND OTHER CHARGES

Penalties and interest totaling \$32.40 were paid to the Internal Revenue Service on August 3, 2007, for the quarter ended March 31, 2007.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Each governmental unit is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indiana Department of Revenue. All questions concerning taxes should be directed to these agencies. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

BROWN TOWNSHIP, MONTGOMERY COUNTY
EXIT CONFERENCE

The contents of this report were discussed on March 29, 2010, with Darrell Simpson, Trustee; and Linda Chesterson, Bookkeeper. The officials concurred with our finding.