

B37558

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

ANNUAL FINANCIAL REPORT

2009

TOWN OF BROWNSBURG

HENDRICKS COUNTY, INDIANA



FILED
09/22/2010

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Jeanette M. Brickler	01-01-09 to 12-31-10
President of the Town Council	Mathew Bowles	01-01-09 to 12-31-10
Town Manager	Jim Waggoner Dale A. Cheatham	01-01-09 to 01-03-10 01-03-10 to 12-31-11
Superintendent of Water Utility	Mike Good	01-01-09 to 12-31-10
Superintendent of Wastewater Utility and Storm Water Utility	Kathy Dillon	01-01-09 to 12-31-10
Utility Office Superintendent	Debbie Bernhardt	01-01-09 to 12-31-10



STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF THE TOWN OF BROWNSBURG, HENDRICKS COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Brownsburg (Town), as of and for the year ended December 31, 2009, which collectively comprise the Town's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note I, the Town prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of December 31, 2009, and the respective cash receipts and cash disbursements during the year then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated May 12, 2010, on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Town has not presented Management's Discussion and Analysis or Budgetary Comparison Schedules that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The Combining Schedules, as listed in the Table of Contents and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Long-Term Debt has not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on it.

The Town's response to the Audit Results and Comments identified in our audit is described in the accompanying section of the report entitled Official Response. We did not audit the Town's response and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

May 12, 2010



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF THE TOWN OF BROWNSBURG, HENDRICKS COUNTY, INDIANA

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Brownsburg (Town), as of and for the year ended December 31, 2009, which collectively comprise the Town's basic financial statements and have issued our report thereon dated May 12, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies or material weaknesses, as defined above.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the Town's management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

May 12, 2010

TOWN OF BROWNSBURG
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For The Year Ended December 31, 2009

Functions/Programs	Program Receipts				Net (Disbursement) Receipt and Changes in Net Assets		
	Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Totals
					Governmental Activities	Business-Type Activities	
Primary government:							
Governmental activities:							
General government	\$ 7,269,160	\$ 3,646,369	\$ 3,057	\$ -	\$ (3,619,734)	\$ -	\$ (3,619,734)
Public safety	16,281,244	780,323	10,016	39,966	(15,450,939)	-	(15,450,939)
Highways and streets	1,201,114	251,941	418,332	189,140	(341,701)	-	(341,701)
Sanitation	2,161,752	259,411	-	-	(1,902,341)	-	(1,902,341)
Economic development	2,188,191	-	-	-	(2,188,191)	-	(2,188,191)
Culture and recreation	949,272	-	38,600	-	(910,672)	-	(910,672)
Principal and interest on indebtedness	1,465,128	-	-	-	(1,465,128)	-	(1,465,128)
Total governmental activities	31,515,861	4,938,044	470,005	229,106	(25,878,706)	-	(25,878,706)
Business-type activities:							
Storm Water Utility	377,687	1,016,398	-	-	-	638,711	638,711
Wastewater	3,961,813	3,012,376	-	85,287	-	(864,150)	(864,150)
Water	3,160,072	2,459,374	-	110,000	-	(590,698)	(590,698)
Total business-type activities	7,499,572	6,488,148	-	195,287	-	(816,137)	(816,137)
Total primary government	\$ 39,015,433	\$ 11,426,192	\$ 470,005	\$ 424,393	(25,878,706)	(816,137)	(26,694,843)
General receipts:							
Property taxes					13,892,767	-	13,892,767
Intergovernmental					12,837,672	-	12,837,672
Other local sources					6,145,581	646,393	6,791,974
Net proceeds from borrowings					3,357,265	-	3,357,265
Grants and contributions not restricted to specific programs					43,030	-	43,030
Investment earnings					149,531	45,795	195,326
Transfers - Internal activities					(1,000,000)	1,000,000	-
Total general receipts and transfers					35,425,846	1,692,188	37,118,034
Change in net assets					9,547,140	876,051	10,423,191
Net assets - beginning					19,916,340	6,230,286	26,146,626
Net assets - ending					\$ 29,463,480	\$ 7,106,337	\$ 36,569,817
<u>Assets</u>							
Cash and investments					\$ 18,568,845	\$ 6,661,647	\$ 25,230,492
Restricted assets:							
Cash and investments					10,894,635	444,690	11,339,325
Total assets					\$ 29,463,480	\$ 7,106,337	\$ 36,569,817
<u>Net Assets</u>							
Restricted for:							
General government					\$ 19,666	\$ -	\$ 19,666
Highways and streets					612,743	-	612,743
Culture and recreation					306,478	-	306,478
Debt service					3,812,715	444,690	4,257,405
Capital outlay					6,143,033	-	6,143,033
Other purposes					474,238	-	474,238
Unrestricted					18,094,607	6,661,647	24,756,254
Total net assets					\$ 29,463,480	\$ 7,106,337	\$ 36,569,817

The notes to the financial statements are an integral part of this statement.

TOWN OF BROWNSBURG
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2009

	General Fund	Economic Redevelopment	Fire Protection Territory	Economic Development Income Tax	Other Governmental Funds	Totals
Receipts:						
Taxes	\$ 4,777,913	\$ -	\$ 5,930,314	\$ -	\$ 4,178,342	\$ 14,886,569
Special assessments	-	-	-	-	22,526	22,526
Licenses and permits	132,253	-	232	-	12,063	144,548
Intergovernmental	2,963,442	3,514,035	2,571,480	1,920,407	2,791,899	13,761,263
Charges for services	512,717	-	521,468	1,500	253,242	1,288,927
Fines and forfeits	164,594	-	-	-	-	164,594
Other	169,811	35,200	45,401	29,884	1,901,524	2,181,820
Total receipts	8,720,730	3,549,235	9,068,895	1,951,791	9,159,596	32,450,247
Disbursements:						
General government	1,566,156	-	-	-	2,482,408	4,048,564
Public safety	4,859,653	-	11,086,284	-	108,096	16,054,033
Highways and streets	-	-	-	-	1,167,629	1,167,629
Sanitation	129,487	-	-	-	-	129,487
Economic development	-	1,140,796	-	1,021,895	-	2,162,691
Culture and recreation	683,005	-	-	-	236,332	919,337
Interfund loans	1,000,000	-	-	-	-	1,000,000
Debt service:						
Principal	-	-	-	-	796,000	796,000
Interest	-	-	-	-	669,128	669,128
Capital outlay:						
General government	-	-	-	-	279,918	279,918
Public safety	24,930	-	28,490	-	173,791	227,211
Highways and streets	-	-	-	-	33,485	33,485
Sanitation	-	-	-	-	2,032,265	2,032,265
Economic development	-	-	-	25,500	-	25,500
Culture and recreation	-	-	-	-	29,935	29,935
Urban redevelopment and housing	-	-	-	-	-	-
Total disbursements	8,263,231	1,140,796	11,114,774	1,047,395	8,008,987	29,575,183
Excess (deficiency) of receipts over disbursements	457,499	2,408,439	(2,045,879)	904,396	1,150,609	2,875,064
Other financing sources (uses):						
Net proceeds from borrowings	-	-	-	-	3,357,265	3,357,265
Transfers in	-	-	-	-	610,463	610,463
Transfers out	-	-	-	-	(610,463)	(610,463)
Other receipts	56,139	-	2,878,863	36,000	93,109	3,064,111
Total other financing sources (uses)	56,139	-	2,878,863	36,000	3,450,374	6,421,376
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	513,638	2,408,439	832,984	940,396	4,600,983	9,296,440
Cash and investment fund balance - beginning	1,696,504	4,083,237	2,063,028	3,319,559	8,530,474	19,692,802
Cash and investment fund balance - ending	\$ 2,210,142	\$ 6,491,676	\$ 2,896,012	\$ 4,259,955	\$ 13,131,457	28,989,242
Amounts reported for governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis are different because:						
Internal services funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis						
						474,238
Cash and Investment Assets - Ending						\$ 29,463,480
Cash and Investment Assets - Ending						
Cash and investments	\$ 2,210,142	\$ 6,491,676	\$ 2,896,012	\$ -	\$ 6,496,777	\$ 18,094,607
Restricted assets:						
Cash and investments	-	-	-	4,259,955	6,634,680	10,894,635
Total cash and investment assets - ending	\$ 2,210,142	\$ 6,491,676	\$ 2,896,012	\$ 4,259,955	\$ 13,131,457	\$ 28,989,242
Cash and Investment Fund Balance - Ending						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ 19,666	\$ 19,666
Highways and streets	-	-	-	-	612,743	612,743
Culture and recreation	-	-	-	-	306,478	306,478
Debt service	-	-	-	-	3,812,715	3,812,715
Capital outlay	-	-	-	4,259,955	1,883,078	6,143,033
Unrestricted	2,210,142	6,491,676	2,896,012	-	6,496,777	18,094,607
Total cash and investment fund balance - ending	\$ 2,210,142	\$ 6,491,676	\$ 2,896,012	\$ 4,259,955	\$ 13,131,457	\$ 28,989,242

The notes to the financial statements are an integral part of this statement.

TOWN OF BROWNSBURG
STATEMENT OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
PROPRIETARY FUNDS
As Of And For The Year Ended December 31, 2009

	Storm Water Utility	Wastewater	Water	Totals	Health Self-Insurance
Operating receipts:					
Metered/measured	\$ -	\$ -	\$ 2,164,199	\$ 2,164,199	\$ -
Fees	941,287	3,011,800	-	3,953,087	-
Charges for services	-	-	-	-	3,191,378
Interfund loan proceeds	-	1,000,000	-	1,000,000	-
Miscellaneous	75,111	576	295,175	370,862	-
Total operating receipts	1,016,398	4,012,376	2,459,374	7,488,148	3,191,378
Operating disbursements:					
Salaries and wages	196,955	1,089,016	634,247	1,920,218	-
Employee pensions and benefits	81,796	380,887	322,862	785,545	-
Purchased water	-	-	443,782	443,782	-
Sludge removal	-	55,499	-	55,499	-
Purchased power	-	369,340	144,359	513,699	-
Chemicals	-	62,891	72,464	135,355	-
Material and supplies	11,455	129,923	118,342	259,720	-
Contractual services	79,977	377,318	161,808	619,103	-
Rents	-	15,474	23,415	38,889	-
Insurance claims and expense	-	38,868	43,297	82,165	2,940,678
Refunds	-	-	42,915	42,915	-
Equipment and capital improvements	-	382,339	346,048	728,387	-
Miscellaneous	7,504	979,918	601,928	1,589,350	-
Total operating disbursements	377,687	3,881,473	2,955,467	7,214,627	2,940,678
Excess (deficiency) of operating receipts over operating disbursements	638,711	130,903	(496,093)	273,521	250,700
Nonoperating receipts (disbursements):					
Investment income	13,952	7,951	23,892	45,795	-
Refunds	4,454	634,659	7,280	646,393	-
Debt service of principal	-	-	(120,300)	(120,300)	-
Interest disbursements	-	(80,340)	(84,305)	(164,645)	-
Total nonoperating receipts (disbursements)	18,406	562,270	(173,433)	407,243	-
Excess (deficiency) of receipts over disbursements and nonoperating receipts (disbursements)	657,117	693,173	(669,526)	680,764	250,700
Capital contributions	-	85,287	110,000	195,287	-
Transfers in	206	123,202	326,267	449,675	-
Transfers out	(56)	(164,359)	(285,260)	(449,675)	-
Excess (deficiency) of receipts, contributions and transfers in over disbursements and transfers out	657,267	737,303	(518,519)	876,051	250,700
Cash and investment fund balance - beginning	1,508,592	2,166,745	2,554,949	6,230,286	223,538
Cash and investment fund balance - ending	\$ 2,165,859	\$ 2,904,048	\$ 2,036,430	\$ 7,106,337	\$ 474,238
<u>Cash and Investment Assets - December 31</u>					
Cash and investments	\$ 2,165,859	\$ 2,733,433	\$ 1,762,355	\$ 6,661,647	\$ 474,238
Restricted assets:					
Cash and investments	-	170,615	274,075	444,690	-
Total cash and investment assets - December 31	\$ 2,165,859	\$ 2,904,048	\$ 2,036,430	\$ 7,106,337	\$ 474,238
<u>Cash and Investment Fund Balance - December 31</u>					
Restricted for:					
Debt service	\$ -	\$ 170,615	\$ 274,075	\$ 444,690	\$ -
Other purposes	-	-	-	-	474,238
Unrestricted	2,165,859	2,733,433	1,762,355	6,661,647	-
Total cash and investment fund balance - December 31	\$ 2,165,859	\$ 2,904,048	\$ 2,036,430	\$ 7,106,337	\$ 474,238

The notes to the financial statements are an integral part of this statement.

TOWN OF BROWNSBURG
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For The Year Ended December 31, 2009

	Pension Trust Funds	Agency Funds
Additions:		
Contributions:		
Employer	\$ 52,067	
State	195,321	
Total contributions	247,388	
Investment earnings:		
Interest	5,533	
Total additions	252,921	
Deductions:		
Benefits	179,519	
Administrative and general	175	
Total deductions	179,694	
Excess (deficiency) of total additions over total deductions	73,227	
Cash and investment fund balance - beginning	623,063	
Cash and investment fund balance - ending	\$ 696,290	\$ 457,667

The notes to the financial statements are an integral part of this statement.

TOWN OF BROWNSBURG
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

The Town was established under the laws of the State of Indiana. The Town operates under a Town Council form of government and provides the following services: public safety (police and fire), highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, storm water, and urban redevelopment.

The Town's financial reporting entity is composed of the following:

Primary Government: Town of Brownsburg
Blended Component Unit: Redevelopment Authority

In determining the financial reporting entity, the Town complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

Blended Component Units

A blended component unit is a separate legal entity that meets the component unit criteria. In addition, the blended component unit's governing body is the same or substantially the same as the Town's governing body or the component unit provides services entirely to the Town. The component unit's funds are blended into those of the Town by appropriate fund type to constitute the primary government presentation. The blended component units are presented below:

Redevelopment Authority: The Town appoints a voting majority of the Redevelopment Authority's board and a financial benefit/burden relationship exists between the Town and the Redevelopment Authority. Although it is legally separate from the Town, the Redevelopment Authority is reported as if it were a part of the Town because it provides services entirely or almost entirely to the Town.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

TOWN OF BROWNSBURG
NOTES TO FINANCIAL STATEMENTS
(Continued)

The Town reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The economic redevelopment fund is used to account for the Town's use of Tax Increment Financing revenues.

The fire protection territory fund is used to account for the funds received and disbursed by the Brownsburg Fire Territory.

The economic development income tax fund is used to account for the Economic Development Income Tax revenues.

The Town reports the following major enterprise funds:

The water utility fund accounts for the operation of the water distribution system.

The wastewater utility fund accounts for the operation of the wastewater treatment plant, pumping stations, and collection systems.

The storm water utility fund accounts for the operation of the storm water collection system.

Additionally, the Town reports the following fund types:

The internal service fund (Health Self-Insurance) accounts for health insurance provided to other departments on a cost-reimbursement basis.

The pension trust fund accounts for the activities of the 1925 police pension fund which accumulates resources for pension benefit payments.

Agency funds account for assets held by the City as an agent for federal and state revenue agencies and serve as control of accounts for cash transactions during the time they are a liability to the City.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, proprietary fund, and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The cash and investment basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash rather than when earned and disbursements are recognized when paid rather than when a liability is incurred. Investment transactions are not presented on the financial statements.

If the Town utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

TOWN OF BROWNSBURG
NOTES TO FINANCIAL STATEMENTS
(Continued)

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the enterprise fund statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their enterprise funds, subject to this same limitation.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the Town and its enterprise funds. Elimination of these charges would distort the direct costs and program receipts reported for the various functions concerned.

Enterprise funds distinguish operating receipts and disbursements from nonoperating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating receipts of the enterprise funds are charges to customers for sales and services. Operating disbursements for enterprise funds include the cost of sales and services and administrative costs. All receipts and disbursements not meeting this definition are reported as nonoperating receipts and disbursements. Internal service funds are used to account for activities provided to other departments or agencies primarily with the government.

When both restricted and unrestricted resources are available for use, the Town's policy is to use restricted resources first, then unrestricted resources as they are needed.

D. Assets and Cash and Investment Balances

1. Restricted Assets

All restricted assets, as presented in the accompanying financial statements, are restricted due to enabling legislation.

2. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as interest receipts in the year of the sale of the investment.

3. Property Taxes

Normally, property taxes levied are collected by the County Treasurer and are distributed to the Town in June and in 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. 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). Taxes may be paid in two equal installments which may become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the Town on or prior to December 31 of the year collected.

4. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental or proprietary fund operations are accounted for as capital outlay disbursements of the fund upon acquisition.

TOWN OF BROWNSBURG
NOTES TO FINANCIAL STATEMENTS
(Continued)

5. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental and proprietary funds is not reported as a liability in the basic financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as disbursements.

6. Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

E. Receipts and Disbursements

1. Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

2. Operating Receipts and Disbursements

Operating receipts and disbursements for proprietary funds result from providing services and producing and delivering goods and/or services. They also include all receipts and disbursements not related to capital and related financing, noncapital financing, or investing activities.

F. Internal and Interfund Activities

In the process of aggregating the financial information for the government-wide Statement of Activities and Net Assets – Cash and Investment Basis, some amounts reported as interfund activity in the fund financial statements have been eliminated or reclassified.

TOWN OF BROWNSBURG
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are not reported as reimbursements but as adjustments to disbursements in the respective funds.
3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.
4. Interfund loans – Flow of assets from one fund to another where repayment is expected is reported as interfund loans.

Government-Wide Financial Statements

Interfund activity, if any, is eliminated or reclassified in the government-wide financial statements as follows:

1. Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund loans and services between funds, if any, are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.
2. Primary government and component unit activity – Resource flows between the primary government and the discretely-presented component unit(s) are reported as if they were external transactions and are classified separately from internal activities within the primary government.

II. Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at calendar year end.

Prior to the first required publication, the fiscal officer of the Town submits to the governing board a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. Prior to November 1, the governing board, through the passage of a resolution/ ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the Town receives approval of the Indiana Department of Local Government Finance.

TOWN OF BROWNSBURG
NOTES TO FINANCIAL STATEMENTS
(Continued)

The Town's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. IC 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The Town does not have a deposit policy for custodial credit risk. At December 31, 2009, the Town had deposit balances in the amount of \$37,879,298.

The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

2. Investments

Statutory Authorization for Investments

IC 5-13-9 authorizes the Town to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the Town to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50% of the funds held by the Town and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust have a stated final maturity of one day.

TOWN OF BROWNSBURG
NOTES TO FINANCIAL STATEMENTS
(Continued)

Additionally, the Town may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the Town's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The Town does not have a formal investment policy for custodial credit risk for investments.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town must follow state statute and limit the stated final maturities of the investments to no more than two years. The Town does not have a formal investment policy for interest rate risk for investments.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The distribution of securities with credit ratings is summarized below. The Town does not have a formal investment policy for credit risk for investments.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Town does not have a policy in regards to concentration of credit risk. United States of America government and United States of America governmental agency securities are exempt from this policy requirement.

Foreign Currency Risk

The Town does not have a formal policy in regards to foreign currency risk.

B. Interfund Transfers

Interfund transfers for the year ended December 31, 2009, were as follows:

Transfer From	Transfer To	2009
Other governmental funds	Other governmental funds	\$ 610,463
Total		\$ 610,463

The Town typically uses transfers for cash flow purposes as provided by various statutory provisions.

TOWN OF BROWNSBURG
NOTES TO FINANCIAL STATEMENTS
(Continued)

IV. Other Information

A. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters are covered by commercial insurance from independent third parties.

The Town has chosen to establish a risk financing fund for risks associated with Medical Insurance. The risk financing fund is accounted for in the Health Self-Insurance Fund, an internal service fund, where assets are set aside for claim settlements. The Town purchases commercial insurance for claims in excess of coverage provided by the fund. Amounts are paid into the fund by all funds with payrolls and are available to pay claims, claim reserves, and administrative costs of the program. Interfund premiums are based upon each individual's choice of coverage, and are reported as a quasi-external interfund transaction.

Settled claims from risks covered by commercial insurance have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

B. Holding Corporation

The Town has entered into a capital lease with Brownsburg Municipal Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the Town. The lessor has been determined to be a related party of the Town. Lease payments during the year 2009 totaled \$1,385,000.

C. Postemployment Benefits

Single-Employer Defined Benefit Healthcare Plan

Plan Description

The Town of Brownsburg Healthcare Plan is a single-employer defined benefit healthcare plan administered by Wabash American Benefits Group. The plan provides medical dental and vision to eligible retirees and their spouses. IC 5-10-8-2.6 assigns the authority to establish and amend benefit provisions to the Town. The Town of Brownsburg Healthcare Plan issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for the participants. That report may be obtained by contacting the plan administrator:

Wabash American Benefits Group
6610 N. Shadeland Ave., Suite 130
Indianapolis, Indiana 46220
317-598-0500

TOWN OF BROWNSBURG
NOTES TO FINANCIAL STATEMENTS
(Continued)

Funding Policy

The contribution requirements of plan members for the Town of Brownsburg Healthcare Plan are established by the Town's governing board. The required contribution is based on projected pay-as-you-go financing requirements. For the year ended December 31, 2009, plan members receiving benefits contributed \$3,878, 100% of the total premiums, through their required contribution of \$234.94 per month for retiree-only coverage and \$718.94 for retiree and spouse coverage.

D. Rate Structure – Enterprise Funds

Water Utility

On March 20, 2002, the Town Council adopted Ordinance 2002-04 to withdraw from the jurisdiction of the Indiana Utility Regulatory Commission. The current rate structure was approved by the Council on December 5, 2002.

Wastewater Utility

The current rate structure was approved by the Town Council on May 28, 2009.

Storm Water Utility

The current rate structure was approved by the Town Council on December 5, 2002.

E. Receipts Pledged

Water Utility Receipts Pledged

The Town has pledged future Customer receipts, net of specified operating expenditures, to repay revenue bonds issued in 2003. Proceeds from the bonds provided financing for North Water Tower. The bonds are payable solely from Customer net receipts and are payable through 2024.

F. Pension Plans

1. Agent Multiple-Employer and Single-Employer Defined Benefit Pension Plans

a. Public Employees' Retirement Fund

Plan Description

The Town contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system and give the Town authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by

TOWN OF BROWNSBURG
NOTES TO FINANCIAL STATEMENTS
(Continued)

the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. The report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The total contributions made to PERF by the Town during the period were \$538,318.

b. 1925 Police Officers' Pension Plan

Plan Description

The Town contributes to the 1925 Police Officers' Pension Plan, which is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-6). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy

The contribution requirements of plan members for the 1925 Police Officers' Pension Plan are established by state statute. The contributions made by the Town during the period were \$247,388.

2. Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

The Town contributes to the 1977 Police Officers' and Firefighters' Pension and Disability Fund, a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Employees' Retirement Plan (PERF) for all police officers and firefighters hired after April 30, 1977.

TOWN OF BROWNSBURG
NOTES TO FINANCIAL STATEMENTS
(Continued)

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting and requirements for contributions by employers and by employees. Covered employees may retire at age 55 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 55. The plan also provides for death and disability benefits.

PERF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy

The contribution requirements of plan members and the Town are established by the Board of Trustees of PERF. The Town's contributions to the plan during the period were \$1,340,055.

TOWN OF BROWNSBURG
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2009

	Motor Vehicle Highway	Local Road And Street	Park & Rec Non-Reverting	Unsafe Building	L.E.C.E.F.	Clerk's Records Perpetuation
Receipts:						
Taxes	\$ 710,941	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	12,063	-
Intergovernmental	907,243	189,140	-	-	-	-
Charges for services	-	-	251,941	-	1,010	-
Other	9,879	4,823	6,487	1,044	1,050	9,709
Total receipts	1,628,063	193,963	258,428	1,044	14,123	9,709
Disbursements:						
General government	-	-	-	-	-	4,930
Public safety	-	-	-	-	13,749	-
Highways and streets	1,045,879	121,750	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	236,332	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Debt service:	-	-	-	-	-	-
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:	-	-	-	-	-	-
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	29,935	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Total disbursements	1,045,879	121,750	266,267	-	13,749	4,930
Excess (deficiency) of receipts over disbursements	582,184	72,213	(7,839)	1,044	374	4,779
Other financing sources (uses):						
Net proceeds from borrowings	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	11,793	-	-	-	3,442	-
Total other financing sources (uses)	11,793	-	-	-	3,442	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	593,977	72,213	(7,839)	1,044	3,816	4,779
Cash and investment fund balance - beginning	795,437	540,530	314,317	52,687	37,948	14,887
Cash and investment fund balance - ending	\$ 1,389,414	\$ 612,743	\$ 306,478	\$ 53,731	\$ 41,764	\$ 19,666
Cash and Investment Assets - Ending						
Cash and investments	\$ 1,389,414	\$ -	\$ -	\$ 53,731	\$ 41,764	\$ -
Cash with fiscal agent	-	-	-	-	-	-
Restricted assets:	-	-	-	-	-	-
Cash and investments	-	612,743	306,478	-	-	19,666
Total cash and investment assets - ending	\$ 1,389,414	\$ 612,743	\$ 306,478	\$ 53,731	\$ 41,764	\$ 19,666
Cash and Investment Fund Balance - Ending						
Restricted for:	-	-	-	-	-	-
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,666
Public safety	-	-	-	-	-	-
Highways and streets	-	612,743	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	306,478	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-
Unrestricted	1,389,414	-	-	53,731	41,764	-
Total cash and investment fund balance - ending	\$ 1,389,414	\$ 612,743	\$ 306,478	\$ 53,731	\$ 41,764	\$ 19,666

TOWN OF BROWNSBURG
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2009
 (Continued)

	Riverboat	DARE	Fire Gift	Fire Grant	Rainy Day	Build Indiana
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	90,867	-	-	-	634,556	-
Charges for services	-	-	-	-	-	-
Other	4,041	-	2,319	1,000	17,122	-
Total receipts	94,908	-	2,319	1,000	651,678	-
Disbursements:						
General government	-	-	-	3,107	279,266	-
Public safety	-	-	7,032	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Total disbursements	-	-	7,032	3,107	279,266	-
Excess (deficiency) of receipts over disbursements	94,908	-	(4,713)	(2,107)	372,412	-
Other financing sources (uses):						
Net proceeds from borrowings	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	94,908	-	(4,713)	(2,107)	372,412	-
Cash and investment fund balance - beginning	434,816	10,912	12,998	3,221	1,700,674	1,185
Cash and investment fund balance - ending	\$ 529,724	\$ 10,912	\$ 8,285	\$ 1,114	\$ 2,073,086	\$ 1,185
Cash and Investment Assets - Ending						
Cash and investments	\$ 529,724	\$ 10,912	\$ 8,285	\$ 1,114	\$ 2,073,086	\$ 1,185
Cash with fiscal agent	-	-	-	-	-	-
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 529,724	\$ 10,912	\$ 8,285	\$ 1,114	\$ 2,073,086	\$ 1,185
Cash and Investment Fund Balance - Ending						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-
Unrestricted	529,724	10,912	8,285	1,114	2,073,086	1,185
Total cash and investment fund balance - ending	\$ 529,724	\$ 10,912	\$ 8,285	\$ 1,114	\$ 2,073,086	\$ 1,185

TOWN OF BROWNSBURG
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2009
 (Continued)

	LECEF Agency	Police Gift	1% Food & Beverage	Fire Service Fee	Law Enforcement Investigations	Park & Recreation
Receipts:						
Taxes	\$ -	\$ -	\$ 463,496	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	38,600	-	-	-
Charges for services	-	-	-	-	-	-
Other	-	20,952	5,917	-	2,500	276
Total receipts	-	20,952	508,013	-	2,500	276
Disbursements:						
General government	-	-	214,576	4,185	-	-
Public safety	83,962	3,353	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Debt service:	-	-	-	-	-	-
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:	-	-	-	-	-	-
General government	-	-	114,503	-	-	-
Public safety	-	20,500	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Total disbursements	83,962	23,853	329,079	4,185	-	-
Excess (deficiency) of receipts over disbursements	(83,962)	(2,901)	178,934	(4,185)	2,500	276
Other financing sources (uses):						
Net proceeds from borrowings	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	77,342	-	-	-	-	-
Total other financing sources (uses)	77,342	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(6,620)	(2,901)	178,934	(4,185)	2,500	276
Cash and investment fund balance - beginning	31,308	8,936	506,045	8,624	7,242	10,440
Cash and investment fund balance - ending	\$ 24,688	\$ 6,035	\$ 684,979	\$ 4,439	\$ 9,742	\$ 10,716
Cash and Investment Assets - Ending						
Cash and investments	\$ 24,688	\$ 6,035	\$ 684,979	\$ 4,439	\$ 9,742	\$ 10,716
Cash with fiscal agent	-	-	-	-	-	-
Restricted assets:	-	-	-	-	-	-
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 24,688	\$ 6,035	\$ 684,979	\$ 4,439	\$ 9,742	\$ 10,716
Cash and Investment Fund Balance - Ending						
Restricted for:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-
Unrestricted	24,688	6,035	684,979	4,439	9,742	10,716
Total cash and investment fund balance - ending	\$ 24,688	\$ 6,035	\$ 684,979	\$ 4,439	\$ 9,742	\$ 10,716

TOWN OF BROWNSBURG
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2009
 (Continued)

	Police Investigations	Fire Territory Rainy	Park Impact Fee	Building Debt	Cumulative Capital Improvement	Cumulative Capital Development
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ 2,097,232	\$ -	\$ 494,901
Special assessments	-	-	22,526	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	530,368	-	64,839	44,523	35,483
Charges for services	-	-	-	291	-	-
Other	12,861	1,282	-	9,618	1,056	691
Total receipts	12,861	531,650	22,526	2,171,980	45,579	531,075
Disbursements:						
General government	16,458	-	-	1,827,512	-	70,176
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	165,415
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Total disbursements	16,458	-	-	1,827,512	-	235,591
Excess (deficiency) of receipts over disbursements	(3,597)	531,650	22,526	344,468	45,579	295,484
Other financing sources (uses):						
Net proceeds from borrowings	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	-	-	-	-	-	150
Total other financing sources (uses)	-	-	-	-	-	150
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,597)	531,650	22,526	344,468	45,579	295,634
Cash and investment fund balance - beginning	62,889	-	-	593,927	49,521	764,665
Cash and investment fund balance - ending	\$ 59,292	\$ 531,650	\$ 22,526	\$ 938,395	\$ 95,100	\$ 1,060,299
Cash and Investment Assets - Ending						
Cash and investments	\$ 59,292	\$ 531,650	\$ 22,526	\$ 938,395	\$ 95,100	\$ -
Cash with fiscal agent	-	-	-	-	-	-
Restricted assets:						
Cash and investments	-	-	-	-	-	1,060,299
Total cash and investment assets - ending	\$ 59,292	\$ 531,650	\$ 22,526	\$ 938,395	\$ 95,100	\$ 1,060,299
Cash and Investment Fund Balance - Ending						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	1,060,299
Other purposes	-	-	-	-	-	-
Unrestricted	59,292	531,650	22,526	938,395	95,100	-
Total cash and investment fund balance - ending	\$ 59,292	\$ 531,650	\$ 22,526	\$ 938,395	\$ 95,100	\$ 1,060,299

TOWN OF BROWNSBURG
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2009
 (Continued)

	Cumulative Fire Equipment	Municipal Complex Construction	Redevelopment Authority Sinking Fund 2003 Bonds	Redevelopment Authority Operation Reserve - 2003	Redevelopment Authority Operation Reserve - 1999	Redevelopment Authority Sinking Fund 1999 Bonds
Receipts:						
Taxes	\$ 411,772	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	31,800	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Other	2,431	1,614	304,000	-	-	403,000
Total receipts	446,003	1,614	304,000	-	-	403,000
Disbursements:						
General government	-	62,198	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Debt service:						
Principal	-	-	270,000	-	-	250,000
Interest	-	-	33,121	-	-	147,328
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	153,291	-	-	-	-	-
Highways and streets	-	-	-	2,000	3,250	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Total disbursements	153,291	62,198	303,121	2,000	3,250	397,328
Excess (deficiency) of receipts over disbursements	292,712	(60,584)	879	(2,000)	(3,250)	5,672
Other financing sources (uses):						
Net proceeds from borrowings	-	-	-	-	-	-
Transfers in	-	-	-	27,169	-	-
Transfers out	-	-	(27,169)	-	-	-
Other receipts	-	-	6	-	-	4
Total other financing sources (uses)	-	-	(27,163)	27,169	-	4
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	292,712	(60,584)	(26,284)	25,169	(3,250)	5,676
Cash and investment fund balance - beginning	312,905	164,200	209,979	496	6,625	234,838
Cash and investment fund balance - ending	\$ 605,617	\$ 103,616	\$ 183,695	\$ 25,665	\$ 3,375	\$ 240,514
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash with fiscal agent	-	-	-	-	-	-
Restricted assets:						
Cash and investments	605,617	103,616	183,695	25,665	3,375	240,514
Total cash and investment assets - ending	\$ 605,617	\$ 103,616	\$ 183,695	\$ 25,665	\$ 3,375	\$ 240,514
Cash and Investment Fund Balance - Ending						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service	-	-	183,695	25,665	3,375	240,514
Capital outlay	605,617	103,616	-	-	-	-
Other purposes	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - ending	\$ 605,617	\$ 103,616	\$ 183,695	\$ 25,665	\$ 3,375	\$ 240,514

TOWN OF BROWNSBURG
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2009
 (Continued)

	Redevelopment Authority Allocation Fund 1999 Bonds	Redevelopment Authority Bond Interest Acct. - 2007	Redevelopment Authority Construction Fund - 2007	Redevelopment Authority Bond Expense 2007 Bonds	Redevelopment Authority Sinking Fund 2007 Bonds	Redevelopment Authority Debt Service 2007 Bonds
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Other	-	-	-	-	405,000	-
Total receipts	-	-	-	-	405,000	-
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	199,616	-	-	199,616	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	23,735	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Total disbursements	-	199,616	23,735	-	199,616	-
Excess (deficiency) of receipts over disbursements	-	(199,616)	(23,735)	-	205,384	-
Other financing sources (uses):						
Net proceeds from borrowings	-	-	-	-	-	-
Transfers in	-	117,500	10	-	85	-
Transfers out	-	(9)	-	(1)	(123,800)	(85)
Other receipts	11	9	40	1	1	85
Total other financing sources (uses)	11	117,500	50	-	(123,714)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	11	(82,116)	(23,685)	-	81,670	-
Cash and investment fund balance - beginning	113,535	92,248	404,020	14,296	120,830	866,000
Cash and investment fund balance - ending	\$ 113,546	\$ 10,132	\$ 380,335	\$ 14,296	\$ 202,500	\$ 866,000
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash with fiscal agent	-	-	-	-	-	-
Restricted assets:						
Cash and investments	113,546	10,132	380,335	14,296	202,500	866,000
Total cash and investment assets - ending	\$ 113,546	\$ 10,132	\$ 380,335	\$ 14,296	\$ 202,500	\$ 866,000
Cash and Investment Fund Balance - Ending						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service	-	10,132	380,335	14,296	202,500	866,000
Capital outlay	113,546	-	-	-	-	-
Other purposes	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - ending	\$ 113,546	\$ 10,132	\$ 380,335	\$ 14,296	\$ 202,500	\$ 866,000

TOWN OF BROWNSBURG
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2009
 (Continued)

	Redevelopment Authority Operating & Reserve - 2007	State Revolving Loan - Bond & Interest Acct.	State Revolving Debt Service Fund	State Revolving Loan - SRF Loan Acct.	State Revolving Loan - ARRA Funds SRF Loan	Totals
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,178,342
Special assessments	-	-	-	-	-	22,526
Licenses and permits	-	-	-	-	-	12,063
Intergovernmental	-	206,770	17,710	-	-	2,791,899
Charges for services	-	-	-	-	-	253,242
Other	-	670,179	2,673	-	-	1,901,524
Total receipts	-	876,949	20,383	-	-	9,159,596
Disbursements:						
General government	-	-	-	-	-	2,482,408
Public safety	-	-	-	-	-	108,096
Highways and streets	-	-	-	-	-	1,167,629
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	236,332
Urban redevelopment and housing	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Debt service:						
Principal	-	276,000	-	-	-	796,000
Interest	-	89,447	-	-	-	669,128
Capital outlay:						
General government	-	-	-	-	-	279,918
Public safety	-	-	-	-	-	173,791
Highways and streets	4,500	-	-	-	-	33,485
Sanitation	-	-	-	736,632	1,295,633	2,032,265
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	29,935
Urban redevelopment and housing	-	-	-	-	-	-
Total disbursements	4,500	365,447	-	736,632	1,295,633	8,008,987
Excess (deficiency) of receipts over disbursements	(4,500)	511,502	20,383	(736,632)	(1,295,633)	1,150,609
Other financing sources (uses):						
Net proceeds from borrowings	-	-	-	736,632	2,620,633	3,357,265
Transfers in	6,300	-	459,399	-	-	610,463
Transfers out	-	(459,399)	-	-	-	(610,463)
Other receipts	3	73	149	-	-	93,109
Total other financing sources (uses)	6,303	(459,326)	459,548	736,632	2,620,633	3,450,374
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,803	52,176	479,931	-	1,325,000	4,600,983
Cash and investment fund balance - beginning	27,293	-	-	-	-	8,530,474
Cash and investment fund balance - ending	\$ 29,096	\$ 52,176	\$ 479,931	\$ -	\$ 1,325,000	\$ 13,131,457
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,496,777
Cash with fiscal agent	-	-	-	-	-	-
Restricted assets:						
Cash and investments	29,096	52,176	479,931	-	1,325,000	6,634,680
Total cash and investment assets - ending	\$ 29,096	\$ 52,176	\$ 479,931	\$ -	\$ 1,325,000	\$ 13,131,457
Cash and Investment Fund Balance - Ending						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,666
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	612,743
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	306,478
Urban redevelopment and housing	-	-	-	-	-	-
Debt service	29,096	52,176	479,931	-	1,325,000	3,812,715
Capital outlay	-	-	-	-	-	1,883,078
Other purposes	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	6,496,777
Total cash and investment fund balance - ending	\$ 29,096	\$ 52,176	\$ 479,931	\$ -	\$ 1,325,000	\$ 13,131,457

TOWN OF BROWNSBURG
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2009

	Payroll	Insurance Claims	Fire Insurance Claims	County Court Agency Fund	Fire Non-Budgeted	Non-Budgeted Fund	City Court	Totals
Additions:								
Agency fund additions	\$ 11,224,633	\$ 16,020	\$ 7,507	\$ 66,390	\$ 2,643	\$ 74,792	\$ 924,961	\$ 12,316,946
Deductions:								
Agency fund deductions	11,221,115	20,803	7,507	66,389	2,716	16,558	938,066	12,273,154
Excess (deficiency) of total additions over total deductions	3,518	(4,783)	-	1	(73)	58,234	(13,105)	43,792
Cash and investment fund balance - beginning	111,606	67,263	47,144	-	1,460	54,023	132,379	413,875
Cash and investment fund balance - ending	<u>\$ 115,124</u>	<u>\$ 62,480</u>	<u>\$ 47,144</u>	<u>\$ 1</u>	<u>\$ 1,387</u>	<u>\$ 112,257</u>	<u>\$ 119,274</u>	<u>\$ 457,667</u>

TOWN OF BROWNSBURG
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2009

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Town Municipal Complex	\$ 15,090,000	\$ 1,379,000
North Fire Station	224,011	62,200
Downtown Fire Station & Police Station	1,240,338	229,421
Fire Training Facility	1,008,705	94,924
Notes and loans payable:		
2007 Police Vehicles	53,910	44,461
2008 Police Vehicles	98,067	47,455
2009 Police Vehicles	83,106	27,966
Bonds payable:		
Revenue bonds:		
Northfield Drive	2,895,000	395,115
Northfield Drive II	570,000	305,000
56th Street	<u>8,660,000</u>	<u>405,000</u>
Total governmental activities debt	<u>\$ 29,923,137</u>	<u>\$ 2,990,542</u>
Business-type activities:		
Water Utility:		
Revenue bonds:		
2003 Water Improvements	<u>\$ 1,540,000</u>	<u>\$ 134,250</u>
Total Water Utility	<u>1,540,000</u>	<u>134,250</u>
Wastewater Utility:		
Notes and loans payable:		
SRF Loan - 1998	3,844,000	435,916
SRF Loan - 2009	<u>3,975,000</u>	<u>164,168</u>
Total Wastewater Utility	<u>7,819,000</u>	<u>600,084</u>
Total business-type activities debt	<u>\$ 9,359,000</u>	<u>\$ 734,334</u>

TOWN OF BROWNSBURG
AUDIT RESULTS AND COMMENTS

TEMPORARY TRANSFER OF FUNDS

A temporary transfer of \$1,000,000 was made in 2008 from the Rainy Day Fund to the Building Debt Fund and not repaid by June 30, 2009, as required by the Town's resolution 2008-61. The loan has not been repaid as of May 12, 2010.

IC 36-1-8-4 concerning temporary transfer states in part:

"(a) . . . (3) Except as provided in subsection (b), the prescribed period must end during the budget year of the year in which the transfer occurs. (4) The amount transferred must be returned to the other fund at the end of the prescribed period. . . ."

"(b) If the fiscal body of a political subdivision determines that an emergency exists that requires an extension of the prescribed period of a transfer under this section, the prescribed period may be extended for not more than six (6) months beyond the budget year of the year in which the transfer occurs if the fiscal body does the following: (1) Passes an ordinance or a resolution that contains the following: (A) A statement that the fiscal body has determined that an emergency exists. (B) A brief description of the grounds for the emergency. (C) The date the loan will be repaid that is not more than six (6) months beyond the budget year in which the transfer occurs. (2) Immediately forwards the ordinance or resolution to the state board of accounts and the department of local government finance."

HYDRANT RENTAL RECEIVABLE (PAYABLE)

As stated in the prior Report B32316, the Town of Brownsburg owes the Water Utility hydrant rental of \$105,183 and \$466,225 for the years of 2006 and 2007, respectively, pursuant to Rate Resolution 91-3, passed by the Council on May 9, 1991.

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Manual for Cities and Towns, Chapter 7)

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE TOWN OF BROWNSBURG, HENDRICKS COUNTY, INDIANA

Compliance

We have audited the compliance of the Town of Brownsburg (Town) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2009. The Town's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Town's management. Our responsibility is to express an opinion on the Town's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Town's compliance with those requirements.

In our opinion, the Town complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2009.

Internal Control Over Compliance

The management of the Town is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Town's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

A control deficiency in a Town's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be significant deficiencies or material weaknesses, as defined above.

This report is intended solely for the information and use of the Town's management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

May 12, 2010

TOWN OF BROWNSBURG
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2009

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 12-31-09
<u>U.S. DEPARTMENT OF INTERIOR</u>			
Pass-Through Indiana Department of Natural Resources Outdoor Recreation - Acquisition, Development and Planning	15.916	None	\$ 75,900
Total for federal grantor agency			<u>75,900</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Criminal Justice Institute State and Community Highway Safety	20.600	Grant# OP-10-02-01-67	<u>3,254</u>
Total for program			<u>3,254</u>
Total for federal grantor agency			<u>3,254</u>
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>			
Pass-Through Indiana Finance Authority ARRA - Capitalization Grants for Clean Water	66.458	Project WW08013202	<u>2,437,704</u>
Total for program			<u>2,437,704</u>
Total for federal grantor agency			<u>2,437,704</u>
Total federal awards expended			<u>\$ 2,516,858</u>

The accompanying note is an integral part of the Schedule of Expenditures of Federal Awards.

TOWN OF BROWNSBURG
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Town of Brownsburg (Town) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statements. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with the Indiana Code (IC 5-11-1 et seq.), audits of towns with populations under 5,000 shall be conducted biennially. Such audits shall include both years within the biennial period.

TOWN OF BROWNSBURG
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
66.458	ARRA – Capitalization Grants for Clean Water

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

TOWN OF BROWNSBURG
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

TOWN OF BROWNSBURG
EXIT CONFERENCE

The contents of this report were discussed on August 16, 2010, with Jeanette M. Brickler, Clerk-Treasurer, and Dale A. Cheatham, Town Manager. The official response has been made a part of this report and may be found on page 41.



Town Council

Matthew Bowles
William Guarnery
Gary Hood
Dwayne Sawyer
William H. Sibbing

Jeanette M. Brickler - Clerk-Treasurer
Dale A. Cheatham ICMA-CM - Town Manager
D. Christine Curtis - Assistant Town Manager
Tricia A. Leminger - Attorney

August 25, 2010

State Board of Accounts
302 West Washington Street, Rm E418
Indianapolis, IN 46204-2765

Re: OFFICIAL RESPONSE

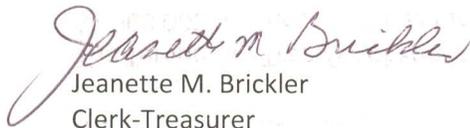
This letter is in response to the second and third comments in the audit of 2008 and 2009 records for the Town of Brownsburg.

The Temporary Transfer of Funds from the Rainy Day Fund to the Building Debt Fund in the amount of \$1,000,000 was not repaid by June 30, 2009 as required by Resolution #2008-61. The tax draw necessary in order to repay this loan was not yet received by this date. The funds were received later in 2009 and funds were transferred from the General Fund to WWTP Savings for \$1,000,000 for one temporary loan; however, the resolution to transfer funds to Rainy Day Fund was overlooked. It further was not included in the budget calculation for 2010 and is included for 2011.

Regarding Hydrant Rental to the Water Utility, due to decreasing tax revenue for the General Fund, the town management was working to change the manner in which to pay these fees. The water rates were being studied to bill the hydrant rental monthly to customers in the monthly bills. That process did not get completed for 2007, 2008 and 2009. It is now complete and those fees are being billed to utility customers. The ordinance includes a statement to waive and forgive the non-payment in every way.

As Clerk-Treasurer for the Town I want to assure you that these types of situations are being addressed and corrected and now that I have experienced how others' lapses in duties can negatively affect the workings of the Town, I plan to make sure that regulations and ordinances are followed, even when the changes are not complete.

Sincerely,


Jeanette M. Brickler
Clerk-Treasurer