

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

EXAMINATION REPORT
OF
TOWN OF BROOKSBURG
JEFFERSON COUNTY, INDIANA
January 1, 2008 to December 31, 2009



FILED
02/08/2011

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OFFICIALS

Office

Official

Term

Clerk-Treasurer

Pamela Sue Dowdy

01-01-08 to 12-31-11

President of the
Town Council

Sharon L. Stevens

01-01-08 to 12-31-11



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF BROOKSBURG, JEFFERSON COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Brooksburg (Town), for the period of January 1, 2008 to December 31, 2009. The Town'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 Town for the years ended December 31, 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 Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

January 18, 2011

TOWN OF BROOKSBURG
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND PROPRIETARY FUND TYPES
As Of And For The Years Ended December 31, 2008 And 2009

| | Cash and Investments 01-01-08 | Receipts | Disbursements | Cash and Investments 12-31-08 |
|---|-------------------------------------|------------------|------------------|-------------------------------------|
| Governmental Funds: | | | | |
| General | \$ 15,280 | \$ 7,373 | \$ 7,117 | \$ 15,536 |
| Motor Vehicle Highway | 319 | 2,044 | 2,082 | 281 |
| Local Road and Street | 613 | 645 | 875 | 383 |
| Rainy Day | 1,706 | - | - | 1,706 |
| Cumulative Capital Improvement | - | 241 | 241 | - |
| County Economic Development Income Tax | - | 3,929 | 3,929 | - |
| Proprietary Funds: | | | | |
| Wastewater Utility - Operating | 14,207 | 49,114 | 32,812 | 30,509 |
| Wastewater Utility - Debt Service Reserve | 4,550 | - | - | 4,550 |
| Totals | <u>\$ 36,675</u> | <u>\$ 63,346</u> | <u>\$ 47,056</u> | <u>\$ 52,965</u> |

| | Cash and Investments 01-01-09 | Receipts | Disbursements | Cash and Investments 12-31-09 |
|---|-------------------------------------|------------------|------------------|-------------------------------------|
| Governmental Funds: | | | | |
| General | \$ 15,536 | \$ 6,181 | \$ 9,447 | \$ 12,270 |
| Motor Vehicle Highway | 281 | 2,547 | 1,820 | 1,008 |
| Local Road and Street | 383 | 596 | 275 | 704 |
| Rainy Day | 1,706 | 790 | - | 2,496 |
| Cumulative Capital Improvement | - | 227 | 227 | - |
| County Economic Development Income Tax | - | 3,694 | 3,694 | - |
| Proprietary Funds: | | | | |
| Wastewater Utility - Operating | 30,509 | 39,115 | 32,281 | 37,343 |
| Wastewater Utility - Debt Service Reserve | 4,550 | - | - | 4,550 |
| Totals | <u>\$ 52,965</u> | <u>\$ 53,150</u> | <u>\$ 47,744</u> | <u>\$ 58,371</u> |

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

TOWN OF BROOKSBURG
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Town was established under the laws of the State of Indiana. The Town provides the following services: public safety, highways and streets, public improvements, general administrative services and wastewater.

Note 2. Fund Accounting

The Town 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 or highway use taxes are received 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 Town 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). Taxes may be paid in two equal installments which 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.

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 Town 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.

TOWN OF BROOKSBURG
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
December 31, 2009

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

| <u>Primary Government</u> | <u>Ending Balance</u> |
|--|---------------------------|
| Business-type activities: | |
| Wastewater Utility: | |
| Capital assets, not being depreciated: | |
| Buildings | \$ 492,482 |
| Improvements other than buildings | <u>605,209</u> |
| Total business-type activities capital assets | <u>\$ 1,097,691</u> |

TOWN OF BROOKSBURG
 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 |
|-------------------------------------|--------------------------------|---|
| Wastewater Utility: Loan payable | \$ <u>45,390</u> | \$ <u>4,198</u> |

TOWN OF BROOKSBURG
EXAMINATION RESULTS AND COMMENTS

APPROPRIATIONS

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

| <u>Fund</u> | <u>Years</u> | <u>Excess Amount Expended</u> |
|-------------|--------------|---------------------------------------|
| General | 2008 | \$ 1,452 |
| General | 2009 | 3,781 |

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

ANNUAL REPORT

The 2008 and 2009 City and Town Annual Reports (CTAR-1), that report the financial activity and cash and investment balances were not filed with the Indiana State Board of Accounts.

IC 5-11-1-4 states in part:

"The state examiner shall require from every . . . local governmental unit . . . financial reports covering the full period of each fiscal year. These reports shall be . . . filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be filed electronically, in a manner prescribed by the state examiner . . ."

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF BROOKSBURG
EXIT CONFERENCE

The contents of this report were discussed on January 13, 2011, with Pamela Sue Dowdy, Clerk-Treasurer.

The contents of this report were discussed on January 18, 2011, with Sharon L. Stevens, President of the Town Council.