

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

TOWN OF BROWNSBURG
HENDRICKS COUNTY, INDIANA

January 1, 2012 to December 31, 2012



FILED
09/25/2013

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Jeanette Brickler	01-01-12 to 12-31-15
President of the Town Council	Dwayne Sawyer (Vacant) Gary Hood	01-01-12 to 08-18-13 08-19-13 to 08-19-13 08-20-13 to 12-31-13
Town Manager	Grant Kleinhenz	01-01-12 to 12-31-13
Superintendent of Water Utility	Mike Good	01-01-12 to 12-31-13
Superintendent of Wastewater Utility and Storm Water Utility	Kathy Dillon	01-01-12 to 12-31-13
Utility Office Supervisor	Debbie Bernhardt	01-01-12 to 12-31-13



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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

We have audited the accompanying financial statement of the Town of Brownsburg (Town), which comprises the financial position and results of operations for the year ended December 31, 2012, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement 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 statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 of the financial statement, the Town prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the Town for the year ended December 31, 2012.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the Town for the year ended December 31, 2012, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated August 12, 2013, 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* in considering the Town's internal control over financial reporting and compliance.

Accompanying Information

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the Town's financial statement. 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 financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Our audit was conducted for the purpose of forming an opinion on the Town's financial statement. The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Payables and Receivables, and Schedule of Leases and Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

Other Information

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.



Bruce Hartman
State Examiner

August 12, 2013



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, 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, the financial statement of the Town of Brownsburg (Town), which comprises the financial position and results of operations for the year ended December 31, 2012, and the related notes to the financial statement, and have issued our report thereon dated August 12, 2013, wherein we noted the Town followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the Town's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2012-1 and 2012-2 to be material weaknesses.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statement is 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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in accompanying Schedule of Findings and Questioned Costs as items 2012-1.

Town of Brownsburg's Response to Findings

The Town's response to the findings identified in our audit is described in the accompanying Official Response and Corrective Action Plan. The Town's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Bruce Hartman
State Examiner

August 12, 2013

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FINANCIAL STATEMENT

The financial statement and accompanying notes were approved by management of the Town. The financial statement and notes are presented as intended by the Town.

TOWN OF BROWNSBURG
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2012

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12
GENERAL	\$ 1,423,933	\$ 8,233,461	\$ 7,282,827	\$ 2,374,567
Motor Vehicle Highway Fund	1,360,512	1,375,919	1,828,536	907,895
Local Road And Street	925,868	214,937	261,746	879,059
Park Nonreverting Operating	329,197	190,077	187,505	331,769
Edit Fund	4,608,931	2,342,130	788,347	6,162,714
Building Demolition	52,832	70	-	52,902
Lecef	32,038	23,250	11,233	44,055
Clerk's Records Perpetuation	24,569	6,553	2,160	28,962
Riverboat	715,960	126,943	153,053	689,850
Rainy Day	2,931,375	53,158	712,811	2,271,722
1% Food And Beverage Tax	1,057,781	545,033	178,931	1,423,883
Fire Territory	197,233	8,690,967	8,152,821	735,379
Ccd	591,054	405,180	487,981	508,253
Cumulative Fire Capital Equipment	1,354,353	522,719	652,297	1,224,775
Ccif	35,736	76,659	-	112,395
Park Impact Fee Fund	383,720	124,509	-	508,229
Police Pension	492,376	373,486	311,835	554,027
2010 Economic Development Sinking	221,469	443,241	442,000	222,710
2010 Economic Development Refunding O & R	6,159	6,491	-	12,650
RDA ECONOMIC DEV. LEASE RENTAL BONDS OF 2010	2,100	8,052	-	10,152
Fire Gift Fund	8,344	3,560	2,085	9,819
Fire Grant Fund	48,670	1,748	50,418	-
Lecef Agency Fund	14,739	92,208	90,349	16,598
Dare	10,912	-	-	10,912
Investgations	14,742	2,500	-	17,242
Brownsburg Town Court	255,262	562,879	746,909	71,232
Police Gift Fund	13,571	7,505	5,548	15,528
Fire Service Fee	7,238	-	-	7,238
Fire Rainy Day Fund	21,683	690,202	672,386	39,499
Police Investigations Fund	23,367	1,882	5,202	20,047
Redevelop Auth Sinking Bonds 2003	183,784	52	183,836	-
Economic Redevelopment Fund	7,060,746	2,754,085	3,219,024	6,595,807
Building Debt Fund	249,283	2,167,472	1,145,593	1,271,162
Rda Construction Fund 2007 Bonds	347,552	142	-	347,694
Rda Sinking Fund 2007 Bonds	204,594	543,373	474,000	273,967
Rda Debt Service 2007 Bonds	866,000	353	353	866,000

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

TOWN OF BROWNSBURG
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2012
(Continued)

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12
Rda Operating & Reserve 2007 Bonds	40,711	4,784	-	45,495
Rda Debt Service 2010 Bonds	461,846	188	223	461,811
State Revolving Loan - Bond & Int	233,045	1,062,200	1,038,143	257,102
State Revolving Loan Debt Ser Reser	1,077,965	-	-	1,077,965
Srf Loan Account	43,200	-	43,200	-
Rda Operation Reserve 2003 Bonds	33,076	5,431	38,507	-
Rda 2010 Sinking Fund Refund Bonds	200,010	394,016	397,000	197,026
Parks & Recreation Fund	10,745	-	-	10,745
Payroll Clearing Fund	74,941	2,438,249	2,479,004	34,186
Health Insurance Risk Fund	593,222	2,045,631	2,387,688	251,165
Claims Fund	66,940	49,741	14,936	101,745
Fire Insurance Claims	44,586	2,099	44,585	2,100
County Court Agency Fund	7,646	55,635	49,451	13,830
Fire Non-Budgeted	1,012	4,192	4,170	1,034
Non-Budgeted	254,661	163,138	343,137	74,662
Storm Water Utility-Operating	2,927,854	1,256,424	1,158,012	3,026,266
SR 267 Utility Construction Project	3,141,418	2,037	3,143,455	-
2011 Economic Development Debt Service	395,930	161	161	395,930
2011 Economic Development Construction	1,037,724	391	618,409	419,706
2011 Economic Development Bond & Interest	102,349	8	102,357	-
2011 EDC BOND SINKING FUND	-	375,353	238,849	136,504
2011 EDC BOND O & R CHECKING	-	2,378	-	2,378
Wastewater Utility-Operating	2,202,389	4,200,080	3,617,804	2,784,665
Wwtp Equipment Replacement Fund	1,162,690	1,089	203,371	960,408
srf dw dsr fund 2011	154,500	73,662	-	228,162
2011 SRF DW CONSTRUCTION BONDS	4,523,469	1	3,169,916	1,353,554
WATER PLANT SRF BOND - 2012	-	50,727	50,727	-
2011 SRF BROWNSBURG DW BOND & INT. FUND	-	375,000	189,475	185,525
Water Utility-Operating	1,638,628	3,758,772	3,200,813	2,196,587
Water Utility-Bond And Interest	182,393	139,502	139,515	182,380
Water Utility-Customer Deposit	697,194	72,350	58,113	711,431
Water Utility Debt Reserve	6,857	-	6,857	-
Totals	<u>\$ 47,394,684</u>	<u>\$ 47,124,035</u>	<u>\$ 50,787,664</u>	<u>\$ 43,731,055</u>

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

TOWN OF BROWNSBURG
NOTES TO FINANCIAL STATEMENT

Note 1. 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 some or all of 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, electric, gas, storm water, trash, aviation, and urban redevelopment and housing.

The accompanying financial statement presents the financial information for the Town.

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), 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 regulatory 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.

C. Cash and Investments

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

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the Town.

Licenses and permits which include amounts received from businesses, occupations, or nonbusinesses that must be licensed before doing business within the government's jurisdiction or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include: peddler licenses, dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state,

TOWN OF BROWNSBURG
NOTES TO FINANCIAL STATEMENT
(Continued)

local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Fines and forfeits which include receipts derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Utility fees which are comprised mostly of charges for current services.

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service principal and interest which include fixed obligations resulting from financial transactions previously entered into by the Town. It includes all expenditures for the reduction of the principal and interest of the Town's general obligation indebtedness.

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Utility operating expenses which include all outflows for operating the utilities.

TOWN OF BROWNSBURG
NOTES TO FINANCIAL STATEMENT
(Continued)

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

The Town may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the Town. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the Town. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the Town in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the Town submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the Town in June and December; however, situations can arise which would delay the distributions. 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 percent 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 normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be 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.

TOWN OF BROWNSBURG
NOTES TO FINANCIAL STATEMENT
(Continued)

State statutes authorize 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.

Note 5. Risk Management

The Town may be 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.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the Town to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is 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 this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) 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 the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS 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. That report may be obtained by contacting:

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

TOWN OF BROWNSBURG
NOTES TO FINANCIAL STATEMENT
(Continued)

B. 1925 Police Officers' Pension Plan

Plan Description

The 1925 Police Officers' Pension Plan 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.

On Behalf Payments

The 1925 Police Officers' Pension Plan is funded by the State of Indiana through the Indiana Public Retirement System as provided under Indiana Code 5-10.3-11.

C. 1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

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

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 52 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 52. The plan also provides for death and disability benefits.

INPRS 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:

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy

The contribution requirements of plan members and the Town are established by the Board of Trustees of INPRS.

TOWN OF BROWNSBURG
NOTES TO FINANCIAL STATEMENT
(Continued)

D. Additional Pension Plans

The Town also contributes to additional pension plans unique to the Town. Information regarding these plans may be obtained from the Town.

Note 7. Holding Corporations

The Town has entered into capital leases with Brownsburg Municipal Building Corporation, Inc., and Brownsburg Portion Fire Station Building Corporation (the lessors). The lessors were organized as not-for-profit corporations pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for leases to the Town. The lessors have been determined to be related parties of the Town. Lease payments during the year 2012 totaled \$1,144,135.72.

There were some immaterial variances between the actual lease payments made reported in this note and the annual lease payment indicated on the debt schedule. There was one material difference which is due to timing of the payments for one lease. The annual lease payment for the First Mortgage Bonds Series 2005 is \$1,378,000; however, the payment that was due on January 15, 2012, was paid at the end of 2011, resulting in only one payment being made in the amount \$689,000 during 2012.

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SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Town's Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Annual Report of the Town which is referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The supplementary information presented was approved by management of the Town. It is presented as intended by the Town.

TOWN OF BROWNSBURG
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012

	GENERAL	Motor Vehicle Highway Fund	Local Road And Street	Park Nonreverting Operating	Edit Fund	Building Demolition	Lecef
Cash and investments - beginning	\$ 1,423,933	\$ 1,360,512	\$ 925,868	\$ 329,197	\$ 4,608,931	\$ 52,832	\$ 32,038
Receipts:							
Taxes	3,747,628	803,650	-	-	-	-	-
Licenses and permits	460,359	-	-	-	-	-	14,235
Intergovernmental	3,712,499	546,820	213,865	-	1,999,491	-	-
Charges for services	86,810	-	-	183,969	-	-	5,265
Fines and forfeits	109,759	-	-	208	-	-	3,750
Utility fees	-	-	-	-	-	-	-
Other receipts	116,406	25,449	1,072	5,900	342,639	70	-
Total receipts	<u>8,233,461</u>	<u>1,375,919</u>	<u>214,937</u>	<u>190,077</u>	<u>2,342,130</u>	<u>70</u>	<u>23,250</u>
Disbursements:							
Personal services	5,374,841	446,479	-	72,457	-	-	-
Supplies	586,757	118,932	-	30,432	40,399	-	-
Other services and charges	1,274,038	1,187,359	261,746	84,616	455,807	-	11,233
Capital outlay	47,191	75,766	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	292,141	-	-
Total disbursements	<u>7,282,827</u>	<u>1,828,536</u>	<u>261,746</u>	<u>187,505</u>	<u>788,347</u>	<u>-</u>	<u>11,233</u>
Excess (deficiency) of receipts over disbursements	<u>950,634</u>	<u>(452,617)</u>	<u>(46,809)</u>	<u>2,572</u>	<u>1,553,783</u>	<u>70</u>	<u>12,017</u>
Cash and investments - ending	<u>\$ 2,374,567</u>	<u>\$ 907,895</u>	<u>\$ 879,059</u>	<u>\$ 331,769</u>	<u>\$ 6,162,714</u>	<u>\$ 52,902</u>	<u>\$ 44,055</u>

TOWN OF BROWNSBURG
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Clerk's Records Perpetuation	Riverboat	Rainy Day	1% Food And Beverage Tax	Fire Territory	Ccd	Cumulative Fire Capital Equipment
Cash and investments - beginning	\$ 24,569	\$ 715,960	\$ 2,931,375	\$ 1,057,781	\$ 197,233	\$ 591,054	\$ 1,354,353
Receipts:							
Taxes	-	126,091	-	543,583	4,580,534	374,994	472,405
Licenses and permits	-	-	-	-	9,835	-	-
Intergovernmental	-	-	-	-	2,887,500	29,893	49,410
Charges for services	6,536	-	-	-	662,609	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	17	852	53,158	1,450	550,489	293	904
Total receipts	<u>6,553</u>	<u>126,943</u>	<u>53,158</u>	<u>545,033</u>	<u>8,690,967</u>	<u>405,180</u>	<u>522,719</u>
Disbursements:							
Personal services	-	-	-	5,384	6,690,180	-	-
Supplies	2,160	-	-	2,135	163,306	72,865	-
Other services and charges	-	153,053	59,937	99,771	799,335	79,408	7,419
Capital outlay	-	-	94,250	71,641	-	335,708	454,678
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	558,624	-	500,000	-	190,200
Total disbursements	<u>2,160</u>	<u>153,053</u>	<u>712,811</u>	<u>178,931</u>	<u>8,152,821</u>	<u>487,981</u>	<u>652,297</u>
Excess (deficiency) of receipts over disbursements	<u>4,393</u>	<u>(26,110)</u>	<u>(659,653)</u>	<u>366,102</u>	<u>538,146</u>	<u>(82,801)</u>	<u>(129,578)</u>
Cash and investments - ending	<u>\$ 28,962</u>	<u>\$ 689,850</u>	<u>\$ 2,271,722</u>	<u>\$ 1,423,883</u>	<u>\$ 735,379</u>	<u>\$ 508,253</u>	<u>\$ 1,224,775</u>

TOWN OF BROWNSBURG
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Ccif	Park Impact Fee Fund	Police Pension	2010 Economic Development Sinking	2010 Economic Development Refunding O & R	RDA ECONOMIC DEV. LEASE RENTAL BONDS OF 2010	Fire Gift Fund
Cash and investments - beginning	\$ 35,736	\$ 383,720	\$ 492,376	\$ 221,469	\$ 6,159	\$ 2,100	\$ 8,344
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	76,621	-	-	-	-	-	-
Charges for services	-	123,986	372,795	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	38	523	691	443,241	6,491	8,052	3,560
Total receipts	<u>76,659</u>	<u>124,509</u>	<u>373,486</u>	<u>443,241</u>	<u>6,491</u>	<u>8,052</u>	<u>3,560</u>
Disbursements:							
Personal services	-	-	311,660	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	175	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	442,000	-	-	2,085
Total disbursements	<u>-</u>	<u>-</u>	<u>311,835</u>	<u>442,000</u>	<u>-</u>	<u>-</u>	<u>2,085</u>
Excess (deficiency) of receipts over disbursements	<u>76,659</u>	<u>124,509</u>	<u>61,651</u>	<u>1,241</u>	<u>6,491</u>	<u>8,052</u>	<u>1,475</u>
Cash and investments - ending	<u>\$ 112,395</u>	<u>\$ 508,229</u>	<u>\$ 554,027</u>	<u>\$ 222,710</u>	<u>\$ 12,650</u>	<u>\$ 10,152</u>	<u>\$ 9,819</u>

TOWN OF BROWNSBURG
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Fire Grant Fund	Lecef Agency Fund	Dare	Investgations	Brownsburg Town Court	Police Gift Fund	Fire Service Fee
Cash and investments - beginning	\$ 48,670	\$ 14,739	\$ 10,912	\$ 14,742	\$ 255,262	\$ 13,571	\$ 7,238
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	92,208	-	-	562,879	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	1,748	-	-	2,500	-	7,505	-
Total receipts	<u>1,748</u>	<u>92,208</u>	<u>-</u>	<u>2,500</u>	<u>562,879</u>	<u>7,505</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	1,109	-
Other services and charges	-	-	-	-	-	4,439	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	50,418	90,349	-	-	746,909	-	-
Total disbursements	<u>50,418</u>	<u>90,349</u>	<u>-</u>	<u>-</u>	<u>746,909</u>	<u>5,548</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(48,670)</u>	<u>1,859</u>	<u>-</u>	<u>2,500</u>	<u>(184,030)</u>	<u>1,957</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 16,598</u>	<u>\$ 10,912</u>	<u>\$ 17,242</u>	<u>\$ 71,232</u>	<u>\$ 15,528</u>	<u>\$ 7,238</u>

TOWN OF BROWNSBURG
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Fire Rainy Day Fund	Police Investigations Fund	Redevelop Auth Sinking Bonds 2003	Economic Redevelopment Fund	Building Debt Fund	Rda Construction Fund 2007 Bonds	Rda Sinking Fund 2007 Bonds
Cash and investments - beginning	\$ 21,683	\$ 23,367	\$ 183,784	\$ 7,060,746	\$ 249,283	\$ 347,552	\$ 204,594
Receipts:							
Taxes	-	-	-	2,673,942	2,007,098	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	159,999	-	-
Charges for services	-	-	-	4,500	-	-	-
Fines and forfeits	-	1,882	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	690,202	-	52	75,643	375	142	543,373
Total receipts	<u>690,202</u>	<u>1,882</u>	<u>52</u>	<u>2,754,085</u>	<u>2,167,472</u>	<u>142</u>	<u>543,373</u>
Disbursements:							
Personal services	172,386	-	-	1,820	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	2,476,345	1,145,593	-	-
Capital outlay	-	-	-	740,859	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	500,000	5,202	183,836	-	-	-	474,000
Total disbursements	<u>672,386</u>	<u>5,202</u>	<u>183,836</u>	<u>3,219,024</u>	<u>1,145,593</u>	<u>-</u>	<u>474,000</u>
Excess (deficiency) of receipts over disbursements	<u>17,816</u>	<u>(3,320)</u>	<u>(183,784)</u>	<u>(464,939)</u>	<u>1,021,879</u>	<u>142</u>	<u>69,373</u>
Cash and investments - ending	<u>\$ 39,499</u>	<u>\$ 20,047</u>	<u>\$ -</u>	<u>\$ 6,595,807</u>	<u>\$ 1,271,162</u>	<u>\$ 347,694</u>	<u>\$ 273,967</u>

TOWN OF BROWNSBURG
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Rda Debt Service 2007 Bonds	Rda Operating & Reserve 2007 Bonds	Rda Debt Service 2010 Bonds	State Revolving Loan - Bond & Int	State Revolving Loan Debt Ser Reser	Srf Loan Account	Rda Operation Reserve 2003 Bonds
Cash and investments - beginning	\$ 866,000	\$ 40,711	\$ 461,846	\$ 233,045	\$ 1,077,965	\$ 43,200	\$ 33,076
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	353	4,784	188	1,062,200	-	-	5,431
Total receipts	<u>353</u>	<u>4,784</u>	<u>188</u>	<u>1,062,200</u>	<u>-</u>	<u>-</u>	<u>5,431</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	353	-	223	1,038,143	-	43,200	38,507
Total disbursements	<u>353</u>	<u>-</u>	<u>223</u>	<u>1,038,143</u>	<u>-</u>	<u>43,200</u>	<u>38,507</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>4,784</u>	<u>(35)</u>	<u>24,057</u>	<u>-</u>	<u>(43,200)</u>	<u>(33,076)</u>
Cash and investments - ending	<u>\$ 866,000</u>	<u>\$ 45,495</u>	<u>\$ 461,811</u>	<u>\$ 257,102</u>	<u>\$ 1,077,965</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF BROWNSBURG
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Rda 2010 Sinking Fund Refund Bonds	Parks & Recreation Fund	Payroll Clearing Fund	Health Insurance Risk Fund	Claims Fund	Fire Insurance Claims	County Court Agency Fund
Cash and investments - beginning	\$ 200,010	\$ 10,745	\$ 74,941	\$ 593,222	\$ 66,940	\$ 44,586	\$ 7,646
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	55,635
Utility fees	-	-	-	-	-	-	-
Other receipts	394,016	-	2,438,249	2,045,631	49,741	2,099	-
Total receipts	<u>394,016</u>	<u>-</u>	<u>2,438,249</u>	<u>2,045,631</u>	<u>49,741</u>	<u>2,099</u>	<u>55,635</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	397,000	-	2,479,004	2,387,688	14,936	44,585	49,451
Total disbursements	<u>397,000</u>	<u>-</u>	<u>2,479,004</u>	<u>2,387,688</u>	<u>14,936</u>	<u>44,585</u>	<u>49,451</u>
Excess (deficiency) of receipts over disbursements	<u>(2,984)</u>	<u>-</u>	<u>(40,755)</u>	<u>(342,057)</u>	<u>34,805</u>	<u>(42,486)</u>	<u>6,184</u>
Cash and investments - ending	<u>\$ 197,026</u>	<u>\$ 10,745</u>	<u>\$ 34,186</u>	<u>\$ 251,165</u>	<u>\$ 101,745</u>	<u>\$ 2,100</u>	<u>\$ 13,830</u>

TOWN OF BROWNSBURG
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Fire Non-Budgeted	Non-Budgeted	Storm Water Utility-Operating	SR 267 Utility Construction Project	2011 Economic Development Debt Service	2011 Economic Development Construction	2011 Economic Development Bond & Interest
Cash and investments - beginning	\$ 1,012	\$ 254,661	\$ 2,927,854	\$ 3,141,418	\$ 395,930	\$ 1,037,724	\$ 102,349
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	1,249,094	-	-	-	-
Other receipts	4,192	163,138	7,330	2,037	161	391	8
Total receipts	<u>4,192</u>	<u>163,138</u>	<u>1,256,424</u>	<u>2,037</u>	<u>161</u>	<u>391</u>	<u>8</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	3,121,985	-	-	-
Utility operating expenses	-	-	560,212	20,970	-	-	-
Other disbursements	4,170	343,137	597,800	500	161	618,409	102,357
Total disbursements	<u>4,170</u>	<u>343,137</u>	<u>1,158,012</u>	<u>3,143,455</u>	<u>161</u>	<u>618,409</u>	<u>102,357</u>
Excess (deficiency) of receipts over disbursements	<u>22</u>	<u>(179,999)</u>	<u>98,412</u>	<u>(3,141,418)</u>	<u>-</u>	<u>(618,018)</u>	<u>(102,349)</u>
Cash and investments - ending	<u>\$ 1,034</u>	<u>\$ 74,662</u>	<u>\$ 3,026,266</u>	<u>\$ -</u>	<u>\$ 395,930</u>	<u>\$ 419,706</u>	<u>\$ -</u>

TOWN OF BROWNSBURG
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	2011 EDC BOND SINKING FUND	2011 EDC BOND O & R CHECKING	Wastewater Utility-Operating	Wwtp Equipment Replacement Fund	srf dw dsr fund 2011	2011 SRF DW CONSTRUCTION BONDS	WATER PLANT SRF BOND - 2012
Cash and investments - beginning	\$ -	\$ -	\$ 2,202,389	\$ 1,162,690	\$ 154,500	\$ 4,523,469	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	4,195,783	-	-	-	-
Other receipts	375,353	2,378	4,297	1,089	73,662	1	50,727
Total receipts	<u>375,353</u>	<u>2,378</u>	<u>4,200,080</u>	<u>1,089</u>	<u>73,662</u>	<u>1</u>	<u>50,727</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	50,727
Utility operating expenses	-	-	2,805,784	203,371	-	3,169,916	-
Other disbursements	238,849	-	812,020	-	-	-	-
Total disbursements	<u>238,849</u>	<u>-</u>	<u>3,617,804</u>	<u>203,371</u>	<u>-</u>	<u>3,169,916</u>	<u>50,727</u>
Excess (deficiency) of receipts over disbursements	<u>136,504</u>	<u>2,378</u>	<u>582,276</u>	<u>(202,282)</u>	<u>73,662</u>	<u>(3,169,915)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 136,504</u>	<u>\$ 2,378</u>	<u>\$ 2,784,665</u>	<u>\$ 960,408</u>	<u>\$ 228,162</u>	<u>\$ 1,353,554</u>	<u>\$ -</u>

TOWN OF BROWNSBURG
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	2011 SRF BROWNSBURG DW BOND & INT. FUND	Water Utility-Operating	Water Utility-Bond And Interest	Water Utility-Customer Deposit	Water Utility Debt Reserve	Totals
Cash and investments - beginning	\$ -	\$ 1,638,628	\$ 182,393	\$ 697,194	\$ 6,857	\$ 47,394,684
Receipts:						
Taxes	-	-	-	-	-	15,329,925
Licenses and permits	-	-	-	-	-	484,429
Intergovernmental	-	-	-	-	-	9,676,098
Charges for services	-	-	-	-	-	1,446,470
Fines and forfeits	-	-	-	-	-	826,321
Utility fees	-	3,694,369	-	72,350	-	9,211,596
Other receipts	375,000	64,403	139,502	-	-	10,149,196
Total receipts	375,000	3,758,772	139,502	72,350	-	47,124,035
Disbursements:						
Personal services	-	-	-	-	-	13,075,207
Supplies	-	-	-	-	-	1,018,095
Other services and charges	-	-	-	-	-	8,100,274
Capital outlay	-	-	-	-	-	4,992,805
Utility operating expenses	-	1,929,282	-	58,113	-	8,747,648
Other disbursements	189,475	1,271,531	139,515	-	6,857	14,853,635
Total disbursements	189,475	3,200,813	139,515	58,113	6,857	50,787,664
Excess (deficiency) of receipts over disbursements	185,525	557,959	(13)	14,237	(6,857)	(3,663,629)
Cash and investments - ending	<u>\$ 185,525</u>	<u>\$ 2,196,587</u>	<u>\$ 182,380</u>	<u>\$ 711,431</u>	<u>\$ -</u>	<u>\$ 43,731,055</u>

TOWN OF BROWNSBURG
 SCHEDULE OF PAYABLES AND RECEIVABLES
 December 31, 2012

Government or Enterprise	Accounts Payable	Accounts Receivable
Storm Water	\$ -	\$ 4,358
Wastewater	-	41,784
Water	-	21,094
Governmental activities	-	-
Totals	\$ -	\$ 67,236

TOWN OF BROWNSBURG
SCHEDULE OF LEASES AND DEBT
December 31, 2012

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Bburg portion Downtown Fire Stat.	First Mortgage Refunding Bonds of 2004	\$ 237,400	12-31-04	12-31-15
Ambassador Financial Inc/Axia Technology Partners	Telephone System Lease	18,000	07-01-11	06-30-16
Bburg Municipal Building Corporation Inc.	First Mortgage Bonds Series 2005	1,378,500	07-15-07	01-15-25
Bburg portion Fire Station Bldg. Corp. (N.)	First Mortgage Refunding Bonds of 2004	67,218	12-31-04	12-31-13
Bburg portion Fire Station Bldg. Corp. (sta 3)	First Mortgage Bonds of 2005	108,250	07-01-07	01-01-25
Bburg portion Fire Station Bldg. Corp. (training)	First Mortgage Bonds of 2003	102,041	07-01-04	01-01-24
Econ. Development	Lease Rental Bonds of 2007	474,000	01-01-08	01-01-29
Great American Leasing/FrancoType-Postalia	Postage Meter Rent	492	05-03-03	12-31-12
Old National Leasing (Copy Co)	Fleet Copier Lease	26,400	10-28-09	10-31-14
Redevelopment Authority	Lease Rental Bonds of 2011 Series A - SRF Loan	136,500	07-01-12	01-01-32
Redevelopment Authority	Lease Rental Refunding Bonds of 2010	397,000	01-01-11	07-01-18
Redevelopment Authority	Lease Rental Bonds of 2010	<u>442,000</u>	01-01-11	01-01-32
Total governmental activities		<u>3,387,801</u>		
Total of annual lease payments		<u>\$ 3,387,801</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	Redevelopment Authority \$6,000,000 E.D. Lease Rental Bonds of 2010	\$ 5,715,000	\$ 439,600
General obligation bonds	Redevelopment Authority \$2,625,000 E.D. Lease Rental Refunding Bonds Series 2010	1,985,000	388,313
General obligation bonds	Redevelopment Commission 8 660 000.00 Lease Rental Bonds on W. Northfield Dr from 267 to Bburg Station	8,590,000	534,898
General obligation bonds	9 Bburg Redevelopment Authority \$4,000,000 E.D. Lease Rental Bonds of 2011 Series A - SRF Loan	<u>3,950,000</u>	<u>265,995</u>
Total governmental activities		<u>20,240,000</u>	<u>1,628,806</u>
Storm Water:			
Revenue bonds	Brownsburg Municipal \$6,000,000 Sewage Works Revenue Bonds Series 2011A	<u>5,790,000</u>	<u>447,951</u>
Wastewater:			
Revenue bonds	Bburg Municipal Sewage Works 1998 Revenue Bonds	2,950,000	436,050
Revenue bonds	Bburg Municipal Sewage Works 2009 Revenue Bonds	<u>3,929,000</u>	<u>177,052</u>
Total Wastewater		<u>6,879,000</u>	<u>613,102</u>
Water:			
Revenue bonds	Waterworks Revenue Bonds of 2003	1,290,000	136,748
Revenue bonds	Waterworks Revenue Bonds of 2011A	4,686,000	283,053
Revenue bonds	Waterworks Revenue Bonds of 2012B	<u>949,000</u>	<u>66,561</u>
Total Water		<u>6,925,000</u>	<u>486,362</u>
Totals		<u>\$ 39,834,000</u>	<u>\$ 3,176,221</u>

TOWN OF BROWNSBURG
OTHER REPORT

The annual report presented herein was prepared in addition to the other official reports prepared for the individual Town department listed below:

Town Court

TOWN OF BROWNSBURG
AUDIT RESULTS AND COMMENTS

COLLECTION OF AMOUNTS DUE

During the audit period, there was an instance in which an employee was given a severance package. This package totaled \$32,081.61. This was paid without a written opinion of the attorney, approval of the Town Council, or without a properly enacted Home Rule ordinance or resolution.

Another employee was paid back pay in the amount of \$17,042.91. This payment was made without the approval of the town council, and supporting documentation could not be provided for the payment. An agreement for back pay between the employee and the fire board was provided for audit; however, there was not any documentation presented to support the amounts agreed upon.

As of August 12, 2013, the Town has not taken steps to rectify this situation.

Governmental units have a responsibility to collect amounts owed to the governmental unit pursuant to procedures authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Towns, Chapter 7)

Unless specifically authorized by statute, severance pay, or other payments to employees upon separation from employment, must be supported by the written opinion of the attorney for the governmental unit stating that the payments are in accordance with all federal laws and regulations and state laws, including IC 35-44.1-1-3, and a properly enacted Home Rule ordinance or resolution, as applicable. (Accounting and Uniform Compliance Guidelines Manual for Towns, Chapter 7)

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Towns, Chapter 7)

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were conducted; however, the reconciliations did not balance. At December 31, 2012, the overall Town reconciliation was short by \$1,150.36. That amount consisted of a cash short for the Town Court in the amount of \$1,729.95 and a cash long for the town in the amount of \$579.59.

Indiana Code 5-13-6-1(e) states in part: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

ANNUAL REPORT

The Annual Report for 2012 contained a number of errors and did not properly reflect the financial activity of the Town of Brownsburg. The following audit adjustments were recommended and approved by the Town:

TOWN OF BROWNSBURG
AUDIT RESULTS AND COMMENTS
(Continued)

Fund	Audit Adjustments to Annual Report Increase/(Decrease)			Ending Balance
	Beginning Balance	Receipts	Disbursements	
General	\$ (19,711)	\$ -	\$ -	\$ (19,711)
CCIF	20,168	-	-	20,168
2010 Economic Development Sinking	-	221,500	-	221,500
Brownsburg Town Court	-	2,876	-	2,876
Rda Construction Fund 2007 Bonds	-	11	-	11
Rda Sinking Fund 2007 Bonds	-	271,529	-	271,529
Rda Debt Service 2007 Bonds	-	28	28	-
Rda Debt Service 2010 Bonds	-	15	-	15
Rda 2010 Sinking Fund Refund Bonds	-	197,000	-	197,000
Rainy Day	-	(2)	-	(2)
2011 Economic Development Debt Service	-	13	13	-
2011 Economic Development Construction	-	27	-	27
2011 EDC Bond Sinking Fund	-	136,500	-	136,500
Water Utility Debt Reserve	-	(1,018)	(1,018)	-
Redevelop Auth Sinking Bonds 2003	-	(304,032)	(304,032)	-
Totals	\$ 457	\$524,447	\$ (305,009)	\$ 829,913

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under IC 5-14-3.8-7."

INTERNAL CONTROLS OVER PAYROLL DISBURSEMENTS

Internal controls over the payroll process were insufficient. There is a lack of segregation of duties as one employee performs all payroll processing functions. In addition, one of the internal controls over time-cards includes certification by employee and by supervisor; however that was not always implemented. Additionally, all payroll disbursements are made without board approval.

The failure to establish these controls could enable material misstatements or irregularities to remain undetected.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Towns, Chapter 7)

TOWN OF BROWNSBURG
AUDIT RESULTS AND COMMENTS
(Continued)

INTERNAL CONTROLS OVER FEDERAL REPORTING

We noted the following deficiency in the internal control system of the Town related to financial transactions and reporting. The Town did not have a proper system of internal control in place to prevent or detect and correct errors on the Schedule of Expenditures of Federal Awards (SEFA). The Town should have proper controls in place over the preparation of the SEFA to ensure accurate reporting of federal awards. Without a proper system of internal control in place that operates effectively, material misstatements of the SEFA could remain undetected.

During the audit of the SEFA, we noted the following errors:

- Local matching funds were sometimes included on the Schedule,
- The Schedule did not include every federal grant with expenditures,
- The CFDA number and program titles were not always correct.

Audit adjustments in the total amount of \$1,416,812 were proposed, accepted by the Town, and made to the SEFA presented in this report. These adjustments resulted in a presentation of the SEFA that is materially correct in relation to the financial statement.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for 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 FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

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

Report on Compliance for Each Major Federal Program

We have audited the Town of Brownsburg's (Town) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended December 31, 2012. The Town's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Town's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for the major federal program. However, our audit does not provide a legal determination of the Town's compliance.

Opinion on Each Major Federal Program

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2012.

The Town's response to our audit is described in the accompanying Official Response. The Town's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
(Continued)

Report on Internal Control Over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the type of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The Town's response to our audit is described in the accompanying Official Response. The Town's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Bruce Hartman
State Examiner

August 12, 2013

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Schedule of Expenditures of Federal Awards and accompanying note presented were approved by management of the Town. The schedule and note are presented as intended by the Town.

TOWN OF BROWNSBURG
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2012

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>Department of Agriculture</u>				
Cooperative Forestry Assistance Put the Trees Back	Indiana Department of Natural Resources	10.664	300FR10CUF10	\$ 5,472
Total - Department of Agriculture				<u>5,472</u>
<u>Department of Transportation</u>				
Highway Safety Cluster Alcohol Impaired Driving Countermeasures Incentive Grants I Big/City Big County	Indiana Criminal Justice Institute	20.601	D3-12-6429 36-0000964	<u>15,330</u>
Total - Department of Transportation				<u>15,330</u>
<u>Environmental Protection Agency</u>				
Capitalization Grants for Drinking Water State Revolving Funds Arbuckle Acres Park Water System Improvements	Indiana Finance Authority	66.468	DW10133201 DW10133202	1,465,037 <u>24,237</u>
Total - Environmental Protection Agency				<u>1,489,274</u>
Total federal awards expended				<u>\$ 1,510,076</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 and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. 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.

TOWN OF BROWNSBURG
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major program:	
Material weaknesses identified?	none reported
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	no

Identification of Major Program:

CFDA Number	Name of Federal Program or Cluster
66.468	Capitalization Grants for Drinking Water State Revolving Funds
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

FINDING 2012-1 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

We noted the following deficiencies in the internal control system of the Town related to financial transactions and reporting. We believe the following deficiency constitutes a material weakness:

1. The Town did not have a proper system of internal control in place to prevent or detect and correct errors on the Schedule of Expenditures of Federal Awards (SEFA). The Town should have proper controls in place over the preparation of the SEFA to ensure accurate reporting of federal awards. Without a proper system of internal control in place that operates effectively, material misstatements of the SEFA could remain undetected.

TOWN OF BROWNSBURG
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

During the audit of the SEFA, we noted the following errors:

- Local matching funds were sometimes included on the Schedule,
- The Schedule did not include every federal grant with expenditures,
- The CFDA number and program titles were not always correct.

Audit adjustments in the total amount of \$1,416,812 were proposed, accepted by the Town, and made to the SEFA presented in this report. These adjustments resulted in a presentation of the SEFA that is materially correct in relation to the financial statement.

2. The Town did not have a proper system of internal control in place over preparation of the financial statement as generated by the Gateway Annual Report. Effective internal control over financial reporting involves the identification and analysis of the risks of material misstatement to the Town's audited financial statement and then determining how those identified risks should be managed. The Town has not identified risks to the preparation of the Annual Report and as a result has failed to design effective controls over the preparation of the Annual Report to prevent or detect material misstatements to the financial statement. The following audit adjustments were proposed, accepted by the Town, and made to the financial statement presented in this report.

Fund	Audit Adjustments to Annual Report Increase/(Decrease)			
	Beginning Balance	Receipts	Disbursements	Ending Balance
General	\$ (19,711)	\$ -	\$ -	\$ (19,711)
CCIF	20,168	-	-	20,168
2010 Economic Development Sinking	-	221,500	-	221,500
Brownsburg Town Court	-	2,876	-	2,876
Rda Construction Fund 2007 Bonds	-	11	-	11
Rda Sinking Fund 2007 Bonds	-	271,529	-	271,529
Rda Debt Service 2007 Bonds	-	28	28	-
Rda Debt Service 2010 Bonds	-	15	-	15
Rda 2010 Sinking Fund Refund Bonds	-	197,000	-	197,000
Rainy Day	-	(2)	-	(2)
2011 Economic Development Debt Service	-	13	13	-
2011 Economic Development Construction	-	27	-	27
2011 EDC Bond Sinking Fund	-	136,500	-	136,500
Water Utility Debt Reserve	-	(1,018)	(1,018)	-
Redevelop Auth Sinking Bonds 2003	-	(304,032)	(304,032)	-
Totals	\$ 457	\$524,447	\$ (305,009)	\$ 829,913

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control.

TOWN OF BROWNSBURG
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Controls over the receipting, disbursing, recording and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

OMB Circular A-133, Subpart C, section. 300 states in part: "The auditee shall . . . (d) Prepare appropriate financial statements, including the schedule of expenditures of Federal Awards in accordance with section.310."

OMB Circular A-133, Subpart C, section. 310(b) states:

"Schedule of expenditures of Federal awards: The auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple award years, the auditee may list the amount of Federal awards expended for each award year separately. At a minimum, the schedule shall:

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision I the Department of Health and Human Services.
- (2) For Federal awards received as a sub-recipient, the name of the pass-through entity and indentifying number assigned by the pass-through entity shall be included.
- (3) Provide the total Federal awards expended for each individual Federal program and the CFDA number or other indentifying number when the CFDA information is not available.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to sub-recipients from each Federal program.
- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under IC 5-14-3.8-7."

TOWN OF BROWNSBURG
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2012-2 - INTERNAL CONTROLS OVER PAYROLL DISBURSEMENTS

We noted a deficiency in the internal control system of the Town related to payroll disbursements. We believe the following deficiency constitutes a material weakness.

Internal controls over the payroll process were insufficient. There is a lack of segregation of duties as one employee performs all payroll processing functions. In addition, one of the internal controls over time-cards includes certification by employee and by supervisor; however that was not always implemented. Additionally, all payroll disbursements are made without board approval.

The failure to establish these controls could enable material misstatements or irregularities to remain undetected.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

CORRECTIVE ACTION PLAN

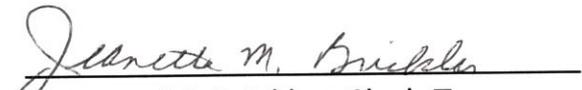
Contact Person: Jeanette M. Brickler
Title: Clerk-Treasurer
Phone Number: 317-852-1126
Expected Completion Date: Immediately

FINDING 2012-1 INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING.

Currently, I now have a full staff in this office and will make sure that the daily deposits are receipted in and written up by separate employees and/or reviewed.

FINDING 2012-2 INTERNAL CONTROLS OVER PAYROLL DISBURSEMENTS.

The payroll clerk has been instructed to return any timecard/report to the supervisor for signatures. We are working to get an electronic time system installed to more closely track employee times. We are creating a spreadsheet to copy and attach to the Council dockets and included in the total expenditures.


Jeanette M. Brickler, Clerk-Treasurer

TOWN OF BROWNSBURG
EXIT CONFERENCE

The contents of this report were discussed on August 12, 2013, with Jeanette Brickler, Clerk-Treasurer, and Dwayne Sawyer, President of the Town Council. The Official Response has been made a part of this report and may be found on page 50.

Town of Brownsburg, Indiana
61 N. Green Street
Brownsburg, IN 46112

OFFICIAL RESPONSE TO AUDIT COMMENTS

The December 31, 2012 bank reconciliation will be reviewed and adjustments made. We will go over the reconciliation process with the Court Administrator.

A Home Rule Resolution addressing severance packages, will be presented to the Town Council.

Internal controls over the payroll process will be strictly followed including approval by the Town Council. I will meet with each of my employees and stress to them the importance of correctly coding and posting entries into the computer system.

A complete inventory of capital assets will be carried out and the asset ledger brought up to date.

The matter of vacation and paid time off is addressed annually in the salary ordinance and approved by the Town Council. We do not pay vacation in advance.

SRF and SEFA reporting will be more closely monitored.

This office has been short staffed for most of 2013, but that will soon change and we will be getting these items corrected.