

**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, 2013 to December 31, 2013



**FILED**  
01/09/2015



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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	01-01-13 to 08-18-13 08-19-13 to 08-19-13 08-20-13 to 12-31-14
Utility Office Supervisor	Debbie Bernhardt	01-01-13 to 12-31-14
Town Court Judge	Charles Hostetter	01-01-12 to 12-31-15



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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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, 2013, 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, 2013.

***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, 2013, 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 October 23, 2014, 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, Schedule of Leases and Debt, and Schedule of Capital Assets, 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.

  
Paul D. Joyce, CPA  
State Examiner

October 23, 2014



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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, 2013, and the related notes to the financial statement, and have issued our report thereon dated October 23, 2014, 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 2013-001 and 2013-002 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 the accompanying Schedule of Findings and Questioned Costs as items 2013-001 and 2013-002.

***Town of Brownsburg's Response to Findings***

The Town's response to the findings identified in our audit is described in the accompanying 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.

  
Paul D. Joyce, CPA  
State Examiner

October 23, 2014

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## FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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, 2013

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13
General Fund	\$ 2,394,278	\$ 8,604,814	\$ 7,470,905	\$ 3,528,187
Motor Vehicle Highway Fund	907,895	1,315,503	979,338	1,244,060
Local Road And Street	879,059	223,836	419,118	683,777
Park Nonreverting Operating	331,769	465,867	407,301	390,335
Edit Fund	6,162,714	2,047,190	3,396,238	4,813,666
Building Demolition	52,902	-	-	52,902
SPCL. REV TAX FUND - WYNNE FARMS	-	20,000	-	20,000
Lecef	44,055	26,176	5,458	64,773
Clerk's Records Perpetuation	28,962	5,371	3,185	31,148
Riverboat	689,850	126,537	366,550	449,837
Rainy Day	2,271,722	208,518	265,761	2,214,479
1% Food And Beverage Tax	1,423,883	590,232	426,850	1,587,265
Fire Territory	735,379	8,472,469	7,596,217	1,611,631
Ccd	508,253	395,038	571,346	331,945
Cumulative Fire Capital Equipment	1,224,775	560,267	527,967	1,257,075
Ccif	92,228	57,219	-	149,447
Park Impact Fee Fund	508,229	131,783	-	640,012
Police Pension	554,027	289,470	342,349	501,148
2010 Economic Development Sinking	222,710	442,191	442,500	222,401
2010 Economic Development Refunding O & R	12,650	8,694	-	21,344
RDA ECONOMIC DEV. LEASE RENTAL BONDS OF 2010	10,152	2,904	-	13,056
DARE FUND	10,912	-	-	10,912
2013A Wynne Farms Debt Service	-	187,590	-	187,590
2013A Wynne Farm Project	-	280,855	280,855	-
2013A Wynne Farm Construction Fund	-	2,082,946	916,000	1,166,946
2011 Econ. Dev. Sinking Fund	136,504	270,013	269,122	137,395
Fire Gift Fund	9,819	10,807	12,113	8,513
Fire Grant Fund	-	1,110	484	626
Lecef Agency Fund	16,598	91,359	83,778	24,179
Investgations	17,242	2,500	5,500	14,242
Brownsburg Town Court	68,356	628,274	619,008	77,622
Police Gift Fund	15,528	25,110	24,087	16,551
Fire Service Fee	7,238	5,835	-	13,073
Fire Rainy Day Fund	39,499	-	39,499	-
Police Investigations Fund	20,047	8,378	1,715	26,710
Economic Redevelopment Fund	6,595,807	3,083,544	4,565,813	5,113,538
Building Debt Fund	1,271,162	1,709,537	2,836,027	144,672
Rda Construction Fund 2007 Bonds	347,694	130	-	347,824
Rda Sinking Fund 2007 Bonds	273,967	811,525	811,172	274,320
Rda Debt Service 2007 Bonds	866,000	325	325	866,000
Rda Operating & Reserve 2007 Bonds	45,495	8,117	-	53,612
Rda Debt Service 2010 Bonds	461,811	173	169	461,815
State Revolving Loan - Bond & Int	257,102	1,209,700	1,196,508	270,294
State Revolving Loan Debt Ser Reser	1,077,965	-	-	1,077,965
Rda 2010 Sinking Fund Refund Bonds	197,026	400,019	397,000	200,045
Parks & Recreation Fund	10,745	-	-	10,745
Payroll Clearing Fund	34,186	2,354,718	2,380,499	8,405
Health Insurance Risk Fund	251,165	2,316,560	2,323,182	244,543
Claims Fund	101,745	128,096	40,249	189,592
Fire Insurance Claims	2,100	7,374	9,474	-
County Court Agency Fund	13,830	40,779	40,779	13,830
Fire Non-Budgeted	1,034	1,244	2,278	-
Non-Budgeted	74,662	110,259	143,925	40,996
Storm Water Utility-Operating	3,026,266	1,198,649	1,397,320	2,827,595
2011 Economic Development Debt Service	395,930	149	149	395,930
2011 Economic Development Construction	419,706	307	-	420,013
2011 EDC BOND O & R CHECKING	2,378	3,129	-	5,507
Wastewater Utility-Operating	2,784,665	4,198,768	3,672,862	3,310,571
Wwtp Equipment Replacement Fund	960,408	1,196	-	961,604
srf dw dsr fund 2011	228,162	66,924	-	295,086
2011 SRF DW CONSTRUCTION BONDS	1,353,554	-	1,353,554	-
WATER PLANT SRF BOND - 2012	-	343,664	343,664	-
2011 SRF BROWNSBURG DW BOND & INT. FUND	185,525	352,800	321,758	216,567
Water Utility-Operating	2,196,587	3,725,549	2,870,176	3,051,960
Water Utility-Bond And Interest	182,380	-	138,923	43,457
Water Utility-Customer Deposit	711,431	80,157	52,063	739,525
2013 Mun.Bldg.Corp.Ref.Bonds 666794	-	273,639	203,094	70,545
2013 Mun.Bldg.Corp.Ref.Bonds 666792	-	110,837	108,337	2,500
2013 Mun.Bldg.Corp.Ref.Bonds 666791	-	1,208	-	1,208
2013 Mun.Bldg.Corp.Ref.Bonds 666790	-	14,048,049	13,418,049	630,000
<b>Totals</b>	<b>\$ 43,727,723</b>	<b>\$ 64,175,981</b>	<b>\$ 64,100,593</b>	<b>\$ 43,803,111</b>

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 Indiana 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. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

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.

TOWN OF BROWNSBURG  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

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.

TOWN OF BROWNSBURG  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**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.

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 a cost-sharing 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 Capitol Street, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687



TOWN OF BROWNSBURG  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*Funding Policy and Annual Pension Cost*

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

*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 Capitol Street, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

TOWN OF BROWNSBURG  
 NOTES TO FINANCIAL STATEMENT  
 (Continued)

*Funding Policy*

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

**Note 7. Restatements**

For the year ended December 31, 2013, certain changes have been made to some of the beginning balances of the financial statement to more appropriately reflect financial activity of the Town. The following schedule presents a summary of restated beginning balances.

Fund Name	Balance as of December 31, 2012	Prior Period Adjustment	Balance as of January 1, 2013
General Fund	\$ 2,374,567	\$ 19,711	\$ 2,394,278
Ccif	112,395	(20,167)	92,228
Brownsburg Town Court	71,232	(2,876)	68,356

**Note 8. Other Postemployment Benefits**

The Town provides health insurance benefits to eligible retirees and their spouses. The cost of the health insurance benefits are shared between the retiree and the Town. These benefits pose a liability to the Town for this year and in future years. Information regarding the benefits can be obtained by contacting the Town.

## 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, 2013

	General Fund	Motor Vehicle Highway Fund	Local Road And Street	Park Nonreverting Operating	Edit Fund	Building Demolition	SPCL. REV TAX FUND - WYNNE FARMS	Lecef
Cash and investments - beginning	\$ 2,394,278	\$ 907,895	\$ 879,059	\$ 331,769	\$ 6,162,714	\$ 52,902	\$ -	\$ 44,055
Receipts:								
Taxes	3,640,377	196,551	-	-	-	-	20,000	-
Licenses and permits	464,688	-	-	-	-	-	-	16,635
Intergovernmental	4,217,038	1,117,986	223,040	-	1,981,603	-	-	-
Charges for services	76,909	-	-	461,473	54,449	-	-	9,541
Fines and forfeits	101,439	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	104,363	966	796	4,394	11,138	-	-	-
Total receipts	8,604,814	1,315,503	223,836	465,867	2,047,190	-	20,000	26,176
Disbursements:								
Personal services	5,659,777	408,613	-	137,338	-	-	-	-
Supplies	680,121	161,718	-	55,200	-	-	-	-
Other services and charges	1,102,527	395,517	183,253	167,497	842,039	-	-	5,458
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	28,480	13,490	235,865	47,266	2,350,515	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	203,684	-	-	-
Total disbursements	7,470,905	979,338	419,118	407,301	3,396,238	-	-	5,458
Excess (deficiency) of receipts over disbursements	1,133,909	336,165	(195,282)	58,566	(1,349,048)	-	20,000	20,718
Cash and investments - ending	\$ 3,528,187	\$ 1,244,060	\$ 683,777	\$ 390,335	\$ 4,813,666	\$ 52,902	\$ 20,000	\$ 64,773

TOWN OF BROWNSBURG  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Clerk's Records Perpetuation	Riverboat	Rainy Day	1% Food And Beverage Tax	Fire Territory	Ccd	Cumulative Fire Capital Equipment
Cash and investments - beginning	\$ 28,962	\$ 689,850	\$ 2,271,722	\$ 1,423,883	\$ 735,379	\$ 508,253	\$ 1,224,775
Receipts:							
Taxes	-	-	-	564,240	4,719,750	365,849	497,541
Licenses and permits	-	-	-	-	10,990	-	-
Intergovernmental	-	126,091	-	-	2,856,395	28,888	54,317
Charges for services	-	-	-	-	811,755	-	7,910
Fines and forfeits	5,338	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	33	446	208,518	25,992	73,579	301	499
Total receipts	5,371	126,537	208,518	590,232	8,472,469	395,038	560,267
Disbursements:							
Personal services	-	-	-	31,879	6,604,965	-	-
Supplies	3,185	-	-	10,019	166,849	79,456	10,273
Other services and charges	-	366,550	223,497	182,633	824,403	227,033	31,993
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	202,319	-	264,857	435,701
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	42,264	-	-	-	50,000
Total disbursements	3,185	366,550	265,761	426,850	7,596,217	571,346	527,967
Excess (deficiency) of receipts over disbursements	2,186	(240,013)	(57,243)	163,382	876,252	(176,308)	32,300
Cash and investments - ending	\$ 31,148	\$ 449,837	\$ 2,214,479	\$ 1,587,265	\$ 1,611,631	\$ 331,945	\$ 1,257,075

TOWN OF BROWNSBURG  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (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	DARE FUND
Cash and investments - beginning	\$ 92,228	\$ 508,229	\$ 554,027	\$ 222,710	\$ 12,650	\$ 10,152	\$ 10,912
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	57,140	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	992	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	79	131,783	288,478	442,191	8,694	2,904	-
Total receipts	57,219	131,783	289,470	442,191	8,694	2,904	-
Disbursements:							
Personal services	-	-	342,174	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	175	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	442,500	-	-	-
Total disbursements	-	-	342,349	442,500	-	-	-
Excess (deficiency) of receipts over disbursements	57,219	131,783	(52,879)	(309)	8,694	2,904	-
Cash and investments - ending	\$ 149,447	\$ 640,012	\$ 501,148	\$ 222,401	\$ 21,344	\$ 13,056	\$ 10,912

TOWN OF BROWNSBURG  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	2013A Wynne Farms Debt Service	2013A Wynne Farm Project	2013A Wynne Farm Construction Fund	2011 Econ. Dev. Sinking Fund	Fire Gift Fund	Fire Grant Fund	Lecef Agency Fund
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 136,504	\$ 9,819	\$ -	\$ 16,598
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	91,339
Utility fees	-	-	-	-	-	-	-
Other receipts	187,590	280,855	2,082,946	270,013	10,807	1,110	20
Total receipts	187,590	280,855	2,082,946	270,013	10,807	1,110	91,359
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	1,950	-	-
Other services and charges	-	-	-	-	3,575	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	280,855	916,000	269,122	6,588	484	83,778
Total disbursements	-	280,855	916,000	269,122	12,113	484	83,778
Excess (deficiency) of receipts over disbursements	187,590	-	1,166,946	891	(1,306)	626	7,581
Cash and investments - ending	\$ 187,590	\$ -	\$ 1,166,946	\$ 137,395	\$ 8,513	\$ 626	\$ 24,179

TOWN OF BROWNSBURG  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Investgations	Brownsburg Town Court	Police Gift Fund	Fire Service Fee	Fire Rainy Day Fund	Police Investigations Fund	Economic Redevelopment Fund
Cash and investments - beginning	\$ 17,242	\$ 68,356	\$ 15,528	\$ 7,238	\$ 39,499	\$ 20,047	\$ 6,595,807
Receipts:							
Taxes	-	-	-	-	-	-	2,862,121
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	2,500	-	-	3,285	-	-	1,000
Fines and forfeits	-	628,274	-	-	-	8,378	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	25,110	2,550	-	-	220,423
Total receipts	<u>2,500</u>	<u>628,274</u>	<u>25,110</u>	<u>5,835</u>	<u>-</u>	<u>8,378</u>	<u>3,083,544</u>
Disbursements:							
Personal services	-	-	-	-	-	-	4,296
Supplies	-	-	4,635	-	-	-	6,238
Other services and charges	-	-	2,452	-	-	-	1,889,959
Debt service - principal and interest	-	-	-	-	-	-	1,655,000
Capital outlay	-	-	17,000	-	-	-	1,010,320
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	5,500	619,008	-	-	39,499	1,715	-
Total disbursements	<u>5,500</u>	<u>619,008</u>	<u>24,087</u>	<u>-</u>	<u>39,499</u>	<u>1,715</u>	<u>4,565,813</u>
Excess (deficiency) of receipts over disbursements	<u>(3,000)</u>	<u>9,266</u>	<u>1,023</u>	<u>5,835</u>	<u>(39,499)</u>	<u>6,663</u>	<u>(1,482,269)</u>
Cash and investments - ending	<u>\$ 14,242</u>	<u>\$ 77,622</u>	<u>\$ 16,551</u>	<u>\$ 13,073</u>	<u>\$ -</u>	<u>\$ 26,710</u>	<u>\$ 5,113,538</u>



TOWN OF BROWNSBURG  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Building Debt Fund	Rda Construction Fund 2007 Bonds	Rda Sinking Fund 2007 Bonds	Rda Debt Service 2007 Bonds	Rda Operating & Reserve 2007 Bonds	Rda Debt Service 2010 Bonds	State Revolving Loan - Bond & Int
Cash and investments - beginning	\$ 1,271,162	\$ 347,694	\$ 273,967	\$ 866,000	\$ 45,495	\$ 461,811	\$ 257,102
Receipts:							
Taxes	1,367,597	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	115,182	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	<u>226,758</u>	<u>130</u>	<u>811,525</u>	<u>325</u>	<u>8,117</u>	<u>173</u>	<u>1,209,700</u>
Total receipts	<u>1,709,537</u>	<u>130</u>	<u>811,525</u>	<u>325</u>	<u>8,117</u>	<u>173</u>	<u>1,209,700</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	20,633	-	-	-	-	-	-
Debt service - principal and interest	2,815,394	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	811,172	325	-	169	1,196,508
Total disbursements	<u>2,836,027</u>	<u>-</u>	<u>811,172</u>	<u>325</u>	<u>-</u>	<u>169</u>	<u>1,196,508</u>
Excess (deficiency) of receipts over disbursements	<u>(1,126,490)</u>	<u>130</u>	<u>353</u>	<u>-</u>	<u>8,117</u>	<u>4</u>	<u>13,192</u>
Cash and investments - ending	<u>\$ 144,672</u>	<u>\$ 347,824</u>	<u>\$ 274,320</u>	<u>\$ 866,000</u>	<u>\$ 53,612</u>	<u>\$ 461,815</u>	<u>\$ 270,294</u>

TOWN OF BROWNSBURG  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	State Revolving Loan Debt Ser Reser	Rda 2010 Sinking Fund Refund Bonds	Parks & Recreation Fund	Payroll Clearing Fund	Health Insurance Risk Fund	Claims Fund	Fire Insurance Claims
Cash and investments - beginning	\$ 1,077,965	\$ 197,026	\$ 10,745	\$ 34,186	\$ 251,165	\$ 101,745	\$ 2,100
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	400,019	-	2,354,718	2,316,560	128,096	7,374
Total receipts	-	400,019	-	2,354,718	2,316,560	128,096	7,374
Disbursements:							
Personal services	-	-	-	-	16,435	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	218,756	-	9,474
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	397,000	-	2,380,499	2,087,991	40,249	-
Total disbursements	-	397,000	-	2,380,499	2,323,182	40,249	9,474
Excess (deficiency) of receipts over disbursements	-	3,019	-	(25,781)	(6,622)	87,847	(2,100)
Cash and investments - ending	\$ 1,077,965	\$ 200,045	\$ 10,745	\$ 8,405	\$ 244,543	\$ 189,592	\$ -

TOWN OF BROWNSBURG  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	County Court Agency Fund	Fire Non-Budgeted	Non-Budgeted	Storm Water Utility-Operating	2011 Economic Development Debt Service	2011 Economic Development Construction	2011 EDC BOND O & R CHECKING
Cash and investments - beginning	\$ 13,830	\$ 1,034	\$ 74,662	\$ 3,026,266	\$ 395,930	\$ 419,706	\$ 2,378
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	7,385	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	36,406	-	-	-	-
Fines and forfeits	40,779	-	-	-	-	-	-
Utility fees	-	-	-	1,187,082	-	-	-
Other receipts	-	1,244	66,468	11,567	149	307	3,129
Total receipts	<u>40,779</u>	<u>1,244</u>	<u>110,259</u>	<u>1,198,649</u>	<u>149</u>	<u>307</u>	<u>3,129</u>
Disbursements:							
Personal services	-	-	-	479,312	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	640	-	-	-
Debt service - principal and interest	-	-	-	448,000	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	456,068	-	-	-
Other disbursements	40,779	2,278	143,925	13,300	149	-	-
Total disbursements	<u>40,779</u>	<u>2,278</u>	<u>143,925</u>	<u>1,397,320</u>	<u>149</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(1,034)</u>	<u>(33,666)</u>	<u>(198,671)</u>	<u>-</u>	<u>307</u>	<u>3,129</u>
Cash and investments - ending	<u>\$ 13,830</u>	<u>\$ -</u>	<u>\$ 40,996</u>	<u>\$ 2,827,595</u>	<u>\$ 395,930</u>	<u>\$ 420,013</u>	<u>\$ 5,507</u>

TOWN OF BROWNSBURG  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Wastewater Utility-Operating	Wwtp Equipment Replacement Fund	srf dw dsr fund 2011	2011 SRF DW CONSTRUCTION BONDS	WATER PLANT SRF BOND - 2012	2011 SRF BROWNSBURG DW BOND & INT. FUND	Water Utility-Operating
Cash and investments - beginning	\$ 2,784,665	\$ 960,408	\$ 228,162	\$ 1,353,554	\$ -	\$ 185,525	\$ 2,196,587
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	4,187,796	-	-	-	-	-	3,631,530
Other receipts	10,972	1,196	66,924	-	343,664	352,800	94,019
Total receipts	<u>4,198,768</u>	<u>1,196</u>	<u>66,924</u>	<u>-</u>	<u>343,664</u>	<u>352,800</u>	<u>3,725,549</u>
Disbursements:							
Personal services	1,244,923	-	-	-	-	-	653,136
Supplies	-	-	-	-	-	-	-
Other services and charges	82,785	-	-	-	-	-	65,095
Debt service - principal and interest	614,400	-	-	-	-	-	352,800
Capital outlay	47,934	-	-	-	-	-	42,934
Utility operating expenses	1,485,200	-	-	-	-	-	1,627,787
Other disbursements	197,620	-	-	1,353,554	343,664	321,758	128,424
Total disbursements	<u>3,672,862</u>	<u>-</u>	<u>-</u>	<u>1,353,554</u>	<u>343,664</u>	<u>321,758</u>	<u>2,870,176</u>
Excess (deficiency) of receipts over disbursements	<u>525,906</u>	<u>1,196</u>	<u>66,924</u>	<u>(1,353,554)</u>	<u>-</u>	<u>31,042</u>	<u>855,373</u>
Cash and investments - ending	<u>\$ 3,310,571</u>	<u>\$ 961,604</u>	<u>\$ 295,086</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 216,567</u>	<u>\$ 3,051,960</u>

TOWN OF BROWNSBURG  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Water Utility-Bond And Interest	Water Utility-Customer Deposit	2013 Mun. Bldg. Corp. Ref. Bonds 666794	2013 Mun. Bldg. Corp. Ref. Bonds 666792	2013 Mun. Bldg. Corp. Ref. Bonds 666791	2013 Mun. Bldg. Corp. Ref. Bonds 666790	Totals
Cash and investments - beginning	\$ 182,380	\$ 711,431	\$ -	\$ -	\$ -	\$ -	\$ 43,727,723
Receipts:							
Taxes	-	-	-	-	-	-	14,234,026
Licenses and permits	-	-	-	-	-	-	499,698
Intergovernmental	-	-	-	-	-	-	10,777,680
Charges for services	-	-	-	-	-	-	1,465,228
Fines and forfeits	-	-	-	-	-	-	876,539
Utility fees	-	-	-	-	-	-	9,006,408
Other receipts	-	80,157	273,639	110,837	1,208	14,048,049	27,316,402
Total receipts	-	80,157	273,639	110,837	1,208	14,048,049	64,175,981
Disbursements:							
Personal services	-	-	-	-	-	-	15,582,848
Supplies	-	-	-	-	-	-	1,179,644
Other services and charges	-	-	-	-	-	-	6,845,944
Debt service - principal and interest	136,748	-	-	-	-	-	6,022,342
Capital outlay	-	-	203,094	-	-	-	4,899,775
Utility operating expenses	-	-	-	-	-	-	3,569,055
Other disbursements	2,175	52,063	-	108,337	-	13,418,049	26,000,985
Total disbursements	138,923	52,063	203,094	108,337	-	13,418,049	64,100,593
Excess (deficiency) of receipts over disbursements	(138,923)	28,094	70,545	2,500	1,208	630,000	75,388
Cash and investments - ending	\$ 43,457	\$ 739,525	\$ 70,545	\$ 2,500	\$ 1,208	\$ 630,000	\$ 43,803,111

TOWN OF BROWNSBURG  
 SCHEDULE OF PAYABLES AND RECEIVABLES  
 December 31, 2013

Government or Enterprise	Accounts Payable	Accounts Receivable
Storm Water	\$ -	\$ 91,545
Wastewater	-	317,907
Water	-	241,718
Governmental activities	-	39,153
Totals	<u>\$ -</u>	<u>\$ 690,323</u>

TOWN OF BROWNSBURG  
SCHEDULE OF LEASES AND DEBT  
December 31, 2013

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Ambassador Financial Inc/Axia Technology Partners	Telephone System Lease	\$ 17,105	7/1/2011	6/30/2016
Bank of NewYork Trust	Downtown Fire Station	328,500	12/31/2004	12/31/2015
US Bank	Fire Station 3	202,000	7/1/2007	1/1/2025
US Bank	Fire Training Center	170,000	7/1/2004	1/1/2024
Old National Leasing (Copy Co)	Fleet Copier Lease	<u>22,000</u>	10/28/2009	10/31/2014
Total governmental activities		<u>739,605</u>		
Total of annual lease payments		<u>\$ 739,605</u>		

Type	Description of Debt	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	\$ 5,515,000	\$ 433,600
General obligation bonds	Redevelopment Authority \$2 625 000 E.D. Lease Rental Refunding Bonds Series 2010	1,660,000	393,413
General obligation bonds	Redevelopment Commission 8 660 000.00 Lease Rental Bonds on W. Northfield Dr from 267 to Bburg Station	8,450,000	539,023
General obligation bonds	Bburg Redevelopment Authority \$4 000 000 Econ Dev. Lease Rental Bonds of 2011 Series A	3,850,000	262,995
General obligation bonds	1st Mtg. Refunding Bonds Series 2013 (Town Hall)	12,199,000	1,213,031
Revenue bonds	Econ Redev. Special Revenue Tax Bonds Series 2013A \$2 580 000 at Wynne Farms	<u>2,580,000</u>	<u>152,464</u>
Total governmental activities		<u>34,254,000</u>	<u>2,994,526</u>
Storm Water:			
Revenue bonds	Brownsburg Municipal \$6 000 000 Sewage Works Revenue Bonds Series 2011A	<u>5,575,000</u>	<u>448,651</u>
Wastewater:			
Revenue bonds	Bburg Municipal Sewage Works 2009 Revenue Bonds	<u>3,904,000</u>	<u>177,085</u>
Water:			
Revenue bonds	Waterworks Revenue Bonds of 2003	1,245,000	135,330
Revenue bonds	Waterworks Revenue Bonds of 2011A	4,554,000	283,703
Revenue bonds	Waterworks Revenue Bonds of 2012B	<u>930,000</u>	<u>65,983</u>
Total Water		<u>6,729,000</u>	<u>485,016</u>
Totals		<u>\$ 50,462,000</u>	<u>\$ 4,105,278</u>

TOWN OF BROWNSBURG  
SCHEDULE OF CAPITAL ASSETS  
December 31, 2013

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.

	Ending Balance
Governmental activities:	
Land	\$ 1,770,344
Infrastructure	1,608,331
Buildings	30,548,944
Machinery, equipment, and vehicles	10,906,383
Books and other	1,334,796
Total governmental activities	46,168,798
Wastewater:	
Land	196,503
Infrastructure	4,294,104
Buildings	16,159,521
Machinery, equipment, and vehicles	1,363,922
Books and other	828,213
Total Wastewater	22,842,263
Water:	
Land	288,119
Infrastructure	1,435,930
Buildings	3,932,997
Machinery, equipment, and vehicles	722,267
Books and other	631,916
Total Water	6,723,110
Total capital assets	\$ 76,022,290



SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

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

***Report on Compliance for the 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, 2013. 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 program 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 the 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, 2013.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE 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 the 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 types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the 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 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.

  
Paul D. Joyce, CPA  
State Examiner

October 23, 2014

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

TOWN OF BROWNSBURG  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2013

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 Justice</u>				
Missing Children's Assistance Missing Children's Assistance	Indiana State Police	16.543	2008-MC-CX-K006 2011-MC-CX-K005	\$ 7,536 <u>8,500</u>
Total - Department of Justice				<u>16,036</u>
<u>Department of Transportation</u>				
Highway Planning and Construction Cluster Highway Planning and Construction Safe Routes to School Traffic Signal Grant	Indiana Department of Transportation	20.205	1006321 DES 1173169	24,619 <u>9,450</u>
Total - Highway Planning and Construction Cluster				<u>34,069</u>
<u>Highway Safety Cluster</u>				
State and Community Highway Safety Governor's Council on Impaired & Dangerous Driving	Indiana Criminal Justice Institute	20.600	032NHTSA4022013	<u>51,916</u>
Alcohol Impaired Driving Countermeasures Incentive Grants I (DUI) Driving Under Influ	Indiana Criminal Justice Institute	20.601	032NHTSA4102013	<u>12,093</u>
Total - Highway Safety Cluster				<u>64,009</u>
Total - Department of Transportation				<u>98,078</u>
<u>Environmental Protection Agency</u>				
Capitalization Grants for Clean Water State Revolving Funds Wastewater State Revolving Fund (WWSRF)	Indiana Finance Authority	66.458	WW08013202	<u>190,098</u>
Capitalization Grants for Drinking Water State Revolving Funds	Indiana Finance Authority	66.468	DW10133201 DW10133202	647,144 <u>275,022</u>
Total - Capitalization Grants for Drinking Water State Revolving Funds				<u>922,166</u>
Total - Environmental Protection Agency				<u>1,112,264</u>
Total federal awards expended				<u>\$ 1,226,378</u>

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

TOWN OF BROWNSBURG  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Town 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.

**Note 2. Subrecipients**

Of the federal expenditures presented in the schedule, the Town provided federal awards to subrecipients as follows for the year ended December 31, 2013.

Program Title	Federal CFDA Number	2013
State and Community Highway Safety	20.600	\$ 41,957
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	9,242

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?	no
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
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**Section II - Financial Statement Findings**

**FINDING 2013-001 - INTERNAL CONTROLS OVER PREPARATION OF THE FINANCIAL STATEMENT**

The Town did not have a proper system of internal control in place to prevent, or detect and correct, errors on the 2013 financial statement as generated from information entered into the Gateway Annual Report. The Town should have proper controls in place over the preparation of the Annual Report to ensure accurate reporting of financial activity. Without a proper system of internal control in place that operates effectively, material misstatements of the financial activity included in the financial statement could remain undetected.

During the audit of the financial statement, we noted the following omissions and errors:



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

Activity of four funds related to the 2013 Municipal Building Corporation Refunding Bonds was omitted from the financial statement presented for audit. The level of activity associated with these funds is material and omitting these funds from the financial statement would result in a financial statement that is not materially correct.

The activity that was omitted is described in the table below:

2013 Mun. Bldg. Corp Ref. Bonds 666794	\$ 273,639	\$ 203,094	\$ 70,545
2013 Mun. Bldg. Corp Ref. Bonds 666792	110,837	108,337	2,500
2013 Mun. Bldg. Corp Ref. Bonds 666791	1,208	-	1,208
2013 Mun. Bldg. Corp Ref. Bonds 666790	14,048,049	13,418,049	630,000

Activity for the 2011 Econ Dev Sinking Fund was reported twice in the financial statement presented for audit.

We recommended audit adjustments and they were accepted by the Clerk-Treasurer. The financial statement presented in this report reflects these adjustments.

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)

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."

**FINDING 2013-002 - INTERNAL CONTROLS OVER THE PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

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, misstatements of the SEFA could remain undetected.

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

During the audit, the following corrections were made to the SEFA:

The financial activity for two federal grants was omitted from the SEFA presented for audit. These were the Capitalization Grants for Clean Water State Revolving Funds, CFDA No. 66.458 and Capitalization Grants for Drinking Water State Revolving Funds, CFDA No. 66.468.

The SEFA also contained additional smaller errors which were also corrected:

The Alcohol Impaired Driving Countermeasures Incentive Grants I, CFDA No. 20.601, was omitted.

The federal program name was absent or incorrect for three federal grants.

Two grants were listed with incorrect CFDA numbers.

Three grants were listed with the wrong reimbursement amount.

Four state grants were listed on the schedule.

We believe the deficiencies discussed above constitute a material weakness. The errors and omissions on the SEFA were caused by a lack of sufficient internal controls over the preparation of the SEFA, lack of communication between the Clerk-Treasurer's Office and some of the Town departments, and insufficient familiarity with some of the required elements of the SEFA. Audit adjustments were proposed, accepted by the Town of Brownsburg, and made to the SEFA as presented in the report.

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)

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:

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

- (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 in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying 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 identifying 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 subrecipients 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."

***Section III - Federal Award Findings and Questioned Costs***

No matters are reportable.

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AUDITEE PREPARED DOCUMENT

The subsequent document was provided by management of the Town. The document is presented as intended by the Town.

CORRECTIVE ACTION PLAN dated October 20, 2014

**Finding 2013-001 – Internal Controls Over Preparation of the Financial Statements.**

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

The bond debts are tracked in separate binders that Susan keeps; 2013 had a lot of activity and we worked together to check off the information as it was entered in the annual report. Bond funds that we keep track of will be more closely monitored when preparing the annual report.

However, these are mostly lease purchase bonds and only the lease payment is made by the Town, not principal and interest; the banks pay themselves from funds sent to them monthly for principal and interest and those payments are not a part of our check and deposit postings or even money in our bank, but those record are kept in a binder and reconciled.

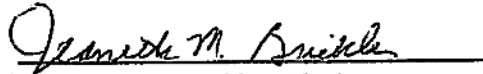
**Finding 2013-002 Internal Controls Over the Preparation of the SEFA**

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

The office will check with all departments that apply for and spend SEFA funds and make sure they provide this office with a complete packet of grant documents, including CFDA numbers and official and correct titles to their awarded grant. The Council may be required to set a town-wide policy for any department that applies for funding to require the information be first

filed in the Clerk-Treasurer's office. A copy of OMB Circular A-133 Subpart C will be provided to all departments of the procedure they must follow when receiving or expending grant funds.

I believe both the office staff and I will make every effort possible to report accurate and detailed information as outlined in your findings. A review of what has been done in 2014 to date is going to be done to make sure they are corrected before year end and each year thereafter.

  
Jeanette M. Brickler, Clerk-Treasurer

Town of Brownsburg Audit 2013.docx  
Microsoft Word

#### OTHER REPORT

In addition to this report, a Supplemental Compliance Report has been issued for the Town. That report can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.