

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

BRANDYWINE TOWNSHIP

HANCOCK COUNTY, INDIANA

January 1, 2012 to December 31, 2015



**FILED**  
06/16/2016



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#### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Marc Hill	01-01-11 to 12-31-14
	Sandra Matthias	01-01-15 to 12-31-18
Chairman of the Township Board	Trent Henderson	01-01-12 to 07-31-14
	Sandra Matthias	08-01-14 to 12-31-14
	Marc Hill	01-01-15 to 12-31-16



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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**INDEPENDENT ACCOUNTANT'S REPORT**

TO: THE OFFICIALS OF BRANDYWINE TOWNSHIP, HANCOCK COUNTY, INDIANA

We have examined the accompanying financial statements of Brandywine Township (Township), for the period of January 1, 2012 to December 31, 2015. The financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on the financial statements based on our examination.

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

As discussed in Note 1, the Township prepares its financial statements 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 comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statements referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the Township for the period of January 1, 2012 to December 31, 2015.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Township for the period of January 1, 2012 to December 31, 2015, on the basis of accounting described in Note 1.

Our examination was conducted for the purpose of forming an opinion on the Township's financial statements. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis, 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 statements. They have not been subjected to the examination procedures applied to the financial statements and, accordingly, we express no opinion on them.

*Paul D. Joyce*  
Paul D. Joyce, CPA  
State Examiner

March 21, 2016

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## FINANCIAL STATEMENTS AND ACCOMPANYING NOTES

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

BRANDYWINE TOWNSHIP, HANCOCK COUNTY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Years Ended December 31, 2012 and 2013

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12	Receipts	Disbursements	Cash and Investments 12-31-13
Township	\$ 99,141	\$ 31,157	\$ 15,177	\$ 115,121	\$ 34,050	\$ 26,708	\$ 122,463
Park And Recreation	10,442	22,069	5,500	27,011	6,937	10,040	23,908
Township Assistance	20,599	17,375	1,517	36,457	14,172	850	49,779
Fire Fighting	42,114	28,999	27,583	43,530	33,695	28,410	48,815
Fire Debt	1,302	39,825	42,650	(1,523)	53,159	53,907	(2,271)
Cemetery	2,137	-	-	2,137	-	-	2,137
EMS	-	15,326	10,000	5,326	-	5,326	-
Totals	<u>\$ 175,735</u>	<u>\$ 154,751</u>	<u>\$ 102,427</u>	<u>\$ 228,059</u>	<u>\$ 142,013</u>	<u>\$ 125,241</u>	<u>\$ 244,831</u>

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



BRANDYWINE TOWNSHIP, HANCOCK COUNTY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Years Ended December 31, 2014 and 2015

Fund	Cash and Investments 01-01-14	Receipts	Disbursements	Cash and Investments 12-31-14	Receipts	Disbursements	Cash and Investments 12-31-15
Township	\$ 122,463	\$ 17,051	\$ 23,463	\$ 116,051	\$ 6,897	\$ 46,220	\$ 76,728
Park And Recreation	23,908	6,526	6,700	23,734	27,124	15,750	35,108
Township Assistance	49,779	15,103	970	63,912	23,171	2,082	85,001
Fire Fighting	48,815	36,582	35,000	50,397	36,698	37,132	49,963
Fire Debt	(2,271)	39,633	49,962	(12,600)	39,008	48,027	(21,619)
Cemetery	2,137	-	-	2,137	-	-	2,137
Totals	<u>\$ 244,831</u>	<u>\$ 114,895</u>	<u>\$ 116,095</u>	<u>\$ 243,631</u>	<u>\$ 132,898</u>	<u>\$ 149,211</u>	<u>\$ 227,318</u>

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

BRANDYWINE TOWNSHIP, HANCOCK COUNTY  
NOTES TO FINANCIAL STATEMENTS

**Note 1. Summary of Significant Accounting Policies**

**A. Reporting Entity**

The Township was established under the laws of the State of Indiana. The Township operates under a township trustee/township board form of government and provides some or all of the following services: public safety (fire), health and social services (township assistance), culture and recreation (parks and/or community centers), and general administrative services (weed and dog control).

The accompanying financial statements present the financial information for the Township.

**B. Basis of Accounting**

The financial statements are 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 statements. 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 Township.

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of these types 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, 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.

BRANDYWINE TOWNSHIP, HANCOCK COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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 statements. 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 Township. It includes all expenditures for the reduction of the principal and interest of the Township's general obligation indebtedness.

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 Township 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 Township. 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 Township. 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 Township 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.

BRANDYWINE TOWNSHIP, HANCOCK COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

**Note 2. Budgets**

The operating budget is initially prepared and approved at the local level. The fiscal officer of the Township 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 Township 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.

State statutes authorize the Township to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

**Note 5. Risk Management**

The Township 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 Township to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

**Note 6. Cash Balance Deficits**

The financial statements contain some funds with deficits in cash. This is a result of disbursements exceeding available receipts.

#### OTHER INFORMATION - UNAUDITED

The Township'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 statements contained in this report and the financial information presented in the Annual Reports of the Township which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

The other information presented was approved by management of the Township. It is presented as intended by the Township.

BRANDYWINE TOWNSHIP, HANCOCK COUNTY  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2012

	Township	Park And Recreation	Township Assistance	Fire Fighting	Fire Debt	Cemetery	EMS	Totals
Cash and investments - beginning	\$ 99,141	\$ 10,442	\$ 20,599	\$ 42,114	\$ 1,302	\$ 2,137	\$ -	\$ 175,735
Receipts:								
Taxes	-	22,069	17,375	28,990	39,825	-	15,326	123,585
Intergovernmental	30,720	-	-	-	-	-	-	30,720
Other receipts	437	-	-	9	-	-	-	446
Total receipts	31,157	22,069	17,375	28,999	39,825	-	15,326	154,751
Disbursements:								
Personal services	10,500	-	-	-	-	-	-	10,500
Supplies	19	-	-	-	-	-	-	19
Other services and charges	4,210	5,500	1,517	27,583	-	-	10,000	48,810
Debt service - principal and interest	-	-	-	-	42,650	-	-	42,650
Other disbursements	448	-	-	-	-	-	-	448
Total disbursements	15,177	5,500	1,517	27,583	42,650	-	10,000	102,427
Excess (deficiency) of receipts over disbursements	15,980	16,569	15,858	1,416	(2,825)	-	5,326	52,324
Cash and investments - ending	\$ 115,121	\$ 27,011	\$ 36,457	\$ 43,530	\$ (1,523)	\$ 2,137	\$ 5,326	\$ 228,059

BRANDYWINE TOWNSHIP, HANCOCK COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013

	Township	Park And Recreation	Township Assistance	Fire Fighting	Fire Debt	Cemetery	EMS	Totals
Cash and investments - beginning	\$ 115,121	\$ 27,011	\$ 36,457	\$ 43,530	\$ (1,523)	\$ 2,137	\$ 5,326	\$ 228,059
Receipts:								
Taxes	-	2,911	13,789	30,234	47,893	-	-	94,827
Intergovernmental	34,050	4,026	383	3,461	5,266	-	-	47,186
Other receipts	-	-	-	-	-	-	-	-
Total receipts	<u>34,050</u>	<u>6,937</u>	<u>14,172</u>	<u>33,695</u>	<u>53,159</u>	<u>-</u>	<u>-</u>	<u>142,013</u>
Disbursements:								
Personal services	14,179	-	-	28,410	-	-	-	42,589
Supplies	14	-	-	-	-	-	-	14
Other services and charges	11,094	10,040	850	-	-	-	5,326	27,310
Debt service - principal and interest	-	-	-	-	53,907	-	-	53,907
Other disbursements	<u>1,421</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,421</u>
Total disbursements	<u>26,708</u>	<u>10,040</u>	<u>850</u>	<u>28,410</u>	<u>53,907</u>	<u>-</u>	<u>5,326</u>	<u>125,241</u>
Excess (deficiency) of receipts over disbursements	<u>7,342</u>	<u>(3,103)</u>	<u>13,322</u>	<u>5,285</u>	<u>(748)</u>	<u>-</u>	<u>(5,326)</u>	<u>16,772</u>
Cash and investments - ending	<u>\$ 122,463</u>	<u>\$ 23,908</u>	<u>\$ 49,779</u>	<u>\$ 48,815</u>	<u>\$ (2,271)</u>	<u>\$ 2,137</u>	<u>\$ -</u>	<u>\$ 244,831</u>

BRANDYWINE TOWNSHIP, HANCOCK COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2014

	Township	Park And Recreation	Township Assistance	Fire Fighting	Fire Debt	Cemetery	Totals
Cash and investments - beginning	\$ 122,463	\$ 23,908	\$ 49,779	\$ 48,815	\$ (2,271)	\$ 2,137	\$ 244,831
Receipts:							
Taxes	17,051	6,526	15,103	36,582	39,633	-	114,895
Other receipts	-	-	-	-	-	-	-
Total receipts	17,051	6,526	15,103	36,582	39,633	-	114,895
Disbursements:							
Personal services	7,857	-	-	-	-	-	7,857
Other services and charges	10,459	6,700	970	35,000	-	-	53,129
Debt service - principal and interest	-	-	-	-	49,962	-	49,962
Other disbursements	5,147	-	-	-	-	-	5,147
Total disbursements	23,463	6,700	970	35,000	49,962	-	116,095
Excess (deficiency) of receipts over disbursements	(6,412)	(174)	14,133	1,582	(10,329)	-	(1,200)
Cash and investments - ending	\$ 116,051	\$ 23,734	\$ 63,912	\$ 50,397	\$ (12,600)	\$ 2,137	\$ 243,631



BRANDYWINE TOWNSHIP, HANCOCK COUNTY  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2015

	Township	Park And Recreation	Township Assistance	Fire Fighting	Fire Debt	Cemetery	Totals
Cash and investments - beginning	\$ 116,051	\$ 23,734	\$ 63,912	\$ 50,397	\$ (12,600)	\$ 2,137	\$ 243,631
Receipts:							
Taxes	-	27,124	23,171	36,514	38,812	-	125,621
Intergovernmental	3,032	-	-	184	196	-	3,412
Other receipts	3,865	-	-	-	-	-	3,865
Total receipts	6,897	27,124	23,171	36,698	39,008	-	132,898
Disbursements:							
Personal services	8,507	-	-	-	-	-	8,507
Supplies	1,788	-	-	-	-	-	1,788
Other services and charges	31,800	15,750	2,082	37,132	-	-	86,764
Debt service - principal and interest	-	-	-	-	48,027	-	48,027
Other disbursements	4,125	-	-	-	-	-	4,125
Total disbursements	46,220	15,750	2,082	37,132	48,027	-	149,211
Excess (deficiency) of receipts over disbursements	(39,323)	11,374	21,089	(434)	(9,019)	-	(16,313)
Cash and investments - ending	\$ 76,728	\$ 35,108	\$ 85,001	\$ 49,963	\$ (21,619)	\$ 2,137	\$ 227,318

BRANDYWINE TOWNSHIP, HANCOCK COUNTY  
SCHEDULE OF LEASES AND DEBT  
December 31, 2015

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities: Notes and loans payable	Fire Truck	\$ 120,000	\$ 48,016
Totals		<u>\$ 120,000</u>	<u>\$ 48,016</u>

BRANDYWINE TOWNSHIP, HANCOCK COUNTY  
SCHEDULE OF CAPITAL ASSETS  
December 31, 2015

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	\$ 35,000
Machinery, equipment, and vehicles	<u>240,000</u>
Total governmental activities	<u>275,000</u>
Total capital assets	<u><u>\$ 275,000</u></u>

#### OTHER REPORTS

In addition to this report, other reports may have been issued for the Township. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.