B28374

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT

OF

BROWN TOWNSHIP

MORGAN COUNTY, INDIANA

January 1, 2004 to December 31, 2005

FILED

10/16/2006

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OFFICIALS

Office	Official	Term
Trustee	Alan Hornaday	01-01-04 to 12-31-06
Chairman of the Township Board	Kevin Smith	01-01-04 to 12-31-05
	Howard Pritchard	01-01-06 to 12-31-06

STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF BROWN TOWNSHIP, MORGAN COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of Brown Township (Township), for the period of January 1, 2004 to December 31, 2005. The Township's management is responsible for the schedules. Our responsibility is to express an opinion based on our examination.

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

In our opinion, the schedules referred to above present fairly, in all material respects, the cash transactions of the Township for the years ended December 31, 2004 and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

August 24, 2006

BROWN TOWNSHIP, MORGAN COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
As Of And For The Years Ended December 31, 2004 And 2005

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	$ 279,021	$ 322,337	$ 413,137	$ 188,221
Dog	760	441	460	741
Township Assistance	53,489	37,312	26,558	64,243
Firefighting	319,566	534,421	428,604	425,383
Emergency Medical Service	516,970	479,745	522,991	473,724
Fire Debt	11,422	79,149	58,381	32,190
Cumulative Fire	101,032	34,317	135,311	38
Fiduciary Fund:				
Payroll Withholdings	1,388	279,566	270,734	10,220
Totals	$ 1,283,648	$ 1,767,288	$ 1,856,176	$ 1,194,760

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	$ 188,221	$ 421,457	$ 384,237	$ 225,441
Dog	741	329	441	629
Township Assistance	64,243	40,796	32,601	72,438
Firefighting	425,383	376,275	390,670	410,988
Emergency Medical Service	473,724	706,969	538,859	641,834
Fire Debt	32,190	56,383	58,381	30,192
Cumulative Fire	38	32,594	-	32,632
Fiduciary Fund:				
Payroll Withholdings	10,220	294,166	292,265	12,121
Totals	$ 1,194,760	$ 1,928,969	$ 1,697,454	$ 1,426,275

The accompanying notes are an integral part of the schedules.

BROWN TOWNSHIP, MORGAN COUNTY
NOTES TO SCHEDULES

Note 1. Introduction

The Township was established under the laws of the State of Indiana. The Township provides the following services: public safety, health and social services, and general administrative services.

Note 2. Fund Accounting

The Township uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Township in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the 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 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Township contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the Township 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% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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

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

Funding Policy and Annual Pension Cost

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

Note 7. Long-Term Debt

The Township has entered into debt such as a loan for an Ambulance. The outstanding principal at December 31, 2005, was $56,392.

Note 8. Subsequent Event

The Township has received a grant from FEMA in the amount of $261,250 to purchase a new fire truck. The grant plus additional funds from the Township will be used in the purchase process toward the end of the year in 2006.

BROWN TOWNSHIP, MORGAN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 24, 2006, with Alan Hornaday, Trustee. Our examination disclosed no material items that warrant comment at this time.