

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

EXAMINATION REPORT
OF
TOWN OF BROOKVILLE
FRANKLIN COUNTY, INDIANA
January 1, 2004 to December 31, 2005



FILED
12/27/2006

TABLE OF CONTENTS

| <u>Description</u> | <u>Page</u> |
|---|-------------|
| Officials | 2 |
| Independent Accountant's Report | 3 |
| Schedules of Receipts, Disbursements, and Cash and Investment Balances..... | 4 |
| Notes to Schedules | 5-6 |
| Supplementary Information: | |
| Schedule of Capital Assets..... | 7 |
| Schedule of Long-Term Debt..... | 8 |
| Exit Conference..... | 9 |

OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|-------------------------------|------------------------------------|--|
| Clerk-Treasurer | Alberta Sauerland Linda L. Dunn | 01-01-01 to 03-31-06 04-01-06 to 12-31-08 |
| President of the Town Council | Michael Biltz | 01-01-04 to 12-31-06 |
| Superintendent of Utilities | Kurt Riedman | 01-01-04 to 12-31-06 |



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF BROOKVILLE, FRANKLIN COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Town of Brookville (Town), for the period of January 1, 2004 to December 31, 2005. The Town'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 Town 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

November 8, 2006

TOWN OF BROOKVILLE
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, PROPRIETARY, AND FIDUCIARY FUND TYPES
As Of And For The Years Ended December 31, 2004 And 2005

| | Cash and Investments | | Cash and Investments | |
|--|----------------------|---------------------|----------------------|---------------------|
| | 01-01-04 | Receipts | Disbursements | 12-31-04 |
| Governmental Funds: | | | | |
| General | \$ 346,523 | \$ 975,897 | \$ 972,442 | \$ 349,978 |
| Motor Vehicle Highway | 57,133 | 83,163 | 49,882 | 90,414 |
| Local Road and Street | 7,382 | 12,252 | 15,713 | 3,921 |
| Parking Meter | 9,313 | 13,067 | 10,120 | 12,260 |
| Law Enforcement Continuing Education | 1,329 | 1,409 | 1,617 | 1,121 |
| Riverboat | 16,769 | 16,723 | - | 33,492 |
| Main Street Grant | - | 559 | 59 | 500 |
| Rainy Day | - | 24,083 | - | 24,083 |
| Police Donation | - | 5,745 | 2,585 | 3,160 |
| Trash | 73,877 | 150,643 | 135,466 | 89,054 |
| Cumulative Capital Improvement | 54,392 | 9,897 | 14,251 | 50,038 |
| Cumulative Capital Development | 88,397 | 49,158 | - | 137,555 |
| Economic Development Income Tax | 98,586 | 103,003 | 116,478 | 85,111 |
| Building - Restricted | 132,530 | 1,053 | - | 133,583 |
| Proprietary Funds: | | | | |
| Water Utility - Operating | 272,964 | 276,805 | 232,868 | 316,901 |
| Water Utility - Depreciation | 17,980 | 12,000 | 1,450 | 28,530 |
| Water Utility - Customer Deposit | 21,350 | 6,550 | 5,450 | 22,450 |
| Wastewater Utility - Operating | 663,898 | 592,359 | 569,978 | 686,279 |
| Wastewater Utility - Bond and Interest | 348,899 | 99,356 | 78,869 | 369,386 |
| Wastewater Utility - Depreciation | 66,461 | 911 | - | 67,372 |
| Fiduciary Funds: | | | | |
| Levy Excess | 23,778 | - | 23,778 | - |
| Payroll | - | 791,900 | 785,300 | 6,600 |
| Totals | \$ 2,301,561 | \$ 3,226,533 | \$ 3,016,306 | \$ 2,511,788 |

| | Cash and Investments | | Cash and Investments | |
|--|----------------------|---------------------|----------------------|---------------------|
| | 01-01-05 | Receipts | Disbursements | 12-31-05 |
| Governmental Funds: | | | | |
| General | \$ 349,978 | \$ 1,178,193 | \$ 1,046,595 | \$ 481,576 |
| Motor Vehicle Highway | 90,414 | 84,267 | 94,635 | 80,046 |
| Local Road and Street | 3,921 | 12,335 | 13,019 | 3,237 |
| Parking Meter | 12,260 | 19,455 | 12,351 | 19,364 |
| Law Enforcement Continuing Education | 1,121 | 936 | 370 | 1,687 |
| Riverboat | 33,492 | 16,723 | - | 50,215 |
| Main Street Grant | 500 | 34,580 | 29,880 | 5,200 |
| Rainy Day | 24,083 | - | - | 24,083 |
| Police Donation | 3,160 | - | 1,313 | 1,847 |
| Trash | 89,054 | 151,805 | 130,170 | 110,689 |
| Cumulative Capital Improvement | 50,038 | 8,198 | 15,750 | 42,486 |
| Cumulative Capital Development | 137,555 | 55,830 | - | 193,385 |
| Economic Development Income Tax | 85,111 | 100,495 | 102,597 | 83,009 |
| Building - Restricted | 133,583 | 2,237 | - | 135,820 |
| Grandstand Donation | - | 138,216 | 14,523 | 123,693 |
| Proprietary Funds: | | | | |
| Water Utility - Operating | 316,901 | 281,650 | 238,950 | 359,601 |
| Water Utility - Depreciation | 28,530 | 12,000 | 32,060 | 8,470 |
| Water Utility - Customer Deposit | 22,450 | 5,500 | 6,050 | 21,900 |
| Wastewater Utility - Operating | 686,279 | 613,296 | 593,596 | 705,979 |
| Wastewater Utility - Bond and Interest | 369,386 | 100,907 | 78,894 | 391,399 |
| Wastewater Utility - Depreciation | 67,372 | 924 | 16,993 | 51,303 |
| Fiduciary Fund: | | | | |
| Payroll | 6,600 | 816,087 | 822,687 | - |
| Totals | \$ 2,511,788 | \$ 3,633,634 | \$ 3,250,433 | \$ 2,894,989 |

The accompanying notes are an integral part of the schedules.

TOWN OF BROOKVILLE
NOTES TO SCHEDULES

Note 1. Introduction

The Town was established under the laws of the State of Indiana. The Town provides the following services: public safety, health and social services, culture and recreation, and general administrative services, water, wastewater and urban redevelopment.

Note 2. Fund Accounting

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

Note 3. Budgets

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

Note 4. Property Taxes

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

Note 5. Deposits and Investments

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

State statute (IC 5-13-9) authorizes the Town to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

TOWN OF BROOKVILLE
NOTES TO SCHEDULES
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Town 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 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% 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 Town has entered into debt such as bonds for wastewater improvements. The outstanding principal at December 31, 2005, was \$1,025,700.

TOWN OF BROOKVILLE
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2005

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

| <u>Primary Government</u> | <u>Ending Balance</u> |
|--|---------------------------|
| Governmental activities: | |
| Capital assets, not being depreciated: | |
| Land | \$ 236,029 |
| Buildings | 843,937 |
| Improvements other than buildings | 110,958 |
| Machinery and equipment | <u>784,350</u> |
| Total governmental activities, capital assets not being depreciated | <u>\$ 1,975,273</u> |

| <u>Primary Government</u> | <u>Ending Balance</u> |
|--|---------------------------|
| Business-type activities: | |
| Water Utility: | |
| Capital assets, not being depreciated: | |
| Utility Plant in service | \$ <u>880,799</u> |
| Total Water Utility capital assets | <u>880,799</u> |
| Wastewater Utility: | |
| Capital assets, not being depreciated: | |
| Land | 6,614 |
| Utility Plant in Service | <u>4,974,652</u> |
| Total Wastewater Utility capital assets | <u>4,981,266</u> |
| Total business-type activities capital assets | <u>\$ 5,862,065</u> |

TOWN OF BROOKVILLE
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT

For The Year Ended December 31, 2005

| | <u>Ending Balance</u> | <u>Due Within One Year</u> |
|---------------------------|---------------------------|------------------------------------|
| Business-type Activities: | | |
| Wastewater Utility | | |
| Revenue bonds: | | |
| Wastewater Improvement | \$ 1,025,700 | \$ 18,700 |

TOWN OF BROOKVILLE
EXIT CONFERENCE

The contents of this report were discussed on November 8, 2006, with Linda L. Dunn, Clerk-Treasurer; and Alberta Sauerland, former Clerk-Treasurer. Our examination disclosed no material items that warrant comment at this time.