

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

EXAMINATION REPORT

OF

BROWN TOWNSHIP

HENDRICKS COUNTY, INDIANA

January 1, 2005 to December 31, 2006



FILED

11/05/2007

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Joyce McClain	01-01-05 to 12-31-10
Chairman of the Township Board	Steven Ostermeier Robert Garner Steven Ostermeier	01-01-05 to 12-31-05 01-01-06 to 12-31-06 01-01-07 to 12-31-07



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 BROWN TOWNSHIP, HENDRICKS COUNTY, INDIANA

We have examined the financial information presented herein of Brown Township (Township), for the period of January 1, 2005 to December 31, 2006. The Township's management is responsible for the financial information presented herein. 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 financial information presented herein 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 financial information referred to above presents fairly, in all material respects, the financial information of the Township for the years ended December 31, 2005 and 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

August 20, 2007

BROWN TOWNSHIP, HENDRICKS 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, 2005 And 2006

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
Township	\$ 45,358	\$ 37,441	\$ 30,858	\$ 51,941
Dog	1,572	1,202	1,272	1,502
Township Assistance	9,405	60,624	15,570	54,459
Rainy Day	9,928	-	9,928	-
Fire Building Debt	73,084	137,181	129,820	80,445
Fiduciary Fund:				
Payroll Withholdings	338	3,849	3,864	323
Totals	<u>\$ 139,685</u>	<u>\$ 240,297</u>	<u>\$ 191,312</u>	<u>\$ 188,670</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 51,941	\$ 54,266	\$ 33,388	\$ 72,819
Dog	1,502	952	1,202	1,252
Township Assistance	54,459	35,528	15,820	74,167
Levy Excess	-	328	-	328
Fire Debt	80,445	111,818	129,281	62,982
Fiduciary Fund:				
Payroll Withholdings	323	4,174	4,164	333
Totals	<u>\$ 188,670</u>	<u>\$ 207,066</u>	<u>\$ 183,855</u>	<u>\$ 211,881</u>

The accompanying notes are an integral part of the financial information.

BROWN TOWNSHIP, HENDRICKS COUNTY
NOTES TO FINANCIAL INFORMATION

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, culture and recreation, 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. All property taxes collected by the County Treasurer and available for distribution were distributed to the Township on or prior to December 31 of the year collected.

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 Depositary 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. Fire Territory Capital Lease

The Township has entered into capital leases for building an administration facility and three fire stations as a member of a fire protection territory which includes the Town of Brownsburg and Lincoln Township, Hendricks County. The outstanding principal at December 31, 2006, was \$6,873,513. The payments are based on the township's percentage of the total assessed valuation of the fire protection territory. This percentage and the corresponding lease payment is subject to change on an annual basis. As of December 31, 2006, the percentage was 25.13%.

BROWN TOWNSHIP, HENDRICKS COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 20, 2007, with Joyce McClain, Trustee. Our examination disclosed no material items that warrant comment at this time.