

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

EXAMINATION REPORT
OF
BROWN TOWNSHIP
MORGAN COUNTY, INDIANA
January 1, 2006 to December 31, 2007



FILED
01/21/2009

TABLE OF CONTENTS

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

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Alan Hornaday	01-01-06 to 12-31-10
Chairman of the Township Board	Howard Pritchard Kevin Smith	01-01-06 to 12-31-06 01-01-07 to 12-31-08



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, MORGAN COUNTY, INDIANA

We have examined the financial information presented herein of Brown Township (Township), for the period of January 1, 2006 to December 31, 2007. 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, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

December 8, 2008

BROWN TOWNSHIP, MORGAN COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
As Of And For The Years Ended December 31, 2006 And 2007

	Cash 01-01-06	Receipts	Disbursements	Cash 12-31-06
Governmental Funds:				
Township	\$ 225,441	\$ 630,203	\$ 377,493	\$ 478,151
Dog	629	338	329	638
Township Assistance	72,438	33,819	38,447	67,810
Firefighting	410,988	300,044	396,444	314,588
Emergency Medical Service	641,834	541,943	633,615	550,162
Debt Service	30,192	31,612	58,288	3,516
Cumulative Fire	32,632	139,348	33,716	138,264
Levy Excess	-	19,254	-	19,254
Capital Projects (Fire)	-	261,250	261,250	-
Fiduciary Fund:				
Payroll Withholdings	12,121	322,145	317,290	16,976
Totals	<u>\$ 1,426,275</u>	<u>\$ 2,279,956</u>	<u>\$ 2,116,872</u>	<u>\$ 1,589,359</u>

	Cash 01-01-07	Receipts	Disbursements	Cash 12-31-07
Governmental Funds:				
Township	\$ 478,151	\$ 451,907	\$ 382,677	\$ 547,381
Dog	638	-	638	-
Township Assistance	67,810	41,861	34,459	75,212
Firefighting	314,588	458,830	435,359	338,059
Emergency Medical Service	550,162	797,100	632,927	714,335
Debt Service	3,516	57,558	39,695	21,379
Cumulative Fire	138,264	28,615	137,012	29,867
Levy Excess	19,254	-	-	19,254
Rainy Day Fund	-	14,179	-	14,179
Fiduciary Fund:				
Payroll Withholdings	16,976	324,443	332,003	9,416
Totals	<u>\$ 1,589,359</u>	<u>\$ 2,174,493</u>	<u>\$ 1,994,770</u>	<u>\$ 1,769,082</u>

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

BROWN TOWNSHIP, MORGAN 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, 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 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.

BROWN TOWNSHIP, MORGAN COUNTY
NOTES TO FINANCIAL INFORMATION
(Continued)

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.

BROWN TOWNSHIP, MORGAN TOWNSHIP
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2007

The Township has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Notes and loans payable	\$ 75,054	\$ 39,695

BROWN TOWNSHIP, MORGAN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on December 8, 2008, with Alan Hornaday, Trustee; and Sherry Moyer, Township Clerk. Our examination disclosed no material items that warrant comment at this time.