B36295

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

EXAMINATION REPORT

OF

BROWNSTOWN TOWNSHIP

JACKSON COUNTY, INDIANA

January 1, 2007 to December 31, 2009

FILED
04/22/2010

TABLE OF CONTENTS

Description	Page
Officials	2
Independent Accountant's Report	3
Financial Information:	
Schedules of Receipts, Disbursements, and Cash and Investment Balances	4
Notes to Financial Information	5
Examination Results and Comments:	
Timely Recordkeeping	6
Payroll Deductions	6
Exit Conference	7
Official Response	8

OFFICIALS

Office	Official	Term
Trustee	Jennifer L. Isaacs	01-01-07 to 12-31-10
Chairman of the Township Board	Jack Gillespie	01-01-07 to 12-31-10

STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF BROWNSTOWN TOWNSHIP, JACKSON COUNTY, INDIANA

We have examined the financial information presented herein of Brownstown Township (Township), for the period of January 1, 2007 to December 31, 2009. 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, 2007, 2008, and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

March 29, 2010

BROWNSTOWN TOWNSHIP, JACKSON COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2007, 2008, And 2009

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	$ 143,045	$ 58,417	$ 48,394	$ 153,068
Township Assistance	123,445	6,090	21,934	107,601
Cumulative Fire	119,780	14,234	-	134,014
Fire Fighting	46,681	15,204	38,900	22,985
Totals	$ 432,951	$ 93,945	$ 109,228	$ 417,668

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	$ 153,068	$ 45,745	$ 48,805	$ 150,008
Township Assistance	107,601	4,990	24,000	88,591
Cumulative Fire	134,014	12,062	-	146,076
Fire Fighting	22,985	13,346	25,920	10,411
Totals	$ 417,668	$ 76,143	$ 98,725	$ 395,086

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	$ 150,008	$ 55,928	$ 49,887	$ 156,049
Township Assistance	88,591	10,047	28,522	70,116
Cumulative Fire	146,076	25,411	-	171,487
Fire Fighting	10,411	26,187	29,439	7,159
Totals	$ 395,086	$ 117,573	$ 107,848	$ 404,811

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

BROWNSTOWN TOWNSHIP, JACKSON 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.

BROWNSTOWN TOWNSHIP, JACKSON COUNTY
EXAMINATION RESULTS AND COMMENTS

TIMELY RECORDKEEPING

We noted instances of up to 103 days from the date the County Auditor distributed local funds and the date of entry into the Township ledger.

All documents and entries to records should be done in a timely manner to ensure that accurate financial information is available to allow the governmental unit to make informed management decisions and to help ensure compliance with IC 5-15-1-1 et seq., commonly referred to as the Public Records Law. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

PAYROLL DEDUCTIONS

Social Security and Medicare taxes were not withheld from wages paid to Township Board members during the examination period.

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee.

(Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Each governmental unit is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indiana Department of Revenue. All questions concerning taxes should be directed to these agencies. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

BROWNSTOWN TOWNSHIP, JACKSON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on March 29, 2010, with Jennifer L. Isaacs, Trustee. The official response has been made a part of this report and may be found on page 8.

BROWNSTOWN TOWNSHIP TRUSTEE
106 S. Main Street
Brownstown, IN 47220
Phone (812) 358-4451

March 29, 2010

State Board of Accounts
302 West Washington Street, Room E 418
Indianapolis, IN 46204-2765

Re: OFFICIAL RESPONSE

To Whom It May Concern:

This letter is in response to the results of the Brownstown Township Trustee Field Examiner's Report. The Brownstown Township Trustee requests that the following response be included in the report:

In October, 2009, the Brownstown Township Trustee and Township Board set up a separate checking account for the Brownstown Fire Department due to the financial issues of the Brownstown Town Clerk. Because of the investigation of the Town accounts, the Brownstown Township Board asked the Township Trustee to delay depositing the funds until the Town and Township were in agreement on how the funds would be distributed.

Thank you for your consideration.

Sincerely,

Jennifer L. Isaacs
Brownstown Township Trustee