

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

EXAMINATION REPORT  
OF  
TOWN OF BROOKLYN  
MORGAN COUNTY, INDIANA  
January 1, 2008 to December 31, 2009



**FILED**  
04/20/2011



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Rebecca McGlauchlen	01-01-08 to 12-31-11
President of the Town Council	Frank Sams	01-01-08 to 12-31-09
	Chie Chie Boles	01-01-10 to 12-31-10
	Jeff Brahaum	01-01-11 to 12-31-11



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF BROOKLYN, MORGAN COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Brooklyn (Town), for the period of January 1, 2008 to December 31, 2009. The Town'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 Town for the years ended December 31, 2008 and 2009, 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

August 31, 2010

TOWN OF BROOKLYN  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL, FIDUCIARY, AND PROPRIETARY FUND TYPES  
As Of And For The Years Ended December 31, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
<b>Governmental Funds:</b>				
General	\$ 66,114	\$ 261,123	\$ 250,392	\$ 76,845
Motor Vehicle Highway	96,599	98,299	89,796	105,102
Local Road and Street	24,675	14,657	-	39,332
Park and Recreation	8,986	8,385	5,488	11,883
Law Enforcement Continuing Education	2,066	1,100	-	3,166
Building & Variance Permit Fees	10,879	17,995	19,352	9,522
Riverboat	29,206	9,692	-	38,898
LOIT Public Safety	-	26,037	-	26,037
Rainy Day	13,318	18,991	14,628	17,681
Dog Fee Fund	457	-	-	457
EDIT Revenue	61,307	62,498	45,006	78,799
Cumulative Capital Improvement	19,602	35,810	37,000	18,412
Cumulative Building and Fire Fighting Equipment	9,167	10,032	10,738	8,461
Levy Excess	534	-	534	-
<b>Fiduciary Funds:</b>				
Payroll	2,334	115,832	116,560	1,606
Utility Receipts Tax	-	11,066	11,066	-
Anthem Insurance	-	4,060	4,060	-
<b>Proprietary Funds:</b>				
Water Utility - Operating	3,286	187,364	189,089	1,561
Water Utility - Bond and Interest	3,181	32,250	35,375	56
Water Utility - Depreciation	55,147	13,000	21,254	46,893
Water Utility - Customer Deposit	15,869	27,847	27,409	16,307
Water Reserve Sinking Fund	36,000	-	-	36,000
Wastewater Utility - Operating	3,239	311,356	305,412	9,183
Wastewater Utility - Bond and Interest	113	125,540	125,349	304
Wastewater Utility - Depreciation	4,221	5,805	3,723	6,303
Wastewater Utility - Customer Deposit	21,806	38,608	36,260	24,154
Wastewater Reserve Sinking Fund	137,070	15,000	-	152,070
Wastewater Cash Reserve	400	-	-	400
Trash - Waste Management Fund	5,182	54,655	54,181	5,656
Electric Utility - Operating	84,111	860,088	853,578	90,621
Electric Utility - Depreciation	55,416	82,094	85,088	52,422
Electric Utility - Customer Deposit	24,210	45,289	44,429	25,070
Electric Utility - Improvements	220,847	185,643	233,208	173,282
Electric Cash Reserve	76,077	167,500	154,750	88,827
Storm Sewer Utility	15,294	21,559	29,372	7,481
<b>Totals</b>	<b>\$ 1,106,713</b>	<b>\$ 2,869,175</b>	<b>\$ 2,803,097</b>	<b>\$ 1,172,791</b>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
<b>Governmental Funds:</b>				
General	\$ 76,845	\$ 253,479	\$ 254,802	\$ 75,522
Motor Vehicle Highway	105,102	57,515	58,490	104,127
Local Road and Street	39,332	14,083	37,568	15,847
Park and Recreation	11,883	5,745	8,277	9,351
Law Enforcement Continuing Education	3,166	1,830	1,416	3,580
Building & Variance Permit Fees	9,522	939	1,685	8,776
Riverboat	38,898	9,669	37,245	11,322
LOIT Public Safety	26,037	29,622	2,416	53,243
Rainy Day	17,681	20,715	1,553	36,843
Dog Fee Fund	457	-	-	457
EDIT Revenue	78,799	67,435	64,987	81,247
Cumulative Capital Improvement	18,412	5,364	5,500	18,276
Cumulative Building and Fire Fighting Equipment	8,461	7,232	4,353	11,340
<b>Fiduciary Funds:</b>				
Payroll	1,606	121,851	122,126	1,331
Utility Receipts Tax	-	12,717	12,717	-
Anthem Insurance	-	3,966	3,966	-
<b>Proprietary Funds:</b>				
Water Utility - Operating	1,561	197,209	196,775	1,995
Water Utility - Bond and Interest	56	36,200	36,094	162
Water Utility - Depreciation	46,893	3,250	6,748	43,395
Water Utility - Customer Deposit	16,307	6,816	4,148	18,975
Water Reserve Sinking Fund	36,000	70,000	70,000	36,000
Wastewater Utility - Operating	9,183	319,249	323,804	4,628
Wastewater Utility - Bond and Interest	304	125,951	126,255	-
Wastewater Utility - Depreciation	6,303	2,000	3,928	4,375
Wastewater Utility - Customer Deposit	24,154	7,543	5,885	25,812
Wastewater Reserve Sinking Fund	152,070	272,000	272,000	152,070
Wastewater Cash Reserve	400	3,300	3,600	100
Trash - Waste Management Fund	5,656	54,889	55,104	5,441
Electric Utility - Operating	90,621	790,925	774,328	107,218
Electric Utility - Depreciation	52,422	1,672	758	53,336
Electric Utility - Customer Deposit	25,070	9,478	7,168	27,380
Electric Utility - Improvements	173,282	20,417	-	193,699
Electric Cash Reserve	88,827	13,500	12,800	89,527
Storm Sewer Utility	7,481	21,646	21,873	7,254
<b>Totals</b>	<b>\$ 1,172,791</b>	<b>\$ 2,568,207</b>	<b>\$ 2,538,369</b>	<b>\$ 1,202,629</b>

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

TOWN OF BROOKLYN  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

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

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 of Brooklyn 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 Town 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 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 BROOKLYN  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF LONG-TERM DEBT  
December 31, 2009

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Fire truck	\$ 26,430	\$ 6,470
 Total governmental activities debt	 <u>\$ 26,430</u>	 <u>\$ 6,470</u>
Business-type activities:		
Water Utility:		
Revenue bonds:		
Water improvements	\$ 209,000	\$ 34,719
 Total Water Utility	 <u>209,000</u>	 <u>34,719</u>
Wastewater Utility:		
Revenue bonds:		
Sewage works	97,000	16,850
Sewer improvements	<u>908,000</u>	<u>108,780</u>
 Total Wastewater Utility	 <u>1,005,000</u>	 <u>125,630</u>
 Total business-type activities debt	 <u>\$ 1,214,000</u>	 <u>\$ 160,349</u>

TOWN OF BROOKLYN  
EXAMINATION RESULT AND COMMENT

ACCOUNTABLE ITEMS

Town officials conducted an inventory of the contents in the Town Marshal's office after the former Town Marshal, Terry Carlyle, was terminated by the Town Council in April 2010. The Town also had an inventory of the contents in the Town Marshal's office when the former Town Marshal began service in June 2009. Lastly a review of purchases made during the tenure of Terry Carlyle was conducted. When the Town conducted its review, they found items missing for which they could not determine the original cost as well as items that they determined to have a value of \$958.50. The missing items included a Luger handgun, Motorola public safety radio, garage door openers and various other pieces of equipment.

Assets of the governmental unit may not be used in a manner unrelated to the functions and purpose of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Governmental units have a responsibility to collect amounts owed to the governmental unit pursuant to procedures authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF BROOKLYN  
EXIT CONFERENCE

The contents of this report were discussed on February 7, 2011, with Rebecca McGlauchlen, Clerk-Treasurer; Ray Young, Vice President of the Council; and, Tom McGlauchlen, Council member. The officials concurred with our findings.