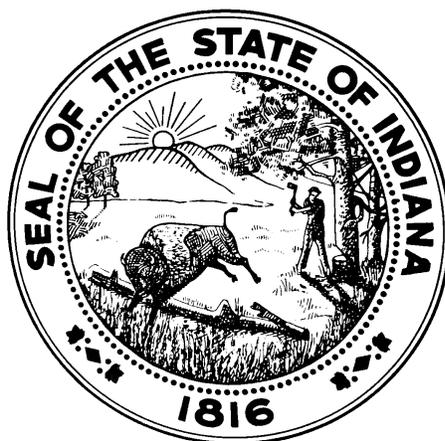


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT
OF
CHARLESTOWN FIRE PROTECTION DISTRICT
CLARK COUNTY, INDIANA
January 1, 2005 to December 31, 2006



FILED
12/31/2007

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Mitchell C. Newland	01-01-05 to 12-31-07
President of the Board	Harold Goodlett, Sr.	01-01-05 to 12-31-07



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE CHARLESTOWN FIRE
PROTECTION DISTRICT, CLARK COUNTY, INDIANA

We have examined the financial information presented herein of the Charlestown Fire Protection District (District), for the period of January 1, 2005 to December 31, 2006. The District'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 District 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.

The Schedule of Capital Assets 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

November 20, 2007

CHARLESTOWN FIRE PROTECTION DISTRICT
 SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
 ALL GOVERNMENTAL 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:				
General	\$ 123,679	\$ 408,304	\$ 529,475	\$ 2,508
Cumulative Fire	<u>-</u>	<u>154,756</u>	<u>-</u>	<u>154,756</u>
 Totals	 <u>\$ 123,679</u>	 <u>\$ 563,060</u>	 <u>\$ 529,475</u>	 <u>\$ 157,264</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 2,508	\$ 579,687	\$ 432,185	\$ 150,010
Cumulative Fire	<u>154,756</u>	<u>173,781</u>	<u>288,962</u>	<u>39,575</u>
 Totals	 <u>\$ 157,264</u>	 <u>\$ 753,468</u>	 <u>\$ 721,147</u>	 <u>\$ 189,585</u>

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

CHARLESTOWN FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The District was established under the laws of the State of Indiana. The District provides the following service: public safety.

Note 2. Fund Accounting

The District 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 District 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 District 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. Contractual Obligations

The District did not receive the entire amount of property tax distributions from the County Treasurer as of December 31, 2006. As a result, the District was unable to make full payment on the 2006 fire protection contract with the Charlestown Volunteer Fire Department. The unpaid balance on the contract at December 31, 2006, was \$199,192. The balance of the contract was, subsequently, paid by the District during 2007.

CHARLESTOWN FIRE PROTECTION DISTRICT
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2006

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>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Machinery and equipment	<u>\$ 358,683</u>

CHARLESTOWN FIRE PROTECTION DISTRICT
EXAMINATION RESULT AND COMMENT

APPROPRIATIONS

For the year ending December 31, 2006, expenditures of the Cumulative Fire Fund exceeded budgeted appropriations by \$152,574.

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

CHARLESTOWN FIRE PROTECTION DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on November 20, 2007, with Mitchell C. Newland, Treasurer; and Paula Schindler, Bookkeeper. The officials concurred with our finding.