

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

EXAMINATION REPORT
OF
MONROE TOWNSHIP FIRE PROTECTION DISTRICT
MORGAN COUNTY, INDIANA
January 1, 2006 to December 31, 2007



FILED
10/17/2008

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Fiscal Officer	Janet L. Mitchell	01-01-06 to 12-31-08
President of the Board	Glenn R. Shriver	01-01-06 to 12-31-08



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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 THE MONROE TOWNSHIP FIRE
PROTECTION DISTRICT, MORGAN COUNTY, INDIANA

We have examined the financial information presented herein of the Monroe Township Fire Protection District (District), for the period of January 1, 2006 to December 31, 2007. 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, 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 Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

August 7, 2008

MONROE TOWNSHIP FIRE PROTECTION DISTRICT
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
As Of And For The Years Ended December 31, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 35,706	\$ 257,767	\$ 224,351	\$ 69,122
Cumulative Fire	100,720	42,703	46,195	97,228
Fire Equipment Debt	34,962	64,603	64,975	34,590
Fire Building or Remodeling	232,367	455,255	321,282	366,340
Fiduciary Fund:				
Levy Excess	-	333	-	333
Totals	<u>\$ 403,755</u>	<u>\$ 820,661</u>	<u>\$ 656,803</u>	<u>\$ 567,613</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 69,122	\$ 325,645	\$ 242,577	\$ 152,190
Cumulative Fire	97,228	73,574	34,871	135,931
Fire Equipment Debt	34,590	32,004	66,594	-
Fire Building or Remodeling	366,340	154,502	343,966	176,876
Fiduciary Fund:				
Levy Excess	333	3,646	333	3,646
Totals	<u>\$ 567,613</u>	<u>\$ 589,371</u>	<u>\$ 688,341</u>	<u>\$ 468,643</u>

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

MONROE TOWNSHIP 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 fire protection.

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. All property taxes collected by the County Treasurer and available for distribution were distributed to the District 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 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.

MONROE TOWNSHIP FIRE PROTECTION DISTRICT
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2007

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>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Buildings	\$ 1,978,377
Machinery and equipment	<u>1,022,435</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 3,000,812</u>

MONROE TOWNSHIP FIRE PROTECTION DISTRICT
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2007

The Fire District 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		
Property at 450 North Chestnut	\$ 18,541	\$ 20,017
Squad 2 Equipment	59,561	16,014
Tanker Equipment	155,601	38,043
Fire Building	<u>1,218,655</u>	<u>332,973</u>
Total governmental activities debt	<u>\$ 1,452,358</u>	<u>\$ 407,047</u>

MONROE TOWNSHIP FIRE PROTECTION DISTRICT
EXAMINATION RESULTS AND COMMENTS

ANNUAL REPORT

An annual report for 2006 and 2007 was not timely filed.

The district shall prepare and file an annual financial report, required under IC 5-11-1-4, with the Indiana State Board of Accounts. For single county solid waste management districts that own a landfill, annual financial reports must be filed not later than 60 days after the close of the fiscal year. All other districts are required to file not later than 30 days after the close of the fiscal year. (Accounting and Uniform Compliance Guidelines Manuals for Special Districts, Chapter 3)

CERTIFIED REPORT NOT FILED

A certified report of compensation of officers and employees (Form 100-R) or its equivalent) was not filed with the Indiana State Board of Accounts for the years 2006 and 2007. This was done by the district once inquiry was made during the examination.

Indiana Code 5-11-13-1 states in part: "Every state, county, city, town, township, or school official . . . shall during the month of January of each year prepare, make, and sign a written or printed certified report, correctly and completely showing the names and business addresses of each and all officers, employees, and agents . . . and the respective duties and compensation of each, and shall forthwith file said report in the office of the state examiner of the state board of accounts."

CRIME INSURANCE POLICIES

The crime insurance policies procured by the district have not been filed in the office of the County Recorder.

District officials should review this coverage since it states that the policy does not cover faithful performance. An official bond for the Fiscal Officer should be obtained if the faithful performance provisions of the crime policy cannot be changed.

Crime insurance policies permitted by statute should be recorded in the same manner as official bonds under IC 5-4. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

PRESCRIBED FORMS

Receipt, General Form 352, was not in use.

A receipt needs to be issued for all funds received by the district at the time that it is received.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

MONROE TOWNSHIP FIRE PROTECTION DISTRICT
EXAMINATION RESULTS AND COMMENTS
(Continued)

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

PENALTIES, INTEREST, AND OTHER CHARGES

During the review of debt service payments, it was observed that late charges were assessed and paid in the amount of \$675.71 in 2007.

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 Special Districts, Chapter 10)

DEBIT CARDS

The district is using debit cards in some instances to purchase items. The use of a debit card does not allow for the District Board to allow such purchases before they are paid.

Claims against a political subdivision of the state must be approved by the officer or person receiving the goods or services, be audited for correctness and approved by the disbursing officer of the political subdivision, and, where applicable, be allowed by the governing body having jurisdiction over allowance of such claims before they are paid. (IC 5-11-10-2)

MONROE TOWNSHIP FIRE PROTECTION DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on August 7, 2008, with Janet L. Mitchell, Fiscal Officer. The official concurred with our findings.