

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

EXAMINATION REPORT  
OF  
PALMYRA FIRE PROTECTION DISTRICT  
HARRISON COUNTY, INDIANA  
January 1, 2007 to December 31, 2009



**FILED**  
03/11/2011



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OFFICIALS

Office

Official

Term

Treasurer

Larry T. Embry  
Jeffrey Melvin

01-01-07 to 12-31-08  
01-01-09 to 12-31-11

President of the Board

Charles Book

01-01-07 to 12-31-11



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE PALMYRA FIRE PROTECTION  
DISTRICT, HARRISON COUNTY, INDIANA

We have examined the financial information presented herein of the Palmyra Fire Protection District (District), for the period of January 1, 2007 to December 31, 2009. 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, 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

January 18, 2011

PALMYRA 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, 2007, 2008 And 2009

	<u>Cash and Investments 01-01-07</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 12-31-07</u>
Governmental Funds:				
General	\$ 2,276	\$ 103,894	\$ 104,444	\$ 1,726
Cumulative Firefighting	57,814	29,436	30,633	56,617
Rainy Day	<u>2,529</u>	<u>-</u>	<u>-</u>	<u>2,529</u>
Totals	<u>\$ 62,619</u>	<u>\$ 133,330</u>	<u>\$ 135,077</u>	<u>\$ 60,872</u>
	<u>Cash and Investments 01-01-08</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 12-31-08</u>
Governmental Funds:				
General	\$ 1,726	\$ 89,699	\$ 90,130	\$ 1,295
Cumulative Firefighting	56,617	19,876	43,000	33,493
Rainy Day	<u>2,529</u>	<u>5,397</u>	<u>-</u>	<u>7,926</u>
Totals	<u>\$ 60,872</u>	<u>\$ 114,972</u>	<u>\$ 133,130</u>	<u>\$ 42,714</u>
	<u>Cash and Investments 01-01-09</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 12-31-09</u>
Governmental Funds:				
General	\$ 1,295	\$ 137,805	\$ 103,277	\$ 35,823
Cumulative Firefighting	33,493	28,708	35,310	26,891
Rainy Day	<u>7,926</u>	<u>-</u>	<u>1,265</u>	<u>6,661</u>
Totals	<u>\$ 42,714</u>	<u>\$ 166,513</u>	<u>\$ 139,852</u>	<u>\$ 69,375</u>

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

PALMYRA 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 services: public safety and general administrative services.

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.

PALMYRA FIRE PROTECTION DISTRICT  
EXAMINATION RESULTS AND COMMENTS

BOARD MINUTES

Board minutes could not be located for 2007 and 2008.

IC 5-14-1.5-4(b) states:

"As the meeting progresses, the following memoranda shall be kept:

- (1) The date, time, and place of the meeting.
- (2) The members of the governing body recorded as either present or absent.
- (3) The general substance of all matters proposed, discussed, or decided.
- (4) A record of all votes taken, by individual members if there is a roll call.
- (5) Any additional information required under IC 5-1.5-2-2.5."

APPROPRIATIONS

The records presented for examination indicated the following expenditures in excess of budgeted appropriations:

<u>Fund</u>	<u>Years</u>	<u>Excess Amount Expended</u>
General	2007	\$ 8,987
Cumulative Firefighting	2008	6,495
Rainy Day	2009	1,265

IC 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."

PRESCRIBED FORMS

The following prescribed forms were not in use:

- Form 352, General Receipt
- Form 353, General Check
- Form 358, Ledger of Receipts, Disbursements, and Balances
- Form 359, Ledger of Appropriations, Encumbrances, Disbursements, and Balances

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)

PALMYRA FIRE PROTECTION DISTRICT  
EXIT CONFERENCE

The contents of this report were discussed on January 18, 2011, with Jeffrey Melvin, Treasurer. The official concurred with our findings.