

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

EXAMINATION REPORT
OF
NEW ALBANY TOWNSHIP FIRE PROTECTION DISTRICT
FLOYD COUNTY, INDIANA
January 1, 2007 to December 31, 2010



FILED
04/11/2011

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report.....	3
Financial Information:	
Schedules of Receipts, Disbursements, and Cash and Investment Balances	4
Notes to Financial Information	5
Supplementary Information:	
Schedule of Capital Assets.....	6
Schedule of Long-Term Debt	7
Examination Result and Comment:	
Errors on Claims	8
Exit Conference.....	9

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Fiscal Officer	Gilbert Kinney	01-01-07 to 12-31-11
President of the Board	Ray Cunningham	01-01-07 to 12-31-11



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE NEW ALBANY TOWNSHIP FIRE
PROTECTION DISTRICT, FLOYD COUNTY, INDIANA

We have examined the financial information presented herein of the New Albany Township Fire Protection District (District), for the period of January 1, 2007 to December 31, 2010. 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, 2009, and 2010, 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

February 16, 2011

NEW ALBANY TOWNSHIP 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, 2009, And 2010

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Fund: General	\$ -	\$ 958,520	\$ 828,685	\$ 129,835
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds: General	\$ 129,835	\$ 674,911	\$ 735,010	\$ 69,736
Cumulative Fire	-	195,301	37,249	158,052
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Totals	\$ 129,835	\$ 870,212	\$ 772,259	\$ 227,788
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds: General	\$ 69,736	\$ 884,382	\$ 998,139	\$ (44,021)
Cumulative Fire	158,052	197,946	117,330	238,668
Bond Proceeds 2009	-	1,991,852	501,301	1,490,551
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Totals	\$ 227,788	\$ 3,074,180	\$ 1,616,770	\$ 1,685,198
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
Governmental Funds: General	\$ (44,021)	\$ 1,307,839	\$ 1,196,187	\$ 67,631
Cumulative Fire	238,668	657,336	622,969	273,035
Bond Proceeds 2009	1,490,551	8,437	619,117	879,871
Debt Service	-	167,044	74,550	92,494
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Totals	\$ 1,685,198	\$ 2,140,656	\$ 2,512,823	\$ 1,313,031
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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

NEW ALBANY 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 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.

NEW ALBANY TOWNSHIP FIRE PROTECTION DISTRICT
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
December 31, 2010

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	\$ 2,149,000
Machinery and equipment	<u>961,800</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 3,110,800</u>

NEW ALBANY TOWNSHIP FIRE PROTECTION DISTRICT
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2010

The Fire Protection District has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Fire equipment lease	\$ 462,409	\$ 74,498
Loan payable	353,360	43,189
Bonds payable:		
General obligation bonds:		
Fire house bond	<u>1,950,000</u>	<u>156,963</u>
Total governmental activities debt	<u>\$ 2,765,769</u>	<u>\$ 274,650</u>

NEW ALBANY TOWNSHIP FIRE PROTECTION DISTRICT
EXAMINATION RESULT AND COMMENT

ERRORS ON CLAIMS

The following deficiencies were noted on claims during the examination period:

1. Claims were not prepared for all disbursements.
2. Claims did not have board approval.
3. Claims or invoices did not have evidence to support receipt of goods or services.

IC 5-11-10-1.6 states in part:

"(b) As used in this section, 'claim' means a bill or an invoice submitted to a governmental entity for goods or services.

(c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

- (1) there is a fully itemized invoice or bill for the claim;
- (2) the invoice or bill is approved by the officer or person receiving the goods and services;
- (3) the invoice or bill is filed with the governmental entity's fiscal officer;
- (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and
- (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim."

NEW ALBANY TOWNSHIP FIRE PROTECTION DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on February 16, 2011, with Gilbert Kinney, Fiscal Officer, and Ray Cunningham, President of the Board. The officials concurred with our finding.