

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

FINANCIAL STATEMENT EXAMINATION REPORT
OF

WEST PORTER TOWNSHIP FIRE
PROTECTION DISTRICT
PORTER COUNTY, INDIANA

January 1, 2008 to December 31, 2011



FILED
11/21/2012

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SCHEDULE OF OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|--|---------------------------------|--|
| Treasurer | Rae Jean Flesvig Karie Lukas | 01-01-08 to 08-05-11 08-06-11 to 12-31-12 |
| Chairman of the Fire District Board | Chuck Murray | 01-01-08 to 12-31-12 |



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE WEST PORTER TOWNSHIP FIRE
PROTECTION DISTRICT, PORTER COUNTY, INDIANA

We have examined the accompanying financial statement of the West Porter Township Fire Protection District (District), for the years ended December 31, 2008, 2009, 2010, and 2011. The financial statement is the responsibility of the District's management. Our responsibility is to express an opinion on the financial statement 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 statement and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the District prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis noted above is a different basis than that used in the prior year.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the District for the years ended December 31, 2008, 2009, 2010, and 2011, on the basis of accounting described in Note 1.

Our examination was conducted for the purpose of forming an opinion on the District's financial statements. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the examination procedures applied to the financial statement and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the District's management and District Board, and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

October 15, 2012

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FINANCIAL STATEMENT

The financial statement and accompanying notes were approved by management of the District. The financial statement and notes are presented as intended by the District.

WEST PORTER TOWNSHIP FIRE PROTECTION DISTRICT
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Years Ended December 31, 2008, 2009, 2010, and 2011

| | Cash and Investments 01-01-08 | Receipts | Disbursements | Cash and Investments 12-31-08 |
|-----------------|-------------------------------------|-------------------|-------------------|-------------------------------------|
| General | \$ 27,554 | \$ 144,525 | \$ 96,786 | \$ 75,293 |
| Cumulative Fire | <u>108,445</u> | <u>68,114</u> | <u>38,226</u> | <u>138,333</u> |
| Totals | <u>\$ 135,999</u> | <u>\$ 212,639</u> | <u>\$ 135,012</u> | <u>\$ 213,626</u> |
| | Cash and Investments 01-01-09 | Receipts | Disbursements | Cash and Investments 12-31-09 |
| General | \$ 75,293 | \$ 45,988 | \$ 95,449 | \$ 25,832 |
| Cumulative Fire | <u>138,333</u> | <u>22,391</u> | <u>78,248</u> | <u>82,476</u> |
| Totals | <u>\$ 213,626</u> | <u>\$ 68,379</u> | <u>\$ 173,697</u> | <u>\$ 108,308</u> |
| | Cash and Investments 01-01-10 | Receipts | Disbursements | Cash and Investments 12-31-10 |
| General | \$ 25,832 | \$ 230,312 | \$ 101,842 | \$ 154,302 |
| Cumulative Fire | <u>82,476</u> | <u>77,592</u> | <u>46,841</u> | <u>113,227</u> |
| Totals | <u>\$ 108,308</u> | <u>\$ 307,904</u> | <u>\$ 148,683</u> | <u>\$ 267,529</u> |
| | Cash and Investments 01-01-11 | Receipts | Disbursements | Cash and Investments 12-31-11 |
| General | \$ 154,302 | \$ 121,625 | \$ 109,009 | \$ 166,918 |
| Cumulative Fire | <u>113,227</u> | <u>39,572</u> | <u>58,120</u> | <u>94,679</u> |
| Totals | <u>\$ 267,529</u> | <u>\$ 161,197</u> | <u>\$ 167,129</u> | <u>\$ 261,597</u> |

The notes to the financial statements are an integral part of this statement.

WEST PORTER TOWNSHIP FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The District was established under the laws of the State of Indiana. The District operates under an appointed governing board.

The accompanying financial statement presents the financial information for the District.

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the District.

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

WEST PORTER TOWNSHIP FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENT
(Continued)

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Fund Accounting

Separate funds are established, maintained, and reported by the District. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the District. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the District in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the District submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the District in June and December; however, situations can arise which would delay the distributions. 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 percent 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 normally become delinquent if not paid by May 10 and November 10, respectively.

WEST PORTER TOWNSHIP FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. *Deposits and Investments*

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be 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 statutes authorize 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.

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SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the District's 2010 Annual Report can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Annual Report of the District which is referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

The supplementary information presented was approved by management of the District. It is presented as intended by the District.

WEST PORTER TOWNSHIP FIRE PROTECTION DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2008

| | <u>General</u> | <u>Cumulative Fire</u> | <u>Totals</u> |
|---|------------------|----------------------------|-------------------|
| Cash and investments - beginning | \$ 27,554 | \$ 108,445 | \$ 135,999 |
| Receipts: | | | |
| Taxes | 144,207 | 68,114 | 212,320 |
| Other receipts | <u>319</u> | <u>-</u> | <u>319</u> |
| Total receipts | <u>144,525</u> | <u>68,114</u> | <u>212,639</u> |
| Disbursements: | | | |
| Personal services | 985 | - | 985 |
| Other services and charges | 10,103 | 7,215 | 17,318 |
| Capital outlay | - | 31,011 | 31,011 |
| Other disbursements | <u>85,698</u> | <u>-</u> | <u>85,698</u> |
| Total disbursements | <u>96,786</u> | <u>38,226</u> | <u>135,012</u> |
| Excess (deficiency) of receipts over disbursements | <u>47,739</u> | <u>29,888</u> | <u>77,627</u> |
| Cash and investments - ending | <u>\$ 75,293</u> | <u>\$ 138,333</u> | <u>\$ 213,626</u> |

WEST PORTER TOWNSHIP FIRE PROTECTION DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2009

| | <u>General</u> | <u>Cumulative Fire</u> | <u>Totals</u> |
|---|------------------|----------------------------|-------------------|
| Cash and investments - beginning | \$ 75,293 | \$ 138,333 | \$ 213,626 |
| Receipts: | | | |
| Taxes | 45,816 | 22,391 | 68,208 |
| Other receipts | <u>171</u> | <u>-</u> | <u>171</u> |
| Total receipts | <u>45,988</u> | <u>22,391</u> | <u>68,379</u> |
| Disbursements: | | | |
| Personal services | 1,100 | - | 1,100 |
| Other services and charges | 6,129 | - | 6,129 |
| Capital outlay | - | 78,248 | 78,248 |
| Other disbursements | <u>88,220</u> | <u>-</u> | <u>88,220</u> |
| Total disbursements | <u>95,449</u> | <u>78,248</u> | <u>173,697</u> |
| Excess (deficiency) of receipts over disbursements | <u>(49,461)</u> | <u>(55,857)</u> | <u>(105,318)</u> |
| Cash and investments - ending | <u>\$ 25,832</u> | <u>\$ 82,476</u> | <u>\$ 108,308</u> |

WEST PORTER TOWNSHIP FIRE PROTECTION DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010

| | <u>General</u> | <u>Cumulative Fire</u> | <u>Totals</u> |
|---|-------------------|----------------------------|-------------------|
| Cash and investments - beginning | \$ 25,832 | \$ 82,476 | \$ 108,308 |
| Receipts: | | | |
| Taxes | 230,072 | 77,592 | 307,664 |
| Other receipts | <u>240</u> | <u>-</u> | <u>240</u> |
| Total receipts | <u>230,312</u> | <u>77,592</u> | <u>307,904</u> |
| Disbursements: | | | |
| Personal services | 905 | - | 905 |
| Other services and charges | 7,137 | 28,721 | 35,858 |
| Capital outlay | - | 18,120 | 18,120 |
| Other disbursements | <u>93,800</u> | <u>-</u> | <u>93,800</u> |
| Total disbursements | <u>101,842</u> | <u>46,841</u> | <u>148,683</u> |
| Excess (deficiency) of receipts over disbursements | <u>128,470</u> | <u>30,751</u> | <u>159,221</u> |
| Cash and investments - ending | <u>\$ 154,302</u> | <u>\$ 113,227</u> | <u>\$ 267,529</u> |

WEST PORTER TOWNSHIP FIRE PROTECTION DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011

| | <u>General</u> | <u>Cumulative Fire</u> | <u>Totals</u> |
|---|-------------------|----------------------------|-------------------|
| Cash and investments - beginning | \$ 154,302 | \$ 113,227 | \$ 267,529 |
| Receipts: | | | |
| Taxes | 121,370 | 39,572 | 160,942 |
| Other receipts | <u>255</u> | <u>-</u> | <u>255</u> |
| Total receipts | <u>121,625</u> | <u>39,572</u> | <u>161,197</u> |
| Disbursements: | | | |
| Personal services | 1,175 | - | 1,175 |
| Other services and charges | 107,830 | - | 107,830 |
| Capital outlay | - | 58,120 | 58,120 |
| Other disbursements | <u>4</u> | <u>-</u> | <u>4</u> |
| Total disbursements | <u>109,009</u> | <u>58,120</u> | <u>167,129</u> |
| Excess (deficiency) of receipts over disbursements | <u>12,616</u> | <u>(18,548)</u> | <u>(5,932)</u> |
| Cash and investments - ending | <u>\$ 166,918</u> | <u>\$ 94,679</u> | <u>\$ 261,597</u> |

WEST PORTER TOWNSHIP FIRE PROTECTION DISTRICT
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
December 31, 2011

Capital assets are reported at actual historical cost.

| | <u>Ending Balance</u> |
|--|---------------------------|
| Governmental activities: | |
| Capital assets, not being depreciated: | |
| Machinery and equipment | <u>\$ 169,488</u> |

WEST PORTER TOWNSHIP FIRE PROTECTION DISTRICT
EXAMINATION RESULT AND COMMENT

ANNUAL REPORT

Annual Reports for the years 2008, 2009, and 2011 were not prepared by the Treasurer of the District.

Indiana Code 5-11-1-4(a) states in part:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year."

WEST PORTER TOWNSHIP FIRE PROTECTION DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on October 15, 2012, with Karie Lukas, Treasurer. The official concurred with our finding.