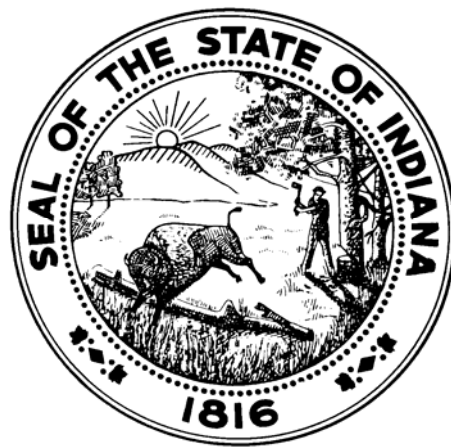


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT
OF
FLOYD TOWNSHIP FIRE DISTRICT
PUTNAM COUNTY, INDIANA
January 1, 2004 to December 31, 2005



FILED
08/21/2006

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OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|------------------------|------------------------------|----------------------------------------------|
| Treasurer | Wayne Mason Steve Greeson | 01-01-04 to 12-31-05 01-01-06 to 12-31-06 |
| President of the Board | Don Steward Wayne Mason | 01-01-04 to 12-31-05 01-01-06 to 12-31-06 |



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302 WEST WASHINGTON STREET
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INDIANAPOLIS, INDIANA 46204-2765

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE FLOYD TOWNSHIP FIRE DISTRICT, PUTNAM COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Floyd Township Fire District (District), for the period of January 1, 2004 to December 31, 2005. The District's management is responsible for the schedules. 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 schedule of receipts, disbursements, and cash and investment balances 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 schedules referred to above present fairly, in all material respects, the cash transactions of the District for the years ended December 31, 2004 and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

July 6, 2006

FLOYD TOWNSHIP FIRE DISTRICT
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2004 And 2005

| | <u>Cash and Investments 01-01-04</u> | <u>Receipts</u> | <u>Disbursements</u> | <u>Cash and Investments 12-31-04</u> |
|---------------------|----------------------------------------------|-------------------|----------------------|----------------------------------------------|
| Governmental Funds: | | | | |
| General | \$ 726,559 | \$ 288,516 | \$ 885,049 | \$ 130,026 |
| Rainy Day | <u>-</u> | <u>2,619</u> | <u>-</u> | <u>2,619</u> |
| Totals | <u>\$ 726,559</u> | <u>\$ 291,135</u> | <u>\$ 885,049</u> | <u>\$ 132,645</u> |

| | <u>Cash and Investments 01-01-05</u> | <u>Receipts</u> | <u>Disbursements</u> | <u>Cash and Investments 12-31-05</u> |
|---------------------|----------------------------------------------|-------------------|----------------------|----------------------------------------------|
| Governmental Funds: | | | | |
| General | \$ 130,026 | \$ 196,745 | \$ 187,044 | \$ 139,727 |
| Rainy Day | <u>2,619</u> | <u>1,700</u> | <u>-</u> | <u>4,319</u> |
| Totals | <u>\$ 132,645</u> | <u>\$ 198,445</u> | <u>\$ 187,044</u> | <u>\$ 144,046</u> |

The accompanying notes are an integral part of the schedules.

FLOYD TOWNSHIP FIRE DISTRICT
NOTES TO SCHEDULES

Note 1. Introduction

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

Note 6. Long-Term Debt

The District has entered into debt such as bonds for construction. The outstanding principal at December 31, 2005, was \$850,000.

FLOYD TOWNSHIP FIRE DISTRICT
EXAMINATION RESULTS AND COMMENTS

SALES TAX

Sales tax was paid on purchases in ten percent (10%) of the claims tested.

Governmental funds generally are exempt from the payment of sales tax on qualifying purchases. Respective tax agencies should always be contacted concerning tax exemptions and payments. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

CAPITAL ASSET RECORDS

Information presented for audit did not indicate a record of capital assets using Form 369 or a capitalization policy had been prepared.

Every governmental unit should have a complete inventory of all fixed assets owned which reflect their acquisition value. Such inventory should be recorded on the applicable General Fixed Asset Account Group Form. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

FLOYD TOWNSHIP FIRE DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on July 6, 2006, with Marsha S. Carrington, Bookkeeper; and Steve Greeson, Treasurer. The officials concurred with our findings.