

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

EXAMINATION REPORT
OF
SUGAR CREEK FIRE PROTECTION DISTRICT
VIGO COUNTY, INDIANA
January 1, 2004 to December 31, 2005



FILED
09/21/2006

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OFFICIALS

Office

Official

Term

Treasurer

Carol A. Holbert

01-01-04 to 12-31-06

President of the Board

John Scott
Rick Wheat

01-01-04 to 04-12-04
04-13-04 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE SUGAR CREEK FIRE PROTECTION DISTRICT, VIGO COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Sugar Creek Fire Protection 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

August 1, 2006

SUGAR CREEK 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, 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 Fund: General	\$ 53,986	\$ 583,108	\$ 415,644	\$ 221,450
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>Cash and Investments 01-01-05</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 12-31-05</u>
Governmental Fund: General	\$ 221,450	\$ 391,752	\$ 386,676	\$ 226,526
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The accompanying notes are an integral part of the schedules.

SUGAR CREEK FIRE PROTECTION 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.

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 various debts such as a loan for a pumper truck and a capital lease for a tanker truck. The outstanding principal at December 31, 2005, was \$71,483 and \$12,882, respectively.

SUGAR CREEK FIRE PROTECTION DISTRICT
EXAMINATION RESULTS AND COMMENTS

PRESCRIBED FORMS

The following prescribed forms were not in use:

General Form 353, Check;

General Form 354, Claim;

General Form 358, Ledger of Receipts,
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 22)

APPROVAL OF CLAIMS

In 2004 and 2005, the minutes did not indicate approval of the disbursements by the Fire Protection Board.

All claims or accounts payable vouchers must be itemized and allowed by a majority of the members of the board before payment by the fiscal officer. Payment of invoices not supported by a duly certified claim or accounts payable voucher is not permissible. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 22)

OFFICIAL BOND

The following official bond was not filed in the Office of the County Recorder for 2005:

Carol Holbert, Treasurer

Indiana Code 5-4-1-5.1(b) states in part: "Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder . . ."

SUGAR CREEK FIRE PROTECTION DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on August 1, 2006, with Carol A. Holbert, Treasurer. The official concurred with our findings.