

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

EXAMINATION REPORT

OF

MENTONE AND TRI-TOWNSHIP FIRE CONTROL BOARD

KOSCIUSKO COUNTY, INDIANA

January 1, 2004 to December 31, 2005



FILED
10/11/2006

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report	3
Schedules of Receipts, Disbursements, and Cash and Investment Balances.....	4
Notes to Schedules	5
Examination Results and Comments:	
Board Minutes.....	6
Approval of Claims After Payment.....	6
Exit Conference.....	7

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Barbara Ross	01-01-04 to 12-31-06
President of the Board	Timothy Croy	01-01-04 to 12-31-06



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STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
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 MENTONE AND TRI-TOWNSHIP
FIRE CONTROL BOARD, KOSCIUSKO COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Mentone and Tri-Township Fire Control Board (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 24, 2006

MENTONE AND TRI-TOWNSHIP FIRE CONTROL BOARD
 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

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 43,486	\$ 83,943	\$ 69,555	\$ 57,874
Land and Building	<u>27,672</u>	<u>10,166</u>	<u>3,017</u>	<u>34,821</u>
Totals	<u>\$ 71,158</u>	<u>\$ 94,109</u>	<u>\$ 72,572</u>	<u>\$ 92,695</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 57,874	\$ 89,708	\$ 88,388	\$ 59,194
Fire Truck	-	307,037	307,037	-
Land and Building	<u>34,821</u>	<u>427,147</u>	<u>381,762</u>	<u>80,206</u>
Totals	<u>\$ 92,695</u>	<u>\$ 823,892</u>	<u>\$ 777,187</u>	<u>\$ 139,400</u>

The accompanying notes are an integral part of the schedules.

MENTONE AND TRI-TOWNSHIP FIRE CONTROL BOARD
NOTES TO SCHEDULES

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.

Note 4. 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 5. Long-Term Debt

The District has entered into a loan for construction of an EMS building. The outstanding principal at December 31, 2005, was \$96,250. Additional funds of \$278,360 were borrowed in 2006, for a total of \$374,610. The term of the loan is five years at 4.55% interest. The total construction costs were \$716,322.

MENTONE AND TRI-TOWNSHIP FIRE CONTROL BOARD
EXAMINATION RESULTS AND COMMENTS

BOARD MINUTES

The Fire Control Board advertised for bids, awarded a contract and expended \$716,322, to construct an Emergency Services Building, which was completed in March 2006. There were 20 change orders on the contract. There was no mention, in the Board Minutes of the Fire Control Board, of advertising for bids, awarding a bid, approval of a contract, or approval of change orders. Officials indicated that these items were taken care of by a building committee.

The interlocal agreement creating the Fire Control Board states: ". . . the Board shall have the power to enter into contracts and to purchase, finance and sell personal property and chattels to the same extent and in the same manner as the parties to this agreement should or can under the laws of the State of Indiana."

Memoranda (minutes) of the meeting shall include the following items: 3. The general substance of all matters proposed, discussed or decided. (Accounting and Uniform Guidelines Manual for Special Districts, Chapter 12).

APPROVAL OF CLAIMS AFTER PAYMENT

All claims paid in 2004 and 2005 were approved by the Fire Control Board after they were paid.

Indiana Code 5-11-10-2(a) states: "Claims against a political subdivision of the state must . . . be allowed by the governing body having jurisdiction over allowance of such claims before they are paid."

MENTONE AND TRI-TOWNSHIP FIRE CONTROL BOARD
EXIT CONFERENCE

The contents of this report were discussed on August 24, 2006, with Barbara Ross, Treasurer.