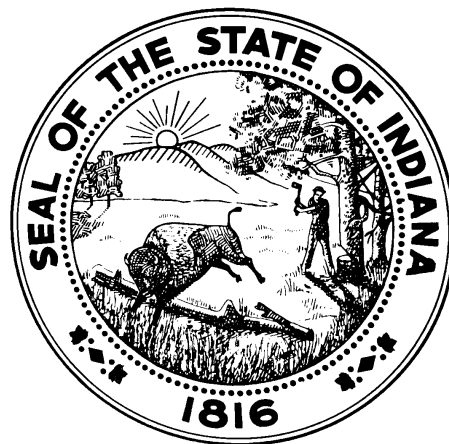


**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

EXAMINATION REPORT  
OF  
BLUE RIVER FIRE PROTECTION DISTRICT  
WASHINGTON COUNTY, INDIANA  
June 1, 2006 to December 31, 2007



**FILED**  
12/30/2008



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OFFICIALS

Office

Official

Term

Treasurer

Bradley T. Seacat

06-01-06 to 12-31-08

President of the Board

Michael A. Setser  
Jerry Short

06-01-06 to 04-20-08  
04-21-08 to 12-31-08



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE BLUE RIVER FIRE  
PROTECTION DISTRICT, WASHINGTON COUNTY, INDIANA

We have examined the financial information presented herein of the Blue River Fire Protection District (District), for the period of June 1, 2006 to December 31, 2007. 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 periods ended December 31, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. The schedule has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

November 19, 2008

BLUE RIVER FIRE PROTECTION DISTRICT  
 SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
 ALL GOVERNMENTAL FUND TYPES  
 As Of And For The Periods Ended December 31, 2006 And 2007

	Cash and Investments 06-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Fund: General	<u>\$ 7,247</u>	<u>\$ 33,976</u>	<u>\$ 25,895</u>	<u>\$ 15,328</u>
	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Fund: General	<u>\$ 15,328</u>	<u>\$ 32,484</u>	<u>\$ 41,497</u>	<u>\$ 6,315</u>

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

BLUE RIVER 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 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. 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.

BLUE RIVER FIRE PROTECTION DISTRICT  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2007

The 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	\$ 86,984	\$ 7,350

BLUE RIVER FIRE PROTECTION DISTRICT  
EXAMINATION RESULTS AND COMMENTS

ANNUAL REPORT

The Annual Reports for the years 2006 and 2007 were not presented for examination.

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 thirty (30) days after the close of each fiscal year."

APPROPRIATIONS

The records presented for examination indicated the following expenditures in excess of budgeted appropriations:

<u>Fund</u>	<u>Years</u>	<u>Excess Amount Expended</u>
General	2006	\$ 43,363
General	2007	6,497

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

ERRORS ON CLAIMS

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

- (1) Claims were not prepared for all disbursements.
- (2) All claims did not have board approval.

Indiana Code 5-11-10-1.6(c) states in part: "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 . . . ."

SALES TAX

Sales tax was paid on utility bills throughout the examination period.

BLUE RIVER FIRE PROTECTION DISTRICT  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

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 Special Districts, Chapter 10)

PRESCRIBED FORMS

The following prescribed or approved forms were not always in use:

Form 352, General Receipt  
Form 358, Ledger of Receipts Disbursements and Balances  
Form 359, Ledger of Appropriations Encumbrances  
Disbursements and Balances  
Form 369, Capital Assets Ledger

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 10)

OFFICIAL BOND

The following official was not properly bonded during the examination period:

Bradley T. Seacat, Treasurer, June 1, 2006 to December 31, 2007

Indiana Code 36-8-11-15(a)(3) states in part: ". . . a person appointed as fiscal officer must be bonded by good and sufficient sureties in an amount ordered by the county legislative body to protect the district from financial loss, . . ."

CAPITAL ASSET RECORDS

An inventory or record of capital assets using Form 369, Capital Assets Ledger, was not maintained.

Every governmental unit should have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory should be recorded on the applicable Capital Asset Ledger. 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 Special Districts, Chapter 10)

BLUE RIVER FIRE PROTECTION DISTRICT  
EXIT CONFERENCE

The contents of this report were discussed on November 19, 2008, with Bradley T. Seacat, Treasurer.