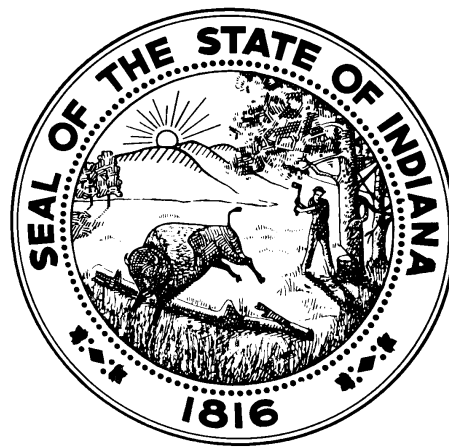


**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

EXAMINATION REPORT  
OF  
HAMBLÉN FIRE PROTECTION DISTRICT  
BROWN COUNTY, INDIANA  
January 1, 2006 to December 31, 2007



**FILED**  
12/31/2008



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OFFICIALS

Office

Official

Term

Secretary/Treasurer

Roy Shea

01-01-06 to 12-31-08

President of the Board

Vacant  
Michael O'Neal

01-01-06 to 03-19-06  
03-20-06 to 12-31-08



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF HAMBLÉN FIRE PROTECTION DISTRICT, BROWN COUNTY, INDIANA

We have examined the financial information presented herein of Hamblén Fire Protection District (District), for the period of January 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 years 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. It 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

HAMBLEN 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, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Fund: General	<u>\$ 5,537</u>	<u>\$ 95,050</u>	<u>\$ 99,573</u>	<u>\$ 1,014</u>
	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Fund: General	<u>\$ 1,014</u>	<u>\$ 63,431</u>	<u>\$ 55,256</u>	<u>\$ 9,189</u>

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

HAMBLEN 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 or highway use taxes are received 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. Brown County is behind in billing and collecting taxes due to the 2002 reassessment. Property taxes for 2005 payable 2006 were not settled until August 2007. Property taxes for 2006 payable 2007 were billed and mailed to tax payers with a due date of December 1, 2008.

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 a loan for a fire truck. The outstanding principal balance at December 31, 2007, was \$23,574.

Note 7. Tax Anticipation Loans

The District has obtained loans in anticipation of tax collections. The outstanding principal at December 31, 2007, was \$25,000.

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

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital lease:		
Fire Truck	\$ 23,574	\$ 24,918
Tax Anticipation Warrants	25,000	*
Total governmental activities debt	<u>\$ 48,574</u>	<u>\$ 24,918</u>

\* - not able to be determined at this time

HAMBLÉN FIRE PROTECTION DISTRICT  
EXAMINATION RESULTS AND COMMENTS

PRESCRIBED FORMS

The following prescribed or approved form was not in use, General Form 352 (Receipt).

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)

SUPPORTING DOCUMENTATION

Payments were observed which did not contain adequate supporting documentation, such as receipts, invoices, and other public records.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 12)

OPTICAL IMAGES OF CHECKS

The financial institution did not return the actual cancelled checks with the monthly bank statements, but instead returned an optical image of only the front side of the checks.

Indiana Code 5-15-6-3(a) concerning optical imaging of checks states in part:

". . . 'original records' includes the optical image of a check or deposit document when:

- (1) the check or deposit document is recorded, copied, or reproduced by an optical imaging process . . . ; and
- (2) the drawer of the check receives an optical image of the check after the check is processed for payment . . ."

Furthermore, IC 26-2-8-111 states in part:

"(a) If a law requires that certain records be retained, that requirement is met by retaining an electronic record of the information in the record that:

- (1) accurately reflects the information set forth in the record after it was first generated in its final form as an electronic record or otherwise; and
- (2) remains accessible for later reference."

"(e) If a law requires retention of a check, that requirement is satisfied by retention of an electronic record of the information on the front and back of the check in accordance with subsection (a)."

OFFICIAL BOND

The Blanket Crime Bond Insurance Policies were not filed in the Office of the County Recorder for the following periods: January 1, 2006 to April 30, 2006 and May 2, 2007 to current.

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. . . ."

HAMBLÉN FIRE PROTECTION DISTRICT  
EXIT CONFERENCE

The contents of this report were discussed on November 19, 2008, with Roy Shea, Secretary/  
Treasurer. The official concurred with our findings.