

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

EXAMINATION REPORT
OF
PRAIRIETON/PRAIRIE CREEK FIRE PROTECTION DISTRICT
VIGO COUNTY, INDIANA
January 1, 2008 to December 31, 2009



FILED
04/12/2011

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Joseph Hayworth Eric L. Bennett	01-01-08 to 12-31-08 01-01-09 to 12-31-11
President of the Board	Larry Sample	01-01-08 to 12-31-11



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE PRAIRIETON/PRAIRIE CREEK
FIRE PROTECTION DISTRICT, VIGO COUNTY, INDIANA

We have examined the financial information presented herein of the Prairieton/Prairie Creek Fire Protection District (District), for the period of January 1, 2008 to December 31, 2009. 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, 2008 and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

February 21, 2011

PRAIRIETON/PRAIRIE 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, 2008 And 2009

	<u>Cash and Investments 01-01-08</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 12-31-08</u>
Governmental Fund: General	<u>\$ 26,363</u>	<u>\$ 76,311</u>	<u>\$ 90,227</u>	<u>\$ 12,447</u>
	<u>Cash and Investments 01-01-09</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 12-31-09</u>
Governmental Fund: General	<u>\$ 12,447</u>	<u>\$ 71,949</u>	<u>\$ 75,643</u>	<u>\$ 8,753</u>

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

PRAIRIETON/PRAIRIE CREEK FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL INFORMATION

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.

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.

PRAIRIETON/PRAIRIE CREEK FIRE PROTECTION DISTRICT
EXAMINATION RESULTS AND COMMENTS

ANNUAL REPORT

The annual report for 2008 was only partially prepared. The annual report for 2009 was not prepared.

IC 5-11-1-4 states:

"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 sixty (60) days after the close of each fiscal year. The reports must be filed electronically, in a manner prescribed by the state examiner that is compatible with the technology employed by the political subdivision."

FUND SOURCES AND USES

On March 13, 2008, and February 19, 2009, the District received excess CAGIT distributions from the County Auditor to deposit in a Rainy Day Fund. If the taxing unit did not have a Rainy Day Fund, the taxing unit was to establish one. The District did not follow the directives from the County Auditor. The distributions were deposited directly into the General Fund. A Rainy Day Fund was not established.

IC 36-1-8-5.1 states in part:

"(a) A political subdivision may establish a rainy day fund by the adoption of: (1) an ordinance, in the case of a county, city, or town; or (2) a resolution, in the case of any other political subdivision.

(b) An ordinance or a resolution adopted under this section must specify the following: (1) The purposes of the rainy day fund. (2) The sources of funding for the rainy day fund."

OFFICIAL BOND

The Treasurer of the District did not have a bond for the year 2009.

IC 36-8-11-15 (a) states, in part:

"(3) however, 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."

TIMELY DEPOSIT OF RECEIPTS

Controls for depositing tax distribution checks are insufficient. Fifty percent of the receipts tested were deposited over 15 days after the check issue date.

All documents and entries to records should be done in a timely manner to ensure that accurate financial information is available to allow the governmental unit to make informed management decisions and to help ensure compliance with IC 5-15-1-1 et seq., commonly referred to as the Public Records Law. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

PRAIRIETON/PRAIRIE CREEK FIRE PROTECTION DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on February 21, 2011, with Eric L. Bennett, Treasurer.
The official concurred with our findings.