

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

CASS COUNTY FIRE DISTRICT NO. 1

CASS COUNTY, INDIANA

January 1, 2012 to December 31, 2016



FILED
01/18/2018

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Fiscal Officer	Bridget Enyeart	01-01-12 to 12-31-15
	Michelle Crain	01-01-16 to 06-30-16
	Bridget Enyeart	07-01-16 to 12-31-17
President of the Board	Bridget Enyeart	01-01-12 to 12-31-12
	Karl Myer	01-01-13 to 09-30-15
	Michael Sims	10-01-16 to 12-31-17



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE CASS COUNTY FIRE DISTRICT NO. 1, CASS COUNTY, INDIANA

We have examined the accompanying financial statements of the Cass County Fire District No. 1 (District), for the period of January 1, 2012 to December 31, 2016. The District's management is responsible for the fair presentation of these financial statements in accordance with the prescribed basis of accounting described in Note 1. Our responsibility is to express an opinion on the financial statements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the financial statements are in accordance with the criteria, in all material respects. An examination involves performing procedures to obtain evidence about the financial statements. The nature, timing, and extent of the procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.


As discussed in Note 1 to the financial statements, the District prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the matter described in the preceding paragraph, the financial statements for the period of January 1, 2012 to December 31, 2016, referred to above, do not present, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the District.

INDEPENDENT ACCOUNTANT'S REPORT
(Continued)

In our opinion, the financial statements for the period of January 1, 2012 to December 31, 2016, referred to above, present the financial position and results of operations of the District based on the prescribed basis of accounting described in Note 1 to the financial statements, in all material respects.

Our examination was conducted for the purpose of forming an opinion on the District's financial statements. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis and Schedule of Leases and Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statements. They have not been subjected to the examination procedures applied to the financial statements and, accordingly, we express no opinion on them.


Paul D. Joyce, CPA
State Examiner

December 4, 2017

FINANCIAL STATEMENTS AND ACCOMPANYING NOTES

The financial statements and accompanying notes were approved by management of the District. The financial statements and notes are presented as intended by the District.

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CASS COUNTY FIRE DISTRICT NO. 1
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Years Ended December 31, 2012 and 2013

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12	Receipts	Disbursements	Cash and Investments 12-31-13
Rainy Day Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Cum Fire Fund	-	-	-	-	56,515	26,122	30,393
Fire General	126,403	973,591	984,970	115,024	859,558	846,060	128,522
Emergency Fire Loan Debt Fund	-	-	-	-	57,533	38,642	18,891
Fire Building Debt	-	-	-	-	94,192	60,025	34,167
Totals	<u>\$ 126,403</u>	<u>\$ 973,591</u>	<u>\$ 984,970</u>	<u>\$ 115,024</u>	<u>\$ 1,067,798</u>	<u>\$ 970,849</u>	<u>\$ 211,973</u>

The notes to the financial statements are an integral part of this statement.

CASS COUNTY FIRE DISTRICT NO. 1
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Years Ended December 31, 2014 and 2015

Fund	Cash and Investments 01-01-14	Receipts	Disbursements	Cash and Investments 12-31-14	Receipts	Disbursements	Cash and Investments 12-31-15
Rainy Day Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Cum Fire Fund	30,393	56,140	4,527	82,006	55,037	36,795	100,248
Fire General	128,522	1,016,335	836,227	308,630	813,370	641,451	480,549
Emergency Fire Loan Debt Fund	18,891	40,640	38,642	20,889	38,614	38,642	20,861
Fire Building Debt	<u>34,167</u>	<u>58,247</u>	<u>60,024</u>	<u>32,390</u>	<u>59,857</u>	<u>60,024</u>	<u>32,223</u>
Totals	<u>\$ 211,973</u>	<u>\$ 1,171,362</u>	<u>\$ 939,420</u>	<u>\$ 443,915</u>	<u>\$ 966,878</u>	<u>\$ 776,912</u>	<u>\$ 633,881</u>

The notes to the financial statements are an integral part of this statement.

CASS COUNTY FIRE DISTRICT NO.1
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2016

Fund	Cash and Investments 01-01-16	Receipts	Disbursements	Cash and Investments 12-31-16
Rainy Day Fund	\$ -	\$ 86,529	\$ -	\$ 86,529
Special Cum Fire Fund	100,248	70,070	137,770	32,548
Fire General	480,549	815,288	647,269	648,568
Emergency Fire Loan Debt Fund	20,861	38,351	38,642	20,570
Fire Building Debt	<u>32,223</u>	<u>59,790</u>	<u>60,024</u>	<u>31,989</u>
Totals	<u>\$ 633,881</u>	<u>\$ 1,070,028</u>	<u>\$ 883,705</u>	<u>\$ 820,204</u>

The notes to the financial statements are an integral part of this statement.

CASS COUNTY FIRE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The District was established under the laws of the State of Indiana. The District operates under an appointed governing board.

The accompanying financial statements present the financial information for the District.

B. Basis of Accounting

The financial statements are reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statements. The aggregate receipts include the following sources:

Taxes. Amounts received from one or more of the following: property tax, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeeper's tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the District.

Intergovernmental receipts. Amounts received from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of intergovernmental receipts include, but are not limited to, the following: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distributions received from the state, local road and street distributions received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

CASS COUNTY FIRE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
(Continued)

Charges for services. Amounts received for services including, but not limited to, the following: planning commission charges, building department charges, copies of public records, copy machines charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable TV receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Other receipts. Amounts received from various sources, including, but not limited to, the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution, or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements include the following uses:

Supplies. Amounts disbursed for articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include, but are not limited to, the following: office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges. Amounts disbursed for services including, but not limited to, the following: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service - principal and interest. Amounts disbursed for fixed obligations resulting from financial transactions previously entered into by the District. It includes all expenditures for the reduction of the principal and interest of the District's general obligation indebtedness.

Capital outlay. Amounts disbursed for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Other disbursements. Amounts disbursed for various other purposes including, but not limited to, the following: interfund loan payments; loans made to other funds; internal service disbursements; and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

The District may, from time to time, make transfers from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

CASS COUNTY FIRE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
(Continued)

G. Fund Accounting

Separate funds are established, maintained, and reported by the District. Each fund is used to account for amounts received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the District. The amounts accounted for in a specific fund may only be available for use for certain, legally-restricted purposes. Additionally, some funds are used to account for assets held by the District in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and, therefore, the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the District submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the District in June and December; however, situations can arise which would delay the distributions. 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 lien date (March 1 in a year ending before January 1, 2016 and January 1 in a year beginning after December 31, 2015) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent 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 normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana, at year end, should be 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 statutes authorize the District to invest in securities including, but not limited to, the following: federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

CASS COUNTY FIRE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 5. Risk Management

The District may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third-party. The establishment of a self-insurance fund allows the District to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

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OTHER INFORMATION - UNEXAMINED

The District's Annual Financial Reports information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statements contained in this report and the financial information presented in the District's Annual Financial Reports referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

The other information presented was approved by management of the District. It is presented as intended by the District.

CASS COUNTY FIRE DISTRICT NO. 1
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2012

	Rainy Day Fund	Special Cum Fire Fund	Fire General	Emergency Fire Loan Debt Fund	Fire Building Debt	Totals
Cash and investments - beginning	\$ -	\$ -	\$ 126,403	\$ -	\$ -	\$ 126,403
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	31,875	-	-	31,875
Other receipts	-	-	941,716	-	-	941,716
Total receipts	-	-	973,591	-	-	973,591
Disbursements:						
Supplies	-	-	393	-	-	393
Other services and charges	-	-	638,092	-	-	638,092
Debt service - principal and interest	-	-	346,485	-	-	346,485
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	-	984,970	-	-	984,970
Excess (deficiency) of receipts over disbursements	-	-	(11,379)	-	-	(11,379)
Cash and investments - ending	\$ -	\$ -	\$ 115,024	\$ -	\$ -	\$ 115,024

CASS COUNTY FIRE DISTRICT NO. 1
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013

	Rainy Day Fund	Special Cum Fire Fund	Fire General	Emergency Fire Loan Debt Fund	Fire Building Debt	Totals
Cash and investments - beginning	\$ -	\$ -	\$ 115,024	\$ -	\$ -	\$ 115,024
Receipts:						
Taxes	-	51,464	537,082	52,391	85,773	726,710
Intergovernmental receipts	-	5,051	52,772	5,142	8,419	71,384
Charges for services	-	-	55,625	-	-	55,625
Other receipts	-	-	214,079	-	-	214,079
Total receipts	-	56,515	859,558	57,533	94,192	1,067,798
Disbursements:						
Supplies	-	-	97	-	-	97
Other services and charges	-	26,122	626,046	-	-	652,168
Debt service - principal and interest	-	-	219,877	38,642	60,025	318,544
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	40	-	-	40
Total disbursements	-	26,122	846,060	38,642	60,025	970,849
Excess (deficiency) of receipts over disbursements	-	30,393	13,498	18,891	34,167	96,949
Cash and investments - ending	\$ -	\$ 30,393	\$ 128,522	\$ 18,891	\$ 34,167	\$ 211,973

CASS COUNTY FIRE DISTRICT NO. 1
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014

	Rainy Day Fund	Special Cum Fire Fund	Fire General	Emergency Fire Loan Debt Fund	Fire Building Debt	Totals
Cash and investments - beginning	\$ -	\$ 30,393	\$ 128,522	\$ 18,891	\$ 34,167	\$ 211,973
Receipts:						
Taxes	-	50,796	535,240	36,901	52,887	675,824
Intergovernmental receipts	-	5,344	196,351	3,739	5,360	210,794
Charges for services	-	-	79,375	-	-	79,375
Other receipts	-	-	205,369	-	-	205,369
Total receipts	-	56,140	1,016,335	40,640	58,247	1,171,362
Disbursements:						
Supplies	-	-	287	-	-	287
Other services and charges	-	-	629,380	-	-	629,380
Debt service - principal and interest	-	-	206,560	38,642	60,024	305,226
Capital outlay	-	4,527	-	-	-	4,527
Other disbursements	-	-	-	-	-	-
Total disbursements	-	4,527	836,227	38,642	60,024	939,420
Excess (deficiency) of receipts over disbursements	-	51,613	180,108	1,998	(1,777)	231,942
Cash and investments - ending	\$ -	\$ 82,006	\$ 308,630	\$ 20,889	\$ 32,390	\$ 443,915

CASS COUNTY FIRE DISTRICT NO. 1
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015

	Rainy Day Fund	Special Cum Fire Fund	Fire General	Emergency Fire Loan Debt Fund	Fire Building Debt	Totals
Cash and investments - beginning	\$ -	\$ 82,006	\$ 308,630	\$ 20,889	\$ 32,390	\$ 443,915
Receipts:						
Taxes	-	50,097	539,940	35,283	54,693	680,013
Intergovernmental receipts	-	4,940	201,230	3,331	5,164	214,665
Charges for services	-	-	57,500	-	-	57,500
Other receipts	-	-	14,700	-	-	14,700
Total receipts	-	55,037	813,370	38,614	59,857	966,878
Disbursements:						
Supplies	-	-	119	-	-	119
Other services and charges	-	-	627,337	-	-	627,337
Debt service - principal and interest	-	-	13,995	38,642	60,024	112,661
Capital outlay	-	36,795	-	-	-	36,795
Other disbursements	-	-	-	-	-	-
Total disbursements	-	36,795	641,451	38,642	60,024	776,912
Excess (deficiency) of receipts over disbursements	-	18,242	171,919	(28)	(167)	189,966
Cash and investments - ending	\$ -	\$ 100,248	\$ 480,549	\$ 20,861	\$ 32,223	\$ 633,881

CASS COUNTY FIRE DISTRICT NO.1
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Rainy Day Fund	Special Cum Fire Fund	Fire General	Emergency Fire Loan Debt Fund	Fire Building Debt	Totals
Cash and investments - beginning	\$ -	\$ 100,248	\$ 480,549	\$ 20,861	\$ 32,223	\$ 633,881
Receipts:						
Taxes	-	49,891	541,839	35,201	54,882	681,813
Intergovernmental receipts	72,213	4,725	209,047	3,150	4,908	294,043
Charges for services	-	-	63,750	-	-	63,750
Other receipts	14,316	15,454	652	-	-	30,422
Total receipts	86,529	70,070	815,288	38,351	59,790	1,070,028
Disbursements:						
Supplies	-	-	320	-	-	320
Other services and charges	-	27,569	632,279	-	-	659,848
Debt service - principal and interest	-	-	-	38,642	60,024	98,666
Capital outlay	-	110,201	354	-	-	110,555
Other disbursements	-	-	14,316	-	-	14,316
Total disbursements	-	137,770	647,269	38,642	60,024	883,705
Excess (deficiency) of receipts over disbursements	86,529	(67,700)	168,019	(291)	(234)	186,323
Cash and investments - ending	\$ 86,529	\$ 32,548	\$ 648,568	\$ 20,570	\$ 31,989	\$ 820,204

CASS COUNTY FIRE DISTRICT NO.1
 SCHEDULE OF LEASES AND DEBT
 December 31, 2016

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
Notes and loans payable	Cass County 2011 Emergency Loan	\$ 231,852	\$ 38,642
Notes and loans payable	Security Federal Savings Bank Fire Station Building Mortgage	87,536	60,024
Totals		\$ 319,388	\$ 98,666

OTHER REPORTS

In addition to this report, other reports may have been issued for the District. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.