

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

WALNUT CREEK FIRE PROTECTION DISTRICT

PUTNAM COUNTY, INDIANA

January 1, 2012 to December 31, 2016



FILED
04/19/2018

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Katheryn E. Deer Tiffany Deer	01-01-12 to 01-25-18 01-26-18 to 12-31-18
President of the District Board	Robert Hensley Jim Hilburn David Parent	01-01-12 to 10-31-12 11-01-12 to 12-31-16 01-01-17 to 12-31-18



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE WALNUT CREEK FIRE PROTECTION
DISTRICT, PUTNAM COUNTY, INDIANA

We have examined the accompanying financial statements of the Walnut Creek Fire Protection District (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, as listed in the Table of Contents, are presented for additional analysis and are not a required part 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

March 5, 2018

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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WALNUT CREEK FIRE PROTECTION DISTRICT
 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
General Fund	\$ 21,846	\$ 133,984	\$ 123,900	\$ 31,930	\$ 219,725	\$ 226,142	\$ 25,513
Rainy Day	29,439	81	-	29,520	23	23,155	6,388
Debt Reserve	18,027	29,262	33,107	14,182	34,153	31,924	16,411
Equipment Depreciation	174,656	3,551	-	178,207	8,964	48,783	138,388
Totals	<u>\$ 243,968</u>	<u>\$ 166,878</u>	<u>\$ 157,007</u>	<u>\$ 253,839</u>	<u>\$ 262,865</u>	<u>\$ 330,004</u>	<u>\$ 186,700</u>

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

WALNUT CREEK FIRE PROTECTION DISTRICT
 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
General Fund	\$ 25,513	\$ 133,808	\$ 139,815	\$ 19,506	\$ 162,790	\$ 118,520	\$ 63,776
Rainy Day	6,388	43,174	20,000	29,562	20,038	20,000	29,600
SPECIAL CUM FIRE	-	53,923	-	53,923	62,051	-	115,974
Debt Reserve	16,411	31,723	32,719	15,415	34,647	32,444	17,618
Equipment Depreciation	<u>138,388</u>	<u>1,980</u>	<u>-</u>	<u>140,368</u>	<u>2,014</u>	<u>-</u>	<u>142,382</u>
Totals	<u>\$ 186,700</u>	<u>\$ 264,608</u>	<u>\$ 192,534</u>	<u>\$ 258,774</u>	<u>\$ 281,540</u>	<u>\$ 170,964</u>	<u>\$ 369,350</u>

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

WALNUT CREEK FIRE PROTECTION DISTRICT
 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
General Fund	\$ 63,776	\$ 140,824	\$ 94,848	\$ 109,752
Rainy Day	29,600	13,561	-	43,161
SPECIAL CUM FIRE	115,974	58,766	-	174,740
Debt Reserve	17,618	26,443	32,102	11,959
Equipment Depreciation	<u>142,382</u>	<u>2,050</u>	<u>-</u>	<u>144,432</u>
Totals	<u>\$ 369,350</u>	<u>\$ 241,644</u>	<u>\$ 126,950</u>	<u>\$ 484,044</u>

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

WALNUT CREEK FIRE PROTECTION DISTRICT
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 a 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.

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.

WALNUT CREEK FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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:

Personal services. Amounts disbursed for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

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.

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.

WALNUT CREEK FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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.

OTHER INFORMATION - UNEXAMINED

The District's Annual Financial Reports information can be found on the Indiana Gateway for Government Units 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.

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WALNUT CREEK FIRE PROTECTION DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2012

	General Fund	Rainy Day	Debt Reserve	Equipment Depreciation	Totals
Cash and investments - beginning	\$ 21,846	\$ 29,439	\$ 18,027	\$ 174,656	\$ 243,968
Receipts:					
Taxes	70,092	-	26,443	-	96,535
Intergovernmental receipts	55,734	-	2,815	-	58,549
Other receipts	8,158	81	4	3,551	11,794
Total receipts	<u>133,984</u>	<u>81</u>	<u>29,262</u>	<u>3,551</u>	<u>166,878</u>
Disbursements:					
Personal services	4,678	-	-	-	4,678
Supplies	126	-	-	-	126
Other services and charges	78,854	-	350	-	79,204
Debt service - principal and interest	-	-	32,757	-	32,757
Capital outlay	40,242	-	-	-	40,242
Total disbursements	<u>123,900</u>	<u>-</u>	<u>33,107</u>	<u>-</u>	<u>157,007</u>
Excess (deficiency) of receipts over disbursements	<u>10,084</u>	<u>81</u>	<u>(3,845)</u>	<u>3,551</u>	<u>9,871</u>
Cash and investments - ending	<u>\$ 31,930</u>	<u>\$ 29,520</u>	<u>\$ 14,182</u>	<u>\$ 178,207</u>	<u>\$ 253,839</u>

WALNUT CREEK FIRE PROTECTION DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013

	<u>General Fund</u>	<u>Rainy Day</u>	<u>Debt Reserve</u>	<u>Equipment Depreciation</u>	<u>Totals</u>
Cash and investments - beginning	\$ 31,930	\$ 29,520	\$ 14,182	\$ 178,207	\$ 253,839
Receipts:					
Taxes	79,945	-	31,331	-	111,276
Intergovernmental receipts	45,834	-	2,816	-	48,650
Charges for services	750	-	-	-	750
Other receipts	<u>93,196</u>	<u>23</u>	<u>6</u>	<u>8,964</u>	<u>102,189</u>
Total receipts	<u>219,725</u>	<u>23</u>	<u>34,153</u>	<u>8,964</u>	<u>262,865</u>
Disbursements:					
Personal services	6,585	-	-	-	6,585
Supplies	1,391	-	-	-	1,391
Other services and charges	101,018	-	350	-	101,368
Debt service - principal and interest	-	-	31,574	-	31,574
Capital outlay	95,026	-	-	-	95,026
Other disbursements	<u>22,122</u>	<u>23,155</u>	<u>-</u>	<u>48,783</u>	<u>94,060</u>
Total disbursements	<u>226,142</u>	<u>23,155</u>	<u>31,924</u>	<u>48,783</u>	<u>330,004</u>
Excess (deficiency) of receipts over disbursements	<u>(6,417)</u>	<u>(23,132)</u>	<u>2,229</u>	<u>(39,819)</u>	<u>(67,139)</u>
Cash and investments - ending	<u>\$ 25,513</u>	<u>\$ 6,388</u>	<u>\$ 16,411</u>	<u>\$ 138,388</u>	<u>\$ 186,700</u>

WALNUT CREEK FIRE PROTECTION DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014

	General Fund	Rainy Day	CUM FIRE	Debt Reserve	Equipment Depreciation	Totals
Cash and investments - beginning	\$ 25,513	\$ 6,388	\$ -	\$ 16,411	\$ 138,388	\$ 186,700
Receipts:						
Taxes	62,730	-	53,888	28,862	-	145,480
Intergovernmental receipts	47,677	-	-	2,856	-	50,533
Other receipts	23,401	43,174	35	5	1,980	68,595
Total receipts	<u>133,808</u>	<u>43,174</u>	<u>53,923</u>	<u>31,723</u>	<u>1,980</u>	<u>264,608</u>
Disbursements:						
Personal services	7,200	-	-	-	-	7,200
Supplies	599	-	-	-	-	599
Other services and charges	99,146	-	-	351	-	99,497
Debt service - principal and interest	-	-	-	32,368	-	32,368
Capital outlay	10,870	-	-	-	-	10,870
Other disbursements	22,000	20,000	-	-	-	42,000
Total disbursements	<u>139,815</u>	<u>20,000</u>	<u>-</u>	<u>32,719</u>	<u>-</u>	<u>192,534</u>
Excess (deficiency) of receipts over disbursements	<u>(6,007)</u>	<u>23,174</u>	<u>53,923</u>	<u>(996)</u>	<u>1,980</u>	<u>72,074</u>
Cash and investments - ending	<u>\$ 19,506</u>	<u>\$ 29,562</u>	<u>\$ 53,923</u>	<u>\$ 15,415</u>	<u>\$ 140,368</u>	<u>\$ 258,774</u>

WALNUT CREEK FIRE PROTECTION DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015

	General Fund	Rainy Day	CUM FIRE	Debt Reserve	Equipment Depreciation	Totals
Cash and investments - beginning	\$ 19,506	\$ 29,562	\$ 53,923	\$ 15,415	\$ 140,368	\$ 258,774
Receipts:						
Taxes	77,130	-	61,896	34,647	-	173,673
Intergovernmental receipts	65,575	-	-	-	-	65,575
Other receipts	20,085	20,038	155	-	2,014	42,292
Total receipts	162,790	20,038	62,051	34,647	2,014	281,540
Disbursements:						
Personal services	7,734	-	-	-	-	7,734
Supplies	49	-	-	-	-	49
Other services and charges	83,760	-	-	350	-	84,110
Debt service - principal and interest	-	-	-	32,094	-	32,094
Capital outlay	6,977	-	-	-	-	6,977
Other disbursements	20,000	20,000	-	-	-	40,000
Total disbursements	118,520	20,000	-	32,444	-	170,964
Excess (deficiency) of receipts over disbursements	44,270	38	62,051	2,203	2,014	110,576
Cash and investments - ending	\$ 63,776	\$ 29,600	\$ 115,974	\$ 17,618	\$ 142,382	\$ 369,350

WALNUT CREEK FIRE PROTECTION DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	General Fund	Rainy Day	CUM FIRE	Debt Reserve	Equipment Depreciation	Totals
Cash and investments - beginning	\$ 63,776	\$ 29,600	\$ 115,974	\$ 17,618	\$ 142,382	\$ 369,350
Receipts:						
Taxes	71,953	-	53,927	24,375	-	150,255
Intergovernmental receipts	68,726	13,483	4,570	2,064	-	88,843
Other receipts	145	78	269	4	2,050	2,546
Total receipts	140,824	13,561	58,766	26,443	2,050	241,644
Disbursements:						
Personal services	8,505	-	-	-	-	8,505
Supplies	968	-	-	-	-	968
Other services and charges	71,248	-	-	350	-	71,598
Debt service - principal and interest	-	-	-	31,752	-	31,752
Capital outlay	14,127	-	-	-	-	14,127
Total disbursements	94,848	-	-	32,102	-	126,950
Excess (deficiency) of receipts over disbursements	45,976	13,561	58,766	(5,659)	2,050	114,694
Cash and investments - ending	\$ 109,752	\$ 43,161	\$ 174,740	\$ 11,959	\$ 144,432	\$ 484,044

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/>.