

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

COMPLIANCE ENGAGEMENT REPORT

OF

VINCENNES TOWNSHIP FIRE PROTECTION DISTRICT

KNOX COUNTY, INDIANA

January 1, 2019 to December 31, 2023



FILED
08/12/2024

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Compliance Report	3-4
Comments	5-6
Statements of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis.....	9-11
Official Response	12

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Fire Chief	Tim Smith	01-01-19 to 12-31-24
Treasurer	Charles N. Doll	01-01-19 to 12-31-24
President of the District Board	Joseph Gregg Cliff Cleveland	01-01-19 to 12-31-19 01-01-20 to 12-31-24



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

TO: THE OFFICIALS OF THE VINCENNES TOWNSHIP FIRE
PROTECTION DISTRICT, KNOX COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Vincennes Township Fire Protection District (District), for the period of January 1, 2019 to December 31, 2023. The objective of this engagement was to determine compliance with applicable Indiana laws, regulations, and uniform compliance guidelines (Guidelines) established by the Indiana State Board of Accounts pursuant to Indiana Code 5-11-1-24. The objective of this engagement is not to opine on compliance or financial activity of the District as this engagement was not conducted in accordance with any standards established by an authoritative standard setting body, and, as such, we do not provide any opinions on compliance or financial activity.

Management is responsible for preparing and maintaining its accounting records and related documents in accordance with applicable Indiana laws, regulations, and Guidelines. Management's responsibility also includes, but is not limited to, complying with other applicable Indiana laws, regulations, and Guidelines concerning how it operates: authorized sources and uses of funds; what reports are required to be prepared and filed; and what depositories and investment types are allowable.

We fulfilled our responsibility as detailed in the first paragraph, using procedures that verified the appropriate accounting for and reporting of cash, receipts, and disbursements; and the appropriate sources and uses of funds in accordance with applicable Indiana laws, regulations, and Guidelines. Expanding the scope and nature of these procedures can and does occur in specific circumstances.

The Comments contained herein, if any, describe the identified reportable instances of noncompliance found during our engagement. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified. Any Official Response to the Comments incorporated within this report was not verified for accuracy.

The Schedule of Officials and Statements of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis (Statements) are informational only. The Statements have not been subjected to any procedures designed to express an opinion or provide any assurance on them, and, accordingly, we do not express an opinion or provide any assurance on them.

This report is intended solely for the information and use of management, governance, and others within the organization. This restriction is not intended to limit the distribution of this report, which is a matter of public record. Reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>, and the District's Annual Financial Reports filed by management can be found on the Indiana Gateway for Government Units financial reporting system website: <http://www.gateway.ifionline.org>.

The contents of this report were communicated to Tim Smith, Fire Chief, and Jeff Dhonau, District Board member, on August 5, 2024.



Beth Kelley, CPA, CFE
Deputy State Examiner

July 15, 2024

VINCENNES TOWNSHIP FIRE PROTECTION DISTRICT
COMMENTS

INTERNAL CONTROLS

Condition and Context

Internal controls were not in place to ensure the District complied with laws, regulations, and Guidelines over record of hours worked and nonuse of prescribed forms for receipts and disbursements as detailed further in the comments below.

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

RECORD OF HOURS WORKED

Condition and Context

The Fire Chief, Deputy Fire Chief, and Secretary did not use time sheets or otherwise keep time records during the engagement period supporting time worked.

Criteria

Indiana Code 5-11-9-4(b) states:

"The state board of accounts shall require that records be maintained showing which hours were worked each day by officers and employees:

- (1) covered by section 1 or 2 of this chapter; and
- (2) employed by more than one (1) public agency or in more than one (1) position by the same public agency described in section 1 or 2 of this chapter."

VINCENNES TOWNSHIP FIRE PROTECTION DISTRICT
COMMENTS

The federal Fair Labor Standards Act (FLSA) requires that records of wages paid, daily and weekly hours of work, and the time of day and day of week on which the employee's work week begins be kept for all employees. These requirements can be met by use of the following prescribed general forms:

- General Form 99A, Employee's Service Record
- General Form 99B, Employee's Earnings Record
- General Form 99C, Employee's Weekly Earnings Record

General Form 99C is required only for employees who are not exempt from FLSA, are not on a fixed work schedule, and are not paid weekly.

Additional information regarding FLSA rules and regulations may be obtained from the Department of Labor.

(Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 1)

NONUSE OF PRESCRIBED FORMS SUPPORTING RECEIPTS AND DISBURSEMENTS

Condition and Context

The District did not use Receipt Form 352 or Claim Form 99 to support receipts and disbursements of the engagement period.

Criteria

Officials and employees are required to use prescribed and approved forms in the manner prescribed. (Accounting and Uniform compliance Guidelines Manual for Special Districts, Chapter 1)

Receipts shall be issued and recorded at the time of the transaction. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 1)

A receipt is to be issued for each cash collection. The duplicate serves as a posting medium to the Ledger of Receipts, Disbursements and Balances, Form 358. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 12)

Payment of invoices not supported by a duly certified claim or accounts payment voucher is not permissible. Also, claims and accounts payable vouchers are not required to support the following:

1. Payments due state or federal agencies for withholdings, social security contributions, etc., which are statutory payments supported by reports to such agencies.
2. Bonds, notes and other indebtedness, including the interest thereon, upon payment under the term of the written obligation.

(Accounting and Uniform compliance Guidelines Manual for Special Districts, Chapter 12)

STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CASH
AND INVESTMENT BALANCES - REGULATORY BASIS

(This page intentionally left blank.)

VINCENNES TOWNSHIP FIRE PROTECTION DISTRICT
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Years Ended December 31, 2019 and 2020

Fund	Cash and Investments 01-01-19	Receipts	Disbursements	Cash and Investments 12-31-19	Receipts	Disbursements	Cash and Investments 12-31-20
Rainy Day	\$ 148,364	\$ -	\$ -	\$ 148,364	\$ -	\$ -	\$ 148,364
Levy Excess Fund	2,857	-	-	2,857	-	-	2,857
Fire Cumulative	105,117	132,793	128,549	109,361	148,563	87,740	170,184
Payroll Deductions	684	162,509	163,182	11	187,371	186,810	572
State Grant	-	-	-	-	15,274	15,096	178
District 10 Training Grant	(660)	121,283	143,007	(22,384)	42,697	13,406	6,907
Fire Debt Service	43,792	341,717	239,339	146,170	163,489	271,874	37,785
Fire General	<u>2,173,074</u>	<u>2,112,240</u>	<u>3,051,517</u>	<u>1,233,797</u>	<u>1,294,904</u>	<u>1,304,625</u>	<u>1,224,076</u>
Totals	<u>\$ 2,473,228</u>	<u>\$ 2,870,542</u>	<u>\$ 3,725,594</u>	<u>\$ 1,618,176</u>	<u>\$ 1,852,298</u>	<u>\$ 1,879,551</u>	<u>\$ 1,590,923</u>

VINCENNES TOWNSHIP FIRE PROTECTION DISTRICT
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Years Ended December 31, 2021 and 2022

Fund	Cash and Investments 01-01-21	Receipts	Disbursements	Cash and Investments 12-31-21	Receipts	Disbursements	Cash and Investments 12-31-22
Rainy Day	\$ 148,364	\$ -	\$ -	\$ 148,364	\$ -	\$ -	\$ 148,364
Levy Excess Fund	2,857	-	-	2,857	-	-	2,857
Fire Cumulative	170,184	131,036	125,872	175,348	164,744	132,613	207,479
Payroll Deductions	571	197,184	197,744	11	211,845	212,380	(524)
State Grant	178	5,000	5,000	178	-	-	178
District 10 Training Grant	6,906	-	6,000	906	-	-	906
Fire Debt Service	37,786	268,657	271,874	34,569	451,753	312,635	173,687
Fire General	1,224,076	2,113,766	1,341,778	1,996,064	1,385,989	1,845,783	1,536,270
Totals	<u>\$ 1,590,922</u>	<u>\$ 2,715,643</u>	<u>\$ 1,948,268</u>	<u>\$ 2,358,297</u>	<u>\$ 2,214,331</u>	<u>\$ 2,503,411</u>	<u>\$ 2,069,217</u>

VINCENNES TOWNSHIP FIRE PROTECTION DISTRICT
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2023

Fund	Cash and Investments 01-01-23	Receipts	Disbursements	Cash and Investments 12-31-23
GENERAL FUND	\$ 1,536,269	\$ 2,583,302	\$ 2,024,414	\$ 2,095,157
RAINY DAY FUND	148,364	-	-	148,364
EXCESS LEVY	2,857	-	-	2,857
CUMULATIVE FIRE	207,478	158,844	135,000	231,322
PAYROLL DEDUCTIONS	(524)	228,085	224,569	2,992
IDHS	906	48,268	49,174	-
State Grant	178	-	-	178
FIRE EQUIPMENT DEBT	<u>173,686</u>	<u>341,666</u>	<u>352,432</u>	<u>162,920</u>
Totals	<u>\$ 2,069,214</u>	<u>\$ 3,360,165</u>	<u>\$ 2,785,589</u>	<u>\$ 2,643,790</u>



Become a Volunteer!
Apply at www.vtfire.org/join

VINCENNES TWP.
FIRE
DISTRICT

OFFICIAL RESPONSE

August 8, 2024

Indiana State Board of Accounts
302 West Washington St. Room E418
Indianapolis, IN 46204-2765

Re: Vincennes Township Fire District

The Vincennes Township Fire District did use Form 99 during the time period that was audited. They are in our official records files. They; however, are physically too large to be "scanned" and were not included in the documents scanned for your review.

The overtime exempt employees that were noted as not having a time card are salaried and exempt employees. Time cards have not been done for these employees for 29 years and has never been noted in a previous audits.

Sincerely,

Timothy M. Smith
Fire Chief