

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

COMPLIANCE ENGAGEMENT REPORT

OF

BOONE TOWNSHIP FIRE PROTECTION DISTRICT

HARRISON COUNTY, INDIANA

January 1, 2019 to December 31, 2023



FILED
05/14/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Stephanie Faith	01-01-19 to 12-31-19
	Barbara Shields	01-01-20 to 12-31-21
	Kim Mathis	01-01-22 to 12-31-22
	Debra Satterfield	01-01-23 to 12-31-24
President of the District Board	Barbara Shields	01-01-19 to 12-31-19
	Stephanie Faith	01-01-20 to 12-31-20
	Kim Mathis	01-01-21 to 12-31-21
	Barbara Shields	01-01-22 to 12-31-24



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE BOONE TOWNSHIP FIRE PROTECTION DISTRICT, HARRISON COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Boone 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 Barbara Shields, President of the District Board; and Debra Satterfield, Treasurer, on May 9, 2024.



Beth Kelley, CPA, CFE
Deputy State Examiner

April 11, 2024

BOONE TOWNSHIP FIRE PROTECTION DISTRICT
COMMENTS

BANK ACCOUNT RECONCILIATIONS

Condition and Context

There were no internal controls, which would include appropriate segregation of duties, in place to ensure monthly bank reconciliations were complete and accurate.

The District did not complete monthly bank reconciliations during the review period, as the District is not comparing monthly bank statement balances to fund ledger balances to detect variances that could be present in these documents. Bank statements are being reviewed monthly by the Fiscal Officer, but there was no documentation to indicate that the statements were reconciled to the fund ledger.

Criteria

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

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. . . ."

APPROPRIATIONS

A similar comment appeared in a Management Letter addressed to the officials of the District for the review period ending December 31, 2018.

Condition and Context

There were no internal controls, which would include appropriate segregation of duties, in place to ensure disbursements did not exceed budgeted appropriations.

BOONE TOWNSHIP FIRE PROTECTION DISTRICT
 COMMENTS
 (Continued)

The records presented for review indicated the following expenditures in excess of budgeted appropriations:

Fund	Excess Amount Expended	
	2021	2022
General Fund	\$ 217,206	\$ 455,657
Cumulative	-	58,541

Criteria

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

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:

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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. . . ."

PRESCRIBED FORMS

A similar comment appeared in a Management Letter addressed to the officials of the District for the review period ending December 31, 2018.

Condition and Context

There were no internal controls, which would include appropriate segregation of duties, in place to ensure the District used the Indiana State Board of Account's prescribed and/or approved forms.

The Indiana State Board of Accounts is responsible for prescribing and/or approving the accounting forms/records for all governmental units. The District did not use the prescribed Form Number 353 (Check) for any of the claims tested. Additionally, the District did not use the prescribed Form Number 354 Claim (General Expense) for 16 of the 25 claims tested.

BOONE TOWNSHIP FIRE PROTECTION DISTRICT
COMMENTS
(Continued)

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. . . ."

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)

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

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BOONE 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
General Fund	\$ 265,309	\$ 98,886	\$ 57,659	\$ 306,536	\$ 102,711	\$ 62,587	\$ 346,660
Cumulative	<u>44,043</u>	<u>23,400</u>	<u>15,165</u>	<u>52,278</u>	<u>22,766</u>	<u>-</u>	<u>75,044</u>
Totals	<u>\$ 309,352</u>	<u>\$ 122,286</u>	<u>\$ 72,824</u>	<u>\$ 358,814</u>	<u>\$ 125,477</u>	<u>\$ 62,587</u>	<u>\$ 421,704</u>

BOONE 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
General Fund	\$ 346,660	\$ 111,104	\$ 301,206	\$ 156,558	\$ 568,575	\$ 539,657	\$ 185,476
Cumulative	<u>75,044</u>	<u>23,497</u>	<u>-</u>	<u>98,541</u>	<u>23,873</u>	<u>98,541</u>	<u>23,873</u>
Totals	<u>\$ 421,704</u>	<u>\$ 134,601</u>	<u>\$ 301,206</u>	<u>\$ 255,099</u>	<u>\$ 592,448</u>	<u>\$ 638,198</u>	<u>\$ 209,349</u>

BOONE 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	\$ 185,476	\$ 115,924	\$ 64,400	\$ 237,000
Cumulative	<u>23,873</u>	<u>26,546</u>	<u>21,615</u>	<u>28,804</u>
Totals	<u>\$ 209,349</u>	<u>\$ 142,470</u>	<u>\$ 86,015</u>	<u>\$ 265,804</u>