

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

COMPLIANCE ENGAGEMENT REPORT

OF

VAN BUREN FIRE DISTRICT

CLAY COUNTY, INDIANA

January 1, 2020 to December 31, 2023



**FILED**

10/08/2024



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Alisha Long	01-01-20 to 12-31-20
	Mary Ray	01-01-21 to 12-31-24
President of the District Board	Doug Nevins	01-01-20 to 12-31-20
	Mike Bemis	01-01-21 to 12-31-21
	Tim Williams	01-01-22 to 12-31-22
	Mike Bemis	01-01-23 to 06-30-24
	Jim Snyder	07-01-24 to 12-31-24



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE VAN BUREN FIRE DISTRICT, CLAY COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Van Buren Fire District, (District) for the period of January 1, 2020 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 Mary Ray, Treasurer, and Jim Snyder, President of the District Board, on September 24, 2024.



Beth Kelley, CPA, CFE  
Deputy State Examiner

August 13, 2024

VAN BUREN FIRE DISTRICT  
AUDIT RESULTS AND COMMENTS

**ANNUAL FINANCIAL REPORT**

The same comment also appeared in prior Report B55527.

*Condition and Context*

Internal controls were not in place to ensure that accurate information was entered in the Annual Financial Report (AFR). Financial information is required to be entered annually into the Annual Financial Report (AFR) via the Indiana Gateway for Government Units (Gateway) financial reporting system. The information entered into Gateway contained one error. The receipts for the Accumulation Fund for 2023 was overstated by \$380,000.

Adjustments were proposed, accepted by the Treasurer, and made to the Statements of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis included within this report.

*Criteria*

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every audited entity financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner as set forth in the uniform compliance guidelines. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

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. . . ."

**OVERDRAWN CASH BALANCES**

*Condition and Context*

Internal controls were not in place to ensure that the District didn't have overdrawn cash balances. The Accumulation Fund had an overdrawn cash balance of \$3,731 on December 31, 2023.

VAN BUREN FIRE DISTRICT  
AUDIT RESULTS AND COMMENTS  
(Continued)

*Criteria*

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the unit. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 1)

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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**SUPPORTING DOCUMENTATION**

*Condition and Context*

Internal controls were not in place to ensure that the District complied with disbursement requirements. Supporting documentation was not provided for 1 of the 20 disbursements tested. This disbursement was \$1,333 for the purchase of fire equipment.

*Criteria*

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for examination to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 1)

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VAN BUREN FIRE DISTRICT  
AUDIT RESULTS AND COMMENTS  
(Continued)

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**PRESCRIBED FORMS**

*Condition and Context*

Internal controls were not in place to ensure that the District used prescribed forms. Out of the 20 disbursements tested, 10 did not have either a Claim, General Form 354, or Accounts Payable Voucher, Town Form 39, to support the disbursement. These disbursements totaled \$11,022.

*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)

Payment of invoice not supported by a duly certified claim or accounts payable voucher is not permissible. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 12)

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

VAN BUREN FIRE DISTRICT  
 STATEMENT OF RECEIPTS, DISBURSEMENTS,  
 AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Years Ended December 31, 2020 and 2021

Fund	Cash and Investments 01-01-20	Receipts	Disbursements	Cash and Investments 12-31-20	Receipts	Disbursements	Cash and Investments 12-31-21
General Fund	\$ 78,171	\$ 413,131	\$ 385,073	\$ 106,229	\$ 441,506	\$ 439,958	\$ 107,777
Accumulation Fund	<u>134,089</u>	<u>40,292</u>	<u>125,903</u>	<u>48,478</u>	<u>40,923</u>	<u>55,000</u>	<u>34,401</u>
Totals	<u>\$ 212,260</u>	<u>\$ 453,423</u>	<u>\$ 510,976</u>	<u>\$ 154,707</u>	<u>\$ 482,429</u>	<u>\$ 494,958</u>	<u>\$ 142,178</u>

VAN BUREN FIRE DISTRICT  
 STATEMENT OF RECEIPTS, DISBURSEMENTS,  
 AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Years Ended December 31, 2022 and 2023

Fund	Cash and Investments 01-01-22	Receipts	Disbursements	Cash and Investments 12-31-22	Receipts	Disbursements	Cash and Investments 12-31-23
General Fund	\$ 107,777	\$ 443,279	\$ 396,702	\$ 154,354	\$ 462,379	\$ 387,086	\$ 229,647
Accumulation Fund	<u>34,401</u>	<u>40,741</u>	<u>13,017</u>	<u>62,125</u>	<u>45,317</u>	<u>111,173</u>	<u>(3,731)</u>
Totals	<u>\$ 142,178</u>	<u>\$ 484,020</u>	<u>\$ 409,719</u>	<u>\$ 216,479</u>	<u>\$ 507,696</u>	<u>\$ 498,259</u>	<u>\$ 225,916</u>