

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

**Paul D. Joyce, CPA
State Examiner**

COMPLIANCE ENGAGEMENT REPORT

OF

GREENVILLE TOWNSHIP FIRE PROTECTION DISTRICT

FLOYD COUNTY, INDIANA

January 1, 2020 to December 31, 2023



FILED
01/23/2025

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Fiscal Officer	Brian Durham	01-01-20 to 08-18-21
	Dr. Chris Jenkins	08-19-21 to 12-31-23
	(Vacant - District was dissolved)	01-01-24 to 12-31-25
President of the District Board	Heather Peters	01-01-20 to 12-31-20
	Matt Smith	01-01-21 to 12-31-23
	(Vacant - District was dissolved)	01-01-24 to 12-31-25



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INDIANA STATE BOARD OF ACCOUNTS

302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769
Telephone: (317) 232-2513
Fax: (317) 232-4711
www.in.gov/sboa

TO: THE OFFICIALS OF THE GREENVILLE TOWNSHIP FIRE
PROTECTION DISTRICT, FLOYD COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Greenville Township Fire Protection 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 Dr. Chris Jenkins, former Fiscal Officer, on January 13, 2025.



Beth Kelley, CPA, CFE
Deputy State Examiner

December 17, 2024

GREENVILLE TOWNSHIP FIRE PROTECTION DISTRICT
COMMENTS

INTERNAL CONTROLS

Condition and Context

The District did not have internal controls in place, and in some instances, a proper segregation of duties, to ensure compliance with laws and regulations over the following areas as detailed further in the comments below:

- Bank Account Reconciliations
- Prescribed Forms
- Deposits
- Timely Recording
- Supporting Documentation
- Approval of Disbursements
- Condition of Records - Overdrawn Cash Balance
- Capital Assets
- Board Minutes Missing
- Internal Control Standards
- Monthly and Annual Uploads
- 100R - Certified Report Filed After Due Date

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. . . ."

BANK ACCOUNT RECONCILIATIONS

Condition and Context

Reconciliations of the depository account balance with the financial record balance for the year 2020 were not presented for examination.

For fiscal years 2021, 2022, and 2023, reconciliations of the depository account balance with the financial record balances were provided for examination; however, it could not be determined if the reconciliation were being completed timely.

GREENVILLE TOWNSHIP FIRE PROTECTION DISTRICT
COMMENTS
(Continued)

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."

PRESCRIBED FORMS

Condition and Context

The prescribed Form 358, Ledger of Receipts, Disbursements, and Balances, documenting the financial transactions for the year 2020 was not presented for examination.

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)

DEPOSITS

Condition and Context

The District did not always deposit monies received timely. A review of the financial records identified 15 instances where monies received for tax distributions from the County were deposited more than 30 days after being received.

Criteria

Indiana Code 5-13-6-1(c) states in part:

". . . all local officers . . . who collect public funds of their respective political subdivisions, shall deposit funds not later than the business day following the receipt of funds on business days of the depository in the depository or depositories selected by the . . . local boards of finance . . ."

Indiana Code 5-13-6-1(g) states in part:

"The following are not required to deposit funds on the business day following receipt if the funds on hand do not exceed five hundred dollars (\$500): . . .

- (2) A local officer of a political subdivision required to deposit funds under subsection (c) other than a township trustee.
- (3) A city or a town required to deposit funds under subsection (d)."

GREENVILLE TOWNSHIP FIRE PROTECTION DISTRICT
COMMENTS
(Continued)

TIMELY RECORDING

Condition and Context

The District did not timely record monies received in its financial records. There were seven instances in which monies received for tax distributions from the County Auditor were recorded more than 30 days after being received.

Criteria

All documents and entries to records must be made in a timely manner to ensure that accurate financial information is available to allow the unit to make informed management decisions and to help ensure compliance with IC 5-15-1-1. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 1)

All financial transactions pertaining to the unit must be recorded in the records of the unit at the time of the transaction. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 1)

SUPPORTING DOCUMENTATION

Condition and Context

Supporting documentation was not presented for examination for all disbursements tested during the engagement period.

The District paid the Lafayette Township Fire Protection District \$1,020,919 in the fiscal year 2022 for fire protection services for Greenville Township; however, an interlocal agreement or contract was not presented for examination to support the approved amount to be paid. In addition, two disbursements, one from fiscal year 2020 and another from fiscal year 2022, either did not have supporting documentation provided at all or the supporting documentation provided was inadequate to support the disbursement made. The two disbursements totaled \$59,396.

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)

Payments made or received for contractual services must be supported by a written contract. Each unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 1)

APPROVAL OF DISBURSEMENTS

Condition and Context

Disbursements made by the District were not made in accordance with Indiana Code 5-11-10-2. Disbursements examined during the engagement period did not have documentation showing that proper approvals were made.

GREENVILLE TOWNSHIP FIRE PROTECTION DISTRICT
COMMENTS
(Continued)

Criteria

Indiana Code 5-11-10-2 states in part:

"(a) Claims against a political subdivision of the state must be approved by the officer or person receiving the goods or services, be audited for correctness and approved by the disbursing officer of the political subdivision, and, where applicable, be allowed by the governing body having jurisdiction over allowance of such claims before they are paid. If the claim is against a governmental entity (as defined in section 1.6 of this chapter), the claim must be certified by the fiscal officer.

(b) The state board of accounts shall prescribe a form which will permit claims from two (2) or more claimants to be listed on a single document and, when such list is signed by members of the governing body showing the claims and amounts allowed each claimant and the total claimed and allowed as listed on such document, it shall not be necessary for the members to sign each claim. . . ."

CONDITION OF RECORDS - OVERDRAWN CASH BALANCE

Condition and Context

Disbursements were made at the end of fiscal year 2023 to disburse all the District's funds to the Lafayette Township Fire Protection District in accordance with a resolution approved by the District Board of Fire Trustees on September 15, 2022, to consolidate the District with the Lafayette Township Fire Protection District.

The District established separate bank accounts for each fund. The Cumulative Fire Special (Cumulative Fire) fund's December 2023 local tax distribution was deposited into the General fund's bank account. This resulted in each funds' recorded cash balance not correlating to their associated bank account balance as the distribution was recorded in the proper fund in the accounting records. The disbursements to close the bank accounts due to the consolidation were recorded in the accounting records in the funds the bank accounts were established to represent without considering the Cumulative Fire fund's local tax distributions in the General fund's bank account. This resulted in the accounting records showing the General fund's cash balance being overdrawn by \$303,695 and the Cumulative Fire fund's cash balance being overstated by \$303,695 at December 31, 2023.

Criteria

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 1)

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)

GREENVILLE TOWNSHIP FIRE PROTECTION DISTRICT
COMMENTS
(Continued)

CAPITAL ASSETS

Condition and Context

The District had not adopted a capital asset policy. Since a capital asset policy was not adopted, a detailed capital asset listing was not kept, nor was a physical inventory taken during the engagement period.

Criteria

Every unit must have a capital assets policy that details the threshold at which an item is considered a capital asset. Every unit must have a complete detail listing of all capital assets owned which reflects their acquisition value. Capital Asset Ledger (Form 369) has been prescribed for this purpose. A complete physical inventory must be taken at least every two years, unless more stringent requirements exist, to verify account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 1)

BOARD MINUTES MISSING

Condition and Context

Minutes for the 2020 District Board meeting were not presented for examination.

Criteria

Indiana Code 36-8-11-13(a) states in part: "The board shall fix the time for holding regular meetings, but it shall meet at least once in the months of January, April, July, and October. The county legislative body may order that regular meetings be held more frequently."

Indiana Code 5-14-1.5-4 states in part:

". . . (b) As the meeting progresses, the following memoranda shall be kept:

- (1) The date, time, and place of the meeting.
- (2) The members of the governing body recorded as either present or absent.
- (3) The general substance of all matters proposed, discussed, or decided.
- (4) A record of all votes taken by individual members if there is a roll call.
- (5) Any additional information required under section 3.5 or 3.6 of this chapter or any other statute that authorizes a governing body to conduct a meeting using an electronic means of communication.

(c) The memoranda are to be available within a reasonable period of time after the meeting for the purpose of informing the public of the governing body's proceedings. The minutes, if any, are to be open for public inspection and copying."

GREENVILLE TOWNSHIP FIRE PROTECTION DISTRICT
COMMENTS
(Continued)

INTERNAL CONTROL STANDARDS

Condition and Context

The District certified on the Indiana Gateway for Government Units financial reporting system for the years 2021, 2022, and 2023 that all personnel defined by Indiana Code 5-11-27(c) had received training concerning internal control standards; however, the District could not provide documentation that an internal control policy had been adopted or personnel had received the training concerning internal control standards.

Criteria

Indiana Code 5-11-1-27(g) states:

"After June 30, 2016, the legislative body of a political subdivision shall ensure that:

- (1) the internal control standards and procedures developed under subsection (e) are adopted by the political subdivision; and
- (2) personnel receive training concerning the internal control standards and procedures adopted by the political subdivision."

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](#)."

MONTHLY AND ANNUAL UPLOADS

Condition and Context

The District did not comply with the State Examiner Directive and did not upload files and governmental unit information on the Indiana Gateway for Government Units financial reporting system.

The following were not uploaded monthly as required:

- Bank Reconcilements, Bank Statements, and Outstanding Check Lists - 2020, 2021, 2022, 2023.
- Approved District Board Minutes - 2020, 2021, 2022, 2023.
- Funds Ledger - 2020, 2021, 2022, 2023.

The following were not uploaded annually as required:

- Detail of Receipts by Fund and Account - 2020, 2021, 2022, 2023 (required if data capture not available for 2023).
- Detail of Disbursements by Fund and Account - 2020, 2021, 2022, 2023 (required if data capture not available for 2023).

GREENVILLE TOWNSHIP FIRE PROTECTION DISTRICT
COMMENTS
(Continued)

- Annual Vendor History Report - 2020, 2021, 2022, 2023.
- Annual Funds Ledger - 2020, 2021, 2022, 2023.
- Excel Data Capture - 2023 (required starting for 2023).

Criteria

All counties, cities, towns, townships, libraries, schools and special districts will use the Engagement Uploads to upload files containing financial and governmental unit information on Gateway to allow the SBOA to conduct audit planning and audit processes prior to on-site work at a unit. This remote process will provide for more efficient data processing and save audit costs for our clients. (Amended State Examiner Directive 2018-1, Updated November 9, 2020, effective with uploads due February 15, 2021; Updated October 30, 2023, effective with the December 2023 monthly uploads due February 15, 2024 and the 2023 annual uploads due March 1, 2024)

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, court decisions and filing requirements concerning reports and other procedural matters of federal and state agencies. Units must file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 1)

100R - CERTIFIED REPORT FILED AFTER DUE DATE

Condition and Context

The District submitted the Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100R) after January 31st for two of the four years in the engagement period. Fiscal years 2020 and 2021 were submitted on May 1, 2021, and March 28, 2022, respectively.

Criteria

Indiana Code 5-11-13-1(b) states:

"Each audited entity shall during the month of January of each year prepare, make, and sign a certified report, correctly and completely showing the names and business addresses of the officers, employees, and agents of the audited entity. The report shall indicate the respective duties and compensation of each officer, employee, and agent of the audited entity. The audited entity shall file the report in the office of the state examiner of the state board of accounts. The report must also indicate whether the political subdivision offers a health plan, a pension, and other benefits to full-time and part-time employees. However, no more than one (1) report covering the same officers, employees, and agents need be made from the state or any county, city, town, township, or school unit in any one year. The certification must be filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."



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

GREENVILLE TOWNSHIP FIRE PROTECTION 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	\$ -	\$ 202,492	\$ 124,875	\$ 77,617	\$ 774,156	\$ 745,376	\$ 106,397
Cumulative Fire Special	-	-	-	-	415,211	50,170	365,041
Totals	<u>\$ -</u>	<u>\$ 202,492</u>	<u>\$ 124,875</u>	<u>\$ 77,617</u>	<u>\$ 1,189,367</u>	<u>\$ 795,546</u>	<u>\$ 471,438</u>

GREENVILLE TOWNSHIP FIRE PROTECTION 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	\$ 106,397	\$ 1,156,264	\$ 1,036,078	\$ 226,583	\$ 2,151,492	\$ 2,681,770	\$ (303,695)
Cumulative Fire Special	<u>365,041</u>	<u>143,637</u>	<u>134,609</u>	<u>374,069</u>	<u>229,424</u>	<u>299,798</u>	<u>303,695</u>
Totals	<u>\$ 471,438</u>	<u>\$ 1,299,901</u>	<u>\$ 1,170,687</u>	<u>\$ 600,652</u>	<u>\$ 2,380,916</u>	<u>\$ 2,981,568</u>	<u>\$ -</u>