

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

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

COMPLIANCE ENGAGEMENT REPORT

OF

MILLTOWN-WHISKEY RUN TOWNSHIP FIRE PROTECTION DISTRICT

CRAWFORD COUNTY, INDIANA

January 1, 2021 to December 31, 2024



**FILED**

04/30/2025



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	David Jones	01-01-21 to 12-31-25
President of the District Board	William Booth, Jr.	01-01-21 to 12-31-25



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## INDIANA STATE BOARD OF ACCOUNTS

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TO: THE OFFICIALS OF THE MILLTOWN-WHISKEY RUN TOWNSHIP FIRE  
PROTECTION DISTRICT, CRAWFORD COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Milltown-Whiskey Run Township Fire Protection District (District), for the period of January 1, 2021 to December 31, 2024. 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 David Jones, Treasurer, and William Booth, Jr., President of the District Board, on April 23, 2025.



Beth Kelley, CPA, CFE  
Deputy State Examiner

April 14, 2025

MILLTOWN-WHISKEY RUN TOWNSHIP FIRE PROTECTION DISTRICT  
COMMENTS

**INTERNAL CONTROLS OVER COMPLIANCE**

*Condition and Context*

Internal controls were not in place to ensure that the District complied with the laws, regulations, and Guidelines. Deficiencies in the District's system of internal controls resulted in noncompliance over the use of prescribed forms, District Board member compensation, 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. . . ."

**PRESCRIBED FORMS**

This same comment appeared in a Management Letter addressed to District Officials for the engagement period ending December 31, 2020.

*Condition and Context*

Internal controls were not in place to ensure that the District complied with requirements related to prescribed forms. None of the District's disbursements throughout the engagement period were supported by a claim or accounts payable voucher or an approved equivalent.

*Criteria*

Form 99, Payroll Schedule and Voucher, shall be used for salaries and wages; Form 99P for public notice advertising; Form 101 for mileage, and Form 354 for other expenses.

All claims or accounts payable vouchers must be itemized and allowed by a majority of the members of the board before payment by the fiscal officer. Payment of invoices not supported by a duly certified claim or accounts payable voucher is not permissible. Also, claims and accounts payable vouchers are not required to support the following:

MILLTOWN-WHISKEY RUN TOWNSHIP FIRE PROTECTION DISTRICT  
COMMENTS  
(Continued)

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.

After payment, the check numbers are to be entered in the space provided on the claims or accounts payable vouchers, and the claims filed numerically for future reference and audit.

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

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)

### **DISTRICT BOARD MEMBER COMPENSATION**

#### *Condition and Context*

Internal controls were not in place to ensure that the District complied with requirements related to District Board member compensation. The District entered into contracts with two of the District Board members for services provided to the District for each year of the engagement period. Per Indiana Code 36-8-11-12(b), anyone with whom the District enters into a contract is ineligible to serve on the District Board. District Board members are considered employees of the District, and, accordingly, the District should have been withholding the appropriate taxes and issuing Forms W-2.

Additionally, the contracts established a set amount of pay for both District Board members for each year of the engagement period. Per Indiana Code 36-8-11-14, District Board members are compensated based upon the number of days devoted to work of the District, not to exceed a pay rate of \$100 per day. The District Board should have established this compensation in an approved resolution in accordance with the statutory requirements imposed.

#### *Criteria*

Indiana Code 36-8-11-12(b) states: "An individual who holds a contract with a district may not be appointed as a trustee or serve as a trustee."

Indiana Code 36-8-11-14 states: "Each trustee may receive not more than one hundred dollars (\$100) a day for each day devoted to the work of the district."

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution, or salary schedule adopted by the governing body unless otherwise authorized by law. Compensation must be paid in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 1)

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)

MILLTOWN-WHISKEY RUN TOWNSHIP FIRE PROTECTION DISTRICT  
COMMENTS  
(Continued)

**ERRORS ON CLAIMS**

*Condition and Context*

Internal controls were not in place to ensure that the District complied with requirements related to claims. For each year of the engagement period, the District Board approved the amounts to be disbursed during the year at the beginning of the year based upon the District's budget. The District did not provide evidence that the individual invoice or bill was approved by the officer or person receiving the goods or services, that the disbursing officer certified before payment that the invoice or bill was true and correct, or that payment of the claim was allowed by the District Board for any of the actual disbursements issued during the engagement period.

*Criteria*

Indiana Code 5-11-10-2(a) states:

"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."

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)



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

MILLTOWN-WHISKEY RUN 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	\$ 7,554	\$ 5,500	\$ -	\$ 13,054	\$ 5,500	\$ -	\$ 18,554
Cumulative Fire Special	121,818	13,550	-	135,368	13,262	-	148,630
Special Fire General	86,602	89,985	70,100	106,487	91,340	70,158	127,669
Totals	\$ 215,974	\$ 109,035	\$ 70,100	\$ 254,909	\$ 110,102	\$ 70,158	\$ 294,853

MILLTOWN-WHISKEY RUN TOWNSHIP FIRE PROTECTION DISTRICT  
 STATEMENT OF RECEIPTS, DISBURSEMENTS,  
 AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Years Ended December 31, 2023 and 2024

Fund	Cash and Investments 01-01-23	Receipts	Disbursements	Cash and Investments 12-31-23	Receipts	Disbursements	Cash and Investments 12-31-24
RAINY DAY	\$ 18,554	\$ 5,500	\$ -	\$ 24,054	\$ 5,500	\$ -	\$ 29,554
Cumulative Fire Special	148,630	16,424	-	165,054	18,605	-	183,659
Special Fire General	<u>127,669</u>	<u>106,835</u>	<u>80,080</u>	<u>154,424</u>	<u>118,573</u>	<u>81,351</u>	<u>191,646</u>
Totals	<u>\$ 294,853</u>	<u>\$ 128,759</u>	<u>\$ 80,080</u>	<u>\$ 343,532</u>	<u>\$ 142,678</u>	<u>\$ 81,351</u>	<u>\$ 404,859</u>