

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

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

COMPLIANCE ENGAGEMENT REPORT

OF

GRASSY FORK TOWNSHIP FIRE PROTECTION DISTRICT

JACKSON COUNTY, INDIANA

January 1, 2021 to December 31, 2024



**FILED**

05/07/2025



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Fiscal Officer	Randy Bobb	01-01-21 to 12-31-25
President of the District Board	Marvin Holle	01-01-21 to 12-31-25



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State Examiner

## INDIANA STATE BOARD OF ACCOUNTS

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TO: THE OFFICIALS OF THE GRASSY FORK TOWNSHIP FIRE  
PROTECTION DISTRICT, JACKSON COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Grassy Fork 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 Randy Bobb, Fiscal Officer; Marvin Holle, President of the District Board; and Reuben J. Cummings, Financial Advisor, on April 28, 2025.



Beth Kelley, CPA, CFE  
Deputy State Examiner

April 15, 2025

GRASSY FORK TOWNSHIP FIRE PROTECTION DISTRICT  
COMMENTS

**BANK ACCOUNT RECONCILIATIONS**

*Condition and Context*

Internal controls were not in place to ensure monthly bank reconciliations were performed timely and correctly. The following items were noted:

- Monthly bank reconciliations for all of 2021 were not completed until January 2022.
- Six instances were noted in which investment balances were not included in the monthly reconciliation to ensure the bank balances were reconciled with the ledger balances.

*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. . . ."

**DISBURSEMENT DEFICIENCIES**

*Condition and Context*

The lack of effective internal controls resulted in noncompliance over disbursements. The following deficiencies were noted during the testing of 20 disbursements:

GRASSY FORK TOWNSHIP FIRE PROTECTION DISTRICT  
COMMENTS  
(Continued)

- Claim vouchers (Form No. 354) were not prepared for disbursements during the engagement period.
- Adequate supporting documentation, which would include itemized invoices or bills, was not provided to determine whether 3 disbursements, totaling \$440, were an allowable use of funds and approved by the officer or person receiving the goods and services.
- There was no documentation to support the disbursing officer audited the claims for correctness and approved the 20 disbursements tested, totaling \$93,963, prior to payment.

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)

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

GRASSY FORK 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 Fund	\$ 22,798	\$ 4,532	\$ -	\$ 27,330	\$ 72	\$ -	\$ 27,402
Special Fire Cumulative	20,502	13,613	14,000	20,115	14,105	13,000	21,220
Special Fire General	47,857	49,409	44,034	53,232	48,878	42,568	59,542
Totals	<u>\$ 91,157</u>	<u>\$ 67,554</u>	<u>\$ 58,034</u>	<u>\$ 100,677</u>	<u>\$ 63,055</u>	<u>\$ 55,568</u>	<u>\$ 108,164</u>

GRASSY FORK 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
Special Operating	\$ 59,542	\$ 51,997	\$ 49,899	\$ 61,640	\$ 55,331	\$ 48,461	\$ 68,510
Rainy Day	27,402	7,372	-	34,774	7,726	-	42,500
Special Cumulative Fire	21,220	17,319	13,087	25,452	24,614	20,000	30,066
Totals	<u>\$ 108,164</u>	<u>\$ 76,688</u>	<u>\$ 62,986</u>	<u>\$ 121,866</u>	<u>\$ 87,671</u>	<u>\$ 68,461</u>	<u>\$ 141,076</u>