

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

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

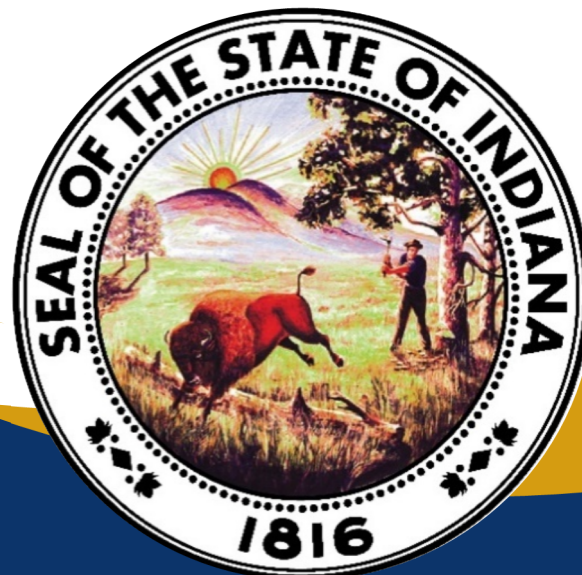
COMPLIANCE ENGAGEMENT REPORT

OF

CARTER FIRE PROTECTION DISTRICT

SPENCER COUNTY, INDIANA

January 1, 2021 to December 31, 2024



FILED

04/15/2025

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Kenneth R. Schaaf	01-01-21 to 12-31-25
President of the District Board	Ron Pund	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 CARTER FIRE PROTECTION DISTRICT, SPENCER COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Carter 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 Kenneth R. Schaaf, Treasurer; Jack Troth, District Board member; Dan Reinke, Fire Chief; and Rebecca Hildenbrand, Bookkeeper, on April 1, 2025.



Beth Kelley, CPA, CFE
Deputy State Examiner

March 27, 2025

CARTER FIRE PROTECTION DISTRICT
COMMENT

MONTHLY AND ANNUAL GATEWAY UPLOADS

A similar comment appeared in prior Report B59137, entitled *MONTHLY AND ANNUAL GATEWAY UPLOADS*.

Condition and Context

Internal controls were not in place to ensure the District was in compliance with laws and regulations related to the State Examiner Directive 2018-1, which requires governmental units submit monthly and annual uploads in the Indiana Gateway for Government Units financial reporting system. The District did not upload any of the files required for the monthly and annual engagement uploads for calendar years 2021, 2022, 2023, and 2024.

The District did not submit the following required monthly uploads:

- Bank Reconcilements, Bank Statements, and Outstanding Check Lists
- Approved Board Minutes
- Funds Ledger, summarizing total receipts, disbursements, and beginning and ending balances by fund

The District did not submit the following required annual uploads:

- Detail of Receipts Activity (all years)
- Detail of Disbursements Activity (all years)
- Current year Salary Ordinance (or Schedule) and Amendments (all years)
- Annual Vendor History Report (all years)
- Annual Payroll History Report, without social security numbers (all years)
- Annual Funds Ledger, summarizing year-to-date total receipts, year-to-date disbursements, and beginning and ending balances by fund (all years)

CARTER FIRE PROTECTION DISTRICT
COMMENT
(Continued)

In addition, beginning in 2023, the following annual uploads were required and not uploaded by the District:

- Accounts Payable/Receivable Schedule Support
- Personnel Policy

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, and 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)

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. . . ."

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

CARTER 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	\$ 206,600	\$ 149,726	\$ 149,098	\$ 207,228	\$ 147,933	\$ 149,597	\$ 205,564
Totals	<u>\$ 206,600</u>	<u>\$ 149,726</u>	<u>\$ 149,098</u>	<u>\$ 207,228</u>	<u>\$ 147,933</u>	<u>\$ 149,597</u>	<u>\$ 205,564</u>

CARTER 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
General Fund	\$ 205,564	\$ 337,124	\$ 420,661	\$ 122,027	\$ 282,079	\$ 204,865	\$ 199,241
Totals	<u>\$ 205,564</u>	<u>\$ 337,124</u>	<u>\$ 420,661</u>	<u>\$ 122,027</u>	<u>\$ 282,079</u>	<u>\$ 204,865</u>	<u>\$ 199,241</u>