



**STATE OF INDIANA**  
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February 12, 2019

Board of Trustees  
Amity Fire Protection District  
6032 South 550 East  
Franklin, IN 46131

This report is supplemental to the audit report of the Amity Fire Protection District (District), for the period from January 1, 2017 to December 31, 2017. It has been provided as a separate report so that the reader may easily identify any Examination Findings that pertain to the District. It should be read in conjunction with the financial statement audit report of the District, which provides an opinion on the District's financial statements. This report may be found at [www.in.gov/sboa/](http://www.in.gov/sboa/).

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of the District and perform procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Examination Findings and Results contained herein describe the identified reportable instances of noncompliance found as a result of these procedures.

We have reviewed the Supplemental Audit Report for Amity Fire Protection District prepared by Crowe LLP, Independent Public Accountants, for the period January 1, 2017 to December 31, 2017. In our opinion, the Supplemental Audit Report was prepared in accordance with the guidelines established by the State Board of Accounts.

We call your attention to the findings in the report. Page 3 contains three Examination Findings and Results. Management's response may be found on page 5.

The report is filed with this letter in our office as a matter of public record.

A handwritten signature in blue ink that reads "Paul D. Joyce".

Paul D. Joyce, CPA  
State Examiner

**COMPLIANCE EXAMINATION OF  
AMITY FIRE PROTECTION DISTRICT**

Johnson County, Indiana  
January 1, 2017 to December 31, 2017

AMITY FIRE PROTECTION DISTRICT

Johnson County, Indiana  
January 1, 2017 to December 31, 2017

CONTENTS

SCHEDULE OF OFFICIALS ..... 1

INDEPENDENT ACCOUNTANT'S REPORT ..... 2

SCHEDULE OF EXAMINATION FINDINGS AND RESULTS:

    2018-001: MATERIALITY THRESHOLD ..... 3

    2018-002: MINIMUM LEVEL OF INTERNAL CONTROLS ..... 3

    2018-003: INTERNAL CONTROLS TRAINING..... 3

EXIT CONFERENCE ..... 5

AMITY FIRE PROTECTION DISTRICT  
SCHEDULE OF OFFICIALS  
January 1, 2017 to December 31, 2017

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<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	James C. Ray	01-01-17 to 12-31-17
President of the Board	James C. Ray	01-01-17 to 12-31-17

## INDEPENDENT ACCOUNTANT'S REPORT

To the Indiana State Board of Accounts and  
Management of Amity Fire Protection District

We have examined Amity Fire Protection District's ("Unit") compliance with the Indiana State Board of Accounts' *Accounting and Uniform Compliance Guidelines Manual For Special Districts* during the period January 1, 2017 to December 31, 2017. Management of the Unit is responsible for the Unit's compliance with the specified requirements. Our responsibility is to express an opinion on the Unit's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Unit complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Unit complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our qualified opinion.

Our examination does not provide a legal determination on the Unit's compliance with specified requirements.

Our examination disclosed material noncompliance with the *Accounting and Uniform Compliance Guidelines Manual For Special Districts* applicable to the Unit during the period January 1, 2017 to December 31, 2017, as described in items 2018-001, 2018-002 and 2018-003 on the following Schedule of Examination Findings and Results.

In our opinion, except for the material noncompliance described in the preceding paragraph, the Unit complied, in all material respects, with the aforementioned requirements during the period January 1, 2017 to December 31, 2017.

The Unit's responses to the findings identified in our examination are described in the accompanying Schedule of Examination Findings and Results. The Unit's responses were not subjected to the procedures applied in the examination of compliance and, accordingly, we express no opinion on them.

  
Crowe LLP

Indianapolis, Indiana  
December 21, 2018

AMITY FIRE PROTECTION DISTRICT  
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS  
January 1, 2017 to December 31, 2017

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**FINDING 2018-001: MATERIALITY THRESHOLD**

**Criteria:** SBOA State Examiner Directive 2015-6 requires political subdivisions to develop a materiality threshold policy approved through ordinance or resolution and policies and procedures to administer and report.

**Condition:** During testing, we noted the Unit had not approved a materiality threshold as of the final year end under audit.

**FINDING 2018-002: MINIMUM LEVEL OF INTERNAL CONTROLS**

**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. . . ."

**Condition:** During testing, we noted that the Unit did not have formal documentation of the implementation of a minimum level of internal controls standards.

**FINDING 2018-003: INTERNAL CONTROLS - TRAINING**

**Criteria:** Indiana Code 5-11-1-27(h) states in part, "After June 30, 2016, the fiscal officer of a political subdivision shall certify in writing that: . . . (2) personnel, who are not otherwise on leave status, have received training as required by subsection (g)(2)."

**Condition:** During testing, we noted that the Unit had not met the minimum standards for training set in Indiana Code 5-11-1-27(h).

AMITY FIRE PROTECTION DISTRICT  
EXIT CONFERENCE  
January 1, 2017 to December 31, 2017

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The contents of this report were discussed on December 21, 2018, with Janet Alexander, Financial Advisor, and James Ray, President and Treasurer. The officials acknowledged the findings. The Official Response has been made a part of this report and may be found immediately following the findings on the previous page.

AMITY FIRE PROTECTION DISTRICT  
6032 S. 550 E.  
Franklin, IN 46131

January 31, 2019

To Whom it Concerns:

The following is the unit's response to the Compliance Examination of the the Amity Fire Protection District for the period January 1, 2017 to December 31, 2017.

Response to Finding 2018-001: Materiality Threshold - The Board Members of the Amity Fire Protection District have discussed this finding and plan to adopt a resolution establishing a \$500 materiality threshold.

Response to Finding 2018-002: Minimum Level of Internal Controls -The Amity Fire Protection District Board does have working procedural / administrative controls in place. Examples of these controls include the following:

1. Each check issued by the Treasurer must be signed by two board members.
2. Every claim for payment is approved and signed by no less than two board members.
3. Checks payable to the Treasurer written by the Treasurer are always signed by the other two members of the board.

The Board Members understand that the State requires formal documentation of the implementation of a minimum level of internal control standards and has undertaken the process of documenting the controls in-place and will adopt them formally this year.

Response to Finding 2018-003: Internal Controls – Training - Since receiving this feedback, each Board Member has watched the SBOA training video and signed the required certification.

Respectfully submitted,

James C. Ray  
President  
Amity Fire Protection District Board