



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

September 14, 2021

TO: THE OFFICIALS OF THE WEST PORTER TOWNSHIP FIRE  
PROTECTION DISTRICT, PORTER COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the West Porter Township Fire Protection District (District), Porter County, for the period of January 1, 2016 to December 31, 2020, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

Management is responsible for preparing and maintaining its accounting records and related documents, as well as compliance with applicable state laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

The District's Annual Financial Reports filed by management can be found on the Gateway Website: [www.gateway.ifionline.org](http://www.gateway.ifionline.org).

The Comments contained herein describe the identified reportable instances of noncompliance found as a result of the procedures we performed. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

**Comments**

**ADOPTION OF AND CERTIFICATION ON INTERNAL CONTROL STANDARDS**

*Condition and Context*

The District had not adopted the acceptable minimum level of internal control standards as defined by the Indiana State Board of Accounts. The District certified that the acceptable minimum level of internal control standards had been adopted; however, it had not been adopted. The District also certified that personnel had received the training that was developed or approved by the Indiana State Board of Accounts; however, no training certifications were provided for review for 2016, 2017, 2018, and 2019 to indicate that training had been performed.

*Criteria*

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

"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; . . ."

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 not later than sixty (60) days after the close of each fiscal year. 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](#)."

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.

The Schedule of Cash and Investment Balances - Regulatory Basis, is presented as other information. It has not been subjected to any auditing procedures, and, accordingly, we do not express an opinion or provide any assurance on it.

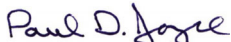
SCHEDULE OF CASH AND INVESTMENT  
BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2020

Fund	Cash and Investments 12-31-20
General Fund	\$ 149,047
Cumulative	<u>194,855</u>
Total	<u>\$ 343,902</u>

Any Official Response to the Comments, incorporated within this report, was not verified for accuracy.

The contents of this report were communicated to Karie Lukas, Treasurer, and Charles Murray, Chair of the District Board, on August 5, 2021.

Respectfully,

  
Paul D. Joyce, CPA  
State Examiner

## **WEST PORTER TOWNSHIP FIRE PROTECTION DISTRICT STATEMENT**

The State Board of Accounts recently completed the first audit of the West Porter Township Fire Protection District since the June 30, 2016, date for adoption of Internal Control Standards. During this audit WPTFPD was advised that their compliance presumption was inaccurate and there needed to be a separate and independent policy implemented apart from that of the appointing authority. Until notified during the current audit process, WPTFPD had deemed itself compliant through its appointing authority.

Pursuant to Indiana Law, the West Porter Township Fire Protection District Governing Board is appointed in its entirety by the Porter County Board of Commissioners. Furthermore, Indiana law provides the West Porter Township Fire Protection District has no independent authority or responsibility for any aspect of the budgeting, tax rate establishment or fund appropriation process. As a nonelected board, the annual proposed budget, tax rate and levy is submitted to the Porter County Council (identically to other county government departments) for convening and conducting of the required public hearing and final adoption for transmittal to the Department of Local Government Finance.

This process is identical to county departments overseen by nonelected governing boards such as the Porter County Board of Parks and Recreation, Porter County Board of Health and the Porter County Convention, Recreation and Visitors Commission. Each of these boards and agencies rely on their appointing authority's compliance to satisfy the Internal Control Standards and procedures requirement. Such was also deemed to be the case for WPTFPD. As previously indicated, the recently completed audit found otherwise and cited WPTFPD for failure to have its own internal control standards and procedures.

Again, this was the first audit finding to that effect since completion of the last SBOA audit covering the period ending on December 31, 2015. Having been informed through the audit process of the need to implement an independent and separate internal control procedure, the Fire Protection District will immediately establish compliance with the standards and procedures required by the State Board of Accounts and intends to contract with Consultant Karl Cender to assist in accomplishing that task.

The Fire Protection District misconception of the applicability of the internal control standard and procedure requirement was enhanced by the limited role and function of the district. The district has no employees and functions as a "conduit" through which property tax revenue is utilized to provide fire protection services to the Lake of the Four Seasons residential development in West Porter Township. That is accomplished by entering into an annual contract with the Lake of the Four Seasons Volunteer Fire Department. The Governing Board meets annually at a public meeting to approve the Volunteer Fire Department contract and subsequently infrequently thereafter whereat a claim is approved pursuant to the contract.

One of the Governing Board members is designated as the Treasurer for purposes of issuing a check to the Volunteer Fire Department after approval of a claim. Claims are also approved for Board compensation and professional services. On average, 10 to 12 checks (one per month) are issued annually. Coincidentally, the Board member having been designated as the Treasurer during the current audit period has received the SBOA training including viewing of the video presentation through her full-time position with a school corporation.

All of this being said, the WPTFPD now understands the applicability of the SBOA procedural requirement and will expeditiously implement the appropriate procedures to assure compliance. Should there be a need for further discussions attributable to the compliance finding, please advise.

Governing Board  
West Porter Township Fire Protection District