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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)

May 8, 2015

TO: THE OFFICIALS OF THE FLORENCE REGIONAL SEWER DISTRICT,  
SWITZERLAND COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Florence Regional Sewer District (District), for the period of January 1, 2010 to December 31, 2014, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

Our procedures were designed solely to satisfy the requirements of Indiana Code 5-11-1. Because our procedures were not designed to opine on the District's financial statements, we did not follow *generally accepted auditing standards*. Accordingly, we do not express an opinion on any basic financial statement of the District.

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 for years prior to 2011 can be found on the Indiana Transparency Portal website: [www.in.gov/itp/annual\\_reports/](http://www.in.gov/itp/annual_reports/). For years 2011 and later, the Annual Financial Reports filed by the District can be found on the Gateway website: <https://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.

**Current Period Comments**

- *Depository reconciliations of the fund balances to the bank account balances were conducted; however, the reconciliation did not balance. The District uses a computerized financial software system to maintain the funds ledger and to document the reconciliation; however, the reconciliation did not agree with the funds ledger balance. As of December 31, 2014, the bank account reconciliation identified a cash long in the amount of \$1,339.36.*
- *The Annual Financial Report filed on Gateway for 2011, 2012, 2013, and 2014 contained a number of errors and did not properly reflect the financial activity of the District.*

<u>Years</u>	<u>Fund</u>	<u>Category</u>	<u>Amount Per Gateway</u>	<u>Amount Per Ledger</u>	<u>Difference</u>
2011	General	Beg Bal	\$71,630.24	\$68,489.74	\$ 3,140.50
2011	1 Capital Improv Savings	Beg Bal	49,074.32	48,249.32	825.00
2011	General	Disbursements	487,966.89	489,788.98	(1,822.09)
2011	General	End Bal	80,242.31	75,598.31	4,644.00
2011	1 Capital Improv Savings	End Bal	49,165.17	48,340.17	825.00
2012	General	Beg Bal	80,242.31	75,598.31	4,644.00
2012	1 Capital Improv Savings	Beg Bal	49,165.17	48,340.17	825.00
2012	General	Disbursements	477,347.68	474,201.02	3,146.66
2012	General	End Bal	78,539.11	77,291.72	1,247.39
2012	1 Capital Improv Savings	End Bal	45,899.72	45,074.72	825.00
2013	General	Beg Bal	78,539.11	77,291.72	1,247.39
2013	1 Capital Improv Savings	Beg Bal	45,899.72	45,074.72	825.00
2013	General	Receipts	451,317.66	450,498.48	819.18
2013	General	Disbursements	459,128.89	462,412.77	(3,283.88)
2013	1 Capital Improv Savings	Disbursements	7,589.39	6,764.39	825.00
2013	General	End Bal	70,727.88	65,377.43	5,350.45
2014	General	Beg Bal	70,727.88	65,377.43	5,350.45
2014	General	Disbursements	494,354.67	493,607.82	746.85
2014	General	End Bal	51,275.31	46,767.77	4,507.54

- *The Board adopted an annual salary ordinance; however it did not include all officials, employees, and Board members, only hourly employees were included.*
- *The officials did not file a Certified Reports of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) with the Indiana State Board of Accounts for 2010. The officials also did not timely file a Certified Reports of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) with the Indiana State Board of Accounts for 2011. The report was filed on April 30, 2012, which is 90 days past the due date.*

This letter is intended for the information and use of the governing body and management of the District. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

The contents of this letter were discussed on April 21, 2015, with Patricia Chase, Treasurer; Robert E. Wheeler, President of the Board; and Shannon M. Jackson, Superintendent.

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