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July 13, 2015

TO: THE OFFICIALS OF THE METAMORA REGIONAL SEWER DISTRICT, FRANKLIN COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Metamora 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/. 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 reconciliations contained errors and did not reconcile to the cash balances. Errors included incomplete outstanding checklists, incorrect outstanding checklists, non-cash transactions included on the "uncleared transactions" list, reconcilements did not balance to the General Ledger cash balances, and year-end reconcilements did not balance to the cash balances reported on the Annual Financial Reports during the period of review.*
- *The District records were maintained using software which generates an accrual basis General Ledger form that was not submitted for approved to the Indiana State Board of Accounts in replacement of the prescribed utility Simplified Cash Journal. The General Ledger did not provide sufficient information to determine cash transactions and balances. In order to determine cash transactions and balances, the Indiana State Board of Accounts had to prepare an abstract of cash transactions.*

- The Annual Financial Reports 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.

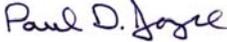
Years	Fund	(Beginning Balance, Receipts, Disbursements, End Balance) Category	Amount Per Gateway	Amount Per Abstract of Cash Transactions	Difference
2011	Operating	Beginning Balance	\$ (28,775.31)	\$ 26,956.18	\$ (55,731.49)
2011	Bond and Interest	Beginning Balance	25,224.50	14,627.69	10,596.81
2011	Depreciation	Beginning Balance	25,999.92	24,999.88	1,000.04
2011	Operating	Receipts	175,824.95	179,443.95	(3,619.00)
2011	Bond and Interest	Receipts	8,304.00	62,904.00	(54,600.00)
2011	Depreciation	Receipts	-	11,921.00	(11,921.00)
2011	Operating	Disbursements	162,681.27	174,998.32	(12,317.05)
2011	Bond and Interest	Disbursements	-	54,928.12	(54,928.12)
2011	Depreciation	Disbursements	-	15,000.00	(15,000.00)
2011/2012	Operating	End Balance/Beginning Balance	(15,631.63)	31,401.81	(47,033.44)
2011/2012	Bond and Interest	End Balance/Beginning Balance	33,528.50	22,603.57	10,924.93
2011/2012	Depreciation	End Balance/Beginning Balance	25,999.92	21,920.88	4,079.04
2012	Operating	Receipts	165,740.32	171,790.13	(6,049.81)
2012	Bond and Interest	Receipts	8,304.00	61,473.12	(53,169.12)
2012	Construction	Receipts	-	367.50	(367.50)
2012	Depreciation	Receipts	-	16,000.08	(16,000.08)
2012	Operating	Disbursements	167,565.30	173,912.46	(6,347.16)
2012	Bond and Interest	Disbursements	-	54,271.86	(54,271.86)
2012	Construction	Disbursements	1,069.17	2,520.00	(1,450.83)
2012	Depreciation	Disbursements	-	15,000.00	(15,000.00)
2012/2013	Operating	End Balance/Beginning Balance	(17,456.61)	29,279.48	(46,736.09)
2012/2013	Bond and Interest	End Balance/Beginning Balance	41,832.50	29,804.83	12,027.67
2012/2013	Construction	End Balance/Beginning Balance	2,817.53	1,734.20	1,083.33
2012/2013	Depreciation	End Balance/Beginning Balance	25,999.92	22,920.96	3,078.96
2013	Operating	Receipts	173,076.63	181,648.98	(8,572.35)
2013	Construction	Receipts	7,583.31	8,666.64	(1,083.33)
2013	Depreciation	Receipts	-	18,000.00	(18,000.00)
2013	Operating	Disbursements	153,803.54	178,780.84	(24,977.30)
2013	Bond and Interest	Disbursements	69,593.72	70,677.04	(1,083.32)
2013	Depreciation	Disbursements	6,499.96	16,000.00	(9,500.04)
2013/2014	Operating	End Balance/Beginning Balance	1,816.48	32,147.62	(30,331.14)
2013/2014	Bond and Interest	End Balance/Beginning Balance	44,621.88	31,510.89	13,110.99
2013/2014	Depreciation	End Balance/Beginning Balance	19,499.96	24,920.96	(5,421.00)
2014	Operating	Receipts	183,256.16	190,512.66	(7,256.50)
2014	Bond and Interest	Receipts	52,456.25	70,456.32	(18,000.07)
2014	Construction	Receipts	-	12,999.96	(12,999.96)
2014	Depreciation	Receipts	1,062.24	13,500.00	(12,437.76)
2014	Operating	Disbursements	140,828.28	179,072.77	(38,244.49)
2014	Construction	Disbursements	7,562.24	-	7,562.24
2014	Depreciation	Disbursements	-	18,000.00	(18,000.00)
2014	Operating	Ending Balance	44,244.36	43,587.51	656.85
2014	Bond and Interest	Ending Balance	26,228.16	31,117.22	(4,889.06)
2014	Construction	Ending Balance	-	20,562.20	(20,562.20)
2014	Depreciation	Ending Balance	20,562.20	20,420.96	141.24

- The officials did not timely file the Annual Financial Report for 2010 or 2012. The 2010 report was filed May 11, 2011, which was 71 days past the due date. The 2012 report was filed March 29, 2013, which was 28 days past the due date.
- 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 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 2014. The report was filed on February 22, 2015, which was 22 days past the due date.

- *Officials who sign checks for the District were not bonded.*

This letter is intended for the information and use of the governing body and management of the Sewer 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 June 8, 2015, with Jane Klenke, Treasurer.


Paul D. Joyce, CPA
State Examiner