



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

B45911

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February 26, 2016

TO: THE OFFICIALS OF THE FRIENDSHIP REGIONAL SEWER DISTRICT, RIPLEY COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Friendship Regional Sewer District (District), for the period of January 1, 2010 to December 31, 2012, 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 Unit type can be found on the Gateway website: <https://gateway.ifonline.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**

- *Each Board of Director was paid at the rate of \$75 per Board meeting attended during the years 2011 and 2012. Indiana Code 13-26-4-7 limits compensation of Board of Directors to a maximum of \$50 per day. Excess payments for all of the Board of Director totaled \$1,525 and \$1,625 for the years 2011 and 2012, respectively. All of the Board of Directors entered into agreements to refund the excess payments. (See Special Investigation Report B45910 for additional information.)*
- *The Annual Financial Report filed on Gateway for 2012 contained a number of errors as shown in the following schedule:*

<u>Year</u>	<u>Fund</u>	<u>Category</u>	<u>Amount Per Gateway</u>	<u>Amount Per Ledger</u>	<u>Difference</u>
2012	Operating	Beginning Balance	\$ 3,389	\$ 972	\$ 2,417
2012	Operating	Ending Balance	3,001	584	2,417
2012	Revenue	Beginning Balance	10,592	7,869	2,723
2012	Revenue	Ending Balance	9,398	6,675	2,723

*Adjustments to the Annual Report filed on Gateway were proposed and approved by the District.*

- *An Annual Financial Report for 2011 was not filed timely with the State Examiner. The Annual Financial Report for 2011 was filed by the District on September 5, 2015, which was 3 years and 188 days past the due date.*
- *The Annual Financial Report for 2011 was, subsequently, filed by the District on September 5, 2015.*
- *The Annual Financial Reports for 2010 and 2012 were not filed electronically until June 28, 2011, and March 12, 2013, which was 119 and 11 days past the due date, respectively.*

This letter is intended for the information and use of the governing body and management of the Special. 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 August 25, 2015, with Mary Nickell, Treasurer; Glen Kamman, President of the Board; Patricia A. Thomas, Board member; Anthony Wood, Board member; Gerald Stutler, Board member; and Scott Stutler, Board member.

*Paul D. Joyce*  
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State Examiner