

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

COMPLIANCE EXAMINATION REPORT

OF

LUCE TOWNSHIP REGIONAL SEWER DISTRICT

SPENCER COUNTY, INDIANA

January 1, 2018 to December 31, 2022



FILED

11/15/2023



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

November 15, 2023

To: The Officials of the Luce Township Regional Sewer District
Luce Township Regional Sewer District
9523 W. Old St. Rd. 66
Richland City, IN 47634

This report is supplemental to the audit report of the Luce Township Regional Sewer District (District), for the period from January 1, 2018 to December 31, 2022. 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/.

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 the Luce Township Regional Sewer District prepared by Crowe LLP, Independent Public Accountants, for the period January 1, 2018 to December 31, 2022. In our opinion, the Supplemental Audit Report was prepared in accordance with the guidelines established by the Indiana State Board of Accounts.

We call your attention to the findings in the report on page 3.

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

Tammy R. White, CPA
Deputy State Examiner

COMPLIANCE EXAMINATION OF
LUCE TWP REGIONAL SEWER DISTRICT
Spencer County, Indiana
January 1, 2018 to December 31, 2022

LUCE TWP REGIONAL SEWER DISTRICT

Spencer County, Indiana
January 1, 2018 to December 31, 2022

CONTENTS

SCHEDULE OF OFFICIALS	1
INDEPENDENT ACCOUNTANT'S REPORT	2
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS:	
2022-001: OVERDRAWN CASH BALANCES	3
2022-002: INTERNAL CONTROL - TRAINING	3
EXIT CONFERENCE	4

LUCE TWP REGIONAL SEWER DISTRICT
SCHEDULE OF OFFICIALS
January 1, 2018 to December 31, 2022

<u>Office</u>	<u>Official</u>	<u>Term</u>
Superintendent	Don Phillips	01-01-18 to 12-31-22
Treasurer	Twila Kempf	01-01-18 to 12-31-22
President of the Board	Jay Kempf	01-01-18 to 12-31-22

INDEPENDENT ACCOUNTANT'S REPORT

To the Indiana State Board of Accounts and
Management of the Luce TWP Regional Sewer District

We have examined the Luce TWP Regional Sewer District ("Unit") compliance with the Indiana State Board of Accounts' *Accounting and Uniform Compliance Guidelines Manual For Special Districts* during the period January 1, 2018 to December 31, 2022. Management of the District 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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 District during the period January 1, 2018 to December 31, 2022, as described in items 2022-001 through 2022-002 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, 2018 to December 31, 2022.

Crowe LLP
Crowe LLP

Indianapolis, Indiana
October 26, 2023

LUCÉ TWP REGIONAL SEWER DISTRICT
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS
January 1, 2018 to December 31, 2022

FINDING 2022-001: OVERDRAWN CASH BALANCES

Criteria: Chapter 1 of the Accounting and Uniform Compliance Guidelines Manual For Special Districts states in part, "The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the unit."

Condition: During testing of cash fund balances, we noted the Operation and Maintenance Fund had a cash balance below zero as of December 31, 2018.

FINDING 2022-002: 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).

LUCE TWP REGIONAL SEWER DISTRICT
EXIT CONFERENCE
January 1, 2018 to December 31, 2022

The contents of this report were discussed on October 26, 2023 with Caitlin Hays, Office Manager and Twila Kempf, Treasurer.