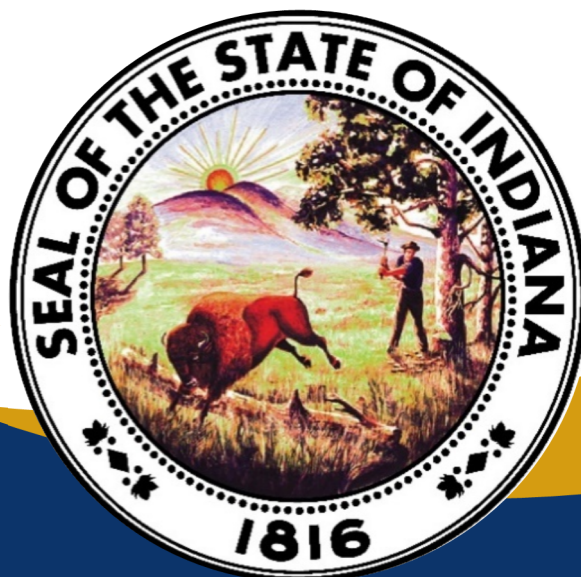


**STATE BOARD OF ACCOUNTS  
302 West Washington Street  
Room E418  
INDIANAPOLIS, INDIANA 46204-2769**

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

COMPLIANCE EXAMINATION REPORT  
OF

POSEY COUNTY REGIONAL SEWER DISTRICT  
POSEY COUNTY, INDIANA  
January 1, 2023 to December 31, 2023



**FILED**

04/02/2025

**COMPLIANCE EXAMINATION OF**  
**POSEY COUNTY REGIONAL SEWER DISTRICT**  
Posey County, Indiana  
January 1, 2023 through December 31, 2023

POSEY COUNTY REGIONAL SEWER DISTRICT

Posey County, Indiana  
January 1, 2023 through December 31, 2023

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POSEY COUNTY REGIONAL SEWER DISTRICT  
SCHEDULE OF OFFICIALS  
January 1, 2023 through December 31, 2023

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<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Tonya Cox	01-01-23 to 12-31-23
President of the Board	Dwayne Ackerman	01-01-23 to 12-31-23



## INDEPENDENT ACCOUNTANT'S REPORT

To the Indiana State Board of Accounts and  
Management of the Posey County Regional Sewer District

We have examined the Posey County Regional Sewer District ("District") compliance with the Indiana State Board of Accounts' *Accounting and Uniform Compliance Guidelines Manual For Special District's* during the period January 1, 2023 through December 31, 2023. Management of the District is responsible for the District's compliance with the specified requirements. Our responsibility is to express an opinion on the District'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 District complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the District 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 District'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 of January 1, 2023 through December 31, 2023, as described in items 2023-001 through 2023-003 on the following Schedule of Examination Findings and Results.

In our opinion, except for the material noncompliance described in the preceding paragraph, the District complied, in all material respects, with the aforementioned requirements during the period January 1, 2023 through December 31, 2023.

*Crowe LLP*  
Crowe LLP

Indianapolis, Indiana  
March 26, 2025

POSEY COUNTY REGIONAL SEWER DISTRICT  
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS  
January 1, 2023 through December 31, 2023

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**FINDING 2023-001: SCHEDULES IN ANNUAL FINANCIAL REPORT - OTHER INFORMATION**

**Criteria:** Indiana Code 5-11-1-4(a) states, "*The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality 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.*"

**Condition:** Financial and other information are required to be entered annually into the Annual Financial Report (AFR) via the Indiana Gateway for Government Units (Gateway) financial reporting system. The information entered into Gateway contained the following errors:

*Accounts Payable / Accounts Receivable*

The District did not include \$943,246 of payables owed against the IFA trust for construction costs that occurred but not been paid out as of December 31, 2023. The schedule has been updated to include this amount.

*Leases and Debt*

The schedule of leases and debt did not include the Sewage Works Revenue Bonds of 2021. The ending principal balance of \$2,400,000 has been added to the schedule.

*Capital Assets*

The District did not include the construction in progress amount related to the ongoing sewage expansion project. The schedule has been updated to reflect the costs incurred to-date for the sewage expansion project.

A similar finding appeared in the prior year report 000000922S.

**FINDING 2023-002: INTERNAL CONTROLS**

**Criteria:** The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, Uniform Internal Control Standards for Indiana Political Subdivisions. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

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(Continued)

POSEY COUNTY REGIONAL SEWER DISTRICT  
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS  
January 1, 2023 through December 31, 2023

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**FINDING 2023-002: INTERNAL CONTROLS** (Continued)

**Condition:** There were deficiencies in the internal control system of the District related to financial transactions and reporting. The District had not established an effective system of internal controls that separated incompatible activities related to receipts and financial close and reporting.

*Receipts*

The Treasurer was solely responsible for all aspects of receipting, depositing, and recording the monies of the District. There were no internal controls in place such as oversight, review, or approval process to prevent, or detect and correct, errors related to receipts.

*Financial Close and Reporting*

The Treasurer entered and submitted the financial information for the District into the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source for the Annual Financial Report (AFR) and financial statement. There was no evidence of an internal control, such as an oversight, review, or approval process to prevent, or detect and correct, errors on the AFR prior to submission.

This is a repeat finding from the prior year report 000000922S.

**FINDING 2023-003: RECEIPTS – SUPPORTING DOCUMENTATION**

**Criteria:** Chapter 1 of the Accounting and Uniform Compliance Guidelines Manual For Special Districts states in part, *“Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for examination to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee.”*

**Condition:** During testing of utility receipts, we noted 10 instances, in a sample of 10, in which the supporting customer bill could not be provided and agreed back to the approved rate ordinance.

POSEY COUNTY REGIONAL SEWER DISTRICT  
EXIT CONFERENCE  
January 1, 2023 through December 31, 2023

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The contents of this report were discussed on March 26, 2025, with Tonya Cox, Treasurer, Pat Beamon, President, and Ted Ziemer IV, Legal Counsel.