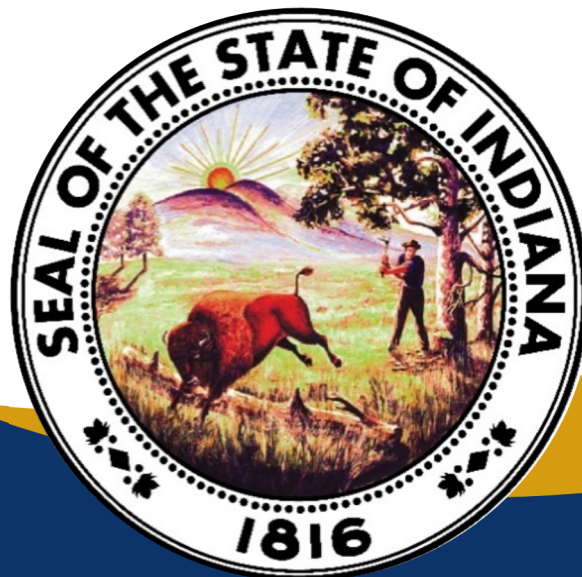


**STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769**

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

COMPLIANCE EXAMINATION REPORT
OF
WESTERN WAYNE REGIONAL SEWAGE DISTRICT
WAYNE COUNTY, INDIANA
January 1, 2023 to December 31, 2023



FILED

04/02/2025



Paul D. Joyce, CPA
State Examiner

INDIANA STATE BOARD OF ACCOUNTS

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April 2, 2025

Board of Directors
Western Wayne Regional Sewage District
Wayne County, Indiana

This report is supplemental to the audit report of the Western Wayne Regional Sewage District (District), for the period from January 1, 2023 to December 31, 2023. It has been provided as a separate report so that the reader may easily identify any 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 findings contained herein describe the identified reportable instances of noncompliance found as a result of these procedures.

We have reviewed the supplemental report for the Western Wayne Regional Sewage District prepared by Crowe LLP, Independent Public Accountants, for the period January 1, 2023 to December 31, 2023. In our opinion, the supplemental 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 pages 3 through 5.

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
WESTERN WAYNE REGIONAL SEWAGE DISTRICT
Wayne County, Indiana
January 1, 2023 through December 31, 2023

WESTERN WAYNE REGIONAL SEWAGE DISTRICT

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

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WESTERN WAYNE REGIONAL SEWAGE DISTRICT
SCHEDULE OF OFFICIALS
January 1, 2023 through December 31, 2023

<u>Office</u>	<u>Official</u>	<u>Term</u>
Superintendent	Michael Stuckey	01-01-23 to 12-31-23
President of the Board	Susan Duggan	01-01-23 to 12-31-23

INDEPENDENT ACCOUNTANT'S REPORT

To the Indiana State Board of Accounts and
Management of the Western Wayne Regional Sewage District

We have examined the Western Wayne Regional Sewage District's ("District") compliance with the Indiana State Board of Accounts' *Accounting and Uniform Compliance Guidelines Manual for Special Districts* 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 January 1, 2023 through December 31, 2023, as described in items 2023-001 through 2023-006 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

Indianapolis, Indiana
March 28, 2025

WESTERN WAYNE REGIONAL SEWAGE DISTRICT
SCHEDULE OF EXAMINATION AND FINDINGS
January 1, 2023 through December 31, 2023

FINDING 2023-001: ANNUAL FINANCIAL REPORT (AFR)

Criteria: Indiana Code 5-11-13-1(a) states in part, *"Every state, county, city, town, township, or school official . . . shall during the month of January of each year prepare, make, and sign a certified report, correctly and completely showing the names and business addresses of each and all officers, employees, and agents . . . and the respective duties and compensation of each, and shall forthwith file said report in the office of the state examiner of the state board of accounts . . . The certification must be filed electronically in the manner prescribed under IC 5-14-3.8-7."*

Condition: During testing of certified reporting, we noted the District's AFR was submitted on July 10th, 2024, 132 days after the due date.

FINDING 2023-002: SUPPORTING DOCUMENTATION

Criteria: Chapter 1 of the Accounting and Uniform Compliance Guidelines Manual for Special Districts states in part, *"Tickets, goods for sale, billings, and other collections, are considered accountable items for which a corresponding deposit must be made in the bank accounts of the units. The deposit ticket or attached documentation must provide a detail listing of the deposit, which includes at a minimum, check numbers and corresponding names of the payers."*

Condition: During testing of receipts, we noted three instances, in a sample of 10, in which no deposit ticket was created and properly reviewed by a secondary person. Additionally, support to indicate what the receipt is for was not available for those three instances. Furthermore, we noted 10 instances in a sample of 10, in which no detailed customer utility bill was provided that could be recalculated and agreed back to the approved rate ordinance for the District.

A similar finding titled "RECEIPT ISSUANCE" appeared in the prior report.

FINDING 2023-003: CAPITAL ASSETS

Criteria: Chapter 1 of the Accounting and Uniform Compliance Guidelines Manual for Special Districts states in part, *"Every unit must have a capital assets policy that details the threshold at which an item is considered a capital asset. Every unit must have a complete detail listing of all capital assets owned which reflects their acquisition value. Capital Asset Ledger (Form 369) has been prescribed for this purpose. A complete physical inventory must be taken at least every two years, unless more stringent requirements exist, to verify account balances carried in the accounting records."*

Condition: The District does not have a capital asset policy detailing the threshold at which an item was considered a capital asset. The District did not maintain a complete detail listing of all capital assets owned that reflected their acquisition value.

A similar finding titled "CAPITAL ASSETS" appeared in the prior report.

(Continued)

WESTERN WAYNE REGIONAL SEWAGE DISTRICT
SCHEDULE OF EXAMINATION AND FINDINGS
January 1, 2023 through December 31, 2023

FINDING 2023-004: SCHEDULES IN ANNUAL FINANCIAL REPORT – OTHER INFORMATION

Criteria: The Annual Financial Report (AFR) required under IC 5-11-1-4(a) shall be filed with the state examiner not later than sixty (60) days after the close of each fiscal year. (Accounting and Uniform Guidelines Compliance Manual for Special Districts, Chapter 1)

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 accounts receivable and accounts payable information entered into Gateway contained the following errors:

- Accounts Receivable were reported as \$0.
- Accounts Payable were reported as \$0.

The differences have not been determined but are presumed to be material.

Schedule of Leases and Debt

The Taxable Sewage Works Revenue Bonds Series 2021A outstanding debt of \$13,940,000 and principal due within one year of \$630,000 were not reported. The Taxable Sewage Works Special Revenue Bonds Series 2021B outstanding debt of \$3,000,000 was not reported. Adjustments were made to the schedule.

Capital Assets

Management did not provide support for the capital asset balance. The unsupported balance is \$8,239,950.

A similar finding titled "ANNUAL FINANCIAL REPORT" appeared in the prior report.

FINDING 2023-005: BANK ACCOUNT RECONCILIATIONS

Criteria: Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

Condition: The District did not perform reconciliations for six Bank of New York Mellon accounts to their ledger.

A similar finding titled "BANK ACCOUNT RECONCILIATION" appeared in the prior report.

FINDING 2023-006: BAD DEBTS AND UNCOLLECTIBLE ACCOUNTS

Criteria: The governing body of a unit must have a written policy concerning a procedure for the writing off of bad debts, uncollectible accounts receivable, or any adjustments to record balance. Documentation must exist for all efforts made by the unit to collect amounts owed prior to any write-offs. Write-offs or adjustments to records which are not documented or warranted may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 1)

(Continued)

WESTERN WAYNE REGIONAL SEWAGE DISTRICT
SCHEDULE OF EXAMINATION AND FINDINGS
January 1, 2023 through December 31, 2023

FINDING 2023-006: BAD DEBTS AND UNCOLLECTIBLE ACCOUNTS (Continued)

Condition: The District did not have a written policy for bad debts or uncollectible accounts receivable.

A similar finding titled "BAD DEBTS AND UNCOLLECTIBLE ACCOUNTS" appeared in the prior report.

WESTERN WAYNE REGIONAL SEWAGE DISTRICT
EXIT CONFERENCE
January 1, 2023 through December 31, 2023

The contents of this report were discussed on March 21, 2025, with Michael Stuckey, Superintendent, and Gary Rubendall, Board Member.