

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

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

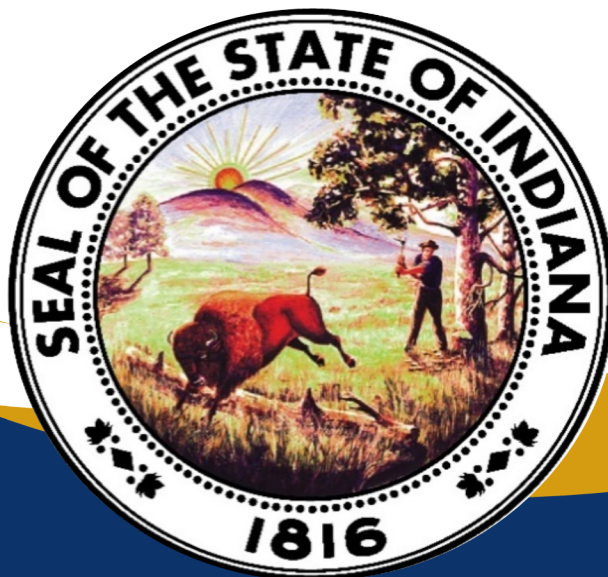
COMPLIANCE ENGAGEMENT REPORT

OF

UPPER WABASH RIVER BASIN COMMISSION

WELLS COUNTY, INDIANA

January 1, 2020 to December 31, 2023



FILED
12/27/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Blake Gerber	01-01-20 to 12-31-24
President of the Commission Board	Doug Sundling	01-01-20 to 12-31-24
Administrative Secretary	Stacia L. Henderson Deanne Jensen (Vacant)	01-01-20 to 12-02-23 12-03-23 to 12-07-24 12-07-24 to 12-11-24



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INDIANA STATE BOARD OF ACCOUNTS

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TO: THE OFFICIALS OF THE UPPER WABASH RIVER
BASIN COMMISSION, WELLS COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Upper Wabash River Basin Commission (Commission), for the period of January 1, 2020 to December 31, 2023. The objective of this engagement was to determine compliance with applicable Indiana laws, regulations, and uniform compliance guidelines (Guidelines) established by the Indiana State Board of Accounts pursuant to Indiana Code 5-11-1-24. The objective of this engagement is not to opine on compliance or financial activity of the Commission as this engagement was not conducted in accordance with any standards established by an authoritative standard setting body, and, as such, we do not provide any opinions on compliance or financial activity.

Management is responsible for preparing and maintaining its accounting records and related documents in accordance with applicable Indiana laws, regulations, and Guidelines. Management's responsibility also includes, but is not limited to, complying with other applicable Indiana laws, regulations, and Guidelines concerning how it operates: authorized sources and uses of funds; what reports are required to be prepared and filed; and what depositories and investment types are allowable.

We fulfilled our responsibility as detailed in the first paragraph, using procedures that verified the appropriate accounting for and reporting of cash, receipts, and disbursements; and the appropriate sources and uses of funds in accordance with applicable Indiana laws, regulations, and Guidelines. Expanding the scope and nature of these procedures can and does occur in specific circumstances.

The Comments contained herein, if any, describe the identified reportable instances of noncompliance found during our engagement. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified. Any Official Response to the Comments incorporated within this report was not verified for accuracy.

The Schedule of Officials and Statements of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis (Statements) are informational only. The Statements have not been subjected to any procedures designed to express an opinion or provide any assurance on them, and, accordingly, we do not express an opinion or provide any assurance on them.

This report is intended solely for the information and use of management, governance, and others within the organization. This restriction is not intended to limit the distribution of this report, which is a matter of public record. Reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>, and the Commission's Annual Financial Reports filed by management can be found on the Indiana Gateway for Government Units financial reporting system website: <http://www.gateway.ifionline.org>.

The contents of this report were communicated to Doug Sundling, President of the Board; Kyle Lund, Commission Board member; Blake Gerber, Commission Board member; Michael G. Werling, Commission Board member; and Rick Imel, Commission Board member, on December 11, 2024.



Beth Kelley, CPA, CFE
Deputy State Examiner

November 19, 2024

UPPER WABASH RIVER BASIN COMMISSION
COMMENTS

CAPITAL ASSETS

Condition and Context

The Commission did not have adequate internal controls over capital assets to ensure compliance with applicable laws and regulations. The Commission did not provide evidence that it had established a capital asset policy, conducted a physical inventory, or properly maintained a detailed capital asset listing. The detailed listing provided by the Commission was last dated January 18, 2020, and had not been updated. The Commission Board minutes indicated the disposal of assets, which was not reflected on the records presented.

Criteria

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. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 1)

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.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

UPPER WABASH RIVER BASIN COMMISSION
COMMENTS
(Continued)

ANNUAL FINANCIAL REPORT

Condition and Context

Internal controls were not in place to ensure that accurate information was entered into the Annual Financial Report (AFR). The AFR is required to be submitted annually via the Indiana Gateway for Government Units financial reporting system. Some information reported in the AFR could not be verified as accurate. The Commission did not provide supporting documentation for the amounts reported for account payables and receivables or the capital asset information for any of the years in the engagement.

Criteria

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every audited entity financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner as set forth in the uniform compliance guidelines. 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](#)."

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STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CASH
AND INVESTMENT BALANCES - REGULATORY BASIS

UPPER WABASH RIVER BASIN COMMISSION
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Years Ended December 31, 2020 and 2021

Fund	Cash and Investments 01-01-20	Receipts	Disbursements	Cash and Investments 12-31-20	Receipts	Disbursements	Cash and Investments 12-31-21
General	\$ 15,695	\$ 56,973	\$ 69,064	\$ 3,604	\$ 37,653	\$ 32,141	\$ 9,116
Totals	<u>\$ 15,695</u>	<u>\$ 56,973</u>	<u>\$ 69,064</u>	<u>\$ 3,604</u>	<u>\$ 37,653</u>	<u>\$ 32,141</u>	<u>\$ 9,116</u>

UPPER WABASH RIVER BASIN COMMISSION
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Years Ended December 31, 2022 and 2023

Fund	Cash and Investments 01-01-22	Receipts	Disbursements	Cash and Investments 12-31-22	Receipts	Disbursements	Cash and Investments 12-31-23
General	\$ 9,116	\$ 35,720	\$ 39,475	\$ 5,361	\$ 18,781	\$ 14,443	\$ 9,699
Totals	<u>\$ 9,116</u>	<u>\$ 35,720</u>	<u>\$ 39,475</u>	<u>\$ 5,361</u>	<u>\$ 18,781</u>	<u>\$ 14,443</u>	<u>\$ 9,699</u>