

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

COMPLIANCE ENGAGEMENT REPORT

OF

ALLEN COUNTY REGIONAL SEWER AND WATER DISTRICT

ALLEN COUNTY, INDIANA

January 1, 2020 to December 31, 2022



FILED
01/31/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Justin Brugger	01-01-20 to 12-31-23
President of the District Board	Ric Zehr	01-01-20 to 12-31-23
Office Administrator	Erika Beacham (Vacant)	01-01-20 to 10-22-21 10-23-21 to 12-31-23



STATE OF INDIANA
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TO: THE OFFICIALS OF ALLEN COUNTY REGIONAL SEWER
AND WATER DISTRICT, ALLEN COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Allen County Regional Sewer and Water District (District), for the period of January 1, 2020 to December 31, 2022. 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 District 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 non-compliance 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 District'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>.

On May 24, 2022, the District entered into an agreement with the City of Fort Wayne Utilities (FWCU) for the FWCU to receive the District's sewer service assets and liabilities and assume operational responsibilities for the District's sewer service customers. On July 8, 2022, and October 19, 2022, the District transferred the assets and liabilities to the FWCU.

The contents of this report were communicated to Justin Brugger, Treasurer; Kevin McDermit, District Board member; Bogdan Vlaga, Fort Wayne Utilities Accounting Manager; Ashley Faurote, Project Manager; and Judy Gleason, Accounting Specialist, on January 29, 2024.



Beth Kelley, CPA, CFE
Deputy State Examiner

January 29, 2024

COMMENTS

No reportable instances of noncompliance.

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

ALLEN CO REGIONAL SEWER & WATER DISTRICT
 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
2017 Bonds BONY	\$ -	\$ -	\$ -	\$ -	\$ 198,794	\$ 198,794	\$ -
Debt Service Reserve	1,376,271	217,474	-	1,593,745	70,343	687,189	976,899
Bond and Interest	91,768	2,022,043	2,023,231	90,580	1,202,189	1,270,623	22,146
Construction	439,048	402,932	298,777	543,203	68,008	275,245	335,966
Operating	217,905	5,137,127	5,254,288	100,744	9,880,627	9,074,605	906,766
Tap Program	52,720	21,505	2,255	71,970	23,983	9,885	86,068
Rate Stabilization Account	2,088,462	9,212	586,600	1,511,074	61	1,511,128	7
2018 Bonds	1,010,599	4,618	434,192	581,025	59	376,610	204,474
Admin Fund	108,037	576,495	409,605	274,927	272,981	417,779	130,129
Sewage Utility Bond and Interest Sinking BONY	1,283,779	1,708,601	1,729,770	1,262,610	20,414,230	21,188,309	488,531
Totals	<u>\$ 6,668,589</u>	<u>\$ 10,100,007</u>	<u>\$ 10,738,718</u>	<u>\$ 6,029,878</u>	<u>\$ 32,131,275</u>	<u>\$ 35,010,167</u>	<u>\$ 3,150,986</u>

ALLEN CO REGIONAL SEWER & WATER DISTRICT
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2022

Fund	Cash and Investments 01-01-22	Receipts	Disbursements	Cash and Investments 12-31-22
Debt Service Reserve	\$ 976,899	\$ 1,209	\$ 978,108	\$ -
Bond and Interest	22,146	487,892	510,038	-
Construction	335,966	68,669	404,635	-
Operating	906,766	2,693,234	3,600,000	-
Tap Program	86,068	12,173	98,241	-
Rate Stabilization Account	7	-	7	-
2018 Bonds	204,474	255	204,729	-
Admin Fund	130,129	151,656	281,785	-
Sewage Utility Bond and Interest Sinking BONY	488,531	488,466	976,997	-
Totals	<u>\$ 3,150,986</u>	<u>\$ 3,903,554</u>	<u>\$ 7,054,540</u>	<u>\$ -</u>