

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

NORTHWEST JASPER REGIONAL WATER DISTRICT

JASPER COUNTY, INDIANA

January 1, 2022 to December 31, 2022



FILED

03/22/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Donald Goetz	01-01-22 to 12-31-24
President of the District Board	Andrew Andree	01-01-22 to 12-31-24



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE NORTHWEST JASPER REGIONAL
WATER DISTRICT, JASPER COUNTY, INDIANA

This report is supplemental to the audit report of the Northwest Jasper Regional Water District (District), for the period from January 1, 2022 to December 31, 2022. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the District. It should be read in conjunction with the Financial Statement Audit Report of the District, which provides our opinions on the District's financial statement. This report may be found at www.in.gov/sboa/.

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Audit Results and Comments contained herein describe the identified reportable instances of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Official Response to the Audit Results and Comments, incorporated within this report, was not verified for accuracy.

Beth Kelley, CPA, CFE
Deputy State Examiner

March 20, 2024

NORTHWEST JASPER REGIONAL WATER DISTRICT
AUDIT RESULTS AND COMMENTS

MONTHLY AND ANNUAL UPLOADS

Condition and Context

Several monthly uploads from March to September 2022, were not uploaded into the Indiana Gateway for Government Units (Gateway) financial reporting system in a timely manner. December 2022 outstanding check lists and approved District Board minutes were not uploaded. Annual uploads, such as Vendor History Report and Annual Funds Ledger, were not uploaded.

Criteria

All counties, cities, towns, townships, libraries, schools and special districts will use the Engagement Uploads to upload files containing financial and governmental unit information on Gateway to allow the SBOA to conduct audit planning and audit processes prior to on-site work at a unit. This remote process will provide for more efficient data processing and save audit costs for our clients.

A user guide for the Engagement Uploads is available and located at: <https://gateway.ifonline.org/userguides/engagementsguide> **It is pertinent that this user guide be used in conjunction with this Directive.** It provides critical information to you that will help you to uploading the correct documents.

(Amended State Examiner Directive 2018-1)

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, court decisions and filing requirements concerning reports and other procedural matters of federal and state agencies. Units must file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 1)

OVERDRAWN CASH BALANCES

Condition and Context

The financial statement contained deficits in cash that were not related to reimbursable grants. The cash balances of the Water Tap Fee and Water Bond & Int funds at December 31, 2022, were overdrawn by \$23,456 and \$128,112, respectively. Deficits were the result of disbursements exceeding the beginning cash balance and receipts in 2022.

Criteria

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

NORTHWEST JASPER REGIONAL WATER DISTRICT
AUDIT RESULTS AND COMMENTS
(Continued)

ANNUAL FINANCIAL REPORT - OTHER INFORMATION

Condition and Context

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 AFR is the source of the financial statement and Other Information schedules presented in the Financial Statement Audit Report.

Other Information included the following errors:

Leases and Debt

The Schedule of Leases and Debt did not properly report the outstanding debt at December 31, 2022. The Revenue Bonds 2012 Series B, Revenue Bonds 2012 Series C, and Waterworks Refunding Revenue Bonds Series 2020 each over reported the ending principal balance by \$29,000, \$2,000, and \$65,000, respectively.

Audit adjustments were proposed, accepted by the District, and made to the Schedule of Leases and Debt presented as Other Information in the Financial Statement Audit Report for the District.

Payables and Receivables

The District did not report amounts for accounts payable and accounts receivable at December 31, 2022.

The District did not present the Schedule of Payables and Receivables in the Financial Statement Audit Report for the District.

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 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](#)."

NORTHWEST JASPER REGIONAL WATER DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on March 20, 2024, with Donald Goetz, Treasurer; Andrew Andree, President of the District Board; Michael Cain, Town of DeMotte Town Manager; Todd Caldwell, Baker Tilly Consultant; and Dan Hedden, Baker Tilly Consultant.