

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

COMPLIANCE EXAMINATION REPORT

OF

ADAMS COUNTY REGIONAL SEWER DISTRICT

ADAMS COUNTY, INDIANA

January 1, 2023 to December 31, 2023



FILED
10/08/2024



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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October 8, 2024

To: The Officials of the Adams County Regional Sewer District
Adams County Regional Sewer District
Adams County, Indiana

This report is supplemental to the audit report of the Adams County Regional Sewer 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 Examination 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 Examination Findings and Results contained herein describe the identified reportable instances of noncompliance found as a result of these procedures.

We have reviewed the Supplemental Audit Report for the Adams County Regional Sewer District prepared by Crowe LLP, Independent Public Accountants, for the period January 1, 2023 to December 31, 2023. In our opinion, the Supplemental Audit Report was prepared in accordance with the guidelines established by the Indiana State Board of Accounts.

We call your attention to the finding in the report on page 3.

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
ADAMS COUNTY REGIONAL SEWER DISTRICT
Adams County, Indiana
January 1, 2023 through December 31, 2023

ADAMS COUNTY REGIONAL SEWER DISTRICT

Adams County, Indiana
January 1, 2023 to December 31, 2023

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

<u>Office</u>	<u>Official</u>	<u>Term</u>
Superintendent	Nathan Scherer	01-01-23 to 12-31-23
Treasurer	Nathan Rumschlag	01-01-23 to 12-31-23
President of the Board	Shannon Smitley	01-01-23 to 12-31-23

INDEPENDENT ACCOUNTANT'S REPORT

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

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

Our examination disclosed material noncompliance with the *Accounting and Uniform Compliance Guidelines Manual for Special Districts* applicable to the Unit during the period of January 1, 2023 through December 31, 2023, as described in item 2023-001 on the following Schedule of Examination Findings and Results.

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

Crowe LLP
Crowe LLP

Indianapolis, Indiana
August 27, 2024

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

FINDING 2023-001: MISSING GATEWAY UPLOADS

Criteria: The Indiana State Board of Accounts (SBOA) Directive 2018-1 states in part, " Beginning with July 2018 files, which will be due September 15, 2018, all cities, towns, townships, libraries, and special districts will use the Upload App to upload files containing financial and governmental unit information on Gateway to allow the State Board of Accounts (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. The Directive was amended with additional required uploads effective December 2023.

The following files and governmental unit information are required to be uploaded monthly by all units:

- Bank Reconcilements, Bank Statements, and Outstanding Check Lists
- Approved Board Minutes, please see the user guide for more information and examples
- Funds Ledger, summarizing total receipts, disbursements, and beginning and ending balances by fund

The following files and governmental unit information are required to be uploaded annually by all units:

- Year-end investment statements and register of investments
- Excel Data Capture/ Data Dump
- Detail of Receipts by fund and account
- Detail of Disbursements by fund and account
- Current year Salary Ordinance (or Schedule) and Amendments (except Schools)
- Annual Vendor History Report
- Annual Payroll History Report, without social security numbers
- Annual Funds Ledger, summarizing year-to-date total receipts, year-to-date disbursements, and beginning and ending balances by fund
- Accounts Payable/ Accounts Receivable Schedule support
- Direct Federal Grant Agreements/Award Letters and Amendments initiated during the year
- Agreements for Subawards made to Subrecipients for all Federal Grants initiated during the year
- Personnel Policy (to be uploaded in 2023 and in future years if updated)

Condition: During testing, we noted the Unit did not upload any of the required 2023 annual uploads. Additionally, the Unit did not upload the monthly fund ledgers for any month in 2023. The same comment appeared in the prior year report, 000001110S.

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

The contents of this report were discussed on August 27, 2024, with Nathan Scherer, Superintendent, Rebecca Cochran, Accountant, Jane Kaverman, Billing and Accounting Clerk, Brooke Hindenlang, Clerical Assistant, and Shannon Smitley, Board President.