

B46391

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

SUPPLEMENTAL COMPLIANCE REPORT  
OF

WESTERN RUSH COUNTY REGIONAL  
WATER AND SEWAGE DISTRICT  
RUSH COUNTY, INDIANA

January 1, 2011 to December 31, 2014



**FILED**  
05/27/2016



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Secretary/Treasurer	Marvin Kuhn	01-01-11 to 09-01-18
President of the Board	Daniel Scott	01-01-11 to 03-20-17



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

TO: THE OFFICIALS OF THE WESTERN RUSH COUNTY REGIONAL  
WATER AND SEWER DISTRICT, RUSH COUNTY, INDIANA

This report is supplemental to our examination report of the Western Rush County Regional Water and Sewage District (District), for the period from January 1, 2011 to December 31, 2014. It has been provided as a separate report so that the reader may easily identify any Examination Results and Comments that pertain to the District. It should be read in conjunction with our Financial Statements Examination Report of the District, which provides our opinion on the District's financial statements. This report may be found at [www.in.gov/sboa/](http://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 Examination 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 Examination Results and Comments, incorporated within this report, was not verified for accuracy.

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

March 9, 2016

WESTERN RUSH COUNTY REGIONAL WATER AND SEWAGE DISTRICT  
EXAMINATION RESULTS AND COMMENTS

***ANNUAL FINANCIAL REPORT - LATE REPORTING***

The Annual Financial Report for 2013 was not filed electronically until March 14, 2014, which was 13 days past the due date. The Annual Financial Report for 2014 was not filed electronically until April 10, 2015, which was 40 days past the due date.

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

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality 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."

***CERTIFIED REPORT FILED AFTER DUE DATE***

The District did not timely file a Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R) with the Indiana State Board of Accounts for 2011, 2013, and 2014. The Form 100-R for 2011 was not filed until March 7, 2012, which was 36 days past the due date. The 2013 Form 100-R was not filed until February 11, 2014, which was 22 days past the due date. The 2014 Form 100-R was not filed until April 9, 2015, which was 68 days past the due date.

Indiana Code 5-11-13-1 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."

***OFFICIAL BOND***

The Office Manager/Fiscal Officer did not obtain an individual Surety Bond.

The order establishing the district, issued by the Commissioner of the Department of Environmental Management, must provide the requirements for sufficient bond for all officers, trustees, or employees having power to dispense money of the district. [IC 13-26-2-10] (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 2)

***INTERNAL CONTROLS***

Internal controls over the receipting, disbursing, recording, and accounting for the financial activities were insufficient. There is no segregation of duties. This is a small unit and they only have one employee that handles all receipting, disbursing, and recording of financial activities.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

WESTERN RUSH COUNTY REGIONAL WATER AND SEWAGE DISTRICT  
EXIT CONFERENCE

The contents of this report were discussed on March 9, 2016, with Daniel Scott, President of the Board; Terry Rogers, District Manager; and Kriste Scott, Office Manager.