

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

FULDA REGIONAL SEWER DISTRICT

SPENCER COUNTY, INDIANA

January 1, 2011 to December 31, 2013



FILED
09/12/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Secretary	Kathy J. Seckinger	01-01-11 to 12-31-17
Treasurer	John Wesner	01-01-11 to 12-31-17
President of the Board	Othmar G. Mullis (deceased) George Schaefer	01-01-11 to 08-12-12 08-13-12 to 12-31-17



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE FULDA REGIONAL SEWER DISTRICT, SPENCER COUNTY, INDIANA

This report is supplemental to our examination report of the Fulda Regional Sewer District (District), for the period from January 1, 2011 to December 31, 2013. 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/.

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

July 27, 2017

FULDA REGIONAL SEWER DISTRICT
EXAMINATION RESULTS AND COMMENTS

SUPPORTING DOCUMENTATION

Supporting documentation, including invoices, accounts payable vouchers, and accounts payable voucher registers, was not presented for examination for all Sewer Wastewater Operating fund disbursements made during the examination period. Due to the lack of documentation, we were unable to determine if Sewer Wastewater Operating fund disbursements were obligations of the District, or if they were accurately recorded and reported in the financial statement.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 1)

ANNUAL FINANCIAL REPORT

The Annual Financial Reports for 2011, 2012, and 2013 did not include the Sewer Bond and Interest and Sewer Debt Reserve funds. Monies for these funds were held in trust at the Bank of New York. Adjustments to the financial statements were proposed to and accepted by management.

A similar comment appeared in prior Report B38636.

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."

FULDA REGIONAL SEWER DISTRICT
EXAMINATION RESULTS AND COMMENTS
(Continued)

PRESCRIBED FORMS

The District did not use the following prescribed forms listed below:

- Utility Form 323 Simplified Cash Journal
- General Form 350 Register of Investments
- General Form 364 Accounts Payable Voucher Register

A similar comment appeared in prior Report B38636.

Officials and employees are required to use prescribed and approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 1)

ALLOWANCE OF CLAIMS

The District Board minutes listed invoices approved by the District Board for payment each month. However, there is no signed accounts payable voucher register authorizing payment. Accounts Payable Voucher Register, General Form No. 364, has been designed to document the allowance of an accounts payable voucher, in lieu of requiring that each individual accounts payable voucher be signed by each member of a governing body.

A similar comment appeared in prior Report B38636.

This form (General Form No. 364) shall be prepared by, or filed with, the fiscal officer together with the supporting account payable vouchers and all such documents shall be carefully preserved by the disbursing officer as a part of the official records of the office. It will be optional with each fiscal officer and each governing board having jurisdiction over the allowance of accounts payable vouchers as to whether to sign each voucher or to sign only General Form 364, Accounts Payable Voucher Register. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 12)

FULDA REGIONAL SEWER DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on July 27, 2017, with Kathy J. Seckinger, Secretary; John Wesner, Treasurer; and George Schaefer, President of the Board.