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March 28, 2019

Board of Trustees  
Jefferson Township Regional Sewer District  
P.O. Box 53  
Otwell, IN 47564

This report is supplemental to the audit report of the Jefferson Township Regional Sewer District (District), for the period from January 1, 2017 to December 31, 2017. 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/](http://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 Jefferson Township Regional Sewer District prepared by Crowe LLP, Independent Public Accountants, for the period January 1, 2017 to December 31, 2017. In our opinion, the Supplemental Audit Report was prepared in accordance with the guidelines established by the State Board of Accounts.

We call your attention to the findings in the report. Page 3 contains two Examination Findings and Results.

The report is filed with this letter in our office as a matter of public record.

A handwritten signature in blue ink that reads "Paul D. Joyce".

Paul D. Joyce, CPA  
State Examiner

**COMPLIANCE EXAMINATION OF  
JEFFERSON TOWNSHIP REGIONAL SEWER DISTRICT**

Pike County, Indiana  
January 1, 2017 to December 31, 2017

JEFFERSON TOWNSHIP REGIONAL SEWER DISTRICT

Pike County, Indiana  
January 1, 2017 to December 31, 2017

CONTENTS

SCHEDULE OF OFFICIALS .....	1
INDEPENDENT ACCOUNTANT'S REPORT .....	2
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS:	
2018-001: MISSTATEMENT OF CASH .....	3
2018-002: MISSTATEMENT OF RECEIPTS AND DISBURSEMENTS .....	3
EXIT CONFERENCE .....	4

JEFFERSON TOWNSHIP REGIONAL SEWER DISTRICT  
SCHEDULE OF OFFICIALS  
January 1, 2017 to December 31, 2017

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<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Janet M. Gray	01-01-17 to 12-31-17
President of the Board	Robert N. Rhodes	01-01-17 to 12-31-17

## INDEPENDENT ACCOUNTANT'S REPORT

To the Indiana State Board of Accounts and  
Management of Jefferson Township Regional Sewer District

We have examined Jefferson Township 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 January 1, 2017 to December 31, 2017. 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.

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 January 1, 2017 to December 31, 2017, as described in items 2018-001 and 2018-002 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 January 1, 2017 to December 31, 2017.

  
Crowe LLP

Indianapolis, Indiana  
December 19, 2018

JEFFERSON TOWNSHIP REGIONAL SEWER DISTRICT  
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS  
January 1, 2017 to December 31, 2017

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**FINDING 2018-001: MISSTATEMENT OF CASH**

**Criteria:** Chapter 1 of the Accounting and Uniform Compliance Guidelines Manual states in part, "At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee."

**Condition:** During testing of cash, we noted management had materially overstated cash by \$31,537. Management was unable to reconcile this variance and believe this was due to an overstatement of sewage receipts. An entry was posted to correct this.

**FINDING 2018-002: MISSTATEMENT OF RECEIPTS AND DISBURSEMENTS**

**Criteria:** Chapter 1 of the Accounting and Uniform Compliance Guidelines Manual states in part, "At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee."

**Condition:** During testing, we noted that several receipts and disbursement were erroneously reported twice on the Annual Financial Report. The following correcting entries were posted.

- Bond and Interest Fund receipts were decreased by \$105,245.
- Bond and Interest Fund disbursements and cash were decreased by \$85,506 and \$19,739, respectively.
- Financial Report Fund disbursements were decreased by \$20,148
- Financial Report Fund cash was increased by \$20,148.

JEFFERSON TOWNSHIP REGIONAL SEWER DISTRICT  
EXIT CONFERENCE  
January 1, 2017 to December 31, 2017

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The contents of this report were discussed on December 19, 2018, with Robin Whaley, Office Manager. The official acknowledged the findings.