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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)

December 31, 2020

Board of Trustees  
Northwest Jasper Regional Water District  
P.O. Box 400  
Demotte, IN 46310

This report is supplemental to the audit report of the Northwest Jasper Regional Water District (District), for the period from January 1, 2018 to December 31, 2019. 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 Northwest Jasper Regional Water District prepared by Crowe LLP, Independent Public Accountants, for the period January 1, 2018 to December 31, 2019. 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. Pages 3 through 4 contain three Examination Findings and Results. Management's response may be found on page 6.

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

Paul D. Joyce, CPA  
State Examiner

**COMPLIANCE EXAMINATION OF  
NORTHWEST JASPER REGIONAL WATER DISTRICT**

Jasper County, Indiana  
January 1, 2018 to December 31, 2019

NORTHWEST JASPER REGIONAL WATER DISTRICT

Jasper County, Indiana  
January 1, 2018 to December 31, 2019

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NORTHWEST JASPER REGIONAL WATER DISTRICT  
SCHEDULE OF OFFICIALS  
January 1, 2018 to December 31, 2019

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<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Donald Goetz	01-01-18 to 12-31-19
President of the Board	Andrew Andree	01-01-18 to 12-31-19

## INDEPENDENT ACCOUNTANT'S REPORT

To the Indiana State Board of Accounts and  
Management of Northwest Jasper Regional Water District

We have examined Northwest Jasper Regional Water 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, 2018 to December 31, 2019. 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, 2018 to December 31, 2019, as described in items 2019-001, 2019-002, and 2019-003 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, 2018 to December 31, 2019.

  
Crowe LLP

Indianapolis, Indiana  
December 28, 2020

NORTHWEST JASPER REGIONAL WATER DISTRICT  
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS  
January 1, 2018 to December 31, 2019

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**FINDING 2019-001: BANK ACCOUNT RECONCILIATION REVIEW**

**Criteria:** Indiana Code 5-13-6-1(e) states, "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

**Condition:** During review of bank reconciliations, we noted there was no formal review or approval of the bank reconciliations until May 2019. For the remainder of 2019, we noted approvals. We noted that this is a repeat finding of finding 2018-001 in report B52116.

**FINDING 2019-002: 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 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 (for Counties-County Treasurer)
- Detail of Receipts for the year
- Detail of Disbursements for the year
- 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

**Condition:** The Unit did not submit the required monthly bank reconcilements and board minutes for 2018. The Unit did submit the yearly salary ordinance or annual vendor history report for 2018. Additionally, the Unit did not submit any of the annual reports for 2019.

NORTHWEST JASPER REGIONAL WATER DISTRICT  
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS  
January 1, 2018 to December 31, 2019

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**FINDING 2019-003: MINIMUM LEVEL OF INTERNAL CONTROLS**

**Criteria:** The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, Uniform Internal Control Standards for Indiana Political Subdivisions. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual: "Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes. An integral part of the control activity component is segregation of duties. . . .There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

**Condition:** The Unit has no formal documentation of the implementation of a minimum level of internal controls standards. We noted that this is a repeat finding of finding 2018-003 in report B52116. As of December 28, 2020, the Unit is in the process of implementing an internal control policy.

NORTHWEST JASPER REGIONAL WATER DISTRICT  
EXIT CONFERENCE  
January 1, 2018 to December 31, 2019

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The contents of this report were discussed on December 17, 2020, with Donna Shear, Office Manager, and Any Andree, Board President. The officials acknowledged the findings.

# Northwest Jasper Regional District

112 Carnation St SE  
DeMotte, IN 46310

Board Members  
Mark Boer  
Kent Bierma  
Jeff Cambe

Andy Andree  
President

Board Members  
Don Goetz  
John Price  
Peggy Michelin

## **FINDING 2019-001: BANK ACCOUNT RECONCILIATION REVIEW**

**Management's Response:** This issue was corrected in May 2019, when I took over bank reconciliations

## **FINDING 2019-002: GATEWAY UPLOADS**

**Management's Response:** This has been corrected in Gateway since the completion of the audit

## **FINDING 2019-003: MINIMUM LEVEL OF INTERNAL CONTROLS**

**Management's Response:** A resolution has been prepared for the Board's approval at the December 28<sup>th</sup> meeting.