



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B56833

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

May 21, 2021

Board of Trustees
Maysville Regional Water & Sewer District
PO Box 413
Harlan, IN 46743

This report is supplemental to the audit report of the Maysville Regional Water & Sewer 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/.

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 Maysville Regional Water & Sewer 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. Page 3 contains two Examination Findings and Results.

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

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

**COMPLIANCE EXAMINATION OF
MAYSVILLE REGIONAL WATER & SEWER DISTRICT**

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

MAYSVILLE REGIONAL WATER & SEWER DISTRICT

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

CONTENTS

SCHEDULE OF OFFICIALS 1

INDEPENDENT ACCOUNTANT'S REPORT 2

SCHEDULE OF EXAMINATION FINDINGS AND RESULTS:

 2019-001: BANK ACCOUNT RECONCILIATION 3

 2019-002: MINIMUM LEVEL OF INTERNAL CONTROLS 3

EXIT CONFERENCE 4

MAYSVILLE REGIONAL WATER & SEWER DISTRICT
SCHEDULE OF OFFICIALS
January 1, 2018 to December 31, 2019

<u>Office</u>	<u>Official</u>	<u>Term</u>
Office Coordinator	Melinda Amstutz	01-01-18 to 12-31-19
President of the Board	Judith James	01-01-18 to 12-31-19

INDEPENDENT ACCOUNTANT'S REPORT

To the Indiana State Board of Accounts and
Management of Maysville Regional Water and Sewer District

We have examined Maysville Regional Water and 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, 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 and 2019-002 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, 2018 to December 31, 2019.

The Unit's responses to the findings identified in our examination are described in the accompanying Schedule of Examination Findings and Results. The Unit's responses were not subjected to the procedures applied in the examination of compliance and, accordingly, we express no opinion on them.


Crowe LLP

Indianapolis, Indiana
May 12, 2021

MAYSVILLE REGIONAL WATER & SEWER DISTRICT
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS
January 1, 2018 to December 31, 2019

FINDING 2019-001: BANK ACCOUNT RECONCILIATION

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 testing, we noted a reconciling item that was the result of a system conversion that was not cleared for the entirety of the audit period. The reconciling item represented an overstatement of total operating cash in the amount of \$123,442 and was corrected via an audit adjustment.

Additionally, activity within the Sewer Utility Sinking and Sewer Utility Debt Reserve funds was not recorded during the period and was thus not subject to reconciliation, though debt service payments were made, and related interest earnings were deposited. The missing activity was corrected via audit adjustments resulting in a net decrease in cash of \$42,891 in 2018 and \$28,487 in 2019.

FINDING 2019-002: 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: During testing, we noted that the Unit did not have formal documentation regarding the implementation of the minimum level of internal control standards. We noted that this is a repeat finding of finding 2018-002 in report B52110.

MAYSVILLE REGIONAL WATER & SEWER DISTRICT
EXIT CONFERENCE
January 1, 2018 to December 31, 2019

The contents of this report were discussed on April 28, 2021, with Judy James, President of the Board, and Melinda Amstutz, Office Coordinator. The officials acknowledged the findings.

MAYSVILLE REGIONAL WATER & SEWER DISTRICT

PO BOX 413 ~ 18633 STATE ROAD 37 ~ HARLAN IN 46743

~ MaysvilleRWSD@gmail.com ~

260-657-1552

FINDING 2019-001: BANK ACCOUNT RECONCILIATION

View of Responsible Official: We agree with the finding.

Description of Corrective Action Plan: Sewer Utility Sinking and Debt Reserve accounts will be recorded appropriately.

Responsible Official: Office Manager

Anticipated Completion Date: Now

FINDING 2019-002: MINIMUM LEVEL OF INTERNAL CONTROLS

View of Responsible Official: We agree with the finding.

Description of Corrective Action Plan: Documentation will be prepared.

Responsible Official: Pres. Board of Trustees

Anticipated Completion Date: Year end 2021