



STATE OF INDIANA
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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

October 4, 2022

TO: THE OFFICIALS OF THE MORGAN COUNTY REGIONAL
SEWER DISTRICT, MORGAN COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Morgan County Regional Sewer District (Special District), Morgan County, for the period of January 1, 2018 to December 31, 2021, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

Management is responsible for preparing and maintaining its accounting records and related documents, as well as compliance with applicable state laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

The Special District's Annual Financial Reports filed by management can be found on the Gateway Website: www.gateway.ifionline.org.

The Comments contained herein describe the identified reportable instances of noncompliance found as a result of the procedures we performed. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Comments

CERTIFICATION ON INTERNAL CONTROL STANDARDS

Condition and Context

The Special District had not provided auditable evidence that the Unit's Gateway certification on the adoption and training on internal control standards was made correctly. Even though the unit selected yes to both questions, they did not offered evidence that they adopted and/or trained on the standards.

Criteria

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

"The state examiner shall require from every audited entity 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](#)."

TRAINING ON INTERNAL CONTROL STANDARDS

Condition and Context

The Special District had not provided auditable evidence that the appropriate personnel had received the training over internal control standards that was developed or approved by the Indiana State Board of Accounts.

Criteria

Indiana Code 5-11-1-27(g) states in part:

"After June 30, 2016, the legislative body of a political subdivision shall ensure that: . . .

- (2) personnel receive training concerning the internal control standards and procedures adopted by the political subdivision."

ADOPTION OF INTERNAL CONTROL STANDARDS

Condition and Context

The Special District had not provided auditable evidence that they had adopted the acceptable minimum level of internal control standards as defined by the Indiana State Board of Accounts.

Criteria

Indiana Code 5-11-1-27(g) states in part:

"After June 30, 2016, the legislative body of a political subdivision shall ensure that:

- (1) the internal control standards and procedures developed under subsection (e) are adopted by the political subdivision . . ."

This report is intended solely for the information and use of management, governance, and others within the organization. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

The Schedule of Cash and Investment Balances - Regulatory Basis, is presented as other information. It has not been subjected to any auditing procedures, and, accordingly, we do not express an opinion or provide any assurance on it.

SCHEDULE OF CASH AND INVESTMENT BALANCES - REGULATORY BASIS For the Year Ended December 31, 2021

| Fund | Cash and Investments 12-31-21 |
|------------------------|-------------------------------------|
| Residential Revenue | \$ 39,966 |
| Cash with Fiscal Agent | <u>56,057</u> |
| Total | <u><u>\$ 96,023</u></u> |

Any Official Response to the Comments, incorporated within this report, was not verified for accuracy.

The contents of this report were communicated to Bethaney Latham, Treasurer, and Kelly Alcala, Chair of the Special District Board, on August 26, 2022.

Respectfully,



Beth Kelley, CPA, CFE
Deputy State Examiner