



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

B61528

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June 2, 2023

TO: THE OFFICIALS OF THE BLUE RIVER REGIONAL WATER  
DISTRICT, CRAWFORD COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Blue River Regional Water District (District), Crawford 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 District's Annual Financial Reports filed by management can be found on the Gateway Website: [www.gateway.ifionline.org](http://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**

**ADOPTION OF INTERNAL CONTROL STANDARDS**

A similar comment also appeared in prior Report B51901, entitled *MINIMUM LEVEL OF INTERNAL CONTROLS*.

*Condition and Context*

The District had not 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 . . ."

## **TRAINING ON INTERNAL CONTROL STANDARDS**

### *Condition and Context*

District employees whose official duties included receiving, processing, depositing, disbursing, or otherwise having access to funds that belonged to the District had not received 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."

## **CERTIFICATION ON INTERNAL CONTROL STANDARDS**

### *Condition and Context*

The District certified on the Indiana Gateway for Government Units financial reporting system that it had adopted the minimum internal control standards as required by Indiana Code 5-11-1-27(e) and that all personnel defined by Indiana Code 5-11-1-27(c) had received training concerning the internal control standards adopted by the District; however, during the engagement, the District indicated that they had not adopted the minimum internal control standards, and required personnel had not received training concerning the internal control standards.

### *Criteria*

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

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

## **MATERIALITY THRESHOLD**

The same comment appeared in prior Report B51901.

### *Condition and Context*

The District did not adopt a materiality threshold policy, as required by Indiana Code 5-11-1-27(j).

### *Criteria*

Indiana Code 5-11-1-27(j) states:

"All erroneous or irregular material variances, losses, shortages, or thefts of political subdivision funds or property shall be reported immediately to the state board of accounts. For all material variances, losses, shortages, or thefts, the state board of accounts shall:

- (1) determine the amount of funds involved and report the amount to the appropriate government and law enforcement officials;
- (2) determine the internal control weakness that contributed to or caused the condition; and
- (3) make written recommendations to the appropriate legislative body or appropriate official overseeing the internal control system addressing:
  - (A) the method of correcting the condition; and
  - (B) the necessary internal control policies and internal control procedures that must be modified to prevent a recurrence of the condition."

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  
As of December 31, 2021

Fund	Cash and Investments 12-31-21
PAYROLL- NET	\$ -
PAYROLL 941 PAYMENT	4,222
PAYROLL STATE/COUNTY	635
PAYROLL INSURANCE	6,530
WATER UTILITY OPERATING	264,180
WATER UTL METER DEPOSIT	28,633
WATER UTL CONSTRUCTION	107,127
Total	\$ 411,327

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

The contents of this report were communicated to Gary Holloway, Manager; Donald Cook, President of the District Board; Roscoe Hooten, former Treasurer; Steve Calhoun, former Treasurer; and Dwight Clunie, Treasurer, on May 15, 2023.

Respectfully,



Beth Kelley, CPA, CFE  
Deputy State Examiner