

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

SUPPLEMENTAL COMPLIANCE REPORT

OF

JE-TO LAKE CONSERVANCY DISTRICT

HENDRICKS COUNTY, INDIANA

January 1, 2012 to December 31, 2015



FILED
06/03/2016

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Chairperson of the Board	Mary Dugan	01-01-12 to 12-31-16
Financial Clerk	Cathy Rayball Mary Boling	01-01-12 to 12-31-13 01-01-14 to 12-31-16



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE JE-TO LAKE CONSERVANCY DISTRICT, HENDRICKS COUNTY, INDIANA

This report is supplemental to our examination report of the Je-To Lake Conservancy District (District), for the period from January 1, 2012 to December 31, 2015. It has been provided as a separate report so that the reader may easily identify any Examination Results and Comments that pertain to the District. It should be read in conjunction with our Financial Statements Examination Report of the District, which provides our 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 performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Examination Results and Comments contained herein describe the identified reportable instances of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

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

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

March 17, 2016

JE-TO LAKE CONSERVANCY DISTRICT
EXAMINATION RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were not presented for examination for 28 of the 48 months during the examination period.

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."

DEBIT CARD PURCHASES

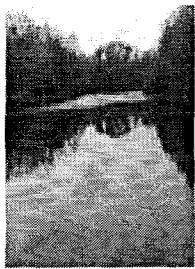
The transactions tested identified purchases that were made using a debit card, rather than checks or warrants properly approved by the district governing board and drawn on the district bank account. The use of debit cards circumvents the claims and governing board approval processes.

Indiana Code 5-11-10-1.6(c) states:

"The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

- (1) there is a fully itemized invoice or bill for the claim;
- (2) the invoice or bill is approved by the officer or person receiving the goods and services;
- (3) the invoice or bill is filed with the governmental entity's fiscal officer;
- (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and
- (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim. . . ."

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)



Je-To Lake Conservancy District

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OFFICIAL RESPONSE

State Board of Accounts
302 West Washington Street, Room E 418
Indianapolis, IN 46204-2765

March 21, 2016

Attn: Lisa David
ldavid@sboa.in.gov

Greetings,

This is the Official Response of the Je-To Lake Conservancy District. In the matter of:

- Bank Account Reconciliations - We have been reconciling statements every month but if there was no activity we didn't reconcile them on the back of the statements. In the future we will reconcile all our statements on the back regardless of any activity or not.
- The District will discontinue using a debit card and will get a credit card instead.
- The District enacted a debit card policy but we will make a credit card policy as soon as we get a credit card covering all points in the guidelines.
- We have been using a form that was copied from your website because we are a poor District and are trying to keep expenses low for our 34 Freeholders. We have sent copies to Todd Caldwell for approval.
- The District has been paying sales tax on purchases when we are tax exempt. The District is currently in the process of applying for and receiving our tax exempt card.
- Our Surety Bonds have not been recorded with the Hendricks County Recorder every year in the proper amounts. We did not know they had to be recorded and will take it to the Recorder's office soon as possible. Our Surety Bonds were in the amount of \$15,000 for two Directors in February 2014; we had added a third Director. In July 2014, we increased the Bonds to \$31,000 for each of the three Directors. This is the Surety Bond amount that we currently carry.
- We are currently in the process of determining how much our Capital Assets are for our lake and will record the asset amount in our 2016 AFR.
- The District only paid back personal loans in the very beginning of our District because individual freeholders had made loans to help the District get fully formed. We will never receive loans from individual freeholders again.

Respectfully Submitted by,

Mary Dugan
Chairwoman
Je-To Lake Conservancy District

JE-TO LAKE CONSERVANCY DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on March 17, 2016, with Mary Dugan, Chairperson of the Board, and Mary Boling, Financial Clerk.