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October 7, 2016

TO: THE OFFICIALS OF THE LAKE DETURK CONSERVANCY 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 Lake Deturk Conservancy District (Conservancy District), for the period of January 1, 2012 to December 31, 2015, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

Our procedures were designed solely to satisfy the requirements of Indiana Code 5-11-1. Because our procedures were not designed to opine on the Conservancy District's financial statements, we did not follow auditing standards generally accepted in the United States of America. Accordingly, we do not express an opinion on any basic financial statement of the Conservancy District.

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 Annual Financial Reports filed by the Conservancy District can be found on the Gateway website: <https://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.

Current Period Comments

- *The fiscal officer did not obtain an individual Surety Bond.*
- *The Annual Financial Report (AFR) for 2012 was not filed electronically until November 13, 2013, which was 258 days after the due date.*
- *The AFR filed for 2012, 2013, 2014, and 2015 did not match the Conservancy District's records as shown below:*

<u>Years</u>	<u>Fund</u>	<u>Category</u>	<u>Amount Per AFR</u>	<u>Amount Per Ledger</u>	<u>Difference</u>
2012	General	Disb	\$ 52,184.77	\$ 52,167.22	\$ (17.55)
2012	General	End Bal	10,364.73	10,382.28	17.55
2013	General	Disb	91,109.10	93,109.10	2,000.00
2013	General	End Bal	18,014.89	16,014.89	(2,000.00)
2013	Cumulative Maintaince	Rec	-	2,000.00	2,000.00
2013	Cumulative Maintaince	End Bal	-	2,000.00	2,000.00
2014	General	Beg Bal	18,014.89	16,014.89	(2,000.00)
2014	General	Rec	106,837.10	106,935.08	97.98
2014	General	Disb	52,053.44	54,151.42	2,097.98
2014	General	End Bal	72,798.55	68,798.55	(4,000.00)
2014	Cumulative Maintaince	Beg Bal	-	2,000.00	2,000.00
2014	Cumulative Maintaince	Rec	-	2,000.00	2,000.00
2014	Cumulative Maintaince	End Bal	-	4,000.00	4,000.00
2015	General	Beg Bal	72,798.55	68,798.55	(4,000.00)
2015	General	Disb	148,437.58	144,437.58	(4,000.00)
2015	Cumulative Maintaince	Beg Bal	-	4,000.00	4,000.00
2015	Cumulative Maintaince	Disb	2,000.00	6,000.00	4,000.00

- The records presented for review indicated the following disbursements in excess of budgeted appropriations:

<u>Years</u>	<u>Fund</u>	<u>Excess Amount Disbursed</u>
2012	General	\$ 52,167.22
2015	General	33,337.58

- The Conservancy District did not have a credit card policy approved by the Board.

This letter is intended for the information and use of the governing body and management of the Conservancy District. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

The contents of this letter were discussed July 5, 2016, with Anna Radue, Financial Clerk. Any Official Response attached to this letter was not verified for accuracy.

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