

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

COMPLIANCE ENGAGEMENT REPORT

OF

CLARK COUNTY SOIL AND WATER CONSERVATION DISTRICT

CLARK COUNTY, INDIANA

January 1, 2019 to December 31, 2023



**FILED**

10/11/2024



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Tami Kruer	01-01-19 to 12-31-24
Administrative Coordinator	Melanie Davis	01-01-19 to 12-31-24
President of the District Board	Sam Hagest	01-01-19 to 12-31-24



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS THE CLARK COUNTY SOIL AND WATER  
CONSERVATION DISTRICT, CLARK COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Clark County Soil and Water Conservation District (District), for the period of January 1, 2019 to December 31, 2023. The objective of this engagement was to determine compliance with applicable Indiana laws, regulations, and uniform compliance guidelines (Guidelines) established by the Indiana State Board of Accounts pursuant to Indiana Code 5-11-1-24. The objective of this engagement is not to opine on compliance or financial activity of the District as this engagement was not conducted in accordance with any standards established by an authoritative standard setting body, and, as such, we do not provide any opinions on compliance or financial activity.

Management is responsible for preparing and maintaining its accounting records and related documents in accordance with applicable Indiana laws, regulations, and Guidelines. Management's responsibility also includes, but is not limited to, complying with other applicable Indiana laws, regulations, and Guidelines concerning how it operates: authorized sources and uses of funds; what reports are required to be prepared and filed; and what depositories and investment types are allowable.

We fulfilled our responsibility as detailed in the first paragraph, using procedures that verified the appropriate accounting for and reporting of cash, receipts, and disbursements; and the appropriate sources and uses of funds in accordance with applicable Indiana laws, regulations, and Guidelines. Expanding the scope and nature of these procedures can and does occur in specific circumstances.

The Comments contained herein, if any, describe the identified reportable instances of noncompliance found during our engagement. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified. Any Official Response to the Comments incorporated within this report was not verified for accuracy.

The Schedule of Officials is informational only. The Statements of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis have not been included in this report due to the issues detailed in the Comments below.

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. Reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>, and the District's Annual Financial Reports filed by management can be found on the Indiana Gateway for Government Units financial reporting system website: <http://www.gateway.ifionline.org>.

The contents of this report were communicated to Tami Kruer, Director, and Melanie Davis, Administrative Coordinator, on September 26, 2024.



Beth Kelley, CPA, CFE  
Deputy State Examiner

August 15, 2024

CLARK COUNTY SOIL AND WATER CONSERVATION DISTRICT  
COMMENTS

**BANK ACCOUNT RECONCILIATIONS**

*Condition and Context*

Internal controls were not in place to ensure the District's bank balances reconciled to its fund balances. Variances were identified between the adjusted bank balance and the fund balances for December 31, 2019, 2020, 2021, and 2023. The following table illustrates the differences noted each year between the adjusted bank balance and the fund balances reported in the Indiana Gateway for Government Units financial reporting system:

As of	Adjusted Bank Balance	Fund Balance	Difference
December 31, 2019	\$ 124,598	\$ 124,152	\$ 446
December 31, 2020	129,707	128,492	1,215
December 31, 2021	138,343	138,043	300
December 31, 2023	123,857	123,474	383

*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."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 1)

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. . . ."

CLARK COUNTY SOIL AND WATER CONSERVATION DISTRICT  
 COMMENTS  
 (Continued)

**ANNUAL FINANCIAL REPORT**

*Condition and Context*

A system of internal controls was not in place to ensure that amounts reported in the Annual Financial Reports (AFR) reported in the Indiana Gateway for Government Units financial reporting system agreed to the District's fund ledger or that ending balances in one year carried forward to the beginning balance in the subsequent year. A comparison of the beginning and ending balances reported in the AFRs between years showed the following differences:

<u>Fund</u>	<u>AFR Balance 12-31-18</u>	<u>AFR Balance 01-01-19</u>	<u>Difference</u>
General Fund	\$ 119,040	\$ 141,422	\$ (22,382)

<u>Fund</u>	<u>AFR Balance 12-31-19</u>	<u>AFR Balance 01-01-20</u>	<u>Difference</u>
General Fund	\$ 121,036	\$ 124,598	\$ (3,562)

<u>Fund</u>	<u>AFR Balance 12-31-20</u>	<u>AFR Balance 01-01-21</u>	<u>Difference</u>
General Fund	\$ 126,013	\$ 132,633	\$ (6,620)

<u>Fund</u>	<u>AFR Balance 12-31-21</u>	<u>AFR Balance 01-01-22</u>	<u>Difference</u>
General Fund	\$ 136,989	\$ 138,343	\$ (1,354)

<u>Fund</u>	<u>AFR Balance 12-31-22</u>	<u>AFR Balance 01-01-23</u>	<u>Difference</u>
General Fund	\$ 135,341	\$ 124,174	\$ 11,167

CLARK COUNTY SOIL AND WATER CONSERVATION DISTRICT  
 COMMENTS  
 (Continued)

A comparison of the ledger balances to the amounts reported in the AFR showed the following differences:

Fund	Ledger Balance 12-31-19	AFR Balance 12-31-19	Difference
General Fund	\$ 124,152	\$ 121,035	\$ 3,117

Fund	Ledger Balance 12-31-20	AFR Balance 12-31-20	Difference
General Fund	\$ 128,492	\$ 126,013	\$ 2,479

Fund	Ledger Balance 12-31-21	AFR Balance 12-31-21	Difference
General Fund	\$ 138,343	\$ 136,989	\$ 1,354

Fund	Ledger Balance 12-31-22	AFR Balance 12-31-22	Difference
General Fund	\$ 125,847	\$ 135,341	\$ (9,494)

Fund	Ledger Balance 12-31-23	AFR Balance 12-31-23	Difference
General Fund	\$ 123,474	\$ 119,574	\$ 3,900

*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 as set forth in the uniform compliance guidelines. 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](#)."

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, court decisions, and filing requirements concerning reports and other procedural matters of federal and state agencies. Units must file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 1)

CLARK COUNTY SOIL AND WATER CONSERVATION DISTRICT  
COMMENTS  
(Continued)

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