

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

COMPLIANCE ENGAGEMENT REPORT

OF

LAWRENCEBURG CONSERVANCY DISTRICT

DEARBORN COUNTY, INDIANA

January 1, 2019 to December 31, 2023



FILED
08/13/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Fiscal Officer	Chelsie Noel	01-01-19 to 10-09-23
	(Vacant)	10-10-23 to 11-15-23
	Katelyn Shafer	11-16-23 to 12-31-24
Chair of the District Board	Mike Noel	01-01-19 to 01-17-24
	Jim Kittle	01-18-24 to 12-31-24
Secretary	Chelsie Noel	01-01-19 to 10-09-23
	(Vacant)	10-10-23 to 03-05-24
	Heather Shaut	03-06-24 to 12-31-24



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE LAWRENCEBURG CONSERVANCY
DISTRICT, DEARBORN COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Lawrenceburg Conservancy 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 and Statements of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis (Statements) are informational only. The Statements have not been subjected to any procedures designed to express an opinion or provide any assurance on them, and, accordingly, we do not express an opinion or provide any assurance on them.

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 Paul Seymour, Superintendent; Jim Kittle, Chair of the District Board; Randy Tyler, Vice Chair of the District Board; Andy Lyons, Director; Heather Shaut, Secretary; Katelyn Shafer, Fiscal Officer; and Jared Ewbank, Attorney, on July 24, 2024.



Beth Kelley, CPA, CFE
Deputy State Examiner

July 9, 2024

LAWRENCEBURG CONSERVANCY DISTRICT
COMMENTS

INTERNAL CONTROLS

Condition and Context

The Town did not have internal controls in place to ensure compliance with laws and regulations over the following areas, as detailed further in the comments below: Prescribed Forms and Penalties, Interest, and Other Charges.

Criteria

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. . . ."

PRESCRIBED FORMS

Condition and Context

The District did not use the following prescribed forms or an approved form in lieu of the prescribed form:

- General Form No. 354 Claim
- General Form No. 352 Receipt

LAWRENCEBURG CONSERVANCY DISTRICT
COMMENTS
(Continued)

Criteria

Officials and employees are required to use prescribed and approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 1)

All claims or accounts payable vouchers must be itemized and allowed by a majority of the members of the board before payment by the fiscal officer. Payment of invoices not supported by a duly certified claim or accounts payable voucher is not permissible. . . . (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 12)

Receipts shall be issued and recorded at the time of the transaction. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 1)

PENALTIES, INTEREST, AND OTHER CHARGES

Condition and Context

During the review of the 50 disbursements tested, there was 1 instance where a late charge in the amount of \$22 was paid to a vendor during 2020.

Criteria

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the unit. Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the unit. Any penalties, interest, or other charges paid by the unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 1)

STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CASH
AND INVESTMENT BALANCES - REGULATORY BASIS

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LAWRENCEBURG CONSERVANCY DISTRICT
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Years Ended December 31, 2019 and 2020

Fund	Cash and Investments 01-01-19	Receipts	Disbursements	Cash and Investments 12-31-19	Receipts	Disbursements	Cash and Investments 12-31-20
Cum Cap & Maint Cd-Riverboat	\$ 2,064,817	\$ 42,005	\$ -	\$ 2,106,822	\$ 42,860	\$ -	\$ 2,149,682
General Fund-Riverboat	<u>33,843,825</u>	<u>2,664,161</u>	<u>2,277,683</u>	<u>34,230,303</u>	<u>2,533,851</u>	<u>2,217,680</u>	<u>34,546,474</u>
Totals	<u>\$ 35,908,642</u>	<u>\$ 2,706,166</u>	<u>\$ 2,277,683</u>	<u>\$ 36,337,125</u>	<u>\$ 2,576,711</u>	<u>\$ 2,217,680</u>	<u>\$ 36,696,156</u>

LAWRENCEBURG CONSERVANCY DISTRICT
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Years Ended December 31, 2021 and 2022

Fund	Cash and Investments 01-01-21	Receipts	Disbursements	Cash and Investments 12-31-21	Receipts	Disbursements	Cash and Investments 12-31-22
Cum Cap & Maint Cd-Riverboat	\$ 2,149,682	\$ 43,732	\$ -	\$ 2,193,414	\$ 13,018,733	\$ 2,354,828	\$ 12,857,319
General Fund-Riverboat	<u>34,546,474</u>	<u>2,239,938</u>	<u>2,480,287</u>	<u>34,306,125</u>	<u>4,386,430</u>	<u>15,935,314</u>	<u>22,757,241</u>
Totals	<u>\$ 36,696,156</u>	<u>\$ 2,283,670</u>	<u>\$ 2,480,287</u>	<u>\$ 36,499,539</u>	<u>\$ 17,405,163</u>	<u>\$ 18,290,142</u>	<u>\$ 35,614,560</u>

LAWRENCEBURG CONSERVANCY DISTRICT
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2023

Fund	Cash and Investments 01-01-23	Receipts	Disbursements	Cash and Investments 12-31-23
Cum Cap & Maint Cd-Riverboat	\$ 12,857,319	\$ 560,650	\$ 2,409,333	\$ 11,008,636
General Fund-Riverboat	<u>22,757,241</u>	<u>4,791,259</u>	<u>2,111,104</u>	<u>25,437,396</u>
Totals	<u>\$ 35,614,560</u>	<u>\$ 5,351,909</u>	<u>\$ 4,520,437</u>	<u>\$ 36,446,032</u>



RESPONSE TO AUDIT RESULTS AND COMMENTS

INTERNAL CONTROLS

Condition and Context

The Town did not have internal controls in place to ensure compliance with laws and regulations over the following areas as detailed further in the comments below: Prescribed Forms, and Penalties, Interest, and Other Charges.

District's Response

Although the District does have formal written policy specific to cash receipting and cash disbursements, the policy does not provide detail regarding the State Board of Accounts Prescribed Forms: General Form No. 352 Receipt and General Form No. 354 Claim. Prior to this audit, it was the District's understanding that their current policies and procedures were adequate. The District acknowledges the recent change in expectation regarding required use of the Prescribed Forms. Beginning August 1, 2024, the Prescribed Forms will be utilized in the required capacity.

The District's formal written policy also omitted specific details regarding Penalties, Interest, and Other Charges.

Edits to the Internal Controls Policy are expected to be made and adopted at the August 15, 2024, Board Meeting.

PRESCRIBED FORMS

Condition and Context

The District did not use the following prescribed forms or an approved form in lieu of the prescribed form:

- General Form No. 354 Claim
- General Form No. 352 Receipt

District's Response

As stated previously, the District acknowledges the recent change in expectation regarding required use of the Prescribed Forms. Beginning August 1, 2024, the Prescribed Forms will be utilized in the required capacity.

PENALTIES, INTEREST, AND OTHER CHARGES

Condition and Context

During the review of the 50 disbursements tested, there was one instance where a late charge in the amount of \$22.25 was paid to a vendor during 2020.

District's Response

The District understands that it is not the responsibility of the District to adhere to penalties, interest and other charges related to accounts payable. The District is adamant about processing payment in a timely manner. However, there could be unique instances where payment is delayed. The District understands that in these instances, penalties, interest and other charges cannot be remitted.

Jim Kittle, Board President

Paul Seymour, Superintendent

Katelyn Shafer, Fiscal Officer