

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

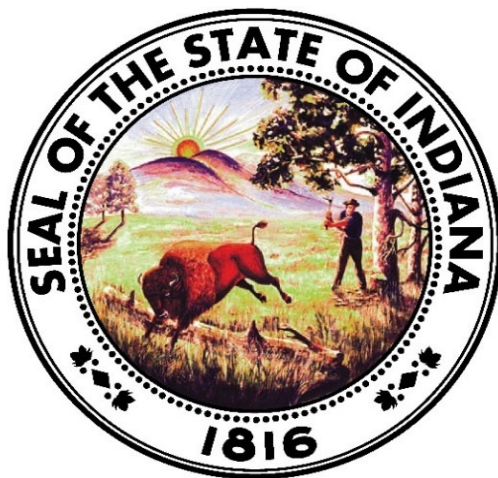
COMPLIANCE ENGAGEMENT REPORT

OF

DUBOIS COUNTY SOIL AND WATER CONSERVATION DISTRICT

DUBOIS COUNTY, INDIANA

January 1, 2020 to December 31, 2023



**FILED**

06/20/2024



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Compliance Report .....	3-4
Comments .....	5-6
Statements of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis.....	8-9

### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Judith K. Brown Arlene Fleck	01-01-20 to 12-31-22 01-01-23 to 12-31-24
Executive Director	Judith K. Brown Aubree Pond	01-01-20 to 03-31-23 04-01-23 to 12-31-24
President of the District Board	Brenda Sermersheim	01-01-20 to 12-31-24



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

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

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Dubois County Soil and Water Conservation District (District), for the period of January 1, 2020 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 Veronica Helming, Administrative Assistant; Aubree Pond, Executive Director; and Arlene Fleck, Treasurer, on June 18, 2024.



Beth Kelley, CPA, CFE  
Deputy State Examiner

May 7, 2024

DUBOIS COUNTY SOIL AND WATER CONSERVATION DISTRICT  
COMMENTS

**CAPITAL ASSETS**

*Condition and Context*

Internal controls were not in place to ensure compliance with capital assets reporting. The amounts reported for capital assets at year end in the Annual Financial Reports (AFR) in the Indiana Gateway for Government Units (Gateway) financial reporting system for each year of the engagement period did not agree to the subsidiary capital assets ledger. Capital assets reported in the AFRs were less than the subsidiary ledger by \$13,990 in 2020 and \$14,790 in 2021, 2022, and 2023. The District reported capital assets of \$49,698 in its 2023 AFR.

The District's Capital Asset Policy required a yearly inventory of all property valued at \$5,000 or more and that assets valued at less than \$5,000 could be included, although it was not mandatory. The policy did not include the threshold at which the District considered an item a capital asset. The District did not provide documentation that an inventory of capital assets occurred during the engagement period.

*Criteria*

Every unit must have a capital assets policy that details the threshold at which an item is considered a capital asset. Every unit must have a complete detail listing of all capital assets owned which reflects their acquisition value. Capital Asset Ledger (Form 369) has been prescribed for this purpose. A complete physical inventory must be taken at least every two years, unless more stringent requirements exist, to verify account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 1)

Each unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (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. . . ."

DUBOIS COUNTY SOIL AND WATER CONSERVATION DISTRICT  
COMMENTS  
(Continued)

**TRAINING ON INTERNAL CONTROL STANDARDS**

*Condition and Context*

The District did not provide evidence that employees whose official duties included receiving, processing, depositing, disbursing, or otherwise having access to funds that belonged to the District, had 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:

"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; and
- (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 for 2020-2023 that personnel defined by Indiana Code 5-11-1-27(c) received training concerning the internal control standards adopted by the District. However, the District was unable to provide evidence that the required personnel completed the training.

*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)

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

DUBOIS COUNTY SOIL AND WATER CONSERVATION DISTRICT  
 STATEMENT OF RECEIPTS, DISBURSEMENTS,  
 AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Years Ended December 31, 2020 and 2021

Fund	Cash and Investments 01-01-20	Receipts	Disbursements	Cash and Investments 12-31-20	Receipts	Disbursements	Cash and Investments 12-31-21
General Fund	\$ 58,853	\$ 88,750	\$ 126,006	\$ 21,597	\$ 185,379	\$ 122,586	\$ 84,390
Totals	<u>\$ 58,853</u>	<u>\$ 88,750</u>	<u>\$ 126,006</u>	<u>\$ 21,597</u>	<u>\$ 185,379</u>	<u>\$ 122,586</u>	<u>\$ 84,390</u>

DUBOIS COUNTY SOIL AND WATER CONSERVATION DISTRICT  
 STATEMENT OF RECEIPTS, DISBURSEMENTS,  
 AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Years Ended December 31, 2022 and 2023

Fund	Cash and Investments 01-01-22	Receipts	Disbursements	Cash and Investments 12-31-22	Receipts	Disbursements	Cash and Investments 12-31-23
General Fund	\$ 84,390	\$ 85,918	\$ 133,357	\$ 36,951	\$ 135,273	\$ 135,747	\$ 36,477
Totals	<u>\$ 84,390</u>	<u>\$ 85,918</u>	<u>\$ 133,357</u>	<u>\$ 36,951</u>	<u>\$ 135,273</u>	<u>\$ 135,747</u>	<u>\$ 36,477</u>