

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

SUPPLEMENTAL COMPLIANCE REPORT
OF
SOUTH COAST CONSERVANCY DISTRICT
LAPORTE COUNTY, INDIANA
January 1, 2011 to December 31, 2014



FILED
12/18/2015

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Transmittal Letter	3
Examination Results and Comments:	
Ordinances and Resolutions	4
Errors on Claims	4
Exit Conference	5

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Financial Clerk	Brock E. Martin	01-01-11 to 12-31-15
Chairman of the Board of Directors	Stephen R. Turner	01-01-11 to 12-31-15



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

TO: THE OFFICIALS OF THE SOUTH COAST CONSERVANCY DISTRICT, LAPORTE COUNTY, INDIANA

This report is supplemental to our examination report of the South Coast Conservancy District (District), for the period from January 1, 2011 to December 31, 2014. 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 Conservancy 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

September 29, 2015

SOUTH COAST CONSERVANCY DISTRICT
EXAMINATION RESULTS AND COMMENTS

ORDINANCES AND RESOLUTIONS

The District Board of Directors approved Ordinance 06-01 concerning water rates and charges on June 6, 2006. We tested 30 customers over the 4-year period of examination and found that 17 customers were not billed the correct rate. The District did not comply with the approved ordinance as there were variances between the water rate used for billing and the rate required by the ordinance which we used to calculate the billing for our test.

In addition, the Water Rate Ordinance states in part: "Late payment charges will be 10% of the first \$3.00, 3% of the balance." The Ordinance also states in part: "Payments are due and payable by the 15th of the month following receipt of billing." In our test of customer billings, it was noted that the customers that paid past the 15th deadline were not charged the late payment charges as required by the Ordinance.

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

ERRORS ON CLAIMS

The following deficiencies were noted on claims during the examination period:

1. Claims were not prepared for 8 percent of disbursements tested. This error resulted in \$52,241 of expenditures which were not supported by a proper claim.
2. Of the claims tested, 5 percent did not have adequate supporting documentation. This error resulted in \$1,200 of expenditures which did not have adequate supporting documentation.
3. Of the claims tested, 100 percent did not have Board approval. This error resulted in \$134,020 expenditures which did not have proper Board approval.

Indiana Code 5-11-10-1.6 states in part:

"(b) As used in this section, 'claim' means a bill or an invoice submitted to a governmental entity for goods or services.

(c) 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."

SOUTH COAST CONSERVANCY DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on September 29, 2015, with Brock E. Martin, Financial Clerk, and Stephen R. Turner, Chairman of the Board of Directors.