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July 8, 2016

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

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Shelby County Soil and Water Conservation District (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 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 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 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

- *Receipts were deposited later than the next business day following the receipt of funds. Delays in excess of 10 days were noted.*
- *The 2014-2015 contract for the District Educator position was overpaid by \$2,820. Governmental units should collect any overpayments made.*
- *The Treasurer did not obtain an individual Surety Bond for years 2012, 2013, 2014, and 2015.*
- *Claim forms were not always signed by the claimants.*
- *The Internal Revenue Service (IRS) Form 1099s for the tax year 2015 were issued by the District on the IRS Form 1099 applicable to tax year 2016.*

- *The District's internal control procedures have not been formally documented. At a minimum, someone should review the ledger, the bank statements and the bank reconciliation on a regular basis, and document what that review was (example: what documents were reviewed, date reviewed, who performed the review).*

This letter is intended for the information and use of the governing body and management of the 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 on April 19, 2016, with Jill Williams, Treasurer. Any Official Response attached to this letter was not verified for accuracy.


Paul D. Joyce, CPA
State Examiner



Shelby County Soil and Water Conservation District

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"OFFICIAL RESPONSE"

Date: May 11, 2016

State Board of Accounts
302 West Washington Street
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Indianapolis, IN 46204-2765

To Lisa David,

The Shelby County Soil & Water Conservation District has reviewed the comments of the Financial Exam done on April 19, 2016. We agree with the auditors' comments, and the following actions will be taken:

- The District Educator (Ann Nienow Haehl) will make up a total of 141 hours in years 2016 and 2017. The amount will equal \$2,820 dollars the District over paid Ann Nienow Haehl during her 2014-2015 contract year.
- 1099 recipients were notified that 2016 1099 forms were sent out and 2015 1099's forms were reissued to recipients. Form 1096 and 1099 forms was not sent to the IRS for 2016. Form 1096 and 1099 forms were mailed to the IRS for tax year 2015.
- The Shelby County Soil & Water Conservation District is working on an Internal Control policy and will have the policy adopted before July 1, 2016.

I would like to thank you and your staff for your time. I look forward to receiving the final report.

Yours sincerely,

A handwritten signature in cursive script that reads "Jill Williams".

Jill Williams
Shelby County SWCD (Treasurer)