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B47460

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December 30, 2016

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

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Delaware 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.

Unresolved Comment from Prior Report

- Several credit card payments were observed which did not contain adequate supporting documentation, such as receipts, invoices, and other public records.

Current Period Comments

- The Annual Financial Report (AFR) filed for 2012, 2013, 2014, and 2015 didn't match the records.

<u>Years</u>	<u>Fund</u>	<u>Category</u>	<u>Amount per AFR</u>	<u>Amount per Ledger</u>	<u>Difference</u>
2012	General	Beginning Balance	\$ 322,651	\$ 410,048	\$ (87,397)
2012	General	Receipts	164,723	164,196	527
2012	General	Disbursements	289,957	289,608	349
2012	General	Ending Balance	197,417	284,636	(87,219)
2013	General	Beginning Balance	197,417	284,636	(87,219)

<u>Years</u>	<u>Fund</u>	<u>Category</u>	<u>Amount per AFR</u>	<u>Amount per Ledger</u>	<u>Difference</u>
2013	General	Receipts	\$ 189,044	\$ 188,863	\$ 181
2013	General	Disbursements	258,045	314,911	(56,866)
2013	General	Ending Balance	128,416	158,588	(30,172)
2014	General	Beginning Balance	153,584	158,588	(5,004)
2014	General	Receipts	144,950	140,111	4,839
2014	General	Disbursements	160,772	160,872	(100)
2014	General	Ending Balance	137,762	137,827	(65)
2015	General	Beginning Balance	137,762	137,828	(66)
2015	General	Receipts	172,916	172,872	44
2015	General	Disbursements	190,176	190,157	19
2015	General	Ending Balance	120,502	120,543	(41)

- *The District did not have the required meeting to review and adopt the AFR in accordance with Indiana Code 14-32-4-6 for 2012, 2013, 2014, and 2015.*
- *The District's records did not include a \$15,000 certificate of deposit (CD) on hand at January 1, 2012, nor the sale of this CD in January 2013. The record amount of the savings account was \$10,000 less than the actual bank balance at January 1, 2012, due to the failure to post a transfer in of \$10,000 to the savings account in 2010. A transfer of \$5,000 from the savings account was not posted in 2014. Interest earned was not properly posted to the records in 2012, 2013, 2014, and 2015.*
- *Bank reconcilements were not performed timely. The bank reconciliation performed in July 2012 was for the period January 2010 to June 2012. The bank reconciliation performed in December 2012 was for the period July 2012 through December 2012. Several bank statements were missing in 2012 and for the period January 2013 to September 2013.*
- *District employees handling monies were not properly bonded for 2012, 2013, 2014, and 2015.*
- *Disbursements of \$6,573 were made in 2013 without a contract for technical services provided for the Conservation Reserve Program. The contractor was paid \$234.75 per activity for a total of 28 activities. There was no supporting documentation for the 28 activities completed.*
- *Board approval of salaries for district employees was not presented for review for the years 2012, 2013, 2014, and 2015.*
- *Internal Revenue Service Form W-2 - Wage and Tax Statement were not issued to District employees in 2012, 2013, 2014, and 2015. Employees were paid without the District withholding federal, state, and local taxes.*
- *Detailed time cards were not maintained for hourly employees in 2012, 2013, 2014, and 2015.*
- *A review of checks disbursed to employees indicated 31 payments were paid as much as 34 days in advance of the actual date the services were provided in 2012, 2013, 2014, and 2015.*

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 October 24, 2016, with Becky Daugherty, Soil Health Coordinator, and Ron Orebaugh, President of the District Board. Any Official Response attached to this letter was not verified for accuracy.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner