

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

COMPLIANCE REPORT
OF
GRANT COUNTY SOIL AND WATER CONSERVATION DISTRICT
GRANT COUNTY, INDIANA
January 1, 2012 to December 31, 2015



FILED
01/27/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Fiscal Officer	Belinda Benefield Mary Weesner Rhonda Fowler	01-01-12 to 07-30-12 08-01-12 to 03-17-16 05-04-16 to 12-31-16
President of the Board	C. Duane Phipps	01-01-12 to 12-31-16



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

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

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

The 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.

For years 2011 and later, the Annual Financial Reports filed by the District can be found on the Gateway website: <http://gateway.ifionline.org/>.

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

December 7, 2016

GRANT COUNTY SOIL AND WATER CONSERVATION DISTRICT
RESULTS AND COMMENTS

ANNUAL FINANCIAL REPORT

The Annual Financial Report (AFR) filed on Gateway for 2012, 2013, and 2015 contained a number of errors and did not match the District's records as follows:

<u>Years</u>	<u>Fund</u>	<u>Category</u>	<u>Amount per AFR</u>	<u>Amount per Ledger</u>	<u>Difference</u>
2012	General/Operating	Receipts	\$ 31,561	\$ 29,580	\$ 1,981
2012	General/Operating	Disbursements	33,791	33,891	(100)
2012	General/Operating	Ending Balance	27,029	22,970	4,059
2013	General/Operating	Beginning Balance	27,029	24,950	2,079
2013	General/Operating	Ending Balance	21,499	19,420	2,079
2015	General/Operating	Disbursements	10,771	17,116	(6,345)
2015	General/Operating	Ending Balance	43,617	37,282	6,335

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. 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."

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

FORM 100-R, CERTIFIED REPORT OF COMPENSATION OF OFFICERS AND EMPLOYEES

The District did not timely file a Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) with the Indiana State Board of Accounts for the years 2012 and 2014. The reports were filed on March 1, 2013, and February 6, 2015, which were 29 and 6 days, respectively, past the due date.

Indiana Code 5-11-13-1 states:

"Every state, county, city, town, township, or school official, elective or appointive, who is the head of or in charge of any office, department, board, or commission of the state or of any county, city, town, or township, and every state, county, city, town, or township employee or agent who is the head of, or in charge of, or the executive officer of any department, bureau, board, or commission of the state, county, city, town, or township, and every executive officer by whatever title designated, who is in charge of any state educational institution or of any other state, county, or city institution, shall during the month of January of each year prepare, make, and sign a certified report, correctly and completely showing the names and business addresses of each and all officers, employees, and agents in their respective offices, departments, boards, commissions, and institutions, and the respective duties and compensation of each, and shall forthwith file said report in the office of the state examiner of the state board of accounts."

GRANT COUNTY SOIL AND WATER CONSERVATION DISTRICT
RESULTS AND COMMENTS
(Continued)

DEPOSITS

Receipts were deposited later than the next business day in 20 instances during the review period.

Indiana Code 5-13-6-1(c) states: ". . . all local officers . . . who collect public funds of their respective political subdivisions, shall deposit funds not later than the business day following the receipt of funds on business days of the depository in the depository or depositories selected by the . . . local boards of finance . . ."

Effective July 1, 2015, Indiana Code 5-13-6-1(g) states:

"The following are not required to deposit funds on the business day following receipt if the funds on hand do not exceed five hundred dollars (\$500): . . .

- (2) A local officer of a political subdivision required to deposit funds under subsection (c) other than a township trustee. . .

However, the funds on hand must be deposited not later than the business day following the day that the funds exceed five hundred dollars (\$500)."

RECEIPT ISSUANCE

The District did not issue receipts (General Form No. 352) for collections during the period.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

FORM W-2

Internal Revenue Service (IRS) Form W-2 Wage and Tax Statement was not issued to District employees in 2012 and 2013. Employees were paid without the District withholding federal, state and local taxes. IRS Form 1099-Miscellaneous Income was issued to the District Secretary/Coordinator in 2012 and 2013. IRS Form 1099 was not issued to the Financial Clerk in 2012.

Soil and Water Conservations Districts should follow the regulations and guidelines of state, federal and local agencies, including, but not limited to, policies as developed and adopted by the State Soil Conservation Board and the Operations Manual For Indiana Soil and Water Conservation Districts prepared by the Division of Soil Conservation, Indiana Department of Agriculture. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 8)

CREDIT CARD POLICY

The District did not have a credit card policy approved by the Board.

The State Board of Accounts will not take exception to the use of credit cards by a governmental unit provided the following criteria are observed:

GRANT COUNTY SOIL AND WATER CONSERVATION DISTRICT
RESULTS AND COMMENTS
(Continued)

1. The governing board must authorize credit card use through an ordinance or resolution, which has been approved in the minutes.
2. Issuance and use should be handled by an official or employee designated by the board.
3. The purposes for which the credit card may be used must be specifically stated in the ordinance or resolution.
4. When the purpose for which the credit card has been issued has been accomplished, the card should be returned to the custody of the responsible person.
5. The designated responsible official or employee should maintain an accounting system or log which would include the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned, etc.
6. Credit cards should not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the governing board and other officials with timely and accurate accounting information and monitoring of the accounting system.
7. Payment should not be made on the basis of a statement or a credit card slip only. Procedures for payments should be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee should be the responsibility of that officer or employee.
8. If properly authorized, an annual fee may be paid.

(Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

GRANT COUNTY SOIL AND WATER CONSERVATION DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on December 7, 2016, with Mary Weesner, former Fiscal Officer; Rhonda Fowler, Fiscal Officer; C. Duane Phipps, President of the Board; Tim Canode, Board member; and Robert Embree, Board member.