

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

NYONA-SOUTH MUD LAKES CONSERVANCY DISTRICT

FULTON COUNTY, INDIANA

January 1, 2012 to December 31, 2016



**FILED**  
01/23/2018



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Kenneth R. Hutchins	01-01-12 to 12-31-16
	Terry L. Baker	01-01-17 to 12-31-17
President of the Board	George Suter	01-01-12 to 12-31-14
	Carl Dittfield	01-01-15 to 12-31-16
	David Westcott	01-01-17 to 06-30-17
	Thomas Trent	07-01-17 to 12-31-17



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE NYONA-SOUTH MUD LAKES CONSERVANCY  
DISTRICT, FULTON COUNTY, INDIANA

This report is supplemental to our examination report of the Nyona-South Mud Lakes Conservancy District (District), for the period from January 1, 2012 to December 31, 2016. 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 District's financial statements. This report may be found at [www.in.gov/sboa/](http://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

December 7, 2017

NYONA-SOUTH MUD LAKES CONSERVANCY DISTRICT  
EXAMINATION RESULTS AND COMMENTS

***BANK ACCOUNT RECONCILIATIONS***

Bank account reconciliations were not prepared in a timely manner for the months of April 2014 through December 2016.

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

***ORDINANCES AND RESOLUTIONS***

Required transfers to the Bond and Interest fund were not made in 2016. An additional \$30,792 should have been transferred to the Bond and Interest fund.

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)

***CREDIT CARDS***

The District had credit cards in use; however, the District Board had not authorized credit card use through passage of an ordinance or resolution.

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

- (1) The governing board must authorize credit card use through an ordinance/resolution, which has been approved in the minutes.
- (2) Issuance and use should be handled by an official or employee designated by the governing body.

NYONA-SOUTH MUD LAKES CONSERVANCY DISTRICT  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

- (3) The purposes for which the credit card may be used must be specifically stated in the ordinance/resolution.
- (4) When the purpose for which the credit card has been issued has been accomplished, the card must be returned to the custody of the responsible person.
- (5) The designated responsible official or employee must 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.
- (6) Credit cards must 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 body and other officials with timely and accurate accounting information and monitoring of the accounting system.
- (7) Payment cannot be made on the basis of a statement or a credit card slip only. Procedures for payments must 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 may be the personal obligation of that officer or employee.
- (8) If authorized, an annual fee may be paid.

(Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 1)

NYONA-SOUTH MUD LAKES CONSERVANCY DISTRICT  
EXIT CONFERENCE

The contents of this report were discussed on December 7, 2017, with Terry L. Baker, Treasurer, and Monica Baker, Office Manager.