



STATE OF INDIANA
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March 28, 2019

Board of Directors
Blue Lake Conservancy District
7490 East 550 North, P.O. Box 174
Churubusco, IN 46723

This report is supplemental to the audit report of the Blue Lake Conservancy District (District), for the period from January 1, 2013 to December 31, 2013. It has been provided as a separate report so that the reader may easily identify any Examination Findings that pertain to the District. It should be read in conjunction with the financial statement audit report of the District, which provides an opinion on the District's financial statements. This report may be found at www.in.gov/sboa/.

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of the District and perform procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Examination Findings and Results contained herein describe the identified reportable instances of noncompliance found as a result of these procedures.

We have reviewed the Supplemental Audit Report for Blue Lake Conservancy District prepared by Crowe LLP, Independent Public Accountants, for the period January 1, 2013 to December 31, 2013. In our opinion, the Supplemental Audit Report was prepared in accordance with the guidelines established by the State Board of Accounts.

We call your attention to the findings in the report. Page 3 contains two Examination Findings and Results.

The report is filed with this letter in our office as a matter of public record.

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

**COMPLIANCE EXAMINATION OF
BLUE LAKE CONSERVANCY DISTRICT**

Whitley County, Indiana
January 1, 2013 to December 31, 2013

BLUE LAKE CONSERVANCY DISTRICT

Whitley County, Indiana
January 1, 2013 to December 31, 2013

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BLUE LAKE CONSERVANCY DISTRICT
SCHEDULE OF OFFICIALS
January 1, 2013 to December 31, 2013

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Tom Winebrenner	01-01-13 to 12-31-13
Financial Clerk	Linda Kiester	01-01-13 to 12-31-13
President of the Conservancy District Board	Ronald N. Rennaker	01-01-13 to 12-31-13

INDEPENDENT ACCOUNTANT'S REPORT

To the Indiana State Board of Accounts and
Management of Blue Lake Conservancy District

We have examined Blue Lake Conservancy District's ("Unit") compliance with the Indiana State Board of Accounts' *Accounting and Uniform Compliance Guidelines Manual For Special Districts* during the period January 1, 2013 to December 31, 2013. Management of the Unit is responsible for the Unit's compliance with the specified requirements. Our responsibility is to express an opinion on the Unit's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Unit complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Unit complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our qualified opinion.

Our examination does not provide a legal determination on the Unit's compliance with specified requirements.

Our examination disclosed material noncompliance with the *Accounting and Uniform Compliance Guidelines Manual For Special Districts* applicable to the Unit during the period January 1, 2013 to December 31, 2017, as described in items 2018-001 and 2018-002 on the following Schedule of Examination Findings and Results.

In our opinion, except for the material noncompliance described in the preceding paragraph, the Unit complied, in all material respects, with the aforementioned requirements during the period January 1, 2013 to December 31, 2013.


Crowe LLP

Indianapolis, Indiana
December 21, 2018

BLUE LAKE CONSERVANCY DISTRICT
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS
January 1, 2013 to December 31, 2013

FINDING 2018-001: BANK ACCOUNT RECONCILIATION REVIEW

Criteria: 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.*"

Condition: During testing of bank reconciliations, Crowe noted that the Board does not formally review the bank reconciliations. The Administrative Clerk prepares the reconciliation and uses it to prepare the monthly financials, which are reviewed by the Treasurer and the Board, but the reconciliation is not subject to review.

FINDING 2018-002: APPROVAL OF DISBURSEMENTS

Criteria: 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. . . ."

Condition: During testing of disbursements, we noted that disbursements for each month are approved only after the disbursement had already been made. The Board receives the invoices at each monthly meeting that were paid in the previous month, reviews, and signs to approve.

BLUE LAKE CONSERVANCY DISTRICT
EXIT CONFERENCE
January 1, 2013 to December 31, 2013

The contents of this report were discussed on December 21, 2018, with Sue Hamilton, Financial Clerk. The official acknowledged the findings.