

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

COMPLIANCE REPORT
OF
SIMONTON LAKE CONSERVANCY DISTRICT
ELKHART COUNTY, INDIANA
January 1, 2015 to December 31, 2018



FILED
09/12/2019

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Financial Secretary	Linda Wilson	01-01-15 to 12-31-19
Chairman of the District Board	Robert Kelsey	01-01-15 to 12-31-19



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE SIMONTON LAKE CONSERVANCY
DISTRICT, ELKHART COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Simonton Lake Conservancy District (District), Elkhart County, for the period of January 1, 2015 to December 31, 2018, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

The Result and Comment contained herein describes the identified reportable instance 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.

The Schedule of Cash and Investment Balances - Regulatory Basis, as listed in the Table of Contents, is presented as other information. It has not been subjected to any auditing procedures and, accordingly, we do not express an opinion or provide any assurance on it.

Any Official Response to the Result and Comment, incorporated within this report, was not verified for accuracy.

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

July 29, 2019

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OTHER INFORMATION - UNAUDITED

The District's Annual Financial Reports information can be found on the Indiana Gateway for Government Units website: <https://gateway.ifionline.org/>. The schedule presented herein is presented as other information and is derived from the District's Annual Financial Reports information and has not been subjected to any audit procedures. No adjustments have been made to the information as reported in Gateway and, as such, balances may differ.

SIMONTON LAKE CONSERVANCY DISTRICT
SCHEDULE OF CASH AND INVESTMENT
BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2018

<u>Fund</u>	<u>Cash and Investments 12-31-18</u>
Special Assesment	\$ 61,432
Operating	<u>196,300</u>
Totals	<u>\$ 257,732</u>

SIMONTON LAKE CONSERVANCY DISTRICT
RESULT AND COMMENT

CONDITION OF RECORDS

Annual Financial Report

Reports from the District's financial system were not provided to substantiate the ending balances reported in Gateway each year. The District was only able to produce reports to substantiate the receipts and disbursements within the financial statements.

Bank Reconcilements

The District was completing the bank reconcilements, but they were not complete reconcilements to the ledger balance. Ending balances reported in Gateway each year were unable to be verified; however, when the Gateway ending balances were utilized, there were inconsistencies with the bank reconcilements for all four years. The bank balance was greater than the balance reported in Gateway by \$14,568 in 2015; \$14,568 in 2016; \$14,184 in 2017; and \$14,573 in 2018, respectively.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 1)

SIMONTON LAKE CONSERVANCY DISTRICT
Board of Directors
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SIMONTON LAKE CONSERVANCY DISTRICT
AUDIT RESULTS AND COMMENTS

July 31, 2019

CONDITION OF RECORDS

Annual Financial Report

Reports from the financial system were not able to be provided to substantiate the ending balances reported in Gateway at each year end. The unit was only able to produce reports to substantiate the receipts and disbursements within the financial statements.

Simonton Lake Conservancy's response:

A profit and loss financial report was prepared by the Keystone Financial Software to assist in preparing the Annual Financial Report each year. Due to the small variances related to bank reconciliations adjustments from previous years as noted by State Board of Accounts, the ending balances per the Auditors findings were different. Keystone's trial balance was able to match the receipts and disbursements reported every year and produced what the Conservancy feels as the proper beginning and ending cash balances per our financial software are as reported.

Bank Reconcilements

The unit is completing the bank reconcilements but it is not a complete reconcilement to the ledger balance. Ending balances reported in Gateway at each year end were unable to be verified; however, when the Gateway year-end balances were utilized there were inconsistencies with the bank reconcilement for all 4 years. The bank balance was greater than the balance reported in Gateway by \$14,568 in 2015; \$14,568 in 2016; \$14,184 in 2017; and 14,573 in 2018, respectively.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 1)

Simonton Lake Conservancy's response:

A bank reconciliation is prepared in the Keystone financial software on a month basis with no material variances for all banks used by the Conservancy District. The Conservancy District was unable to research and identify the discrepancies listed by State Board of Accounts during the audit period. As noted, the variance was identified by SBOA in 2015 and carried forward each year. The Conservancy District will work with SBOA and Keystone Financial Software to identify the variance from 2015 and make the proper adjustments going forward to resolve the issue.

SIMONTON LAKE CONSERVANCY DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on July 29, 2019, with Linda Wilson, Financial Secretary; Robert Kelsey, Chairman of the District Board; Paul Wilson, Vice Chairman of the District Board; Ed Hickman, District Board member; Jane Mollo, District Board member; and John Lendman, District Board member.