

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

COMPLIANCE REPORT
OF
LAWRENCEBURG CONSERVANCY DISTRICT
DEARBORN COUNTY, INDIANA
January 1, 2016 to December 31, 2018



FILED
03/30/2020

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Financial Clerk	Deborah K. Biddle (Vacant)	01-01-16 to 03-05-17 03-06-17 to 12-31-20
Secretary	(Vacant) Chelsie Noel	01-01-16 to 06-11-17 06-12-17 to 12-31-20
Chairman of the District Board	David P. Lorey Mike Noel	01-01-16 to 01-08-17 01-09-17 to 12-31-20



STATE OF INDIANA
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TO: THE OFFICIALS OF THE LAWRENCEBURG CONSERVANCY
DISTRICT, DEARBORN COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Lawrenceburg Conservancy District (District), Dearborn County, for the period of January 1, 2016 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

February 13, 2020

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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.

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

Fund	Cash and Investments 12-31-18
Cum Cap & Maint Cd-Riverboat	\$ 2,064,817
General Fund-Riverboat	<u>33,843,825</u>
Total	<u>\$ 35,908,642</u>

LAWRENCEBURG CONSERVANCY DISTRICT
RESULT AND COMMENT

CONDITION OF RECORDS

Annual Financial Report

The District was unable to provide financial reports for the period of January 2016 to December 2018 to substantiate the receipt and disbursement amounts reported in the Indiana Gateway for Government Units financial reporting system; however, the District was able to provide financial reports to substantiate the beginning and ending balance amounts reported for all years within the engagement period.

Bank Reconcilements

The District was unable to provide a bank reconciliation or any supporting documentation as of December 31, 2016. The District is performing bank reconcilements as of December 31, 2017, and December 31, 2018; however, the December 31, 2017 reconciliation was incomplete and did not include all depository accounts, omitting all the investment accounts.

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)



Lawrenceburg Conservancy District Exit Communication Response

February 20th, 2020

State Board of Accounts
302 W Washington Street Room E418
Indianapolis, IN 46204-2765

To whom it may concern,

I am writing this exit communication letter in response to the most recent State Board of Accounts audit for Lawrenceburg Conservancy District ("LCD"). This audit took place from October 1st, 2019 until February 13th, 2020.

Annual Financial Report

- On October 15th, 2019, LCD's 2016 balance sheet and Sycamore Gas Executed Articles were sent along with a response answering questions that the field examiner had sent to Chelsie Noel, Secretary via email.
- On October 16th, 2019, the field examiner sent Chelsie an email stating receipts, and disbursements did not match for 2018. A response was also sent on October 16th, explaining why receipts and disbursements were off by \$4,665. The following instances result in the \$4,665 difference:
 - There was a \$6,000 check received from the IN Dept of Interior for Tanner Creek maintenance that was booked as a liability since it was going to be spent a few weeks later.
 - \$1,335 of accrued interest on a CD was realized as cash when the CD matured, in order to get the AFR to reflect correctly, it was shown as purchase/sale of investments within Gateway.
- On October 18th, 2019, the Sycamore Gas Certificates were sent to the field examiner, per his request.
- On October 21st, 2019, LCD's 2017 Profit & Loss Statement and 2017 Balance Sheet was sent to the field examiner to show where the numbers on the 2017 AFR came from. There was an adjustment made to the 2017 AFR in 2018 that was done incorrect in error.
- On October 24th, 2019, two LCD Cash Reconciliations were sent, one for 2017 and one for 2018. Also stated in the response was the need for the 2016 AFR to be adjusted by \$4,901.

- On November 14th, 2019, LCD granted the field examiner limited access to its Intuit QuickBooks software to help clarify information that was sent to him in relation to the AFR.
- On February 4th, 2020, employee earnings reports for 2016, 2017, & 2018 were sent to the field examiner.
- On February 11th & 13th, 2020, the repayment information was sent by Jim Kittle in regard to Eugene Seitz, previous LCD board member, getting paid too much money by state statute.
- Approximately every two weeks from November 14th, 2019 until the completion of the audit, emails were sent to the field examiner asking for an update on the audit. The field examiner would respond with no real updates at this time.

Bank Reconcilements

- The bank reconcilements prior to December 2017 were not able to be attested too due to prior administration. We agree with the findings of the bank reconcilements presented in this audit.

Board Minutes

- We agree with the findings of the missing board minutes presented in this audit.

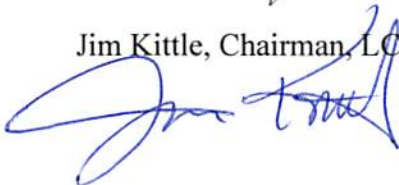
Please let me know if you have any questions in regard to the exit communication response for the State Board of Accounts audit.

Best Regards,

Mike Noel, Chairman, LCD Board of Directors



Jim Kittle, Chairman, LCD Board of Finance



LAWRENCEBURG CONSERVANCY DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on February 13, 2020, with Mike Noel, President of the District Board, and Jim Kittle, District Board member.

The contents of this report were communicated on February 13, 2020, with Chelsie Noel, Secretary.