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February 11, 2021

Board of Directors  
Amo-Coatesville Conservancy District  
P.O. Box 25  
Coatesville, IN 46121

This report is supplemental to the audit report of the Amo-Coatesville Conservancy District (District), for the period from January 1, 2018 to December 31, 2019. 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/](http://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 Amo-Coatesville Conservancy District prepared by Crowe LLP, Independent Public Accountants, for the period January 1, 2018 to December 31, 2019. 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 three Examination Findings and Results. Management's response may be found on page 5.

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  
AMO-COATESVILLE CONSERVANCY DISTRICT**

Hendricks County, Indiana  
January 1, 2018 to December 31, 2019

AMO-COATESVILLE CONSERVANCY DISTRICT

Hendricks County, Indiana  
January 1, 2018 to December 31, 2019

CONTENTS

SCHEDULE OF OFFICIALS .....	1
INDEPENDENT ACCOUNTANT'S REPORT .....	2
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS:	
2019-001: CONDITION OF RECORDS – SRF LOAN AND OCRA GRANT .....	3
2019-002: INTERNAL CONTROLS – MINIMUM STANDARDS .....	3
2019-003: MATERIALITY THRESHOLD .....	3
EXIT CONFERENCE .....	4

AMO-COATESVILLE CONSERVANCY DISTRICT  
SCHEDULE OF OFFICIALS  
January 1, 2018 to December 31, 2019

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<u>Office</u>	<u>Official</u>	<u>Term</u>
Financial Clerk	Ronald Slover	01-01-18 to 12-31-19
Chairman of the District Board	Jerry Decker	01-01-18 to 12-31-19

## INDEPENDENT ACCOUNTANT'S REPORT

To the Indiana State Board of Accounts and  
Management of Amo-Coatesville Conservancy District

We have examined Amo-Coatesville 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, 2018 to December 31, 2019. 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, 2018 to December 31, 2019, as described in items 2019-001, 2019-002, and 2019-003 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, 2018 to December 31, 2019.

The Unit's responses to the findings identified in our examination are described in the accompanying Schedule of Examination Findings and Results. The Unit's responses were not subjected to the procedures applied in the examination of compliance and, accordingly, we express no opinion on them.

  
Crowe LLP

Indianapolis, Indiana  
February 4, 2021

AMO-COATESVILLE CONSERVANCY DISTRICT  
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS  
January 1, 2018 to December 31, 2019

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**FINDING 2019-001: CONDITION OF RECORDS – SRF LOAN AND OCRA GRANT**

**Criteria:** Chapter 1 of the Accounting and Uniform Compliance Guidelines Manual states in part, *“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.”*

**Condition:** During testing, we noted the Unit recorded \$1,119,000 of state revolving funds received in 2018 and \$424,502 of state revolving funds received in 2019 on the Annual Financial Report. However, \$177,627 was received in 2018 and \$941,373 was drawn and received in 2019. Additionally, the Unit recorded \$1,365,875 of state revolving fund disbursed in 2019, however \$941,373 was disbursed in 2019. As such, the amount of cash held as December 31, 2018 was overstated and receipts and disbursements were overstated in both 2018 and 2019.

Separately, but as a result of the same condition, we noted the Unit duplicated the recording of the \$642,700 Office of Community and Rural Affairs Grant funds in 2019, resulting in an overstatement of receipts and disbursements in 2019. The ending cash balances as of December 31, 2019 were noted to be correctly stated.

**FINDING 2019-002: INTERNAL CONTROLS – MINIMUM STANDARDS**

**Criteria:** Indiana Code 5-11-1-27(h) states in part, *“After June 30, 2016, the fiscal officer of a political subdivision shall certify in writing that: (1) the minimum internal control standards and procedures defined under subsection (e) have been adopted by the political subdivision. . . .”*

**Condition:** The district adopted a policy for internal control standards and completed required training for the internal control standards during the period. However, formal documentation has not been developed for internal controls as required by Indiana Code 5-11-1-27(e) incorporating the required elements of control environment, risk assessment, control activities, information and communication, and monitoring.

**FINDING 2019-003: MATERIALITY THRESHOLD**

**Criteria:** SBOA State Examiner Directive 2015-6 requires political subdivisions to develop a materiality threshold policy approved through ordinance or resolution and policies and procedures to administer and report.

**Condition:** The Unit has not adopted a materiality threshold.

AMO-COATESVILLE CONSERVANCY DISTRICT  
EXIT CONFERENCE  
January 1, 2018 to December 31, 2019

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The contents of this report were discussed on February 4, 2021 with Ronald Slover, Financial Clerk, and Jerry Decker, Chairman of the Board. The officials acknowledged the findings. The Official Response has been made a part of this report and may be found immediately following the findings on the previous page.

**Finding 2019-001: Condition of Records – SRF Loan and OCRA Grant**

Management Response:

We have no comment.

**Finding 2019-002: Internal Controls – Minimum Standards**

Management Response:

We have no comment other than corrective actions will be taken once we receive guidelines of what must be done.

**Finding 2019-003: Materiality Threshold**

Management Response:

The Amo/Coatesville Conservancy District has taken steps and will have a Material Threshold policy in place as required.