



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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October 21, 2020

To: The Officials of the Knapp Lake Area Conservancy District
Knapp Lake Area Conservancy District
P.O. Box 185
Cromwell, IN 46732

This report is supplemental to the audit report of Knapp Lake Area Conservancy District (District), for the period from January 1, 2017 to December 31, 2020. 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 Knapp Lake Area Conservancy District prepared by Crowe LLP, Independent Public Accountants, for the period January 1, 2017 to December 31, 2020. 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 finding in the report. Page 3 contains one Examination Finding and Result.

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

A handwritten signature in blue ink that reads "Paul D. Joyce".

Paul D. Joyce, CPA
State Examiner

**COMPLIANCE EXAMINATION OF
KNAPP LAKE AREA CONSERVANCY DISTRICT**

Noble County, Indiana
January 1, 2017 to December 31, 2020

KNAPP LAKE AREA CONSERVANCY DISTRICT

Noble County, Indiana
January 1, 2017 to December 31, 2020

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KNAPP LAKE AREA CONSERVANCY DISTRICT
SCHEDULE OF OFFICIALS
January 1, 2017 to December 31, 2020

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Missy Sorg	01-01-17 to 12-31-20
President of the Board	Dean Bickel	01-01-17 to 12-31-20

INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined Knapp Lake Conservancy's ("Unit") compliance with the Indiana State Board of Accounts' *Accounting and Uniform Compliance Guidelines Manual For Special Districts* during the period January 1, 2017 to December 31, 2020. 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, 2017 to December 31, 2020, as described in item 2020-001 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, 2017 to December 31, 2020.


Crowe LLP

Indianapolis, Indiana
October 12, 2021

KNAPP LAKE CONSERVANCY DISTRICT
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS
January 1, 2017 to December 31, 2020

FINDING 2020-001: CONDITION OF RECORDS – ANNUAL FINANCIAL REPORT

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: We noted the Billing Operating Fund on the submitted 2018 Annual Financial Report (AFR) did not include \$28,129 of disbursements incurred during the year thereby overstating cash balances on the AFR. The bank reconciliation as of December 31, 2018 properly reconciled, however the activity was not properly captured in the AFR. The Unit identified the error when preparing the 2019 AFR and corrected the opening balances in that filing but did not correct the 2018 AFR filing.

KNAPP LAKE CONSERVANCY DISTRICT
EXIT CONFERENCE
January 1, 2017 to December 31, 2020

The contents of this report were discussed on October 12, 2021 with Heather Palan, Consultant, and Dean Bickel, President of the Board.