



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B58445

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

January 31, 2022

To: The Officials of Lake Bruce Conservancy District
Lake Bruce Conservancy District
PO BOX 97
Kewanna, IN 46939

This report is supplemental to the audit report of Lake Bruce 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 Lake Bruce 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 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, CPA
State Examiner

**COMPLIANCE EXAMINATION OF
LAKE BRUCE CONSERVANCY DISTRICT**

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

LAKE BRUCE CONSERVANCY DISTRICT

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

CONTENTS

SCHEDULE OF OFFICIALS	1
INDEPENDENT ACCOUNTANT'S REPORT	2
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS:	
2020-001: MINIMUM INTERNAL CONTROL STANDARDS	3
2020-002: TRAINING ON INTERNAL CONTROL STANARDS	3
EXIT CONFERENCE	4

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

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Donald Morning	01-01-17 to 12-31-20
Chairman of the Board	Ronald Wingerter	01-01-17 to 12-31-20

INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined Lake Bruce Conservancy District's ("District") 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 District is responsible for the District's compliance with the specified requirements. Our responsibility is to express an opinion on the District'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 District complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the District 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 District's compliance with specified requirements.

Our examination disclosed material noncompliance with the *Accounting and Uniform Compliance Guidelines Manual For Special Districts* applicable to the District during the period January 1, 2017 to December 31, 2020, as described in items 2020-001 and 2020-002 on the following Schedule of Examination Findings and Results.

In our opinion, except for the material noncompliance described in the preceding paragraph, the District complied, in all material respects, with the aforementioned requirements during the period January 1, 2017 to December 31, 2020.



Crowe LLP

Indianapolis, Indiana
January 26, 2022

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

FINDING 2020-001: MINIMUM INTERNAL CONTROL STANDARDS

Criteria:

Indiana Code 5-11-1-27 requires each political subdivision to maintain a system of internal control to promote government accountability and transparency. As a result, the State Board of Accounts has developed the Uniform Internal Control Standards for Indiana Political Subdivisions (Standards), which provides a basis of common understanding to assist public sector managers in this effort. This manual defines what an internal control system is and against what standards your system is measured when evaluated for sufficient controls.

The Standard's Introduction section (page 4) states that "Documentation is a necessary part of effective internal control. Documentation relates internal control procedures to the missions and objectives of the unit, solidifies expectations, and provides an effective way to communicate the process. Management uses judgment in determining the extent of documentation needed. However, SBOA recommends the minimum documentation requirements found in the "Green Book." Part One of the Standards identifies the minimum level of internal control standards.

Condition: During testing, we noted the District did not have written documentation of internal control activities in place to meet the minimum level of internal control standards identified in Part One of the Standards.

FINDING 2020-002: TRAINING ON INTERNAL CONTROL STANDARDS

Criteria: Indiana Code 5-11-1-27(g) states in part: "After June 30, 2016, the legislative body of a political subdivision shall ensure that: personnel receive training concerning the internal control standards and procedures adopted by the political subdivision."

Condition: During testing, we noted that the District personnel had not received training on internal control standards.

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

The contents of this report were discussed on January 25th, 2022 with Ronald Wingerter, Chairman of the Board, and Donald Morning, Board Treasurer.