

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

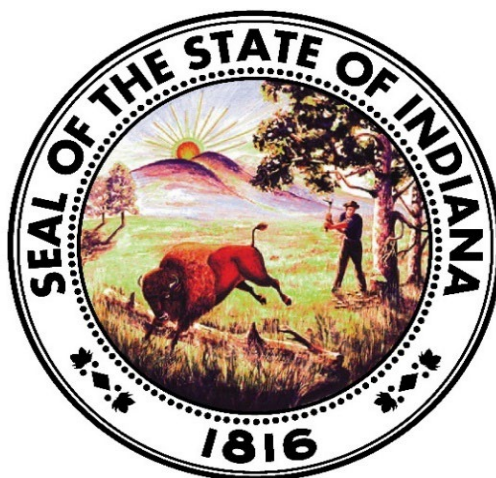
COMPLIANCE ENGAGEMENT REPORT

OF

DEER CREEK PRAIRIE LEVEE ASSOCIATION

CARROLL COUNTY, INDIANA

January 1, 2020 to December 31, 2023



FILED

07/18/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Beth Myers	01-01-20 to 12-31-24
President of the Association Board	Phil Maxwell Adam Duff	01-01-20 to 12-31-22 01-01-23 to 12-31-24



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE DEER CREEK PRAIRIE LEVEE
ASSOCIATION, CARROLL COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Deer Creek Prairie Levee Association (Association), for the period of January 1, 2020 to December 31, 2023. The objective of this engagement was to determine compliance with applicable Indiana laws, regulations, and uniform compliance guidelines (Guidelines) established by the Indiana State Board of Accounts pursuant to Indiana Code 5-11-1-24. The objective of this engagement is not to opine on compliance or financial activity of the Association as this engagement was not conducted in accordance with any standards established by an authoritative standard setting body, and, as such, we do not provide any opinions on compliance or financial activity.

Management is responsible for preparing and maintaining its accounting records and related documents in accordance with applicable Indiana laws, regulations, and Guidelines. Management's responsibility also includes, but is not limited to, complying with other applicable Indiana laws, regulations, and Guidelines concerning how it operates: authorized sources and uses of funds; what reports are required to be prepared and filed; and what depositories and investment types are allowable.

We fulfilled our responsibility as detailed in the first paragraph, using procedures that verified the appropriate accounting for and reporting of cash, receipts, and disbursements; and the appropriate sources and uses of funds in accordance with applicable Indiana laws, regulations, and Guidelines. Expanding the scope and nature of these procedures can and does occur in specific circumstances.

The Comments contained herein, if any, describe the identified reportable instances of noncompliance found during our engagement. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified. Any Official Response to the Comments incorporated within this report was not verified for accuracy.

The Schedule of Officials and Statements of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis (Statements) are informational only. The Statements have not been subjected to any procedures designed to express an opinion or provide any assurance on them, and, accordingly, we do not express an opinion or provide any assurance on them.

This report is intended solely for the information and use of management, governance, and others within the organization. This restriction is not intended to limit the distribution of this report, which is a matter of public record. Reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>, and the Association's Annual Financial Reports filed by management can be found on the Indiana Gateway for Government Units financial reporting system website: <http://www.gateway.ifionline.org>.

The contents of this report were communicated to Beth Myers, County Auditor; Adam Duff, President of the Association Board; and Teresa Martin, Secretary, on July 1, 2024.



Beth Kelley, CPA, CFE
Deputy State Examiner

June 4, 2024

DEER CREEK PRAIRIE LEVEE ASSOCIATION
COMMENTS

ADOPTION OF INTERNAL CONTROL STANDARDS

The same comment also appeared in prior Report B55770.

Condition and Context

Internal controls were not in place to ensure the Association adopted the acceptable minimum level of internal control standards as defined by the Indiana State Board of Accounts.

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:

- (1) the internal control standards and procedures developed under subsection (e) are adopted by the political subdivision; . . ."

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes. . . ."

CERTIFICATION ON INTERNAL CONTROL STANDARDS

The same comment also appeared in prior Report B55770.

Condition and Context

Internal controls were not in place to ensure that certifications regarding internal control policy and internal control training were completed properly on the Annual Financial Reports (AFR). The Association certified on the 2021, 2022, and 2023 AFRs that they had adopted the acceptable minimum level of internal control standards. The Association certified on the 2021 and 2022 AFR that they had not provided training on internal control standards. The Association did complete training for all years of the audit period but did not adopt the acceptable minimum level of internal control standards.

Criteria

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every audited entity financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

DEER CREEK PRAIRIE LEVEE ASSOCIATION
COMMENTS
(Continued)

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

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100R - CERTIFIED REPORT FILED AFTER DUE DATE

Condition and Context

Internal controls were not in place to ensure the Certified Report was filed timely. The Association did not timely file a Certified Report of Names, Addressees, Duties, and Compensation of Public Employees (Form 100R) with the Indiana State Board of Accounts for 2020, 2022, and 2023. The report for 2020 was filed on March 11, 2021, which was 38 days past the due date, the report for 2022 was filed on March 9, 2023, which was 37 days past the due date, and the report for 2023 was filed on February 2, 2024, which was 2 days past the due date.

Criteria

Indiana Code 5-11-13-1(b) states:

"Each audited entity shall during the month of January of each year prepare, make, and sign a certified report, correctly and completely showing the names and business addresses of the officers, employees, and agents of the audited entity. The report shall indicate the respective duties and compensation of each officer, employee, and agent of the audited entity. The audited entity shall file the report in the office of the state examiner of the state board of accounts. The report must also indicate whether the political subdivision offers a health plan, a pension, and other benefits to full-time and part-time employees. However, no more than one (1) report covering the same officers, employees, and agents need be made from the state or any county, city, town, township, or school unit in any one year. The certification must be filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

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DEER CREEK PRAIRIE LEVEE ASSOCIATION
COMMENTS
(Continued)

CAPITAL ASSETS

Condition and Context

Internal controls were not in place to ensure the Association had a capital asset policy. The Association did not adopt a capital asset policy that detailed the threshold at which an item is considered a capital asset. The Association did not own any capital assets during the audit period.

Criteria

Every unit must have a capital assets policy that details the threshold at which an item is considered a capital asset. Every unit must have a complete detail listing of all capital assets owned which reflects their acquisition value. Capital Asset Ledger (Form 369) has been prescribed for this purpose. A complete physical inventory must be taken at least every two years, unless more stringent requirements exist, to verify account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 1)

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

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STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CASH
AND INVESTMENT BALANCES - REGULATORY BASIS

DEER CREEK PRAIRIE LEVEE ASSOCIATION
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Years Ended December 31, 2020 and 2021

Fund	Cash and Investments 01-01-20	Receipts	Disbursements	Cash and Investments 12-31-20	Receipts	Disbursements	Cash and Investments 12-31-21
Deer Creek Prairie Levee	\$ 32,019	\$ 3,878	\$ 4,910	\$ 30,987	\$ 23,962	\$ 3,014	\$ 51,935
Totals	<u>\$ 32,019</u>	<u>\$ 3,878</u>	<u>\$ 4,910</u>	<u>\$ 30,987</u>	<u>\$ 23,962</u>	<u>\$ 3,014</u>	<u>\$ 51,935</u>

DEER CREEK PRAIRIE LEVEE ASSOCIATION
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Years Ended December 31, 2022 and 2023

Fund	Cash and Investments 01-01-22	Receipts	Disbursements	Cash and Investments 12-31-22	Receipts	Disbursements	Cash and Investments 12-31-23
Deer Creek Prairie Levee	\$ 51,935	\$ 4,839	\$ 389	\$ 56,385	\$ 22,956	\$ 1,745	\$ 77,596
Totals	<u>\$ 51,935</u>	<u>\$ 4,839</u>	<u>\$ 389</u>	<u>\$ 56,385</u>	<u>\$ 22,956</u>	<u>\$ 1,745</u>	<u>\$ 77,596</u>