

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

**Paul D. Joyce, CPA  
State Examiner**

COMPLIANCE EXAMINATION REPORT

OF

EAST SHORE CONSERVANCY DISTRICT

MARSHALL COUNTY, INDIANA

June 15, 2020 to December 31, 2023



**FILED**

04/02/2025



Paul D. Joyce, CPA  
State Examiner

# INDIANA STATE BOARD OF ACCOUNTS

302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769  
Telephone: (317) 232-2513  
Fax: (317) 232-4711  
[www.in.gov/sboa](http://www.in.gov/sboa)

April 2, 2025

Board of Directors  
East Shore Conservancy District  
Marshall County, Indiana

This report is supplemental to the audit report of the East Shore Conservancy District (District), for the period from June 15, 2020 to December 31, 2023. It has been provided as a separate report so that the reader may easily identify any 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 findings contained herein describe the identified reportable instances of noncompliance found as a result of these procedures.

We have reviewed the supplemental report for the East Shore Conservancy District prepared by Crowe LLP, Independent Public Accountants, for the period June 15, 2020 to December 31, 2023. In our opinion, the supplemental report was prepared in accordance with the guidelines established by the Indiana State Board of Accounts.

We call your attention to the findings in the report on pages 3 and 4.

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

Tammy R. White, CPA  
Deputy State Examiner

**COMPLIANCE EXAMINATION OF**  
**EAST SHORE CONSERVANCY DISTRICT**  
Marshall County, Indiana  
June 15, 2020 through December 31, 2023

EAST SHORE CONSERVANCY DISTRICT

Marshall County, Indiana  
June 15, 2020 through December 31, 2023

CONTENTS

SCHEDULE OF OFFICIALS .....	1
INDEPENDENT ACCOUNTANT'S REPORT .....	2
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS:	
2023-001: ANNUAL FINANCIAL REPORTS .....	3
2023-002: MISSING GATEWAY UPLOADS .....	4
EXIT CONFERENCE .....	5

EAST SHORE CONSERVANCY DISTRICT  
SCHEDULE OF OFFICIALS  
June 15, 2020 through December 31, 2023

---

<u>Office</u>	<u>Official</u>	<u>Term</u>
Board Chairman	William F. Steck, III	07-06-20 to 02-08-24
Vice Chair – Finance Clerk	James Bremner	07-06-20 to 02-11-25

## INDEPENDENT ACCOUNTANT'S REPORT

To the Indiana State Board of Accounts and  
Management of the East Shore Conservancy District

We have examined the East Shore Conservancy District's ("District") compliance with the Indiana State Board of Accounts' *Accounting and Uniform Compliance Guidelines Manual For Special Districts* during the period June 15, 2020 through December 31, 2023. 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the District's compliance with specified requirements.

Our examination disclosed a material noncompliance with the *Accounting and Uniform Compliance Guidelines Manual For Special Districts* applicable to the District during the period June 15, 2020 through December 31, 2023, as described in items 2023-001 and 2023-002 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 June 15, 2020 through December 31, 2023.

*Crowe LLP*  
Crowe LLP

Indianapolis, Indiana  
March 14, 2025

EAST SHORE CONSERVANCY DISTRICT  
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS  
June 15, 2020 through December 31, 2023

---

**FINDING 2023-001: ANNUAL FINANCIAL REPORTS**

**Criteria:** 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.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation

should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

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."

**Condition:** Financial, supplemental, and other information are required to be entered annually into the Annual Financial Report (AFR) via the Indiana Gateway for Government Units (Gateway) financial reporting system. The Town had not designed and implemented internal controls over all portions of the AFR information entered into Gateway; resulting in the following errors:

- *Receipts:* For the period of June 15, 2020 through December 31, 2023, the receipts amounts reported on the AFR could not be reconciled to the underlying utility receipts as a detail of utility receipts could not be provided by management. We were able to tie out cash receipts in total and noted that the ending cash tied out to statements and reconciliations and therefore, no adjustment is needed to the AFR.
- *Capital Assets:* The capital assets schedule reported in Gateway had no balances reported for both 2022 and 2023. Upon examination of the District's capital asset detail, capital assets has been underreported by \$1,245,055.

---

(Continued)

EAST SHORE CONSERVANCY DISTRICT  
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS  
June 15, 2020 through December 31, 2023

---

**FINDING 2023-002: MISSING GATEWAY UPLOADS**

**Criteria:** The Indiana State Board of Accounts (SBOA) Directive 2018-1 states in part, " Beginning with July 2018 files, which will be due September 15, 2018, all cities, towns, townships, libraries, and special districts will use the Upload App to upload files containing financial and governmental unit information on Gateway to allow the State Board of Accounts (SBOA) to conduct audit planning and audit processes prior to on-site work at a unit. This remote process will provide for more efficient data processing and save audit costs for our clients.

The following files and governmental unit information are required to be uploaded monthly by all units:

- Bank Reconcilements, Bank Statements, and Outstanding Check Lists
- Approved Board Minutes, please see the user guide for more information and examples
- Funds Ledger, summarizing total receipts, disbursements, and beginning and ending balances by fund

The following files and governmental unit information are required to be uploaded annually by all units:

- Year-end investment statements and register of investments
- Excel Data Capture/ Data Dump
- Detail of Receipts by fund and account
- Detail of Disbursements by fund and account
- Current year Salary Ordinance (or Schedule) and Amendments (except Schools)
- Annual Vendor History Report
- Annual Payroll History Report, without social security numbers
- Annual Funds Ledger, summarizing year-to-date total receipts, year-to-date disbursements, and beginning and ending balances by fund
- Accounts Payable/ Accounts Receivable Schedule support
- Direct Federal Grant Agreements/Award Letters and Amendments initiated during the year
- Agreements for Subawards made to Subrecipients for Federal Grants initiated during the year
- Personnel Policy (to be uploaded in 2023 and in futures years if updated)

**Condition:** During testing, we noted the District did not upload the following information to the Gateway:

- Monthly approved board minutes for 21 out of 24 months for the fiscal years 2022 and 2023
- Bank reconciliations, bank statements, and outstanding checklists for 5 out of 24 months for the fiscal years 2022 and 2023.
- Fund ledgers for 2 out of 24 months for the fiscal years 2022 and 2023.

EAST SHORE CONSERVANCY DISTRICT  
EXIT CONFERENCE  
June 15, 2020 through December 31, 2023

---

The contents of this report were discussed on March 14, 2025, with Ginny Munroe, Manager, William F. Steck, III, Board Director, and James Bremner, Board Vice Chair.