

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

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

COMPLIANCE EXAMINATION REPORT

OF

DAMON RUN CONSERVANCY DISTRICT

PORTER COUNTY, INDIANA

January 1, 2020 to December 31, 2023



**FILED**  
01/29/2025



Paul D. Joyce, CPA  
State Examiner

# INDIANA STATE BOARD OF ACCOUNTS

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January 29, 2025

Board of Directors  
Damon Run Conservancy District  
Porter County, Indiana

This report is supplemental to the audit report of the Damon Run Conservancy District (District), for the period from January 1, 2020 to December 31, 2023. 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 report of Damon Run Conservancy District prepared by Crowe LLP, Independent Public Accountants, for the period January 1, 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

DAMON RUN CONSERVANCY DISTRICT

Porter County, Indiana  
January 1, 2020 through December 31, 2023

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DAMON RUN CONSERVANCY DISTRICT  
SCHEDULE OF OFFICIALS  
January 1, 2020 through December 31, 2023

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<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Jennifer Beauchamp	01-01-20 to 12-31-23
President of the Board	John Barko	01-01-20 to 12-31-23

## INDEPENDENT ACCOUNTANT'S REPORT

To the Indiana State Board of Accounts and  
Management of the Damon Run Conservancy District

We have examined the Damon Run Conservancy District (the "District") compliance with the Indiana State Board of Accounts' *Accounting and Uniform Compliance Guidelines Manual For Special District's* during the period January 1, 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 material noncompliance with the *Accounting and Uniform Compliance Guidelines Manual For Special District's* applicable to the District during the period of January 1, 2020 through December 31, 2023, as described in items 2023-001, 2023-002, 2023-003, and 2023-004 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, 2020 through December 31, 2023.

*Crowe LLP*  
Crowe LLP

Indianapolis, Indiana  
December 16, 2024

DAMON RUN CONSERVANCY DISTRICT  
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS  
January 1, 2020 through December 31, 2023

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**FINDING 2023-001: BANK RECONCILIATION REVIEW**

**Criteria:** Indiana Code 5-13-6-1(e) states, “All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories.”

**Condition:** During testing, we noted that the District performs a monthly bank reconciliation process; however, there is not a documented, independent review process. We note that this is a repeat finding in report B56275.

**FINDING 2023-002: 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:**

*Internal Controls:* The District does not complete a formal documented review of all portions of the AFR before submittal.

The District also does not have segregation of duties between the proposal and execution of fund transfers which resulted in an overstatement of \$146,525 on the AFR.

DAMON RUN CONSERVANCY DISTRICT  
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS  
January 1, 2020 through December 31, 2023

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**FINDING 2023-003: CAPITAL ASSETS**

**Criteria:** Chapter 1 of the Accounting and Uniform Compliance Guidelines Manual For Special District's states in part, *"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."*

**Condition:** During testing of capital assets, we noted the District did not have a written policy concerning capital assets and the threshold at which an item is considered a capital asset.

**FINDING 2023-004: SUPPORTING DOCUMENTATION**

**Criteria:** Chapter 1 of the Accounting and Uniform Compliance Guidelines Manual For Special District's states in part, *"Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for examination to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee."*

**Condition:** During testing of receipts, we noted one instance, in a sample of thirteen, in which supporting documentation could not be provided. The total amount of receipts identified was \$53.52.

The District also was not able to provide a detail listing of receipts by customer for the fiscal year January 1, 2020 through December 31, 2020.

DAMON RUN CONSERVANCY DISTRICT  
EXIT CONFERENCE  
January 1, 2020 through December 31, 2023

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The contents of this report were discussed on December 2, 2024, with Jennifer Beuachamp, Treasurer and John Barko, President of the Board.