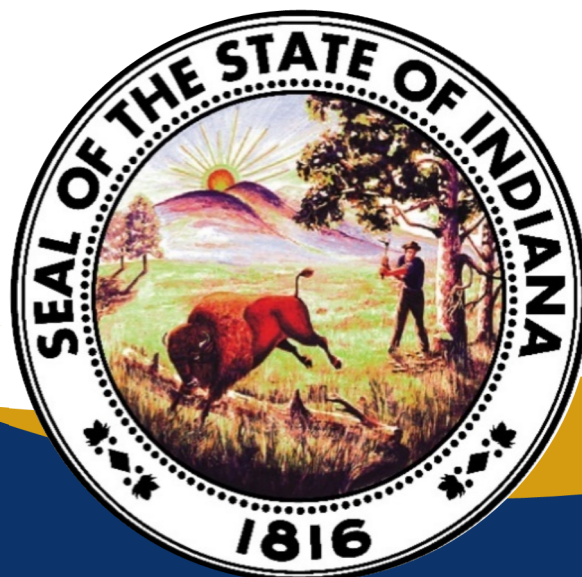


**STATE BOARD OF ACCOUNTS  
302 West Washington Street  
Room E418  
INDIANAPOLIS, INDIANA 46204-2769**

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

COMPLIANCE ENGAGEMENT REPORT  
OF  
NORTHEAST LAKE CONSERVANCY DISTRICT  
JOHNSON COUNTY, INDIANA  
January 1, 2021 to December 31, 2024



**FILED**

05/01/2025



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Financial Clerk	Janet Alexander	01-01-21 to 12-31-25
Chair of the Board of Directors	David McDaniel Kimberly Richhart	01-01-21 to 10-07-21 10-08-21 to 12-31-25



Paul D. Joyce, CPA  
State Examiner

## INDIANA STATE BOARD OF ACCOUNTS

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TO: THE OFFICIALS OF THE NORTHEAST LAKE CONSERVANCY  
DISTRICT, JOHNSON COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Northeast Lake Conservancy District (District), for the period of January 1, 2021 to December 31, 2024. 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 District 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 District'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 Janet Alexander, Financial Clerk, and Kimberly Richhart, Chair of the Board of Directors, on April 16, 2025.



Beth Kelley, CPA, CFE  
Deputy State Examiner

April 15, 2025

NORTHEAST LAKE CONSERVANCY DISTRICT  
COMMENT

**PAYROLL TAXES**

*Condition and Context*

Internal controls were not in place to ensure the District was in compliance with laws and regulations related to payroll taxes. The District Board members were paid \$50 per meeting attended during the engagement period. However, federal, state, and local income taxes were not withheld from these stipends from 2021-2024.

*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. . . ."

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, rulings, court decisions, and filing requirements concerning reports and other procedural matters of federal and state agencies. Units must file accurate reports with agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 1)



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

NORTHEAST LAKE CONSERVANCY DISTRICT  
 STATEMENT OF RECEIPTS, DISBURSEMENTS,  
 AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Years Ended December 31, 2021 and 2022

Fund	Cash and Investments 01-01-21	Receipts	Disbursements	Cash and Investments 12-31-21	Receipts	Disbursements	Cash and Investments 12-31-22
General Fund	\$ 16,674	\$ 15,287	\$ 10,606	\$ 21,355	\$ 18,268	\$ 17,255	\$ 22,368
Rainy Day Fund	1,000	-	-	1,000	-	-	1,000
Cumulative Maintenance Fund	4,500	500	-	5,000	500	-	5,500
Debt Service	21,924	18,395	14,184	26,135	20,215	14,184	32,166
Totals	<u>\$ 44,098</u>	<u>\$ 34,182</u>	<u>\$ 24,790</u>	<u>\$ 53,490</u>	<u>\$ 38,983</u>	<u>\$ 31,439</u>	<u>\$ 61,034</u>

NORTHEAST LAKE CONSERVANCY DISTRICT  
 STATEMENT OF RECEIPTS, DISBURSEMENTS,  
 AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Years Ended December 31, 2023 and 2024

Fund	Cash and Investments 01-01-23	Receipts	Disbursements	Cash and Investments 12-31-23	Receipts	Disbursements	Cash and Investments 12-31-24
General Fund	\$ 22,367	\$ 27,820	\$ 16,077	\$ 34,110	\$ 32,499	\$ 12,284	\$ 54,325
Rainy Day Fund	1,000	-	-	1,000	-	-	1,000
Cumulative Maintenance Fund	5,500	500	-	6,000	1,000	-	7,000
Debt Service	32,167	15,178	14,184	33,161	15,509	14,581	34,089
Totals	<u>\$ 61,034</u>	<u>\$ 43,498</u>	<u>\$ 30,261</u>	<u>\$ 74,271</u>	<u>\$ 49,008</u>	<u>\$ 26,865</u>	<u>\$ 96,414</u>