

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

MERRILLVILLE CONSERVANCY DISTRICT

LAKE COUNTY, INDIANA

January 1, 2018 to December 31, 2019



**FILED**  
11/17/2020



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Financial Clerk	Vickee Edwards	01-01-18 to 12-31-20
Chair of the Board of Directors	Edward Yerga	01-01-18 to 12-31-20



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE MERRILLVILLE CONSERVANCY DISTRICT, LAKE COUNTY, INDIANA

This report is supplemental to our audit report of the Merrillville Conservancy District (District), for the period from January 1, 2018 to December 31, 2019. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the District. It should be read in conjunction with our Financial Statement Audit Report of the District, which provides our opinions on the District's financial statement. This report may be found at [www.in.gov/sboa/](http://www.in.gov/sboa/).

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Audit Results and Comments contained herein describe the identified reportable instances of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Official Response to the Audit Results and Comments, incorporated within this report, was not verified for accuracy.

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

November 4, 2020

MERRILLVILLE CONSERVANCY DISTRICT  
AUDIT RESULTS AND COMMENTS

**POLICIES AND RESOLUTIONS**

*Condition and Context*

The District had not adopted a written travel policy. The District officials were reimbursed for business-related travel expenses. The validity of travel reimbursements could not be verified.

The District had not adopted a cell phone policy. Reimbursements were made to employees for personal cell phone bills without an approved policy.

The District had not adopted a resolution establishing the Albanese Surcharge Fund. Receipts and disbursements in this fund began in July 2017. A resolution establishing this fund was not adopted by the Board of Directors.

*Criteria*

Each unit must adopt a written travel policy in conformity with applicable laws. Reimbursement for lodging and meals must be based upon actual receipts for amounts paid unless otherwise authorized by law. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 1)

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the unit. Any personal expenses paid by the unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 1)

Sources and uses of funds must be limited to those authorized by the enabling law, ordinance/ resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 1)

**ADOPTION OF INTERNAL CONTROL STANDARDS**

A similar comment also appeared in the prior Report B49875.

MERRILLVILLE CONSERVANCY DISTRICT  
AUDIT RESULTS AND COMMENTS  
(Continued)

*Condition and Context*

The District failed to adopt internal control standards as required by Indiana Code 5-11-1-27(g).

*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 . . ."

**CAPITAL ASSETS**

*Condition and Context*

The District did not have a capital assets policy that details the threshold at which an item is considered a capital asset. In addition, the District did not maintain a Capital Asset Ledger and did not take a physical inventory.

*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)

MERRILLVILLE CONSERVANCY DISTRICT  
EXIT CONFERENCE

The contents of this report were discussed on November 4, 2020, with Vickee Edwards, Financial Clerk; Brian Muller, Coordinator; William Touche, Attorney; and Edward Yerga, Chair of the Board of Directors.