

**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, 2020 to December 31, 2021



**FILED**

11/17/2022



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Financial Clerk	Vickee Edwards	01-01-20 to 12-31-22
Chair of the District Board of Directors	Edward Yerga	01-01-20 to 12-31-22



**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, 2020 to December 31, 2021. 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 Result and Comment contained herein describes the identified reportable instance 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 Result and Comment, incorporated within this report, was not verified for accuracy.

Beth Kelley, CPA, CFE  
Deputy State Examiner

November 3, 2022

MERRILLVILLE CONSERVANCY DISTRICT  
AUDIT RESULT AND COMMENT

**CAPITAL ASSETS**

A similar comment also appeared in prior Report B56050.

*Condition and Context*

The District did not have a capital asset policy that detailed the threshold at which an item is considered a capital asset, or completed a physical inventory every two years as required.

Furthermore, the District prepared and submitted the capital asset information into the Indiana Gateway for Government Units financial reporting system. The capital asset amounts submitted in total were materially correct; however, individual categories of assets were overstated and understated. Due to these errors, the District approved the omission of the Schedule of Capital Assets from the Financial Statement Audit Report.

*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. 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)

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](#)."

MERRILLVILLE CONSERVANCY DISTRICT  
EXIT CONFERENCE

The contents of this report were discussed on November 3, 2022, with Vickee Edwards, Financial Clerk; Edward Yerga, Chair of the District Board of Directors; Brian Muller, Operations Manager; and William Touchette, District Attorney.