

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT
OF
BARBEE LAKES CONSERVANCY DISTRICT
KOSCIUSKO COUNTY, INDIANA
January 1, 2004 to August 15, 2006



FILED
09/28/2006

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OFFICIALS

Office

Official

Term

Financial Clerk

Barton Brugh

01-01-04 to 08-15-06

Chairman of the Conservancy
Board of Directors

Barry Hecker

01-01-04 to 08-15-06



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF BARBEE LAKES CONSERVANCY DISTRICT, KOSCIUSKO COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of Barbee Lakes Conservancy District (District), for the period of January 1, 2004 to August 15, 2006. The District's management is responsible for the schedules. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the schedule of receipts, disbursements, and cash and investment balances and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the schedules referred to above present fairly, in all material respects, the cash transactions of the District for the periods ended December 31, 2004, 2005, and August 15, 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

August 15, 2006

BARBEE LAKES CONSERVANCY DISTRICT
 SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
 ALL GOVERNMENTAL FUND TYPES
 As Of And For The Years Ended December 31, 2004, 2005, And August 15, 2006

| | <u>Cash and Investments 01-01-04</u> | <u>Receipts</u> | <u>Disbursements</u> | <u>Cash and Investments 12-31-04</u> |
|-------------------------------|--|------------------|----------------------|--|
| Governmental Fund: General | <u>\$ 414,358</u> | <u>\$ 10,726</u> | <u>\$ 1,592</u> | <u>\$ 423,492</u> |
| | | | | |
| | <u>Cash and Investments 01-01-05</u> | <u>Receipts</u> | <u>Disbursements</u> | <u>Cash and Investments 12-31-05</u> |
| Governmental Fund: General | <u>\$ 423,492</u> | <u>\$ 4,452</u> | <u>\$ 111,476</u> | <u>\$ 316,468</u> |
| | | | | |
| | <u>Cash and Investments 01-01-06</u> | <u>Receipts</u> | <u>Disbursements</u> | <u>Cash and Investments 08-15-06</u> |
| Governmental Fund: General | <u>\$ 316,468</u> | <u>\$ 8,771</u> | <u>\$ 325,239</u> | <u>\$ -</u> |

The accompanying notes are an integral part of the schedules.

BARBEE LAKES CONSERVANCY DISTRICT
NOTES TO SCHEDULES

Note 1. Introduction

The District was established under the laws of the State of Indiana. The Conservancy District operates under a governing board of five (5) members elected by freeholders from five individual areas.

Note 2. Fund Accounting

The District uses a general fund to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. Final approval of the budget is by the Indiana Department of Local Government Finance.

Note 4. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the District to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 6. Dissolution of the Conservancy District

On December 10, 2005, the Barbee Lakes Conservancy District voted to disband. There were no capital assets to dispose of. There was only a cash balance remaining.

The District was formed October 19, 1994, for the purpose set forth in Indiana Code 13-3-3-2(a) (5). Taxes were levied and a \$200,000 Build Indiana State Grant began the collection of funds for the project.

On August 15, 2006, the District's checking account was closed and the remaining funds transferred to a trust account with the Clerk of the Court, Kosciusko County, Indiana. The final amount transferred totaled \$322,535.08.

These funds are to remain in trust with the Clerk of the Court for 15 years to be claimed by a similar newly formed district in this time frame. If after 15 years no new district has been created, the funds will revert to the Kosciusko County General Fund.

BARBEE LAKES CONSERVANCY DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on August 22, 2006, with Barton Brugh, Financial Clerk. Our examination disclosed no material items that warrant comment at this time.