

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

EXAMINATION REPORT  
OF  
BLUE LAKE CONSERVANCY DISTRICT  
WHITLEY COUNTY, INDIANA  
January 1, 2005 to December 31, 2006



**FILED**  
10/10/2007



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Ronald N. Rennaker Edward L. James	03-01-04 to 02-28-06 03-01-06 to 02-28-08
Financial Clerk	Linda Kiester	01-01-05 to 12-31-07
President of the Conservancy District Board	Terry D. Ward Ronald N. Rennaker	03-01-04 to 02-28-06 03-01-06 to 02-28-08



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AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE BLUE LAKE CONSERVANCY DISTRICT, WHITLEY COUNTY, INDIANA

We have examined the financial information presented herein of the Blue Lake Conservancy District (District), for the period of January 1, 2005 to December 31, 2006. The District's management is responsible for the financial information presented herein. 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 financial information presented herein 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 financial information referred to above presents fairly, in all material respects, the financial information of the District for the years ended December 31, 2005 and 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information, and accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

August 22, 2007

BLUE LAKE CONSERVANCY DISTRICT  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL PROPRIETARY FUND TYPES  
As Of And For The Years Ended December 31, 2005 And 2006

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Proprietary Funds:				
Operating	\$ 37,723	\$ 203,363	\$ 215,632	\$ 25,454
Bond and Interest	44,263	92,601	92,238	44,626
Debt Service Reserve	59,187	17,117	-	76,304
	<u>141,173</u>	<u>313,081</u>	<u>307,870</u>	<u>146,384</u>
Totals	<u>\$ 141,173</u>	<u>\$ 313,081</u>	<u>\$ 307,870</u>	<u>\$ 146,384</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Proprietary Funds:				
Operating	\$ 25,454	\$ 222,519	\$ 228,220	\$ 19,753
Bond and Interest	44,626	92,875	91,751	45,750
Debt Service Reserve	76,304	17,119	-	93,423
	<u>146,384</u>	<u>332,513</u>	<u>319,971</u>	<u>158,926</u>
Totals	<u>\$ 146,384</u>	<u>\$ 332,513</u>	<u>\$ 319,971</u>	<u>\$ 158,926</u>

The accompanying notes are an integral part of the financial information.

BLUE LAKE CONSERVANCY DISTRICT  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The District was established under the laws of the State of Indiana. The District operates under an elected Conservancy District Board form of government and provides the following services: waste-water treatment and general administrative services.

Note 2. Fund Accounting

The District uses funds 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. 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 4. Rate Structure

The current rate structure was approved by the District on August 2, 1999. The District has 234 customers.

BLUE LAKE CONSERVANCY DISTRICT  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF CAPITAL ASSETS

December 31, 2006

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	<u>Ending Balance</u>
Business-type activities:	
Conservancy District:	
Capital assets, not being depreciated:	
Improvements other than buildings	\$ 2,211,140
Machinery and equipment	<u>5,645</u>
Total business-type activities, capital assets not being depreciated	<u>\$ 2,216,785</u>

BLUE LAKE CONSERVANCY DISTRICT  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF LONG-TERM DEBT

December 31, 2006

<u>Description of Asset</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-type Activities:		
Conservancy District		
Revenue bonds:		
1999 Sewer Line Construction	<u>\$ 1,371,382</u>	<u>\$ 45,000</u>

BLUE LAKE CONSERVANCY DISTRICT  
EXAMINATION RESULT AND COMMENT

ANNUAL REPORTS

The annual reports (SDAR-1) for 2005 and 2006 were not prepared.

Indiana Code 5-11-14 states: "(a) The state examiner shall require from every municipality and every state or local government unit, entity, or instrumentality financial reports covering the full period of each fiscal year. Except as provided by subsection (b), these reports shall be prepared, verified, and filed with the state examiner within thirty (30) days after the close of each fiscal year."

BLUE LAKE CONSERVANCY DISTRICT  
EXIT CONFERENCE

The contents of this report were discussed on August 22 2007, with Linda Kiester, Financial Clerk.