

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

EXAMINATION REPORT  
OF  
BASS LAKE CONSERVANCY DISTRICT  
STARKE COUNTY, INDIANA  
January 1, 2006 to December 31, 2007



**FILED**  
05/15/2008



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Cinndi Carey	01-01-06 to 12-31-08
Financial Clerk	Susan Stacy	01-01-06 to 12-31-08
President of the Board	Joseph Carey	01-01-06 to 12-31-08



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF BASS LAKE CONSERVANCY DISTRICT, STARKE COUNTY, INDIANA

We have examined the financial information presented herein of Bass Lake Conservancy District (District), for the period of January 1, 2006 to December 31, 2007. 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, 2006 and 2007, 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 a required part 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

April 3, 2008

BASS LAKE CONSERVANCY DISTRICT  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL FUND TYPES  
As Of And For The Years Ended December 31, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 492,194	\$ 813,165	\$ 733,847	\$ 571,512
Bond and Interest	-	530,317	530,317	-
Reserve	537,535	15,017	-	552,552
Construction	58,921	532	104	59,349
Totals	<u>\$ 1,088,650</u>	<u>\$ 1,359,031</u>	<u>\$ 1,264,268</u>	<u>\$ 1,183,413</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 571,512	\$ 930,118	\$ 856,964	\$ 644,666
Bond and Interest	-	529,750	529,750	-
Reserve	552,552	15,973	-	568,525
Construction	59,349	536	108	59,777
Totals	<u>\$ 1,183,413</u>	<u>\$ 1,476,377</u>	<u>\$ 1,386,822</u>	<u>\$ 1,272,968</u>

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

BASS LAKE CONSERVANCY DISTRICT  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The District was established under the laws of the State of Indiana. The District provides the collection, treatment and disposal of sewage and other liquid waste, improving drainage, flood prevention and control. In addition, the District provides improvement for water based recreational purposes including aquatic plant management and maintaining a suitable water level.

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. Budgets

The operating budget is initially prepared and approved at the local level.

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.

BASS LAKE CONSERVANCY DISTRICT  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 For The Year Ended December 31, 2007

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>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 310,000
Buildings	32,000
Improvements other than buildings	2,200
Machinery and equipment	<u>70,498</u>
 Total governmental activities, capital assets not being depreciated	 \$ <u><u>414,698</u></u>

BASS LAKE CONSERVANCY DISTRICT  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2007

The District has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Business-type Activities:		
Wastewater Utility		
Revenue bonds:		
1999 Sewage Works Bond	\$ 4,563,000	\$ 529,070

BASS LAKE CONSERVANCY DISTRICT  
EXAMINATION RESULTS AND COMMENTS

ANNUAL REPORT

Annual reports for 2006 and 2007 were not presented for examination. A similar comment was issued in Report B28303.

Indiana Code 14-33-5-20(6) states in part: "The board shall . . . make an annual report to the court of income and expenses. The report must be submitted not later than thirty (30) days after the annual meeting."

CONFLICT OF INTEREST DISCLOSURE

Cinndi Carey, Director, is the spouse of Joseph Carey, President of the Board. A Uniform Conflict of Interest Disclosure Statement has not been filed.

Indiana Code 35-44-1-3 states in part:

"(a) A public servant who knowingly or intentionally: (1) has a pecuniary interest in; or (2) derives a profit from; a contract or purchase connected with an action by the governmental entity served by the public servant commits conflict of interest, a Class D felony."

"(c) This section does not prohibit a public servant from having a pecuniary interest in or deriving a profit from a contract or purchase connected with the governmental entity served . . . (3) if the public servant; (A) is an elected public servant . . . and (B) makes a disclosure under subsection (d)(1) through (d)(6). . . ."

"(d) A disclosure required by this section must: (1) be in writing; (2) describe the contract or purchase to be made by the governmental entity; (3) describe the pecuniary interest that the public servant has in the contract or purchase; (4) be affirmed under penalty of perjury; (5) be submitted to the governmental entity and be accepted by the governmental entity in a public meeting of the governmental entity prior to final action on the contract or purchase; (6) be filed within fifteen (15) days after final action on the contract or purchase with: (A) the state board of accounts; and (B) . . . the clerk of the circuit court in the county where the governmental entity takes final action on the contract or purchase . . ."

"(g) A public servant has a pecuniary interest in a contract or purchase if the contract or purchase will result or is intended to result in an ascertainable increase in the income or net worth of: (1) the public servant; or (2) a dependent of the public servant who: (A) is under the direct or indirect administrative control of the public servant; or (B) receives a contract or purchase order that is reviewed, approved, or directly or indirectly administered by the public servant."

"(k) As used in this section, 'dependent' means any of the following: (1) The spouse of a public servant. (2) A child, stepchild, or adoptee (as defined in IC 31-3-4-1) of a public servant who is: (A) unemancipated; and (B) less than eighteen (18) years of age. (3) Any individual more than one-half (½) of whose support is provided during a year by the public servant."

BASS LAKE CONSERVANCY DISTRICT  
EXIT CONFERENCE

The contents of this report were discussed on April 3, 2008, with Cinndi Carey, Director. The official concurred with our findings.