

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

EXAMINATION REPORT  
OF  
THIRTY-NINE NORTH CONSERVANCY DISTRICT  
LAPORTE COUNTY, INDIANA  
January 1, 2006 to December 31, 2007



**FILED**  
12/31/2008



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials .....	2
Independent Accountant's Report.....	3
Financial Information: Schedules of Receipts, Disbursements, and Cash and Investment Balances .....	4
Notes to Financial Information .....	5
Supplementary Information: Schedule of Capital Assets.....	6
Schedule of Long-Term Debt .....	7
Exit Conference.....	8

OFFICIALS

Office

Official

Term

Treasurer

James E. Nova

01-01-06 to 12-31-08

President of the Board

John H. Knoll

01-01-06 to 12-31-08



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE THIRTY-NINE NORTH CONSERVANCY  
DISTRICT, LAPORTE COUNTY, INDIANA

We have examined the financial information presented herein of the Thirty-Nine North 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

November 14, 2008

THIRTY-NINE NORTH CONSERVANCY DISTRICT  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND PROPRIETARY 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 Fund:				
General Tax	\$ 6,861	\$ 512,708	\$ 518,569	\$ 1,000
Proprietary Funds:				
Water Operating	31,007	140,250	115,426	55,831
Sewer Operating	33,658	152,528	126,157	60,029
Bond and Interest	<u>43,237</u>	<u>196,107</u>	<u>193,562</u>	<u>45,782</u>
Totals	<u>\$ 114,763</u>	<u>\$ 1,001,593</u>	<u>\$ 953,714</u>	<u>\$ 162,642</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Fund:				
General Tax	\$ 1,000	\$ 372,655	\$ 373,375	\$ 280
Proprietary Funds:				
Water Operating	55,831	83,303	95,902	43,232
Sewer Operating	60,029	75,634	100,471	35,192
Bond and Interest	<u>45,782</u>	<u>117,239</u>	<u>161,098</u>	<u>1,923</u>
Totals	<u>\$ 162,642</u>	<u>\$ 648,831</u>	<u>\$ 730,846</u>	<u>\$ 80,627</u>

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

THIRTY-NINE NORTH 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 following services: health 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. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the District in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the District on or prior to December 31 of the year collected.

Note 5. 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. Subsequent Event

A tax anticipation loan acquired on December 12, 2007, in the amount of \$150,000 was repaid on March 13, 2008.

THIRTY-NINE NORTH CONSERVANCY DISTRICT  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF CAPITAL ASSETS

As of 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:	
Buildings	\$ 7,913
Improvements other than buildings	4,420,408
Machinery and equipment	<u>33,653</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 4,461,974</u>

THIRTY-NINE NORTH CONSERVANCY DISTRICT  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2007

The Unitttype has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Bonds payable:		
General obligation bonds:		
Sewage System Improvement	\$ 2,685,000	\$ 366,375

THIRTY-NINE NORTH CONSERVANCY DISTRICT  
EXIT CONFERENCE

The contents of this report were discussed on November 14, 2008, with Susan Knoll, Financial Clerk; and John H. Knoll, President of the Board. Our examination disclosed no material items that warrant comment at this time.