

B37659

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

EXAMINATION REPORT  
OF  
SIMONTON LAKE CONSERVANCY DISTRICT  
ELKHART COUNTY, INDIANA  
January 1, 2008 to December 31, 2009



**FILED**  
10/14/2010



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OFFICIALS

| <u>Office</u>         | <u>Official</u> | <u>Term</u>          |
|-----------------------|-----------------|----------------------|
| Financial Secretary   | Linda Wilson    | 01-01-08 to 12-31-10 |
| Chairman of the Board | Robert Kelsey   | 01-01-08 to 12-31-10 |



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE SIMONTON LAKE CONSERVANCY  
DISTRICT, ELKHART COUNTY, INDIANA

We have examined the financial information presented herein of the Simonton Lake Conservancy District (District), for the period of January 1, 2008 to December 31, 2009. 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, 2008 and 2009, 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 18, 2010

SIMONTON 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, 2008 And 2009

|                                | <u>Cash and<br/>Investments<br/>01-01-08</u> | <u>Receipts</u>     | <u>Disbursements</u> | <u>Cash and<br/>Investments<br/>12-31-08</u> |
|--------------------------------|--|---------------------|----------------------|--|
| Proprietary Fund:<br>Operating | <u>\$ 292,508</u>                            | <u>\$ 359,637</u>   | <u>\$ 396,328</u>    | <u>\$ 255,817</u>                            |
|                                |  |                     |                      |  |
|                                | <u>Cash and<br/>Investments<br/>01-01-09</u> | <u>Receipts</u>     | <u>Disbursements</u> | <u>Cash and<br/>Investments<br/>12-31-09</u> |
| Proprietary Fund:<br>Operating | <u>\$ 255,817</u>                            | <u>\$ 1,069,292</u> | <u>\$ 1,041,118</u>  | <u>\$ 283,991</u>                            |

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

SIMONTON 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 following services: health and social services, 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. Funding

The District is financed by user fees.

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.

SIMONTON LAKE CONSERVANCY DISTRICT  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 December 31, 2009

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<br/>Balance</u> |
|---|---------------------------|
| Proprietary activities:   |                           |
| Capital assets, not being depreciated:                                |                           |
| Buildings   | \$ 227,440                |
| Improvements other than buildings                                     | 2,628,568                 |
| Machinery and equipment   | <u>37,662</u>             |
| Total proprietary activities, capital<br>assets not being depreciated | <u>\$ 2,893,670</u>       |

SIMONTON LAKE CONSERVANCY DISTRICT  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2009

The District has entered into the following debt:

| Description of Debt | Ending<br>Principal<br>Balance | Principal and<br>Interest Due<br>Within One<br>Year |
|---------------------|--------------------------------|---|
| Revenue bonds:      |                                |   |
| 1998 Revenue Bond   | \$ 1,400,000                   | \$ 178,260  |

SIMONTON LAKE CONSERVANCY DISTRICT  
EXAMINATION RESULTS AND COMMENTS

ANNUAL REPORT

An Annual Report for 2009 was not presented for audit.

IC 5-3-1-3(a) states, in part: "Within sixty (60) days after the expiration of each calendar year, the fiscal officer of each civil city and town in Indiana shall publish an annual report of the receipts and expenditures of the city or town . . ."

CERTIFIED REPORT NOT FILED

The District did not file a certified report of compensation of officers and employees (Form 100-R or its equivalent) with the State Board of Accounts for the years 2008 and 2009.

IC 5-11-13-1 states in part:

". . . Every executive officer by whatever title designated . . . shall during the month of January of each year prepare, make, and sign a written or printed certified report, correctly and completely showing the names and addresses of each and all officers, employees, and agents . . . and the respective duties and compensation of each, and shall forthwith file said report in the office of the state examiner of the state board of accounts."

PENALTIES, INTEREST, AND OTHER CHARGES

Penalties and interest totaling \$230.97 were paid to the Internal Revenue Service on January 8, 2009, for the tax period: Tax Form 941 - June 30, 2005.

We have requested former Financial Secretary, Jane Mollo, to reimburse the Simonton Lake Conservancy District \$230.97 for penalties and interest assessed by federal agencies. (See Summary, page 11)

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

SIMONTON LAKE CONSERVANCY DISTRICT  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

COMPENSATION OF BOARD MEMBERS

From time to time, when there were three meetings in a month, board members were compensated in excess of the \$100 limit established by the Indiana Code per month.

IC 14-33-5-16 (Section 16) effective July 1, 2007, states:

"As compensation the directors are entitled to an amount that the court orders, but not to exceed:

- (1) one hundred (\$100) for not more than two (2) regular or specially called board meetings per month; and
- (2) fifty dollars (\$50) for not more than five (5) days per month devoted to the work of the district in addition to any day for which payment is received under subdivision (1).

In addition, the directors shall be reimbursed for actual expenses, including traveling expense at a rate equal to the rate paid to state officers and employees. Claims for expense reimbursement must be accompanied by an itemized written statement approved by a recorded motion of the board."

SIMONTON LAKE CONSERVANCY DISTRICT  
EXIT CONFERENCE

The contents of this report were discussed on August 17, 2010, with Linda Wilson, Financial Secretary, and Robert Kelsey, Chairman of the Board. The officials concurred with our findings.

The contents of this report were discussed on August 18, 2010, with Jane Mollo, former Financial Secretary and current Board member.

SIMONTON LAKE CONSERVANCY DISTRICT  
SUMMARY

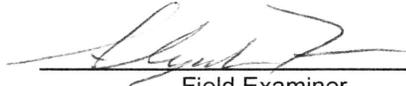
|   | <u>Charges</u> | <u>Credits</u> | <u>Balance Due</u> |
|---|----------------|----------------|--------------------|
| Jane Mollo, former Financial Secretary:<br>Penalties, Interest, and Other Charges, page 8 | \$ 230.97      | \$ -           | \$ 230.97          |

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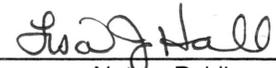
AFFIDAVIT

STATE OF INDIANA            )  
  )  
Elkhart COUNTY)

I, Alejandro Flores, Field Examiner, being duly sworn on my oath, state that the foregoing report based on the official records of the Simonton Lake Conservancy District, Elkhart County, Indiana, for the period from January 1, 2008 to December 31, 2009, is true and correct to the best of my knowledge and belief.

  
\_\_\_\_\_  
Field Examiner

Subscribed and sworn to before me this 14<sup>th</sup> day of September, 2010.

  
\_\_\_\_\_  
Notary Public

My Commission Expires: May 26, 2016

County of Residence: Kosciusko