

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

COMPLIANCE ENGAGEMENT REPORT

OF

BASS LAKE CONSERVANCY DISTRICT

STARKE COUNTY, INDIANA

January 1, 2019 to December 31, 2022



**FILED**

07/18/2024



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Compliance Report .....	3-4
Comment.....	5
Statements of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis.....	8-9

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Financial Clerk	Mariann Gappa Tabitha Dillner	01-01-19 to 06-01-19 06-02-19 to 12-31-24
President of the District Board	Eugene Novello	01-01-19 to 12-31-24
Plant Manager	Tom Jordan	01-01-19 to 12-31-24



**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)

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

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Bass Lake Conservancy District (District), for the period of January 1, 2019 to December 31, 2022. The objective of this engagement was to determine compliance with applicable Indiana laws, regulations, and uniform compliance guidelines (Guidelines) established by the Indiana State Board of Accounts pursuant to Indiana Code 5-11-1-24. The objective of this engagement is not to opine on compliance or financial activity of the District as this engagement was not conducted in accordance with any standards established by an authoritative standard setting body, and, as such, we do not provide any opinions on compliance or financial activity.

Management is responsible for preparing and maintaining its accounting records and related documents in accordance with applicable Indiana laws, regulations, and Guidelines. Management's responsibility also includes, but is not limited to, complying with other applicable Indiana laws, regulations, and Guidelines concerning how it operates: authorized sources and uses of funds; what reports are required to be prepared and filed; and what depositories and investment types are allowable.

We fulfilled our responsibility as detailed in the first paragraph, using procedures that verified the appropriate accounting for and reporting of cash, receipts, and disbursements; and the appropriate sources and uses of funds in accordance with applicable Indiana laws, regulations, and Guidelines. Expanding the scope and nature of these procedures can and does occur in specific circumstances.

The Comments contained herein, if any, describe the identified reportable instances of noncompliance found during our engagement. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified. Any Official Response to the Comments incorporated within this report was not verified for accuracy.

The Schedule of Officials and Statements of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis (Statements) are informational only. The Statements have not been subjected to any procedures designed to express an opinion or provide any assurance on them, and, accordingly, we do not express an opinion or provide any assurance on them.

This report is intended solely for the information and use of management, governance, and others within the organization. This restriction is not intended to limit the distribution of this report, which is a matter of public record. Reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>, and the District's Annual Financial Reports filed by management can be found on the Indiana Gateway for Government Units financial reporting system website: <http://www.gateway.ifionline.org>.

The contents of this report were communicated to Tabitha Dillner, Financial Clerk, and Eugene Novello, President of the District Board, on July 1, 2024.



Beth Kelley, CPA, CFE  
Deputy State Examiner

June 18, 2024

BASS LAKE CONSERVANCY DISTRICT  
COMMENT

**COMPENSATION AND BENEFITS**

*Condition and Context*

The District did not provide an annual salary resolution or ordinance, District Board minutes, or other documentation setting and approving the salaries of District officers and employees during the engagement period.

*Criteria*

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution, or salary schedule adopted by the governing body unless otherwise authorized by law. Compensation must be paid in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 1)

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

(This page intentionally left blank.)

STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CASH  
AND INVESTMENT BALANCES - REGULATORY BASIS

BASS LAKE CONSERVANCY DISTRICT  
 STATEMENT OF RECEIPTS, DISBURSEMENTS,  
 AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Years Ended December 31, 2019 and 2020

Fund	Cash and Investments 01-01-19	Receipts	Disbursements	Cash and Investments 12-31-19	Receipts	Disbursements	Cash and Investments 12-31-20
Bass Lake Conservancy District Operation and Maintenance Fund	\$ 48,329	\$ 547,688	\$ 544,440	\$ 51,577	\$ 600,134	\$ 594,233	\$ 57,478
Bass Lake Conservancy District Improvement Fund	<u>1,969,211</u>	<u>232,298</u>	<u>7,686</u>	<u>2,193,823</u>	<u>196,529</u>	<u>42,153</u>	<u>2,348,199</u>
Totals	<u>\$ 2,017,540</u>	<u>\$ 779,986</u>	<u>\$ 552,126</u>	<u>\$ 2,245,400</u>	<u>\$ 796,663</u>	<u>\$ 636,386</u>	<u>\$ 2,405,677</u>

BASS LAKE CONSERVANCY DISTRICT  
 STATEMENT OF RECEIPTS, DISBURSEMENTS,  
 AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Years Ended December 31, 2021 and 2022

Fund	Cash and Investments 01-01-21	Receipts	Disbursements	Cash and Investments 12-31-21	Receipts	Disbursements	Cash and Investments 12-31-22
Bass Lake Conservancy District Operation and Maintenance Fund	\$ 57,478	\$ 572,539	\$ 561,221	\$ 68,796	\$ 623,846	\$ 604,377	\$ 88,265
Bass Lake Conservancy District Improvement Fund	<u>2,348,198</u>	<u>178,246</u>	<u>38,991</u>	<u>2,487,453</u>	<u>137,687</u>	<u>65,353</u>	<u>2,559,787</u>
Totals	<u>\$ 2,405,676</u>	<u>\$ 750,785</u>	<u>\$ 600,212</u>	<u>\$ 2,556,249</u>	<u>\$ 761,533</u>	<u>\$ 669,730</u>	<u>\$ 2,648,052</u>