

**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, 2007 to December 31, 2009



**FILED**  
12/28/2010



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Edward L. James Tom Winebrenner	03-01-06 to 07-12-10 07-13-10 to 02-28-11
Financial Clerk	Linda Kiester	01-01-07 to 12-31-10
President of the Conservancy District Board	Ronald N. Rennaker	03-01-06 to 02-28-11



**STATE OF INDIANA**  
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, 2007 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, 2007, 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

October 25, 2010

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, 2007, 2008 And 2009

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Proprietary Funds:				
Operating	\$ 19,753	\$ 234,238	\$ 222,634	\$ 31,357
Bond and Interest	45,750	93,317	92,211	46,856
Debt Service Reserve	93,423	8,649	-	102,072
Totals	<u>\$ 158,926</u>	<u>\$ 336,204</u>	<u>\$ 314,845</u>	<u>\$ 180,285</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Proprietary Funds:				
Operating	\$ 31,357	\$ 222,089	\$ 232,454	\$ 20,992
Bond and Interest	46,856	92,940	92,601	47,195
Debt Service Reserve	102,072	-	-	102,072
Totals	<u>\$ 180,285</u>	<u>\$ 315,029</u>	<u>\$ 325,055</u>	<u>\$ 170,259</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Proprietary Funds:				
Operating	\$ 20,992	\$ 224,962	\$ 242,928	\$ 3,026
Bond and Interest	47,195	93,018	91,938	48,275
Debt Service Reserve	102,072	-	8,649	93,423
Totals	<u>\$ 170,259</u>	<u>\$ 317,980</u>	<u>\$ 343,515</u>	<u>\$ 144,724</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: wastewater 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.

BLUE 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>Ending Balance</u>
Business-type activities:	
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><u>\$ 2,216,785</u></u>

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

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Business-type activities:		
Revenue bonds:		
1999 Sewer Line Construction	\$ 1,231,382	\$ 92,223

BLUE LAKE CONSERVANCY DISTRICT  
EXAMINATION RESULTS AND COMMENTS

ANNUAL REPORTS

The annual reports (SDAR-1) for 2007, 2008, and 2009, were not filed with the state examiner. A similar comment appeared in prior Report B30689.

IC 5-11-1-4 states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be filed electronically, in a manner prescribed by the state examiner that is compatible with the technology employed by the political subdivision."

FEES

A \$25 administrative fee was being charged and collected on some delinquent sewer liens filed.

Fees should only be collected as specifically authorized by statute or properly authorized resolutions or ordinances, as applicable, which are not contrary to statutory or Constitutional provisions. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

IC 36-9-23-33(c) states in part: ". . . a service charge of five dollars (\$5), which is in addition to the recording fee charged under this subsection and under subsection (f), shall be added to each delinquent fee that is recorded."

BLUE LAKE CONSERVANCY DISTRICT  
EXIT CONFERENCE

The contents of this report were discussed on October 25, 2010, with Linda Kiester, Financial Clerk. The official concurred with our findings.