

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

BASS LAKE CONSERVANCY DISTRICT

STARKE COUNTY, INDIANA

January 1, 2010 to December 31, 2011



FILED
12/03/2012

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Accountant's Report.....	3
Financial Statements:	
Statements of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis	6-7
Notes to Financial Statements	8-11
Supplementary Information:	
Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis	14-15
Schedule of Payables and Receivables	16
Schedule of Leases and Debt	17
Examination Results and Comments:	
Penalties, Interest, and Other Charges	18
Compensation and Benefits	18
Capital Assets	19
Supporting Documentation	19
Official Bonds.....	19
Exit Conference.....	20
Official Response	21-23
Summary of Charges	24
Affidavit	25

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Executive Director	Cinndi Carey	01-01-10 to 03-26-11
	(Vacant)	03-27-11 to 04-23-11
	Patti Bush	04-24-11 to 12-31-12
Bookkeeper/Financial Clerk	Susan Stacy	01-01-10 to 12-31-11
President of the Board	Patti Bush	01-09-10 to 04-11-11
	Bob Lorenz	04-12-11 to 07-09-12
	Eugene Novello	07-10-12 to 07-09-13



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the accompanying financial statements of the Bass Lake Conservancy District (District), for the years ended December 31, 2010 and 2011. The financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on the financial statements 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 statements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the District prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis noted above is a different basis than that used in the prior year.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the District for the years ended December 31, 2010 and 2011, on the basis of accounting described in Note 1.

Our examination was conducted for the purpose of forming an opinion on the District's financial statements. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Payables and Receivables, and Schedule of Leases and Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statements. They have not been subjected to the examination procedures applied to the financial statements and, accordingly, we express no opinion on them.

The District's response to the Examination Results and Comments identified in our examination is described in the accompanying section of the report entitled Official Response. We did not examine the District's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the District's management, District Board, and others within the entity and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

October 10, 2012

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FINANCIAL STATEMENTS

The financial statements and accompanying notes were approved by management of the District. The financial statements and notes are presented as intended by the District.

BASS LAKE CONSERVANCY DISTRICT
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2010

Fund	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
Operation and Maintenance	\$ 831,379	\$ 986,124	\$ 786,194	\$ 1,031,309
Bond and Interest	-	529,180	529,180	-
Debt Service Reserve	580,931	1,405	-	582,336
Construction	60,291	34	60,325	-
Totals	<u>\$ 1,472,601</u>	<u>\$ 1,516,743</u>	<u>\$ 1,375,699</u>	<u>\$ 1,613,645</u>

The notes to the financial statement is an integral part of this statement.

BASS LAKE CONSERVANCY DISTRICT
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For The Year Ended December 31, 2011

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
Operation and Maintenance	\$ 1,031,309	\$ 854,129	\$ 899,502	\$ 985,936
Bond and Interest	-	529,970	529,970	-
Debt Service Reserve	<u>582,336</u>	<u>1,086</u>	<u>-</u>	<u>583,422</u>
Totals	<u>\$ 1,613,645</u>	<u>\$ 1,385,185</u>	<u>\$ 1,429,472</u>	<u>\$ 1,569,358</u>

The notes to the financial statement is an integral part of this statement.

BASS LAKE CONSERVANCY DISTRICT
NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The District was established under the laws of the State of Indiana. The District operates under an appointed governing board.

The accompanying financial statements present the financial information for the District.

B. Basis of Accounting

The financial statements are reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statements. The aggregate receipts may include the following sources:

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Utility fees which are comprised mostly of charges for current services.

Penalties which include fees received for late payments.

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

BASS LAKE CONSERVANCY DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements may include the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service principal and interest which include fixed obligations resulting from financial transactions previously entered into by the District. It includes all expenditures for the reduction of the principal and interest of the District's general obligation indebtedness.

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Utility operating expenses which include all outflows for operating the utilities.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

The District may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the District. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the District. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the District in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

BASS LAKE CONSERVANCY DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the District submits a proposed operating budget to the governing board for the following calendar year.

Note 3. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be 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 statutes authorize 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 4. Risk Management

The District may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the District to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

Note 5. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the District authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

BASS LAKE CONSERVANCY DISTRICT
NOTES TO FINANCIAL STATEMENT
(Continued)

INPRS administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

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SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the District's 2011 Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statements contained in this report and the financial information presented in the Annual Report of the District which is referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

The supplementary information presented was approved by management of the District. It is presented as intended by the District.

BASS LAKE CONSERVANCY DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010

	Operation and Maintenance	Bond and Interest	Debt Service Reserve	Construction	Totals
Cash and investments - beginning	\$ 831,379	\$ -	\$ 580,931	\$ 60,291	\$ 1,472,601
Receipts:					
Utility fees	849,398	-	-	-	849,398
Other receipts	<u>136,726</u>	<u>529,180</u>	<u>1,405</u>	<u>34</u>	<u>667,345</u>
Total receipts	<u>986,124</u>	<u>529,180</u>	<u>1,405</u>	<u>34</u>	<u>1,516,743</u>
Disbursements:					
Debt service - principal and interest	-	529,180	-	-	529,180
Utility operating expenses	257,014	-	-	-	257,014
Other disbursements	<u>529,180</u>	<u>-</u>	<u>-</u>	<u>60,325</u>	<u>589,505</u>
Total disbursements	<u>786,194</u>	<u>529,180</u>	<u>-</u>	<u>60,325</u>	<u>1,375,699</u>
Excess (deficiency) of receipts over disbursements	<u>199,930</u>	<u>-</u>	<u>1,405</u>	<u>(60,291)</u>	<u>141,044</u>
Cash and investments - ending	<u>\$ 1,031,309</u>	<u>\$ -</u>	<u>\$ 582,336</u>	<u>\$ -</u>	<u>\$ 1,613,645</u>

BASS LAKE CONSERVANCY DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011

	Operation and Maintenance	Bond and Interest	Debt Service Reserve	Totals
Cash and investments - beginning	\$ 1,031,309	\$ -	\$ 582,336	\$ 1,613,645
Receipts:				
Utility fees	807,544	-	-	807,544
Other receipts	<u>46,585</u>	<u>529,970</u>	<u>1,086</u>	<u>577,641</u>
Total receipts	<u>854,129</u>	<u>529,970</u>	<u>1,086</u>	<u>1,385,185</u>
Disbursements:				
Debt service - principal and interest	-	529,970	-	529,970
Utility operating expenses	369,532	-	-	369,532
Other disbursements	<u>529,970</u>	<u>-</u>	<u>-</u>	<u>529,970</u>
Total disbursements	<u>899,502</u>	<u>529,970</u>	<u>-</u>	<u>1,429,472</u>
Excess (deficiency) of receipts over disbursements	<u>(45,373)</u>	<u>-</u>	<u>1,086</u>	<u>(44,287)</u>
Cash and investments - ending	<u>\$ 985,936</u>	<u>\$ -</u>	<u>\$ 583,422</u>	<u>\$ 1,569,358</u>

BASS LAKE CONSERVANCY DISTRICT
SCHEDULE OF PAYABLES AND RECEIVABLES
December 31, 2011

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Bass Lake Conservancy District	<u>\$ 706</u>	<u>\$ -</u>

BASS LAKE CONSERVANCY DISTRICT
 SCHEDULE OF LEASES AND DEBT
 December 31, 2011

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Bass Lake Conservancy District:			
Revenue bonds	Sewage Works Construction	\$ 2,747,000	\$ 529,570

BASS LAKE CONSERVANCY DISTRICT
EXAMINATION RESULTS AND COMMENTS

PENALTIES, INTEREST, AND OTHER CHARGES

During 2011 and 2012, the District paid the Internal Revenue Service (IRS) and Indiana Department of Revenue (IDR) a total of \$3,171.02 for late payment penalties and interest and also for taxes not paid. On March 24, 2011, the District paid the IRS \$137.27 interest charges for incorrect social security and Medicare taxes paid during 2008. On May 24, 2011, the District paid the IDR \$560.48 for estimated taxes withheld, penalties and interest. Prior to January 1, 2012, the District did not withhold State or local income taxes from its employees' payroll checks. On August 20, 2012, the District paid the IRS \$2,473.27 penalties and interest for the second quarter 2009 form 941 taxes that were not previously paid.

A similar exception was included in the prior Report B37344. We asked the former Bookkeeper/Financial Clerk, Susan Stacy, to repay \$3,171.02. (See Summary of Charges, page 24)

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, State of Indiana, Chapter 10)

COMPENSATION AND BENEFITS

The Executive Director, Patti Bush, was paid at a rate higher than the contract rate approved by the Board. The contract that the Board approved shows that the Executive Director will be compensated at a rate of \$36,715.38. This is her annual compensation. She is paid biweekly. The total approved rate of pay divided by 26 pays, equals \$1,412.13 gross payroll for each biweekly pay period. She was paid gross payroll checks in the amount of \$1,529.10 or \$116.97 more than the approved rate. She began employment as Executive Director April 24, 2011. During 2011, she received 18 biweekly gross payroll checks in the amount of \$1,529.10 for a total overpayment \$2,105.46. During 2012, she received an additional 19 biweekly gross payrolls at rates higher than the contract. The 2012 total overpayment was \$2,225.

The Board President explained to us that at its October 8, 2012 meeting the Board approved the higher rate paid to the Executive Director during 2011. The Executive Director has agreed to reduce each of her remaining 2012 biweekly payroll checks which will reimburse that District for the 2012 overpayment.

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 statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, State of Indiana, Chapter 10)

BASS LAKE CONSERVANCY DISTRICT
EXAMINATION RESULTS AND COMMENTS
(Continued)

CAPITAL ASSETS

The District reported no capital assets in its 2011 Gateway annual report. The prior Report B37344 included a schedule with \$9,415,364 total capital assets.

Every governmental unit should have a complete inventory of all fixed assets owned which reflect their acquisition value. Such inventory should be recorded on the applicable General Fixed Asset Account Group Form. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, State of Indiana, Chapter 10)

SUPPORTING DOCUMENTATION

A credit card payment included in our sample test did not contain adequate supporting documentation, such as receipts, invoices, and other public records. The credit card statement paid December 26, 2010, check 2854, in the amount of \$742, included \$322 to two vendors without any supporting documentation available for our audit. Due to the lack of supporting information, the validity and accountability for some money disbursed could not be established.

All claims, invoices, receipts, accounts payable vouchers, including those presented to the governing body for approval in accordance with IC 5-11-10, should contain adequate detailed documentation. All claims, invoices, receipts, and accounts payable vouchers regarding reimbursement for meals and expenses for individuals must have specific detailed information of the names of all individuals for which amounts are claimed, including the nature, name, and purpose of the business meeting, to enable the governing body to authorize payment. Payments which do not have proper itemization showing the business nature of the claim, may be the personal obligation of the responsible official, employee or other person for whom the claim is made. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, State of Indiana, Chapter 10)

OFFICIAL BONDS

An official bond for Susan K. Stacy, former Bookkeeper/Financial Clerk, for the period February 11, 2011 to February 11, 2012, in the amount of \$100,000, with The Cincinnati Insurance Company, was on file in the Office of the County Recorder. An official bond for Patricia A. Bush, Executive Director, for the period April 25, 2012 to April 25, 2013, in the amount of \$100,000, with The Cincinnati Insurance Company, was on file in the Office of the County Recorder. No other official bonds for these officials were provided for our audit.

BASS LAKE CONSERVANCY DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on October 10, 2012, with Patti Bush, Executive Director, and with Eugene Novello, Board President. The Official Response has been made a part of this report and may be found on pages 21 through 23.

We attempted to meet with the former Bookkeeper/Financial Clerk, Susan K. Stacy. We left telephone messages on her voice mail on September 27, 2012, and on October 2, 2012. We sent an invitation to her via certified, return receipt mail, to meet with us. She signed the return receipt on October 5, 2012, but she did not contact us to meet.



BASS LAKE CONSERVANCY DISTRICT
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KNOX, IN 46534
Phone: 574-772-2974
Fax: 574-772-0575

October 15, 2012

Indiana State Board of Accounts
302 West Washington Street
Room E 418
Indianapolis, IN 46204

RE: Bass Lake Conservancy District – OFFICIAL RESPONSE to State Board of Accounts
Examination Comments for 2010 and 2011

This letter is in response to the Examination Results and Comments prepared by the Indiana State Board of Accounts following the Examination of the Bass Lake Conservancy District presented in the exit conference on October 10, 2012.

PENALTIES, INTEREST AND OTHER CHARGES

Comment:

During 2011 and 2012, the District paid the Internal Revenue Service (IRS) and Indiana Department of Revenue (IDR) a total of \$3,171.02 for late payment penalties and interest and also for taxes not owed. On March 24 2011, the District paid the IRS \$137.27 interest charges for incorrect social security and Medicare taxes paid during 2008. On May 24, 2011, the District paid the IDR \$560.48 for estimated taxes withheld, penalties and interest. Prior to January 1, 2012, the District did not withhold State or local income taxes from its employees' payroll checks. On August 20, 2012, the District paid the IRS \$2,473.27 penalties and interest for the second quarter 2009 form 941 taxes that were not previously paid.

A similar exception was included in the prior report, file number B37344. We asked the former Bookkeeper/Financial Clerk, Susan Stacy, to repay \$3,171.02.

Response:

The District has and continues to make attempts to contact Susan Stacy in efforts to collect penalties and interest paid as evidenced by a letter dated September 10, 2012, sent to Susan Stacy by the District's attorney.

COMPENSATION AND BENEFITS

Comment:

The Executive Director, Patti Bush, was paid at a rate higher than the contract rate approved by the Board. The contract that the Board approved shows that the Executive Director will be compensated at a rate of \$36,715.38. This is her annual compensation. She is paid biweekly. The Total approved rate of pay divided by 26 pays, equals \$1,412.13 gross payroll for each biweekly pay period. She was paid gross payroll checks in the amount of \$1,529.10 or \$116.97 more than the approved rate. She began employment as Executive Director April 24, 2011. During 2011, she received 18 biweekly gross payroll checks in the amount of \$1,529.10 for a total overpayment of \$2,105.46. During 2012, she received an additional 19 biweekly gross payrolls at rates higher than the contract. The 2012 total overpayment was \$2,225.

The Board President explained to us that at its October 8, 2012 meeting the Board approved the higher rate paid to the Executive Director during 2011. The Executive Director has agreed to reduce each of her remaining 2012 biweekly payroll checks which will reimburse the District for the 2012 overpayment.

Response:

The District Board was unaware of the overpayments occurring during 2011 and 2012. The Board took action on October 8, 2012 to correct the overpayment for 2011 by retroactively approving the higher rate paid during 2011. Additionally, the Board and Executive Director have agreed to reduce each of the remaining 2012 biweekly payroll checks which will reimburse the District for the 2012 overpayments.

CAPITAL ASSETS

Comment:

The District reported no capital assets in its 2011 Gateway annual report. The prior examination report, file number B37344, included a schedule with \$9,415,364 total capital assets.

Response:

At the time the 2011 Annual Report was being prepared, the District was going through a transition from the previous bookkeeper to a new bookkeeper. The District was unable to locate the capital asset records in order to accurately reflect the value of the assets in the annual report. The District is currently working to develop a capital asset ledger in order to track and record capital asset additions and deletions going forward.

SUPPORTING DOCUMENTATION

Comment:

A credit card payment included in our sample test did not contain adequate supporting documentation, such as receipts, invoices, and other public records. The credit card statement paid December 26, 2010, check 2854, in the amount of \$742, included \$322 to two vendors without any supporting documentation available for our audit. Due to the lack of supporting information, the validity and accountability for some money disbursed could not be established.

Response:

The District's current policy is to have all credit card payments supported by adequate documentation.

OFFICIAL BONDS

Comment:

An official bond for Susan K. Stacy, former Bookkeeper, for the period February 11, 2011 to February 11, 2012, in the amount of \$100,000, with The Cincinnati Insurance Company, was on file in the Office of the County Recorder. An official bond for Patricia A. Bush, Executive Director, for the period April 25, 2012 to April 25, 2013, in the amount of \$100,000, with The Cincinnati Insurance Company, was on file in the Office of the County Recorder. No other official bonds for these officials were provided for our audit.

Response:

The oversight has now been corrected.

Respectfully submitted,

Board of Directors

BASS LAKE CONSERVANCY DISTRICT
SUMMARY OF CHARGES

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Susan K. Stacy, former Bookkeeper/Financial Clerk:			
Penalties, Interest, and Other Charges, page 18	\$ 3,171.02	\$ -	\$ 3,171.02

This report was forwarded to the Office of the Indiana Attorney General and the local prosecuting attorney.

AFFIDAVIT

STATE OF INDIANA)
Starke)
 COUNTY)

I, Bruce Snyder, Field Examiner, being duly sworn on my oath, state that the foregoing report based on the official records of the Bass Lake Conservancy District, Starke County, Indiana, for the period from January 1, 2010 to December 31, 2011, is true and correct to the best of my knowledge and belief.



Field Examiner

Subscribed and sworn to before me this 22 day of October, 2012.



Notary Public

My Commission Expires: January 12, 2020

County of Residence: Starke