

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

EXAMINATION REPORT
OF
HAMILTON LAKE CONSERVANCY DISTRICT
STEUBEN COUNTY, INDIANA
January 1, 2005 to December 31, 2006



FILED
08/08/2007

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.....	5-6
Supplementary Information: Schedule of Capital Assets.....	7
Schedule of Long-Term Debt.....	8
Exit Conference.....	9

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Superintendent	Peter J. Crowl	01-01-05 to 12-31-07
Financial Clerk	Cynthia S. Oberlin	01-01-05 to 12-31-07
President of the Board	John J. Dutton	01-01-05 to 12-31-07



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE HAMILTON LAKE CONSERVANCY
DISTRICT, STEUBEN COUNTY, INDIANA

We have examined the financial information presented herein of the Hamilton Lake Conservancy District (District), for the period of January 1, 2005 to December 31, 2006. 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, 2005 and 2006, 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

July 18, 2007

HAMILTON LAKE CONSERVANCY DISTRICT
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL BUSINESS-TYPE AND FIDUCIARY FUND TYPES
As Of And For The Years Ended December 31, 2005 And 2006

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Business-Type Funds:				
Operating Fund	\$ 58,007	\$ 783,551	\$ 795,217	\$ 46,341
Sewage Works Depreciation Fund	161,674	84,159	99,521	146,312
Sewage Works Bond and Interest Fund	1,037	244,110	241,735	3,412
Sewage Works Sinking Reserve Fund	171,089	30,550	-	201,639
Sewage Works Improvement Fund	174,324	55,698	42,320	187,702
Fiduciary Fund:				
Payroll Deduction Fund	-	50,117	50,117	-
Totals	<u>\$ 566,131</u>	<u>\$ 1,248,185</u>	<u>\$ 1,228,910</u>	<u>\$ 585,406</u>
	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Business-Type Funds:				
Operating Fund	\$ 46,341	\$ 842,272	\$ 820,660	\$ 67,953
Sewage Works Depreciation Fund	146,312	82,772	104,763	124,321
Sewage Works Bond and Interest Fund	3,412	244,866	241,171	7,107
Sewage Works Sinking Reserve Fund	201,639	35,171	-	236,810
Sewage Works Improvement Fund	187,702	76,037	100,319	163,420
Fiduciary Fund:				
Payroll Deduction Fund	-	51,300	51,300	-
Totals	<u>\$ 585,406</u>	<u>\$ 1,332,418</u>	<u>\$ 1,318,213</u>	<u>\$ 599,611</u>

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

HAMILTON 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 wastewater collection and treatment 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 prepared and approved at the local level.

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.

Note 5. Pension Plan

Public Employees' Retirement Fund

Plan Description

The District contributes to the Indiana Public Employees' Retirement Fund (PERF), 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

HAMILTON LAKE CONSERVANCY DISTRICT
NOTES TO FINANCIAL INFORMATION
(Continued)

PERF 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% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF 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:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

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

HAMILTON LAKE CONSERVANCY DISTRICT
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2006

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>
Business-type activities:	
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	\$ 61,045
Treatment Plant	4,127,667
Collection System	4,383,300
Improvements other than buildings	317,397
Machinery and equipment	<u>81,108</u>
Total Wastewater Utility capital assets	<u>\$ 8,970,517</u>

HAMILTON LAKE CONSERVANCY DISTRICT
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT

For The Year Ended December 31, 2006

	<u>Ending Balance</u>
Business-type Activities:	
Wastewater Utility	
State Revolving Fund Loans	<u>\$ 2,852,103</u>

HAMILTON LAKE CONSERVANCY DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on July 18, 2007, with Cynthia S. Oberlin, Financial Clerk; and John J. Dutton, President of the Board. Our examination disclosed no material items that warrant comment at this time.