

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

EXAMINATION REPORT
OF
PRETTY LAKE CONSERVANCY DISTRICT
MARSHALL COUNTY, INDIANA
January 1, 2007 to December 31, 2008



FILED
11/17/2009

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Fiscal Officer	Erwin D. Marohn	01-01-07 to 03-31-07
Treasurer	Jane Harris	04-01-07 to 12-31-09
President of the Board of Directors	Erwin D. Marohn	01-01-07 to 12-31-09



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE PRETTY LAKE CONSERVANCY
DISTRICT, MARSHALL COUNTY, INDIANA

We have examined the financial information presented herein of the Pretty Lake Conservancy District (District), for the period of January 1, 2007 to December 31, 2008. 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 and 2008, 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 a required part 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 14, 2009

PRETTY 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 And 2008

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Proprietary Funds:				
Operating	\$ -	\$ 103,303	\$ 67,657	\$ 35,646
Construction	65,616	94,137	123,635	36,118
Totals	<u>\$ 65,616</u>	<u>\$ 197,440</u>	<u>\$ 191,292</u>	<u>\$ 71,764</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Proprietary Funds:				
Operating	\$ 35,646	\$ 153,760	\$ 139,476	\$ 49,930
Construction	36,118	60,793	87,647	9,264
Bond and Interest	-	73,376	36,063	37,313
Debt Reserve	-	9,858	-	9,858
Totals	<u>\$ 71,764</u>	<u>\$ 297,787</u>	<u>\$ 263,186</u>	<u>\$ 106,365</u>

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

PRETTY 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 service: collection, treatment, and disposal of sewage and other liquid wastes.

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.

PRETTY LAKE CONSERVANCY DISTRICT
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2008

General infrastructure assets (those reported by governmental activities) are included regardless of their acquisition date or amount. As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Conservancy District:	
Capital assets, not being depreciated:	
Infrastructure	\$ 1,393,861
Improvements other than buildings	5,527
Machinery and equipment	<u>3,816</u>
Total Conservancy District capital assets	<u>\$ 1,403,204</u>

PRETTY LAKE CONSERVANCY DISTRICT
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2008

The District has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Business-type activities:		
Conservancy District:		
Revenue bonds	\$ 1,368,220	\$ 72,573

PRETTY LAKE CONSERVANCY DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on October 14, 2009, with Jane Harris, Treasurer; and James Clevenger, Attorney. Our examination disclosed no material items that warrant comment at this time.