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

EXAMINATION REPORT  
OF

LAWRENCEBURG, MANCHESTER, SPARTA  
TOWNSHIPS CONSERVANCY DISTRICT  
DEARBORN COUNTY, INDIANA

January 1, 2007 to December 31, 2009



**FILED**  
10/13/2010



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Superintendent	Melvin Craig	01-01-07 to 12-31-10
Financial Clerk	David D. Hizer	01-01-07 to 12-31-10
President of the Board	Wayne L. Montgomery	01-01-07 to 12-31-10



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE LAWRENCEBURG, MANCHESTER, SPARTA  
TOWNSHIPS CONSERVANCY DISTRICT, DEARBORN COUNTY, INDIANA

We have examined the financial information presented herein of the Lawrenceburg, Manchester, Sparta Townships 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

July 21, 2010

LAWRENCEBURG, MANCHESTER, SPARTA TOWNSHIPS 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:				
Water Operating	\$ 240,967	\$ 730,895	\$ 685,917	\$ 285,945
Water Bond and Interest	228,659	-	120,017	108,642
Water Customer Deposit	75,137	6,880	247	81,770
	<u>544,763</u>	<u>737,775</u>	<u>806,181</u>	<u>476,357</u>
Totals	<u>\$ 544,763</u>	<u>\$ 737,775</u>	<u>\$ 806,181</u>	<u>\$ 476,357</u>
	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Proprietary Funds:				
Water Operating	\$ 285,945	\$ 616,790	\$ 677,167	\$ 225,568
Water Bond and Interest	108,642	882	74,650	34,874
Water Customer Deposit	81,770	8,350	5,521	84,599
	<u>476,357</u>	<u>626,022</u>	<u>757,338</u>	<u>345,041</u>
Totals	<u>\$ 476,357</u>	<u>\$ 626,022</u>	<u>\$ 757,338</u>	<u>\$ 345,041</u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Proprietary Funds:				
Water Operating	\$ 225,568	\$ 613,039	\$ 599,393	\$ 239,214
Water Bond and Interest	34,874	-	21,200	13,674
Water Customer Deposit	84,599	25,273	7,204	102,668
	<u>345,041</u>	<u>638,312</u>	<u>627,797</u>	<u>355,556</u>
Totals	<u>\$ 345,041</u>	<u>\$ 638,312</u>	<u>\$ 627,797</u>	<u>\$ 355,556</u>

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

LAWRENCEBURG, MANCHESTER, SPARTA  
TOWNSHIPS CONSERVANCY DISTRICT  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The District was established under the laws of the State of Indiana. The District provides water 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. 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 4. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Library 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 the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system and give the Library 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 member's 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. The 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 plan members for PERF are established by the Board of Trustees of PERF.

LAWRENCEBURG, MANCHESTER, SPARTA TOWNSHIPS 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>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 36,725
Buildings	27,826
Improvements other than buildings	3,383,428
Machinery and equipment	910,350
Transportation equipment	<u>65,066</u>
 Total business-type activities, capital assets not being depreciated	 <u>\$ 4,423,395</u>

LAWRENCEBURG, MANCHESTER, SPARTA TOWNSHIPS CONSERVANCY DISTRICT  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2009

The Conservancy District has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Business-type activities:		
Water Utility:		
Revenue bonds:		
1998 Water Bonds	\$ 192,016	\$ 62,392
1999 Water Bonds	<u>166,004</u>	<u>40,312</u>
 Total Water Utility	 <u>\$ 358,020</u>	 <u>\$ 102,704</u>

LAWRENCEBURG, MANCHESTER, SPARTA  
TOWNSHIPS CONSERVANCY DISTRICT  
EXIT CONFERENCE

The contents of this report were discussed on July 21, 2010, with Melvin Craig, Superintendent; David D. Hizer, Financial Clerk; Wayne L. Montgomery, President of the Board; and Denise J. Spaulding, Bookkeeper. Our examination disclosed no material items that warrant comment at this time.