

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

EXAMINATION REPORT  
OF  
OAK PARK CONSERVANCY DISTRICT  
CLARK COUNTY, INDIANA  
January 1, 2007 to December 31, 2009



**FILED**  
11/09/2010



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Superintendent of Operations Water and Wastewater	David A. Meyer	01-01-07 to 12-31-10
Superintendent of Operations Storm Water	Bryan R. Wallace	01-01-07 to 12-31-10
Financial Clerk	Wayne A. Storz Amy R. Burton	01-01-07 to 12-31-07 01-01-08 to 12-31-10
Chairman of the Board	David J. Stinson, Sr. Marshall Johnson Bruce Herdt	01-01-07 to 12-31-07 01-01-08 to 12-31-08 01-01-09 to 12-31-10



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF OAK PARK CONSERVANCY DISTRICT, CLARK COUNTY, INDIANA

We have examined the financial information presented herein of Oak Park 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

August 5, 2010

OAK PARK CONSERVANCY DISTRICT  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL, PROPRIETARY, AND FIDUCIARY 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
Governmental Funds:				
General	\$ 42	\$ 1,364,386	\$ 1,364,378	\$ 50
Storm Water Drainage	15,434	229,562	244,994	2
Rainy Day	116,078	3,322	-	119,400
Cumulative Capital Improvement	655,790	276,108	701,946	229,952
Proprietary Funds:				
Water Utility - Operating	69,479	127,020	130,729	65,770
Water Utility - Customer Deposit	1,821	2,497	2,376	1,942
Fiduciary Fund:				
Payroll	18,126	555,158	551,530	21,754
Totals	<u>\$ 876,770</u>	<u>\$ 2,558,053</u>	<u>\$ 2,995,953</u>	<u>\$ 438,870</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 50	\$ 2,599,325	\$ 2,207,554	\$ 391,821
Storm Water Drainage	2	393,811	332,388	61,425
Rainy Day	119,400	2,289	-	121,689
Cumulative Capital Improvement	229,952	229,983	139,650	320,285
Proprietary Funds:				
Water Utility - Operating	65,770	121,674	127,311	60,133
Water Utility - Customer Deposit	1,942	1,688	2,389	1,241
Fiduciary Fund:				
Payroll	21,754	630,979	625,303	27,430
Totals	<u>\$ 438,870</u>	<u>\$ 3,979,749</u>	<u>\$ 3,434,595</u>	<u>\$ 984,024</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 391,821	\$ 2,784,910	\$ 2,904,720	\$ 272,011
Storm Water Drainage	61,425	604,160	577,493	88,092
Rainy Day	121,689	3,573	-	125,262
Cumulative Capital Improvement	320,285	1,549,380	899,647	970,018
Proprietary Funds:				
Water Utility - Operating	60,133	118,632	119,799	58,966
Water Utility - Customer Deposit	1,241	1,317	1,398	1,160
Fiduciary Fund:				
Payroll	27,430	659,382	651,060	35,752
Totals	<u>\$ 984,024</u>	<u>\$ 5,721,354</u>	<u>\$ 5,154,117</u>	<u>\$ 1,551,261</u>

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

OAK PARK 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 appointed governing board and provides water, wastewater, and storm water 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 initially prepared and approved at the local level. In addition, funds for which property taxes are levied are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Conservancy District Taxes

Conservancy District taxes levied are collected by the County Treasurer and are distributed to the District in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish Conservancy District tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed property valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively.

Note 5. 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.

OAK PARK CONSERVANCY DISTRICT  
NOTES TO FINANCIAL INFORMATION  
(Continued)

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 6. 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 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.

OAK PARK 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.

General infrastructure assets (those reported by governmental activities) are included regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). 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>
Governmental activities:	
Capital assets, not being depreciated:	
Infrastructure	\$ 2,614,518
Buildings	346,769
Improvements other than buildings	1,309,726
Machinery and equipment	<u>1,500,111</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 5,771,124</u>
<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Infrastructure	\$ 194,700
Machinery and equipment	<u>61,393</u>
Total business-type activities capital assets	<u>\$ 256,093</u>

OAK PARK CONSERVANCY DISTRICT  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2009

The District has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Bonds payable:		
General obligation bonds:		
1995 Special benefits tax bonds	\$ 655,000	\$ 21,615
2001 Special benefits tax bonds	<u>1,135,000</u>	<u>117,991</u>
Total governmental activities debt	<u>\$ 1,790,000</u>	<u>\$ 139,606</u>

OAK PARK CONSERVANCY DISTRICT  
EXAMINATION RESULT AND COMMENT

CONDITION OF RECORDS

The Conservancy District's financial records presented for examination were maintained on the cash basis of accounting. The ledger contained several accounts which did not have supporting documentation to substantiate their balances. Account balances on the District's records, as of December 31, 2009, without verifiable supporting documentation are as follows:

<u>Account #</u>	<u>Account Description</u>	<u>Balance at 12-31-09</u>
1020	Water Beg Bal	\$ (29,579.25)
1900	Water Fund Bal	(401,015.46)
1910	Year End Retained Earning	(3,576,795.33)
2020	Sewer General - Begin Bal	(414,597.75)
2900	Sewer Fund Balance	254,644.21
3020	CIF BEG Balance as of Jan	(1,006,355.09)
3900	CIF Balance account	(292,419.00)

Accounting records and other public records must be maintained in a manner that will support accurate financial statements. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

OAK PARK CONSERVANCY DISTRICT  
EXIT CONFERENCE

The contents of this report were discussed on August 5, 2010, with David A. Meyer, Superintendent of Operations Water and Wastewater; Amy R. Burton, Financial Clerk; and Wayne A. Storz, former Financial Clerk. The officials concurred with our finding.

The contents of this report were also discussed on August 5, 2010, with Charlie Milburn, Vice Chairman of the Board; and Keith Ingram, Assistant Superintendent of Operations Water and Wastewater.