

**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, 2007 to December 31, 2009



**FILED**  
11/16/2010



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Superintendent	Peter J. Crowl	01-01-07 to 12-31-10
Financial Clerk	Cynthia S. Oberlin	01-01-07 to 12-31-10
President of the Board	John J. Dutton	01-01-07 to 12-31-10



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STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF 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, 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 23, 2010

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, 2007, 2008, And 2009

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Business-Type Funds:				
Operating Fund	\$ 67,953	\$ 782,794	\$ 791,148	\$ 59,599
Sewage Works Depreciation Fund	124,321	83,551	83,862	124,010
Sewage Works Bond and Interest Fund	7,107	246,099	242,439	10,767
Sewage Works Sinking Reserve Fund	236,810	10,886	-	247,696
Sewage Works Improvement Fund	163,420	60,045	24,199	199,266
Fiduciary Fund:				
Payroll Deduction Fund	-	53,176	53,176	-
Totals	<u>\$ 599,611</u>	<u>\$ 1,236,551</u>	<u>\$ 1,194,824</u>	<u>\$ 641,338</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Business-Type Funds:				
Operating Fund	\$ 59,599	\$ 812,715	\$ 814,520	\$ 57,794
Sewage Works Depreciation Fund	124,010	81,583	85,041	120,552
Sewage Works Bond and Interest Fund	10,767	243,734	242,482	12,019
Sewage Works Sinking Reserve Fund	247,696	11,937	-	259,633
Sewage Works Improvement Fund	199,266	49,632	135,228	113,670
Fiduciary Fund:				
Payroll Deduction Fund	-	56,808	56,808	-
Totals	<u>\$ 641,338</u>	<u>\$ 1,256,409</u>	<u>\$ 1,334,079</u>	<u>\$ 563,668</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Business-Type Funds:				
Operating Fund	\$ 57,794	\$ 839,959	\$ 827,389	\$ 70,364
Sewage Works Depreciation Fund	120,552	80,330	95,037	105,845
Sewage Works Bond and Interest Fund	12,019	242,536	242,370	12,185
Sewage Works Sinking Reserve Fund	259,633	5,886	-	265,519
Sewage Works Improvement Fund	113,670	47,358	28,726	132,302
Fiduciary Fund:				
Payroll Deduction Fund	-	57,891	57,891	-
Totals	<u>\$ 563,668</u>	<u>\$ 1,273,960</u>	<u>\$ 1,251,413</u>	<u>\$ 586,215</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 initially 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.

HAMILTON LAKE CONSERVANCY DISTRICT  
NOTES TO FINANCIAL INFORMATION  
(Continued)

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 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, 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:	
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	\$ 61,045
Treatment Plant	4,181,967
Collection System	4,383,300
Improvements other than buildings	847,686
Machinery and equipment	<u>171,313</u>
Total Wastewater Utility capital assets	<u>\$ 9,645,311</u>

HAMILTON LAKE CONSERVANCY DISTRICT  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 For The Year Ended 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:		
Wastewater Utility:		
State Revolving Fund Loans	<u>\$ 2,481,000</u>	<u>\$ 44,042</u>

HAMILTON LAKE CONSERVANCY DISTRICT  
EXIT CONFERENCE

The contents of this report were discussed on August 23, 2010, with Cynthia S. Oberlin, Financial Clerk. Our examination disclosed no material items that warrant comment at this time.