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

EXAMINATION REPORT

OF

NYONA/SOUTH MUD LAKE CONSERVANCY DISTRICT

FULTON COUNTY, INDIANA

January 1, 2008 to December 31, 2009



FILED
11/17/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Kenneth R. Hutchins	01-01-08 to 12-31-10
Chairman of the District	Ronald Roe Jerry Caylor	01-01-08 to 12-31-08 01-01-09 to 12-31-10



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE NYONA/SOUTH MUD LAKE CONSERVANCY DISTRICT,
FULTON COUNTY, INDIANA

We have examined the financial information presented herein of the Nyona/South Mud Lake Conservancy District (District), for the period of January 1, 2008 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, 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 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

August 19, 2010

NYONA/SOUTH MUD 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, 2008 And 2009

	Cash and Investments <u>01-01-08</u>	Receipts <u> </u>	Disbursements <u> </u>	Cash and Investments <u>12-31-08</u>
Enterprise Funds:				
Wastewater Utility Operating	\$ 101,235	\$ 223,997	\$ 244,599	\$ 80,633
Wastewater Utility Bond & Interest	-	6,183	25	6,158
Wastewater Utility Debt Reserve	<u>-</u>	<u>19,902</u>	<u>-</u>	<u>19,902</u>
Totals	<u>\$ 101,235</u>	<u>\$ 250,082</u>	<u>\$ 244,624</u>	<u>\$ 106,693</u>

	Cash and Investments <u>01-01-09</u>	Receipts <u> </u>	Disbursements <u> </u>	Cash and Investments <u>12-31-09</u>
Enterprise Funds:				
Wastewater Utility Operating	\$ 80,633	\$ 220,202	\$ 262,999	\$ 37,836
Wastewater Utility Bond & Interest	6,158	30,534	51	36,641
Wastewater Utility Debt Reserve	<u>19,902</u>	<u>7,463</u>	<u>-</u>	<u>27,365</u>
Totals	<u>\$ 106,693</u>	<u>\$ 258,199</u>	<u>\$ 263,050</u>	<u>\$ 101,842</u>

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

NYONA/SOUTH MUD 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 services: sewer services and general administrative 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. 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.

NYONA/SOUTH MUD 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	11,634.00
Buildings	240,000
Improvements other than buildings	3,965,424
Machinery and equipment	<u>66,440</u>
Total Wastewater Utility capital assets	<u>4,283,498</u>
Total business-type activities capital assets	<u>\$ 4,283,498</u>

NYONA/SOUTH MUD LAKE 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
Wastewater Utility:		
Revenue bonds:		
2006 Series A	\$ 967,000	\$ 53,197
2006 Series B	<u>388,000</u>	<u>20,931</u>
Total Wastewater Utility	<u>\$ 1,355,000</u>	<u>\$ 74,128</u>

NYONA/SOUTH MUD LAKE CONSERVANCY DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on August 19, 2010, with Kenneth R. Hutchins, Treasurer. Our examination disclosed no material items that warrant comment at this time.