

B37839

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

EXAMINATION REPORT  
OF  
TOWN OF CLEAR LAKE  
STEUBEN COUNTY, INDIANA  
January 1, 2008 to December 31, 2009



**FILED**  
11/16/2010



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OFFICIALS

Office

Official

Term

Clerk-Treasurer

Virginia A. Nye  
Kay Kummer

01-01-08 to 05-31-09  
06-01-09 to 12-31-11

President of the  
Town Council

Larry Armstrong  
Robert Lewis

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 THE TOWN OF CLEAR LAKE, STEUBEN COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Clear Lake (Town), for the period of January 1, 2008 to December 31, 2009. The Town'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 Town 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 Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

August 25, 2010

TOWN OF CLEAR LAKE  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND PROPRIETARY FUND TYPES  
As Of And For The Years Ended December 31, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
<b>Governmental Funds:</b>				
General	\$ 118,660	\$ 233,170	\$ 256,459	\$ 95,371
Motor Vehicle Highway	64,391	48,655	45,477	67,569
Local Road and Street	8,117	4,401	5,000	7,518
Law Enforcement Continuing Education	1,053	85	-	1,138
Sanitation	138,541	94,842	93,266	140,117
Rainy Day	6,100	213	-	6,313
Hanna Nature Preserve	350	-	350	-
Master Plan Donation	4,820	7,000	11,820	-
Donation	-	3,683	-	3,683
Cumulative Capital Improvement	608	794	725	677
Cumulative Capital Development	95,766	107,167	125,442	77,491
County Economic Development Income Tax	18,135	5,422	8,716	14,841
Local Major Moves Construction	136,201	4,727	-	140,928
<b>Proprietary Funds:</b>				
Wastewater Utility - Operating	495,949	674,551	643,224	527,276
Wastewater Utility - Bond and Interest	5,549	378,790	384,339	-
Wastewater Utility - Debt Service Reserve	261,827	17,455	-	279,282
Wastewater Utility - Improvement	227,831	5,401	-	233,232
<b>Totals</b>	<b><u>\$ 1,583,898</u></b>	<b><u>\$ 1,586,356</u></b>	<b><u>\$ 1,574,818</u></b>	<b><u>\$ 1,595,436</u></b>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
<b>Governmental Funds:</b>				
General	\$ 95,371	\$ 315,334	\$ 283,416	\$ 127,289
Motor Vehicle Highway	67,569	67,760	56,989	78,340
Local Road and Street	7,518	4,198	5,000	6,716
Local Option Income Tax - Public Safety	-	29,013	-	29,013
Law Enforcement Continuing Education	1,138	66	-	1,204
Sanitation	140,117	82,251	73,333	149,035
Rainy Day	6,313	1,215	-	7,528
Donation	3,683	-	1,095	2,588
Cumulative Capital Improvement	677	748	669	756
Cumulative Capital Development	77,491	174,533	40,413	211,611
County Economic Development Income Tax	14,841	11,323	10,716	15,448
Local Major Moves Construction	140,928	2,144	17,215	125,857
<b>Proprietary Funds:</b>				
Wastewater Utility - Operating	527,276	625,276	551,238	601,314
Wastewater Utility - Bond and Interest	-	261,600	261,422	178
Wastewater Utility - Debt Service Reserve	279,282	-	17,455	261,827
Wastewater Utility - Improvement	233,232	-	-	233,232
<b>Totals</b>	<b><u>\$ 1,595,436</u></b>	<b><u>\$ 1,575,461</u></b>	<b><u>\$ 1,318,961</u></b>	<b><u>\$ 1,851,936</u></b>

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

TOWN OF CLEAR LAKE  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Town was established under the laws of the State of Indiana. The Town provides the following services: public safety, culture and recreation, general administrative services and wastewater and trash collection services.

Note 2. Fund Accounting

The Town 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 or highway use taxes are received are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Town in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed 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. All property taxes collected by the County Treasurer and available for distribution were distributed to the Town on or prior to December 31 of the year collected.

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.

TOWN OF CLEAR LAKE  
NOTES TO FINANCIAL INFORMATION  
(Continued)

State statute (IC 5-13-9) authorizes the Town 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 Town 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 Town 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.

TOWN OF CLEAR LAKE  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2009

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Business-type activities:		
Wastewater Utility:		
SRF loan payable:		
Construction of Wastewater Utility	<u>\$ 2,581,821</u>	<u>\$ 53,157</u>

TOWN OF CLEAR LAKE  
EXAMINATION RESULT AND COMMENT

ANNUAL REPORT

The Town's annual report for 2008 was not presented for examination, and the Wastewater Utility did not report separate funds on the Town's 2009 annual report.

IC 5-3-1-3(a) states, in part: "Within sixty (60) days after the expiration of each calendar year, the fiscal officer of each civil city and town in Indiana shall publish an annual report of the receipts and expenditures of the city or town . . ."

CAPITAL ASSET RECORD

As stated in the prior Report B32483, the Town does not maintain a complete record of capital assets owned.

Every governmental unit should have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory should be recorded in the Capital Assets Ledger. A complete inventory should be taken every year for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF CLEAR LAKE  
EXIT CONFERENCE

The contents of this report were discussed on August 25, 2010, with Kay Kummer, Clerk-Treasurer; and Alan R. Korte, Council member.