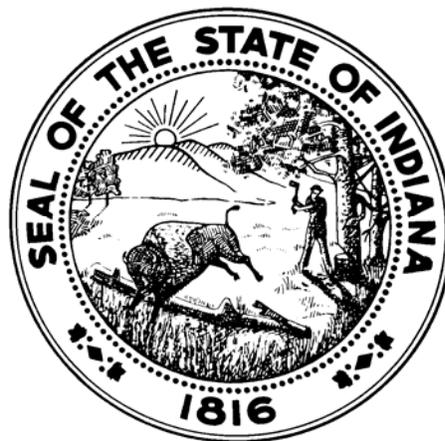


**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

EXAMINATION REPORT  
OF  
LAWRENCEBURG CONSERVANCY DISTRICT  
DEARBORN COUNTY, INDIANA  
January 1, 2004 to December 31, 2006



**FILED**  
02/19/2007



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OFFICIALS

Office

Official

Term

Financial Clerk

Deborah K. Biddle

01-01-04 to 12-31-07

Chairman of the  
Board

Eugene B. Seitz

01-01-04 to 12-31-07



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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of Lawrenceburg Conservancy District (District), for the period of January 1, 2004 to December 31, 2006. 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 present fairly, in all material respects, the financial information of the District for the years ended December 31, 2004, 2005, and 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Funding Progress, as listed in the Table of Contents, is presented for additional analysis and is 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

January 11, 2007

LAWRENCEBURG CONSERVANCY DISTRICT  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
As Of And For The Years Ended December 31, 2004, 2005, And 2006

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 234,433	\$ 1,708,224	\$ 1,465,882	\$ 476,775
Riverboat	40,625,065	1,393,509	1,222,731	40,795,843
Westside Levee	10,399	165	-	10,564
Fiduciary Funds:				
Maxwell Retainage	42,851	86	42,937	-
LCD Retainage	18,105	27	18,132	-
Payroll	340	242,484	242,774	50
Totals	<u>\$ 40,931,193</u>	<u>\$ 3,344,495</u>	<u>\$ 2,992,456</u>	<u>\$ 41,283,232</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 476,775	\$ 1,127,537	\$ 1,074,682	\$ 529,630
Riverboat	40,795,843	1,829,106	455,020	42,169,929
Westside Levee	10,564	363	10,927	-
Fiduciary Fund:				
Payroll	50	232,836	232,817	69
Totals	<u>\$ 41,283,232</u>	<u>\$ 3,189,842</u>	<u>\$ 1,773,446</u>	<u>\$ 42,699,628</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 529,630	\$ 1,129,281	\$ 1,191,294	\$ 467,617
Riverboat	42,169,929	2,235,308	522,039	43,883,198
Fiduciary Fund:				
Payroll	69	225,679	225,087	661
Totals	<u>\$ 42,699,628</u>	<u>\$ 3,590,268</u>	<u>\$ 1,938,420</u>	<u>\$ 44,351,476</u>

The accompanying notes are an integral part of the schedules.

LAWRENCEBURG CONSERVANCY DISTRICT  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The District was established under the laws of the State of Indiana. The District provides flood 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.

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

LAWRENCEBURG CONSERVANCY DISTRICT  
NOTES TO FINANCIAL INFORMATION  
(Continued)

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.

Note 6. Receipts from the City of Lawrenceburg

The Conservancy District leases land to the City of Lawrenceburg that is subleased to an operator of a riverboat facility. The lease payments received from the City are \$500,000 per year.

LAWRENCEBURG CONSERVANCY DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-03	\$ 227,353	\$ 255,720	\$ (28,367)	89%	\$ 185,690	15%
07-01-04	229,249	154,216	75,033	149%	163,205	46%
07-01-05	237,185	187,855	49,330	126%	165,935	30%

LAWRENCEBURG CONSERVANCY DISTRICT  
EXAMINATION RESULT AND COMMENT

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

Board members compensation was reported on Internal Revenue Service Form 1099-MISC rather than on Internal Revenue Service Form W-2. As a result, no taxes were withheld and remitted by the District.

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

Each governmental unit is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indiana Department of Revenue. All questions concerning taxes should be directed to these agencies. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee.

LAWRENCEBURG CONSERVANCY DISTRICT  
EXIT CONFERENCE

The contents of this report were discussed on January 11, 2007, with Deborah K. Biddle, Finance Clerk; Steven Karsteter, Board member; and James Knippenberg, Vice Chairman of Board. The officials concurred with our finding.