

STATE BOARD OF ACCOUNTS
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INDIANAPOLIS, INDIANA 46204-2769

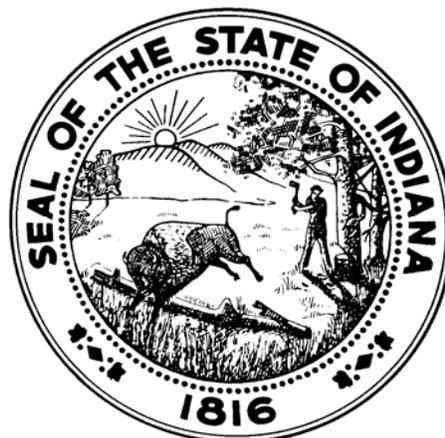
EXAMINATION REPORT

OF

UPPER PATOKA RIVER CONSERVANCY DISTRICT

DUBOIS AND PIKE COUNTIES, INDIANA

January 1, 2005 to December 31, 2006



FILED
02/22/2007

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of the Board	Alan R. Small	01-01-05 to 12-31-07
Treasurer	Gordon W. Barnett	01-01-05 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE UPPER PATOKA RIVER CONSERVANCY
DISTRICT, DUBOIS AND PIKE COUNTIES, INDIANA

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

STATE BOARD OF ACCOUNTS

January 24, 2007

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

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
General	\$ 14,108	\$ 47,197	\$ 49,680	\$ 11,625
Special Revenue:				
Cumulative Maintenance	<u>75,933</u>	<u>5,530</u>	<u>-</u>	<u>81,463</u>
Totals	<u>\$ 90,041</u>	<u>\$ 52,727</u>	<u>\$ 49,680</u>	<u>\$ 93,088</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
General	\$ 11,625	\$ 54,645	\$ 23,258	\$ 43,012
Special Revenue:				
Cumulative Maintenance	<u>81,463</u>	<u>3,864</u>	<u>9,750</u>	<u>75,577</u>
Totals	<u>\$ 93,088</u>	<u>\$ 58,509</u>	<u>\$ 33,008</u>	<u>\$ 118,589</u>

The accompanying notes are an integral part of the schedules.

UPPER PATOKA RIVER 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: flood prevention and control, improving drainage and preventing the loss of top soil from injurious water erosion.

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. Property Taxes

Property 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 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 District 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.

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.

UPPER PATOKA RIVER CONSERVANCY DISTRICT
EXAMINATION RESULT AND COMMENT

OFFICIAL BOND

As stated in the prior report, the official bonds of the Conservancy District financial officer for the years 2002 through 2006 and 2007 were not filed in the Office of the County Recorder.

Indiana Code 5-4-1-5.1(b) states in part: "Every elected or appointed officer, official, deputy, or employee of a political subdivision...shall file the bond in the office of the county recorder. . . ." A financial clerk shall execute a surety bond in the manner prescribed by IC 5-4-1. (IC 14-33-5-18(b)) (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 1)

UPPER PATOKA RIVER CONSERVANCY DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on January 24, 2007, with Arthur C. Nordhoff, Conservancy District Bookkeeper and Attorney.

The contents of this report were also discussed by telephone on January 24, 2007, with Gordon W. Barnett, Treasurer; and Alan R. Small, President of the Board. The officials concurred with our finding.