

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

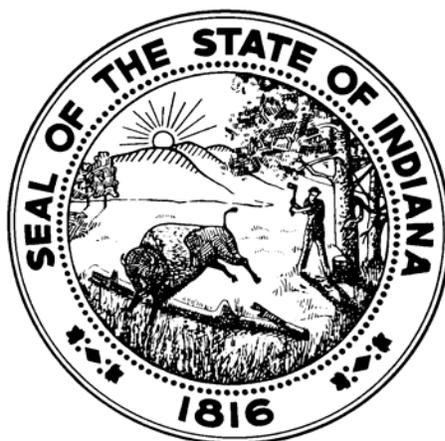
EXAMINATION REPORT

OF

LAPORTE COUNTY SOIL AND WATER CONSERVATION DISTRICT

LAPORTE COUNTY, INDIANA

January 1, 2005 to December 31, 2006



FILED
11/09/2007

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Gene Schmidt	01-01-05 to 12-31-05
	Bernard Baltes	01-01-06 to 12-31-06
	Gene Schmidt	01-01-07 to 12-31-07
Chairman of the Board of Supervisors	Bernard Baltes	01-01-05 to 12-31-05
	Roger S. Eggert	01-01-06 to 12-31-07
Office Manager	Danielle Kayser	01-01-05 to 10-02-06
	Sheila Batchelor	10-03-06 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE LAPORTE COUNTY SOIL AND WATER
CONSERVATION DISTRICT, LAPORTE COUNTY, INDIANA

We have examined the financial information presented herein of the LaPorte County Soil and Water Conservation 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

September 25, 2007

LAPORTE COUNTY SOIL AND WATER CONSERVATION DISTRICT
 SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
 GOVERNMENTAL FUND TYPE
 As Of And For The Years Ended December 31, 2005 And 2006

	<u>Cash and Investments 01-01-05</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 12-31-05</u>
General	<u>\$ 15,588</u>	<u>\$ 45,082</u>	<u>\$ 34,798</u>	<u>\$ 25,872</u>
	<u>Cash and Investments 01-01-06</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 12-31-06</u>
General	<u>\$ 25,872</u>	<u>\$ 42,946</u>	<u>\$ 28,489</u>	<u>\$ 40,329</u>

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

LAPORTE COUNTY SOIL AND WATER CONSERVATION DISTRICT
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The District was established under the laws of the State of Indiana. The District provides soil and water conservation 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 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.

LAPORTE COUNTY SOIL AND WATER CONSERVATION DISTRICT
EXAMINATION RESULTS AND COMMENTS

CONDITION OF RECORDS

The beginning balances, receipts, disbursements, and ending balances of the Receipts and Disbursements Journal did not agree to the Annual Financial Report for 2005 and 2006. The differences varied from \$81 to \$244 per year.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

BANK ACCOUNT RECONCILIATIONS

Monthly depository reconciliations of the fund balances to the bank account balances were not performed for 2005 and 2006.

Indiana Code 5-13-6-1(e) states in part: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

DEPOSITS

A cash change fund had not been established and change was being made from daily cash receipts.

Indiana Code 5-13-6-1(c) states in part: "Public funds deposited . . . shall be deposited in the same form in which they were received."

INTEREST ON INVESTMENTS

Interest earned on investments was automatically added to the principal and not recorded in the records.

Interest on investments should not be automatically added into the investment. Instead, interest on investments should be paid to the governmental unit at each maturity date and posted to the appropriate fund. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

LAPORTE COUNTY SOIL AND WATER CONSERVATION DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on September 25, 2007, with Roger S. Eggert, Chairman of the Board of Supervisors; and Sheila Batchelor, Office Manager. The officials concurred with our findings.