

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

EXAMINATION REPORT  
OF  
NINEVEH CONSERVANCY DISTRICT  
JOHNSON COUNTY, INDIANA  
January 1, 2006 to December 31, 2007



**FILED**  
02/03/2009



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials .....	2
Independent Accountant's Report.....	3
Financial Information:	
Schedules of Receipts, Disbursements, and Cash and Investment Balances .....	4
Notes to Financial Information .....	5
Supplementary Information:	
Schedule of Capital Assets.....	6
Schedule of Long-Term Debt .....	7
Examination Results and Comments:	
District Board Member Supporting Documentation .....	8
Advance Payments.....	8
Ordinances and Resolutions .....	8-9
Official Bonds Not Recorded .....	9
Penalties, Interest, and Other Charges .....	9-10
Annual Report Not Filed .....	10
Deposits Not Made Timely .....	10
Exit Conference.....	11
Summary .....	12

OFFICIALS

Office

Official

Term

President of the Board

Brenda Collins  
Wayne Bensheimer  
Robert Wilson

01-01-06 to 12-31-06  
01-01-07 to 12-31-07  
01-01-08 to 12-31-09



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

---

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE NINEVEH CONSERVANCY DISTRICT, JOHNSON COUNTY, INDIANA

We have examined the financial information presented herein of the Nineveh Conservancy District (District), for the period of January 1, 2006 to December 31, 2007. 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, 2006 and 2007, 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 required parts of the basic financial information. The schedules 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 8, 2009

NINEVEH 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, 2006 And 2007

	<u>Cash and Investments 01-01-06</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 12-31-06</u>
Proprietary Fund: General	<u>\$ 182,433</u>	<u>\$ 92,472</u>	<u>\$ 87,251</u>	<u>\$ 187,654</u>
	<u>Cash and Investments 01-01-07</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 12-31-07</u>
Proprietary Fund: General	<u>\$ 187,654</u>	<u>\$ 91,986</u>	<u>\$ 122,015</u>	<u>\$ 157,625</u>

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

NINEVEH CONSERVANCY  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Nineveh Conservancy District was established by an Order entered by the Johnson Circuit Court in Cause Number 41CO19010MI384 on June 28, 1992, under provisions of Indiana Code 13-3-2-3. The District was formed to provide a sanitary sewer system for the residents of the unincorporated Town of Nineveh, Indiana.

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. 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.

NINEVEH CONSERVANCY DISTRICT  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 For The Year Ended December 31, 2007

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:	
Improvements other than buildings	\$ 242,792
Machinery and equipment	<u>541,624</u>
Total Wastewater Utility capital assets	<u>\$ 784,416</u>

NINEVEH CONSERVANCY DISTRICT  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2007

The Conservancy District has entered into the following debt:

Description of Debt	Ending Principal Balance	Interest Due Within One Year
Business-type Activities:		
Wastewater Utility		
Revenue bonds:		
Sewer construction	\$ 59,000	\$ 14,608

NINEVEH CONSERVANCY DISTRICT  
EXAMINATION RESULTS AND COMMENTS

DISTRICT BOARD MEMBERS SUPPORTING DOCUMENTATION

Several payments for board member reimbursement were observed which did not contain adequate supporting documentation such as receipts, invoices, and other public records. In addition, the Board members did not indicate the work performed. Due to the lack of supporting information, the validity and accountability for some money disbursed for board member reimbursement could not be established.

Indiana Code 14-33-5-16 states (effective until July 1, 2007):

"As compensation the directors are entitled to an amount that the court orders, but not to exceed fifty dollars (\$50) for each day devoted to the work of the district. In addition, the directors shall be reimbursed for actual expenses, including traveling expense at a rate equal to the rate paid to state officers and employees. Claims for expense reimbursement must be accompanied by an itemized written statement approved by a recorded motion of the board."

Indiana Code 14-33-5-16 states (effective July 1, 2007):

"As compensation the directors are entitled to an amount that the court orders, but not to exceed: (1) one hundred dollars (\$100) for not more than two (2) regular or specially called board meetings per month; and (2) fifty dollars (\$50) for not more than five (5) days per month devoted to the work of the district in addition to any day for which payment is received under subdivision (1).

In addition, the directors shall be reimbursed for actual expenses, including traveling expense at a rate equal to the rate paid to state officers and employees. Claims for expense reimbursement must be accompanied by an itemized written statement approved by a recorded motion of the board."

ADVANCE PAYMENTS

The date of transaction indicates that payments to Beverly Bensheimer for services as Board Secretary for the year 2006 and 2007 were made prior to the performance of services. The payments in the amount of \$600.00 were made on January 24, 2006 and January 12, 2007, for the years 2006 and 2007, respectively.

Compensation and any other payments for goods and services should not be paid in advance of receipt of the goods or services unless specifically authorized by statute. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

ORDINANCES AND RESOLUTIONS

As noted in prior Report B29776, the Nineveh Conservancy District failed to amend the Ordinance 97-1 to reflect the rate structure currently in use. The current rate structure reflects a reduction in the minimum monthly charge. Furthermore, the recalculation of customer utility bills disclosed that the amounts charged were not consistent with the approved rates.

NINEVEH CONSERVANCY DISTRICT  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

In addition, the Nineveh Conservancy District failed to, in accordance with the bond issuance, meet the requirement to set aside and pay into its Sewage Works Sinking Fund a sufficient amount of the Net Revenues of said works to meet (a) the interest on all bonds which, by its terms, are payable from the revenues of said sewage works, as such interest shall fall due, (b) the necessary fiscal agency charges for paying the bonds and interest, (c) the principal of all bonds which, by its terms, are payable from the revenues of said sewage works, as such principal shall fall due, and (d) an additional amount to create and maintain the reserve required by the Ordinance.

Indiana Code 14-33-5-1 states in part:

"(a) If the board issues revenue bonds for the collection, treatment, and disposal of sewage and liquid waste, the board may do the following:

- (1) Establish just and equitable rates and charges and use the same basis for the rates as provided in IC 36-9-23-25 through IC 36-9-23-29.

Indiana Code 36-9-23-25 states in part:

"The municipal legislative body shall, by ordinance, establish just and equitable fees for the services rendered by the sewage works, and provide the dates on which the fees are due."

Indiana Code 36-9-23-26 states in part:

"After the hearing, the municipal legislative body shall adopt the ordinance establishing the fees, either as originally introduced or as modified. A copy of the schedule of fees adopted shall be kept on file and available for public inspection in the offices of the board and the municipal clerk . . . (d) The municipal legislative body may change or readjust the fees in the same manner by which there were established. (e) Fees collected under this chapter are considered revenues of the sewage works."

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

OFFICIAL BONDS NOT RECORDED

The following official bonds were not filed in the Office of the County Recorder:

Charles W. Bensheimer, Board President  
Cheryl A. Gibson, Board Secretary/Treasurer  
Brenda J. Collins, Board Member

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 . . ."

PENALTIES, INTEREST, AND OTHER CHARGES

Information presented for examination indicates that \$195 in overdraft fees were paid due to the fact the District's primary bank account was overdrawn several times during 2006.

NINEVEH CONSERVANCY DISTRICT  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

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

(Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

ANNUAL REPORT NOT FILED

An annual report for 2007 was on file with the State Board of Accounts, but no annual report was on file for 2006 and no annual report was presented for examination.

Indiana Code 14-33-5-20 states in part: "The board shall do the following . . . (6) Make an annual report to the court of income and expenses. The report must be submitted not later than thirty (30) days after the annual meeting . . ."

Indiana Code 5-11-1-4(a) concerning annual reports, states in part: "The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year . . . these reports shall be prepared, verified, and filed with the state examiner within thirty (30) days after the close of each fiscal year."

DEPOSITS NOT MADE TIMELY

As stated in the prior Report B29776, we noted instances where receipts were deposited later than the next business day. Of the 209 customer deposits made during the period examined, 188 were not deposited with the bank within the next business day. Some deposits were as much as 60 days after the receipt of funds. In addition, a receipt dated August 16, 2007, in the amount of \$71.71 has not been deposited as of December 31, 2007. (See Summary, page 12)

Indiana Code 5-13-6-1(c) states in part: "All local officers . . . who collect public funds of their respective political subdivisions shall deposit funds not later than the business day following the receipt of funds on business days of the depository in the depository or depositories selected by the . . . local boards of finance. . . ."

NINEVEH CONSERVANCY DISTRICT  
EXIT CONFERENCE

The contents of this report were discussed on January 8, 2009, with Larry Lopshire, District Accountant.

NINEVEH CONSERVANCY DISTRICT  
JOHNSON COUNTY  
SUMMARY

	Charges	Credits	Balance Due
Deposits Not Made Timely, page 10	\$ 71.71	\$	\$
Deposit of Undeposited Utility Collections January 8, 2009		71.71	-
Totals	\$ 71.71	\$ 71.71	\$ -