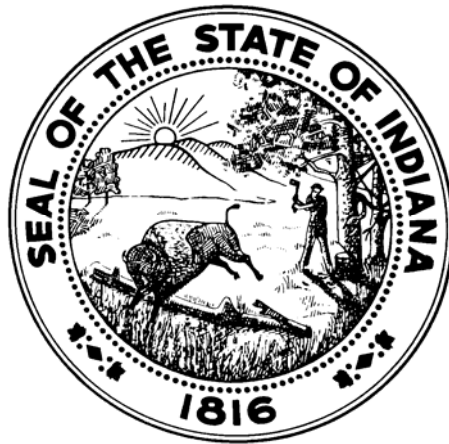


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT
OF
PRAIRIE CREEK CONSERVANCY DISTRICT
VIGO COUNTY, INDIANA
January 1, 2004 to December 31, 2005



FILED
09/26/2006

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report	3
Schedules of Receipts, Disbursements, and Cash and Investment Balances.....	4
Notes to Schedules	5
Examination Results and Comments:	
Official Bond	6
Interest on Investments	6
Investment Maturity Limitations	6
Community Mileage	6
Prescribed Forms	7
Mileage Reimbursement.....	7
Exit Conference.....	8

OFFICIALS

Office

Official

Term

Financial Clerk

Barrett Piety

01-01-04 to 12-31-06

President of the Board

Fred Wilson

01-01-04 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2765

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

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE PRAIRIE CREEK CONSERVANCY DISTRICT, VIGO COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Prairie Creek Conservancy District (District), for the period of January 1, 2004 to December 31, 2005. The District's management is responsible for the schedules. 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 schedule of receipts, disbursements, and cash and investment balances 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 schedules referred to above present fairly, in all material respects, the cash transactions of the District for the years ended December 31, 2004 and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

August 28, 2006

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

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 11,200	\$ 21,821	\$ 11,018	\$ 22,003
Debt Reserve	<u>375,359</u>	<u>7,060</u>	<u>-</u>	<u>382,419</u>
Totals	<u>\$ 386,559</u>	<u>\$ 28,881</u>	<u>\$ 11,018</u>	<u>\$ 404,422</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 22,003	\$ 9,143	\$ 19,857	\$ 11,289
Debt Reserve	<u>382,419</u>	<u>19,305</u>	<u>-</u>	<u>401,724</u>
Totals	<u>\$ 404,422</u>	<u>\$ 28,448</u>	<u>\$ 19,857</u>	<u>\$ 413,013</u>

The accompanying notes are an integral part of the schedules.

PRAIRIE CREEK CONSERVANCY DISTRICT
NOTES TO SCHEDULES

Note 1. Introduction

The District was established under the laws of the State of Indiana. The District provides levy and ditch maintenance.

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.

Note 6. Long-Term Debt

The District has entered into bonds for the acquisition and construction of major capital facilities. The outstanding principal at December 31, 2005, was \$85,525.

PRAIRIE CREEK CONSERVANCY DISTRICT
EXAMINATION RESULTS AND COMMENTS

OFFICIAL BOND

As stated in prior Audit Reports, B18069 and B22434, the following official bond was not filed in the Office of the County Recorder:

Barrett Piety, Financial Clerk

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. . . ."

INTEREST ON INVESTMENTS

We noted some instances where 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)

INVESTMENT MATURITY LIMITATIONS

The Prairie Creek Conservancy District has invested in two certificates of deposit, which have a stated maturity in excess of two years.

Indiana Code 5-13-9-5.6 states in part: ". . . investments made under this chapter must have a stated final maturity of not more than . . . (3) two (2) years . . . after the date of purchase or entry into a repurchase agreement.

COMMUTING MILEAGE

The Board was provided reimbursement for traveling to and from home to the office.

Reimbursed mileage shall not include travel to and from the officer's or employee's home and the governmental office in which he works, unless otherwise authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

PRAIRIE CREEK CONSERVANCY DISTRICT
EXAMINATION RESULTS AND COMMENTS
(Continued)

PRESCRIBED FORMS

The following prescribed form was not in use:

General Form 358, Ledger of Receipts, Disbursements, and Balances

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 22)

MILEAGE REIMBURSEMENT

An employee was reimbursed \$114 more than the documented amount on Mileage Claim, General Form 101. The Financial Clerk should recover the \$114 from the employee on behalf of the District.

All claims, invoices, receipts, accounts payable vouchers, including those presented to the governing body for approval in accordance with Indiana Code 5-11-10, should contain adequate detailed documentation. All claims, invoices, receipts, and accounts payable vouchers regarding reimbursement for meals and expenses for individuals must have specific detailed information of the names of all individuals for which amounts are claimed, including the nature, name, and purpose of the business meeting, to enable the governing body to authorize payment. Payments which do not have proper itemization showing the business nature of the claim, may be the personal obligation of the responsible official, employee or other person for whom the claim is made. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

PRAIRIE CREEK CONSERVANCY DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on August 28, 2006, with Jan Came, Bookkeeper. The official concurred with our findings.