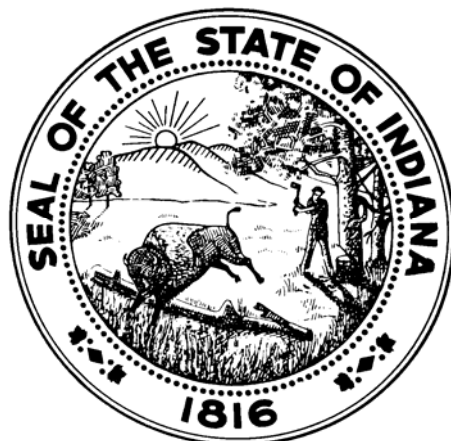


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT
OF

SPENCER COUNTY SOIL AND WATER
CONSERVATION DISTRICT
SPENCER COUNTY, INDIANA

January 1, 2003 to December 31, 2005



FILED
12/29/2006

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
Exit Conference.....	6

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Mary Beth Wilkinson Kristin Moran Patricia Dugas	01-01-03 to 05-14-05 05-15-05 to 09-07-06 09-08-06 to 12-31-06
Chairman of the Board of Supervisors	Mark Lubbehusen	01-01-03 to 12-31-06



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

INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of the Spencer County Soil and Water Conservation District (District), for the period of January 1, 2003 to December 31, 2005. 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, 2003, 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

November 8, 2006

SPENCER COUNTY SOIL AND WATER CONSERVATION DISTRICT
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2003, 2004, And 2005

	<u>Cash and Investments 01-01-03</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 12-31-03</u>
General	<u>\$ 11,831</u>	<u>\$ 36,340</u>	<u>\$ 44,858</u>	<u>\$ 3,313</u>
	<u>Cash and Investments 01-01-04</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 12-31-04</u>
General	<u>\$ 3,313</u>	<u>\$ 45,455</u>	<u>\$ 29,698</u>	<u>\$ 19,070</u>
	<u>Cash and Investments 01-01-05</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 12-31-05</u>
General	<u>\$ 19,070</u>	<u>\$ 13,782</u>	<u>\$ 15,744</u>	<u>\$ 17,108</u>

The accompanying notes are an integral part of the schedules.

SPENCER 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 operates under a Board of Supervisors form of government and 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. 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.

SPENCER COUNTY SOIL AND WATER CONSERVATION DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on November 8, 2006, with Patricia Dugas, Treasurer. Our examination disclosed no material items that warrant comment at this time.