

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

EXAMINATION REPORT
OF
JORDAN CREEK CONSERVANCY DISTRICT
WARREN COUNTY, INDIANA
January 1, 2005 to December 31, 2006



FILED
10/25/2007

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OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|------------------------|---|--|
| Financial Clerk | Edward E. Larch (Deceased) Charles N. Little | 01-01-05 to 02-15-06 02-16-06 to 12-31-07 |
| President of the Board | William Davis | 01-01-05 to 12-31-07 |



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE JORDAN CREEK CONSERVANCY
DISTRICT, WARREN COUNTY, INDIANA

We have examined the financial information presented herein of the Jordan Creek 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

August 2, 2007

JORDAN CREEK CONSERVANCY 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> |
|-------------------------------|--|-------------------|----------------------|--|
| Governmental Fund: General | \$ <u>34,578</u> | \$ <u>152,989</u> | \$ <u>129,751</u> | \$ <u>57,816</u> |
| | | | | |
| | <u>Cash and Investments 01-01-06</u> | <u>Receipts</u> | <u>Disbursements</u> | <u>Cash and Investments 12-31-06</u> |
| Governmental Fund: General | \$ <u>57,816</u> | \$ <u>267,267</u> | \$ <u>202,514</u> | \$ <u>122,569</u> |

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

JORDAN CREEK CONSERVANCY DISTRICT
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The District was established under the laws of the State of Indiana. The District provides flood prevention and drain improvement 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 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. However, 2006 taxes became delinquent if not paid by June 2 and November 10, 2006.

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.

JORDAN CREEK CONSERVANCY DISTRICT
EXAMINATION RESULTS AND COMMENTS

CONTRACTS

Records presented for examination indicate payments were made for contractor's insurance on behalf of Matthew Davis in 2006. There was not a contract presented for examination for Mr. Davis's services, and there was no documentation in the board minutes that they agreed to pay his contractor's insurance.

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

The District did not comply with directives of the Indiana Department of Revenue and the Internal Revenue Service. District board members salaries were not subjected to withholdings, and forms W-2 were not issued.

Each governmental unit is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indiana Department of Revenue. All questions concerning taxes should be directed to these agencies. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

JORDAN CREEK CONSERVANCY DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on August 2, 2007, with Charles N. Little, Financial Clerk. The official concurred with our findings.