

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

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



**FILED**  
10/25/2007



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OFFICIALS

Office

Official

Term

Financial Clerk

Phyllis B. Hartlep

01-01-05 to 12-31-07

Chairman of the Board

Joseph Jones

01-01-05 to 12-31-07



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of the Kickapoo 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 7, 2007

KICKAPOO CREEK CONSERVANCY DISTRICT  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
GOVERNMENTAL FUND TYPES  
As Of And For The Years Ended December 31, 2005 And 2006

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 41,403	\$ 23,943	\$ 12,022	\$ 53,324
Cumulative Maintenance	<u>9,500</u>	<u>1,000</u>	<u>-</u>	<u>10,500</u>
Totals	<u>\$ 50,903</u>	<u>\$ 24,943</u>	<u>\$ 12,022</u>	<u>\$ 63,824</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 53,324	\$ 15,256	\$ 20,177	\$ 48,403
Cumulative Maintenance	<u>10,500</u>	<u>1,000</u>	<u>-</u>	<u>11,500</u>
Totals	<u>\$ 63,824</u>	<u>\$ 16,256</u>	<u>\$ 20,177</u>	<u>\$ 59,903</u>

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

KICKAPOO 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 the following services: flood prevention, drain improvement, and prevention of top soil loss due to erosion.

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.

KICKAPOO CREEK CONSERVANCY DISTRICT  
EXAMINATION RESULTS AND COMMENTS

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

The District employee and Board members were not subjected to withholdings from their wages, or issued W2's for wages earned.

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)

DEPOSITS

Four of five county distributions were deposited later than the next business day. Two of the five county distributions were noted as being deposited in excess of two weeks subsequent to the distribution.

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 . . ."

SALES TAX

Twenty-five of the fifty-eight claims paid by the District during our examination period included amounts for sales tax. The amount of sales tax paid during our examination period totaled \$302.21.

Governmental funds generally are exempt from the payment of sales tax on qualifying purchases. Respective tax agencies should always be contacted concerning tax exemptions and payments. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. 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)

PRESCRIBED FORMS

The Ledger of Receipts, Disbursements, and Balances, General Form 358, and Ledger of Appropriations, Encumbrances, Disbursements and Balances, General Form 359 are not in use by the District. Alternately, the District uses 13 columnar accounting pages, and combines the transactions of all funds into one column. A Capital Assets Ledger, General Form 369 is not in use by the District. Capital Assets are considered material.

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 District, Chapter 10)

KICKAPOO CREEK CONSERVANCY DISTRICT  
EXIT CONFERENCE

The contents of this report were discussed on August 7, 2007, with Phyllis B. Hartlep, Financial Clerk. The official concurred with our findings.