

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

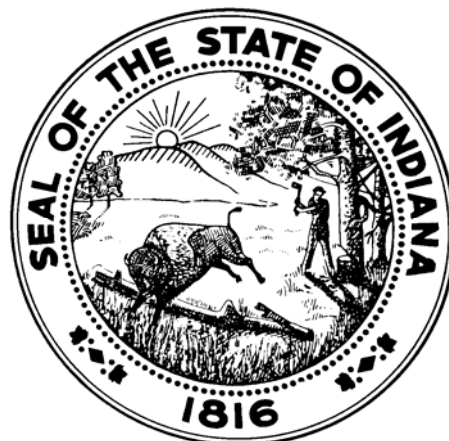
EXAMINATION REPORT

OF

TWIN RUSH CREEK WATERSHED CONSERVANCY DISTRICT

WASHINGTON COUNTY, INDIANA

January 1, 2005 to December 31, 2006



FILED
10/31/2007

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OFFICIALS

Office

Official

Term

Financial Clerk

Larry Purlee

01-01-05 to 12-31-07

President of the Board

Tom Hackman

01-01-05 to 12-31-07



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TWIN RUSH CREEK WATERSHED
CONSERVANCY DISTRICT, WASHINGTON COUNTY, INDIANA

We have examined the financial information presented herein of the Twin Rush Creek Watershed 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.

The Schedule of Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. The schedule has not been subjected to the examination procedures applied to the basic financial information, and accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

September 19, 2007

TWIN RUSH CREEK WATERSHED CONSERVANCY DISTRICT
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL 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	\$ 36,899	\$ 20,644	\$ 7,415	\$ 50,128
Cumulative Maintenance	<u>3,224</u>	<u>753</u>	<u>-</u>	<u>3,977</u>
Totals	<u>\$ 40,123</u>	<u>\$ 21,397</u>	<u>\$ 7,415</u>	<u>\$ 54,105</u>
	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 50,128	\$ 11,253	\$ 4,005	\$ 57,376
Cumulative Maintenance	<u>3,977</u>	<u>351</u>	<u>-</u>	<u>4,328</u>
Totals	<u>\$ 54,105</u>	<u>\$ 11,604</u>	<u>\$ 4,005</u>	<u>\$ 61,704</u>

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

TWIN RUSH CREEK WATERSHED 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: water conservation and general administrative 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. 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.

TWIN RUSH CREEK WATERSHED CONSERVANCY DISTRICT
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT

For The Year Ended December 31, 2006

Description of Asset	Ending Balance	Due Within One Year
Governmental Activities:		
Notes and loans payable:		
USDA Farmers' Home Administration Loan of 1968	\$ 28,341	\$ 1,742

TWIN RUSH CREEK WATERSHED CONSERVANCY DISTRICT
EXAMINATION RESULTS AND COMMENTS

INTEREST ON INVESTMENTS

Interest earned on investments was automatically added to the principal and not recorded in the records in some instances.

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 15)

BOARD MINUTES

Minutes of meetings of the Conservancy District Board were not available for examination.

Indiana Code 5-14-1.5-4(b) states:

"As the meeting progresses, the following memoranda shall be kept:

- (1) The date, time, and place of the meeting.
- (2) The members of the governing body recorded as either present or absent.
- (3) The general substance of all matters proposed, discussed, or decided.
- (4) A record of all votes taken, by individual members if there is a roll call.
- (5) Any additional information required under IC 5-1.5-2-2.5 or IC 20-12-63-7."

ANNUAL REPORT

An annual report for the years 2005 and 2006 were not prepared and filed as required with the Clerk of the Circuit Court.

Indiana Code 14-33-5-20 specifies the duties of the board and states in part:

- "(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 and may include any of the following:
- (A) A statement of the progress in accomplishing each purpose for which the district is established.
 - (B) Recommendations for amendment to the district plan.
 - (C) Any matter that the board believes should be brought to the attention of the court for instructions or approval."

TWIN RUSH CREEK WATERSHED CONSERVANCY DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on September 20, 2007, with Larry Purlee, Financial Clerk.
The official concurred with our findings.