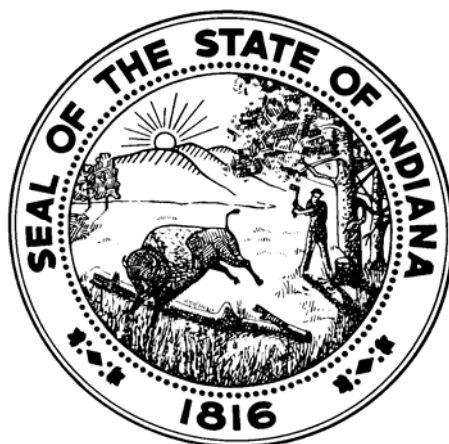


**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

EXAMINATION REPORT  
OF  
LAKE HOLIDAY CONSERVANCY DISTRICT  
MONTGOMERY COUNTY, INDIANA  
January 1, 2005 to December 31, 2006



**FILED**  
11/16/2007



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OFFICIALS

Office

Official

Term

Financial Clerk

J. Kay Shelton

01-01-05 to 12-31-07

Chairman of the Board

Larry Roche  
Michael McKeown

01-01-05 to 12-31-06  
01-01-07 to 12-31-07



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF LAKE HOLIDAY CONSERVANCY DISTRICT, MONTGOMERY COUNTY, INDIANA

We have examined the financial information presented herein of Lake Holiday 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. It 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 25, 2007

LAKE HOLIDAY 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	\$ 2,826	\$ 398,608	\$ 291,239	\$ 110,195
Clubhouse Deposits and Sales Tax	935	4,284	4,262	957
Cumulative Maintenance	10,892	20,247	-	31,139
Cumulative Improvement	17,098	46,520	-	63,618
Cumulative Equipment	16,119	65,525	25,000	56,644
1998 Bond Fund	136,035	1,618	2,500	135,153
EBA Special Assessments	411,517	118,725	126,790	403,452
Sewer Development	700,000	772	-	700,772
Totals	<u>\$ 1,295,422</u>	<u>\$ 656,299</u>	<u>\$ 449,791</u>	<u>\$ 1,501,930</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 110,195	\$ 186,182	\$ 181,472	\$ 114,905
Clubhouse Deposits and Sales Tax	957	5,385	3,850	2,492
Cumulative Maintenance	31,139	10,435	-	41,574
Cumulative Improvement	63,618	13,275	-	76,893
Cumulative Equipment	56,644	6,737	-	63,381
1998 Bond Fund	135,153	1,872	-	137,025
EBA Special Assessments	403,452	72,150	89,171	386,431
Sewer Development	700,772	37,357	-	738,129
Totals	<u>\$ 1,501,930</u>	<u>\$ 333,393</u>	<u>\$ 274,493</u>	<u>\$ 1,560,830</u>

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

LAKE HOLIDAY CONSERVANCY DISTRICT  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The District was established under the laws of the State of Indiana. The Conservancy District operates under an appointed governing board. The District provides the following services: erosion and flood control, culture and recreation, 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 and received 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. Subsequent Event

On July 17, 2007, the Lake Holiday Conservancy District paid the 1998 Conservancy District bonds in full. The payoff was \$495,000 in principal, \$12,825 in interest, \$500 in trustee fees and \$200 in termination fees. The payment was made from the 1998 bond fund balance and the EBA special assessment fund.

LAKE HOLIDAY CONSERVANCY DISTRICT  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF LONG-TERM DEBT

For The Year Ended December 31, 2006

	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds payable:		
General obligation bonds:		
Conservancy District Bonds of 1998 for facilities construction	\$ 495,000	\$ -
Total governmental activities long-term debt	<u>\$ 495,000</u>	<u>\$ -</u>

LAKE HOLIDAY CONSERVANCY DISTRICT  
EXIT CONFERENCE

The contents of this report were discussed on September 25, 2007, with Judie A. Esra, Board Member and J. Kay Shelton, Financial Clerk. Our examination disclosed no material items that warrant comment at this time.