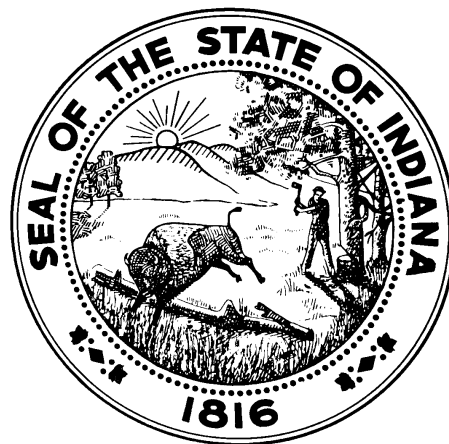


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT
OF
HANTS LAKE CONSERVANCY DISTRICT
JOHNSON COUNTY, INDIANA
January 1, 2005 to December 31, 2007



FILED
12/31/2008

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
Examination Results and Comments: Official Bond	6
Approval of Claims	6
Exit Conference.....	7
Official Response	8

OFFICIALS

Office

Official

Term

Financial Clerk

Hope Nutt

01-01-05 to 12-31-08

President of the
Board of Directors

Robert Morrison

01-01-05 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF HANTS LAKE CONSERVANCY DISTRICT, JOHNSON COUNTY, INDIANA

We have examined the financial information presented herein of Hants Lake Conservancy District (District), for the period of January 1, 2005 to December 31, 2007. 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, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

December 3, 2008

HANTS LAKE 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, 2006 And 2007

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
General	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 227</u>	<u>\$ 773</u>
	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
General	<u>\$ 773</u>	<u>\$ 3,350</u>	<u>\$ 2,836</u>	<u>\$ 1,287</u>
	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
General	<u>\$ 1,287</u>	<u>\$ 6,308</u>	<u>\$ 5,933</u>	<u>\$ 1,662</u>

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

HANTS LAKE CONSERVANCY DISTRICT
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Hants Lake Conservancy District was established by an order entered by the Johnson County, Circuit Court in cause number 41C01-0312-MI-00018 on the 12th day of November 2004 under provisions of Indiana Code 13-3-2-3. The District was formed for the statutory purposes of flood prevention and control, developing forests, wildlife areas, parks and recreation facilities if feasible in connection with beneficial water management, and operation, maintenance and improvement of works of improvement, including, but not limited to Hants Lake and the Hants Lake dam and spillway.

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; however, December 2006 distribution of \$3,036 was not posted by District until January 4, 2007 and December 2007 distribution of \$2,658 was not posted by District until February 15, 2008.

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.

HANTS LAKE CONSERVANCY DISTRICT
EXAMINATION RESULTS AND COMMENTS

OFFICIAL BOND

The following official bond was not filed in the Office of the County Recorder:

Hope Nutt, Financial Clerk

Indiana Code 5-4-1-5.1(b) states in part: "Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder . . ."

APPROVAL OF CLAIMS

In the years 2005, 2006, and 2007, the minutes did not indicate approval of the District's disbursements by the Board of Directors.

Indiana Code 5-11-10-2(a) states: "Claims against a political subdivision of the state must be approved by the officer or person receiving the goods or services, be audited for correctness and approved by the disbursing officer of the political subdivision, and, where applicable, be allowed by the governing body having jurisdiction over allowance of such claims before they are paid. If the claim is against a governmental entity (as defined in section 1.6 of this chapter), the claim must be certified by the fiscal officer."

HANTS LAKE CONSERVANCY DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on December 4, 2008, with Hope Nutt, Financial Clerk. The official concurred with our findings; however, she wanted to include a written reponse which has been made a part of this report and may be found on page 8.

Option No 2:

The Boards response to the comments regarding a Bond and Approval of Claims id as follows:

As volunteers we hire an Attorney and a Financial Advisor and rely highly on the strengths of these Professionals to advise us on the proper procedures for the Conservancy. The Board feels that the findings of this audit would not need to be addressed with us had we been given proper advise by said Professionals we would he most definitely been in compliance.

Hope Nutt