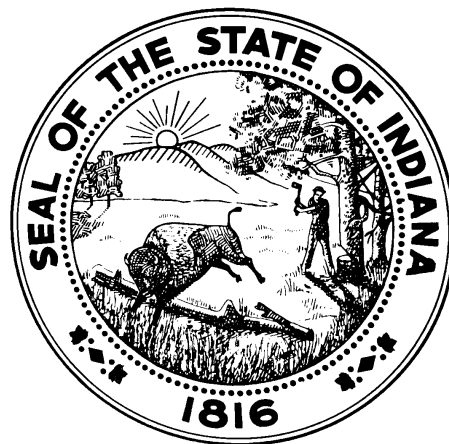


**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

EXAMINATION REPORT  
OF  
NATURE WORKS CONSERVANCY DISTRICT  
PORTER COUNTY, INDIANA  
January 1, 2006 to December 31, 2007



**FILED**  
02/03/2009



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Financial Clerk*	Tracy E. Ruiz	01-01-06 to 04-30-06
President of the Board of Directors	Timothy A. Dehring	01-01-06 to 12-31-09

\*The Board did not appoint a Financial Clerk after April 30, 2006.



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AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE NATURE WORKS CONSERVANCY  
DISTRICT, PORTER COUNTY, INDIANA

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

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

January 7, 2009

NATURE WORKS CONSERVANCY DISTRICT  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND PROPRIETARY FUND TYPES  
As Of And For The Years Ended December 31, 2006 And 2007

	<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>\$ 439,258</u>	<u>\$ 414,175</u>	<u>\$ 434,659</u>	<u>\$ 418,774</u>
	<u>Cash and Investments 01-01-07</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 12-31-07</u>
Governmental Fund: General (Note 6)	\$ -	\$ 92,581	\$ 53,632	\$ 38,949
Proprietary Fund: Wastewater Operating	<u>418,774</u>	<u>393,591</u>	<u>412,699</u>	<u>399,666</u>
Totals	<u>\$ 418,774</u>	<u>\$ 486,172</u>	<u>\$ 466,331</u>	<u>\$ 438,615</u>

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

NATURE WORKS CONSERVANCY DISTRICT  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The District was established under the laws of the State of Indiana. The District provides collection and treatment of liquid waste and storm water management 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. Due to significant delays in establishing property tax rates and levies, the District did not receive 2006 property taxes until 2007, and 2007 property taxes until 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.

Note 6. Fund Reclassification

For the year ended December 31, 2007, certain changes have been made to the financial information to more appropriately reflect financial activity of the District. The 2006 General Fund was reclassified as Wastewater Operating, a Proprietary Fund, and a new General Fund was established for 2007.

NATURE WORKS CONSERVANCY DISTRICT  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 For The Year Ended December 31, 2007

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	<u>Ending Balance</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	\$ 13,456
Improvements other than buildings	1,050,776
Machinery and equipment	<u>23,320</u>
 Total Wastewater Utility capital assets	 <u>\$ 1,087,552</u>

NATURE WORKS CONSERVANCY DISTRICT  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2007

The District has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Wastewater Utility Revenue bonds: 1998 Sewage Works	\$ 240,000	\$ 123,213

NATURE WORKS CONSERVANCY DISTRICT  
EXAMINATION RESULT AND COMMENT

PRESCRIBED FORMS

The following prescribed or approved forms were not in use:

General Form 353 - Check  
General Form 358 - Ledger of Receipts, Disbursements, and Balances  
Utility Form 323 - Simplified Cash Journal – Municipal Sewage Utility

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 Districts, Chapter 10)

NATURE WORKS CONSERVANCY DISTRICT  
EXIT CONFERENCE

The contents of this report were discussed on January 7, 2009, with Timothy A. Dehring, President of the Board.