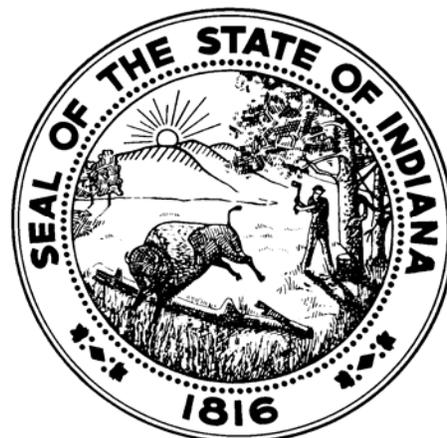


**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2765**

EXAMINATION REPORT  
OF

MONROE COUNTY SOIL AND WATER  
CONSERVATION DISTRICT  
MONROE COUNTY, INDIANA

January 1, 2002 to December 31, 2005



**FILED**  
08/21/2006



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Elizabeth Chasteen	10-12-00 to 10-09-02
	Vacant	10-10-02 to 01-12-03
	Gabe Robertson	01-13-03 to 08-29-03
	Vacant	08-30-03 to 09-30-03
	Martha Miller	10-01-03 to 12-31-06
President of the Board	Todd Litten	01-01-02 to 12-31-06



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE MONROE COUNTY SOIL AND WATER  
CONSERVATION DISTRICT, MONROE COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Monroe County Soil and Water Conservation District (District), for the period of January 1, 2002 to December 31, 2005. The District's management is responsible for the schedules. 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 schedule of receipts, disbursements, and cash and investment balances 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 schedules referred to above present fairly, in all material respects, the cash transactions of the District for the years ended December 31, 2002, 2003, 2004, and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

July 19, 2006

MONROE COUNTY SOIL AND WATER CONSERVATION DISTRICT  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL FUND TYPES  
As Of And For The Years Ended December 31, 2002, 2003, 2004, And 2005

	Cash and Investments 01-01-02	Receipts	Disbursements	Cash and Investments 12-31-02
General	<u>\$ 44,021</u>	<u>\$ 20,887</u>	<u>\$ 16,600</u>	<u>\$ 48,308</u>
	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
General	<u>\$ 48,308</u>	<u>\$ 15,455</u>	<u>\$ 16,584</u>	<u>\$ 47,179</u>
	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
General	<u>\$ 47,179</u>	<u>\$ 19,862</u>	<u>\$ 23,428</u>	<u>\$ 43,613</u>
	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
General	<u>\$ 43,613</u>	<u>\$ 16,594</u>	<u>\$ 13,603</u>	<u>\$ 46,604</u>

The accompanying notes are an integral part of the schedules.

MONROE COUNTY SOIL AND WATER CONSERVATION DISTRICT  
NOTES TO SCHEDULES

Note 1. Introduction

The District was established under the laws of the State of Indiana. The District operates under a Board of Supervisors form of government and provides soil and water conservation 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.

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.

MONROE COUNTY SOIL AND WATER CONSERVATION DISTRICT  
EXAMINATION RESULTS AND COMMENTS

OFFICIAL BOND

The following official bonds for the treasurer's position were not filed in the Office of the County Recorder:

Beth Chasteen  
Gabe Robertson

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. . . ."

SUPPORTING DOCUMENTATION

Several payments were observed which did not contain adequate supporting documentation, such as receipts, invoices, and other public records. Due to the lack of supporting information, the validity and accountability for some money disbursed could not be established.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation 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 following prescribed or approved form was not always in use:

Mileage Claim Form 101.

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)

INTEREST ON INVESTMENTS

During 2002, 2003, 2004, and 2005, interest earned on investments was automatically added to the principal at maturity.

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 10)

MONROE COUNTY SOIL AND WATER CONSERVATION DISTRICT  
EXIT CONFERENCE

The contents of this report were discussed on July 19, 2006, with Martha Miller, Treasurer. The official concurred with our findings.