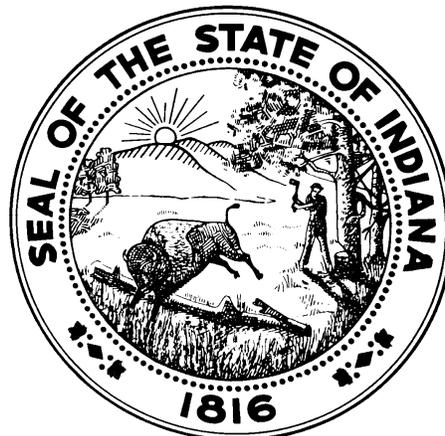


**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

EXAMINATION REPORT  
OF

HENDRICKS COUNTY SOIL AND  
WATER CONSERVATION DISTRICT  
HENDRICKS COUNTY, INDIANA

January 1, 2005 to December 31, 2006



**FILED**  
12/31/2007



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OFFICIALS

Office

Official

Term

Administrative Assistant

Marlene Raisor

01-01-05 to 12-31-07

Chairman of the Board

Jim Loughmiller

01-01-05 to 12-31-07



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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of the Hendricks County Soil and Water Conservation 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.

STATE BOARD OF ACCOUNTS

December 5, 2007

HENDRICKS 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, 2005 And 2006

	<u>Cash and Investments 01-01-05</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 12-31-05</u>
Governmental Fund: General	<u>\$ 32,397</u>	<u>\$ 30,032</u>	<u>\$ 28,874</u>	<u>\$ 33,555</u>
	<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>\$ 33,555</u>	<u>\$ 24,385</u>	<u>\$ 10,187</u>	<u>\$ 47,753</u>

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

HENDRICKS COUNTY SOIL AND WATER CONSERVATION DISTRICT  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The District was established under the laws of the State of Indiana. The District provides soil and water conservation information and services for residents within the County.

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.

Note 4. 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.

HENDRICKS COUNTY SOIL AND WATER CONSERVATION DISTRICT  
EXAMINATION RESULTS AND COMMENTS

PRESCRIBED FORMS

The following exceptions were taken to the proper use of forms by the Hendricks County Soil and Water Conservation District:

1. The Financial and Disbursements Journal did not include a monthly total of receipts and disbursements or a running fund balance, which made the process of verifying transactions and balances more difficult.
2. Receipts (General Form No. 352) were not all signed by the issuer and few recorded the form of payment received.

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)

RECEIPT ISSUANCE

Deposits to the bank exceeded the total of issued receipts for the examination period. The information presented for audit indicates in some instances receipts were not issued or recorded.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

BANK ACCOUNT RECONCILIATIONS

Monthly depository reconciliations of the fund balance to the bank account balances were not presented for examination except for year-end reconcilements.

Indiana Code 5-13-6-1(e) states in part: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

PUBLIC RECORDS RETENTION

Four duplicate receipts out of two hundred fifty-seven issued for the examination period could not be located.

Indiana Code 5-15-6-3(f) concerning destruction of public records, states in part: "Original records may be disposed of only with the approval of the commission according to guidelines established by the commission."

Supporting documentation such as receipts, canceled checks, 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 12)

HENDRICKS COUNTY SOIL AND WATER CONSERVATION DISTRICT  
EXIT CONFERENCE

The contents of this report were discussed on December 5, 2007, with Marlene Raisor, Administrative Assistant. The official concurred with our findings.