

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

EXAMINATION REPORT

OF

JOHNSON COUNTY SOIL AND WATER CONSERVATION DISTRICT

JOHNSON COUNTY, INDIANA

January 1, 2008 to December 31, 2009



FILED
06/20/2011

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Ric Schlosser	01-01-08 to 12-31-10
Treasurer	Kathy Haste	01-01-08 to 12-31-10
President of the Board	Barry Barnett	01-01-08 to 12-31-10



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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of Johnson County Soil and Water Conservation District (District), for the period of January 1, 2008 to December 31, 2009. 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, 2008 and 2009, 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

October 28, 2010

JOHNSON 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, 2008 And 2009

	<u>Cash and Investments 01-01-08</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 12-31-08</u>										
General	<u>\$ 59,237</u>	<u>\$ 243,054</u>	<u>\$ 241,832</u>	<u>\$ 60,459</u>										
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;"></th> <th style="text-align: center; width: 15%;"><u>Cash and Investments 01-01-09</u></th> <th style="text-align: center; width: 15%;"><u>Receipts</u></th> <th style="text-align: center; width: 15%;"><u>Disbursements</u></th> <th style="text-align: center; width: 15%;"><u>Cash and Investments 12-31-09</u></th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;">General</td> <td style="text-align: right;"><u>\$ 60,459</u></td> <td style="text-align: right;"><u>\$ 190,830</u></td> <td style="text-align: right;"><u>\$ 220,122</u></td> <td style="text-align: right;"><u>\$ 31,167</u></td> </tr> </tbody> </table>						<u>Cash and Investments 01-01-09</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 12-31-09</u>	General	<u>\$ 60,459</u>	<u>\$ 190,830</u>	<u>\$ 220,122</u>	<u>\$ 31,167</u>
	<u>Cash and Investments 01-01-09</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 12-31-09</u>										
General	<u>\$ 60,459</u>	<u>\$ 190,830</u>	<u>\$ 220,122</u>	<u>\$ 31,167</u>										

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

JOHNSON 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 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. 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.

JOHNSON CONTY SOIL AND WATER CONSERVATION DISTRICT
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2009

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Vehicle	\$ 13,358	\$ 3,573

JOHNSON COUNTY SOIL AND WATER CONSERVATION DISTRICT
EXAMINATION RESULT AND COMMENT

CONDITION OF RECORDS

The following deficiencies relating to the recordkeeping that were cited in the prior audit report, were again present during our period of examination:

1. Record balances were not reconciled to depository balances during the two year period.

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."

2. There were a number of posting errors. These errors included a deposit not receipted, and checks not recorded.
3. Financial records presented for examination were incomplete and not reflective of the activity of the General Fund. The Annual Financial Reports presented did not agree with the Custom Summary Report.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

JOHNSON COUNTY SOIL AND WATER CONSERVATION DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on November 3, 2010, with Ric Schlosser, Director, and Kathy Haste, Treasurer. The officials concurred with our finding.