

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

EXAMINATION REPORT  
OF

WARREN COUNTY SOIL AND WATER  
CONSERVATION DISTRICT  
WARREN COUNTY, INDIANA

January 1, 2009 to December 31, 2010



**FILED**  
10/11/2011



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OFFICIALS

Office

Official

Term

Treasurer

Debra Lane

01-01-09 to 12-31-11

President of the Board

Troy Leak

01-01-09 to 12-31-11



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial statements of the Warren County Soil and Water Conservation District (District), for the period of January 1, 2009 to December 31, 2010. The District's management is responsible for the financial statements. 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 statements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the District prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis noted above is a different basis than that used in the prior year.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the District for the years ended December 31, 2009 and 2010, on the basis of accounting described in Note 1.

The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statements. They have not been subjected to the examination procedures applied to the financial statements and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the District's management and the Board of Supervisors, and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

August 17, 2011

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FINANCIAL STATEMENTS

WARREN COUNTY SOIL AND WATER CONSERVATION DISTRICT  
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For The Year Ended December 31, 2009

|         | Cash and<br>Investments<br>01-01-09 | Receipts  | Disbursements | Cash and<br>Investments<br>12-31-09 |
|---------|-------------------------------------|-----------|---------------|-------------------------------------|
| General | \$ 57,798                           | \$ 17,849 | \$ 17,372     | \$ 58,275                           |

WARREN COUNTY SOIL AND WATER CONSERVATION DISTRICT  
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For The Year Ended December 31, 2010

|         | Cash and<br>Investments<br>01-01-10 | Receipts         | Disbursements    | Cash and<br>Investments<br>12-31-10 |
|---------|-------------------------------------|------------------|------------------|-------------------------------------|
| General | <u>\$ 58,275</u>                    | <u>\$ 19,788</u> | <u>\$ 23,098</u> | <u>\$ 54,965</u>                    |

The notes to the financial statements are an integral part of the financial information.

WARREN COUNTY SOIL AND WATER CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

**Note 1. Summary of Significant Accounting Policies**

*A. Reporting Entity*

The District was established under the laws of the State of Indiana. The District operates under an appointed governing board. The district provides soil and water conservation services.

*B. Basis of Accounting*

The financial statements are reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

*C. Cash and Investments*

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

*D. Receipts*

Receipts are presented in the aggregate on the face of the financial statements. The aggregate receipts may include, but are not limited to, the following sources:

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services consist of rental fees.

Other receipts which include amounts received from various sources which can include, but are not limited to the following: annual meeting income, interest, reimbursements and refunds, sales, and miscellaneous receipts.

*E. Disbursements*

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements may include, but are not limited to, the following uses:

WARREN COUNTY SOIL AND WATER CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

*F. Fund Accounting*

All financial activity of the District is accounted for in the General Fund.

**Note 2. Budgets**

The operating budget is initially prepared and approved at the local level. The fiscal officer of the District submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

**Note 3. Property Taxes**

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the District in June and December; however, situations can arise which would delay the distributions. 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 percent 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 normally become delinquent if not paid by May 10 and November 10, respectively.

**Note 4. Deposits and Investments**

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be 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.

WARREN COUNTY SOIL AND WATER CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

State statutes authorize 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 5. Risk Management**

The District may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the District to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the District by recording as a disbursement and replacement items purchased.

SUPPLEMENTARY INFORMATION – UNAUDITED

WARREN COUNTY SOIL AND WATER CONSERVATION DISTRICT  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2009

|  | General   |
|--|-----------|
| Cash and investments - beginning                   | \$ 57,798 |
| Receipts:  |           |
| Intergovernmental                                  | 11,871    |
| Charges for services                               | 2,308     |
| Other receipts                                     | 3,670     |
| Total receipts                                     | 17,849    |
| Disbursements:                                     |           |
| Supplies   | 2,690     |
| Other services and charges                         | 12,294    |
| Other disbursements                                | 2,388     |
| Total disbursements                                | 17,372    |
| Excess (deficiency) of receipts over disbursements | 477       |
| Cash and investments - ending                      | \$ 58,275 |

WARREN COUNTY SOIL AND WATER CONSERVATION DISTRICT  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010

|  | General                 |
|--|-------------------------|
| Cash and investments - beginning                   | \$ <u>58,275</u>        |
| Receipts:  |                         |
| Intergovernmental                                  | 14,975                  |
| Charges for services                               | 1,108                   |
| Other receipts                                     | <u>3,705</u>            |
| Total receipts                                     | <u>19,788</u>           |
| Disbursements:                                     |                         |
| Supplies   | 1,795                   |
| Other services and charges                         | 18,763                  |
| Other disbursements                                | <u>2,540</u>            |
| Total disbursements                                | <u>23,098</u>           |
| Excess (deficiency) of receipts over disbursements | <u>(3,310)</u>          |
| Cash and investments - ending                      | <u><u>\$ 54,965</u></u> |

WARREN COUNTY SOIL AND WATER CONSERVATION DISTRICT  
EXIT CONFERENCE

The contents of this report were discussed on August 17, 2011, with Debra Lane, Treasurer. Our examination disclosed no material items that warrant comment at this time.