

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

FINANCIAL STATEMENT EXAMINATION REPORT  
OF

JACKSON COUNTY SOIL AND WATER  
CONSERVATION DISTRICT  
JACKSON COUNTY, INDIANA

January 1, 2010 to December 31, 2011



**FILED**  
09/12/2012



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OFFICIALS

Office

Official

Term

District Coordinator/Treasurer

Rebecca Lauster

01-01-10 to 12-31-12

President of the Board  
of Supervisors

Tim Hoevener

01-01-10 to 12-31-12



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial statements of the Jackson County Soil and Water Conservation District (District), for the period of January 1, 2010 to December 31, 2011. 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, 2010 and 2011, on the basis of accounting described in Note 1.

The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis and Schedule of Capital Assets, 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.

The District's response to the Examination Results and Comments identified in our examination is described in the accompanying section of the report entitled Official Response. We did not examine the District's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the District's management, Board of Supervisors, and others within the entity 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

June 19, 2012

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## FINANCIAL STATEMENTS

The financial statements and accompanying notes were approved by management of the District. The financial statements and notes are presented as intended by the District.

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

Fund	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
General	<u>\$ 20,659</u>	<u>\$ 51,037</u>	<u>\$ 58,143</u>	<u>\$ 13,553</u>

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

JACKSON COUNTY SOIL AND WATER CONSERVATION DISTRICT  
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For The Year Ended December 31, 2011

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
General	<u>\$ 13,553</u>	<u>\$ 42,854</u>	<u>\$ 52,328</u>	<u>\$ 4,079</u>

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

JACKSON 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 accompanying financial statements presents the financial information for the District (primary government), and does not include financial information for any of the District's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial information of the District (primary government).

*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 which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

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

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary 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:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

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.

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*

Separate funds are established, maintained, and reported by the District. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the District. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the District in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

**Note 2. 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.

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.

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

**Note 3. 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; medical benefits to employees, retirees, and dependents; 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 any replacement items purchased.

**Note 4. Pension Plan**

*Public Employees' Retirement Fund*

*Plan Description*

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the District authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund  
Harrison Building, Room 800  
143 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 233-4162

*Funding Policy and Annual Pension Cost*

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

## SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the District's 2011 Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Annual Report of the District which is referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

The supplementary information presented was approved by management of the District. It is presented as intended by the District.

JACKSON 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>20,659</u>
Receipts:	
Intergovernmental	38,600
Charges for services	12,143
Other receipts	<u>294</u>
Total receipts	<u>51,037</u>
Disbursements:	
Personal services	331
Supplies	2,572
Other services and charges	49,503
Other disbursements	<u>5,737</u>
Total disbursements	<u>58,143</u>
Deficiency of receipts over disbursements	<u>(7,106)</u>
Cash and investments - ending	\$ <u><u>13,553</u></u>

JACKSON COUNTY SOIL AND WATER CONSERVATION DISTRICT  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011

	General
Cash and investments - beginning	\$ 13,553
Receipts:	
Intergovernmental	31,100
Charges for services	8,319
Other receipts	3,435
Total receipts	42,854
Disbursements:	
Supplies	11,193
Other services and charges	31,130
Other disbursements	10,005
Total disbursements	52,328
Deficiency of receipts over disbursements	(9,474)
Cash and investments - ending	\$ 4,079

JACKSON COUNTY SOIL AND WATER CONSERVATION DISTRICT  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF CAPITAL ASSETS  
December 31, 2011

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>
Capital assets, not being depreciated:	
Machinery and equipment	<u>\$ 106,966</u>

JACKSON COUNTY SOIL AND WATER CONSERVATION DISTRICT  
EXAMINATION RESULTS AND COMMENTS

**PERSONAL EXPENSES**

***Unauthorized Cell Phone Expenses***

The District employs one full-time employee, Rebecca Lauster, as the District Coordinator/Treasurer. Rebecca Lauster was authorized by the Board of Supervisors to pay for the cellular phone service of one cellular phone from District funds. The District paid for the cellular service for three phones from July 19, 2009 to October 18, 2011. According to the Verizon invoices, one phone was in the name of the District and the other two phones were in the name of Rebecca Lauster. Conflicting explanations for the persons in possession of the two phones in the name of Rebecca Lauster were given throughout the examination.

The following schedule shows a detail of the payments made by the District for cellular phone service:

Check/ Payment Date	Check Number	Description	Phone #1 Amount	Phone #2 Amount	Phone #3 Amount	Totals
09-24-09	EFT	Verizon Wireless - August 2009 - Cellular service paid by District	\$ 68.11	\$ 200.02	\$ 37.98	\$ 306.11
11-05-09	EFT	Verizon Wireless - September 2009 - Cellular service paid by District	71.46	70.98	40.11	182.55
11-05-09	EFT	Verizon Wireless - October 2009 - Cellular service paid by District	119.70	30.72	12.77	163.19
01-25-10	EFT	Verizon Wireless - November 2009 - Cellular service paid by District	90.44	30.72	12.77	133.93
01-25-10	EFT	Verizon Wireless - December 2009 - Cellular service paid by District	100.30	32.88	12.77	145.95
Total payments by District for 2009			450.01	365.32	116.40	931.73
02-26-10	EFT	Verizon Wireless - January 2010 - Cellular service paid by District	121.25	36.17	12.82	170.24
04-30-10	EFT	Verizon Wireless - February 2010 - Cellular service paid by District	98.52	107.29	12.82	218.63
04-30-10	EFT	Verizon Wireless - March 2010 - Cellular service paid by District	146.67	9.05	12.80	168.52
05-24-10	EFT	Verizon Wireless - April 2010 - Cellular service paid by District	116.25	21.94	12.82	151.01
06-03-10	EFT	Verizon Wireless - May 2010 - Cellular service paid by District	118.50	26.16	12.82	157.48
07-12-10	5755	Verizon Wireless - June 2010 - Cellular service paid by District	118.01	23.93	26.26	168.20
08-16-10	EFT	Verizon Wireless - July 2010 - Cellular service paid by District	120.01	54.10	12.79	186.90
09-14-10	EFT	Verizon Wireless - August 2010 - Cellular service paid by District	122.19	47.14	12.75	182.08
10-21-10	EFT	Verizon Wireless - September 2010 - Cellular service paid by District	124.89	47.47	12.75	185.11
11-29-10	EFT	Verizon Wireless - October 2010 - Cellular service paid by District	115.88	47.45	12.73	176.06
12-16-10	EFT	Verizon Wireless - November 2010 - Cellular service paid by District	118.11	47.45	12.73	178.29
02-01-11	EFT	Verizon Wireless - December 2010 - Cellular service paid by District	115.88	72.47	16.75	205.10
Total payments by District for 2010			1,436.16	540.62	170.84	2,147.62
02-24-11	EFT	Verizon Wireless - January 2011 - Cellular service paid by District	120.94	97.67	30.37	248.98
03-25-11	EFT	Verizon Wireless - February 2011 - Cellular service paid by District	116.46	43.49	12.81	172.76
05-02-11	EFT	Verizon Wireless - March 2011 - Cellular service paid by District	148.53	47.47	12.81	208.81
05-02-11	EFT	Verizon Wireless - April 2011 - Cellular service paid by District	123.06	47.46	12.80	183.32
06-01-11	EFT	Verizon Wireless - May 2011 - Cellular service paid by District	116.32	47.45	12.79	176.56
07-13-11	EFT	Verizon Wireless - June 2011 - Cellular service paid by District	167.94	45.86	12.71	226.51
08-12-11	EFT	Verizon Wireless - July 2011 - Cellular service paid by District	150.60	46.66	12.82	210.08
10-12-11	EFT	Verizon Wireless - August 2011 - Cellular service paid by District	191.39	129.29	12.82	333.50
10-24-11	EFT	Verizon Wireless - September 2011 - Cellular service paid by District	133.05	46.67	12.82	192.54
11-10-11	EFT	Verizon Wireless - October 2011 - Cellular service paid by District	80.26	12.83	(0.36)	92.73
12-13-11	5874	Verizon Wireless - November 2011 - Cellular service paid by District	97.61	(11.20)	-	86.41
Total payments by District for 2011			1,446.16	553.65	132.39	2,132.20
Total Payments by District			\$ 3,332.33	\$ 1,459.59	\$ 419.63	5,211.55
Less: Phone payments authorized by Board of Supervisors						(3,332.33)
Total Personal Expenses - Unauthorized Cell Phone Expenses						\$ 1,879.22

JACKSON COUNTY SOIL AND WATER CONSERVATION DISTRICT  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

Rebecca Lauster agreed to make reimbursement for the cellular service associated with the two phones in her name that were paid for by the District for the billing periods from July 19, 2009 to October 18, 2011. Reimbursement was made by Rebecca Lauster on November 29, 2011, in the amount of \$1,879.22. (See Summary of Charges, page 27 )

**Non-District Expenses**

All disbursements from January 1, 2009 to December 31, 2011, were reviewed in detail. There were sixty-three disbursements for items that did not appear to be District related expenses. Five of the sixty-three disbursements did not include detailed supporting documentation. Due to the lack of detailed supporting documentation, the validity of those five disbursements could not be determined. Rebecca Lauster, District Coordinator/Treasurer, was provided a list of these sixty-three disbursements and given the opportunity to provide additional documentation to substantiate the validity of the expenses, but to date no additional supporting documentation has been received. No documentation of agreements or board approval was presented for examination concerning these disbursements.

The schedule below shows a detailed listing of the items that do not appear to be District related expenses:

Check Date	Check Number	Payee	Vendor	Description	Amount
02-27-09	5614	Bank of America	ALDO	Daraphna 2 items (handbags)	\$ 32.06
02-27-09	5614	Bank of America	AirTran	3 plane tickets. Total cost divided by 3, and Coordinator requested to reimburse for 2 tickets.	315.20
05-29-09	5633	Bank of America	ALDO	Labbee, Jandreau (Shoes)	50.80
05-29-09	5633	Bank of America	Ann Taylor	Missy Wovens	45.99
05-29-09	5633	Bank of America	Shoe Dept.	West Abel Pump black (shoes)	37.43
08-28-09	5653	Bank of America	Tobacco Barn	Invoice description states "Cabin Rental." Address on Credit Card receipt is for Antique Tobacco Barn in Asheville, NC. Contacted phone number on receipt and company is an antiques dealer and they provide no cabin rental service.	819.41
12-09-09	EFT	Bank of America	Home Depot.com	No Receipt - Credit Card Statement only documentation of purchase	159.43
Total Personal Expenses for January 1, 2009 to December 31, 2009					<u>1,460.32</u>
03-10-10	0002-Phone Payment	Bank of America	H&M	Jackets & Knitwear	133.64
03-10-10	0002-Phone Payment	Bank of America	DSW	Womens Boots	44.90
03-10-10	0002-Phone Payment	Bank of America	G.H. Bass Store	Sweater, Duffel, Knits, Dresse, (7 items)	149.46
03-10-10	0002-Phone Payment	Bank of America	G.H. Bass Store	Duffel, Knits, Woman Seasonal, Pants (5 items)	76.29
03-10-10	0002-Phone Payment	Bank of America	Walt Disney World	2-One Day Park Passes	168.28
07-01-10	5753	Bank of America	Frontier Airline	Plane Ticket for Coordinator's family member	390.80
09-02-10	5773	Bank of America	The Loft	Pants (Fresno, CA)	75.74
09-02-10	5773	Bank of America	Old Town Train Shop	T-Shirt (Fresno, CA)	16.26
09-02-10	5773	Bank of America	Mea Vita	Blouse, Spaghetti Tank (Sacramento, CA)	54.36
09-02-10	5773	Bank of America	Walmart	Personal Care/Hygiene Supplies (Clovis, CA)	86.61
09-02-10	5773	Bank of America	Cathy Jean Shoes	Shoes (Fresno, CA)	55.57
09-02-10	5773	Bank of America	Amuse	Jewelry (Fresno, CA)	10.89
09-02-10	5773	Bank of America	National Park Service	Entrance Fee - Yosemite National Park	20.00
09-10-10	5776	Rebecca Lauster	City of Sacramento	Parking Violation	39.50
10-04-10	5780	Bank of America	Enterprise Rent-A-Car	Administration fee for Sacramento Parking Ticket	10.00
12-21-10	5801	Rebecca Lauster	NO SUPPORTING DOCUMENTATION FOR \$55.31 PROVIDED		<u>55.31</u>
Total Personal Expenses for January 1, 2010 to December 31, 2010					<u>1,387.61</u>

**JACKSON COUNTY SOIL AND WATER CONSERVATION DISTRICT  
EXAMINATION RESULTS AND COMMENTS  
(Continued)**

Check Date	Check Number	Payee	Vendor	Description	Amount
03-03-11	5835	Bank of America	Body Central	Wool/Fleece Jacket, Top Vest/Jacket, Dressy Day Sleeve Solid.(3 items)	46.84
03-03-11	5835	Bank of America	Tennessee Performing Arts Center	Appears to be concert or show ticket	47.50
03-03-11	5835	Bank of America	Menards	F2 Faucet Mnt Filter, Replacement Filter, 2Closed S Hk (5 items)	22.11
03-03-11	5835	Bank of America	Menards	Keyless Touchpad (\$79.99)	85.59
04-05-11	EFT	Bank of America	Lowe's	#234826 Spa Series Chrome HH 6 FU	36.36
05-02-11	5843	Bank of America	Swiftly Seymour	5.771 gallons gas	20.02
05-02-11	5843	Bank of America	Christopher & Banks	No Description on Receipt, clothing store	35.62
05-02-11	5843	Bank of America	Fast Max	9.224 gallons gas	32.00
06-01-11	5854	Bank of America	Schwan's	Quesadilla, Cin Apple, Philly	27.00
06-01-11	5854	Bank of America	Delta	Plane ticket for Robert Lauster	498.80
06-01-11	5854	Bank of America	Travel Insurance	50% of Travel Insurance for 2 plane tickets. Total \$54.86	27.43
06-01-11	5854	Bank of America	US Post Office	50% Passport Fees/Photos. Total fees \$80	40.00
07-06-11	EFT	Bank of America	HomeGoods	Bath rugs, body & bath, Décor Access	58.82
07-06-11	EFT	Bank of America	Tuesday Morning	6x12x9 Jacquard sft bck, 21x34 sisal natural, Floral Cutout 36x36 (rugs & lamp shade)	60.95
07-06-11	EFT	Bank of America	Qdoba	Indianapolis Airport -Personal Vacation	9.43
07-06-11	EFT	Bank of America	Tijuana Flats	West Palm Beach, FL-Personal Vacation	20.11
07-06-11	EFT	Bank of America	McDonalds	West Palm Beach, FL-Personal Vacation	6.44
07-06-11	EFT	Bank of America	Havana	West Palm Beach, FL-Personal Vacation	87.38
07-06-11	EFT	Bank of America	Marriott's Ocean Pointe	Palm Beach Shores, FL-Personal Vacation	13.60
07-06-11	EFT	Bank of America	Tropics Café	West Palm Beach, FL-Personal Vacation	25.75
07-06-11	EFT	Bank of America	Tijuana Flats	West Palm Beach, FL-Personal Vacation	22.69
07-06-11	EFT	Bank of America	Marriott's Ocean Pointe	Palm Beach Shores, FL-Personal Vacation	3.17
07-06-11	EFT	Bank of America	Johnny Longboats	Singer Island, FL-Personal Vacation	64.23
07-26-11	EFT	Bank of America	U.S. Post Office	West Palm Beach, FL-Personal Vacation	16.33
07-26-11	EFT	Bank of America	U.S. Post Office	West Palm Beach, FL-Personal Vacation	7.28
07-26-11	EFT	Bank of America	Marriott's Ocean Pointe	Palm Beach Shores, FL-Personal Vacation	15.78
07-26-11	EFT	Bank of America	Enterprise Rent-A-Car	West Palm Beach, FL-Personal Vacation	806.91
07-26-11	EFT	Bank of America	Starbucks	Palm Beach Int. Airport-Personal Vacation	10.87
07-26-11	EFT	Bank of America	Airtran	West Palm Beach, FL-Personal Vacation	45.00
07-26-11	EFT	Bank of America	Dixie Chevron	West Palm Beach, FL-Personal Vacation	42.09
07-26-11	EFT	Bank of America	Marriott Ocean Point	West Palm Beach, FL-Personal Vacation	80.70
07-26-11	EFT	Bank of America	Russells Blue Water Grill	Palm Beach Gardens, FL-Personal Vacation	35.74
07-26-11	EFT	Bank of America	Delta	Plane Ticket for Coordinator's family member	455.80
07-26-11	EFT	Bank of America	Delta	Travel Insurance Policy for Coordinator's family member	29.63
07-26-11	EFT	Bank of America	U.S. Post Office	\$111.10 Money Order & fee, Passport Fee \$25, Passport Photo \$15	41.10
07-07-11	5856	Rebecca Lauster	U.S. Post Office	\$111.10 Money Order & fee, Passport Fee \$25, Passport Photo \$15	110.00
07-07-11	5856	Rebecca Lauster	U.S. Post Office	\$61.10 Money Order & fee	61.10
09-02-11	EFT	Bank of America	Hopewell Rocks (Canada)	Admission to park/attraction 1 adult 1 student	21.87
09-02-11	EFT	Bank of America	Hopewell Rocks (Canada)	No Description on Receipt. Hopewell Rocks is a park.	32.13
09-02-11	EFT	Bank of America	Hopewell Rocks (Canada)	No Description on Receipt. Hopewell Rocks is a park.	44.04
Total Personal Expenses for January 1, 2011 to December 31, 2011					<u>3,148.21</u>
Total Personal Expenses - Non-District Expenses					<u>\$ 5,996.14</u>

Rebecca Lauster, District Coordinator/Treasurer, was requested to reimburse the District for disbursements that do not appear to be District related expenses in the amount of \$5,996.14. Rebecca Lauster made partial reimbursement on November 29, 2011, in the amount of \$911.38 for some personal expense items. The remaining balance being requested to be repaid to the District is \$5,084.76. Rebecca Lauster repaid this amount on August 15, 2012. (See Summary of Charges, page 27)

**Gifts**

The District paid for two gifts presented to departing board members. The gifts included an anniversary clock and a gift certificate for a visit to a hair salon. The District also disbursed funds for "going away" meals for non-District employees on two occasions.

JACKSON COUNTY SOIL AND WATER CONSERVATION DISTRICT  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the governmental unit. Any personal expenses paid by the governmental entity may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

Chapter 6, Section 3, of the District Operations Manual for Indiana Soil and Water Conservation Districts as published by the Indiana Department of Agriculture regarding volunteers states:

"Volunteers serve on a voluntary basis without compensation or salary per diem. However, volunteers may receive reimbursement for travel, meals, or lodging expenses incurred on providing assistance to the soil and water conservation district in the course of carrying out assigned duties. In order to receive reimbursement the responsibilities and assigned duties must be spelled out in an agreement with the district and the agreement recorded in the minutes prior to carrying out the duties. An estimate for the travel expenses of the volunteer shall be pre-approved by a motion and affirmative vote of duly elected and appointed supervisors at a meeting of the district and recorded in the minutes of an official meeting prior to incurring the expense. The district is not obligated to reimburse the volunteer if funds are not available or the purpose of the travel and the duties of the volunteer which necessitated the expense were not officially approved by the supervisors ahead of the expense being incurred."

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)

**EXCESSIVE OR UNREASONABLE COSTS**

All disbursements from January 1, 2009 to December 31, 2011, were reviewed in detail. There were 17 instances where Rebecca Lauster, District Coordinator/Treasurer, charged fuel purchases on the District credit card, in addition to claiming mileage reimbursement while conducting business on behalf of the District for the same day. Charging for fuel purchases and actual miles traveled is considered excessive and unreasonable costs.

The following schedule shows the instances in which mileage reimbursement was claimed on the same day that fuel purchases were charged to the District credit card:

Check Date	Check Number	Payee	Description	Claimed Mileage Amount	Claimed Mileage Date	Fuel Reimburse	Fuel Purchase Date
03-24-09	5618	Rebecca Lauster	Mileage to Indianapolis Airport - 78 miles	\$ 34.32	01-29-09	\$	
02-27-09	5614	Bank of America	Huck's Food and Fuel - 14.468 gallons			24.44	01-29-09
04-17-09	5620	Rebecca Lauster	Mileage to Bedford and back 72 miles	31.68	03-11-09		
05-04-09	5629	Bank of America	Speedway (Bedford, IN)			10.01	03-11-09
04-17-09	5620	Rebecca Lauster	Mileage to Bedford-back & Mitchell-back 158 miles	70.40	03-12-09		
05-04-09	5629	Bank of America	Speedway (Bedford, IN)			15.01	03-12-09
05-05-09	5631	Rebecca Lauster	Mileage to Seymour-back to rent car 26 miles	11.44	04-20-09		
05-29-09	5633	Bank of America	Shell Oil (Seymour, IN) gas purchase 5:14 pm, Rental car returned 5:05 pm			22.66	04-21-09
05-05-09	5631	Rebecca Lauster	Mileage to Scottsburg-back 44 miles	19.36	05-04-09		
05-29-09	5633	Bank of America	Huck's Food and Fuel (Brownstown, IN)			15.06	05-04-09
09-14-09	5656	Rebecca Lauster	Claimed mileage 8/25 - 8/27 and no rental	3.08			
09-29-09	5660	Bank of America	Shell Oil (Greenwood, IN)			30.01	08-26-09

**JACKSON COUNTY SOIL AND WATER CONSERVATION DISTRICT  
EXAMINATION RESULTS AND COMMENTS  
(Continued)**

Check Date	Check Number	Payee	Description	Claimed Mileage Amount	Claimed Mileage Date	Fuel Reimburse	Fuel Purchase Date
10-27-09	5667	Rebecca Lauster	Brownstown-back 3 miles	1.32	10-27-09		
12-09-09	EFT	Bank of America	Huck's Food and Fuel (Brownstown, IN)			38.09	10-27-09
11-03-09	5671	Rebecca Lauster	Seymour-back 26 miles, Bedford-back 66 miles	40.48	11-04-10		
12-09-09	EFT	Bank of America	Fast Max-Seymour 15.16 gallons			38.79	11-04-09
12-08-09	5675	Rebecca Lauster	No rental car or mileage claimed 11/18/09				
12-31-09	5691	Bank of America	Huck's Food and Fuel (Brownstown, IN) - No mileage claimed			10.00	11-18-09
Total Authorized Payments for Mileage January 1, 2009 to December 31, 2009				<u>212.08</u>			
Total Unauthorized Payments for Fuel Reimbursement January 1, 2009 to December 31, 2009						<u>204.07</u>	
01-29-10	5712	Rebecca Lauster	Mileage to Seymour-back, Brownstown-back	13.64	01-27-10		
03-10-10	EFT	Bank of America	Shell Oil (Seymour, IN)			10.00	01-27-10
03-10-10	EFT	Bank of America	Shell Oil (Seymour, IN)			22.00	01-28-10
03-16-10	5721	Rebecca Lauster	Home-Bedford-back, Home-Spring Mill-back	31.68	03-11-10		
03-16-10	5721	Rebecca Lauster	Casey's General Store (Salem, IN)			20.01	03-11-10
04-23-10	5733	Rebecca Lauster	West Lafayette-Envirothon 301 miles	136.40	04-19-10		
05-25-10	5746	Bank of America	Huck's Food and Fuel (Brownstown, IN)			38.55	04-19-10
07-21-10	5760	Rebecca Lauster	Website Training Indianapolis 150 miles	66.00	07-08-10		
07-30-10	5765	Bank of America	Speedway (Greenwood, IN)			23.22	07-08-10
07-21-10	5760	Rebecca Lauster	Cortland-Seymour-back 29 miles	12.00	07-07-10		
07-30-10	5765	Bank of America	Circle K (Seymour, IN)			10.02	07-07-10
11-03-10	5794	Rebecca Lauster	Seymour-back, car rental - No rental car	11.44	11-03-10		
12-16-10	5800	Bank of America	Shell Oil (Seymour, IN)			13.05	11-03-10
12-16-10	5800	Bank of America	Hucks Food and Fuel (Brownstown, IN)			17.36	11-03-10
Total Authorized Payments for Mileage January 1, 2010 to December 31, 2010				<u>271.16</u>			
Total Unauthorized Payments for Fuel Reimbursement January 1, 2010 to December 31, 2010						<u>154.21</u>	
Total Unauthorized Payments for Fuel Reimbursement						<u>\$ 358.28</u>	

Rebecca Lauster, District Coordinator/Treasurer, was requested to reimburse the District for fuel reimbursements claimed in the amount of \$358.28 on days when mileage reimbursement had already been charged to the District. Rebecca Lauster repaid this amount on August 15, 2012. (See Summary of Charges, page 27)

Additionally, while attending some conferences and/or meetings the District provided Rebecca Lauster, District Coordinator/Treasurer, with a rental car. On 13 occasions the District reimbursed Rebecca Lauster for mileage while a rental car was in use. The reimbursement of mileage while using a rental car is considered excessive and unreasonable cost.

The following schedule shows the instances in which mileage reimbursement was claimed while using a rental car:

Check Date	Check Number	Payee	Description	Rental Car Reimbursement Amount	Rental Car Date	Claimed Mileage Amount	Claimed Mileage Date
10-27-09	5667	Rebecca Lauster	559 miles to Kendallville, IN -back	\$		245.96	10-13-09
12-09-09	EFT	Bank of America	Enterprise Rent-A-Car	173.12	10-13-09 to 10-17-09		
11-03-09	5671	Rebecca Lauster	Mileage from home to Seymour-back			11.44	10-16-09
12-09-09	EFT	Bank of America	Enterprise Rent-A-Car	173.12	10-13-09 to 10-17-09		
11-03-09	5671	Rebecca Lauster	Bedford-back			29.04	10-21-09
11-03-09	5671	Rebecca Lauster	Bedford-back			29.04	10-22-09
11-03-09	5671	Rebecca Lauster	Scottsburg-back			21.12	10-22-09
	EFT	Bank of America	Enterprise Rent-A-Car	<u>129.84</u>	10-19-09 to 10-22-09		
Total Rental Car Payments While Reimbursed For Mileage January 1, 2009 to December 31, 2009				<u>476.08</u>			
Total Mileage Reimbursement While Rental Car Was Used January 1, 2009 to December 31, 2009						<u>336.60</u>	

**JACKSON COUNTY SOIL AND WATER CONSERVATION DISTRICT  
EXAMINATION RESULTS AND COMMENTS  
(Continued)**

Check Date	Check Number	Payee	Description	Rental Car Reimbursement Amount	Rental Car Date	Claimed Mileage Amount	Claimed Mileage Date
04-19-10	5731	Rebecca Lauster	Paid mileage to Enterprise-No car rented			6.16	04-19-10
05-25-10	5737	Rebecca Lauster	IDEA Meeting-Indianapolis 154 miles			67.76	04-26-10
05-25-10	5746	Bank of America	Enterprise Rent-A-Car	43.28	04-26-10 to 04-27-10		
06-25-10	5750	Rebecca Lauster	Indianapolis-NREC IN Envirothon 172 mile			75.68	06-23-10
07-30-10	5765	Bank of America	Enterprise Rent-A-Car	43.28	06-23-10 to 06-24-10		
07-21-10	5760	Rebecca Lauster	Mileage to Indianapolis			66.00	07-08-10
09-02-10	5773	Bank of America	Enterprise Rent-A-Car	43.28	07-07-10 to 07-08-10		
11-03-10	5794	Rebecca Lauster	Jennings County-back			24.64	10-27-10
11-03-10	5794	Rebecca Lauster	Partnership Meeting Jenning Co and Monroe Co SWCD			44.05	10-29-10
12-16-10	5800	Bank of America	Enterprise Rent-A-Car	293.00	10-25-10 to 10-29-10		
Total Rental Car Payments While Reimbursed For Mileage January 1, 2010 to December 31, 2010				422.84			
Total Mileage Reimbursement While Rental Car Was Used January 1, 2010 to December 31, 2010						284.29	
07-07-11	5847	Rebecca Lauster	RC& D Meeting Orange County			37.72	03-23-11
05-02-11	5843	Bank of America	Enterprise Rent-A-Car	46.61	03-22-11 to 03-23-11		
08-30-11	5859	Rebecca Lauster	Mileage to Indianapolis Airport163 miles			71.72	07-23-11
09-02-11	EFT	Bank of America	Enterprise Rent-A-Car	133.37	07-22-11 to 07-25-11		
Total Rental Car Payments While Reimbursed For Mileage January 1, 2011 to December 31, 2011				179.98			
Total Mileage Reimbursement While Rental Car Was Used January 1, 2011 to December 31, 2011						109.44	
Total Mileage Reimbursement While Rental Car Was Used						<u>\$ 730.33</u>	

Rebecca Lauster, District Coordinator/Treasurer, was requested to reimburse the District for mileage reimbursements claimed on days when a rental car was being used in the amount of \$730.33. Rebecca Lauster repaid this amount on August 15, 2012. (See Summary of Charges, page 27)

Every effort should be made by the governmental unit to avoid unreasonable or excessive costs. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the governmental unit. Any personal expenses paid by the governmental entity may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

**PENALTIES, INTEREST, AND OTHER FINANCE CHARGES**

During the examination period, four instances were noted where the District paid penalties, interest, or other finance charges associated with the District's credit card. The following schedule summarizes the payment of these fees:

Check Date	Check Number	Description	Credit Card Finance Charge	Pay-by Phone Fee	Late Fee	Totals
12-16-10	5800	Bank of America	\$ 18.05	\$ -	\$ -	\$ 18.05
Total Penalties, Interest, and Other Charges January 1, 2010 to December 31, 2010			18.05	-	-	18.05
02-10-11	5825	Bank of America	1.91	10.00	-	11.91
03-03-11	5835	Bank of America	28.55	-	39.00	67.55
05-02-11	5843	Bank of America	-	10.00	-	10.00
Total Penalties, Interest, and Other Charges January 1, 2011 to December 31, 2011			30.46	20.00	39.00	89.46
Total Penalties, Interest, and Other Charges			<u>\$ 48.51</u>	<u>\$ 20.00</u>	<u>\$ 39.00</u>	<u>\$ 107.51</u>

JACKSON COUNTY SOIL AND WATER CONSERVATION DISTRICT  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee.

(Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

Rebecca Lauster, District Coordinator/Treasurer, was requested to reimburse the District for penalties, interest, and other charges paid by the District in the amount of \$107.51. Rebecca Lauster repaid this amount on August 15, 2012. (See Summary of Charges, page 27)

### **MEAL REIMBURSEMENT**

Between the dates of January 1, 2009 to December 31, 2011, Rebecca Lauster, District Coordinator/Treasurer, either was reimbursed personally or charged meals to the District's credit card on 240 occasions while she was not in travel status. Meals claimed while not in travel status do not appear to be an authorized expense of the District.

Chapter 6 of the District Operations Manual for Indiana Soil and Water Conservation Districts as published by the Indiana Department of Agriculture states in part:

"Most governments authorize reimbursement of meals and similar expenses to their employees and officers while on travel status through a properly adopted travel policy. In the case of a Soil and Water Conservation District, such reimbursements would be made in accordance with the county's travel policy. In general, other meals or similar expenses provided to employees or members of the governing body are not authorized."

Section 407 (Travel Policy) of the Jackson County Employee Handbook as issued by the Jackson County Board of County Commissioners states in part:

"A. County officials and employees are occasionally required to incur travel expenses in the course of their duties. Payment of reimbursement for such expense is authorized from public funds, subject to compliance with budgetary rules, and subject also to the following restrictions:

2. Lodging expense for conferences or meetings, or other official trips requiring overnight stay of more than fifty (50) miles from Brownstown allowed at actual cost for "single room conference rate" with a maximum rate of one hundred fifty dollars (\$150.00) per night plus all taxes (or at a rate authorized by the County Council). Receipts are required to be submitted with claims for lodging reimbursement.
3. Actual meal expenses not to exceed twenty-six dollars (\$26.00) per day (or at a rate authorized by the County Council). Receipts are required to be submitted with claims for meal expense reimbursement."

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the governmental unit. Any personal expenses paid by the governmental entity may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

JACKSON COUNTY SOIL AND WATER CONSERVATION DISTRICT  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

**DEPOSITS**

Instances where noted where receipts were deposited later than the next business day. One deposit made August 18, 2011, included receipts from January 21, 2010 (receipt no. 906, \$26.00) and May 25, 2011 (receipt no. 948, \$30.00).

Indiana Code 5-13-6-1(c) states in part:

"All local officers . . . who collect public funds of their respective political subdivisions shall deposit funds not later than the business day following the receipt of funds on business days of the depository in the depository or depositories selected by the . . . local boards of finance. . . ."

**SALES TAX**

During the examination of all the disbursements for 2010 and 2011, instances were observed where sales tax was paid when purchasing supplies and equipment.

Governmental funds generally are exempt from the payment of sales tax on qualifying purchases. Respective tax agencies should always be contacted concerning tax exemptions and payments. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

**CREDIT CARDS**

The Jackson County Soil and Water Conservation District Credit Card Policy as approved on March 4, 2004, states:

The purpose of the District credit card (uses):

- to make reservations for supervisors and Coordinator, i.e., overnight accommodations and rentals,
- conference/meeting costs or reservations, workshop costs,
- office supplies as needed, if necessary between board meetings,
- small rental equipment repair cost and fuel, up to \$50,
- Annual Meeting supplies and materials.

The District's credit card was repeatedly used to make purchases not in compliance with the Board approved credit card policy. Numerous equipment purchases were made, such as: O'Reilly Auto Parts, \$74.89, Wrench Set, December 18, 2008; Sears, \$277.33, Over range microwave, May 5, 2009; Walmart, \$66.88, Espresso Maker, September 11, 2009; Amazon Marketplace, \$89.99, Euroflex Monster Floor Steam Cleaner, December 16, 2010; Sears, \$269.59, 7 drawer tool chest and roll away tool chest, May 20, 2011; and Home Depot, \$349.00, Honda Cultivator, April 7, 2011.

Credit card purchases consistently bypassed the claims process and some invoices were not available to provide adequate supporting documentation, therefore, payment was based entirely on the statement entry.

JACKSON COUNTY SOIL AND WATER CONSERVATION DISTRICT  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

The State Board of Accounts will not take exception to the use of credit cards by a governmental unit provided the following criteria are observed:

1. The governing board must authorize credit card use through an ordinance or resolution, which has been approved in the minutes.
2. Issuance and use should be handled by an official or employee designated by the board.
3. The purposes for which the credit card may be used must be specifically stated in the ordinance or resolution.
4. When the purpose for which the credit card has been issued has been accomplished, the card should be returned to the custody of the responsible person.
5. The designated responsible official or employee should maintain an accounting system or log which would include the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned, etc.
6. Credit cards should not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the governing board and other officials with timely and accurate accounting information and monitoring of the accounting system.
7. Payment should not be made on the basis of a statement or a credit card slip only. Procedures for payments should be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee should be the responsibility of that officer or employee.
8. If properly authorized, an annual fee may be paid.

(Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

***ANNUAL FINANCIAL REPORT***

The records of the District were reconciled to the depository balances; however, the electronic annual report prepared for 2010 did not include disbursements that had not cleared the bank account as of December 31 2010. This caused disbursements to be understated for 2010 and also resulted in the 2011 electronic annual report starting with an incorrect beginning balance and overstatement of disbursements by the corresponding amount. Therefore, the electronic annual report submitted did not accurately reflect all of the financial activity of the District for 2010 and 2011. Adjustments were made during the examination to appropriately present all financial activity on the District's financial statements.

Indiana Code 5-11-1-4 states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be filed electronically, in a manner prescribed by the state examiner that is compatible with the technology employed by the political subdivision."

JACKSON COUNTY SOIL AND WATER CONSERVATION DISTRICT  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

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)

**AUDIT COSTS**

Additional costs were incurred by the State of Indiana during the current examination due to the investigation of the misappropriated funds by Rebecca Lauster, District Coordinator/Treasurer of the Jackson County Soil and Water Conservation District. The State of Indiana is requesting reimbursement of the additional costs incurred in the amount of \$4,535.74. Rebecca Lauster repaid this amount on August 15, 2012. (See Summary of Charges, page 27)

Audit costs incurred because of theft or shortage may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

**INSURANCE COVERAGE**

Rebecca Lauster, District Coordinator, has insurance coverage under Jackson County's crime policy. Coverage for January 1, 2009 to December 31, 2009, was through U.S. Specialty Insurance Company, Policy No. PKG80310271, in the amount of \$100,000 with a \$250 deductible. Coverage for January 1, 2010 to December 31, 2010, was through U.S. Specialty Insurance Company, Policy No. PKG80410271, in the amount of \$100,000 with a \$250 deductible. Coverage for January 1, 2011 to December 31, 2011, was through OneBeacon Insurance Company, Policy No. 791000367, in the amount of \$500,000 with a \$1,000 deductible.

JACKSON COUNTY SOIL AND WATER CONSERVATION DISTRICT  
EXIT CONFERENCE

The contents of this report were discussed on June 19, 2012, with Rebecca Lauster, District Coordinator/Treasurer, and Tim Hoenener, President of the Board of Supervisors. The Official Response has been made a part of this report and may be found on page 26.



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**Jackson County Soil and Water Conservation District**  
1350 Woodside Drive \* Brownstown, IN 47220 \* Phone: (812) 358-2367 x3

June 28, 2012

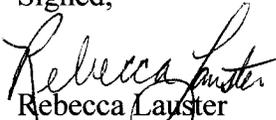
State Board of Accounts  
302 West Washington Street  
Room E 418  
Indianapolis, IN 46204-2765

RE: OFFICIAL RESPONSE

The contents of the audit for the Jackson County Soil and Water Conservation District were discussed on three different occasions by SBoA personnel. After each meeting, with somewhat ambiguous closing comments, changes were made to the report and another meeting(s) scheduled (with months between). The first records were taken from the office in October 2011—last meeting, June 19, 2012. The documentation of said report includes information/requirements from publications of which officers of the SWCD had not been aware, as well as an unknown “county” handbook.

At no time was the District Coordinator/Treasurer “requested” to reimburse the District or to any said amount. If this is the requirement given the final audit findings that will be the result.

Signed,

  
Rebecca Lauster  
District Coordinator

Cc: Tim Hoevener, SWCD Board Chair

JACKSON COUNTY SOIL AND WATER CONSERVATION DISTRICT  
SUMMARY OF CHARGES

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Rebecca Lauster, District Coordinator/Treasurer:			
Personal Expenses - Unauthorized Cell Phone Expenses, pages 15 and 16	\$ 1,879.22	\$	\$
Paid by Rebecca Lauster, Receipt No. 993, Deposited on November 29, 2011		1,879.22	
Personal Expenses - Non-District Expenses, pages 16 and 17	5,996.14		
Paid by Rebecca Lauster, Receipt No. 993, Deposited on November 29, 2011		911.38	
Excessive or Unreasonable Costs, pages 18 through 20	358.28		
Excessive or Unreasonable Costs, pages 18 through 20	730.33		
Penalties, Interest, and Other Charges, pages 20 and 21	107.51		
Audit Costs, page 24	4,535.74		
Paid by Rebecca Lauster, Money Order No. 931933, dated August 15, 2012	<u>                    </u>	<u>10,816.62</u>	<u>                    </u> -
Totals - Rebecca Lauster, District Coordinator/Treasurer	<u>\$ 13,607.22</u>	<u>\$ 13,607.22</u>	<u>\$                   </u> -

This report was forwarded to the Office of the Attorney General and the local prosecuting attorney.