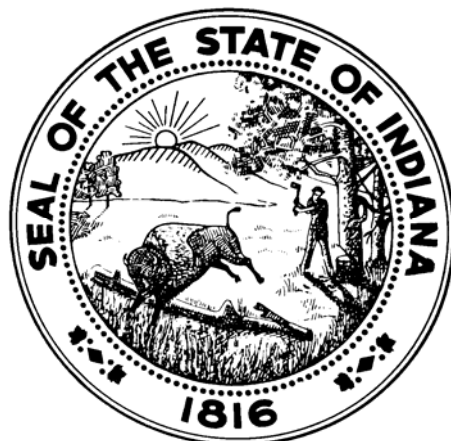


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT
OF

RIPLEY COUNTY SOIL AND WATER
CONSERVATION DISTRICT
RIPLEY COUNTY, INDIANA

January 1, 2001 to December 31, 2005



FILED
7/19/06

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Rebecca Reatherford	01-01-01 to 12-31-06
President of the Board of Supervisors	Irvin Harmeyer	01-01-01 to 12-31-06



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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Ripley County Soil and Water Conservation District (District), for the period of January 1, 2001 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, 2001, 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

May 31, 2006

RIPLEY 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, 2001, 2002, 2003, 2004, And 2005

	Cash and Investments 01-01-01	Receipts	Disbursements	Cash and Investments 12-31-01
General	\$ 42,660	\$ 65,362	\$ 78,644	\$ 29,378
	Cash and Investments 01-01-02	Receipts	Disbursements	Cash and Investments 12-31-02
General	\$ 29,378	\$ 102,946	\$ 108,511	\$ 23,813
	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
General	\$ 23,813	\$ 54,590	\$ 65,689	\$ 12,714
	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
General	\$ 12,714	\$ 47,657	\$ 32,894	\$ 27,477
	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
General	\$ 27,477	\$ 53,502	\$ 38,558	\$ 42,421

The accompanying notes are an integral part of the schedules.

RIPLEY 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.

The District fund (general fund) is used to account for all activities of the district

Note 3. 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.

RIPLEY COUNTY SOIL AND WATER CONSERVATION DISTRICT
EXAMINATION RESULT AND COMMENTS

OPTICAL IMAGES OF WARRANTS

The financial institution did not return the actual cancelled checks with the monthly bank statements, but instead returned only an optical image of the front side of the checks.

Indiana Code 5-15-6-3(a) concerning optical imaging of checks states in part:

"original records' includes the optical image of a check or deposit document when:

- (1) the check or deposit document is recorded, copied, or reproduced by an optical imaging process . . . ; and
- (2) the drawer of the check receives an optical image of the check after the check is processed for payment . . ."

Further, Indiana Code 26-2-8-111(a) and (e) state, in part:

"(a) If a law requires that certain records be retained, that requirement is met by retaining an electronic record of the information in the record that:

- (1) accurately reflects the information set forth in the record after it was first generated in its final form as an electronic record or otherwise: and
- (2) remains accessible for later reference."

"(e) If a law requires retention of a check, that requirement is satisfied by retention of an electronic record of the information on the front and back of the check in accordance with subsection (a).

- (5) Any additional information required under IC 5-1.5-2-2.5 or IC 20-12-63-7."

RIPLEY COUNTY SOIL AND WATER CONSERVATION DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on May 31, 2006, with Rebecca Reatherford, Treasurer.
The official concurred with our finding.