

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

EXAMINATION REPORT

OF

JACKSON COUNTY SOIL AND WATER CONSERVATION DISTRICT

JACKSON COUNTY, INDIANA

January 1, 2004 to December 31, 2005



FILED
09/21/2006

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report	3
Schedules of Receipts, Disbursements, and Cash and Investment Balances.....	4
Notes to Schedules	5-6
Examination Results and Comments:	
Transaction Recording.....	7
Interest on Investments	7
Exit Conference.....	8

OFFICIALS

Office

Official

Term

District Coordinator/Treasurer

Rebecca Lauster

01-01-04 to 12-31-06

Chairman of the Board
of Supervisors

Tim Hoevener

01-01-04 to 12-31-06



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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 schedules of receipts, disbursements, and cash and investment balances of the Jackson County Soil and Water Conservation District (District), for the period of January 1, 2004 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, 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

August 9, 2006

JACKSON 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, 2004 And 2005

	<u>Cash and Investments 01-01-04</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 12-31-04</u>										
General	<u>\$ 24,915</u>	<u>\$ 53,920</u>	<u>\$ 32,635</u>	<u>\$ 46,200</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 01-01-05</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 12-31-05</u></th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;">General</td> <td style="text-align: right; vertical-align: bottom;"><u>\$ 46,200</u></td> <td style="text-align: right; vertical-align: bottom;"><u>\$ 27,275</u></td> <td style="text-align: right; vertical-align: bottom;"><u>\$ 48,069</u></td> <td style="text-align: right; vertical-align: bottom;"><u>\$ 25,406</u></td> </tr> </tbody> </table>						<u>Cash and Investments 01-01-05</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 12-31-05</u>	General	<u>\$ 46,200</u>	<u>\$ 27,275</u>	<u>\$ 48,069</u>	<u>\$ 25,406</u>
	<u>Cash and Investments 01-01-05</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 12-31-05</u>										
General	<u>\$ 46,200</u>	<u>\$ 27,275</u>	<u>\$ 48,069</u>	<u>\$ 25,406</u>										

The accompanying notes are an integral part of the schedules.

JACKSON 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 provides the following services: soil and water conservation and general administrative 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.

Note 4. Pension Plan

Public Employees' Retirement Fund

Plan Description

The District contributes to the Indiana Public Employees' Retirement Fund (PERF), 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

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

an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% 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.

JACKSON COUNTY SOIL AND WATER CONSERVATION DISTRICT
EXAMINATION RESULTS AND COMMENTS

TRANSACTION RECORDING

Some investment transactions were not entered in the accounting records.

All financial transactions pertaining to the governmental unit should be recorded in the records of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

INTEREST ON INVESTMENTS

We noted some instances where interest earned on investments was automatically added to the principal and not recorded in the records.

Interest on investments should not be automatically added into the investment. Instead, interest on investments should be paid to the governmental unit at each maturity date and posted to the appropriate fund. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 15)

JACKSON COUNTY SOIL AND WATER CONSERVATION DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on August 9, 2006, with Rebecca Lauster, District Coordinator/Treasurer. The official concurred with our findings.