

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

EXAMINATION REPORT
OF

UNION COUNTY SOIL AND WATER
CONSERVATION DISTRICT
UNION COUNTY, INDIANA

January 1, 2004 to December 31, 2005



FILED
09/25/2006

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 |
| Examination Results and Comments: | |
| Supporting Documentation | 6 |
| Deposits | 6 |
| Condition of Records | 6 |
| Exit Conference | 7 |

OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|------------------------|-------------------------------------|--|
| Treasurer | Dena Kidd Dorrell Keli Pinkerton | 01-01-04 to 08-20-06 08-21-06 to 12-31-06 |
| President of the Board | Andy Ritzi | 01-01-04 to 12-31-06 |



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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Union 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 22, 2006

UNION 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>\$ 20,262</u> | <u>\$ 14,106</u> | <u>\$ 25,066</u> | <u>\$ 9,302</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>\$ 9,302</u> | <u>\$ 11,939</u> | <u>\$ 14,665</u> | <u>\$ 6,576</u> |

The accompanying notes are an integral part of the schedules.

UNION 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 for general education and management of soil and water resources, 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. Budgets

The operating budget is prepared and approved at the local level.

Note 4. 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.

UNION COUNTY SOIL AND WATER CONSERVATION DISTRICT
EXAMINATION RESULTS AND COMMENTS

SUPPORTING DOCUMENTATION

Payments were observed which were not supported by adequate documentation, such as receipts, invoices, and other public records. Due to the lack of supporting information, the validity and accountability for some money disbursed could not be established.

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)

DEPOSITS

We noted instances where receipts were deposited later than the next business day.

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. . . ."

CONDITION OF RECORDS

Financial records presented for audit were incomplete and not reflective of the activity of the General Fund for the year 2004.

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)

UNION COUNTY SOIL AND WATER CONSERVATION DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on August 22, 2006, with Keli Pinkerton, Treasurer; and Andy Ritzi, President of the Board. The officials concurred with our findings.