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October 6, 2011

Board of Directors
Sycamore Trails R C & D, Inc.
1007 Mill Pond Lane, Ste. B
Greencastle, IN 46135

We have reviewed the audit report prepared by Bray & Associates, CPA's, LLC, Independent Public Accountants, for the period January 1, 2007 to December 31, 2008. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of the Sycamore Trails R C & D, Inc., as of December 31, 2007 and 2008, and the results of its operations for the periods then ended, on the basis of accounting described in the report.

The Independent Public Accountants' report is filed with this letter in our office as a matter of public record.

STATE BOARD OF ACCOUNTS

SYCAMORE TRAILS R C & D, INC.

Statement of Financial Position

December 31, 2007 and 2008

SYCAMORE TRAILS R C & D, INC.

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ACCOUNTANTS SOCIETY

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Sycamore Trails R C & D, Inc.

We have audited the accompanying statement of financial position of Sycamore Trails R C & D, Inc., (a nonprofit organization) as of December 31, 2007 and 2008, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sycamore Trails R C & D, Inc., as of December 31, 2007 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated August 25, 2009, on our consideration of Sycamore Trails R C & D, Inc., internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Bray & Associates CPAs

Bray & Associates CPA's, LLC
Greencastle, Indiana 46135
August 25, 2009

SYCAMORE TRAILS R C & D, INC.
 STATEMENTS OF FINANCIAL POSITION
 DECEMBER 31, 2007 and 2008

	<u>2007</u>	<u>2008</u>
Assets:		
Cash	\$ 29,933	\$ 30,530
Investment:		
Certificate of Deposit	38,641	40,120
Equipment	19,478	19,478
Accumulated Depreciation	(19,478)	(19,478)
Other Assets:		
Easement/Land	1	2
Endowment	<u>122,815</u>	<u>87,452</u>
Total Assets	\$ <u>191,390</u>	\$ <u>158,104</u>
Liabilities and Net Assets:		
Liabilities		
Payroll Tax	\$ 666	\$ 0
Releaf	5,235	9,673
Ouabache	2,755	5,053
Other	1	2
Total Liabilities	\$ 8,657	\$ 14,728
Unrestricted Net Assets	<u>182,733</u>	<u>143,376</u>
Total Liabilities & Net Assets	\$ <u>191,390</u>	\$ <u>158,104</u>

SYCAMORE TRAILS R C & D, INC.
 STATEMENTS OF ACTIVITIES
 YEARS ENDED DECEMBER 31, 2007 and 2008

	<u>2007</u>	<u>2008</u>
Income:		
Contributions	\$ 10,872	\$ 1,716
Grant	0	1,000
Contract Fees Earned	27,692	2,643
Interest	2,278	2,082
Welcome Center	39,745	34,067
Dues from Sponsor	2,700	2,700
Program Revenue	13,628	7,078
Pass Through AML	114,428	57,748
Other	<u>0</u>	<u>3,750</u>
Total Income	\$ 211,343	\$ 112,784
Program Expense:		
Programs	\$ 14,959	\$ 9,863
AML	114,428	57,748
Workshop Events	2,564	8,406
Welcome Center	29,713	29,184
Administrative:		
Salaries	6,884	11,882
Insurance	1,588	1,709
Meetings Convention	0	215
Membership	1,495	1,490
Office Supplies and Postage	8,755	3,911
Professional Fees	3,500	2,240
Interest	<u>95</u>	<u>0</u>
Total Expenses	\$ <u>183,981</u>	\$ <u>126,648</u>
Change in Net Assets from Activities	\$ 27,362	\$ (13,864)
Endowment Value Change/Earnings	<u>15,679</u>	<u>(25,493)</u>
Total Change in Net Assets	\$ 43,041	\$ (39,357)
Net Assets-Beginning	\$ <u>139,692</u>	\$ <u>182,733</u>
Net Assets-Ending	\$ <u>182,733</u>	\$ <u>143,376</u>

SYCAMORE TRAILS R C & D, INC.
 STATEMENTS OF CASH FLOWS
 FOR THE YEARS ENDED DECEMBER 31, 2007 and 2008

	<u>2007</u>	<u>2008</u>
Change in Net Assets	\$ 43,041	\$ (39,357)
Increase Value Change	(15,679)	25,493
Payroll Tax	(264)	(666)
ReLeaf Program	(2,235)	4,438
Ouabache Program	<u>2,755</u>	<u>2,298</u>
Net Cash Provided by Operating Activities	\$ 27,618	\$ (7,794)
Investing Activities		
Contributions and Endowment		
Net Contributions	\$ (2,125)	\$ 9,870
Investment Increase (CD's)	<u>8,742</u>	<u>(1,479)</u>
Net Cash Used by Investing Activities	\$ 6,617	\$ 8,391
Financing Activities		
Decrease Line of Credit	\$ (7,000)	\$ 0
Net Cash Provided by Financing Activities	(7,000)	0
Net Cash Decrease	\$ 27,235	\$ 597
Beginning Cash	<u>2,698</u>	<u>29,933</u>
Ending Cash	\$ <u>29,933</u>	\$ <u>30,530</u>

SYCAMORE TRAILS R C & D, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2008

Purpose and Mission:

Sycamore Trails Resource Conservation and Development Council, Inc., mission is: To motivate, assist, enable, and coordinate local citizens in the conservation and development of natural, human, and economic resources. The Council operates in 9 counties in west central Indiana. Each county pays \$300.00 per year.

Accounting:

The Council keeps its books and records on the accrual method of accounting where by expenses are recorded when incurred and revenue recognized when earned.

In Kind Donation:

The Council is located in a USDA facility, and pays no rent or utilities. They get some help from local staff as the Council works with the USDA in helping fulfill its mission. The Council also has use of the equipment, including some minor computer time. No amounts for these benefits is included in these financial statements. Estimate amount of In Kind Donation is \$85,000. Without this In Kind assistance, the council would have much difficulty fulfilling its programs and missions.

Program:

The Organization administers several programs in coordination with the USDA and Indiana. The monies are pass through, whereby the Organization, acting as an agent, receives the money from the various state agencies and forwards it to the proper recipient. During the two years, the Organization had the following major programs. The Organization received and disbursed the following:

Program Pass Through:	<u>2007</u>	<u>2008</u>
Abandoned Mine Lands	\$114,420	\$ 57,748

Holding:

The Organization currently holds a conservation easement on real estate and other acreage. Each is noted by a value of \$1.00. It is the intent of the Organization to donate these two assets to another not-for-profit. This Organization has no long term use of these two items.

SYCAMORE TRAILS R C & D, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2008
CONTINUED

Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statement and the reported amounts of income and expense during the reported periods. Actual results could differ from those estimates.

Functional Expense:

The cost of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting service benefitted.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING
STANDARDS

Sycamore Trails R C & D, Inc.

We have audited the financial statements of the Sycamore Trails R C & D, Inc. (a nonprofit organization) as of December 31, 2007 and 2008, and have issued our report thereon dated August 25, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Sycamore Trails R C & D, Inc., internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Sycamore Trails R C & D, Inc., internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance with Laws and Regulations

As part of obtaining reasonable assurance about whether Sycamore Trails R C & D, Inc., financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We noted certain matters that we reported to management of Sycamore Trails R C & D, Inc., in a separate letter dated August 25, 2009.

This report is intended solely for the information and use of the audit committee, management, Board of Directors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Bray - Associates CPAs

Bray & Associates CPA's, LLC
Greencastle, Indiana 46135
August 25, 2009