

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

AUDIT REPORT

OF

COUNTY TREASURER

ST. JOSEPH COUNTY, INDIANA

January 1, 2005 to December 31, 2005



FILED

10/26/2006

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Sean J. Coleman	01-01-05 to 12-31-08
President of the County Council	Rafael Morton	01-01-05 to 12-31-06
President of the Board of County Commissioners	Cynthia A. Bodle	01-01-05 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF ST. JOSEPH COUNTY

We have audited the records of the County Treasurer for the period from January 1, 2005 to December 31, 2005, and certify that the records and accountability for cash and other assets are satisfactory to the best of our knowledge and belief, except as stated in the Audit Results and Comments. The financial transactions of this office are reflected in the Annual Report of St. Joseph County for the year 2005.

STATE BOARD OF ACCOUNTS

July 27, 2006

COUNTY TREASURER
ST. JOSEPH COUNTY
AUDIT RESULTS AND COMMENTS

INTEREST ON INVESTMENTS

Interest earned on U.S. Agency Securities investments purchased by the Treasurer was not paid to the County. Instead, the interest was receipted into a money market account. As of December 31, 2005, the money market account had a balance of \$302,901.

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 County Treasurers, Chapter 15)

DEPOSITS INTO TRANSACTION ACCOUNTS

The Treasurer deposited interest earned on investments into a money market account with a depository that was not approved by the Indiana Board of Depositories. As of December 31, 2005, the money market account had a balance of \$302,901.

Pursuant to Indiana Code 5-13-8-1(a): "a political subdivision may deposit public funds in a financial institution only if the financial institution:

1. Is a depository eligible to receive state funds"

PROPERTY TAX SETTLEMENT

After the December 2005 tax settlement, the Treasurer's Daily Balance of Cash and Depositories shows an unidentified balance of taxes of \$1,425,854. This balance is the same as of July 19, 2006.

By the provisions of Indiana Code 6-1.1-27-1 and 6-1.1-27-2 the county auditor and the county treasurer, on or before June 20th and December 20th of each year, shall meet to make settlement of taxes and special assessments collected during the preceding six months periods ending May 10 and November 10, respectively, and at that time the treasurer shall also make settlement of any other collections required by law to be paid to the county treasurer. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter IX)

COUNTY TREASURER
ST. JOSEPH COUNTY
EXIT CONFERENCE

The audit comments included in this report were discussed on August 17, 2006, with Sean J. Coleman, Treasurer. His response has been made a part of this report and may be found on page 6.

The contents of this report were also discussed on August 17, 2006, with Cynthia A. Bodle, President of the Board of County Commissioners.



OFFICE OF
ST. JOSEPH COUNTY TREASURER

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SEAN COLEMAN
TREASURER

SUSAN HADARY
CHIEF DEPUTY

October 12, 2006

Official Response

**State Board of Accounts St. Joseph County Treasurer's Office 2005
Audit**

Interest on Investments

When the State Board of Accounts pointed out that interest on one investment that the County Treasurer's Office was holding was being receipted to a money market account instead of being paid to St. Joseph County at each maturity date I immediately took steps to correct the situation, transferring the interest in the money market account to our bank depository account and ceasing the practice from that point forward.

Deposits into Transaction Accounts

This audit comment refers to the same investment in the Interest on Investments audit comment. When the State Board of Accounts pointed out that interest being earned was being deposited into a depository account not approved by the Indiana Board of Depositories I immediately took steps to correct the situation closing out the money market account and having all the interest that was deposited in that account transferred to our depository.

Property Tax Settlement

To the best of our knowledge the unidentified balance of taxes of \$1,425,854 has been rectified by the County Auditor's Office.

Respectfully submitted,

Sean J. Coleman
St. Joseph County Treasurer