

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

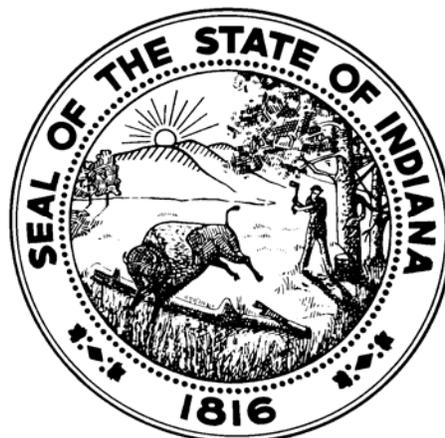
AUDIT REPORT

OF

BOARD OF COUNTY COMMISSIONERS

CLARK COUNTY, INDIANA

January 1, 2005 to December 31, 2005



FILED

01/26/2007

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of the Board of County Commissioners	Edward Meyer	01-01-05 to 12-31-06
President of the County Council	Barbara Hollis Jim Smith	01-01-05 to 12-31-05 01-01-06 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF CLARK COUNTY

We have audited the records of the Board of County Commissioners 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 Clark County for the year 2005.

STATE BOARD OF ACCOUNTS

December 28, 2006

BOARD OF COUNTY COMMISSIONERS
CLARK COUNTY
AUDIT RESULTS AND COMMENTS

ORDINANCES AND RESOLUTIONS

The County adopted Ordinance 6-2004 concerning the establishment of a Cumulative Capital Development Fund. During 2005, the County disbursed \$187,007 for purposes other than those allowed by the adopted ordinance and State statutes and also expended the monies without an appropriation. The following is a schedule these disbursements:

Disbursement	Amount
Telephone Expense	\$ 2,643
Workmen's Compensation Insurance	140,573
General Liability Insurance	28,499
Utilities	15,292
 Total	 \$ 187,007

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Counties, Chapter 1)

Indiana Code 6-1.1-18-4 states in part: "the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

OVERDRAWN FUND BALANCES

In 2005, there were overdrawn fund balances totaling \$4,444,774. The overdrawn funds were the result of accounts payable vouchers being approved for payments by the executive body (county commissioners) that exceeded the funds available to pay the vouchers. Funds with overdrawn balances as of December 31, 2005, were as follows:

The following is a schedule of tax supported funds that incurred cash overdrafts at December 31, 2006:

Fund	Amount
General	\$ 899,374
Courthouse Lease Rental	897,251
County Welfare Family and Children	2,431,269
Jail Detention Bond	200,920
 Total	 \$ 4,428,814

The Board of County Commissioners approved accounts payable vouchers after being made aware that sufficient funds were not available. The Board of County Commissioners did not request the County Council to approve temporary transfers to the above depleted funds.

The cash balance of any fund may not be reduced below zero. (Accounting and Uniform Compliance Guidelines Manual for Counties, Chapter 1)

Indiana Code 36-1-8-4(a) states in part: "The fiscal body of a political subdivision may, by ordinance or resolution, permit the transfer of a prescribed amount, for a prescribed period, to a fund in need of money for cash flow purposes from another fund of the political subdivision."

BOARD OF COUNTY COMMISSIONERS
CLARK COUNTY
EXIT CONFERENCE

The contents of this report were discussed on December 28, 2006, with Edward Meyer, President of the Board of County Commissioners; and Barbara Bratcher Haas, County Auditor.