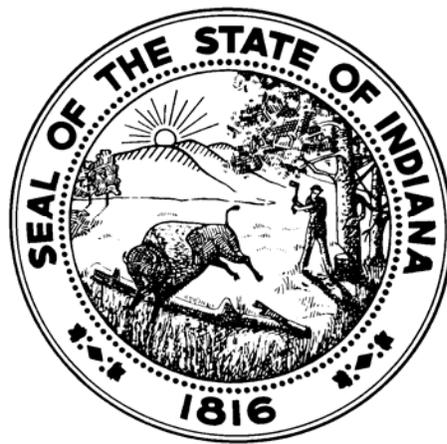


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

AUDIT REPORT
OF
COUNTY AUDITOR
JOHNSON COUNTY, INDIANA
January 1, 2005 to December 31, 2005



FILED
05/23/2007

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Brenda Jones-Mathhews Vacant Janice D. Richhart	01-01-04 to 06-09-05 06-10-05 to 06-30-05 07-01-05 to 12-31-07
President of the County Council	Ron West John Price	01-01-05 to 12-31-06 01-01-07 to 12-31-07
President of the Board of County Commissioners	R.J. McConnell	01-01-05 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

TO: THE OFFICIALS OF JOHNSON COUNTY

We have audited the records of the County Auditor 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 Johnson County for the year 2005.

STATE BOARD OF ACCOUNTS

March 28, 2007

COUNTY AUDITOR
JOHNSON COUNTY
AUDIT RESULTS AND COMMENTS

CONDITION OF RECORDS - DRAINAGE FUNDS

The following deficiencies relating to the recordkeeping were present during our period of audit:

- (1) The control ledger balances in both the General Drain Improvement Fund and Drainage Maintenance Fund ledgers were not in agreement with fund balances as shown on the records of the County Auditor.
- (2) The total of subsidiary ledger cash balances in both the General Drain Improvement and Drainage Maintenance fund ledgers were not in agreement with the control ledger balances maintained for each fund.
- (3) As of November 20, 2006, transactions for 2006 had yet to be posted to the Drainage Maintenance Fund control ledger.

At the end of any accounting period, the cash balances in both the General Drain Improvement and Drainage Maintenance subsidiary ledgers must equal the cash balances on the control ledger. (Accounting and Uniform Compliance Guidelines Manual for Public Drainage Funds, Chapter 6)

FIXED ASSETS

Information presented for audit did not indicate an inventory of fixed assets. Fixed asset records maintained by the County were incomplete. Infrastructure asset values were not updated by the County for 2005.

Every governmental unit should have a complete inventory of all fixed assets owned which reflect their acquisition value. Such inventory should be recorded on the applicable General Fixed Asset Account Group Form. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Counties, Chapter 7)

OVERDRAWN FUND BALANCES

The Bioterrorism Preparedness Responder Supplemental Fund, WIC Fund, Regional Gang 2005-2006, STOP Grant 2005-2006, Victim's Assistance Crisis 2005-2006, Victim's Assistance 2005-2006 and General Drain Improvement Fund were overdrawn in 2005.

The balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 14)

COUNTY AUDITOR
JOHNSON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on March 28, 2007, with Janice D. Richhart, Auditor; and Barbara Davis, First Deputy Auditor. The officials concurred with our audit findings.

The contents of this report were discussed on April 18, 2007, with Brenda Jones-Matthews, former Auditor.