

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

AUDIT REPORT
OF
COUNTY AUDITOR
JACKSON COUNTY, INDIANA
January 1, 2006 to December 31, 2006



FILED
09/11/2007

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
County Officials	2
Transmittal Letter	3
Audit Results and Comments:	
Appropriations.....	4
Capital Assets.....	4
Prescribed Forms	4
Ordinances and Resolutions.....	5
Penalties, Interest and Other Charges	5
Exit Conference.....	6

COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Debra F. Eggeman	01-01-05 to 12-31-08
President of the County Council	Richard A. Brackemyre Charles Murphy	01-01-06 to 12-31-06 01-01-07 to 12-31-07
President of the Board of County Commissioners	Gary Darlage	01-01-06 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF JACKSON COUNTY, INDIANA

We have audited the records of the County Auditor for the period from January 1, 2006 to December 31, 2006, 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 Jackson County for the year 2006.

STATE BOARD OF ACCOUNTS

August 2, 2007

COUNTY AUDITOR
JACKSON COUNTY
AUDIT RESULTS AND COMMENTS

APPROPRIATIONS

The records presented for audit indicated the following expenditures in excess of budgeted appropriations:

<u>Fund</u>	<u>Year</u>	<u>Excess Amount Expended</u>
Local Road and Street	2006	<u>\$ 405,100</u>

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."

CAPITAL ASSETS

Information presented for audit did not indicate an inventory or record of fixed assets using Form 146.

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 County Auditors, Chapter 14)

PRESCRIBED FORMS

The following prescribed or approved form was not always in use, County Auditor Venue Record Form 56.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 14)

COUNTY AUDITOR
JACKSON COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

ORDINANCES AND RESOLUTIONS

The County has adopted an ordinance authorizing the use of the Economic Development Income Tax (EDIT) Fund. There is also an interlocal agreement authorizing the use of the EDIT Fund. However, the County did not comply with either of these when paying the courthouse renovation bond payments with EDIT funds.

The interlocal agreement dated January 5, 1998, states in part: A."3. To appropriate Jackson County's share of CEDIT revenue (plus revenue pledged from the Municipalities, as specified in paragraph B herein), for the purpose of financing construction costs and related expenses for a new County Jail and Juvenile Detention Center in the Town of Brownstown, and to refrain from using CEDIT revenue for any other purpose until the costs of constructing the new County Jail and Juvenile Detention Center are paid in full.

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 14)

PENALTIES, INTEREST AND OTHER CHARGES

Penalties and interest totaling \$5,601.86 were paid to the Internal Revenue Service on November 14, 2006, for the period ending June 30, 2006.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee.

(Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 14)

COUNTY AUDITOR
JACKSON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 2, 2007, with Debra F. Eggeman, Auditor; Gary Darlage, President of the Board of County Commissioners; and Charles Murphy, President of the County Council. The officials concurred with our audit findings.