

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

AUDIT REPORT

OF

COUNTY AUDITOR

JOHNSON COUNTY, INDIANA

January 1, 2006 to December 31, 2006



FILED

02/08/2008

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Janice Richhart	01-01-06 to 12-31-07
President of the County Council	John West John L. Price	01-01-06 to 12-31-06 01-01-07 to 12-31-07
President of the Board of County Commissioners	R.J. McConnell Mitchael Ripley	01-01-06 to 05-20-07 05-21-07 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF JOHNSON COUNTY

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 Johnson County for the year 2006.

STATE BOARD OF ACCOUNTS

November 21, 2007

COUNTY AUDITOR
JOHNSON COUNTY
AUDIT RESULTS AND COMMENTS

OVERDRAWN FUND BALANCES

Funds were overdrawn at December 31, 2006, as follows:

Court and Alcohol Program	\$ 2,479.88
Family and Children	160,192.66
Guardian As Litem	1,186.47
Homeland Security Law Enforcement	2,330.50
Homeland Security Lap Top	65,039.30
Park and Recreation Operating	16,259.17
Public Health Preparedness	71.30
Victim Assistance 06-07	13,187.46
WIC	12,874.04
Regional Grant 06-07	9,911.26
Stop Grant 06-07	17,446.14
Park NR Capital	1,919.45

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 of Indiana, Chapter 14)

CONDITION OF RECORDS – DRAINAGE FUND

The following deficiencies relating to the recordkeeping were present during our period of audit. A similar comment was cited in the prior Report B29908.

1. The control ledger balances of the General Drain Improvement Fund and the Drainage Maintenance Fund were not in agreement with the County Auditor's fund ledger balances as recorded in the annual report of the County Auditor. At December 31, 2006, the County Auditor reported a balance of \$15,106.51 for the General Drain Improvement Fund. The General Drain Improvement Fund control ledger reported a balance at December 31, 2006, of \$5,529.57. The variance at year end between the County Auditor's balance and control ledger balance was \$9,576.94. At December 31, 2006, the County Auditor reported a balance of \$656,879.914 in the Drainage Maintenance Fund. The Drainage Maintenance Fund control ledger reported a balance at December 31, 2006, of \$719,123.60. The variance at year end between the County Auditor's balance and control ledger was \$62,243.15.

COUNTY AUDITOR
JOHNSON COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

2. The subsidiary ledger balances in the General Drain Improvement Fund and the Drainage Maintenance Fund were not in agreement with control ledger balances. At December 31, 2006, the General Drain Improvement subsidiary ledger reported a balance of -\$82,465.78. The General Drain Improvement control ledger balance reported a balance at December 31, 2006, of \$5,529.57. The variance at year end between the control ledger balance and the subsidiary ledger balance was \$87,995.35. At December 31, 2006, the Drainage Maintenance subsidiary ledger reported a balance of \$640,535.54. The Drainage Maintenance Fund control ledger reported a balance at December 31, 2006, of \$719,123.06. The variance at year end between the subsidiary ledger and control ledger balance was \$78,587.52.

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)

CAPITAL ASSET RECORDS

As stated in prior Report B29908, information presented for audit did not indicate a complete inventory of capital assets. Capital asset records maintained by the County were incomplete and infrastructure asset values were not updated by the County for 2005 and 2006.

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)

COUNTY AUDITOR
JOHNSON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on December 11, 2007, with Janice Richhart, County Auditor; John L. Price, President of the County Council; and Mitchael Ripley, President of the Board of County Commissioners. The officials concurred with our audit findings.