

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

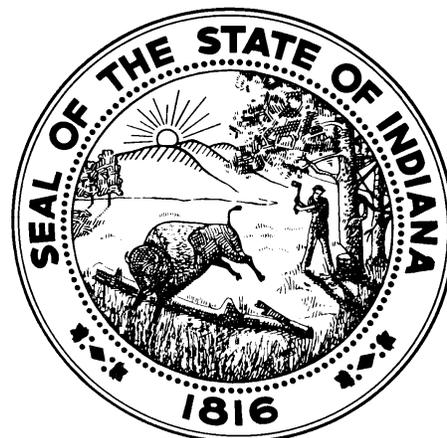
AUDIT REPORT

OF

COUNTY AUDITOR

WARRICK COUNTY, INDIANA

January 1, 2007 to December 31, 2007



**FILED**

07/22/2008



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
County Officials .....	2
Transmittal Letter .....	3
Audit Results and Comments:	
Appropriations.....	4
Tax Sale.....	4
Capital Assets.....	4-5
Repayments and Transfers .....	5-6
Overdrawn Fund Balances .....	6
Exit Conference.....	7

COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Lawrence C. Lacer	01-01-07 to 12-31-10
President of the County Council	Greg Richmond Gary R. Meyer	01-01-07 to 12-31-07 01-01-08 to 12-31-08
President of the Board of County Commissioners	Don Williams	01-01-07 to 12-31-08



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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STATE BOARD OF ACCOUNTS  
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TO: THE OFFICIALS OF WARRICK COUNTY

We have audited the records of the County Auditor for the period from January 1, 2007 to December 31, 2007, 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 Warrick County for the year 2007.

STATE BOARD OF ACCOUNTS

May 15, 2008

COUNTY AUDITOR  
WARRICK COUNTY  
AUDIT RESULTS AND COMMENTS

APPROPRIATIONS

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

Fund	Excess Amount Expended
Park and Recreation Bond and Interest	\$ 1,130
Courthouse Bond and Interest	3,020
Judicial Center Lease	6,736
Vehicle Inspection	401
Electronic Map Generation	3,600
Park and Recreation Nonreverting Operating	45
Community Correction Home Detention	74,309
Park and Recreation Nonreverting Capital	20,416

A similar comment was in several prior reports.

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."

TAX SALE

The County did not hold a tax sale in 2007 because the County Treasurer and County Auditor could not come to an agreement on a third party firm to contract for the tax sale. Both the County Auditor and County Treasurer must agree in writing on any third party tax sale contractor per Indiana Code 6-1.1-24-14.

On or before July 1 of each year, the county treasurer shall certify to the county auditor, a list of real property on which either any property taxes or special assessments certified to the county auditor for collection by the county treasurer from the prior year's spring installment or before are delinquent as determined under Indiana Code 6-1.1-37-10 or any unpaid costs from a prior tax sale. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 9)

CAPITAL ASSETS

A complete physical inventory of capital assets has not been performed. The County does not maintain an accurate and complete record of capital assets. The capital asset records do not include all additions and disposals for the year, several assets are listed more than once, several assets are listed in the records with no acquisition value, and transfers between departments are not properly posted. The value listed for land is a lump sum amount with no detailed information for the various parcels, lots, or locations. A similar comment was in several prior reports.

COUNTY AUDITOR  
WARRICK COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

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)

REPAYMENTS AND TRANSFERS

In 2005, the following transfers were not authorized by statute or were transferred to the wrong funds:

On July 27, 2005, the Warrick County Council and the Warrick County Board of County Commissioners, in joint session, declared an emergency in the area of health and welfare and transferred \$550,000 from the Cumulative Capital Development Fund to the General Fund to be used to address those issues. However, when an emergency has been declared, the expenditures are to be directly paid out of the Cumulative Capital Development Fund. The County Officials were advised to reimburse the Cumulative Capital Development Fund from the General Fund.

As part of the same meeting and declaration of emergency, funds totaling \$301,567 and \$200,000 were transferred from the Landfill Maintenance and Landfill Closure/Post Closure Funds, respectively, to the General Fund. When the two funds were originally established, the money came from the Landfill Fund to establish a trust fund to ensure the proper closure of the County's landfill. The conditions for the release of the trust fund had been met, allowing for the closing of those funds. However, the County Officials were advised that upon closure of the above funds, the money should have been returned to the originating fund. The County Officials were advised to reimburse the Landfill Fund from the General Fund.

A similar comment was in several prior reports.

On May 1, 2008, the Warrick County Council passed Resolution 2008-08 entitled, "Adjustment to Return to the Proper Accounts Previously Transferred Money" which resolves to repay the above transfers in two equal installments as follows:

January 1, 2009	\$225,000.00 from General Fund to Cumulative Capital Development \$150,783.50 from General Fund to Landfill Fund \$100,000.00 from General Fund to Landfill Fund
January 1, 2010	\$225,000.00 from General Fund to Cumulative Capital Development \$150,783.50 from General Fund to Landfill Fund \$100,000.00 from General Fund to Landfill Fund

Payments or transfers which are not authorized by statute, ordinance, resolution, or court order must be reimbursed or transferred to the appropriate fund. (Accounting and Uniform Compliance Guidelines Manual for County Auditor's, Chapter 14)

COUNTY AUDITOR  
WARRICK COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

Indiana Code 36-9-14.5-8 (c) states in part: ". . . Money held in the cumulative capital development fund may be spent for purposes other than the purposes stated in section 2 of this chapter, if the purpose is to protect the public health, welfare, or safety in an emergency situation that demands immediate action or to contribute to an authority established under Indiana Code 36-7-23. Money may be spent under the authority of this subsection only after the county executive: (1) issues a declaration that the public health, welfare, or safety is in immediate danger that requires the expenditure of the money in the fund; or (2) certifies in the minutes of the county executive that the money is contributed to the authority for capital development purposes."

OVERDRAWN FUND BALANCES

The County Youth Home Fund, County Law Enforcement Continuing Education Fund, Park and Recreation Bond and Interest Fund, and Judicial Center Lease Fund were overdrawn in 2007.

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  
WARRICK COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on May 19, 2008, with Lawrence C. Lacer, Auditor; Don Williams, President of the Board of County Commissioners; Ray McIntire, County Council member; and David Hachmeister, County Council member. The officials concurred with our audit findings.