

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

EXAMINATION REPORT

OF

COUNTY AUDITOR

MIAMI COUNTY, INDIANA

January 1, 2007 to December 31, 2007



FILED
08/22/2008

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Brenda Weaver	01-01-05 to 12-31-08
President of the County Council	William E. Click	01-01-07 to 12-31-08
President of the Board of County Commissioners	Gary D. Hawley	01-01-07 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF MIAMI COUNTY

We have examined 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 Examination Results and Comments. The financial transactions of this office are reflected in the Examination Report of Miami County for the year 2007.

STATE BOARD OF ACCOUNTS

June 3, 2008

COUNTY AUDITOR
MIAMI COUNTY
EXAMINATION RESULTS AND COMMENTS

ANNUAL REPORT

An annual report for 2007 was not presented for examination. This was also noted in prior Reports B28814 and B30750.

Indiana Code 5-11-1-4(a) concerning annual reports, states in part: ". . . these reports shall be prepared, verified, and filed with the state examiner within thirty (30) days after the close of each fiscal year."

OVERDRAWN CASH BALANCES

The cash balances of the General Fund, County Health Fund, Health Grant Fund and Soil and Water Grant Fund were overdrawn in 2007.

The cash 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)

RECONCILIATION OF SUBSIDIARY LEDGERS

The Auditor's surplus tax, tax sale redemption, and tax sale surplus subsidiary ledgers were not reconciled to the fund ledger. At December 31, 2007, the Tax Sale Redemption Fund was \$3,521.89 short to the subsidiary record and the Tax Sale Surplus Fund was \$3,520.99 long to the subsidiary record. A similar comment was noted in prior Reports B28814 and B30750.

At all times, the manual and computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 14)

PROPERTY TAX DISTRIBUTIONS

Property tax advances to the Cumulative Bridge Fund and the Cumulative Courthouse Fund were reversed. As a result, the advances receipted to these two funds do not agree with the County Auditors Certificate of Tax Distribution (County Form 22) for the final settlement of 2006 pay 2007 taxes which occurred on January 7, 2008. The net effect of the error is that the Cumulative Bridge Fund received \$56,992.11 that should have been received in the Cumulative Courthouse Fund.

At all times, the manual and computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for County Auditor, Chapter 14)

COUNTY AUDITOR
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EXAMINATION RESULTS AND COMMENTS
(Continued)

COUNTY OPTION INCOME TAX DISTRIBUTIONS

The County used an allocation of County Option Income Tax for distribution that exceeded the amounts received, for the first eleven months of 2007. As a result, there were insufficient funds to make the County Income Tax distribution to local taxing units for December 2007. These December distributions were never made, except to the County Jail Project Fund.

Indiana Code 6-3.5-6-17(h) states: "Upon receipt, each monthly payment of a county's certified distribution shall be allocated among, distributed to, and used by the civil taxing units of the county as provided in sections 18 and 19 of this chapter."

APPROPRIATIONS

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

<u>Fund</u>	<u>Year</u>	<u>Excess Amount Expended</u>
County Highway	2007	\$ 347,273
Community Correction Project Income	2007	20,087

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."

TEMPORARY LOANS

Temporary loans of \$197,393 and \$512,023 were made in 2007 from the Rainy Day Fund and the Miami County Riverboat Wagering Fund, respectively, to the General Fund and not repaid by December 31, 2007. The loans have been repaid as of May 19, 2008. A temporary loan of \$30,000 was made in 2007 from the Health Maintenance - Tobacco Fund to the County Health Fund, and has not been repaid as of June 3, 2008.

Indiana Code 36-1-8-4 concerning temporary loans states in part:

"(a) . . . (3) Except as provided in subsection (b), the prescribed period must end during the budget year of the year in which the transfer occurs. (4) The amount transferred must be returned to the other fund at the end of the prescribed period. . . ."

"(b) If the fiscal body of a political subdivision determines that an emergency exists that requires an extension of the prescribed period of a transfer under this section, the prescribed period may be extended for not more than six (6) months beyond the budget year of the year in which the transfer occurs if the fiscal body does the following: (1) Passes an ordinance or a resolution that

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(Continued)

contains the following: (A) A statement that the fiscal body has determined that an emergency exists. (B) A brief description of the grounds for the emergency. (C) The date the loan will be repaid that is not more than six (6) months beyond the budget year in which the transfer occurs. (2) Immediately forwards the ordinance or resolution to the state board of accounts and the state board of tax commissioners."

PRESCRIBED FORMS

The following prescribed or approved forms were not always used, or were replaced by unapproved forms or electronic data displays: Form 24B (fund ledger and ledger of receipts), Form 24C (detailed ledger of disbursements), Form 24A (ledger of appropriations and disbursements), Form 61 (monthly financial statement), County Form 65STF (surplus tax fund ledger), and others. A similar comment was contained in prior Report B30750.

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
MIAMI COUNTY
EXIT CONFERENCE

The contents of this report were discussed on June 3, 2008, with Brenda Weaver, Auditor; and Gary D. Hawley, President of the Board of County Commissioners.