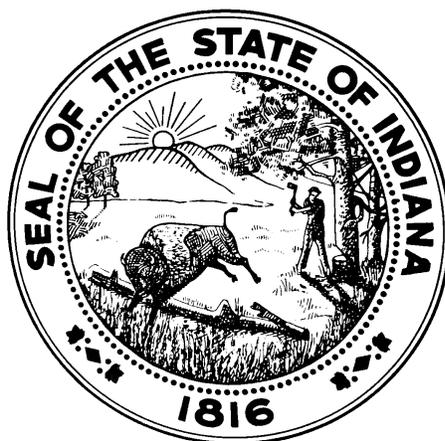


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

AUDIT REPORT
OF
COUNTY COMMISSIONERS
FOUNTAIN COUNTY, INDIANA
January 1, 2007 to December 31, 2007



FILED
09/09/2008

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of the County Council	Ron Howard	01-01-07 to 12-31-08
President of the Board of County Commissioners	Lowell M. Osborn Terry Ellingwood	01-01-07 to 09-16-07 09-17-07 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF FOUNTAIN COUNTY

We have audited the records of the County Commissioners 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 Fountain County for the year 2007.

STATE BOARD OF ACCOUNTS

June 9, 2008

COUNTY COMMISSIONERS
FOUNTAIN COUNTY
AUDIT RESULTS AND COMMENTS

DISPOSITION OF ASSETS - EMERGENCY MANAGEMENT

On February 5, 2007, the Fountain County Emergency Management Office transferred possession of one Cannon 950 Color Copier to Phaniel Lutheran Church located in Wallace, Indiana. The photocopier was purchased for \$10,500.00 on July 21, 2003. The approximate value of the photocopier at the date of disposal was \$1,000.00. The photocopier was not offered for sale publically or privately. There were no records available for audit to show the copier was disposed of properly. There was no Board of Commissioner meeting minutes indicating the disposal of the photocopier.

The County has procedures in place for the disposition of property. A letter is to be submitted to the Fountain County Commissioners requesting permission to dispose of the property. The Commissioners vote and direct the disposition of the property in a public meeting. Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Auditors, Chapter 14)

APPROVAL OF JAIL PROJECT CLAIMS

At the request of County Council and Jail Task Force members, we reviewed disbursements to RQAW (\$32,283.14), London Witte Group (\$15,286.86) and Barnes and Thornburg (\$15,566.90) for preliminary work completed on the proposed jail building project. These disbursements were not officially approved by the Board of County Commissioners before payments were made. The claims were processed and payments were made on November 9, 2006. The Board of County Commissioners approved the amounts on the monthly claim list on December 4, 2006.

Some County Council members and Jail Task Force Committee members believed there was an agreement with these companies which would not require payment unless the design phase of the project was completed. However, there were no signed contracts with these companies indicating when payments for services rendered would be made. In addition, the minutes of the County Commissioners, County Council and Jail Task Force Committee did not indicate any representations made by representatives of these companies.

As of the report date, the County does not have a contract or agreement for a new jail building.

Indiana Code 5-11-10-2(a) states: "Claims against a political subdivision of the state must be approved by the officer or person receiving the goods or services, be audited for correctness and approved by the disbursing officer of the political subdivision, and, where applicable, be allowed by the governing body having jurisdiction over allowance of such claims before they are paid. If the claim is against a governmental entity (as defined in section 1.6 of this chapter), the claim must be certified by the fiscal officer. "

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Auditors, Chapter 14)

COUNTY COMMISSIONERS
FOUNTAIN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on June 9, 2008, with Terry Ellingwood, President of the Board of County Commissioners.