

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

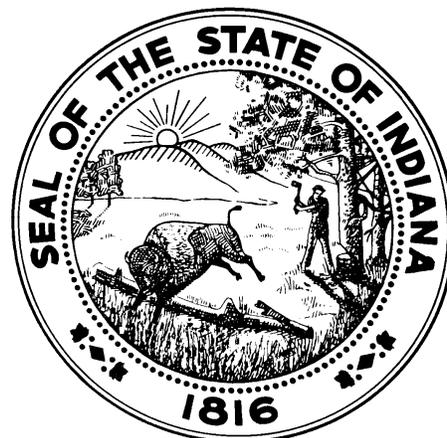
AUDIT REPORT

OF

COUNTY TREASURER

VERMILLION COUNTY, INDIANA

January 1, 2007 to December 31, 2007



FILED

09/12/2008

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Phyllis Orman	01-01-05 to 12-31-08
President of the County Council	John Yoho (Vacant) John Cheesewright	01-01-07 to 06-06-08 06-07-08 to 07-13-08 07-14-08 to 12-31-08
President of the Board of County Commissioners	Tim J. Wilson	01-01-07 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF VERMILLION COUNTY

We have audited the records of the County Treasurer 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 Vermillion County for the year 2007.

STATE BOARD OF ACCOUNTS

August 11, 2008

COUNTY TREASURER
VERMILLION COUNTY
AUDIT RESULTS AND COMMENTS

CONDITION OF RECORDS

The following deficiencies relating to the recordkeeping were present during our period of audit:

- (1) Record balances were not properly reconciled to depository balances for the months April through December 2007.

Indiana Code 5-13-6-1(e) states in part: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

- (2) There were a considerable number of posting errors in the Treasurer's Cash Book. These errors included duplicate postings of disbursements and receipts, interest not posted, and nonsufficient funds checks incorrectly posted.

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 Treasurers, Chapter 4)

- (3) A comparison of the records to the bank account indicated a cash necessary to balance of \$31,843.

At all times, the manual and/or 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 Treasurers, Chapter 10)

SURPLUS TAX FUND

The County Treasurer did not transfer surplus tax amounts collected in 2006 and 2007 to the County Auditor for receipt into the Surplus Tax Fund. Refunds have correctly been made to taxpayers during 2007 from this fund resulting in a negative cash balance of \$964 as of December 31, 2007.

Each county treasurer shall place the portion of a tax or special assessment payment which exceeds the amount actually due, as shown by the tax duplicate or special assessment records, in a special fund to be known as the "surplus tax fund." Amounts placed in the fund shall first be applied to the taxpayer's delinquent taxes in the manner provided in Indiana Code 6-1.1-23-5(b). The taxpayer may then file a verified claim for money remaining in the surplus tax fund. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers, Chapter 5)

COUNTY TREASURER
VERMILLION COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

OLD OUTSTANDING CHECKS

Our review of the bank reconcilements as of December 31, 2007, revealed checks outstanding in excess of two years.

Indiana Code 5-11-10.5-2 states in part: "All warrants or checks drawn upon public funds of a political subdivision that are outstanding and unpaid for a period of two (2) or more years as of the last day of December of each year are void."

Indiana Code 5-11-10.5-3 states in part: "Not later than March 1 of each year, the treasurer of each political subdivision shall prepare or cause to be prepared a list in triplicate of all warrants or checks that have been outstanding for a period of two (2) or more years as of December 31 of the preceding year. The original copy of each list shall be filed with the board of finance of the political subdivision or the fiscal body of a city or town. The duplicate copy shall be transmitted to the disbursing officer of the political subdivision. The triplicate copy of each list shall be filed in the office of the treasurer of the political subdivision. If the treasurer serves also as the disbursing officer of the political subdivision, only two (2) copies of each list need be prepared or caused to be prepared by the treasurer."

Indiana Code 5-11-10.5-5 states:

"(a) Upon the preparation and transmission of the copies of the list of the outstanding warrants or checks, the treasurer of the political subdivision shall enter the amounts so listed as a receipt into the fund or funds from which they were originally drawn and shall also remove the warrants or checks from the record of outstanding warrants or checks.

(b) If the disbursing officer does not serve also as treasurer of the political subdivision, the disbursing officer shall also enter the amounts so listed as a receipt into the fund or funds from which the warrants or checks were originally drawn. If the fund from which the warrant or check was originally drawn is not in existence, or cannot be ascertained, the amount of the outstanding warrant or check shall be receipted into the general fund of the political subdivision."

COUNTY TREASURER
VERMILLION COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 19, 2008, with Phyllis Orman, Treasurer; John Cheesewright, President of the County Council; and Tim J. Wilson, President of the Board of County Commissioners. The officials concurred with our audit findings.