

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

EXAMINATION REPORT

OF

COUNTY AUDITOR

GREENE COUNTY, INDIANA

January 1, 2007 to December 31, 2007



FILED

12/31/2008

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	David L. Bailey	01-01-07 to 12-31-10
President of the County Council	W. Edward Cullison	01-01-07 to 12-31-08
President of the Board of County Commissioners	Bart A. Beard	01-01-07 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

TO: THE OFFICIALS OF GREENE 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 Annual Report of Greene County for the year 2007.

STATE BOARD OF ACCOUNTS

November 5, 2008

COUNTY AUDITOR
GREENE COUNTY
EXAMINATION RESULTS AND COMMENTS

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>
Local Road and Street	2007	<u>\$ 17,490</u>

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."

RECONCILIATION OF SUBSIDIARY LEDGERS

The subsidiary ledgers for the Surplus Tax Fund did not agree to the General Ledger Surplus Tax Fund. The amount transferred into the control account by the Treasurer after settlement did not agree with the detail listing provided to the Auditor. According to the Treasurer, when the surplus listing report is printed for spring, it may also include surplus payments for the fall tax installments. When the surplus listing report is printed after the fall tax installments are received, it includes both spring overpayments that have a balance and the fall surplus payments. The Treasurer transfers the surplus amount to the Auditor twice a year, after tax settlement has been made. The Auditor does not reconcile the detail listing of the surplus listing report to the ledger.

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's, Chapter 14)

COUNTY AUDITOR
GREENE COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

CAPITAL ASSETS

Information presented for examination did not indicate an inventory or record of capital assets using Form 146. The County offices were required to inventory their departments' capital assets at December 31, 2007, but a capital asset listing for County buildings and land was not being maintained. A list of these items was found on the County's insurance policies, but not on the required forms.

Every governmental unit should have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory should be recorded on the applicable Capital Asset Ledger. 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 Auditor's, Chapter 14)

OVERDRAWN CASH BALANCES

The cash balance of the following funds were overdrawn in 2007.

Adult Probation Administration Fees	\$ 1,046
Budget Transactions	6,594
Project Income 4501	19,890
Greene County Health Insurance	515,717
Tax Sale Cost	910
Tax Sale Surplus	39,195
Tax Sale Redemption	1,079

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 Auditor's, Chapter 14)

COUNTY AUDITOR
GREENE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on November 5, 2008, with David L. Bailey, Auditor; Bart A. Beard, President of the Board of County Commissioners; and W. Edward Cullison, President of the County Council. The officials concurred with our examination findings.