

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

EXAMINATION REPORT

OF

COUNTY AUDITOR

SCOTT COUNTY, INDIANA

January 1, 2007 to December 31, 2007



**FILED**

01/15/2009



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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Teresa Vannarsdall	01-01-07 to 12-31-10
President of the County Council	Kelley Roberts Raymond W. Jones	01-01-07 to 12-31-07 01-01-08 to 12-31-08
President of the Board of County Commissioners	Robert C. Tobias Larry D. Blevins	01-01-07 to 12-31-07 01-01-08 to 12-31-08



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF SCOTT 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 Scott County for the year 2007.

STATE BOARD OF ACCOUNTS

December 1, 2008

COUNTY AUDITOR  
SCOTT COUNTY  
EXAMINATION RESULTS AND COMMENTS

OVERDRAWN CASH BALANCES

The cash balances of the County Health Fund, Supplemental Adult Probation Services Fund, Cemetery Fund, Probation Administrative Fee Fund and Payroll Funds were overdrawn in 2007 in the amounts of \$59,091, \$1,726, \$5,082, \$2,067, and \$3,500, respectively. These funds were not supported by State and Federal grants for which reimbursements of expenditures from the grantor agency were expected to offset the negative cash balance.

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)

ANNUAL REPORT

An annual report for 2007 was not presented for examination.

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."

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)

TRANSACTION RECORDING

In November of 2007, Scott County issued General Revenue Bonds of 2007 in the amount of \$345,000. Bond proceeds received by the County were deposited into a newly established bank account titled the Acquisition Fund. Checks issued by the County Auditor from this bank account in 2007 totaled \$340,559 and paid for the purchase of two ambulances totaling \$224,897, financial services of \$4,000, attorney fees of \$9,800 and a loan pay off of \$101,862. Financial transactions for this bank account were not recorded in the records of the County Treasurer or County Auditor. The balance in the Acquisition Fund bank account at December 31, 2007 totaled \$4,441.

Indiana Code 36-2-10-9 states: "The treasurer shall receive money to which the county is entitled and shall disburse it on warrants issued and attested by the county auditor."

All financial transactions pertaining to the governmental unit should be recorded in the records of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 14)

COUNTY AUDITOR  
SCOTT COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

CAPITAL ASSETS

Information presented for examination did not indicate an inventory or record of capital assets using General Fixed Asset Account Group Form 146.

Every governmental unit should have a complete inventory of all fixed 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 Auditors, Chapter 14)

APPROPRIATIONS

Appropriation amounts recorded in the County's financial records did not agree with the appropriations approved by the Department of Local Government Finance (DLGF). The differences may be due to amounts encumbered from the previous year; however, this could not be substantiated as records regarding amounts encumbered from the prior year were not presented for examination. Using the appropriation figures as approved by the DGLF the following funds had expenditures in excess of appropriations:

<u>Fund</u>	<u>Excess Amount Expended</u>
Health	\$ 42,006
Cemetery	3,936
Cumulative Capital Development	4,784

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."

PRESCRIBED FORMS

The following prescribed or approved form was not presented for examination, Certified Report of Names, Addresses, Duties and Compensation of Public Employees (General Form No. 101).

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 Auditor, Chapter 14)

COUNTY AUDITOR  
SCOTT COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on December 1, 2008, with Teresa Vannarsdall, Auditor.