

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

AUDIT REPORT

OF

COUNTY AUDITOR

GRANT COUNTY, INDIANA

January 1, 2008 to December 31, 2008



**FILED**

11/06/2009



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
County Officials .....	2
Transmittal Letter .....	3
Audit Results and Comments:	
Repayments and Transfers .....	4
Capital Assets.....	4
Reconciliation of Subsidiary Ledgers – Amounts Held in Trust .....	4
Record Information .....	4-5
Appropriations.....	5
Annual Report.....	5
Exit Conference.....	6

COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Michael H. Burton	01-01-07 to 12-31-10
President of the Board of County Commissioners	Mark E. Bardsley	01-01-08 to 12-31-09
President of the County Council	Michael J. Scott James E. McWhirt	01-01-08 to 12-31-08 01-01-09 to 12-31-09



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF GRANT COUNTY

We have audited the records of the County Auditor for the period from January 1, 2008 to December 31, 2008, 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 Grant County for the year 2008.

STATE BOARD OF ACCOUNTS

October 7, 2009

COUNTY AUDITOR  
GRANT COUNTY  
AUDIT RESULTS AND COMMENTS

REPAYMENTS AND TRANSFERS

On May 25, 2005, a payment of \$66,000 was made from the Drainage Maintenance Fund for a debt payment which was an obligation of the General Drain Improvement Fund. The Drainage Maintenance Fund has not been reimbursed for this payment. A similar comment appeared in prior Report B32774.

Payments or transfers which are not authorized by statute, ordinance, resolution, or court order must be reimbursed or transferred to the appropriate fund. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

CAPITAL ASSETS

The County hired an outside vendor to establish a capital asset ledger for the County. Since 2006, the County has not updated the ledger with current additions and deletions to its capital assets. A similar comment appeared in prior Report B32774.

Every governmental unit should have a complete inventory of all capital assets owned which reflect 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 of Indiana, Chapter 14)

RECONCILIATION OF SUBSIDIARY LEDGERS - AMOUNTS HELD IN TRUST

Reconcilements were not made between the subsidiary ledgers and fund ledgers for Surplus Tax, Tax Sale Surplus, and Tax Sale Redemption at December 31, 2008. The subsidiary ledgers list, in detail by taxing district, each item held in trust. The fund ledgers maintain activity and balances for the financial statements. A similar comment appeared in prior Report B32774.

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 of Indiana, Chapter 14)

RECORD INFORMATION

Quietuses and checks were not always posted to the ledger on the date issued. Some correcting entries were dated the date of the original transaction rather than the date the correction was made. A similar comment appeared in prior Report B32774.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

COUNTY AUDITOR  
GRANT COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

Receipt and disbursement corrections or other errors should be corrected by memorandum entry with the issuance of a check and receipt to document the flow of the transactions. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

APPROPRIATIONS

During 2008, the following funds had expenditures in excess of budgeted appropriations:

<u>Fund</u>	<u>Excess Amount Expended</u>
Property Reassessment	\$ 5,910
County Health	6,751
Family and Children	1,383,192

The County requested an additional appropriation for the Family and Children Fund of \$2,315,056 on November 14, 2008. They did not receive a response from the Indiana Department of Local Government Finance approving or denying this request.

IC 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."

ANNUAL REPORT

An annual report for 2008 was not filed with the State Examiner until July 16, 2009.

For this audit period, IC 5-11-1-4(a) concerning annual reports, states in part: ". . . these reports shall be prepared, verified, and filed with the state examiner no later than thirty (30) days after the close of each fiscal year."

COUNTY AUDITOR  
GRANT COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on October 7, 2009, with Michael H. Burton, Auditor; Mark E. Bardsley, President of the Board of County Commissioners; and James E. McWhirt, President of the County Council. The officials concurred with our audit findings.