

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

AUDIT REPORT

OF

COUNTY HIGHWAY DEPARTMENT

BROWN COUNTY, INDIANA

January 1, 2008 to December 31, 2008



FILED

12/14/2009

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Highway Superintendent	Gary Davidson Claude F. Presseau	01-01-08 to 12-31-08 01-01-09 to 12-31-09
President of the Board of County Commissioners	Stephanie R. Yager James W. Austin	01-01-08 to 12-31-08 01-01-09 to 12-31-09
President of the County Council	David Critser	01-01-08 to 12-31-09



STATE OF INDIANA
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TO: THE OFFICIALS OF BROWN COUNTY

We have audited the records of the County Highway Department 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 Brown County for the year 2008.

STATE BOARD OF ACCOUNTS

October 28, 2009

COUNTY HIGHWAY DEPARTMENT
BROWN COUNTY
AUDIT RESULTS AND COMMENTS

ANNUAL OPERATIONAL REPORT

The Highway Department's Annual Operational Report (Report) for the year 2008 presented for audit was not filed with the County Commissioners by June 1, 2009. The Report that was subsequently filed was not completed properly. The beginning fund balances were not recorded; therefore, the ending fund balances were not correct. The receipts and disbursements amounts reported were in agreement with the County Auditor's records.

IC 8-17-4.1-6 states: "This report shall be prepared on forms prescribed by the state board of accounts and must disclose all information considered necessary by the state board of accounts to reflect the financial condition and operations of the department."

IC 8-17-4.1-7 states: "The annual operational report must be completed and a copy filed with the state board of accounts, the governing body, and the department by June 1 following the operational report year. The department shall make the report available to the public."

A similar comment was included in the prior Report B33470.

USES OF HIGHWAY FUNDS

We noted the following payments during the year 2008:

1. The purchase and installation of a 55 foot "rain drain" drainage pipe at the County Extension Office and resurfacing the County Extension Office parking lot after the drain was installed. The cost of the drain pipe and the resurfacing of the parking lot was \$5,000 which was paid from the Local Road and Street Fund.

IC 8-14-2-5 states: "Money from the local road and street account shall be used exclusively by cities, towns, and counties for:

1. engineering, land acquisition, construction, resurfacing, maintenance, restoration, or rehabilitation of both local and arterial road and street systems;
 2. the payment of principal and interest on bonds sold primarily to finance road, street, or thoroughfare projects;
 3. any local costs required to undertake a recreational or reservoir road project under Indiana Code 8-23-5; or
 4. the purchase, rental or repair of highway equipment."
2. The purchase of several pallets of "Ice Melt" from the County Highway Fund used on parking lots and sidewalks at various County Offices in the amount of \$5,500.

IC 8-14-1-4 states in part: "The funds allocated to the respective counties of the state from the motor vehicle highway account shall annually be budgeted as provided by law, and, when distributed shall be used for construction, reconstruction and maintenance of highways of the respective counties . . ."

Sources and uses of funds should be limited to those authorized by the enabling statute, ordinance, resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

COUNTY HIGHWAY DEPARTMENT
BROWN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on October 28, 2009, with Claude F. Presseau, Highway Superintendent, and James W. Austin, President of the Board of County Commissioners. The officials concurred with our audit findings.