

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

AUDIT REPORT
OF
COUNTY AUDITOR
WHITLEY COUNTY, INDIANA
January 1, 2010 to December 31, 2010



FILED
06/17/2011

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Linda J. Gerig Jennifer R. McGuire	01-01-07 to 12-31-10 01-01-11 to 12-31-14
President of the County Council	Kim Wheeler	01-01-10 to 12-31-11
President of the Board of County Commissioners	Michael D. Schrader Tom Rethlake	01-01-10 to 12-31-10 01-01-11 to 12-31-11



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF WHITLEY COUNTY

We have audited the records of the County Auditor for the period from January 1, 2010 to December 31, 2010, 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 Whitley County for the year 2010.

STATE BOARD OF ACCOUNTS

June 8, 2011

COUNTY AUDITOR
WHITLEY COUNTY
AUDIT RESULTS AND COMMENTS

APPROPRIATIONS

The following funds had expenditures in excess of budgeted appropriations:

<u>Fund</u>	<u>Excess Amount Expended</u>
Rainy Day	\$ 914,235
Cumulative Capital Development	318,285

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."

OVERDRAWN CASH BALANCES

The cash balances of the following funds were overdrawn at December 31, 2010.

<u>Fund</u>	<u>Amount</u>
Operation Pullover	\$ 4,133
Victims Assistance Grant	7,219
Community Corrections Grant	18,797
Project Income	27,826
Alcohol and Drug Services	35,379
Internet Crimes vs. Children	2,676
H1N1 Public Health Preparedness	13,074

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)

TAX SALE SURPLUS FUNDS

The County was holding \$3,884 in Tax Sale Surplus, at December 31, 2010, which was held for more than three years. Also, the Tax Sale Surplus Fund on the Auditor's ledger has not been reconciled to the detail in the Tax Sale Record Books.

Indiana Code 6-1.1-24-7(e) states: "An amount deposited in the tax sale surplus fund shall be transferred by the county auditor to the county general fund and may not be disbursed under subsection (b) if it is not claimed within the three (3) year period after the date of its receipt."

COUNTY AUDITOR
WHITLEY COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

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 Auditors, Chapter 14)

SURPLUS TAX FUND

Financial records presented for audit of the Surplus Tax Fund did not provide sufficient information to audit receipts, disbursements, ending balances, or the accuracy or correctness of the transactions. The Surplus Tax Fund Ledger did not have an accurate detail of each item of surplus tax collected.

Excess (surplus) tax shall be reported by the treasurer on the County Treasurer's Certificate of Tax Collections, County Form 49TC. The county treasurer is also required to file Ledger Form 65-STF, Surplus Tax Fund Ledger, listing in detail by taxing district each item of surplus tax collected, the total of which shall be receipted into the 'Surplus Tax Fund.'" The detail ledger sheets shall be placed in the county auditor's ledger and be disbursed in the manner discussed on page 7-9. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 9)

PUBLIC PURCHASES LAW

During the January 19, 2010 County Commissioner's meeting it was noted that bids were accepted for a 2010 Single Axle Truck Chassis and the awarding of the bid would take place during the February 1, 2010 County Commissioner's meeting. It was not noted in the minutes as to the number of bidders or the amounts that were bid. When the bids were requested for audit, two bids were on hand; one was from the vendor that was awarded the contract and one was from a vendor that was not awarded the contract. There is no evidence to support that these were the only bids received or that the lowest responsible and responsive bid was awarded.

Indiana Code 5-22-7-8 states: "A contract must be awarded with reasonable promptness by written notice to the lowest responsible and responsive bidder."

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 14)

COUNTY AUDITOR
WHITLEY COUNTY
EXIT CONFERENCE

The contents of this report were discussed on June 8, 2011, with Jennifer R. McGuire, Auditor; Tom Rethlake, President of the Board of County Commissioners; and Kim Wheeler, President of the County Council.