

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

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



FILED
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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	John Fetters	01-01-07 to 12-31-14
President of the County Council	Benjamin Smaltz	01-01-10 to 12-31-11
President of the Board of County Commissioners	William Ort Donald Grogg	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 DEKALB 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 Result(s) and Comment(s). The financial transactions of this office are reflected in the Annual Financial Report of DeKalb County for the year 2010.

STATE BOARD OF ACCOUNTS

June 6, 2011

COUNTY AUDITOR
DEKALB COUNTY
AUDIT RESULT(S) AND COMMENT(S)

RECONCILIATION OF SUBSIDIARY LEDGERS

Subsidiary Ledgers were either not maintained or not in agreement with Fund Balance Controls as follows:

1. The Subsidiary Schedule of Assessment, Collections, and Unpaid Assessments for Construction or Reconstruction (General Drain Improvement Fund) was not prepared.
2. The Subsidiary Schedule of Assessments, Collections, and Unpaid Assessments for Maintenance (Drainage Maintenance Fund) was prepared but was not in agreement with unpaid assessments on the Ditch Duplicates in the Treasurer's Office.
3. The Cash Subsidiary for the General Drain Improvement Fund was not in agreement with the Cash Fund Control.
4. The Cash Subsidiary for the Maintenance Fund was not in agreement with the Cash Fund Control.

The variance between the subsidiary and control ledgers referred to in items 2 through 4 without reconstructing the subsidiaries. This was due to how poorly the subsidiaries had been maintained.

At all times, the manual and computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled fund balance is less than the subsidiary, 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 Drainage Funds, Chapter 4)

APPROPRIATIONS

The records presented for audit indicated highway expenditures exceeded budgeted appropriations by \$153,103 or 6 percent.

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 balance of the Self-Insurance Fund was overdrawn by \$1,136,901, the Life Insurance Fund was overdrawn by \$30, the PHP Dental Insurance Fund was overdrawn by \$1,008, the PHP Health Insurance Fund was overdrawn by \$188,238, the HEA 1001-2008 State Homestead Credit Fund Was overdrawn by \$131, and the State Share Delinquent Tax and Penalty Fund was overdrawn by \$47,404 in 2010.

The County has established a plan to return the Self-Insurance Fund to a positive balance. The County intends to transfer an additional \$200,000 per year for the next five years to eliminate the deficit.

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 of Indiana, Chapter 14)

COUNTY AUDITOR
DEKALB COUNTY
EXIT CONFERENCE

The contents of this report were discussed on June 6, 2011, with John Fetters, Auditor; Donald Grogg, President of the Board of County Commissioners; Don Kaufman, County Commissioner; Randall Deetz, County Commissioner; and Benjamin Smaltz, President of the County Council.