

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

AUDIT REPORT

OF

COUNTY AUDITOR

CLARK COUNTY, INDIANA

January 1, 2011 to December 31, 2011



FILED
09/13/2012

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	R. Monty Snelling	01-01-11 to 12-31-14
President of the County Council	Kevin Vissing Barbara Hollis	01-01-11 to 12-31-11 01-01-12 to 12-31-12
President of the Board of County Commissioners	M. Edward Meyer Les Young	01-01-11 to 12-31-11 01-01-12 to 12-31-12



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF CLARK COUNTY

We have audited the records of the County Auditor for the period from January 1, 2011 to December 31, 2011, 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 Clark County for the year 2011.

STATE BOARD OF ACCOUNTS

August 14, 2012

COUNTY AUDITOR
CLARK COUNTY
AUDIT RESULTS AND COMMENTS

APPROPRIATIONS

A budget was prepared by the Board of County Commissioners and presented for approval to the County Council for the General Obligation Bonds 2005 Fund and the Board of Aviation Fund. The County Council approved the budget as presented and the amounts were entered in the appropriation ledger by the County Auditor. The Department of Local Governmental Finance (DLGF) reviewed the budget and ordered a reduction to the amounts approved by the County; however, the County failed to reduce the budget of the funds to the amounts approved by DLGF. Expenditures were made from the 2010 Building Authority Bond Fund and Board of Aviation Fund without obtaining approval of additional appropriations by the DLGF. As a result expenditures were made in excess of budgeted appropriations as follows:

Fund	Excess Amount Expended
General Obligation Bonds 2005	\$ 96,900
Board of Aviation	180,584

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."

In addition, the following local funds established through Home Rule Statute had expenditures made which were not appropriated or expenditures exceeded the appropriated amount:

Fund	Excess Amount Expended
County Adult Facility Usage Fund	\$ 423,945

Indiana Code 36-2-5-2(b) states: "The county fiscal body shall appropriate money to be paid out of the county treasury, and money may be paid out of the treasury only under an appropriation made by the fiscal body, except as otherwise provided by law."

Indiana Code 36-1-2-6 defines fiscal body as the county council.

OVERDRAWN CASH BALANCE

The cash balance of the County Adult Facility Usage Fund was overdrawn at December 31, 2011, in the amount of \$458,234. Other funds were identified on the County's records as having overdrawn cash balances; however, the financial activity associated with these funds represents financial activity associated with grants for which the county will subsequently be reimbursed.

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)

We will not take exception to reimbursement grant funds in the red, if timely reimbursements are requested. (The County Bulletin and Uniform Compliance Guidelines, October 2005)

COUNTY AUDITOR
CLARK COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 14, 2012, with R. Monty Snelling, Auditor; M. Edward Meyer, Vice-President of the Board of County Commissioners; and Brian Lenfert, Vice-President of the County Council. The Official Response has been made a part of this report and may be found on pages 6 and 7.



R. MONTY SNELLING

Clark County Government Building

CLARK COUNTY AUDITOR

501 E. Court Avenue, Room 118
Jeffersonville, IN 47130-4090
(812) 285-6211

August 16, 2012

Indiana State Board of Accounts
302 W. Washington St., Room E418
Indianapolis, IN 46204-2765

Re: Auditor's Comment to 2011 Audit

Please accept this letter as a response to the Audit Results and Comments referring to the excess amount expended from the County Adult Facility Usage Fund (Fund#4902) that was discussed at the Exit Conference on Tuesday, August 14, 2012.

Attached is a letter from the Sheriff, Daniel Rodden, dated July 17, 2012 explaining the history of the fund. Please note that the fund has been abolished and all of the reimbursements have been made, bringing it to a zero cash balance.

Sincerely,

A handwritten signature in cursive script that reads "R. Monty Snelling".

R. Monty Snelling
Clark County Auditor

Clark County
Sheriff's Office

Daniel Rodden
Sheriff

(812) 283-4471

Clark County
Government Building
501 East Court Avenue, Ste. 159
Jeffersonville, Indiana 47130

July 17, 2012

To Whom It May Concern:

This letter is in reference to Fund #4902, County Adult Facility Usage. This fund was created originally to replace the #337, and then abolished in 2011. The fund was used by the sheriff's office for operating expenses. The #4902 was primarily funded by monies received from the state, Department of Correction. The money was paid to our department for housing state inmates.

The way the state paid us, usually caused the #4902 to run in the red. We would bill monthly (electronically), but wouldn't receive payment for several months. Therefore, at the end of 2011 the #4902 had a negative balance. However, this negative balance was taking care of in the first few months of 2012.

The first payment towards this negative balance was made by the state in January 2012 in the amount of \$155,610.00. This payment was for July and August billing 2011. The remaining months, September to December was paid in February and March of 2012, totaling \$240,380.00. There was also a payment made from Scott County for \$38,041.39 to help cover the negative balance. January and February 2012 reimbursements for utility, work release meals, jail meals, and juvenile detention meals were also placed in #4902 in the amount of \$24,202.15. This covered our negative balance of \$458,233.54.

Sincerely,


Daniel Rodden, Sheriff
Clark County Indiana