

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

EXAMINATION REPORT
OF
COUNTY TREASURER
BLACKFORD COUNTY, INDIANA
January 1, 2013 to December 31, 2013



FILED
12/05/2014

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Edward M. Hollander Dana D. Turner	01-01-13 to 05-31-14 06-01-14 to 12-31-16
President of the County Council	Larry Hile John M. Rains	01-01-13 to 12-31-13 01-01-14 to 12-31-14
President of the Board of County Commissioners	C. Scott Confer	01-01-13 to 12-31-14



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF BLACKFORD COUNTY, INDIANA

We have examined the records of the County Treasurer for the period from January 1, 2013 to December 31, 2013, 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 Examination Results and Comments. The financial transactions of this office are reflected in the Annual Report of Blackford County for the year 2013.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

October 20, 2014

COUNTY TREASURER
BLACKFORD COUNTY
EXAMINATION RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were attempted; however, the reconciliations contained errors and did not balance. The December 31, 2013 bank reconciliation was completed by the Indiana State Board of Accounts in October 2014. As of December 31, 2013, the difference between the adjusted bank balance and Auditor's Fund Ledger indicated unidentified cash long of \$2,342.81. In addition, outstanding checklists were inaccurate. Outstanding checks that were voided subsequent to the reconciliation date were not included in the total of all outstanding checks.

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

TREASURER'S DAILY BALANCE OF CASH AND DEPOSITORIES (FORM 47)

The Treasurer's Daily Balance of Cash and Depositories (Form 47) is the record prescribed to enable the Treasurer to comply with IC 5-13-5-1. Commonly referred to as the Treasurer's Cash Book, it reflects the daily receipts and disbursements, total amount of cash and investments on hand, and a proof of the financial condition of the office at the close of each day. The record is designed to be posted daily, with a separate page for each day. The left side of the page shows the total amount of money for which the Treasurer is accountable (charges) and the right side of the page shows the money on deposit, invested, or on hand (credits), as proof of the financial condition.

During the course of the examination, it was discovered that the Treasurer was omitting the financial activity of four bank accounts on the Treasurer's Cash Book. Two of the unrecorded bank accounts were used for the transmitting of payroll withholdings and employee health savings account deductions. The remaining two bank accounts were used as collection points for property tax payments. At December 31, 2013, the account balances in the each of these two banks were \$1,311.93 and \$2,343.13. The account balances could not be identified by the Treasurer.

Indiana Code 5-13-5-1(a) states:

"Every public officer who receives or distributes public funds shall:

- (1) keep a cashbook into which the public officer shall enter daily, by item, all receipts of public funds; and
- (2) balance the cashbook daily to show funds on hand at the close of each day."

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers of Indiana, Chapter 10)

All documents and entries to records should be done in a timely manner to ensure that accurate financial information is available to allow the governmental unit to make informed management decisions and to help ensure compliance with IC 5-15-1-1 et seq., commonly referred to as the Public Records Law. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers of Indiana, Chapter 10)

COUNTY TREASURER
BLACKFORD COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

MONTHLY FINANCIAL REPORT (FORM 47TR)

The Treasurer's Monthly Financial Report (Form 47TR) is to be prepared by the sixteenth day of the following month. Reports for January through September 2013 were presented for examination but contained errors. Reports for October through December 2013 were not prepared.

Indiana Code 36-2-10-16 states:

"(a) Before the sixteenth day of each month, the treasurer shall prepare a report showing, as of the close of business on the last day of the preceding month, the following items:

- (1) The total amount of taxes collected and not included in the last semiannual settlement of taxes, and the amount of taxes omitted from any preceding semiannual settlements, except for taxes advanced to the state or a municipal corporation in the county and for which an advance settlement has been made.
- (2) The total amount of distributions under IC 6-5.5 that are not included in the last semiannual settlement of taxes, and the amount of those taxes omitted from any preceding semiannual settlements.
- (3) The totals of money received from all other sources and not receipted into the ledger fund accounts of the county at the end of the month.
- (4) The total of the balances in all ledger fund accounts.
- (5) The total amount of cash in each depository at the close of business on the last day of the month.
- (6) The total of county warrants issued against each depository that are outstanding and unpaid at the end of the month.
- (7) The record balance of money in each depository at the end of the month.
- (8) The cash in the office at the close of the last day of the month.
- (9) Other items for which the treasurer is entitled to credit. The treasurer shall prepare the report in quadruplicate and verify each copy. The treasurer shall retain one (1) copy as a public record and file three (3) copies with the county auditor. The state board of accounts shall prescribe forms for the report in the detail it considers necessary under this section and IC 5-13-6-1.

(b) The treasurer shall make the monthly report required by IC 36-2-6-14."

COUNTY TREASURER
BLACKFORD COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

PRESCRIBED FORMS - REGISTER OF INVESTMENTS

The Indiana State Board of Accounts is responsible for prescribing and/or approving the accounting forms/records for all governmental units. The County Treasurer did not maintain a Register of Investments. Information regarding the purchase and sale the County's Certificates of Deposits was not readily available for examination.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers of Indiana, Chapter 10)

COUNTY TREASURER
BLACKFORD COUNTY
EXIT CONFERENCE

The contents of this report were discussed on October 20, 2014, with Edward M. Hollander, former Treasurer; Dana D. Turner, Treasurer; C. Scott Confer, President of the Board of County Commissioners; and Cynthia Gross, Vice President of the County Council.