B29909

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

AUDIT REPORT

OF

PARKS AND RECREATION DEPARTMENT

JOHNSON COUNTY, INDIANA

January 1, 2005 to December 31, 2006

FILED

05/23/2007

TABLE OF CONTENTS

Office	Official	Term
Park Director	Tim Davis	01-01-05 to 10-12-06
	Vacant	10-13-06 to 02-25-07
	Chris Johnston	02-26-07 to 12-31-07
President of the County Council	Ron West	01-01-05 to 12-31-06
	John Price	01-01-07 to 12-31-07
President of the Board of County Commissioners	R.J. McConnell	01-01-05 to 12-31-07

STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

TO: THE OFFICIALS OF JOHNSON COUNTY

We have audited the records of the Parks and Recreation Department for the period from January 1, 2005 to December 31, 2006, 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 Johnson County for the years 2005 and 2006.

STATE BOARD OF ACCOUNTS

March 28, 2007

PARKS AND RECREATION DEPARTMENT
JOHNSON COUNTY
AUDIT RESULTS AND COMMENTS

INTERNAL CONTROLS

Internal controls over receipts generated by the Parks and Recreation Department were insufficient. Receipts were issued by several individuals at the Johnson County Horse Park with receipts only being issued if the payor requests a receipt. The classification of receipts for the purpose of posting to park department ledgers was sometimes different than the nature of the receipt. For example, revenues from the sale of bedding were classified as stall rental on the receipt for the purpose of placing monies in the fund desired by the former Park Director. A cash register is not used at Whispering Pines Golf Course for the purpose of accounting for golf course receipts. Daily cash receipts are taken to the Parks and Recreation Department office where the Parks and Recreation Department bookkeeper issues a receipt for the entire day's revenues. A register of cash receipts was not maintained at the golf course.

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 Counties, Chapter 1)

PENALTIES, INTEREST AND OTHER CHARGES

In some cases amounts payable to vendors and other suppliers of goods and services are not being paid until two to three months after the invoice dates. Finance charges totaling $847.47 were incurred by the Parks and Recreation Department for the period January 1, 2005 to December 31, 2006.

Officials and employees have the duty to pay claims in a timely fashion. Failure to pay claims in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Counties, Chapter 14)

CELL TOWER LEASE AND EVENT REVENUES

The Parks and Recreation Department during 2004 leased land to Sprint, Inc., for the purpose of constructing a cell phone tower on park property. In September 2005, the Parks and Recreation Department received an $84,000 payment under the terms of the lease; $30,000 of the payment was receipted to Park Nonreverting Capital Fund and $54,000 was receipted to the Park Nonreverting Operating Fund.

The Park Department on July 16, 2006, received $18,412 from fees for a Barrel Race Event. $10,000 of this money was receipted to the County General Fund and $8,412 was receipted to the Park Nonreverting Operating Fund.

Ordinance 2004-03, passed by the Johnson County Council on December 6, 2004, stipulated that "income generated by the Johnson County Park Department through long term leases of real estate upon which the Park is located shall be deposited into the Johnson County Park Nonreverting Capital Fund."

Ordinance 98-1, passed by the Johnson County Council on March 9, 1998, stated that the only funds to be deposited in the Park Nonreverting Capital Fund were campground revenues, meeting room rental, shelter rental, storage rental, and amphitheater revenues. The ordinance also states that revenue generated from stall rental and arena rental were to be receipted to the County General Fund and that all other revenues generated by the Johnson County Parks were to be receipted into the Park Nonreverting Operating Fund.

Each governmental unit is responsible for complying with ordinances, resolutions, and policies that it adopts. (Accounting and Uniform Compliance Guidelines Manual for County, Auditors, Chapter 14)

PARKS AND RECREATION DEPARTMENT
JOHNSON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on April 18, 2007, with Chris Johnston, Park Director; and Ann Jannsen, Bookkeeper. The officials concurred with our audit findings.