

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, 2006 to December 31, 2006



FILED
12/28/2007

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Park Director	Tim Davis (Vacant) Chris Johnston	01-01-06 to 10-12-06 10-13-06 to 02-25-07 02-26-07 to 12-31-07
President of the County Council	John West John L. Price	01-01-06 to 12-31-06 01-01-07 to 12-31-07
President of the Board of County Commissioners	R.J. McConnell Mitchael Ripley	01-01-06 to 05-20-07 05-21-07 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF JOHNSON COUNTY

We have audited the records of the Parks and Recreation Department for the period from January 1, 2006 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 year 2006.

STATE BOARD OF ACCOUNTS

November 21, 2007

PARKS AND RECREATION DEPARTMENT
JOHNSON COUNTY
AUDIT RESULTS AND COMMENTS

TIMELY DEPOSITS

In numerous instances, receipts were deposited later than the next business day. A review of collections made at the Horse Park revealed that 76% of receipts tested were deposited later than the next business day. Horse Park receipts that were not deposited timely were not deposited until two to six days after the date the funds were received. A review of collections made at the Golf Course revealed that 58% of receipts tested were deposited later than the next business day. Golf Course receipts that were not deposited timely were not deposited until two to four days after the funds were received.

Indiana Code 5-13-6-1(c) states in part: ". . . all local officers . . . who collect public funds of their respective political subdivisions shall deposit funds not later than the business day following the receipt of funds on business days of the depository in the depository or depositories selected by the . . . local boards of finance. . . ."

NONREVERTING OPERATING FUND

The Park Recreation Operating Fund was not appropriated for 2006. The County Council or the Park Board did not approve the budget for the fund as required by law.

Indiana Code 36-10-3-22 states:

"(a) Park and recreation facilities and programs shall be made available to the public free of charge as far as possible. However, if it is necessary to provide a particular activity, the board may charge a reasonable fee.

(b) The unit's fiscal body may establish by ordinance, upon request of the board:

- (1) a special non-reverting operating fund for park purposes from which expenditures may be made as provided by ordinance, either by appropriation by the board or by the unit's fiscal body; . . ."

INTERNAL CONTROLS

The following items were noted as deficiencies in the internal control structure for collecting and receipting funds into the Park and Recreation Department accounting records:

1. Receipts were issued by several employees of the Johnson County Horse Park with receipts only being provided to the payer if they requested a receipt.

PARKS AND RECREATION DEPARTMENT
JOHNSON COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

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)

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 6)

2. The classification of funds received for the purpose of posting to park department ledgers was sometimes different than the nature of the receipt.

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)

3. For the 2006 audit period, a cash register was not used at the Whispering Pines Golf Course for the purpose of accounting for golf course receipts. Daily cash receipts were taken to the Parks and Recreation Department office where the Parks and Recreation Department bookkeeper issued a receipt for the entire day's revenue collections.

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)

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 6)

PARKS AND RECREATION DEPARTMENT
JOHNSON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on December 11, 2007, with Chris Johnston, Park Director; John L. Price, President of the County Council; Mitchael Ripley, President of the Board of County Commissioners; and Janice D. Richhart, Auditor. The officials concurred with our audit findings.