

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

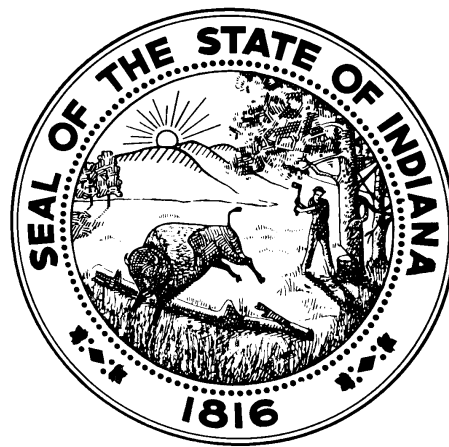
AUDIT REPORT

OF

COUNTY TREASURER

BROWN COUNTY, INDIANA

January 1, 2006 to December 31, 2006



FILED

12/28/2007

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
County Officials	2
Transmittal Letter	3
Audit Results and Comments:	
Cash Necessary to Balance, Bank Reconciliations.....	4
Excess Surplus Tax.....	4
Tax Refunds	5
Collection of Amounts Due	5
Exit Conference.....	6

COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Joe Wray	01-01-05 to 12-31-08
President of the County Council	David Critser	01-01-06 to 12-31-07
President of the Board of County Commissioners	Stephanie R. Yager	01-01-06 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 BROWN COUNTY

We have audited the records of the County Treasurer, 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 Brown County for the year 2006.

STATE BOARD OF ACCOUNTS

December 11, 2007

COUNTY TREASURER
BROWN COUNTY
AUDIT RESULTS AND COMMENTS

CASH NECESSARY TO BALANCE, BANK RECONCILIATIONS

As reported in the prior report, depository reconciliations of the fund balances to the bank account balance were presented for audit but were incorrect. The Treasurer is not reconciling to the cash book balance. A comparison of the cash book balance to the bank account indicated a cash necessary to balance of \$4,448.83.

Indiana Code 5-13-6-1(e) states in part: "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."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, 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 County Treasurers, Chapter 10)

EXCESS SURPLUS TAX

County Form 65-STF, Surplus Tax Fund Ledger, lists in detail by taxing district each item of surplus tax collected, the total of which is not maintained by the County Treasurer or County Auditor. The failure of officials to properly maintain this record allows for excess tax collection in this fund to remain unidentified. Based on amounts provided by the County Treasurer on the anticipated rollover of overpayments and surplus taxes to be applied to the 2005 payable 2006 tax records, the Excess Surplus Tax Fund will have an unidentified balance of \$3,289.16 once the rollover is complete.

Excess (surplus) tax shall be reported by the treasurer on the County Treasurer's Certificate of Tax Collections, County Form No 49TC. The county treasurer is also required to file Ledger Form No. 65-STF, Surplus Tax Fund Ledger, listing in detail by taxing district each item of surplus tax collected, the total of which shall be receipted to the "Surplus Tax Fund". (Accounting and Uniform Compliance Guidelines Manual for County Treasurers, Chapter 5)

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, Chapter 10)

COUNTY TREASURER
BROWN COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

TAX REFUNDS

During the period, June 7, 2004 through December 31, 2007, tax refunds were disbursed from the County General Fund totaling \$11,604.87. Review of all tax refund claims during this period indicate claims totaling \$7,800.03 were not tax refunds but excess surplus tax collections. Of the remaining amount only one refund paid from the General Fund totaling \$554.94 was correctly disbursed and adequately documented; however, the General Fund has not been reimbursed as required at settlement time. In addition, proper supporting documentation was not presented for audit for three claims paid from the general fund as tax refunds totaling \$3,249.90. Due to the lack of documentation we were unable to determine if these payments were proper tax refunds based on statutory requirements.

Indiana Code 6-1.1-26-1 states: "A person, or his heirs, personal representative, or successors, may file a claim for the refund of all or a portion of a tax installment which he has paid. However, the claim must be: (1) filed with the auditor of the county in which the taxes were originally paid; (2) filed within three (3) years after the taxes were first due; (3) filed on the form prescribed by the state board of accounts and approved by the department of local government finance; and (4) based upon one (1) of the following grounds: (A) Taxes on the same property have been assessed and paid more than once for the same year. (B) The taxes, as a matter of law, were illegal. (C) There was a mathematical error either in the computation of the assessment upon which the taxes were based or in the computation of the taxes."

Indiana Code 6-1.1-26-5(b) states: "In the June or December settlement and apportionment of taxes, or both the June and December settlement and apportionment of taxes, immediately following a refund made under this section the county auditor shall deduct the amount refunded from the gross tax collections of the taxing units for which the refunded taxes were originally paid and shall pay the amount so deducted into the general fund of the county. However, the county auditor shall make the deductions and payments required by this subsection not later than the December settlement and apportionment."

COLLECTION OF AMOUNTS DUE

As noted in the prior report, the Treasurer has not certified any delinquent personal property taxes to the Clerk of the Circuit Court since 2002.

Governmental units have a responsibility to collect amounts owed to the governmental unit pursuant to procedures authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers, Chapter 10)

COUNTY TREASURER
BROWN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on December 11, 2007, with Joe Wray, Treasurer.