

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

AUDIT REPORT

OF

COUNTY AUDITOR

WHITE COUNTY, INDIANA

January 1, 2008 to December 31, 2008



FILED

09/30/2009

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Jill Guingrich	01-01-07 to 12-31-10
President of the County Council	Richard G. Horton	01-01-08 to 12-31-09
President of the Board of County Commissioners	John C. Heimlich	01-01-08 to 12-31-09



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 WHITE COUNTY

We have audited the records of the Auditor for the period from January 1, 2008 to December 31, 2008, 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 White County for the year 2008.

STATE BOARD OF ACCOUNTS

August 26, 2009

COUNTY AUDITOR
WHITE COUNTY
AUDIT RESULTS AND COMMENTS

OVERDRAWN FUND BALANCES

The following funds were overdrawn by the indicated amounts in 2008:

Fund	Amount
Juvenile Probation	\$ 1,687
Twin Lakes Regional Sewer District	13,931
Cumulative Hospital	90,883
Drug Free Coalition	1,258
Jail Lease Rental	287,733
Community Corrections State	3,005
West Shafer/6 th Street Grant	300,835
Courthouse Security	1,723

The 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 Auditors, Chapter 14)

APPROPRIATIONS

The records presented for audit indicated the following expenditures in excess of budgeted appropriations:

Fund	Years	Excess Amount Expended
Highway	2008	\$ 479,222
Solid Waste Operating	2008	122,432
Hospital Lease Rental	2008	31,672
Jail Lease Rental	2008	4,000

IC 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."

INTERFUND LOANS

During 2008, the Solid Waste Operating Fund loaned \$1,000,000 to the General Fund. This was not paid back by the end of 2008. Additionally, the Solid Waste Reserve Fund loaned the Ivy Tech Project Fund \$1,200,000. Per the Board minutes, this loan was to be paid back over a five year period. No resolution for either loan was adopted.

COUNTY AUDITOR
WHITE COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

IC 36-1-8-4 states:

"(a) The fiscal body of a political subdivision may, by ordinance or resolution, permit the transfer of a prescribed amount, for a prescribed period, to a fund in need of money for cash flow purposes from another fund of the political subdivision if all these conditions are met:

- (1) It must be necessary to borrow money to enhance the fund that is need of money for cash flow purposes.
- (2) There must be sufficient money on deposit to the credit of the other fund that can be temporarily transferred.
- (3) Except as provided in subsection (b), the prescribed period must end during the budget year of the year in which the transfer occurs.
- (4) The amount transferred must be returned to the fund at the end of the prescribed period.
- (5) Only revenues derived from the levying and collection of property taxes or special taxes or from operation of the political subdivision may be included in the amount transferred.

(b) If the fiscal body of a political subdivision determines that an emergency exists that requires an extension of the prescribed period of a transfer under this section, the prescribed period may be extended for not more than six (6) months beyond the budget year of the year in which the transfer occurs if the fiscal body does the following:

- (1) Passes an ordinance or a resolution that contains the following:
 - (A) A statement that the fiscal body has determined that an emergency exists.
 - (B) A brief description of the grounds for the emergency.
 - (C) The date the loan will be repaid that is not more than (6) months beyond the budget year in which the transfer occurs.
- (2) Immediately forwards the ordinance or resolution to the State Board of Accounts and the Department of Local Government Finance.

CO-MINGLING OF E911 FEES

Fees (commonly known as E911 fees) are received for the enhanced emergency telephone system and the enhanced wireless emergency telephone service. The County is to maintain these fees in two separate funds. We found that revenue distributed by the State of Indiana from wireless telephone fees was combined into the same fund that accounts for the landline E911 fees. In addition, during 2008, monies from White County were also co-mingled in the one E911 fund with the landline and wireless fees. Not maintaining separate funds for the E911 fees and the County revenues results in an internal control weakness over the ability to ensure that the fees are expended as required by statute.

COUNTY AUDITOR
WHITE 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 County Auditors of Indiana)

IC 36-8-16-13 states:

"Deposit of fees into emergency telephone system fund

Sec. 13. A county treasurer or municipal fiscal officer to whom enhanced emergency telephone system fees are remitted under section 12 of this chapter shall deposit the fees in a separate fund. The fund shall be known as the White County Emergency Telephone System fund. The county treasurer or municipal fiscal officer may invest money in the fund in the same manner that other money of the county or municipality may be invested. The county treasurer or municipal fiscal officer shall deposit any income earned from such an investment in the fund.

As added by P.L.91-1988, SEC.5."

IC 36-8-16.5-43 states:

"County wireless emergency telephone system funds; establishment; deposits by county treasurer

Sec. 43. The distribution of wireless emergency enhanced 911 funds by the board for cost recovery by PSAPs under section 39 of this chapter must be deposited by the county treasurer in a separate fund set aside for the purposes allowed by section 41 of this chapter. The fund must be known as the White County Wireless Emergency Telephone System fund. The county treasurer may invest money in the fund in the same manner that other money of the county may be invested, but income earned from the investment must be deposited in the fund set aside under this section.

As added by P.L.98-1998, SEC.1. Amended by P.L.16-2002, SEC.19."

We recommended that the E911 fees, as well as the County distributions, be maintained in three separate funds.

COUNTY AUDITOR
WHITE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 26, 2009, with Jill Guingrich, Auditor; Richard G. Horton, President of the County Council; and John C. Heimlich, President of the Board of County Commissioners. The officials concurred with our audit findings.