

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

AUDIT REPORT

OF

COUNTY AUDITOR

BROWN COUNTY, INDIANA

January 1, 2008 to December 31, 2008



FILED

12/14/2009

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Mari H. Miller	01-01-07 to 12-31-10
President of the Board of County Commissioners	Stephanie R. Yager James W. Austin	01-01-08 to 12-31-08 01-01-09 to 12-31-09
President of the County Council	David Critser	01-01-08 to 12-31-09



STATE OF INDIANA
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TO: THE OFFICIALS OF BROWN COUNTY

We have audited the records of the County 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 Brown County for the year 2008.

STATE BOARD OF ACCOUNTS

October 28, 2009

COUNTY AUDITOR
BROWN COUNTY
AUDIT RESULTS AND COMMENTS

OVERDRAWN FUND BALANCES

The following funds had overdrawn fund balances at December 31, 2008:

Fund	Amount
General	\$ 3,409,973
Property Reassessment	22,528
Jail Lease	321,354
Family Violence and Victim Assistance	18,261
Health	270,794
Health Support Clinic	2,581
Tobacco Free Partnership	2,297
Brown County Family Access	40,877
Brown County Domestic Violence	6,515
Total	<u>\$ 4,095,180</u>

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 County Auditors, Chapter 14)

A similar comment was included in prior Report B33703.

TEMPORARY LOAN

Temporary loans of \$900,000 from the Cumulative Capital Development Fund and \$760,000 from the CEDIT Excess Fund were made on October 5, 2006, to the General Fund and have not been repaid. Both loans remain outstanding as of September 30, 2009.

IC 36-1-8-4 concerning temporary loans, states in part:

"(a) . . . (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 other fund at the end of the prescribed period. . . ."

"(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 six (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 and finance."

A similar comment was included in prior Report B33703.

COUNTY AUDITOR
BROWN COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

TAX SALE NOT HELD

A tax sale was not held in 2008 to collect delinquent property taxes on real property. Due to problems with reassessment the County has been late in the billing and collection of these taxes and has elected not to have a tax sale since 2002. However, the County anticipates having a tax sale in 2010.

IC 6-1.1-24 and 6-1.1-25 require that a tax sale be held every year.

A similar comment was included in the prior Report B33703.

ACCOUNTING FOR E-911 FEES

Amounts receipted in the County's E-911 fund included monies received from both landline 911 fees and wireless 911 fees.

IC 36-8-16-13 states:

"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 _____ (insert name of county or municipality) 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."

IC 36-8-16.5-43 states:

"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 _____ (insert name of 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."

We recommend the County utilize two separate funds to account for distributions received for landline 911 fees and wireless 911 fees and any related interest earned on investment of these funds. Other revenue sources (monies received not related to 911 fees or interest earned on investment of these fees) should be maintained in separate funds as well. Separate funds are required to ensure that fees received are expended only for those activities allowable per statute.

COUNTY AUDITOR
BROWN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on October 28, 2009, with Mari H. Miller, Auditor. The official concurred with our audit findings.