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

AUDIT REPORT

OF

COUNTY AUDITOR

BOONE COUNTY, INDIANA

January 1, 2012 to December 31, 2012

FILED
10/08/2013

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COUNTY OFFICIALS

Office	Official	Term
Auditor	Melody Price	01-01-09 to 12-31-12
	Deanna Willhoite	01-01-13 to 12-31-16
President of the County Council	Steve Jacob	01-01-12 to 12-31-13
President of the Board of County Commissioners	Marc Applegate	01-01-12 to 12-31-12
	Jeff Wolfe	01-01-13 to 12-31-13

STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF BOONE COUNTY

We have audited the records of the County Auditor for the period from January 1, 2012 to December 31, 2012, 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 Boone County for the year 2012.

STATE BOARD OF ACCOUNTS

August 27, 2013

INTERNAL CONTROLS OVER SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The County did not have a proper system of internal control in place to prevent or detect and correct errors on the Schedule of Expenditures of Federal Awards (SEFA). The County should have proper controls in place over the preparation of the SEFA to ensure accurate reporting of federal awards. Without a proper system of internal control in place that operates effectively, material misstatements of the SEFA could remain undetected.

During the audit of the SEFA, we noted the following errors: (1) several grants were not reported; (2) CFDA numbers were not reported; and (3) federal grantor agency, pass-through agency and federal program titles were not always included or correct. Audit adjustments were proposed, accepted by the County, and made to the SEFA presented in this report. These adjustments resulted in a presentation of the SEFA that is materially correct in relation to the financial statements.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Counties, Chapter 1)

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)

SUPPORTING DOCUMENTATION

We noted the following disbursement which did not have supporting documentation.

Date	Amount	Payee	Description of Purchase (if any)
02-27-12	$ 1,108.93	Vectren Energy Delivery	Utilities

Due to the lack of supporting information, we could not verify the purpose of the disbursement.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 14)

APPROPRIATIONS

The records presented for audit indicated the Rainy Day Fund expended $169,527 in excess of budgeted appropriations for calendar year 2012.

Indiana Code 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."

OVERDRAWN CASH BALANCES

The financial statements presented in this report included the following funds with overdrawn cash balances at December 31, 2012:

Fund	Amount Overdrawn
Payroll	$ 59,546
Reassessment 2005	537
Tax Sale Redemption	460

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)

COUNTY AUDITOR
BOONE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 27, 2013, with Deanna Willhoite, Auditor; Steve Jacob, President of the County Council; and Marcia Wilhoite, County Council member.

The contents of this report were discussed on August 29, 2013, with Melody Price, former Auditor.