

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

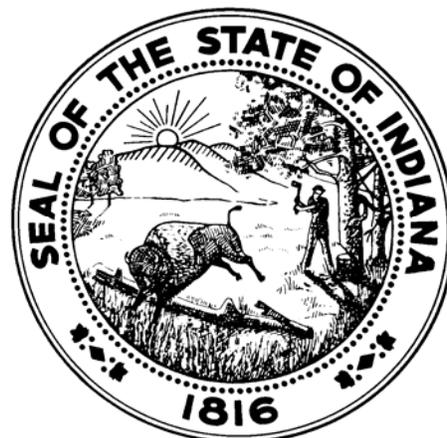
AUDIT REPORT

OF

DEPARTMENT OF PARK AND LAKE

SULLIVAN COUNTY, INDIANA

January 1, 2005 to December 31, 2005



FILED

03/02/2007

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COUNTY OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|---|--------------------------------|--|
| Park Superintendent | Ronald N. Stanley | 01-01-05 to 12-31-06 |
| President of the Park and Lake Board | Donald R. Dubree | 01-01-05 to 12-31-06 |
| President of the Board of County Commissioners | Ray McCammon Chris Atkinson | 01-01-05 to 12-31-05 01-01-06 to 12-31-06 |
| President of the County Council | Sonner Faught | 01-01-05 to 12-31-06 |



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
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TO: THE OFFICIALS OF SULLIVAN COUNTY

We have audited the records of the Department of Park and Lake for the period from January 1, 2005 to December 31, 2005, 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 Result and Comment. The financial transactions of this office are reflected in the Audit Report of Sullivan County for the period of January 1, 2005 to December 31, 2005.

STATE BOARD OF ACCOUNTS

October 26, 2006

DEPARTMENT OF PARK AND LAKE
SULLIVAN COUNTY
AUDIT RESULT AND COMMENT

CAMP RENTAL FEES NOT COLLECTED

We noted during the period from March 1, 2005 to October 1, 2005, camp rental fees were not collected from two park and recreation employees. During the period from April 1, 2005 to October 1, 2005, camp rental fees were not collected from one nonemployee. Furthermore, credit for payment was documented using voided and/or unrelated receipt numbers. The nonpayments and use of erroneous receipts were authorized by the Park Superintendent without proper authority.

Because voided or unrelated receipt numbers were used to show credit for payments that were not made, the Park's documentation did not appear to reflect that these individuals were receiving taxable compensation in the form of free camp rental. Information was not remitted to the office of the County Auditor so that appropriate withholdings and IRS reporting could be done for this compensation. This additional compensation was not documented in the Salary Ordinance or the Employee Personnel Policies for the employees.

Amounts due were requested jointly and severally from Ronald N. Stanley, Park Superintendent; Denise Farmer, Administrative Assistant; and Karen Jones, First Deputy; in the amount of \$4,945. (See Summary, page 11)

Governmental units have a responsibility to collect amounts owed to the governmental unity pursuant to procedures authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Counties, Chapter 1)

Compliance is required, as applicable, with generally accepted accounting principles, and standards issued by the Governmental Accounting Standards Board, Financial Accounting Standards Board, and other standards setting bodies and also with various accounting guides, manuals and other publications. (Accounting and Uniform Compliance Guidelines Manual for Counties, Chapter 1)

Each governmental unit is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indiana Department of Revenue. (Accounting and Uniform Compliance Guidelines Manual for Counties, Chapter 1)

DEPARTMENT OF PARK AND LAKE
SULLIVAN COUNTY
EXIT CONFERENCE

The contents of this report were discussed October 30, 2006, with Ronald N. Stanley, Park Superintendent; Denise Farmer, Administrative Assistant; Karen Jones, First Deputy; and Joseph W. Burton, Park and Lake Attorney; and on October 31, 2006, with Donald R. Dubree, Park and Lake Board President. The official response has been made a part of this report and may be found on pages 6 through 10.

The contents of this report were discussed on October 30, 2006, with Jean Harris, Auditor, and on October 31, 2006, with Chris Atkinson, President of the Board of County Commissioners. The officials concurred with our audit finding.

Burton Law Office

JOSEPH W. BURTON
Attorney At Law
P.O. Box 307
SULLIVAN, INDIANA 47882
Telephone (812) 268-6988 Facsimile (812) 268-3983
November 14, 2006

Ms. Tammy White
Indiana State Board of Accounts

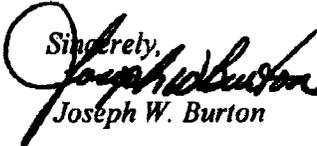
IN RE: Sullivan County Park & Lake Official Response
to Exit Conference, Dated October 30, 2006

Dear Ms. White,

Please find enclosed, the Official Response, signed by the Board of Directors, of Sullivan County Park and Lake, that they wish to be included in the Exit Audit, which occurred at the Exit Conference dated October 30, 2006.

Please contact me at the above numbers with any questions or concerns you may have.

Thank you for your time and consideration of this matter.

Sincerely,

Joseph W. Burton

OFFICIAL RESPONSE

WHEREAS, the contents of the Exit Conference was discussed with the Sullivan County Park and Lake Board of Directors, to include: Donald Dupree, President, Wayne Jackson member, Joe Trotter member, Jerry Payne member, Dick Mc Cammon member, and Joseph Burton, Attorney for the Sullivan Park and Lake. The Sullivan Park and Lake Board of Directors, desires to respond to the results of the Audit, conducted by the State Board of Accounts, the date of that Exit Conference was October 30, 2006.

The Board of Directors, entered into discussion as to the practice of the Park Superintendent, allowing two fulltime employees to receive free camping at the Sullivan Park and Lake, during the period of April 1st to October 1st, 2006. In reference to Denise Farmer, who holds the position of Administrative Assistant, the Park & Lake Board of Directors, realized that in 1981, the recorded minutes show , that the Assistant Superintendent and the Superintendent was allowed free camping at the Sullivan Park & Lake. The Sullivan Park & Lake Board of Directors renamed the position of the Assistant Superintendent to Administrative Assistant, in which Ms. Farmer now holds this position. It is believed that Ms. Farmer in this position is entitled to free camping at the Sullivan Park & Lake. The Superintendent of the Park & Lake advised the Board of Directors of that situation and they have reviewed the 1981 minutes which are attached to this Official Response. The Sullivan Park & Lake Board of Directors also reviewed past practices in

reference to full time employees which engaged in extra duties at the Sullivan Park & Lake such as the case of full time employee, Karen Jones. Ms Jones had in fact occupied the position of attending all Board Meetings as Secretary/Recorder and had in fact engaged in conducting additional hours for her administrative duties within the office. In past practice the Superintendent had the authority to compensated employees that were in that position with camping at the Sullivan Park & Lake. In review of Ms. Jones hours that she engaged in these activities, it was shown that Ms. Jones had in fact put in more hours than the revenue that would have been generated by the camping payment to the Sullivan Park & Lake.

In reference to the non-employee individual who worked at the Sullivan Park & Lake Golf Course, there has been past practices that the Superintendents allowed compensation, in the form of camping fees. This practice was engaged in by previous Superintendents, and Mr. Stanley believed that he had the authority to do so.

The Board recognizes that at no time did the Park Superintendent, Ronald Stanley, benefit from his decision to allow the camping for the two full time employees and the non-employee. Upon looking into it the Park did receive adequate compensation and benefit from that decision, even though the Park & Lake Board of Directors in looking at past minutes and resolutions observed that there was a gray area that needs to be addressed.

Based upon the review by the Park and Lake Board of Directors they have determined that the practice, even though it had occurred with prior Superintendents, would be addressed by resolution, at the next board meeting that will be held on November 8, 2006. At this meeting there will in fact be resolutions brought before the

Board to correct the situation to insure that it does not occur again. . The Sullivan County Park and Lake Board of Directors intend to do the following:

1. They intend to issue resolutions, which would in fact, establish that the Board of Directors and the Superintendent, may camp without fees in the Sullivan County Park and Lake as part of a benefit package for their services.

2. No other individual shall have camping in the Sullivan County Park and Lake for compensation, unless said authority comes directly from the Sullivan County Board of Directors by written decree and shall be made a part of the record for review by the State Board of Accounts, in the event of further audits.

3. They intend to issue a written reprimand to the Superintendent, Ronald Stanley, advising that he does not have the authority to grant any camping within the Sullivan County Park and Lake facility, without due compensation and that his decision to do so in reference to this audit was in excess of his authority, and shall not be allowed again .

Based upon this information and the actions being taken by the Sullivan County Park and Lake Board of Directors, they desire not to have the Park Superintendent, or the other parties involved to reimburse the Park and Lake. Taking into consideration the benefit received from these employees, far outweighs the money that would be collected. Therefore the Sullivan County Park and Lake Board of Directors submits this Official Response to the Audit conducted and Exit on October 30, 2006.

The Sullivan County Park and Lake Board of Directors, appreciates the State Board of Accounts bringing this matter to light for them to address and correct.



Don Dupree, President

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Member

[Handwritten signature]

Member

[Handwritten signature]

Member

[Handwritten signature]

Member

DEPARTMENT OF PARK AND LAKE
SULLIVAN COUNTY
SUMMARY

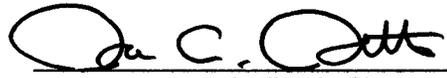
| | <u>Charges</u> | <u>Credits</u> | <u>Balance Due</u> |
|--|-----------------|----------------|--------------------|
| Ronald N. Stanley, Park Superintendent, and Denise Farmer, Administrative Assistant, jointly and severally: Camp Rental Fees Not Collected, page 4 March 1, 2005 to October 1, 2005, at \$215 per month | \$ 1,720 | \$ - | \$ 1,720 |
| Ronald N. Stanley, Park Superintendent, and Karen Jones, First Deputy, jointly and severally: Camp Rental Fees Not Collected, page 4 March 1, 2005 to October 1, 2005, at \$215 per month | 1,720 | - | 1,720 |
| Ronald N. Stanley, Park Superintendent: Camp Rental Fees Not Collected, page 4 April 1, 2005 to October 1, 2005, at \$215 per month | <u>1,505</u> | <u>-</u> | <u>1,505</u> |
| Totals | <u>\$ 4,945</u> | <u>\$ -</u> | <u>\$ 4,945</u> |

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AFFIDAVIT

STATE OF INDIANA)
)
VIGO COUNTY)

I, Joseph C. Jett, Auditor in Charge, being duly sworn on my oath state that the foregoing report based on the official records of the Department of Park and Lake, Sullivan County, Indiana, for the period from January 1, 2005, to December 31, 2005, is true and correct to the best of my knowledge and belief.



Auditor in Charge

Subscribed and sworn to before me this 23rd day of January, 2007



Notary Public

My Commission Expires: 09-11-2014

County of Residence: Vigo