

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

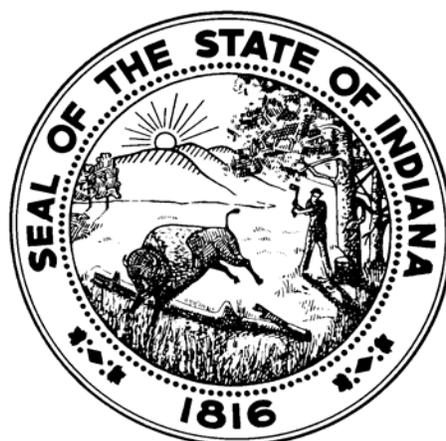
AUDIT REPORT

OF

COUNTY SURVEYOR

MADISON COUNTY, INDIANA

January 1, 2006 to December 31, 2006



**FILED**

08/07/2007



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
County Officials .....	2
Transmittal Letter .....	3
Audit Results and Comments:	
Use of Drainage Funds .....	4
Excessive Drain Maintenance Balances.....	4
Exit Conference.....	5

COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Surveyor	Brad Newman	01-01-05 to 12-31-08
President of the County Council	Scott Tischler Jeff Hardin	01-01-06 to 12-31-06 01-01-07 to 12-31-07
President of the Board of County Commissioners	John Richwine	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](http://www.in.gov/sboa)

TO: THE OFFICIALS OF MADISON COUNTY

We have audited the records of the County Surveyor 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 Madison County for the year 2006.

STATE BOARD OF ACCOUNTS

July 2, 2007

COUNTY SURVEYOR  
MADISON COUNTY  
AUDIT RESULTS AND COMMENTS

USE OF DRAINAGE FUNDS

Of the drains tested, twenty-three percent had negative maintenance balances. Fifty-seven percent of the drains with negative balances have remained without any reimbursements since 1999.

These drains in the Drain Improvement Fund need to be reimbursed from the Drain Maintenance Fund or the County General Fund. A similar comment has appeared in several prior reports.

Indiana Code 36-9-27-45 states in part:

". . . The payment for all such maintenance work shall be made out of the appropriate maintenance fund. However, if:

- (1) a maintenance fund has not been established for the drain or combination of drains; or
- (2) a maintenance fund has been established but it is not sufficient to pay for the work;

the general drain improvement fund shall be used to pay the cost of the work or to pay for the deficiency, and the general drain improvement fund shall be reimbursed from the appropriate maintenance fund when it is established or becomes sufficient."

EXCESSIVE DRAIN MAINTENANCE BALANCES

Twenty-five percent of the Drain Maintenance Funds tested had unencumbered balances equal to or greater than four times the estimated annual assessment; however, the County is still collecting assessments from the taxpayers. Eight percent of drains tested had balances equal to or greater than eight times the estimated annual assessment. A similar comment has appeared in several prior reports.

Indiana Code 36-9-27-43 states:

"(a) If in any year a maintenance fund established under section 44 of this chapter has an unencumbered balance equal to or greater than four (4) times the estimated annual cost of periodically maintaining the drain for which the fund was established, the annual assessment for the maintenance of that drain may be omitted for that year.

(b) The county drainage board may collect the drain assessment even though the unencumbered balance of the maintenance fund is equal to or greater than four (4) times the estimated annual cost of periodic maintenance of the drain for which the fund was established if the drainage board does the following:

- (1) Conducts a public hearing in accordance with section 40 of this chapter.
- (2) At the public hearing estimates what the unencumbered balance of the maintenance fund would be, as a multiple of the estimated annual cost of periodic maintenance of the drain, after the collection of the total amount that the board intends to collect in assessments.

However, the annual assessment for the maintenance of the drain shall be omitted if, according to the estimate of the board, the collection of the intended total amount of assessments would increase the unencumbered balance of the maintenance fund to equal or exceed eight (8) times the estimated annual cost of periodic maintenance of the drain for which the fund was established."

COUNTY SURVEYOR  
MADISON COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on July 2, 2007, with Brad Newman, Surveyor.