

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

AUDIT REPORT  
OF  
COUNTY AUDITOR  
ORANGE COUNTY, INDIANA  
January 1, 2008 to December 31, 2008



**FILED**  
08/18/2009



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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Diann Mathers	01-01-05 to 12-31-12
President of the Board of County Commissioners	Donald R. Crockett	01-01-08 to 12-31-09
President of the County Council	Alan Waynick James McDonald	01-01-08 to 12-31-08 01-01-09 to 12-31-09



**STATE OF INDIANA**  
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TO: THE OFFICIALS OF ORANGE 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 Orange County for the year 2008.

STATE BOARD OF ACCOUNTS

July 27, 2009

COUNTY AUDITOR  
ORANGE COUNTY  
AUDIT RESULTS AND COMMENTS

APPROPRIATIONS

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

<u>Fund</u>	<u>Year</u>	<u>Excess Amount Expended</u>
Cumulative Capital Development	2008	<u>\$ 65,054</u>

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."

OVERDRAWN CASH BALANCES

The cash balance of the Health Fund, Criminal Justice Federal Fund, and Road Grant Fund were overdrawn on December 31, 2008, by \$16,183, \$802, and \$36,805, respectively.

The cash 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 of Indiana, Chapter 14)

ANNUAL REPORT

The 2008 annual report for Orange County was not completed until after January 31, 2009, and was not published until March 11, 2009.

IC 5-11-1-4(a) concerning annual reports, states in part: ". . . these reports shall be prepared, verified, and filed with the state examiner no later than thirty (30) days after the close of each fiscal year."

COUNTY AUDITOR  
ORANGE COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

In 2009, the County was paying unemployment payments for two former elected officials. Payments were based on billings from the Indiana Department of Workforce Development. As of July 10, 2009, the total amount paid to the Indiana Department of Workforce Development for elected officials was \$5,278.

IC 22-4-8-2 states in part: "The term 'employment' shall include: . . .

(i) The following:

. . . (2) Service performed after December 31, 1977, by an individual in the employ of this state or a political subdivision of the state or any instrumentality of the state or a political subdivision, or any instrumentality which is wholly owned by the state and one (1) or more other states or political subdivisions, if the service is excluded from "employment" as defined in Section 3306(c)(7) of the Federal Unemployment Tax Act (26 U.S.C. 3306(c)(7)). However, service performed after December 31, 1977, as the following is excluded:

(A) An elected official. . . ."

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

COUNTY AUDITOR  
ORANGE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on July 27, 2009, with Diann Mathers, Auditor; Donald R. Crockett, President of the Board of County Commissioners; and James McDonald, President of the County Council. The official response has been made a part of this report and maybe found on page 7.



Diann Mathers  
Auditor of Orange County  
205 East Main St. Suite 1  
Paoli, Indiana 47454

July 27, 2009

To Whom It May Concern:

As a response to the audit comments for the year 2008 in the auditor's office in Orange County I would like to inform of the following. Unemployment claims were paid for elected officials whose terms had expired due to an invoice being received from the Indiana Workforce Development. We inquired with our county attorney and Workforce Development explaining that they were elected officials but still were invoiced for their unemployment. As auditor we paid the claims due to a state agency billing us and not accepting the fact we stated we didn't think they were eligible.

After the county attorney's office checked with the agency and concluded what was happening, we stopped paying the claims for the two expired elected official's unemployment. We have since been sent a letter from Workforce Development stating we should contact the DWD Collection Enforcement Unit to pay the liability we have not paid on these claims.

We again contacted our attorney and are awaiting an answer from the county attorney's office for a response on how to handle this situation. The county attorney is in contact with Workforce Development and working on this for us.

Thank You,

A handwritten signature in cursive script that reads "Diann Mathers". The signature is written in black ink and is positioned above the printed name and title.

Diann Mathers  
Orange County Auditor