

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

COUNTY SURVEYOR SUPPLEMENTAL

COMPLIANCE REPORT

OF

HENDRICKS COUNTY, INDIANA

January 1, 2013 to December 31, 2013



FILED
11/07/2014

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Cinda Kattau	01-01-11 to 12-31-14
Treasurer	Nancy L. Marsh	01-01-11 to 12-31-14
Clerk	Debbie Hoskins	01-01-13 to 12-31-16
Sheriff	David Galloway	01-01-11 to 12-31-14
Recorder	Theresa L. Lynch	05-08-12 to 12-31-14
President of the Board of County Commissioners	Phyllis Palmer	01-01-13 to 12-31-14
President of the County Council	Jay Puckett	01-01-13 to 12-31-14



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF HENDRICKS COUNTY, INDIANA

This report is supplemental to our audit report of Hendricks County (County), for the period from January 1, 2013 to December 31, 2013. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the County. It should be read in conjunction with our Financial Statement and Federal Single Audit Report of the County, which provides our opinions on the County's financial statement and federal program compliance. This report may be found at www.in.gov/sboa/.

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Audit Result and Comment contained herein describes the identified reportable instances of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

A handwritten signature in black ink, appearing to read "Michael H. Bozyski".

Michael Bozyski, CPA
Deputy State Examiner

September 9, 2014

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COUNTY SURVEYOR
HENDRICKS COUNTY

COUNTY SURVEYOR
HENDRICKS COUNTY
AUDIT RESULT AND COMMENT

USE OF DRAIN MAINTENANCE FUNDS

As previously stated in prior Reports B41669 and B42441, each Drainage Maintenance fund that was assessed was previously only credited with 70 percent of their assessment. The remaining 30 percent of the assessment was posted to a separate subaccount within the Drain Maintenance fund. These remaining monies were set aside to pay for various expenses of the Surveyor's office such as salaries, supplies, fuel, and equipment. These items were not identifiable to a particular drain or combination of drains. Operating expenses of the County Drainage Board, including operating expenses related to drainage duties performed by the Surveyor's Office, are payable from the County General fund under a budget adopted for that purpose. Additionally, the expenditures from this subaccount were not approved by the Drainage Board. This practice has been in place for the last several years.

During 2012 and 2013, Hendricks County did not transfer 30 percent of the assessment into this subaccount. Disbursements from this subaccount during 2012 and 2013 totaled \$326,969 and \$343,446, respectively, and was used to pay for salaries and expenses related to the Surveyor's Office. These expenditures were not identifiable to a particular drain or combination of drains. Receipts into this subaccount during 2013 were \$20,500, representing sale of surplus office equipment. The ending balance of this subaccount as of December 31, 2013, was, \$644,001.

On January 31, 2014, Hendricks County transferred this remaining balance of \$644,001 from this subaccount of the Drain Maintenance fund to the individual funds used to account for the various legal drains of the County in a systematic and rational matter and at that time the subaccount of the Drain Maintenance fund was closed.

Indiana Code 36-9-27-45 states in part: "A maintenance fund established under section 44 of this chapter is subject to the use of the board for the necessary or proper repair, maintenance, study, or evaluation of the particular drain or combination of drains, which may be done whenever the board, upon the recommendation of the county surveyor, finds that it is necessary."

COUNTY SURVEYOR
HENDRICKS COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 9, 2014, with David Gaston, Surveyor.