

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

AUDIT REPORT

OF

COUNTY SURVEYOR

MADISON COUNTY, INDIANA

January 1, 2005 to December 31, 2005



**FILED**

08/24/2006



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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	Daniel Dykes Scott Tischler	01-01-05 to 12-31-05 01-01-06 to 12-31-06
President of the Board of County Commissioners	John Richwine	01-01-05 to 12-31-06



**STATE OF INDIANA**  
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TO: THE OFFICIALS OF MADISON COUNTY

We have audited the records of the County Surveyor 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 Results and Comments. The financial transactions of this office are reflected in the Annual Report of Madison County for the year 2005.

STATE BOARD OF ACCOUNTS

June 26, 2006

COUNTY SURVEYOR  
MADISON COUNTY  
AUDIT RESULTS AND COMMENTS

USE OF DRAINAGE FUNDS

Of the drains tested, twenty percent had negative maintenance balances. Sixty 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 appeared in prior Audit Reports B22021, B24261, and B26073.

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

Thirty-three 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. Seven percent of drains tested had balances equal to, or greater than, eight times the estimated annual assessment. A similar comment appeared in prior Audit Reports B24261 and B26073.

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 June 26, 2006, with Brad Newman, Surveyor. The official concurred with our audit findings.