

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

EXAMINATION REPORT  
OF  
SCOTT COUNTY, INDIANA  
January 1, 2006 to December 31, 2006



**FILED**

12/20/2007



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Iva Gasaway Teresa Vannarsdall	01-01-03 to 12-31-06 01-01-07 to 12-31-10
Treasurer	Bonnie Comer	01-01-05 to 12-31-08
Clerk of the Circuit Court	Frances Satterwhite	01-01-05 to 12-31-08
Sheriff	John L. Lizenby	01-01-03 to 12-31-10
Recorder	Missy Applegate	01-01-05 to 12-31-08
President of the Board of County Commissioners	Mark Hays Robert C. Tobias	01-01-06 to 12-31-06 01-01-07 to 12-31-07
President of the County Council	Stephan Patrick Bridgewater Kelley Robbins	01-01-06 to 12-31-06 01-01-07 to 12-31-07



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF SCOTT COUNTY, INDIANA

We have examined the financial information presented herein of Scott County (County), for the period of January 1, 2006 to December 31, 2006. The County's management is responsible for the financial information presented herein.

Financial transactions were not posted timely to the financial records, financial activity of the redevelopment commission was not available, and reconciliations of the record balance to the depository account balances were not performed. Due to the failure to reconcile the record transactions with the depository transactions, lack of financial information, and the untimely posting of financial activity we could not determine the accuracy or completeness of the financial transactions.

Due to inadequate financial records being maintained as discussed in the preceding paragraph, the scope of our work was not sufficient to enable use to express, and we do not express, an opinion on the financial information.

We did examine records for compliance with State statues and the Accounting and Uniform Compliance Guidelines published by the State Board of Accounts. The results of this examination are presented in separate reports listed in the Other Reports section of this report.

The Schedule of Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

November 1, 2007

SCOTT COUNTY  
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
As Of And For The Year Ended December 31, 2006

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 473,811	\$ 5,727,211	\$ 5,705,658	\$ 495,364
County Highway	516,689	1,412,375	1,002,082	926,982
Cumulative Bridge	490,468	133,231	202,496	421,203
Cumulative Building	374,841	26,541	285,845	115,537
Drainage Maintenance	1,529	208	-	1,737
Courthouse Lease Jail Bond	31,355	380,260	336,950	74,665
County Health	(71,467)	240,710	241,854	(72,611)
Local Road and Street	145,297	795,015	814,547	125,765
Real Estate Transaction	23,726	-	-	23,726
County Family and Children	482,057	1,052,303	1,458,881	75,479
Clerk IV-D Incentive Old	1,925	-	1,925	-
County Drug Free Community	16,206	18,150	16,200	18,156
Supplemental Adult Probation Services	54,710	110,360	150,420	14,650
Guardian Ad Litem	25,733	250	-	25,983
Accident Reports	3,419	1,881	545	4,755
Firearms Training	3,843	5,255	5,258	3,840
Surveyor's Corner Perpetuation	27,472	5,760	56	33,176
Cemetery	4,157	5,170	13,028	(3,701)
Law Enforcement Prosecuting Attorney	6,856	4,379	6,956	4,279
Mental Health	724	79,985	80,709	-
County Law Enforcement Continuing Education	-	2,055	2,055	-
Community Corrections Grant	36,810	99,581	111,699	24,692
Community Corrections	12,068	51,136	78,142	(14,938)
Clerk's Document Storage	8,819	5,589	2,794	11,614
Recorder's Records Perpetuation	37,700	33,806	52,825	18,681
County Corrections Grant	12,315	41,500	34,832	18,983
Local Health Maintenance	80,792	20,540	100,001	1,331
New Hope Services	-	79,985	79,985	-
Local Emergency Planning and Right to Know	12,295	12	-	12,307
Scott County TIFF District Loan	483,221	217,542	101,892	598,871
Community Corrections Home Detention	81,134	146,863	207,600	20,397
Cumulative Capital Development	341,425	143,932	218,689	266,668
Emergency Telephone System	131,637	279,260	210,074	200,823
Child Health Clinic Tobacco Grant	(26)	26	-	-
Well Child Grant	(24,169)	97,991	87,323	(13,501)
County Alcohol and Drug Program	14,002	95,179	84,609	24,572
Pretrial Diversion	28,349	16,054	16,168	28,235
Prosecutor IV-D Impact Grant	15,515	-	101	15,414
Well Child User Fees	7,114	41,669	38,206	10,577
Children's Psychiatric Residential Treatment	58,024	8,239	56,002	10,261
Property Reassessment	324,349	117,957	133,364	308,942
Child Advocacy	200	-	-	200
Supplemental Public Defender	250	50	-	300
SASCO Waste Management	11,313	82,658	99,402	(5,431)

The accompanying notes are an integral part of the financial information.

SCOTT COUNTY  
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
As Of And For The Year Ended December 31, 2006  
(Continued)

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds (continued):				
Covered Bridge Maintenance	8,750	1,250	-	10,000
Sheriff Processor	22,877	-	13,945	8,932
Jury Pay	14,507	3,580	4,173	13,914
Infraction Deferral Program	13,942	10,000	14,484	9,458
Local Health Maintenance Supplemental	(178)	178	-	-
Prosecutor SANE Project	(1,150)	18,755	16,959	646
Clerk IV-D Incentive New	5,256	19,878	2,200	22,934
Prosecutor IV-D Incentive	8,044	21,503	3,386	26,161
County Auction Proceeds	-	9,583	9,583	-
Medicare Cost Adjustment	1	-	-	1
Tobacco Money Grant	17,044	109,134	23,886	102,292
Juvenile Incarceration Block Grant	(1,504)	380	-	(1,124)
County Probation User Fees	7,265	1,478	-	8,743
Highway Revenue Bonds	3,002	-	3,002	-
Highway Revenue Bond Reserve	124,360	13,743	-	138,103
Finley Township Water Project State Grant	7,250	-	-	7,250
Debt Service Just Property Bond No. 2	50,974	159,503	203,081	7,396
Sheriff's CASA Fund	1	-	-	1
County Share Riverboat Revenue Sharing	16,905	90,730	93,400	14,235
Probation Administration Fee	20,724	20,923	19,907	21,740
Bioterrorism	1,700	56,810	54,829	3,681
Homeland Security	(758)	-	61,406	(62,164)
Rainy Day	58,022	-	-	58,022
Prosecutor Violence Against Women Grant	483	17,100	24,379	(6,796)
Scott County Drainage Board User Fees	9,400	2,200	8,938	2,662
Ambulance Service	33,829	945,513	807,647	171,695
County Share Sales Disclosure	13,802	3,425	-	17,227
Real Estate Proceeds	29,358	-	8,217	21,141
Title 3	41,663	-	41,663	-
Emergency Gas Award	350	-	-	350
County ID Security Protection	-	9,920	-	9,920
Drug Interdiction Office	-	26,145	25,870	275
Prosecutor Investigation Fund	4,912	5,550	5,909	4,553
Scott County Fire Investigation Unit	1,095	1,885	1,578	1,402
Sheriff's Commissary	50,444	45,608	63,495	32,557
Fiduciary Funds:				
Payroll Funds	110,571	2,566,763	2,562,466	114,868
Tax Distribution Funds	100,364	23,117,179	23,188,013	29,530
Sheriff's Pension	925,195	257,871	25,503	1,157,563
Congressional Principal	7,717	-	-	7,717
Welfare Trust	20,250	49,744	54,314	15,680
Congressional Interest	6,898	192	309	6,781

The accompanying notes are an integral part of the financial information.

SCOTT COUNTY  
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
As Of And For The Year Ended December 31, 2006  
(Continued)

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Fiduciary Funds (continued):				
Surplus Tax	15,120	6,114	14,720	6,514
Tax Sale Redemption	2,990	73,562	76,552	-
Tax Sale Surplus	212,968	1,496,392	316,823	1,392,537
Surplus Dog	-	875	875	-
Fines and Forfeitures	27	1,767	1,594	200
Inheritance Tax	109,480	773,845	849,068	34,257
Infraction Judgment	2,180	37,689	37,627	2,242
Overweight Vehicle Fines	-	950	950	-
Users Fee Fund	5,528	3,440	1,300	7,668
City/County Court Costs	7,437	7,463	7,437	7,463
Coroner's Education Fund	49	1,031	997	83
State Sales Disclosure Fee	465	6,865	6,850	480
Education License Plate Fee	1,200	1,106	2,306	-
Regional Sewer District	-	12,379	12,379	-
State Welfare Tax Allocation	-	34,577	34,577	-
Abandoned Vehicle Ordinance Violations	200	-	-	200
Mortgage Fee Fund	680	3,523	3,908	295
State Common School	-	1,228	-	1,228
Rosewood Point Bond	12,900	-	-	12,900
Child Restraint Infraction	-	500	375	125
County Treasurer	1,225,057	28,759,656	29,107,800	876,913
Clerk of the Circuit Court	527,365	2,969,724	2,890,058	607,031
County Cartographer	10	-	-	10
County Prosecutor	15	-	-	15
County Assessor	25	-	-	25
County Recorder	10,626	125,059	122,645	13,040
County Sheriff	383	523,941	428,794	95,530
Sheriff's Inmate Trust	9,223	-	2	9,221
County Health	150	-	-	150
Prosecuting Attorney Bad Check	27,581	26,091	32,024	21,648
County Highway Employee Coke Fund	281	-	281	-
Trash Bag Sales	50	87,758	82,658	5,150
Totals	<u>\$ 8,191,843</u>	<u>\$ 74,122,726</u>	<u>\$ 73,414,315</u>	<u>\$ 8,900,254</u>

The accompanying notes are an integral part of the financial information.

SCOTT COUNTY  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The County was established under the laws of the State of Indiana. The County provides the following services: public safety, highways and streets, sanitation, health, welfare and social services, culture and recreation, public improvement, planning and zoning, and general administrative services.

Note 2. Fund Accounting

The County uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied or highway use taxes are received are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the District in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the District to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

SCOTT COUNTY  
NOTES TO FINANCIAL INFORMATION  
(Continued)

Note 6. Pension Plans

a. Public Employees' Retirement Fund

Plan Description

The County contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the District authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund  
Harrison Building, Room 800  
143 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

b. County Police Retirement Plan

Plan Description

The County contributes to the County Police Retirement Plan, which is a single-employer defined benefit plan. With the approval of the County's fiscal body, the plan is administered by the sheriff's department and an appointed trustee as authorized by state statute (IC 36-8-10-12) for full-time police officers. The plan provides retirement, death, and disability benefits to plan members and beneficiaries. The trustee issues a publicly available financial report that includes financial statements and required supplementary information of the plan. The report may be obtained by contacting the county sheriff.

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for the County Police Retirement Plan are established by state statute.

SCOTT COUNTY  
NOTES TO FINANCIAL INFORMATION  
(Continued)

c. County Police Benefit Plan

Plan Description

The County contributes to the County Police Benefit Plan which is a single-employer defined benefit pension plan. With the approval of the County's fiscal body, the plan is administered by the sheriff's department and an appointed trustee as authorized by state statute (IC 36-8-10-12) for full-time police officers. The plan provides dependent pensions, life insurance, and disability benefits to plan members and beneficiaries. The trustee issues a publicly available financial report that includes financial statements and required supplementary information of the plan. The report may be obtained by contacting the county sheriff.

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for the County Police Benefit Plan are established by state statute.

Note 7. Redevelopment Financial Activity

Financial information was not available to report the financial activity that occurred during the year for the Redevelopment Fund and was omitted from the financial schedule. As a result of not having the financial information for the Redevelopment Fund the beginning balance differs from that reported in the previous year by \$3,793. At December 31, 2006, the Redevelopment Fund had a balance of \$4,049.

SCOTT COUNTY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2006

The County has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
Building renovations	\$ 2,565,000	\$ 165,086
Notes and loans payable	353,229	111,880
Bonds payable:		
General obligation bonds:		
2002 general obligation bonds	1,090,000	106,263
Revenue bonds:		
2001 highway revenue bonds	180,000	94,894
1998 tax increment revenue bonds	<u>480,000</u>	<u>78,800</u>
Total governmental activities debt	<u>\$ 4,668,229</u>	<u>\$ 556,923</u>

SCOTT COUNTY  
OTHER REPORTS

The annual report presented herein was prepared in addition to other official reports prepared for the individual County offices listed below:

Board of County Commissioners  
County Treasurer  
County Auditor  
County Prosecuting Attorney  
County Sheriff  
County Recorder  
County Building Commission  
Clerk of the Circuit Court

SCOTT COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on November 1, 2007, with Iva Gasaway, former Auditor, and on November 8, 2007, with Teresa Vannarsdall, Auditor. The contents of this report were also discussed on November 20, 2007, with Robert C. Tobias, President of the Board of County Commissioners. Our examination disclosed no material items that warrant comment at this time.