

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

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



FILED
12/28/2007

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report.....	3
Financial Information:	
Schedule of Receipts, Disbursements, and Cash and Investment Balances	4-5
Notes to Financial Information	6-7
Supplementary Information:	
Schedule of Capital Assets.....	8
Schedule of Long-Term Debt	9
Other Reports.....	10
Exit Conference.....	11

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Janice Ramsey Rachel A. Bladen	04-13-04 to 12-31-06 01-01-07 to 12-31-10
Treasurer	Stacey L. Penick	01-01-06 to 12-31-09
Clerk of Circuit Court	Ginger Peters	01-01-04 to 12-31-07
Recorder	Nancy J. Brown	01-01-04 to 12-31-07
Sheriff	Nathan E. Hughes	01-01-03 to 12-31-10
President of the Board of County Commissioners	H. Craig Bond	01-01-06 to 12-31-07
President of the County Council	Michael L. Jones	01-01-06 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF SWITZERLAND COUNTY, INDIANA

We have examined the financial information presented herein of Switzerland 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. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the District for the year ended December 31, 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

November 13, 2007

SWITZERLAND 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		Cash and	
	Investments	Receipts	Disbursements	Investments
	01-01-06			12-31-06
Governmental Funds:				
General	\$ 764,934	\$ 3,562,912	\$ 3,537,016	\$ 790,830
Adult Probation Services	26,423	24,884	29,074	22,233
Juvenile Probation Service	1,211	700	1,250	661
Highway	356,155	1,256,721	1,036,550	576,326
Cumulative Bridge	275,797	222,308	358,924	139,181
Clerk's Incentive	5,225	1,643	405	6,463
Prosecutor Incentive	5,395	2,472	180	7,687
Hoosier Safe - T	249	-	-	249
Health	305,574	123,922	231,092	198,404
Park and Recreation	11,422	28,250	37,250	2,422
Local Road and Street	15,298	101,691	112,244	4,745
Property Reassessment	129,743	118,764	41,376	207,131
Extradition	300	-	-	300
Drug Free Community	18,797	11,753	15,161	15,389
Guardian Ad Litem/Court	(3,286)	12,646	13,725	(4,365)
Misdemeanant	3,263	7,000	-	10,263
Motor Vehicle Inspection	7,319	590	-	7,909
Probation Administration Fee	1,776	9,423	9,352	1,847
Family and Children	745,510	434,765	633,098	547,177
Emergency Telephone System	48,781	123,227	141,206	30,802
Health Maintenance	52,397	33,139	40,167	45,369
Jack Sullivan Senior Center	4,655	45,893	32,345	18,203
Hollywood Park	19,909	216,398	236,496	(189)
Markland Park Grant	2,531	3,000	3,598	1,933
Children's Psychiatric Residential Treatment Services	32,497	63,922	-	96,419
Pretrial Diversion	14,890	4,620	1,394	18,116
Cumulative Capital Development	168,074	89,197	133,429	123,842
Emergency Response Team	140	-	-	140
County Road Ordinance	158	224	-	382
EMA - Homeland Security	627	-	-	627
Cemetery Board	386	1,000	760	626
Solid Waste Grant	100	-	-	100
Tax Sale Costs	22,046	9,925	8,030	23,941
Campaign Finance Enforcement	66	-	-	66
Nurse Managed Clinic	193,701	205,734	186,087	213,348
Jury Pay	9,432	1,228	-	10,660
Infraction Deferral	17,167	1,336	-	18,503
Riverboat	5,754,946	12,068,656	12,554,508	5,269,094
Title 3 Voting	-	44,592	33,792	10,800
Lifetime Housing Grant	2,460	10,824	13,284	-
Identification Security Protection	-	5,554	-	5,554
Bennington - Moorefield Sewer Planning Grant	-	30,000	30,000	-
Child Restraint Violations	-	25	25	-
Accident Report	7,251	1,360	-	8,611
Firearm Training	4,919	1,650	5,679	890
County Law Enforcement Continuing Education	33	985	985	33
Surveyor's Corner Perpetuation	27,081	3,260	-	30,341
Recorder's Records Perpetuation	53,526	13,295	48,949	17,872
Clerk's Records Perpetuation	3,004	2,066	-	5,070

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

SWITZERLAND 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):				
Emergency Planning Right To Know	14,374	475	958	13,891
LEA Grant	6,528	-	6,528	-
Florence Sewer	-	16,934	16,934	-
East Enterprise Sewer	-	9,951	9,951	-
EDC Community Comeback Grant	-	25,000	25,000	-
SCMC Operating	74,149	29,223	18,702	84,670
Sheriff Commissary	2,162	32,081	22,137	12,106
Fiduciary Funds:				
Welfare Trust	8,205	-	1,106	7,099
Congressional School Principal	18,571	-	-	18,571
Cemetery Principal	500	-	500	-
Congressional School Interest	10,782	343	743	10,382
Cemetery Interest	1,550	520	-	2,070
Surplus Tax	6,056	3,876	3,709	6,223
Tax Sale Redemption	(7,565)	51,055	12,417	31,073
Surplus Tax Sale	7,461	255,706	105,327	157,840
County User Fees - Law Enforcement Continuing Education	14,357	1,842	1,159	15,040
State Sales Disclosure	1,646	1,805	-	3,451
City/Town Ordinance Violations	130	2	-	132
Coroner's Continuing Education	6	216	204	18
Education Plate Fees	-	394	394	-
Mortgage Fee	165	1,725	1,772	118
Sheriff's Service of Process	-	1,456	-	1,456
State Fines and Forfeitures	3,377	18,332	11,847	9,862
Inheritance Tax	13,454	28,613	42,067	-
Infraction Judgments	568	7,034	6,707	895
City and Town Court Costs	2,706	2,916	-	5,622
State Sales Disclosure	155	1,805	1,820	140
Innkeepers Tax	-	382,734	382,734	-
Surplus Dog	70	867	937	-
Tax Distributions	-	7,182,478	7,181,899	579
Payroll	7,168	998,434	1,001,336	4,266
County Treasurer	219,193	8,945,771	9,102,188	62,776
Clerk of the Circuit Court	80,198	2,119,489	2,129,915	69,772
County Recorder	50	54,224	54,224	50
County Sheriff	880	238,986	239,457	409
Inmate Trust	410	30,526	30,723	213
Medical Care For Inmates	-	407	-	407
Probation Department	13,188	100,192	101,615	11,765
County Police Pension	367,711	179,442	155,674	391,479
Totals	<u>\$ 9,980,087</u>	<u>\$ 39,626,408</u>	<u>\$ 40,198,115</u>	<u>\$ 9,408,381</u>

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

SWITZERLAND COUNTY
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The County was established under the laws of the State of Indiana. The County operates a Commissioners-Council form of government and provides the following services: public safety (police), highway and streets, health and social services, culture and recreation, public improvements, 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 County 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. All property taxes collected by the County Treasurer and available for distribution were distributed to the County on or prior to December 31 of the year collected.

SWITZERLAND COUNTY
NOTES TO FINANCIAL INFORMATION
(Continued)

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 County 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.

Note 6. Loans Receivable

The County Council has entered into a loan receivable with East Enterprise Regional Sewer District. The outstanding loan balance at December 31, 2006, was \$108,957.

Note 7. Loan Guarantee

On December 28, 2005, the County Council approved by ordinance the renewal of financing the Town of Patriot's Municipal Water Utility debt in the amount of \$490,735. The Town of Patriot obtained the loan guaranteed by the County from First Financial Bank, currently Main Source Bank. In the event that the County would be required to pay this loan, the ordinance and loan statement stipulates that the repayments would be made from the Town of Patriot's share of the riverboat funds paid from the County's Riverboat Fund. The outstanding loan guarantee balance at December 31, 2006, was \$455,884.

SWITZERLAND COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2006

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

General infrastructure assets (those reported by governmental activities) are included regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 539,105
Infrastructure	6,421,151
Buildings	9,893,130
Improvements other than buildings	1,144,645
Machinery and equipment	<u>2,296,428</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 20,294,459</u>

SWITZERLAND 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:		
Highway equipment	\$ 75,410	\$ 49,577
Loans payable	<u>990,000</u>	<u>23,652</u>
Total governmental activities debt	<u>\$ 1,065,410</u>	<u>\$ 73,229</u>

SWITZERLAND COUNTY
OTHER REPORT

The report presented herein was prepared in addition to the official report prepared for the individual County office listed below:

County Council

SWITZERLAND COUNTY
EXIT CONFERENCE

The contents of this report were discussed on November 13, 2007, with Rachel A. Bladen, Auditor; Michael L. Jones, President of the County Council; and H. Craig Bond, President of the Board of County Commissioners. Our examination disclosed no material items that warrant comment at this time.