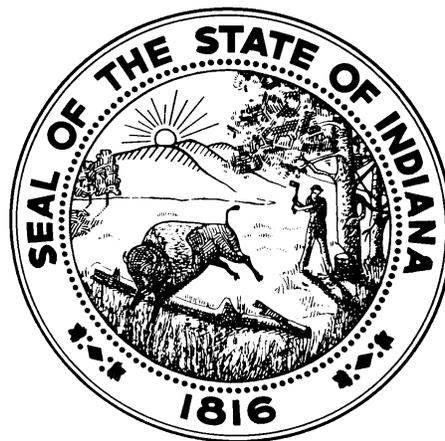


**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

EXAMINATION REPORT  
OF  
JEFFERSON COUNTY, INDIANA  
January 1, 2007 to December 31, 2007



**FILED**

10/08/2008



## 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 .....	6-8
Supplementary Information:	
Schedule of Capital Assets.....	9
Schedule of Long-Term Debt .....	10
Other Reports.....	11
Exit Conference.....	12

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Sandra J. Shelton	01-01-07 to 12-31-10
Treasurer	Betty J. Brawner	01-01-05 to 12-31-08
Clerk	Kim Smith	01-01-07 to 12-31-10
Sheriff	Charles W. Andrews	01-01-07 to 12-31-10
Recorder	Mary Francis O'Conner	01-01-05 to 12-31-08
President of the Board of County Commissioners	Julie Berry Tom Pietrykowski	01-01-07 to 12-31-07 01-01-08 to 12-31-08
President of the County Council	David J. Craig	01-01-07 to 12-31-08



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
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Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF JEFFERSON COUNTY, INDIANA

We have examined the financial information presented herein of Jefferson County (County), for the period of January 1, 2007 to December 31, 2007. 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 County for the year ended December 31, 2007, 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 a required part 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

July 22, 2008

JEFFERSON COUNTY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
As Of And For The Year Ended December 31, 2007

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 1,106,249	\$ 6,088,912	\$ 6,690,487	\$ 504,674
Election and Registration	137,267	128,748	95,591	170,424
Cemetery Board Donation	10,576	-	400	10,176
Reassessment	358,839	118,325	140,272	336,892
Cornerstone Society	1,402	-	-	1,402
Cumulative Voting Machine	439,317	-	178,024	261,293
Prosecutor IV-D Incentive	19,983	-	8,322	11,661
Clerk Title IV-D Incentive	-	7,858	6,188	1,670
Cemetery Board	16,388	33,374	11,456	38,306
County Prisoner Reimbursement	2,400	-	-	2,400
County Surveyor Cornerstone Perpetuation	31,198	7,350	14,405	24,143
County Misdemeanant	88,819	21,622	32,447	77,994
SRI - Tax Sale Cost	390	60	-	450
Solid Waste Management Grant	2,644	-	-	2,644
Juvenile All Weekend Supervision	122	-	-	122
Sheriff's Reserve Unit	3,409	-	127	3,282
JABIG Out of School Grant	(1,320)	2,040	-	720
Seized and Forfeited Property	4,038	2,504	4,038	2,504
Community Transportation Program	19,883	-	2,058	17,825
Riverboat MIDCOR	5,910	62,577	60,000	8,487
Riverboat Historic Preservation	231,593	62,577	51,900	242,270
Law Enforcement Federal Forfeiture	1,611	-	-	1,611
Clerk's Record Perpetuation	10,807	10,292	-	21,099
Riverboat Wagering Revenue Sharing	81,675	297,209	268,186	110,698
Probation Administrative Fee	2,565	-	-	2,565
CO ID Protection Act	11,976	16,811	3,813	24,974
Recorder's Records Perpetuation	178,063	37,130	2,192	213,001
Rainy Day	-	355,582	9,300	346,282
Plat Book Maintenance	4,374	711	-	5,085
Animal Shelter	14,448	44,132	36,308	22,272
Cumulative Courthouse	2,174,742	321,229	42,039	2,453,932
Federal Project Highway	109,472	-	-	109,472
Riverboat	290,983	523,588	283,952	530,619
Elizabeth Rhodes Donation	5,822	-	-	5,822
Local Emergency Planning and Right to Know	19,147	13,797	18,732	14,212
Guardian Ad Litem	21,534	-	-	21,534
Sheriff Law Enforcement Continuing Education	531	534	1,021	44
Jury Pay	40,473	4,364	-	44,837
Child Advocacy	50	-	-	50
Deferral Program	2,998	-	-	2,998
Supplemental Juvenile Probation Services	3,140	7,207	4,465	5,882
Supplemental Adult Probation Services	217,634	102,208	262,026	57,816
Pretrial Diversion	20,925	32,987	20,667	33,245
Supplemental Public Defender	11,597	18,871	6,795	23,673
CASA	2	34,299	23,642	10,659
Victim Assistance	4,204	-	-	4,204
County Highway	1,774,305	2,139,955	2,349,434	1,564,826
Local Road and Street	337,951	319,381	211,708	445,624
Cumulative Bridge	1,769,221	892,766	716,964	1,945,023
County Health	316,480	804,470	741,269	379,681
Woman, Infants and Children	(4,286)	119,473	112,122	3,065
SEMA Homeland Security	11,500	30,544	29,151	12,893

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

JEFFERSON COUNTY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
As Of And For The Year Ended December 31, 2007

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds (continued):				
Local Health Maintenance	52,892	41,424	25,853	68,463
County Family and Children	702,055	4,771,979	3,888,574	1,585,460
Children's Psychiatric Residential Treatment	276,230	98,733	112,047	262,916
Accident Reports	958	2,733	2,587	1,104
Firearm Training	6,494	8,000	2,517	11,977
County Drug Free Community	53,022	31,200	41,864	42,358
Emergency Telephone System	72,680	213,382	243,985	42,077
Wireless Emergency Telephone	204,235	157,627	79,626	282,236
CEDIT	644,539	2,826,762	2,382,149	1,089,152
Cumulative Jail	223,882	323,954	175,702	372,134
Cumulative Capital Development	1,024,932	207,199	45,347	1,186,784
Andres Memorial Animal Shelter	1,515	77	89	1,503
Jefferson County Animal Shelter	6,097	506	285	6,318
Sheriff Commissary	81,773	53,772	59,377	76,168
Fiduciary Funds:				
Education License Plate Fees	377	3,562	3,600	339
Probation Transfer Fess	-	487	412	75
Mortgage Fees - State Share	848	4,414	3,775	1,487
County Ordinance Fee	1,618	-	-	1,618
County Payroll Clearing	69,170	2,646,604	2,721,340	(5,566)
County Insurance	(1,688)	1,688	-	-
Surplus Tax	80,527	257,548	61,180	276,895
Tax Sale Redemption	(761)	4,740	4,098	(119)
Surplus Tax Sale	17,583	4,992	6,841	15,734
Sheriff Pension Trust	2,196	15,921	16,752	1,365
City and Town Court Costs	653	9,390	9,413	630
State Sales Disclosure Fee	6,955	4,558	8,480	3,033
Coroner's Education Fund	190	2,584	2,585	189
Infraction Judgment	2,308	46,086	44,730	3,664
Tourism Board - Innkeeper's Tax	150	281,974	281,974	150
Welfare Trust	19,120	750	6,219	13,651
Congressional Principal	33,053	-	-	33,053
Congressional Interest	23,050	-	-	23,050
Inheritance Tax	1,653,036	437,168	1,951,668	138,536
State Fines and Forfeitures	1,566	30,431	21,759	10,238
Homestead Credit Rebate	-	1,303,267	-	1,303,267
User Fees Law Enforcement Continuing Education	31,464	6,139	3,774	33,829
Tax Distributions	-	40,149,122	39,996,157	152,965
County Treasurer	572,007	40,033,578	39,942,118	663,467
Clerk of the Circuit Court	525,127	3,471,137	3,280,177	716,087
County Recorder	11,844	144,386	145,676	10,554
County Sheriff	-	708,630	708,630	-
Inmate Trust Fund	5,975	102,727	102,166	6,536
County Auditor	-	25	-	25
County Planning and Zoning	100	-	-	100
County Animal Control	-	100	-	100
Sheriff Pension Trust	2,217,024	225,168	157,851	2,284,341
Totals	<u>\$ 18,537,847</u>	<u>\$ 111,298,011</u>	<u>\$ 108,980,878</u>	<u>\$ 20,854,980</u>

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

JEFFERSON 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 and social services, culture and recreation, public improvements, planning and zoning, general administrative services, urban redevelopment, and economic development.

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.

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.

JEFFERSON 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 County 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 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 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.

JEFFERSON 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.

JEFFERSON COUNTY  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2007

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 backtrending (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	\$ 178,400
Infrastructure	21,564,235
Buildings	8,232,469
Improvements other than buildings	176,468
Machinery and equipment	<u>3,302,310</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 33,453,882</u>

JEFFERSON COUNTY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2007

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:		
Volvo grader model G720B	\$ 23,790	\$ 24,739
Bonds payable:		
General obligation bonds:		
Jail renovations	<u>5,660,000</u>	<u>828,000</u>
Total governmental activities debt	<u>\$ 5,683,790</u>	<u>\$ 852,739</u>

JEFFERSON COUNTY  
OTHER REPORTS

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

County Auditor  
County Sheriff

JEFFERSON COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on July 22, 2008, with Sandy Shelton, Auditor; and Tom Pietrykowski, President of the Board of County Commissioners. Our examination disclosed no material items that warrant comment at this time.