

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

EXAMINATION REPORT

OF

SCOTT COUNTY

SCOTT COUNTY, INDIANA

January 1, 2007 to December 31, 2007



**FILED**

01/15/2009



## 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 Long-Term Debt .....	9
Other Reports.....	10
Exit Conference.....	11

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Teresa Vannarsdall	01-01-07 to 12-31-10
Treasurer	Bonnie Comer	01-01-05 to 06-06-08
	Vacant	06-07-08 to 06-08-08
	Gail Peacock (Interim)	06-09-08 to 06-23-08
	Iva Gasaway	06-24-08 to 12-31-08
Clerk of the Circuit Court	Frances Satterwhite	01-01-05 to 12-31-08
Sheriff	John L. Lizenby	01-01-07 to 12-31-10
Recorder	Missy Applegate	01-01-05 to 12-31-08
President of the Board of County Commissioners	Robert C. Tobias	01-01-07 to 12-31-07
	Larry D. Blevins	01-01-08 to 12-31-08
President of the County Council	Kelley Robbins	01-01-07 to 12-31-07
	Raymond W. Jones	01-01-08 to 12-31-08



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

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, 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.

Financial transactions were not posted timely to the financial records 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 us to express, and we do not express, an opinion on the financial information.

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.

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

December 1, 2008

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, 2007

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 495,364	\$ 5,528,735	\$ 5,980,540	\$ 43,559
County Highway	926,982	1,398,357	1,240,139	1,085,200
Cumulative Bridge	421,203	130,688	157,401	394,490
Cumulative Building	115,537	25,014	128,719	11,832
Drainage Maintenance	1,737	300	-	2,037
Courthouse Lease Jail Bond	74,665	375,197	336,950	112,912
County Health	(72,611)	241,890	228,370	(59,091)
Local Road and Street	125,765	252,955	211,758	166,962
Real Estate Transaction	23,726	-	-	23,726
County Family and Children	75,479	2,121,810	1,733,180	464,109
County Drug Free Community	18,156	22,535	13,000	27,691
Supplemental Adult Probation Services	14,650	108,169	124,545	(1,726)
Guardian Ad Litem	25,983	1,250	5,422	21,811
Accident Reports	4,755	1,496	1,085	5,166
Firearms Training	3,840	7,845	3,768	7,917
Vehicle ID Number Check	-	1,210	-	1,210
Surveyor's Corner Perpetuation	33,176	5,490	-	38,666
Tax Increment Financing	-	1,299,316	1,082,413	216,903
Cemetery	(3,701)	4,766	6,147	(5,082)
Law Enforcement Prosecuting Attorney	4,279	39,901	34,185	9,995
Mental Health	-	76,036	76,036	-
County Law Enforcement Continuing Education	-	4,260	1,780	2,480
Community Corrections Grant	24,692	734	91,561	(66,135)
Community Corrections	(14,938)	232,901	100,031	117,932
Clerk's Document Storage	11,614	6,357	4,334	13,637
Recorder's Records Perpetuation	18,681	32,183	29,701	21,163
County Corrections Grant	18,983	31,550	48,345	2,188
Local Health Maintenance	1,331	25,000	18,600	7,731
Local Emergency Planning and Right to Know	12,307	-	-	12,307
Scott County TIFF District Loan	598,871	32,687	185,513	446,045
Community Corrections Home Detention	20,397	182,787	188,316	14,868
Cumulative Capital Development	266,668	786,334	950,702	102,300
Emergency Telephone System	200,823	325,366	225,669	300,520
Well Child Grant	(13,501)	84,179	84,492	(13,814)
County Alcohol and Drug Program	24,572	79,331	88,324	15,579
Pretrial Diversion	28,235	14,675	16,982	25,928
Prosecutor IV-D Impact Grant	15,414	-	-	15,414
Well Child User Fees	10,577	47,874	44,512	13,939
Children's Psychiatric Residential Treatment	10,261	93,231	92,831	10,661
Property Reassessment	308,942	111,309	106,415	313,836
Child Advocacy	200	50	-	250
Supplemental Public Defender	300	2,311	-	2,611
SASCO Waste Management	(5,431)	97,687	73,230	19,026
Covered Bridge Maintenance	10,000	1,850	-	11,850
Sheriff Processor	8,932	-	7,483	1,449
Jury Pay	13,914	3,582	13,873	3,623
Infraction Deferral Program	9,458	10,975	4,929	15,504
Prosecutor SANE Project	646	13,381	18,230	(4,203)
Clerk IV-D Incentive New	22,934	-	5,484	17,450
Prosecutor IV-D Incentive	26,161	-	1,327	24,834
Medicare Cost Adjustment	1	-	-	1
Tobacco Money Grant	102,292	34,232	23,774	112,750
Juvenile Incarceration Block Grant	(1,124)	-	-	(1,124)
County Probation User Fees	8,743	990	-	9,733
Highway Revenue Bond Reserve	138,103	3,122	141,225	-
Finley Township Water Project State Grant	7,250	-	-	7,250
Debt Service Just Property Bond No. 2	7,396	209,959	108,263	109,092
Riverboat Revenue Sharing	-	144,780	67,875	76,905
Sheriff's CASA Fund	1	-	-	1
County Share Riverboat Revenue Sharing	14,235	49,030	40,000	23,265
Probation Administration Fee	21,740	19,720	43,527	(2,067)
Bioterrorism	3,681	29,103	48,822	(16,038)
Homeland Security	(62,164)	148,003	89,721	(3,882)
Rainy Day	58,022	-	1,926	56,096
Prosecutor Violence Against Women Grant	(6,796)	22,000	8,750	6,454

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, 2007  
(Continued)

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds (continued):				
Scott County Drainage Board User Fees	2,662	-	-	2,662
Ambulance Service	171,695	991,968	925,846	237,817
County Share Sales Disclosure	17,227	1,440	-	18,667
Real Estate Proceeds	21,141	300	7,007	14,434
Title 3	-	16,365	12,181	4,184
Emergency Gas Award	350	-	-	350
County ID Security Protection	9,920	10,338	2,000	18,258
Drug Interdiction Office	275	16,671	17,841	(895)
Prosecutor Investigation Fund	4,553	4,718	6,382	2,889
Scott County Fire Investigation Unit	1,402	2,063	2,311	1,154
Sheriff's Commissary	32,557	68,489	61,134	39,912
Acquisition Fund	-	345,000	340,559	4,441
Fiduciary Funds:				
Payroll Funds	114,868	1,923,261	2,041,709	(3,580)
Tax Distribution Funds	29,530	20,015,089	20,020,987	23,632
Sheriff's Pension	1,157,563	131,585	34,810	1,254,338
Congressional Principal	7,717	-	-	7,717
Welfare Trust	15,680	54,465	58,625	11,520
Congressional Interest	6,781	433	926	6,288
Surplus Tax	6,514	20,829	411	26,932
Tax Sale Redemption	-	275,070	264,907	10,163
Tax Sale Surplus	1,392,537	135,152	1,240,830	286,859
Surplus Dog	-	348	-	348
Fines and Forfeitures	200	285	434	51
Inheritance Tax	34,257	795,031	275,153	554,135
Infraction Judgment	2,242	34,548	15,935	20,855
Levy Excess	-	-	60	(60)
Users Fee Fund	7,668	819	-	8,487
City/County Court Costs	7,463	8,332	-	15,795
Southeast Indiana Solid Waste	-	92,598	92,598	-
Increment Tax	-	5,367	4,456	911
Pre School Education	-	17,617	17,617	-
Coroner's Education Fund	83	1,056	372	767
Miscellaneous Grants	-	33,222	33,222	-
State Sales Disclosure Fee	480	6,050	2,880	3,650
Education License Plate Fee	-	1,987	787	1,200
State Welfare Tax Allocation	-	35,508	-	35,508
Abandoned Vehicle Ordinance Violations	200	-	-	200
Mortgage Fee Fund	295	3,107	1,612	1,790
State Common School	1,228	-	-	1,228
Rosewood Point Bond	12,900	-	-	12,900
Excess COIT/CEDIT Rebate	-	207,307	-	207,307
Child Restraint Infraction	125	1,050	625	550
Homestead Credit Rebates	-	555,944	-	555,944
County Treasurer	876,913	35,437,567	35,252,796	1,061,684
Clerk of the Circuit Court	607,031	2,715,019	2,848,789	473,261
County Cartographer	10	-	-	10
County Prosecutor	15	-	-	15
County Assessor	25	-	-	25
County Recorder	13,040	115,256	116,865	11,431
County Sheriff	95,530	730,175	680,584	145,121
Sheriff's Inmate Trust	9,221	172	9,393	-
County Health	150	-	-	150
Prosecuting Attorney Bad Check	21,648	13,907	11,988	23,567
Trash Bag Sales	5,150	92,587	97,687	50
Redevelopment Trust Account	4,049	73,255	77,301	3
Scott County EMS	-	950,120	838,595	111,525
Totals	<u>\$ 8,904,303</u>	<u>\$ 80,465,963</u>	<u>\$ 79,758,420</u>	<u>\$ 9,611,846</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. All property taxes collected by the County Treasurer and available for distribution were distributed to the District 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.

SCOTT COUNTY  
NOTES TO FINANCIAL INFORMATION  
(Continued)

Note 6. Pension Plan

A. Public Employees' Retirement Fund

Plan Description

The District 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 Retirement 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. Restatements and Reclassifications

For the year ended December 31, 2007, certain changes have been made to the financial statements to more appropriately reflect financial activity of the County. The Redevelopment Trust Account, a fiduciary fund, with a cash and investment balance of \$4,049 at December 31, 2006, has been included which was not presented in the prior report.

SCOTT 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:		
Building renovations	\$ 2,330,000	\$ 166,763
Notes and loans payable	135,567	52,106
Bonds payable:		
General obligation bonds:		
2002 general obligation bonds	1,015,000	211,337
Revenue bonds:		
1998 tax increment revenue bonds	430,000	80,800
2007 ambulance revenue bonds	345,000	40,988
 Total governmental activities debt	 <u>\$ 4,255,567</u>	 <u>\$ 551,994</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:

County Treasurer  
County Auditor  
Prosecuting Attorney  
Clerk of the Circuit Court

SCOTT COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on December 1, 2008, with Teresa Vannarsdall, Auditor; Larry D. Blevins, President of the Board of County Commissioners; and Raymond W. Jones, President of the County Council.