

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

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



**FILED**  
03/26/2009



## 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 Capital Assets.....	9
Schedule of Long-Term Debt .....	10
Other Report .....	11
Exit Conference.....	12

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Cindy Shelton	01-01-07 to 12-31-10
Treasurer	Sharon Dugas Anita Frakes	01-01-05 to 12-31-08 01-01-09 to 12-31-12
Clerk	Anne Jochim Gay Ann Harney	01-01-05 to 12-31-08 01-01-09 to 12-31-12
Sheriff	Kermit Lindsey	01-01-07 to 12-31-10
Recorder	Diana Meyer Sandra Coy Sharon Dugas	01-01-05 to 07-01-07 07-02-07 to 12-31-08 01-01-09 to 12-31-12
President of the Board of County Commissioners	Dan Rininger	01-01-07 to 12-31-09
President of the County Council	William Spaetti	01-01-07 to 12-31-09



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF SPENCER COUNTY, INDIANA

We have examined the financial information presented herein of Spencer 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 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

February 12, 2009

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

	Cash and Investments		Cash and Investments	
	01-01-07	Receipts	Disbursements	12-31-07
Governmental Funds:				
General	\$ 2,012,617	\$ 6,977,189	\$ 6,576,493	\$ 2,413,313
County Highway	1,012,930	2,572,808	2,566,773	1,018,965
Cumulative Bridge	1,253,951	694,830	565,832	1,382,949
CEDIT Construction	1,520,263	1,530,803	1,194,128	1,856,938
County Health	129,916	221,305	248,160	103,061
Local Roads and Streets	81,549	223,923	249,729	55,743
Property Reassessment (2006)	743,971	155,651	129,607	770,015
Accident and Theft	2,312	1,044	3,101	255
Firearms Training	3,526	9,321	3,154	9,693
Surveyor's Corner Perpetuation	32,271	5,520	-	37,791
Probation User Fee	76,048	24,481	42,923	57,606
Recorder's Records Perpetuation	45,968	44,521	14,379	76,110
Emergency Telephone System	53,595	294,603	287,696	60,502
County Law Enforcement Continuing Education	1,167	876	280	1,763
County Users Fees	62,259	6,825	2,424	66,660
Local Health Maintenance	38,816	41,469	19,852	60,433
Capital Trial Expense	20,014	290,219	263,083	47,150
Community Drug Program	4,328	28,118	30,217	2,229
Old Rd 45 & 245	32,623	-	-	32,623
Drainage Maintenance	74,358	48,487	26,650	96,195
Evanston Sewer	-	84,201	84,201	-
Electronic Map (GIS)	30	-	-	30
County Misdemeanant	32,891	14,262	11,760	35,393
Covered Bridge	7,917	925	-	8,842
County Drug Fee	18,253	23,400	18,058	23,595
COIT Special Purpose	645,755	485,179	271,000	859,934
Prosecutor Special Fee	12,530	1,700	-	14,230
Riverboat Revenue	146,024	135,753	130,965	150,812
Guardian Ad Litem	25,125	-	4,221	20,904
SRI Tax Sale	8,921	7,735	9,505	7,151
Tobacco	59,252	16,935	6,480	69,707
Photo ID	162	19	56	125
Federal Topics	16,901	-	-	16,901
Plat Book Update	18,796	10,550	7,421	21,925
Local Emergency Planning	12,885	5,284	5,225	12,944
Community Corrections Grant	-	39,923	-	39,923
Welfare Local Planning	573	540	1,049	64
Family and Children's	220,964	393,679	499,982	114,661
Children's PTRC	66,382	1,324	9,495	58,211
Child Support Impact	4,966	-	-	4,966
Flu Clinic	11,387	12,956	11,744	12,599
Clerk's Records Perpetuation	7,546	6,853	8,456	5,943
Pretrial Diversion	51,644	168,738	188,434	31,948
Emergency Management	140	625	-	765
Search and Rescue	1,084	829	74	1,839
County Medical for Inmates	908	2,918	3,193	633
Law Enforcement	24,241	16,120	11,815	28,546
Prisoner Reimbursement	10,776	3,555	-	14,331
Jury Fee	24,993	6,295	8,704	22,584
ID Security Protection	10,610	10,722	7,500	13,832
Rainy Day	126,827	519,784	176,716	469,895
Clerk's IV-D Incentive	17,087	6,737	14,042	9,782
Prosecutor's IV-D Incentive	13,891	3,624	8,285	9,230
Sexual Offender Registration Fee	-	50	-	50
Jail Commissary	35,548	69,550	70,994	34,104
COIT Bond	-	113,324	113,324	-
Cumulative Capital Development	547,018	315,859	467,438	395,439
General Drain Improvement	150,034	2,289	23,497	128,826

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

SPENCER COUNTY  
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL, PROPRIETARY 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
Proprietary Fund:				
Self-Insurance	61,579	1,366,674	1,282,923	145,330
Fiduciary Funds:				
Pension Trust Fund:				
Sheriff's Pension Trust	1,039,481	353,649	76,866	1,316,264
Permanent Fund:				
Congressional Principal	28,209	-	-	28,209
Agency Funds:				
Poor Relief	-	84,405	84,405	-
Tax Sale Redemption	597	49,096	49,233	460
Surplus Tax Sale	105,081	295,834	144,916	255,999
Inheritance Tax	42,780	1,295,229	1,055,831	282,178
Surplus Tax	47,174	25,995	27,072	46,097
Financial Institutions	-	19,236	19,236	-
Anderson River	12,121	-	-	12,121
Delinquent Sewage	60	15,989	15,989	60
Mowing Assessment	-	693	693	-
Welfare Trust	5,469	10,160	1,680	13,949
Innkeeper's Tax	4,674	260,204	260,338	4,540
Mortgage Fee	320	3,237	3,335	222
CEDIT	-	1,789,545	1,789,545	-
CVET	-	277,468	277,468	-
COIT	-	1,055,485	1,055,485	-
Levy Excess	-	49,280	357	48,923
Coroner's Training and Continuing Education	65	667	681	51
Sales Disclosure	210	3,370	3,345	235
Congressional Interest	23,914	2,334	1,008	25,240
Education Plate Fee	-	2,475	2,475	-
Special Death Benefit	5	2,077	1,712	370
Child Restraint Violations	50	310	360	-
Homestead COIT Rebate	-	604,173	-	604,173
State Court Fees	17,406	30,132	40,385	7,153
State Settlement	-	285,509	285,509	-
Tax Distribution	-	26,382,248	26,382,248	-
Payroll	10,421	1,483,470	1,486,719	7,172
Health Care for the Indigent	77	165,407	165,407	77
Medical Assistance to Wards	2	6,617	6,617	2
Children with Special Health Care Needs	-	21,172	21,172	-
County Sheriff	47,737	631,797	661,359	18,175
Clerk of the Circuit Court	2,679,403	3,649,677	5,804,181	524,899
County Recorder	9,222	131,648	133,351	7,519
County Treasurer	158,029	33,749,903	33,642,202	265,730
Inmate Trust	1,908	65,154	64,931	2,131
Prosecutor's Bad Check Fee	-	7,620	7,608	12
Totals	<u>\$ 13,830,537</u>	<u>\$ 89,832,169</u>	<u>\$ 89,254,757</u>	<u>\$ 14,407,949</u>

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

SPENCER 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, health and social services, culture and recreation, 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 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.

SPENCER 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 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.

SPENCER 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.

SPENCER 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	\$ 87,900
Infrastructure	101,900,573
Buildings	3,922,218
Machinery and equipment	<u>6,060,881</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 111,971,572</u>

SPENCER COUNTY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 For The Year Ended December 31, 2007

The County has entered into the following capital leases, loan payable, and bonds payable:

Description of Asset	Ending Balance	Due Within One Year
Governmental Activities:		
Capital leases:		
Highway tractors	\$ 46,923	\$ 46,923
Highway excavator and grader	182,987	58,625
Highway chip and seal truck	31,448	15,386
Guaranteed Energy Savings Contract	280,627	57,818
Loan payable:		
Ambulance	61,425	19,494
Bonds payable:		
Revenue bonds:		
2003 Highway garage complex	<u>215,000</u>	<u>52,000</u>
Total governmental activities long-term debt	<u>\$ 818,410</u>	<u>\$ 250,246</u>

SPENCER COUNTY  
OTHER REPORT

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

County Auditor

SPENCER COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on February 12, 2009, with Cindy Shelton, Auditor; and Dan Rininger, President of the Board of County Commissioners. Our report disclosed no material items that warrant comment at this time.