

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

EXAMINATION REPORT
OF
VERMILLION COUNTY, INDIANA
January 1, 2009 to December 31, 2009



FILED
08/20/2010

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OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|---|----------------------|----------------------|
| Auditor | Phyllis Orman | 01-01-09 to 12-31-12 |
| Treasurer | Wendy Farley | 01-01-09 to 12-31-12 |
| Clerk | Florinda Pruitt | 01-01-07 to 12-31-10 |
| Sheriff | Robert Spence | 01-01-07 to 12-31-10 |
| Recorder | Lori Porter | 01-01-07 to 12-31-10 |
| President of the Board of County Commissioners | Tim J. Wilson | 01-01-09 to 12-31-10 |
| President of the County Council | John A. Cheesewright | 01-01-09 to 12-31-10 |



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF VERMILLION COUNTY, INDIANA

We have examined the financial information presented herein of Vermillion County (County), for the period of January 1, 2009 to December 31, 2009. 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, 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

Included in the financial statements are the receipts and disbursements activity from emergency telephone system fees (IC 36-8-16) and enhanced wireless emergency telephone fees (IC 36-8-16.5). In accordance with IC 36-8-16-14 and IC 36-8-16.5-41 these fees have been subjected to an annual examination performed by the State Board of Accounts and, in our opinion, are fairly stated, in all material respects, in relation to the financial statements.

STATE BOARD OF ACCOUNTS

June 28, 2010

VERMILLION 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, 2009

| | Cash and Investments 01-01-09 | Receipts | Disbursements | Cash and Investments 12-31-09 |
|---|-------------------------------------|--------------|---------------|-------------------------------------|
| Governmental Funds: | | | | |
| General | \$ 2,337,578 | \$ 7,235,166 | \$ 6,109,707 | \$ 3,463,037 |
| Accident Report | 1,722 | 375 | 98 | 1,999 |
| Adult Probation Services | 114,505 | 91,128 | 72,822 | 132,811 |
| Bail Agency Pretrial | 109,533 | 8,910 | - | 118,443 |
| Bioterrorism | 12,459 | 1,832 | 2,279 | 12,012 |
| Campaign Finance Reform | 210 | - | - | 210 |
| Children's Psychiatric Residential Treatment Services | 135,687 | - | 135,687 | - |
| Chemical Stockpile Emergency Preparedness Program | 22,084 | 65,693 | 143,812 | (56,035) |
| Clerk Title IV-D | 311 | 7,449 | 6,175 | 1,585 |
| Clerk's Records Perpetuation | 17,592 | 3,662 | 11,268 | 9,986 |
| Common School Principal | 2,030 | - | - | 2,030 |
| Convention And Tourism | 9,149 | 3,118 | 7,600 | 4,667 |
| County Covered Bridge | 32,912 | 5,550 | 12,591 | 25,871 |
| County Health | 75,928 | 201,258 | 140,593 | 136,593 |
| County Highway | 253,854 | 1,267,575 | 1,209,978 | 311,451 |
| County Hospital Lease | 319,559 | 183,783 | 179,000 | 324,342 |
| County Misdemeanant | 27,585 | 14,050 | - | 41,635 |
| Cumulative Bridge | 1,118,365 | 623,335 | 1,140,342 | 601,358 |
| Cumulative Capital Development | 800,438 | 197,762 | 236,456 | 761,744 |
| Cumulative Jail | 169,005 | 1,699 | 115,879 | 54,825 |
| Cumulative Reassessment | 2,217,604 | 197,228 | 228,960 | 2,185,872 |
| Drainage Maintenance | 122,235 | 25,893 | 25,450 | 122,678 |
| Drug Abuse Interdiction | 31,471 | 1,461 | 18,000 | 14,932 |
| Drug Free Community | 45,214 | 26,526 | 24,500 | 47,240 |
| Drug Task Force | 6,272 | - | 6,272 | - |
| Economic Development Commission | 864,830 | 633,594 | 673,608 | 824,816 |
| Emergency Planning/Right to Know | 20,709 | 3,845 | 6,628 | 17,926 |
| Extradition | 14,855 | 1,028 | - | 15,883 |
| Family and Children | 399,116 | 243,021 | 642,137 | - |
| Firearms Training | 9,291 | 9,370 | 3,600 | 15,061 |
| Guardian Ad Litem/Court | 5,225 | - | - | 5,225 |
| Health Department Immunization | 2,710 | 3,491 | 2,153 | 4,048 |
| Health Department H1N1 Immunization | - | 22,747 | 12,258 | 10,489 |
| Health Maintenance | 976 | 58,139 | 33,249 | 25,866 |
| Identification Security Protection | 5,153 | 5,228 | 3,464 | 6,917 |
| Jail Booking | 1,050 | 5,380 | - | 6,430 |
| Jail Lease Rent | (38,657) | 38,550 | - | (107) |
| Juvenile Probation Service | 62,111 | 7,759 | 1,001 | 68,869 |
| Local Road and Street | 88,715 | 133,859 | 89,737 | 132,837 |
| Park Nonreverting Operating | 99,256 | 6,563 | - | 105,819 |
| Plan Commission | 23,426 | 14,463 | 10,867 | 27,022 |
| Pretrial Diversion | 203,770 | 88,416 | 133,142 | 159,044 |
| Probation Administration | 11,675 | 1,196 | - | 12,871 |
| Prosecuting Attorney Asset Forfeiture | 460 | 10,000 | 4,896 | 5,564 |
| Prosecutor Title IV-D | 332 | 10,932 | 10,765 | 499 |
| Public Health Coordinator | 33 | - | - | 33 |
| Rainy Day | 1,528,593 | 514,209 | - | 2,042,802 |
| Recorder's Records Perpetuation | 60,935 | 17,899 | 29,374 | 49,460 |
| Reimburse Court Appointed Attorney | 19,758 | 16,391 | - | 36,149 |
| Riverboat | 25,405 | 86,414 | 25,712 | 86,107 |
| Sales Disclosure | 1,105 | 1,485 | - | 2,590 |
| Seized Assets | 1,905 | 9,275 | 10,855 | 325 |
| Sheriff Commissary | 28,439 | 102,426 | 107,257 | 23,608 |
| Sheriff Evidence Fund | 9,046 | 5,562 | 4,286 | 10,322 |
| Sheriff's Continuing Education | 7,586 | 3,949 | 12 | 11,523 |
| Surveyor's Corner Perpetuation | 48,718 | 3,015 | - | 51,733 |
| Tax Sale Fees | 48,685 | 700 | - | 49,385 |
| Tobacco Settlement | 25,899 | 17,906 | 11,228 | 32,577 |
| Unsafe Building | 2,363 | - | 2,200 | 163 |
| User Fee | 48,382 | 8,269 | 5,310 | 51,341 |
| Vermillion County E911 Project Fund | 140,958 | 329,844 | 38,565 | 432,237 |
| Vermillion County Jail Building | 2,500 | - | - | 2,500 |
| Vermillion County Victim's Assistance | - | 23,025 | 15,525 | 7,500 |
| Welfare Reform Local | 2,786 | - | - | 2,786 |
| Wireless Emergency Telephone System | 524,828 | 724,827 | 836,329 | 413,326 |

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

VERMILLION 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, 2009
(Continued)

| | Cash and Investments 01-01-09 | Receipts | Disbursements | Cash and Investments 12-31-09 |
|--------------------------------------|-------------------------------------|----------------------|----------------------|-------------------------------------|
| Fiduciary Funds: | | | | |
| Sheriff's Pension | 797,256 | 688,878 | 682,959 | 803,175 |
| Congressional School Principal | 40,643 | - | 37,441 | 3,202 |
| Ryerson Trust | 200 | - | - | 200 |
| City and Town Court Costs | 50,284 | 3,701 | - | 53,985 |
| Congressional School Interest | 18,204 | 38,220 | - | 56,424 |
| Surplus Tax Sale | 68,402 | - | 7,528 | 60,874 |
| Tax Sale Redemption | 1,280 | - | 1,292 | (12) |
| Surplus Tax | 220,463 | 141,861 | 92,119 | 270,205 |
| Surplus Dog Tax | 614 | - | 614 | - |
| State Fines and Forfeitures | 492 | 7,480 | 5,941 | 2,031 |
| State Sales Disclosure Fee | 825 | 1,485 | 2,170 | 140 |
| Overweight Vehicle Fines | 75 | 997 | 1,022 | 50 |
| Infraction Judgements | 14,484 | 24,553 | 37,731 | 1,306 |
| Inheritance Tax | - | 395,304 | 122,564 | 272,740 |
| Treasurer's Trust | 2,110,861 | 24,893,771 | 21,499,613 | 5,505,019 |
| Public Employees' Retirement Fund | 1,609 | - | 368 | 1,241 |
| Insurance - Other #1 | 111 | - | - | 111 |
| Insurance - Other #2 | 3 | - | - | 3 |
| Special Death Benefit | 1,960 | 2,280 | 4,215 | 25 |
| Education Plate Fees Agency | - | 525 | 525 | - |
| County Development Income Tax Agency | - | 314,015 | 314,015 | - |
| Mortgage Fees - State Share | 946 | 1,442 | 2,260 | 128 |
| Child Restraint Violations Fines | 925 | 1,025 | 1,875 | 75 |
| Poor Relief Loan Agency | 225 | 50,736 | 50,736 | 225 |
| Welfare Trust | 4 | - | 4 | - |
| Homestead Credit Rebate | (16,564) | 220,131 | 194,735 | 8,832 |
| Tax Distribution | 40,229 | 16,764,440 | 16,771,216 | 33,453 |
| St. Bernice Water Grant | 6,120 | 11,880 | 18,000 | - |
| Coroner's Education | 1,085 | 1,787 | 2,872 | - |
| Domestic Violence | 2,610 | - | - | 2,610 |
| CEDIT Special Revenue | - | 314,015 | 314,015 | - |
| Riverboat Revenue Sharing | 43,259 | 105,060 | 148,319 | - |
| Sheriff Pension Fees | 24,377 | 15,253 | 7,478 | 32,152 |
| Payroll Clearing | (37,804) | 962,813 | 961,682 | (36,673) |
| County Clerk | 169,394 | 1,690,830 | 1,704,980 | 155,244 |
| County Sheriff - Trust | 43,477 | 869,445 | 911,823 | 1,099 |
| County Health | 1,584 | 12,510 | 10,862 | 3,232 |
| Prosecuting Attorney Buy Money | 66 | - | - | 66 |
| County Recorder | 104 | 66,989 | 66,965 | 128 |
| Totals | <u>\$ 15,894,032</u> | <u>\$ 60,927,656</u> | <u>\$ 56,519,566</u> | <u>\$ 20,302,122</u> |

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

VERMILLION COUNTY
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The County was established under the laws of the State of Indiana. The County operates under a Council-Commissioner form of government and provides the following services: public safety (police), highways and streets, health welfare 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.

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.

VERMILLION COUNTY
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 6. Pension Plan

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.

VERMILLION COUNTY
OTHER REPORTS

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

County Auditor
County Treasurer
County Sheriff

VERMILLION COUNTY
EXIT CONFERENCE

The contents of this report were discussed on June 28, 2010, with Phyllis Orman, Auditor; Tim J. Wilson, President of the Board of County Commissioners; and John A. Cheesewright, President of the County Council. Our audit disclosed no material items that warrant comment at this time.