

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

EXAMINATION REPORT  
OF  
GIBSON COUNTY  
GIBSON COUNTY, INDIANA  
January 1, 2008 to December 31, 2008



**FILED**  
10/06/2010



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Mary B. Key	01-01-05 to 12-31-12
Treasurer	James Kolb	01-01-07 to 12-31-10
Clerk	Becky Woodburn	01-01-07 to 12-31-10
Sheriff	R. Allen Harmon	01-01-07 to 12-31-10
Recorder	Debbie Wethington	01-01-07 to 12-31-10
President of the Board of County Commissioners	N. Sherrell Marginet Robert Townsend	01-01-08 to 12-31-08 01-01-09 to 12-31-10
President of the County Council	Tom Memmer Tony Wolfe Jeremy Overton	01-01-08 to 12-31-08 01-01-09 to 12-31-09 01-01-10 to 12-31-10



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF GIBSON COUNTY, INDIANA

We have examined the financial information presented herein of Gibson County (County), for the period of January 1, 2008 to December 31, 2008. 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, 2008, 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.

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

July 22, 2010

GIBSON 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, 2008

	Cash and Investments			Cash and Investments		
	01-01-08	Receipts	Disbursements	12-31-08		
Governmental Funds:						
General	\$ 1,375,973	\$ 16,019,228	\$ 15,893,561	\$ 1,501,640		
County Highway	1,534,312	8,110,799	8,417,984	1,227,127		
EDIT Capital Projects	1,810,696	7,482,391	7,379,293	1,913,794		
Cumulative Bridge	1,170,180	5,020,671	4,752,702	1,438,149		
Work Release Center	94	-	94	-		
TIF Toyota	-	5,024,634	5,024,634	-		
Surveyor's Corner Perpetuation	7,022	6,525	1,531	12,016		
Property Reassessment 2006	209,817	702,455	863,680	48,592		
Property Reassessment 2006 II	257,318	1,513,838	1,373,399	397,757		
Recorder's Record Perpetuation	103,746	308,820	329,251	83,315		
SRI Tax Sale Fees	8,112	-	-	8,112		
FEMA Reimbursement	-	1,548	1,548	-		
Rainy Day	-	420,955	420,955	-		
County Portion EDIT Rainy Day	926,767	303,585	258,486	971,866		
Riverboat Revenue	375,856	-	-	375,856		
County Sales Disclosure Fees	17,250	3,588	4,250	16,588		
Community Development Block Grant	24,099	44,603	44,576	24,126		
Circuit Social Service	-	1,750	-	1,750		
HAVA Grant	39,481	-	2,230	37,251		
Jury Fees	114,989	11,024	1,201	124,812		
First Offender Court Cost	2,109	-	-	2,109		
Clerk's Perpetuation	88,647	19,124	9,898	97,873		
Prosecutor Deferral User Fees	175,194	157,494	71,826	260,862		
Circuit Probation Administrative	-	18,563	-	18,563		
Clerk's IV-D	30,687	12,601	14,709	28,579		
Prosecutor Meth Prevention	1,950	-	200	1,750		
Private Collection Agency	55	1,481	1,076	460		
Circuit Ct Bond Administrative Fee	2,585	7,885	3,818	6,652		
Superior Court User Fee	411,479	216,730	175,497	452,712		
Superior Court Cash Bond Adm Fee	109,765	22,070	3,750	128,085		
Superior Court Gal/Casa	3,100	175	-	3,275		
Circuit Court User Fee	99,268	57,536	79,115	77,689		
Circuit Court Gal/Casa	326	-	-	326		
Guardian Ad Litem User Fee	25,494	29,436	29,900	25,030		
Superior Ct Alcohol & Drug Control	105,310	51,528	52,895	103,943		
Superior Ct. Administrative Fee	91,672	23,965	-	115,637		
Supplemental Adult Probation User Fee	222	-	-	222		
Tobacco Prevention and Cessation 2	402	-	-	402		
Community Transition	21,588	10,835	27,578	4,845		
Community Corrections	42,354	249,612	286,641	5,325		
Corrections Project Income	338,487	176,205	155,693	358,999		
Supplemental Public Deferral	41,116	25,414	12,086	54,444		
TMMI R & R	-	1,500	1,232	268		
Prosecutor's IV-D	40,949	18,960	9,593	50,316		
IV-D Enforcement Program	15,387	-	13,311	2,076		
Victim Assistance IV	5,159	30,508	31,356	4,311		
Convention & Visitors Bureau	-	197,572	197,572	-		
Covered Bridge Maintenance	12,743	3,700	-	16,443		
Local Road and Street	282,302	1,040,071	1,197,715	124,658		
County Health	206,459	479,728	321,345	364,842		
Tobacco Prevention and Cessation	15,786	15,063	28,126	2,723		
Tobacco Master Settlement	7,895	21,004	26,053	2,846		
Gibson Co Safe Kids	732	2,827	2,313	1,246		
Local Health Maintenance	83,285	49,587	43,546	89,326		
Bio Terrorism	17,897	42,500	55,204	5,193		
Health Fair	1,443	-	152	1,291		
Travel Vaccine	1,439	11,231	8,921	3,749		
Family and Children	663,482	2,634,971	2,355,468	942,985		
Welfare CPRTS	86,977	242,108	110,366	218,719		

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

GIBSON 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, 2008  
(Continued)

	Cash and Investments		Cash and Investments	
	01-01-08	Receipts	Disbursements	12-31-08
Governmental Funds (continued):				
Scott Ditch	9,187	36,004	26,472	18,719
Hull Ditch	7,138	3,975	25	11,088
Maumee Ditch	16,763	30,338	44,299	2,802
Stormont Ditch	16,999	37,307	19,619	34,687
Wabash Ditch	84,226	62,213	60,811	85,628
Black River	35,650	44,105	57,706	22,049
Brownfield Grant	7,350	-	-	7,350
EMS Education, Training, Equip	5,780	-	1,375	4,405
Misc Donations	-	25,000	25,000	-
EMA Search & Recovery canine	819	370	344	845
HSsP - GIS	-	17,357	17,357	-
Accident Report	1,047	6,397	6,767	677
Firearms Training	5,048	13,890	14,192	4,746
Operation Pullover	18	6,334	4,336	2,016
Operations T.I.P.	7,701	20,658	26,135	2,224
Evidence Collection	7,053	-	6,388	665
Drug Enforcement	15,000	15,000	18,794	11,206
County Corrections Fund	-	286,665	261,482	25,183
D.A.R.E.	6,420	5,267	4,648	7,039
Civil Process Server (COPS More)	1,176	1,994	-	3,170
County Medical Care of Inmates	741	10,175	9,983	933
Sheriff's Canine	8,987	2,148	9,626	1,509
County Drug Free Community	35,177	21,855	-	57,032
Law Enforcement Continuing Ed.	60,467	11,006	7,294	64,179
Coroner Mobile Response Unit	2,829	2,000	2,884	1,945
Emergency Telephone System (911)	132,229	310,087	304,886	137,430
Local Emergency Planning	6,102	-	-	6,102
State Wireless 911	-	20,135	-	20,135
Upper Pigeon Creek Drainage	57,249	211,035	193,201	75,083
Lillard Drainage	23,924	63,104	48,077	38,951
Metz Drainage	4,998	3,571	3,558	5,011
Brownlee Drainage	3,611	4,143	5,371	2,383
Reinhart Drainage	35,180	120,414	126,026	29,568
Robb Drainage	1,654	627	-	2,281
Trippett Drainage	13,414	36,126	34,514	15,026
McMullen Drainage	4,477	1,846	557	5,766
J.C. Moore Drainage	3,074	2,990	5,593	471
Greer Drainage	7,860	30,104	30,001	7,963
Sturgis Drainage	696	506	-	1,202
Miller Drainage	1,329	831	-	2,160
E.S. Farmer Drainage	1,365	600	-	1,965
Toelle Drainage	4,382	6,761	10,831	312
Jail Commissary	169	182,742	182,889	22
Work Release Center Equipment	29,465	-	23,362	6,103
DHS 97.067-074	25	-	25	-
TIF/EDIT Surplus	-	551,531	64,123	487,408
Riverboat Revenue	-	203,875	-	203,875
General Drain Imp.	62,553	100,306	140,766	22,093
Proprietary Fund:				
Employee Benefit Trust	505,663	2,771,415	2,406,165	870,913
Fiduciary Funds:				
Pension Trust Fund:				
Sheriff's Pension Trust	1,797,722	87,905	103,907	1,781,720
Private Purpose Trust Fund:				
Congressional Principal	31,133	124,530	124,530	31,133

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

GIBSON 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, 2008  
(Continued)

	Cash and Investments		Cash and Investments	
	01-01-08	Receipts	Disbursements	12-31-08
Fiduciary Funds (continued):				
Agency Funds:				
Surplus Tax	48,121	143,741	66,995	124,867
Surplus Tax Sale	67,372	-	63,019	4,353
Financial Institution Tax	-	167,239	167,239	-
Personal Property Collection	1,393	531	462	1,462
Excise Surplus	61	699	-	760
County E.D.I.T.	-	3,258,715	3,258,715	-
Payroll Clearing	(55,406)	3,408,318	3,409,089	(56,177)
Coroner's Training & Cont. Ed.	40	2,379	2,331	88
Judges' Retirement	430	-	-	430
City/Town Court Costs	2,389	17,151	-	19,540
Welfare Trust	14,346	500	14,448	398
Education Plate Fees	-	1,350	1,350	-
Congressional Interest	16,752	408	1,260	15,900
Inheritance Tax	437,711	2,404,808	2,328,085	514,434
State Settlement	-	43,424	43,424	-
Taxpayer Rebates	1,188,339	-	1,183,877	4,462
State Homestead Credit	-	2,463,481	2,453,331	10,150
Levy Excess	132,378	-	132,378	-
State Court Fees (See Detail)	11,332	71,325	75,080	7,577
Tax Distribution Funds (Detail)	-	39,372,367	39,372,364	3
Health Dept Fees	3,468	35,915	34,193	5,190
County Sheriff	27,602	1,555,827	1,533,263	50,166
County Recorder	15,622	161,311	162,243	14,690
County Treasurer	463,124	56,772,596	56,928,288	307,432
County Clerk of the Circuit Court	460,643	4,816,734	4,820,963	456,414
Inmate Trust	11,163	215,019	205,852	20,330
Ambulance Service Fees	62,383	1,296,440	1,279,955	78,868
Probation - Superior Court	19,476	242,360	240,609	21,227
Probation - Circuit Court	1,703	64,751	62,991	3,463
Community Corrections	2,515	173,690	176,205	-
County Police Pension	18,382	17,155	34,040	1,497
Sheriff Tax Warrants	12,867	6,537	-	19,404
Totals	<u>\$17,037,513</u>	<u>\$ 173,058,411</u>	<u>\$ 172,582,298</u>	<u>\$ 17,513,626</u>

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

GIBSON 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 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 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.

GIBSON COUNTY  
NOTES TO FINANCIAL INFORMATION  
(Continued)

Note 6. Pension Plan

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.

GIBSON 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.

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 following schedule presents a summary of restated beginning balances by opinion unit.

<u>Opinion Unit</u>	<u>Balance as Reported December 31, 2007</u>	<u>Fund Reclassification</u>	<u>Balance as Restated January 1, 2008</u>
Governmental Funds	\$ 11,984,648	\$ (245,859)	\$ 11,738,789
Agency Funds	2,718,347	245,859	2,964,206

GIBSON COUNTY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 For The Year Ended December 31, 2008

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	\$ 52,850
Infrastructure	13,163,881
Buildings	6,964,765
Machinery and equipment	<u>6,927,175</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 27,108,671</u>

GIBSON COUNTY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 For The Year Ended December 31, 2008

Gibson County has entered into the following debt:

Description of Asset	Ending Balance	Due Within One Year
Governmental activities:		
Capital leases:		
Perimeter road around Toyota	\$ 4,310,000	\$ 445,000
E-911 equipment	224,023	69,656
Loan payable:		
Community corrections building	936,723	299,526
Bonds payable:		
Revenue bonds:		
Infrastructure improvements	<u>41,560,000</u>	<u>1,720,000</u>
Total governmental activities long-term debt	<u>\$ 47,030,746</u>	<u>\$ 2,534,182</u>

GIBSON COUNTY  
OTHER REPORT

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

County Auditor

GIBSON COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on August 26, 2010, with Mary B. Key, Auditor; Robert Townsend, President of the Board of County Commissioners; and Bob Allen, County Council member. Our examination disclosed no material items that warrant comment at this time.