

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

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



FILED
02/25/2011

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Teresa Vannarsdall	01-01-07 to 12-31-14
Treasurer	Iva Gasaway	06-24-08 to 12-31-12
Clerk of the Circuit Court	Frances Satterwhite	01-01-09 to 12-31-12
Sheriff	John C. Lizenby Joseph Daniel McClain	01-01-07 to 12-31-10 01-01-11 to 12-31-14
Recorder	Missy Applegate	01-01-09 to 12-31-12
President of the Board of County Commissioners	Mark Hays Robert C. Tobias Larry Blevins	01-01-09 to 12-31-09 01-01-10 to 12-31-10 01-01-11 to 12-31-11
President of the County Council	Thomas A. Herald Donnie Richie Mike Zollman	01-01-09 to 12-31-09 01-01-10 to 12-31-10 01-01-11 to 12-31-11



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF SCOTT COUNTY, INDIANA

We have examined the financial information presented herein of Scott 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 (Indiana Code 36-8-16) and enhanced wireless emergency telephone fees (Indiana Code 36-8-16.5). In accordance with Indiana Code 36-8-16-14 and Indiana Code 36-8-16.5-41 these fees have been subject 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 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. This schedule 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

January 12, 2011

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, 2009

	Cash and Investments		Cash and Investments	
	01-01-09	Receipts	Disbursements	12-31-09
Governmental Funds:				
General	\$ (182,608)	\$ 5,895,452	\$ 5,586,249	\$ 126,595
County Highway	774,737	1,230,221	1,375,655	629,303
Cumulative Bridge	267,299	77,336	75,070	269,565
Cumulative Building	2,495	25,333	1,650	26,178
Drainage Maintenance	2,291	253	-	2,544
Courthouse Lease Jail Bond	171,837	482,850	506,490	148,197
County Health	10,084	296,569	249,271	57,382
Local Road and Street	228,257	204,204	178,755	253,706
Real Estate Transaction	23,726	-	-	23,726
County Family and Children	36,896	242,346	277,049	2,193
County Drug Free Community	16,222	15,856	16,221	15,857
Supplemental Adult Probation Services	25,939	116,593	149,457	(6,925)
Guardian Ad Litem	10,159	26,176	29,402	6,933
Accident Reports	6,524	1,433	32	7,925
Firearms Training	15,459	12,860	4,389	23,930
Vehicle ID Number Check	1,478	970	2,170	278
Surveyor's Corner Perpetuation	43,561	4,331	5,000	42,892
Tax Increment Financing	169,659	-	169,659	-
Cemetery	2,108	5,114	7,345	(123)
Law Enforcement Prosecuting Attorney	32,175	14,209	13,093	33,291
Operation Pullover	-	4,400	4,294	106
County Law Enforcement Continuing Education	5,123	3,824	452	8,495
Community Corrections Grant	13,444	100,497	113,941	-
Community Corrections	(1,949)	107,268	94,254	11,065
Clerk's Document Storage	6,298	5,220	9,817	1,701
Recorder's Records Perpetuation	24,393	27,337	38,907	12,823
County Corrections Grant	(16,817)	31,549	18,777	(4,045)
Local Health Maintenance	(3,374)	20,000	27,350	(10,724)
Local Emergency Planning and Right to Know	12,307	-	-	12,307
Scott County TIFF District Loan	727,559	391,218	188,647	930,130
Community Corrections Home Detention	71,500	166,023	191,719	45,804
Cumulative Capital Development	3,816	142,014	2,483	143,347
Emergency Telephone System	385,722	394,494	326,705	453,511
Well Child Grant	(23,559)	21,623	1,693	(3,629)
County Alcohol and Drug Program	(236)	57,816	56,957	623
Pretrial Diversion	23,618	17,152	14,157	26,613
Prosecutor IV-D Impact Grant	15,414	-	-	15,414
Well Child User Fees	24,216	-	23,628	588
Children's Psychiatric Residential Treatment	25,150	141,705	166,855	-
Property Reassessment	319,774	123,883	186,825	256,832
Wireless E911	-	86,079	-	86,079
Child Advocacy	250	-	-	250
Supplemental Public Defender	9,237	8,733	-	17,970
SASCO Waste Management	23,134	84,930	81,650	26,414
Covered Bridge Maintenance	13,700	1,850	-	15,550
Jury Pay	4,493	2,499	5,961	1,031
Infraction Deferral Program	19,027	6,820	3,517	22,330
Prosecutor SANE Project	(3,647)	11,837	11,219	(3,029)
Clerk IV-D Incentive New	23,299	9,362	10,277	22,384
Prosecutor IV-D Incentive	23,103	14,173	6,787	30,489
Medicare Cost Adjustment	1	-	-	1
Tobacco Money Grant	133,643	30,894	8,354	156,183
Juvenile Incarceration Block Grant	(1,124)	-	-	(1,124)
County Probation User Fees	10,078	1,112	-	11,190
Finley Township Water Project State Grant	7,250	-	-	7,250
Debt Service Just Property Bond No. 2	112,436	208,330	214,675	106,091
Riverboat Revenue Sharing	-	143,684	143,684	-
Sheriff's CASA Fund	1	-	-	1
County Share Riverboat Revenue Sharing	154,054	6,573	104,422	56,205
Probation Administration Fee	(8,970)	22,673	-	13,703
Bioterrorism	1,360	21,810	19,986	3,184
Homeland Security	2,587	224,688	227,978	(703)
Rainy Day	293,211	197,354	315,756	174,809

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, 2009
(Continued)

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds (continued):				
Prosecutor Violence Against Women Grant	8,931	19,800	7,500	21,231
Scott County Drainage Board User Fees	2,662	-	-	2,662
Ambulance Service	548,250	1,187,410	1,093,921	641,739
County Share Sales Disclosure	18,954	2,380	856	20,478
Real Estate Proceeds	9,783	-	4,494	5,289
Title 3	2,598	-	-	2,598
Emergency Gas Award	350	-	-	350
County ID Security Protection	19,789	8,554	1,411	26,932
Drug Interdiction Office	(21,914)	14,449	70,432	(77,897)
Welfare Drug Testing	429	2,500	2,929	-
Jail Revenue Bond	805,887	858,948	544,839	1,119,996
Sheriff Department Firearms	10	-	-	10
Sheriff's Commissary	43,073	32,608	47,776	27,905
Acquisition Fund	4,441	-	-	4,441
2008 Prosecutor Investigation	4,905	9,023	12,342	1,586
2008 Arson Investigation	1,651	544	638	1,557
2009 H1N1	-	30,370	19,533	10,837
Fiduciary Funds:				
Payroll Funds	(2,562)	3,029,393	3,010,355	16,476
Tax Distribution Funds	26,598	22,764,095	22,777,337	13,356
Sheriff's Pension	1,232,817	196,898	29,393	1,400,322
Congressional Principal	7,717	-	7,717	-
Welfare Trust	7,167	-	7,167	-
Congressional Interest	6,617	218	-	6,835
Surplus Tax	185,230	10,995	182,729	13,496
Tax Sale Redemption	-	96,529	96,529	-
Tax Sale Surplus	96,548	777,018	567,205	306,361
Surplus Dog	348	1,018	-	1,366
Fines and Forfeitures	647	595	1,394	(152)
Overweight Vehicle Fines	-	120	120	-
Inheritance Tax	49,120	322,477	363,286	8,311
Infraction Judgment	21,929	33,604	52,195	3,338
Levy Excess	(60)	-	(60)	-
Users Fee Fund	9,009	213	-	9,222
City/Town Court Costs	-	6,798	-	6,798
Increment Tax	911	-	911	-
Coroner's Education Fund	618	1,267	1,770	115
State Sales Disclosure Fee	3,888	4,750	8,318	320
Education License Plate Fee	-	506	544	(38)
Innkeepers Tax Fund	-	175,580	175,580	-
State Welfare Tax Allocation	-	615,058	615,058	-
Abandoned Vehicle Ordinance Violations	200	-	-	200
Mortgage Fee Fund	1,385	2,182	3,422	145
State Common School	1,228	-	1,228	-
Rosewood Point Bond	12,900	-	-	12,900
Excess COIT/CEDIT Rebate	-	122,695	122,695	-
Child Restraint Infraction	300	525	800	25
Homestead Credit Rebates	-	173	173	-
HEA 1001 Homestead Credit 2008	11,080	243,622	254,077	625
County Treasurer	847,697	22,621,994	22,508,827	960,864
Clerk of the Circuit Court	577,778	2,424,866	2,054,631	948,013
County Cartographer	10	-	-	10
County Prosecutor	15	-	-	15
County Assessor	25	-	-	25
County Recorder	7,229	95,181	95,232	7,178
County Sheriff	27,493	389,780	381,423	35,850
County Health	150	-	-	150
Prosecuting Attorney Bad Check	10,409	15,427	19,948	5,888
Trash Bag Sales	9,200	78,180	83,430	3,950
Redevelopment Trust Account	1	85,550	85,550	1
Scott County EMS	71,545	1,070,244	1,056,382	85,407
Totals	<u>\$ 8,762,806</u>	<u>\$ 68,845,667</u>	<u>\$ 67,640,721</u>	<u>\$ 9,967,752</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 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.

SCOTT 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 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 the plan members for the County Police Retirement Plan are established by state statute.

SCOTT 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 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 the plan members for the County Police Benefit Plan are established by state statute.

Note 7. Subsequent Event

A Community Development Block Grant for the construction of the Lexington sewer project in the amount of \$2,147,412 was approved on February 26, 2010. The total estimated cost of this project is \$2,842,505. A contract for the construction of this project was awarded on October 15, 2010.

SCOTT COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2009

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	\$ 1,960,000	\$ 334,113
Notes and loans payable	37,047	37,895
Bonds payable:		
General obligation bonds:		
2002 general obligation bonds	695,000	218,325
Revenue bonds:		
1998 tax increment revenue bonds	310,000	88,600
2007 ambulance revenue bonds	250,000	80,417
Total governmental activities debt	\$ 3,252,047	\$ 759,350

SCOTT COUNTY
OTHER REPORTS

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

County Auditor
County Treasurer
Clerk of the Circuit Court
Prosecuting Attorney

SCOTT COUNTY
EXIT CONFERENCE

The contents of this report were discussed on January 12, 2011, with Teresa Vannarsdall, Auditor; Larry Blevins, President of the Board of County Commissioners; and Donnie Richie, former President of the County Council. Our examination disclosed no material items that warrant comment at this time.