

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

EXAMINATION REPORT
OF
SPENCER COUNTY, INDIANA
January 1, 2010 to December 31, 2010



FILED
07/21/2011

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	6-7
Supplementary Information: Schedule of Capital Assets.....	8
Schedule of Long-Term Debt	9
Exit Conference.....	10

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Cindy Shelton Donna J. Lynam	01-01-07 to 12-31-10 01-01-11 to 12-31-14
Treasurer	Anita Frakes	01-01-09 to 12-31-12
Clerk	Gay Ann Harney	01-01-09 to 12-31-12
Sheriff	Kermit Lindsey Jr.	01-01-07 to 12-31-14
Recorder	Sharon Dugas	01-01-09 to 12-31-12
President of the Board of County Commissioners	Dan Rininger David Gogel	01-01-10 to 12-31-10 01-01-11 to 12-31-11
President of the County Council	William Spaetti	01-01-10 to 12-31-11



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, 2010 to December 31, 2010. 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, 2010, 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 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 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

June 1, 2011

SPENCER 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, 2010

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
Governmental Funds:				
General	\$ 2,958,528	\$ 6,921,885	\$ 6,443,689	\$ 3,436,724
Highway	758,883	1,844,292	1,811,969	791,206
Community Corrections	9,897	-	-	9,897
Prosecutor's 911 Wireless	29,242	96,470	59,925	65,787
Property Reassessment	724,882	129,551	220,157	634,276
Tobacco Settlement	99,126	16,887	72,264	43,749
County Health	60,646	342,435	241,497	161,584
Health Maintenance	73,720	33,139	19,551	87,308
Local Roads and Streets	50,419	203,552	184,146	69,825
COIT Special Purpose	1,378,738	655,104	262,800	1,771,042
COIT Special Revenue	-	1,142,072	1,142,072	-
Sales Disclosure	275	2,180	2,210	245
Photo ID	40	-	-	40
Riverboat Revenue	215,923	150,076	88,292	277,707
County Law Enforcement Cont. Ed.	774	1,048	949	873
Flu Shot	22,427	31,776	39,135	15,068
SRI Tax Sale	12,806	12,685	26,563	(1,072)
Clerk's Records Perpetuation	11,396	7,469	10,968	7,897
Community Corrections 09/10	49,795	118,623	157,033	11,385
CEDIT Construction	2,755,477	1,600,398	1,001,422	3,354,453
Electronic Map Generation	780	-	-	780
Accident Report	2,480	1,054	338	3,196
Firearms Training	17,425	8,270	7,666	18,029
Surveyor's Corner Perpetuation	39,467	33,544	36,506	36,505
Recorder's Records Perpetuation	113,608	30,179	25,024	118,763
Probation User Fee	79,713	40,561	26,140	94,134
Drug Free Community	23,086	14,050	23,086	14,050
Community Corrections Income	54,921	83,174	36,617	101,478
Drainage Maintenance	111,803	40,105	21,310	130,598
Old Road 45 and 245	432,623	-	-	432,623
Plat Book	24,166	7,346	7,056	24,456
User Fee	75,084	5,652	3,730	77,006
County Corrections	25,313	14,262	19,047	20,528
Child Support Impact Fund	2,971	-	-	2,971
Property Maintenance	2,000	-	975	1,025
Emergency Planning/Right to Know	9,639	6,003	8,097	7,545
E-911	4,108	165,067	144,658	24,517
Community Defense Fund	664	-	-	664
Sex/Violent Offender Reg Fee	2,033	1,360	612	2,781
Pretrial Diversion	80,307	86,952	85,240	82,019
Emergency Management	3,597	326	3,076	847
Search and Rescue	3,526	1,452	2,642	2,336
Inmate Medical	1,450	1,980	2,787	643
Levy Excess	-	53,762	-	53,762
Capital Trial Expense	102,352	3,039	6,366	99,025
Law Enforcement	22,519	15,855	25,886	12,488
Prisoner Reimbursement	6,145	3,516	5,502	4,159
Identification Security Program	32,120	7,540	12,417	27,243
Community Transition 09/10	2,840	-	-	2,840
HAVA Voting System	-	14,001	7,991	6,010
Sheriff's Sale	-	4,984	-	4,984
Drug Court Grant	-	-	1,955	(1,955)
Community Corrections Grant	-	153,225	120,012	33,213
Community Transition	-	1,595	-	1,595
Redevelopment Commission	-	2,023,349	2,023,349	-
Jury Pay	25,009	2,936	-	27,945

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

SPENCER 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, 2010
(Continued)

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
Rainy Day Fund	750,068	192,741	541,083	401,726
Guardian Ad Litem/Court	6,968	-	6,968	-
Covered Bridge	9,692	925	-	10,617
Medical Assistance to Wards	2	-	-	2
Health Care for the Indigent	77	-	-	77
Federal Topics	16,901	-	-	16,901
IVD Clerk	1,104	18,098	16,929	2,273
Prosecutor's Title IV-D #1	3,635	22,345	18,369	7,611
Homestead Credit	-	159,065	159,065	-
PRTC	-	581	581	-
State HSC	(1,755)	152,404	151,161	(512)
ARRA IV-D CLERK	-	6,411	-	6,411
ARRA IV-D Prosecutor	-	6,625	-	6,625
Christian Resource Center Grant	-	26,550	26,550	-
Cumulative Bridge	1,051,212	576,481	576,434	1,051,259
General Drain Improvement	128,826	-	-	128,826
Cumulative Capital Development	335,523	302,416	436,106	201,833
Self Insurance	45119	-	45,119	-
Fiduciary Funds:				
Pension Trust:				
Sheriff's Pension Trust	1,472,332	267,907	79,925	1,660,314
Permanent Fund:				
Congressional Principal	1	48,215	-	48,216
Agency Funds:				
Animal Control	73,707	18,005	70,144	21,568
Coroner's Training and Continuing Ed	-	1,074	994	80
Congressional Interest	54,598	621	49,223	5,996
Surplus Tax	12,267	14,257	16,000	10,524
Tax Sale Redemption	1,244	91,087	85,258	7,073
Surplus Tax Sale	140,470	80,520	172,840	48,150
County Economic Income Tax	-	1,929,139	1,929,139	-
Anderson River	11,121	-	-	11,121
Innkeeper's Tax	10,710	312,636	320,281	3,065
CVET	-	167,292	167,292	-
Excess COIT/CEDIT	-	245,600	245,600	-
Inheritance Tax	162,149	399,346	534,903	26,592
Education Plate Fee	-	656	656	-
Mortgage Fee Fund	223	2,413	2,373	263
Special Death Benefit	145	1,495	1,640	-
Child Restraint Violations	-	75	75	-
4-H Building Maintenance	-	45,099	44,782	317
Sewage Collections	60	12,710	12,710	60
Payment in Lieu of Taxes	-	161	-	161
State Court Fees	2,046	16,447	17,300	1,193
Tax Distribution Funds	-	23,074,756	23,074,756	-
Payroll Funds	6,984	1,916,068	1,825,330	97,722
Jail Commissary Fund	50,680	96,109	89,895	56,894
County Sheriff	20,635	348,027	354,940	13,722
Sheriff's Special Investigations	-	6,430	20	6,410
Clerk of the Circuit Court	817,244	1,903,116	1,858,108	862,252
County Recorder	7,842	101,514	98,090	11,266
County Treasurer	293,375	46,280,507	46,225,080	348,802
Inmate Trust	2,601	67,094	69,164	531
Prosecutor's Bad Check Fee	509	-	509	-
Totals	<u>\$ 16,003,058</u>	<u>\$ 95,047,799</u>	<u>\$ 93,768,119</u>	<u>\$ 17,282,738</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 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.

SPENCER COUNTY
NOTES TO FINANCIAL INFORMATION
(Continued)

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.

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.

SPENCER COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2010

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 completed in the current and prior year have been reported. Infrastructure assets have been reported since January 1, 2004. Retroactive reporting of general infrastructure assets is not required.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 259,560
Infrastructure	101,900,555
Buildings	3,922,218
Machinery and equipment	<u>3,144,386</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 109,226,719</u>

SPENCER COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2010

Spencer County has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Ambulance lease	\$ 56,092	\$ 29,710
Ambulance lease 2010	112,298	31,157
Guaranteed energy savings contract	<u>101,656</u>	<u>69,232</u>
Total governmental activities debt	<u>\$ 270,046</u>	<u>\$ 130,099</u>

SPENCER COUNTY
EXIT CONFERENCE

The contents of this report were discussed on June 1, 2011 with Donna J. Lynam, Auditor, and David Gogel, President of the Board of County Commissioners. Our examination disclosed no material items that warrant comment at this time.