

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

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



FILED

12/21/2011

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of the County Council	Michael L. Jones	01-01-10 to 12-31-11
President of the Board of County Commissioners	Brian L. Morton	01-01-10 to 12-31-11



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

TO: THE OFFICIALS OF SWITZERLAND COUNTY

We have examined the records of the County Council for the period from January 1, 2010 to December 31, 2010, and certify that the records and accountability for cash and other assets are satisfactory to the best of our knowledge and belief, except as stated in the Examination Results and Comments. The financial transactions of this office are reflected in the Annual Report of Switzerland County for the year 2010.

STATE BOARD OF ACCOUNTS

November 7, 2011

COUNTY COUNCIL
SWITZERLAND COUNTY
EXAMINATION RESULTS AND COMMENTS

DISTRIBUTION OF RIVERBOAT FUNDS

The County Council has approved a formula that provides for the distribution of gaming revenue deposited into the Casino Revenue Fund (Riverboat Fund). This formula provides for the distribution of Riverboat Fund to cities, counties, townships, and other entities. The following is a schedule distributions made to other entities during the year 2010.

Entity	Amount
Switzerland County Fire Chief's Corporation	\$ 678,219
Switzerland County Tourism, Convention, and Visitors Commission	229,618
Switzerland County Public Library	41,944
Switzerland County Emergency Services	375,292
Switzerland County YMCA	198,684
Vevay American Legion	22,076
Veteran's of Foreign Wars	22,076
Switzerland County 4-H	83,889
Switzerland County Historical Society	41,944
Total	\$ 1,693,742

Indiana Code 4-33-13-6(b) regarding wagering taxes states in part: "This chapter does not prohibit the . . . county designated as the home dock of the riverboat from entering into agreements with other units of local government . . . to share the . . . county's part of the tax revenue received under this chapter."

Indiana Code 36-1-2-23 states: "Unit's means county, municipality, or township."

No agreements were presented for examination documenting that the above entities were either providing services to the County or that the funds were to be used for cultural, historical, and scientific facilities and programs, and community restitution or service facilities and programs.

Indiana Code 36-10-2-4 states: "A unit may establish, aid, maintain, and operate libraries and museums, cultural, historical, and scientific facilities and programs, and community restitution or service facilities and programs."

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

Governmental funds should not be donated or given to other organizations, individuals, or governmental units unless specifically authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

A similar comment was reported in prior Reports B26873, B29136, B31456, B33545, and B37795.

COUNTY COUNCIL
SWITZERLAND COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

DONATIONS

The County Council authorized payments to the following entities from the Casino Revenue (Riverboat Fund) during the year 2010:

Entity	Amount
Switzerland County Tourism, Convention, and Visitors Commission	\$ 56,152
LifeTime Resources	15,000
Swiss Wine Festival	23,000
Switzerland County Salvation Army	7,000
Relay for Life	5,000
Vevay Mainstreet	7,000
Switzerland County After Prom	2,000
Historic Vevay Indiana	15,000
Antique Tractor Club	3,000
Purdue University	10,000
YMCA Debt (1)	600,000
 Total	 \$ 743,152

Note to Schedule: (1) Payments on debt were made to United States Department of Agriculture Rural Development.

No agreements were presented for examination documenting that the above entities were either providing services to the County or that the funds were to be used for cultural, historical, and scientific facilities and programs, or community restitution and service facilities and programs.

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COUNTY COUNCIL
SWITZERLAND COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

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A similar comment was reported in prior Reports B29136, B31456, 33545 and B37795.

COUNTY COUNCIL
SWITZERLAND COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

PAYMENTS ON BEHALF OF REGIONAL SEWER DISTRICT

The County Council authorized the payment of debt service on behalf of the East Enterprise Regional Sewer District (Sewer District) in the amount of \$355,567 and the direct payment of Sewer District expenses in the amount of \$6,335 from the Casino Revenue Fund (Riverboat Fund) during the year 2010. The Sewer District is operational. Switzerland County officials did not present for examination the statutory authority to pay expenditures on behalf of a regional sewer district.

Indiana Code 13-26-7-2 states:

"A local, state, or federal agency or person may advance or give district money to be used by the district for the following purposes:

- (1) The preparation of a plan for the operation of the district.
- (2) Other purposes of the district until the district is in receipt of revenue from its operations or proceeds from the sale of bonds."

Governmental funds should not be donated or given to other organizations, individuals, or governmental units unless specifically authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Counties, Chapter 1)

DONATION TO COMMUNITY FOUNDATION

The County Council authorized gaming revenue deposited in the Riverboat Fund to be paid as follows to the Switzerland County Community Foundation (Foundation) during the year 2010:

1. A total of \$83,889 to pay for operating expenses of the Foundation. Switzerland County officials did not present for examination the statutory authority to pay operating expenditures on behalf of a community foundation.

Governmental funds should not be donated or given to other organizations, individuals, or governmental units unless specifically authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Counties, Chapter 1)

2. A total of \$41,944 to pay for the cost of infrastructure programs in the unincorporated area called Florence. No documentation was presented for examination showing the Foundation was required to hold the donation as a permanent endowment.

Indiana Code 36-1-14-1(c) states in part:

". . . a unit may donate . . . gaming revenue to a foundation under the following conditions . . . The foundation agrees to do the following:

- (A) Hold the donation as a permanent endowment.
- (B) Distribute the income from the donation only to the unit as directed by resolution of the fiscal body of the unit. . . ."

A similar comment was reported in prior Reports B29136, B31456, B33454, and B37795.

COUNTY COUNCIL
SWITZERLAND COUNTY
EXIT CONFERENCE

The contents of this report were discussed on November 7, 2011, with Gayle A. Rayles, Auditor; Michael L. Jones, President of the County Council; and Brian L. Morton, President of the Board of County Commissioners.