

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

EXAMINATION REPORT
OF
COUNTY COUNCIL
SWITZERLAND COUNTY, INDIANA
January 1, 2011 to December 31, 2011



FILED
02/08/2013

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of the County Council	Michael L. Jones	01-01-11 to 12-31-13
President of the Board of County Commissioners	Brian L. Morton Mark Lohide	01-01-11 to 12-31-12 01-01-13 to 12-31-13



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF SWITZERLAND COUNTY

We have examined the records of the County Council for the period from January 1, 2011 to December 31, 2011, 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 Financial Statement Examination Report of Switzerland County for the year 2011.

STATE BOARD OF ACCOUNTS

December 14, 2012

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 Funds to cities, counties, townships, and other entities. The following is a schedule of distributions made to other entities during the year 2011:

Entity	Amount
Switzerland County Fire Chief's Corporation	\$ 624,370
Switzerland County Tourism, Convention, and Visitors commission	239,423
Switzerland County Public Library	38,140
Switzerland County Emergency Services	366,670
Switzerland Count YMCA	180,663
Vevay American Legion	20,074
Veteran's of Foreign Wars	20,074
Switzerland County 4-H	76,280
Switzerland County Historical Society	38,140
Total	<u>\$ 1,603,834</u>

The County did not present for examination the statutory authority to distribute Riverboat Funds to not for profit organizations that are not a charitable nonprofit community foundation, public school endowment corporation, or public school foundation.

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 revenue under this chapter."

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

In addition, no agreements were presented for examination to determine whether the payments were for services or to aid organizations operating programs or facilities authorized by Indiana Code 36-10-2-4 and Indiana Code 36-10-2-5.

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)

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."

Indiana Code 36-10-2-5 states: "A unit may establish, aid, maintain, and operate neighborhood centers, community centers, civic centers, convention centers, auditoriums, arenas, and stadiums."

COUNTY COUNCIL
SWITZERLAND COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

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, B37795, and B39965.

DONATIONS

The County Council authorized payments to the following entities from the Casino Revenue Fund (Riverboat Fund) during the year 2011:

Entity	Amount
Swiss Wine Festival	\$ 20,000
Relay For Life	6,250
Historic Vevay Indiana	15,000
Antique Tractor Club	3,000
Switzerland County Emergency Services	60,000
Region 15 Child Advocacy Center	7,000
Switzerland County Public Library	26,921
Switzerland County Boys and Girls Basketball	200
YMCA Debt (1)	600,000
 Total	 \$ 738,371

Note to Schedule:

- (1) Payment on debt was made to United States Department of Agriculture Rural Development.

No agreements were presented for examination to determine whether the payments were for services or to aid organizations operating programs or facilities authorized by Indiana Code 36-10-2-4 and Indiana Code 36-10-2-5.

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)

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 or programs."

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COUNTY COUNCIL
SWITZERLAND COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

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 B29136, B31456, B33545, B37795, and B39965.

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 2011:

1. A total of \$76,280 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 organization, individuals, or governmental units unless specifically authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

2. A total of \$38,140 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:
. . . (3) 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, B33545, B37795, and B39965.

COUNTY COUNCIL
SWITZERLAND COUNTY
EXIT CONFERENCE

The contents of this report were discussed on December 14, 2012, with Michael L. Jones, President of the County Council; Gayle A. Rayles, County Auditor; and Brian L. Morton, President of the Board of County Commissioners. The officials concurred with our audit findings.