

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF
SWITZERLAND COUNTY, INDIANA
January 1, 2013 to December 31, 2013



FILED
06/05/2015

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Gayle A. Rayles	01-01-11 to 12-31-18
County Treasurer	Vickie James	01-01-13 to 12-31-16
Clerk of the Circuit Court	Kimberly A. Hambrick Gayle Sullivan	01-01-11 to 12-31-14 01-01-15 to 12-31-18
County Sheriff	Roy A. Leap Nathan E. Hughes	01-01-11 to 12-31-14 01-01-15 to 12-31-18
County Recorder	Darla McAlister	01-01-13 to 12-31-16
President of the Board of County Commissioners	Mark Lohide Steve Lyons	01-01-13 to 12-31-13 01-01-14 to 12-31-15
President of the County Council	Michael L. Jones Glenn Scott	01-01-13 to 12-31-14 01-01-15 to 12-31-15



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF SWITZERLAND COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of Switzerland County (County), which comprises the financial position and results of operations for the year ended December 31, 2013, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 of the financial statement, the County prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the County for the year ended December 31, 2013.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the County for the year ended December 31, 2013, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated March 16, 2015, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

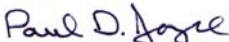
Accompanying Information

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the County's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Our audit was conducted for the purpose of forming an opinion on the County's financial statement. The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.


Paul D. Joyce, CPA
State Examiner

March 16, 2015



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

TO: THE OFFICIALS OF SWITZERLAND COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of Switzerland County (County), which comprises the financial position and results of operations for the year ended December 31, 2013, and the related notes to the financial statement, and have issued our report thereon dated March 16, 2015, wherein we noted the County followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2013-001 and 2013-002 to be material weaknesses.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
(Continued)

Compliance and Other Matters

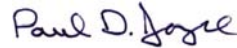
As part of obtaining reasonable assurance about whether the County's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2013-001.

Switzerland County's Response to Findings

The County's response to the findings identified in our audit is described in the accompanying Corrective Action Plans. The County's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

March 16, 2015

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

The financial statement and accompanying notes were approved by management of the County. The financial statement and notes are presented as intended by the County.

SWITZERLAND COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended December 31, 2013

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13
After Settlement Collections	\$ 192,020	\$ 205,001	\$ 192,020	\$ 205,001
Sheriff's Inmate Trust	631	37,806	38,032	405
Jail Commissary	23,588	53,075	56,503	20,160
Clerk's Trust	151,718	684,484	707,180	129,022
General	(189,832)	4,900,791	4,211,024	499,935
Accident Report	2,076	951	-	3,027
Campaign Finance Enforcement - County	66	-	-	66
City and Town Court Costs	5,236	1,991	5,236	1,991
Clerk's Records Perpetuation	4,147	2,396	78	6,465
COIT County Distributive Shares	-	1,229,386	1,223,203	6,183
Sales Disclosure - County Share	11,271	1,295	-	12,566
Cumulative Bridge	131,581	277,631	234,415	174,797
Cumulative Capital Improvement	39,334	86,701	86,034	40,001
Drug Free Community	12,758	6,436	10,559	8,635
Emergency Planning/LEPC	5,342	-	1,032	4,310
Extradition	300	-	-	300
Firearms Training	5,111	6,870	3,142	8,839
Health	71,567	192,906	267,613	(3,140)
Identification Security Protection	22,942	949	206	23,685
Local Health Maintenance	98,266	33,797	21,294	110,769
Local Road and Street	(1,532)	91,697	66,768	23,397
Misdemeanant	27,839	7,050	-	34,889
County Highway	50,808	1,057,312	999,912	108,208
Rainy Day	146,800	-	-	146,800
Reassessment - 2015	175,426	117,381	33,739	259,068
Recorder's Records Perpetuation	31,504	13,039	8,300	36,243
Riverboat	1,015,301	5,801,091	6,092,395	723,997
Sex and Violent Offender Administration	2,011	1,210	-	3,221
Supplemental Public Defender Services	15,233	76,940	15,278	76,895
Surplus Tax	59	3,939	3,963	35
Surveyor's Corner Perpetuation	5,341	2,365	-	7,706
Tax Sale Fees	9,798	13,672	13,053	10,417
Tax Sale Redemption	(46)	28,118	25,130	2,942
Tax Sale Surplus	103,173	165,645	106,782	162,036
Local Health Department Trust Account	34,498	6,702	3,957	37,243
Vehicle Inspection	10,514	205	-	10,719
GAL/CASA	3,061	15,317	16,716	1,662
Auditors Ineligible Deductions	7,041	2,016	604	8,453
County Elected Officials Training	1,251	949	30	2,170
Statewide 911	38,944	164,817	157,466	46,295
Adult Probation Administrative	8,489	22,319	21,528	9,280
Juvenile Probation Administrative	2,705	-	-	2,705
County User Fee	24,298	1,467	1,349	24,416
Health Clinic	271,964	165,467	227,670	209,761
Payroll Withholding - Insurance	5,974	179,716	179,716	5,974
Payroll Withholding - Deferred Compensation	-	61,871	61,871	-
Payroll Withholding - Federal	-	343,417	343,417	-
Payroll Withholding - FICA & Medicare	-	436,840	436,840	-
Payroll Withholding - Local Tax	-	32,394	32,394	-
Payroll Withholding - Sheriff Pension	-	15,283	15,283	-
Payroll Withholding - State	-	118,340	118,340	-
Payroll Withholding - Uniforms	-	3,242	3,242	-
Payroll Withholding - Wage Garnishments	1	18,682	18,683	-
Settlement	-	6,748,314	6,748,314	-
CVET Agency	76	6,973	7,049	-
Financial Institution Tax	(76)	22,384	22,308	-
HEA 1001 State Homestead Credit	11	-	-	11
State Fines and Forfeitures	3,426	13,721	14,476	2,671
Infraction Judgements	707	3,473	3,894	286
Sales Disclosure - State Share	110	1,290	1,345	55
Coroners Training & Con't Education	40	599	611	28
Interstate Compact - State Share	-	750	625	125
Mortgage Recording Fees - State Share	115	1,183	1,220	78

The notes to the financial statement are an integral part of this statement.

SWITZERLAND COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13
DLGF Homestead Property Database	-	2	2	-
Inheritance Tax	91,927	676	92,602	1
Education Plate Fees Agency	-	56	56	-
Riverboat Revenue Sharing	2,607,418	9,975,363	10,593,703	1,989,078
Innkeepers Tax Collections	79,551	260,410	259,530	80,431
COIT Distribution	-	1,327,018	1,327,018	-
93.563 Prosecutor PCA	230	349	345	234
93.563 ARRA Clerk IV-D Incentive	174	-	174	-
93.563 Title IV-D Incentive	7,644	3,201	-	10,845
93.563 Prosecutor IV-D Incentive-Post Oct '99	18,870	4,822	627	23,065
93.563 Clerk IV-D Incentive-Post Oct '99	12,933	3,201	4,900	11,234
Pretrial Diversion	35,730	4,290	7,542	32,478
Cemetery Board	305	26,412	26,019	698
Food Pantry Donations	9,933	500	2,831	7,602
County Road Ordinance	517	-	-	517
Belterra Casino	5,665	333,294	333,112	5,847
Title 3 - Voting	13,034	-	-	13,034
City Ordinance	132	-	-	132
Infraction Deferral	35,069	770	-	35,839
Sheriff Service of Process	4,040	2,860	4,040	2,860
Spay/Neuter Program / County	178	10,033	10,053	158
Spay/Neuter Program / Animal Shelter	1,254	5,834	2,333	4,755
County Medical Center Operating	114,538	32,259	31,893	114,904
Extension/Administration Bldg	16,719	3	16,722	-
Co Technology/Education Center	2,155	59,065	58,465	2,755
County Parks & Recreation / Donations	3,139	4,778	3,103	4,814
Blair Bldg. Proceeds	77,774	-	-	77,774
County Food Pantry	-	10,000	8,736	1,264
Cemetery Interest	2,130	-	-	2,130
Family & Children	695	-	-	695
Probation Admin Fees	37,038	8,924	10,000	35,962
Senior Citizen Center / JSSC	4,571	43,635	45,585	2,621
P/R W/H United Way Donations	-	130	130	-
P/R W/H - Great Western	263	37,193	37,193	263
P/R W/H - Political Contributions	-	408	408	-
P/R W/H - Credit Union	-	37,023	37,023	-
P/R W/H - Medicare	-	99,241	99,241	-
2009 SHSP Training/Exercise Fed Grant	301	-	-	301
2010 SHSP District Allocation Fed Grant	(44,220)	243,047	198,827	-
Inmate Medical Trust	1,915	405	70	2,250
Redevelopment Commission	390,225	169,504	248,436	311,293
2011 SHSP Regional Collaboration Grant	(72,633)	109,558	36,925	-
IN Breast Cancer Awareness Trust Fnd	815	4,582	4,302	1,095
Markland Park Grant Fund	9,159	-	9,122	37
101 HAVA (Voting)	344	-	344	-
Vevay-Switz Co Grant / Sheriff	1,250	-	-	1,250
Parks & Recreation / VSCF Grant	5,000	3,500	8,313	187
Parks & Recreation / Comm. Fnd Grant	2,036	-	-	2,036
Danglade / Animal Shelter Grant	2,239	550	-	2,789
VSCF / Indigent Meds Grant	-	5,000	2,600	2,400
2011 SHSP DP Discretionary	-	49,157	49,157	-
2012 EMPG Competitive Grant	-	4,054	4,054	-
2112 DRTF Equipment Grant	-	20,785	27,127	(6,342)
2012 Training & Exercise Grant	-	895	64,705	(63,810)
2011 District Admin. Grant	-	17,084	17,085	(1)
2011 Critical Infrastructure Grant	-	15,000	15,000	-
SHSP District Allocation Grant	-	4,046	32,302	(28,256)
2012 Foundation Grant	-	-	4,000	(4,000)
Jury Pay	18,876	747	-	19,623
Development/Interlocal Agree. Dist	-	679,842	679,842	-
Wastewater Utility Operation	(10,076)	43,055	22,296	10,683
Totals	\$ 6,071,843	\$ 37,152,217	\$ 37,299,732	\$ 5,924,328

The notes to the financial statement are an integral part of this statement.

SWITZERLAND COUNTY
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The County was established under the laws of the State of Indiana. The County operates under a Council-Commissioner form of government and provides some or all of 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.

The accompanying financial statement presents the financial information for the County.

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the County.

Licenses and permits which include amounts received from businesses, occupations, or nonbusinesses that must be licensed before doing business within the government's jurisdiction or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include: peddler licenses, dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

SWITZERLAND COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the County.

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Fines and forfeits which include receipts derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Utility fees which are comprised mostly of charges for current services.

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service principal and interest which include fixed obligations resulting from financial transactions previously entered into by the County. It includes all expenditures for the reduction of the principal and interest of the County's general obligation indebtedness.

SWITZERLAND COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Utility operating expenses which include all outflows for operating the utilities.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

The County may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the County. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the County. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the County submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the County in June and December; however, situations can arise which would delay the distributions. 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 percent 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 normally become delinquent if not paid by May 10 and November 10, respectively.

SWITZERLAND COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be 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 statutes authorize 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 5. Risk Management

The County may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the County to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

Note 6. Pension Plans

A. County Police Retirement Plan

Plan Description

The County Police Retirement Plan 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. Funds designated for payments related to this plan are accounted for in a pension trust fund. The activity of this trust fund has not been reflected in the financial statement. 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

The contribution requirements of plan members for the County Police Retirement Plan are established by state statute.

SWITZERLAND COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

B. County Police Benefit Plan

Plan Description

The County Police Benefit Plan 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. Funds designated for payments related to this plan are accounted for in a pension trust fund. The activity of this trust fund has not been reflected in the financial statement. 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

The contribution requirements of plan members for the County Police Benefit Plan are established by state statute.

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. The Health fund cash balance deficit is a result of revenue being less than anticipated for the year. The cash balance deficits for the remaining funds are a result of the funds being set up for reimbursable grants. The reimbursements for expenditures made by the County were not received by December 31, 2013.

SUPPLEMENTARY INFORMATION - UNAUDITED

For additional financial information, the County's Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Annual Report of the County which is referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The supplementary information presented was approved by management of the County. It is presented as intended by the County.

SWITZERLAND COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013

	After Settlement Collections	Sheriff's Inmate Trust	Jail Commissary	Clerk's Trust	General	Accident Report	Campaign Finance Enforcement - County
Cash and investments - beginning	\$ 192,020	\$ 631	\$ 23,588	\$ 151,718	\$ (189,832)	\$ 2,076	\$ 66
Receipts:							
Taxes	-	-	-	-	1,528,015	-	-
Licenses and permits	-	-	-	-	10,174	-	-
Intergovernmental	-	-	-	-	130,256	-	-
Charges for services	-	-	-	-	307,718	951	-
Fines and forfeits	-	-	-	-	38,034	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	205,001	37,806	53,075	684,484	2,886,594	-	-
Total receipts	205,001	37,806	53,075	684,484	4,900,791	951	-
Disbursements:							
Personal services	-	-	-	-	3,331,756	-	-
Supplies	-	-	-	-	75,351	-	-
Other services and charges	-	-	-	-	677,484	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	7,590	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	192,020	38,032	56,503	707,180	118,843	-	-
Total disbursements	192,020	38,032	56,503	707,180	4,211,024	-	-
Excess (deficiency) of receipts over disbursements	12,981	(226)	(3,428)	(22,696)	689,767	951	-
Cash and investments - ending	\$ 205,001	\$ 405	\$ 20,160	\$ 129,022	\$ 499,935	\$ 3,027	\$ 66

SWITZERLAND COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	City and Town Court Costs	Clerk's Records Perpetuation	COIT County Distributive Shares	Sales Disclosure - County Share	Cumulative Bridge	Cumulative Capital Improvement	Drug Free Community
Cash and investments - beginning	\$ 5,236	\$ 4,147	\$ -	\$ 11,271	\$ 131,581	\$ 39,334	\$ 12,758
Receipts:							
Taxes	-	-	1,228,894	-	229,127	76,376	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	18,794	6,265	-
Charges for services	1,991	2,396	-	1,295	-	-	-
Fines and forfeits	-	-	-	-	-	-	6,436
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	492	-	29,710	4,060	-
Total receipts	1,991	2,396	1,229,386	1,295	277,631	86,701	6,436
Disbursements:							
Personal services	-	-	855,786	-	-	-	-
Supplies	-	-	139,395	-	19,785	-	-
Other services and charges	-	-	222,773	-	23,937	74,243	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	4,378	-	190,693	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	5,236	78	871	-	-	11,791	10,559
Total disbursements	5,236	78	1,223,203	-	234,415	86,034	10,559
Excess (deficiency) of receipts over disbursements	(3,245)	2,318	6,183	1,295	43,216	667	(4,123)
Cash and investments - ending	\$ 1,991	\$ 6,465	\$ 6,183	\$ 12,566	\$ 174,797	\$ 40,001	\$ 8,635

SWITZERLAND COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	Emergency Planning/LEPC	Extradition	Firearms Training	Health	Identification Security Protection	Local Health Maintenance	Local Road and Street
Cash and investments - beginning	\$ 5,342	\$ 300	\$ 5,111	\$ 71,567	\$ 22,942	\$ 98,266	\$ (1,532)
Receipts:							
Taxes	-	-	-	126,968	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	10,415	-	33,139	91,697
Charges for services	-	-	6,870	17,292	949	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	-	38,231	-	658	-
Total receipts	-	-	6,870	192,906	949	33,797	91,697
Disbursements:							
Personal services	-	-	-	215,604	-	6,803	-
Supplies	-	-	3,142	2,453	-	14,491	66,768
Other services and charges	846	-	-	26,688	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	186	-	-	22,868	206	-	-
Total disbursements	1,032	-	3,142	267,613	206	21,294	66,768
Excess (deficiency) of receipts over disbursements	(1,032)	-	3,728	(74,707)	743	12,503	24,929
Cash and investments - ending	\$ 4,310	\$ 300	\$ 8,839	\$ (3,140)	\$ 23,685	\$ 110,769	\$ 23,397

SWITZERLAND COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	Misdemeanant	County Highway	Rainy Day	Reassessment - 2015	Recorder's Records Perpetuation	Riverboat	Sex and Violent Offender Administration
Cash and investments - beginning	\$ 27,839	\$ 50,808	\$ 146,800	\$ 175,426	\$ 31,504	\$ 1,015,301	\$ 2,011
Receipts:							
Taxes	-	-	-	108,483	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	1,034,590	-	8,898	-	5,564,706	-
Charges for services	7,050	-	-	-	13,039	-	1,210
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	22,722	-	-	-	236,385	-
Total receipts	7,050	1,057,312	-	117,381	13,039	5,801,091	1,210
Disbursements:							
Personal services	-	678,958	-	161	-	95	-
Supplies	-	217,714	-	3,809	6,100	38,519	-
Other services and charges	-	75,497	-	29,769	2,200	394,044	-
Debt service - principal and interest	-	-	-	-	-	1,097,937	-
Capital outlay	-	27,743	-	-	-	1,000,194	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	3,561,606	-
Total disbursements	-	999,912	-	33,739	8,300	6,092,395	-
Excess (deficiency) of receipts over disbursements	7,050	57,400	-	83,642	4,739	(291,304)	1,210
Cash and investments - ending	\$ 34,889	\$ 108,208	\$ 146,800	\$ 259,068	\$ 36,243	\$ 723,997	\$ 3,221

SWITZERLAND COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	Supplemental Public Defender Services	Surplus Tax	Surveyor's Corner Perpetuation	Tax Sale Fees	Tax Sale Redemption	Tax Sale Surplus	Local Health Department Trust Account
Cash and investments - beginning	\$ 15,233	\$ 59	\$ 5,341	\$ 9,798	\$ (46)	\$ 103,173	\$ 34,498
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	6,702
Charges for services	-	-	2,365	13,672	-	-	-
Fines and forfeits	8,431	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	68,509	3,939	-	-	28,118	165,645	-
Total receipts	76,940	3,939	2,365	13,672	28,118	165,645	6,702
Disbursements:							
Personal services	-	-	-	-	-	-	323
Supplies	-	-	-	-	-	-	1,790
Other services and charges	15,278	-	-	11,029	-	-	1,722
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	3,963	-	2,024	25,130	106,782	122
Total disbursements	15,278	3,963	-	13,053	25,130	106,782	3,957
Excess (deficiency) of receipts over disbursements	61,662	(24)	2,365	619	2,988	58,863	2,745
Cash and investments - ending	\$ 76,895	\$ 35	\$ 7,706	\$ 10,417	\$ 2,942	\$ 162,036	\$ 37,243

SWITZERLAND COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	Vehicle Inspection	GAL/CASA	Auditors Ineligible Deductions	County Elected Officials Training	Statewide 911	Adult Probation Administrative	Juvenile Probation Administrative
Cash and investments - beginning	\$ 10,514	\$ 3,061	\$ 7,041	\$ 1,251	\$ 38,944	\$ 8,489	\$ 2,705
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	3,317	-	-	-	-	-
Charges for services	205	-	2,016	949	164,817	20,979	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	12,000	-	-	-	1,340	-
Total receipts	205	15,317	2,016	949	164,817	22,319	-
Disbursements:							
Personal services	-	16,716	-	-	90,395	12,425	-
Supplies	-	-	604	-	-	1,009	-
Other services and charges	-	-	-	-	67,071	5,849	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	2,245	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	30	-	-	-
Total disbursements	-	16,716	604	30	157,466	21,528	-
Excess (deficiency) of receipts over disbursements	205	(1,399)	1,412	919	7,351	791	-
Cash and investments - ending	\$ 10,719	\$ 1,662	\$ 8,453	\$ 2,170	\$ 46,295	\$ 9,280	\$ 2,705

SWITZERLAND COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	County User Fee	Health Clinic	Payroll Withholding - Insurance	Payroll Withholding - Deferred Compensation	Payroll Withholding - Federal	Payroll Withholding - FICA & Medicare	Payroll Withholding - Local Tax
Cash and investments - beginning	\$ 24,298	\$ 271,964	\$ 5,974	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	1,467	165,467	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	179,716	61,871	343,417	436,840	32,394
Total receipts	1,467	165,467	179,716	61,871	343,417	436,840	32,394
Disbursements:							
Personal services	-	141,015	-	-	-	-	-
Supplies	-	6,825	-	-	-	-	-
Other services and charges	-	72,284	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	3,682	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	1,349	3,864	179,716	61,871	343,417	436,840	32,394
Total disbursements	1,349	227,670	179,716	61,871	343,417	436,840	32,394
Excess (deficiency) of receipts over disbursements	118	(62,203)	-	-	-	-	-
Cash and investments - ending	\$ 24,416	\$ 209,761	\$ 5,974	\$ -	\$ -	\$ -	\$ -

SWITZERLAND COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	Payroll Withholding - Sheriff Pension	Payroll Withholding - State	Payroll Withholding - Uniforms	Payroll Withholding - Wage Garnishments	Settlement	CVET Agency	Financial Institution Tax
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 1	\$ -	\$ 76	\$ (76)
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	15,283	118,340	3,242	18,682	6,748,314	6,973	22,384
Total receipts	15,283	118,340	3,242	18,682	6,748,314	6,973	22,384
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	15,283	118,340	3,242	18,683	6,748,314	7,049	22,308
Total disbursements	15,283	118,340	3,242	18,683	6,748,314	7,049	22,308
Excess (deficiency) of receipts over disbursements	-	-	-	(1)	-	(76)	76
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

SWITZERLAND COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	HEA 1001 State Homestead Credit	State Fines and Forfeitures	Infraction Judgements	Sales Disclosure - State Share	Coroners Training & Con't Education	Interstate Compact - State Share	Mortgage Recording Fees - State Share
Cash and investments - beginning	\$ 11	\$ 3,426	\$ 707	\$ 110	\$ 40	\$ -	\$ 115
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	1,290	599	-	1,183
Fines and forfeits	-	13,721	3,473	-	-	750	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	13,721	3,473	1,290	599	750	1,183
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	14,476	3,894	1,345	611	625	1,220
Total disbursements	-	14,476	3,894	1,345	611	625	1,220
Excess (deficiency) of receipts over disbursements	-	(755)	(421)	(55)	(12)	125	(37)
Cash and investments - ending	\$ 11	\$ 2,671	\$ 286	\$ 55	\$ 28	\$ 125	\$ 78

SWITZERLAND COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	DLGF Homestead Property Database	Inheritance Tax	Education Plate Fees Agency	Riverboat Revenue Sharing	Innkeepers Tax Collections	COIT Distribution	93.563 Prosecutor PCA
Cash and investments - beginning	\$ -	\$ 91,927	\$ -	\$ 2,607,418	\$ 79,551	\$ -	\$ 230
Receipts:							
Taxes	-	-	-	-	260,410	-	-
Licenses and permits	-	-	56	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	2	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	676	-	9,975,363	-	1,327,018	349
Total receipts	2	676	56	9,975,363	260,410	1,327,018	349
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	345
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	2	92,602	56	10,593,703	259,530	1,327,018	-
Total disbursements	2	92,602	56	10,593,703	259,530	1,327,018	345
Excess (deficiency) of receipts over disbursements	-	(91,926)	-	(618,340)	880	-	4
Cash and investments - ending	\$ -	\$ 1	\$ -	\$ 1,989,078	\$ 80,431	\$ -	\$ 234

SWITZERLAND COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	93.563 ARRA Clerk IV-D Incentive	93.563 Title IV-D Incentive	93.563 Prosecutor IV-D Incentive-Post Oct '99	93.563 Clerk IV-D Incentive-Post Oct '99	Pretrial Diversion	Cemetery Board	Food Pantry Donations
Cash and investments - beginning	\$ 174	\$ 7,644	\$ 18,870	\$ 12,933	\$ 35,730	\$ 305	\$ 9,933
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	4,290	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	3,201	4,822	3,201	-	26,412	500
Total receipts	-	3,201	4,822	3,201	4,290	26,412	500
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	7,542	26,019	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	174	-	627	4,900	-	-	2,831
Total disbursements	174	-	627	4,900	7,542	26,019	2,831
Excess (deficiency) of receipts over disbursements	(174)	3,201	4,195	(1,699)	(3,252)	393	(2,331)
Cash and investments - ending	\$ -	\$ 10,845	\$ 23,065	\$ 11,234	\$ 32,478	\$ 698	\$ 7,602

SWITZERLAND COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	County Road Ordinance	Belterra Casino	Title 3 - Voting	City Ordinance	Infraction Deferral	Sheriff Service of Process	Spay/Neuter Program / County
Cash and investments - beginning	\$ 517	\$ 5,665	\$ 13,034	\$ 132	\$ 35,069	\$ 4,040	\$ 178
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	2,860	-
Fines and forfeits	-	-	-	-	770	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	333,294	-	-	-	-	10,033
Total receipts	-	333,294	-	-	770	2,860	10,033
Disbursements:							
Personal services	-	333,112	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	10,053
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	4,040	-
Total disbursements	-	333,112	-	-	-	4,040	10,053
Excess (deficiency) of receipts over disbursements	-	182	-	-	770	(1,180)	(20)
Cash and investments - ending	\$ 517	\$ 5,847	\$ 13,034	\$ 132	\$ 35,839	\$ 2,860	\$ 158

SWITZERLAND COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	Spay/Neuter Program / Animal Shelter	County Medical Center Operating	Extension/ Administration Bldg	Co Technology/ Education Center	County Parks & Recreation / Donations	Blair Bldg. Proceeds	County Food Pantry
Cash and investments - beginning	\$ 1,254	\$ 114,538	\$ 16,719	\$ 2,155	\$ 3,139	\$ 77,774	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	5,834	32,259	-	4,065	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	3	55,000	4,778	-	10,000
Total receipts	5,834	32,259	3	59,065	4,778	-	10,000
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	780	-	-	-
Other services and charges	-	31,893	176	56,182	-	-	8,736
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	8,176	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	2,333	-	8,370	1,503	3,103	-	-
Total disbursements	2,333	31,893	16,722	58,465	3,103	-	8,736
Excess (deficiency) of receipts over disbursements	3,501	366	(16,719)	600	1,675	-	1,264
Cash and investments - ending	\$ 4,755	\$ 114,904	\$ -	\$ 2,755	\$ 4,814	\$ 77,774	\$ 1,264

SWITZERLAND COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	Cemetery Interest	Family & Children	Probation Admin Fees	Senior Citizen Center / JSSC	P/R W/H United Way Donations	P/R W/H - Great Western	P/R W/H - Political Contributions
Cash and investments - beginning	\$ 2,130	\$ 695	\$ 37,038	\$ 4,571	\$ -	\$ 263	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	3,635	-	-	-
Fines and forfeits	-	-	8,924	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	-	40,000	130	37,193	408
Total receipts	-	-	8,924	43,635	130	37,193	408
Disbursements:							
Personal services	-	-	-	27,468	-	-	-
Supplies	-	-	-	286	-	-	-
Other services and charges	-	-	-	16,496	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	10,000	1,335	130	37,193	408
Total disbursements	-	-	10,000	45,585	130	37,193	408
Excess (deficiency) of receipts over disbursements	-	-	(1,076)	(1,950)	-	-	-
Cash and investments - ending	\$ 2,130	\$ 695	\$ 35,962	\$ 2,621	\$ -	\$ 263	\$ -

SWITZERLAND COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	P/R W/H - Credit Union	P/R W/H - Medicare	2009 SHSP Training/Exercise Fed Grant	2010 SHSP District Allocation Fed Grant	Inmate Medical Trust	Redevelopment Commission	2011 SHSP Regional Collaboration Grant
Cash and investments - beginning	\$ -	\$ -	\$ 301	\$ (44,220)	\$ 1,915	\$ 390,225	\$ (72,633)
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	243,047	-	-	109,558
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	37,023	99,241	-	-	405	169,504	-
Total receipts	37,023	99,241	-	243,047	405	169,504	109,558
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	37,023	99,241	-	198,827	70	248,436	36,925
Total disbursements	37,023	99,241	-	198,827	70	248,436	36,925
Excess (deficiency) of receipts over disbursements	-	-	-	44,220	335	(78,932)	72,633
Cash and investments - ending	\$ -	\$ -	\$ 301	\$ -	\$ 2,250	\$ 311,293	\$ -

SWITZERLAND COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	IN Breast Cancer Awareness Trust Fnd	Markland Park Grant Fund	101 HAVA (Voting)	Vevay-Switz Co Grant / Sheriff	Parks & Recreation / VSCF Grant	Parks & Recreation / Comm. Fnd Grant	Danglade / Animal Shelter Grant
Cash and investments - beginning	\$ 815	\$ 9,159	\$ 344	\$ 1,250	\$ 5,000	\$ 2,036	\$ 2,239
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	4,582	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	-	-	3,500	-	550
Total receipts	4,582	-	-	-	3,500	-	550
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	4,302	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	9,122	344	-	8,313	-	-
Total disbursements	4,302	9,122	344	-	8,313	-	-
Excess (deficiency) of receipts over disbursements	280	(9,122)	(344)	-	(4,813)	-	550
Cash and investments - ending	\$ 1,095	\$ 37	\$ -	\$ 1,250	\$ 187	\$ 2,036	\$ 2,789

SWITZERLAND COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	VSCF / Indigent Meds Grant	2011 SHSP DP Discretionary	2012 EMPG Competitive Grant	2112 DRTF Equipment Grant	2012 Training & Exercise Grant	2011 District Admin. Grant	2011 Critical Infrastructure Grant
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	49,157	4,054	20,785	895	17,084	15,000
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	5,000	-	-	-	-	-	-
Total receipts	5,000	49,157	4,054	20,785	895	17,084	15,000
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	2,600	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	49,157	4,054	27,127	64,705	17,085	15,000
Total disbursements	2,600	49,157	4,054	27,127	64,705	17,085	15,000
Excess (deficiency) of receipts over disbursements	2,400	-	-	(6,342)	(63,810)	(1)	-
Cash and investments - ending	\$ 2,400	\$ -	\$ -	\$ (6,342)	\$ (63,810)	\$ (1)	\$ -

SWITZERLAND COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	SHSP District Allocation Grant	2012 Foundation Grant	Jury Pay	Development/ Interlocal Agree. Dist	Wastewater Utility Operation	Totals
Cash and investments - beginning	\$ -	\$ -	\$ 18,876	\$ -	\$ (10,076)	\$ 6,071,843
Receipts:						
Taxes	-	-	-	-	-	3,558,273
Licenses and permits	-	-	-	-	-	10,230
Intergovernmental	4,046	-	-	679,842	-	8,056,829
Charges for services	-	-	-	-	-	784,423
Fines and forfeits	-	-	747	-	-	85,578
Utility fees	-	-	-	-	17,500	17,500
Other receipts	-	-	-	-	25,555	24,639,384
Total receipts	<u>4,046</u>	<u>-</u>	<u>747</u>	<u>679,842</u>	<u>43,055</u>	<u>37,152,217</u>
Disbursements:						
Personal services	-	-	-	-	-	5,710,617
Supplies	-	-	-	-	-	601,421
Other services and charges	-	-	-	-	4,555	1,867,013
Debt service - principal and interest	-	-	-	-	-	1,097,937
Capital outlay	-	4,000	-	-	-	1,248,701
Utility operating expenses	-	-	-	-	17,741	17,741
Other disbursements	<u>32,302</u>	<u>-</u>	<u>-</u>	<u>679,842</u>	<u>-</u>	<u>26,756,302</u>
Total disbursements	<u>32,302</u>	<u>4,000</u>	<u>-</u>	<u>679,842</u>	<u>22,296</u>	<u>37,299,732</u>
Excess (deficiency) of receipts over disbursements	<u>(28,256)</u>	<u>(4,000)</u>	<u>747</u>	<u>-</u>	<u>20,759</u>	<u>(147,515)</u>
Cash and investments - ending	<u>\$ (28,256)</u>	<u>\$ (4,000)</u>	<u>\$ 19,623</u>	<u>\$ -</u>	<u>\$ 10,683</u>	<u>\$ 5,924,328</u>

SWITZERLAND COUNTY
SCHEDULE OF PAYABLES AND RECEIVABLES
December 31, 2013

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Moorefield-Bennington Sewer District	\$ -	\$ 5,771
Governmental activities	<u>-</u>	<u>116,853</u>
Totals	<u>\$ -</u>	<u>\$ 122,624</u>

SWITZERLAND COUNTY
SCHEDULE OF LEASES AND DEBT
December 31, 2013

Description of Debt		Ending	Principal and
Type	Purpose	Principal	Interest Due
		Balance	Within One
			Year
Governmental activities:			
Revenue bonds	Road improvements sewer project	\$ 2,035,000	\$ 391,044
Loans	Markland Business Park Project 2012	<u>2,710,000</u>	<u>389,500</u>
Totals		<u>\$ 4,745,000</u>	<u>\$ 780,544</u>

SWITZERLAND COUNTY
SCHEDULE OF CAPITAL ASSETS
December 31, 2013

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.

	Ending Balance
Governmental activities:	
Land	\$ 2,878,050
Infrastructure	5,621,151
Buildings	13,398,130
Improvements other than buildings	2,405,177
Machinery, equipment, and vehicles	2,245,973
Books and other	<u>95,000</u>
Total governmental activities	<u>26,643,481</u>
Moorefield-Bennington Sewer District:	
Land	30,000
Improvements other than buildings	<u>800,000</u>
Total Moorefield-Bennington Sewer District	<u>830,000</u>
Total capital assets	<u><u>\$ 27,473,481</u></u>

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

TO: THE OFFICIALS OF SWITZERLAND COUNTY, INDIANA

Report on Compliance for the Major Federal Program

We have audited Switzerland County's (County) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended December 31, 2013. The County's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the County's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on the Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2013.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
(Continued)

Report on Internal Control Over Compliance


Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2013-003 to be material weaknesses.

The County's response to the internal control over compliance findings identified in our audit is described in the accompanying Corrective Action Plan. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

March 16, 2015

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTE

The Schedule of Expenditures of Federal Awards and accompanying note presented were prepared by management of the County. The schedule and note are presented as intended by the County.

SWITZERLAND COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2013

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
DEPARTMENT OF TRANSPORTATION			
Pass-through Indiana Department of Transportation Highway Planning and Construction Cluster Highway Planning and Construction Bridge Inspections	20.205	901532	\$ 26,520
Total for federal grantor agency			26,520
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Pass-through Indiana State Department of Health Public Health Emergency Preparedness Emergency Preparedness Emergency Preparedness	93.069	BPRS 177-1 BRFS-177-75	7,438 13,621
Total for program			21,059
Pass-through Indiana State Department of Health Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements MRC MRC	93.074	BPRS 177-70 BHP-177-1	15,938 5,000
Total for program			20,938
Pass-through Indiana State Department of Health Centers for Disease Control and Prevention-Investigations and Technical Assistance Bio Preparedness Bio Preparedness	93.283	BPRS 177-1 BRFS 177-75	2,017 3,694
Total for program			5,711
Pass-through Indiana Department of Child Services Child Support Enforcement	93.563	2013	85,955
Total for federal grantor agency			133,663
SOCIAL SECURITY ADMINISTRATION			
Pass-through Indiana Family and Social Services Administration Disability Insurance/SSI Cluster Social Security-Disability Insurance Disability Determination	96.001	497	112
Total for federal grantor agency			112
DEPARTMENT OF HOMELAND SECURITY			
Pass-through Indiana Department of Homeland Security Disaster Grants - Public Assistance (Presidentially Declared Disasters) EMAC	97.036	38512	5,644
Pass-through Indiana Department of Homeland Security Emergency Management Performance Grants 2012 EMPG Competitive Grant 2012 EMPG Salary Reimbursement Grant	97.042	C44P-3-153B C44P-3-306B	4,054 12,234
Total for program			16,288
Pass-through Indiana Department of Homeland Security State Homeland Security Program (SHSP) 2009 Exercise Initiatives 2009 Task Force Development Equipment 2010 District Allocation 2011 Local EMA Competitive 2011 Regional Collaboration 2012 DRFT Allocation 2012 DRFT Equipment	97.073	C44P-2-220A C44P-2-243A C44P-2-252A C44P-2-005B C44P-3-156B C44P-3-379B C44P-3-386B	237,155 17,084 49,157 109,559 15,000 4,294 20,785
Total for program			453,034
Total for federal grantor agency			474,966
Total federal awards expended			\$ 635,261

The accompanying note is an integral part of the Schedule of Expenditures of Federal Awards.

SWITZERLAND COUNTY
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the County and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

SWITZERLAND COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major program:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	yes

Identification of Major Program:

CFDA Number	Name of Federal Program or Cluster
97.073	State Homeland Security Program (SHSP)

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee?	no
--	----

Section II - Financial Statement Findings

FINDING 2013-001 - PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The County did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The County should have proper controls in place over the preparation of the SEFA to ensure accurate reporting of federal awards. Without a proper system of internal control in place that operates effectively, material misstatements of the SEFA could remain undetected.

During the audit of the SEFA, we noted expenditures for six grants totaling \$53,402 were not included on the County's SEFA and one grant included in the County's SEFA was overstated by \$165. Audit adjustments were proposed, accepted by the County, and made to the SEFA presented in this report.

SWITZERLAND COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

OMB Circular A-133, Subpart C, section .300 states in part: "The auditee shall: . . . (d) Prepare appropriate financial statements, including the schedule of expenditures of Federal Awards in accordance with section .310."

OMB Circular A-133, Subpart C, section .310(b) states:

"Schedule of expenditures of Federal awards. The auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple award years, the auditee may list the amount of Federal awards expended for each award year separately. At a minimum, the schedule shall:

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.
- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

SWITZERLAND COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2013-002 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

We noted the following deficiencies in the internal control system of the County related to financial transactions and reporting. We believe the following deficiencies constitute material weaknesses:

1. Clerk of the Circuit Court's Office - Lack of Segregation of Duties: Control activities should be selected and developed at various levels of the Clerk of the Circuit Court's Office to reduce risks to the achievement of financial reporting objectives. The Clerk of the Circuit Court has not separated incompatible activities related to cash, receipts, and disbursements. The person that performs bank reconciliations is also responsible for making bank deposits and writing checks. No other person reviews the bank reconciliation. The failure to establish these controls could enable material misstatements or irregularities to remain undetected.
2. Preparation of the County's Annual Financial Report: Effective internal control over financial reporting involves the identification and analysis of the risks of material misstatements to the County's audited financial statement and then determining how those identified risks should be managed. The County has not identified risks to the preparation of a reliable financial statement and, as a result, has failed to design effective internal controls over the preparation of the financial statement to prevent, or detect and correct, material misstatements, including notes to the financial statement. The County Auditor inputs financial information into the Annual Financial Report. There was no evidence presented to establish that the County has a control in place to ensure the information included in their Annual Financial Report is accurate prior to submission. The Annual Financial Report was used to prepare the financial statement presented in this report. Control activities should be in place to reduce the risk of errors in financial reporting.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14) (Accounting and Uniform Compliance Guidelines Manual for Clerks of the Circuit Courts of Indiana, Chapter 13)

Section III - Federal Award Findings and Questioned Costs

FINDING 2013-003 - INTERNAL CONTROL OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO STATE HOMELAND SECURITY PROGRAM (SHSP)

Federal Agency: Department of Homeland Security

Federal Program: State Homeland Security Program (SHSP)

CFDA Number: 97.073

Federal Award Number and Year: C44P-2-220A, C44P-2-243A, C44P-2-252A, C44P-2-005B,
C44P-3-156B, C44P-3-379B, and C44P-3-386B

Pass-Through Entity: Indiana Department of Homeland Security

SWITZERLAND COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Management of the County has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the Equipment and Real Property Management compliance requirement. The Emergency Management Director prepares and submits the inventory list to the state. The County has not established a control to ensure this list is accurate prior to submission to the state.

The failure to establish an effective internal control system places the County at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

The failure to establish internal controls could enable material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirements could result in the loss of federal funds to the County.

We recommended that the County's management establish controls, including segregation of duties, related to the grant agreement and compliance requirements listed above.

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AUDITEE PREPARED DOCUMENT

The subsequent document was provided by management of the County. The document is presented as intended by the County.



Switzerland County Auditor

Gayle A. Rayles

212 W. Main Street · Vevay, Indiana 47043

(812) 427-4470 · Fax (812) 427-4407

auditor@switzerlandcountycourthouse.org

CORRECTIVE ACTION PLAN

FINDING 2013-001: Preparation of the Schedule of Expenditure of Federal Awards

Contact Person Responsible for Corrective Action: Auditor (Gayle Rayles)

Contact Phone Number: 812-427-4401

Description of Corrective Action Plan: After completion of the SEFA the Auditor will forward the report to the various departments who received the funds for verification of the amounts.

Anticipated Completion Date: This procedure will be followed with the 2014 annual report.

FINDING 2013-002: Internal Controls over Financial Transactions & Reporting

Contact person Responsible for Corrective Action: Auditor (Gayle Rayles)

Contact Phone Number: 812-427-4401

Description of Corrective Action Plan: After completion of the Receipts and Expenditures the report will be printed and a second person will compare the figures to applicable reports out of the Harris System. This person is to initial the printed copy to verify that the numbers are correct.

Anticipated Completion Date: This procedure will be followed with the 2014 annual report.

FINDING 2013-003: Internal Controls over Compliance Requirements that have a direct and material effect to State Homeland Security program (SHSP)

Contact person Responsible Corrective Action: Auditor (Gayle Rayles)

Contact Phone Number: 812-427-4401

Description of Corrective Action Plan: Any future inventory list prepared for the State will be prepared by the EMA director and reviewed by someone in the Auditor's office or the Commissioners Assistant for accuracy before submission to the State.

A handwritten signature in cursive script that reads "Gayle A. Rayles".

Gayle A. Rayles

Auditor

04/27/15

Switzerland County Circuit Court

212 W. Main Street

Vevay, IN 47043

812-427-4415

CORRECTIVE ACTION PLAN

FINDIND NO. 2013-002-INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

Contact Person Responsible for Corrective Action: Gayle Sullivan

Contact Phone Number: 812-427-4417

Description of Corrective Action Plan:

As of 1/2/15 the Segregation of Duties has changed. There will be one person that handles the deposits and check writing and a second that handles the monthly bank reconcilements. There will not be a time when one person handles both duties.

Gayle Sullivan

Switzerland Co. Circuit Clerk

February 24, 2015

OTHER REPORT

In addition to this report, a Supplemental Compliance Report has been issued for the County. That report can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.