

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

EXAMINATION REPORT  
OF  
JEFFERSON COUNTY, INDIANA  
January 1, 2008 to December 31, 2009



**FILED**  
07/15/2010



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Sandra J. Shelton	01-01-07 to 12-31-10
Treasurer	Betty J. Brawner Linda Green	01-01-05 to 12-31-08 01-01-09 to 12-31-12
Clerk	Kim Smith	01-01-07 to 12-31-10
Sheriff	Charles W. Andrews	01-01-07 to 12-31-10
Recorder	Mary Francis O'Conner Leigh Koehler	01-01-05 to 12-31-08 01-01-09 to 12-31-12
President of the Board of County Commissioners	Tom Pietrykowski Julie Berry Tom Pietrykowski	01-01-08 to 12-31-08 01-01-09 to 12-31-09 01-01-10 to 12-31-10
President of the County Council	David J. Craig Dale Armstrong	01-01-08 to 12-31-08 01-01-09 to 12-31-10



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF JEFFERSON COUNTY, INDIANA

We have examined the financial information presented herein of Jefferson County (County), for the period of January 1, 2008 to December 31, 2009. The County's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the County for the years ended December 31, 2008 and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

Included in the financial statements are the receipts and disbursements activity from emergency telephone system fees (IC 36-8-16) and enhanced wireless emergency telephone fees (IC 36-8-16.5). In accordance with IC 36-8-16-14 and IC 36-8-16.5-41 these fees have been subjected to an annual examination performed by State Board of Accounts and, in our opinion, are fairly stated, in all material respects, in relation to the financial statements.

The Schedule of Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

March 2, 2010

JEFFERSON COUNTY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
As Of And For The Years Ended December 31, 2008 And 2009

	Cash and		Cash and	
	Investments	Receipts	Disbursements	Investments
	01-01-08			12-31-08
Governmental Funds:				
General	\$ 504,674	\$ 5,992,970	\$ 6,202,040	\$ 295,604
Election and Registration	170,424	121,784	127,158	165,050
Cemetery Board Donation	10,176	-	-	10,176
Reassessment	336,892	125,770	241,399	221,263
Cornerstone Society	1,402	-	-	1,402
Cumulative Voting Machine	261,293	8,600	47,720	222,173
Prosecutor IV-D Incentive	11,661	11,209	1,148	21,722
Clerk Title IV-D Incentive	1,670	7,451	3,540	5,581
Cemetery Board	38,306	34,031	12,387	59,950
County Prisoner Reimbursement	2,400	-	-	2,400
County Surveyor Cornerstone Perpetuation	24,143	6,297	15,968	14,472
County Misdemeanant	77,994	25,162	44,952	58,204
SRI - Tax Sale Cost	450	11,700	2,925	9,225
Solid Waste Management Grant	2,644	-	-	2,644
Juvenile All Weekend Supervision	122	-	-	122
Sheriff's Reserve Unit	3,282	-	201	3,081
JABIG Out of School Grant	720	-	-	720
Seized and Forfeited Property	2,504	6,536	2,570	6,470
Community Transportation Program	17,825	-	-	17,825
Riverboat MIDCOR	8,487	70,845	60,000	19,332
Riverboat Historic Preservation	242,270	70,845	5,460	307,655
Law Enforcement Federal Forfeiture	1,611	-	-	1,611
Clerk's Record Perpetuation	21,099	9,811	2,076	28,834
Riverboat Wagering Revenue Sharing	110,698	198,887	143,430	166,155
Probation Administrative Fee	2,565	-	-	2,565
County Identity Protection Act	24,974	11,548	4,671	31,851
Recorder's Records Perpetuation	213,001	36,084	30	249,055
Rainy Day	346,282	65,171	411,453	-
Plat Book Maintenance	5,085	212	-	5,297
Think GIS Fees	-	750	-	750
Animal Shelter	22,272	149,305	121,277	50,300
Cumulative Courthouse	2,453,932	341,796	59,010	2,736,718
Federal Project Highway	109,472	-	-	109,472
Riverboat	530,619	566,755	351,993	745,381
Elizabeth Rhodes Donation	5,822	-	-	5,822
Local Emergency Planning and Right to Know	14,212	8,318	8,423	14,107
Guardian Ad Litem	21,534	-	-	21,534
Sheriff Law Enforcement Continuing Education	44	510	417	137
Jury Pay	44,837	3,526	52,430	(4,067)
Child Advocacy	50	-	-	50
Deferral Program	2,998	-	-	2,998
Supplemental Juvenile Probation Services	5,882	6,897	12,779	-
Supplemental Adult Probation Services	57,816	96,767	157,411	(2,828)
Pretrial Diversion	33,245	26,833	5,418	54,660
PCA Fee Payments - Child Support	-	103	62	41
Supplemental Public Defender	23,673	16,260	14,473	25,460
CASA	10,659	18,826	24,485	5,000
Family Violence Victims Assistance	4,204	-	-	4,204
County Highway	1,564,826	1,840,315	2,292,839	1,112,302
Local Road and Street	445,624	295,109	341,137	399,596
Cumulative Bridge	1,945,023	970,991	1,534,875	1,381,139

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

JEFFERSON COUNTY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
As Of And For The Years Ended December 31, 2008 And 2009  
(Continued)

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds (continued):				
County Health	379,681	941,981	802,546	519,116
Woman, Infants and Children	3,065	108,142	116,994	(5,787)
SEMA Homeland Security	12,893	85,016	-	97,909
Local Health Maintenance	68,463	24,854	27,480	65,837
County Family and Children	1,585,460	4,016,735	4,568,479	1,033,716
Children's Psychiatric Residential Treatment	262,916	51,787	122,224	192,479
Accident Reports	1,104	2,699	-	3,803
Firearm Training	11,977	12,400	605	23,772
County Drug Free Community	42,358	30,944	38,072	35,230
Emergency Telephone System	42,077	203,403	93,749	151,731
Wireless Emergency Telephone	282,236	117,810	192,972	207,074
CEDIT	1,089,152	1,936,497	1,651,568	1,374,081
Cumulative Jail	372,134	173,117	23,033	522,218
Cumulative Capital Development	1,186,784	231,594	108,747	1,309,631
Andres Memorial Animal Shelter	1,503	42	55	1,490
Jefferson County Animal Shelter	6,318	618	6,936	-
Sheriff Commissary	76,168	61,824	25,948	112,044
Fiduciary Funds:				
Education License Plate Fees	339	1,613	1,575	377
Probation Interstate Compact Transfer Fees	75	150	225	-
Mortgage Fees - State Share	1,487	3,745	5,017	215
County Ordinance Fee	1,618	-	-	1,618
County Payroll Clearing	(5,566)	2,843,866	2,832,032	6,268
Surplus Tax	276,895	43,996	260,044	60,847
Tax Sale Redemption	(119)	46,155	46,035	1
Surplus Tax Sale	15,734	414,176	155,601	274,309
Sheriff Service of Process Fee	1,365	14,025	14,272	1,118
City and Town Court Costs	630	8,938	8,852	716
State Sales Disclosure Fee	3,033	3,315	2,445	3,903
Coroner's Education Fund	189	2,584	2,544	229
Infraction Judgment	3,664	44,408	46,745	1,327
Tourism Board - Innkeeper's Tax	150	346,997	346,997	150
Welfare Trust	13,651	500	5,113	9,038
Congressional Principal	33,053	-	-	33,053
Congressional Interest	23,050	1,717	2,644	22,123
Inheritance Tax	138,536	450,756	517,660	71,632
State Fines and Forfeitures	10,238	47,647	52,204	5,681
Homestead Credit Rebate	1,303,267	37	1,303,304	-
User Fees Law Enforcement Continuing Education	33,829	5,353	3,577	35,605
Tax Distributions	152,965	45,398,274	45,554,346	(3,107)
County Treasurer	663,467	47,428,769	47,613,146	479,090
Clerk of the Circuit Court	716,087	3,095,738	3,113,619	698,206
County Recorder	10,554	129,886	132,436	8,004
County Sheriff	-	741,570	741,570	-
Inmate Trust Fund	6,536	104,264	101,166	9,634
County Auditor	25	-	-	25
County Animal Control	100	-	-	100
County Planning and Zoning	100	-	-	100
Sheriff Pension Trust	2,284,341	152,471	178,014	2,258,798
Totals	<u>\$ 20,854,980</u>	<u>\$ 120,488,387</u>	<u>\$ 123,126,748</u>	<u>\$ 18,216,619</u>

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

JEFFERSON COUNTY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
As Of And For The Years Ended December 31, 2008 And 2009  
(Continued)

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 295,604	\$ 10,581,278	\$ 8,026,841	\$ 2,850,041
Election and Registration	165,050	116,300	50,119	231,231
Cemetery Board Donation	10,176	-	-	10,176
Reassessment	221,263	126,001	193,377	153,887
Cornerstone Society	1,402	-	-	1,402
Cumulative Voting Machine	222,173	-	-	222,173
Prosecutor IV-D Incentive	21,722	11,560	9,147	24,135
Clerk Title IV-D Incentive	5,581	7,684	3,658	9,607
Cemetery Board	59,950	21,771	9,766	71,955
County Prisoner Reimbursement	2,400	-	-	2,400
County Surveyor Cornerstone Perpetuation	14,472	5,545	14,036	5,981
County Misdemeanant	58,204	29,093	40,412	46,885
SRI - Tax Sale Cost	9,225	65	8,840	450
Solid Waste Management Grant	2,644	-	-	2,644
Juvenile All Weekend Supervision	122	-	-	122
Sheriff's Reserve Unit	3,081	-	2,011	1,070
JABIG Out of School Grant	720	-	-	720
Seized and Forfeited Property	6,470	645	3,528	3,587
Community Transportation Program	17,825	-	-	17,825
Riverboat MIDCOR	19,332	69,187	80,000	8,519
Riverboat Historic Preservation	307,655	69,187	22,339	354,503
Law Enforcement Federal Forfeiture	1,611	-	-	1,611
Clerk's Record Perpetuation	28,834	9,677	-	38,511
Riverboat Wagering Revenue Sharing	166,155	198,411	163,977	200,589
Probation Administrative Fee	2,565	-	-	2,565
County Identity Protection Act	31,851	11,460	-	43,311
Recorder's Records Perpetuation	249,055	34,698	8,295	275,458
Rainy Day	-	1,073,421	-	1,073,421
Plat Book Maintenance	5,297	212	-	5,509
Think GIS Fees	750	750	-	1,500
Animal Shelter	50,300	162,587	148,844	64,043
Cumulative Courthouse	2,736,718	241,899	403,825	2,574,792
Levy Excess	-	901,655	901,654	1
Federal Project Highway	109,472	-	-	109,472
Riverboat	745,381	553,500	699,332	599,549
Elizabeth Rhodes Donation	5,822	-	-	5,822
Local Emergency Planning and Right to Know	14,107	14,212	7,588	20,731
Guardian Ad Litem	21,534	-	-	21,534
Sheriff Law Enforcement Continuing Education	137	459	334	262
Jury Pay	(4,067)	3,813	-	(254)
Child Advocacy	50	-	-	50
Deferral Program	2,998	-	-	2,998
Supplemental Juvenile Probation Services	-	6,945	4,574	2,371
Supplemental Adult Probation Services	(2,828)	83,741	64,951	15,962
Pretrial Diversion	54,660	54,281	10,511	98,430
PCA Fee Payments - Child Support	41	1,015	377	679
Supplemental Public Defender	25,460	14,792	32,994	7,258
CASA	5,000	30,065	45,788	(10,723)
Family Violence Victims Assistance	4,204	-	-	4,204
County Highway	1,112,302	1,949,679	1,633,310	1,428,671
Local Road and Street	399,596	271,518	368,838	302,276

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

JEFFERSON COUNTY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
As Of And For The Years Ended December 31, 2008 And 2009  
(Continued)

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds (continued):				
Cumulative Bridge	1,381,139	776,852	882,655	1,275,336
County Health	519,116	1,016,988	858,119	677,985
Woman, Infants and Children	(5,787)	109,483	124,789	(21,093)
SEMA Homeland Security	97,909	22,048	81,436	38,521
Alcohol and Tobacco Commission	-	577	-	577
Local Health Maintenance	65,837	33,391	50,298	48,930
County Family and Children	1,033,716	143,228	1,176,944	-
Children's Psychiatric Residential Treatment	192,479	-	192,479	-
Accident Reports	3,803	2,458	1,795	4,466
Firearm Training	23,772	12,590	20,334	16,028
County Drug Free Community	35,230	25,650	31,336	29,544
Emergency Telephone System	151,731	196,406	102,387	245,750
Wireless Emergency Telephone	207,074	121,783	206,212	122,645
CEDIT	1,374,081	1,977,977	1,670,191	1,681,867
Cumulative Jail	522,218	120,949	44,547	598,620
Cumulative Capital Development	1,309,631	180,215	74,274	1,415,572
Andres Memorial Animal Shelter	1,490	3	777	716
Sheriff Commissary	112,044	54,897	69,329	97,612
Fiduciary Funds:				
Education License Plate Fees	377	712	637	452
Probation Interstate Compact Transfer Fees	-	112	112	-
Mortgage Fees - State Share	215	4,047	3,712	550
County Ordinance Fee	1,618	-	-	1,618
County Payroll Clearing	6,268	2,800,749	2,805,609	1,408
Surplus Tax	60,847	48,003	38,748	70,102
Tax Sale Redemption	1	221,447	221,447	1
Surplus Tax Sale	274,309	-	238,449	35,860
Sheriff Service of Process Fee	1,118	14,049	14,156	1,011
City and Town Court Costs	716	8,869	8,872	713
State Sales Disclosure Fee	3,903	3,170	1,800	5,273
Coroner's Education Fund	229	2,871	2,850	250
Infraction Judgment	1,327	51,757	49,034	4,050
Special Death Benefit	-	4,080	3,765	315
Tourism Board - Innkeeper's Tax	150	296,684	296,683	151
Welfare Trust	9,038	-	9,038	-
Congressional Principal	33,053	-	33,053	-
Congressional Interest	22,123	1,420	23,543	-
Inheritance Tax	71,632	555,525	553,360	73,797
State Fines and Forfeitures	5,681	29,822	32,619	2,884
User Fees Law Enforcement Continuing Education	35,605	8,477	3,646	40,436
Tax Distributions	(3,107)	29,315,225	29,310,491	1,627
County Treasurer	479,090	28,666,680	28,658,019	487,751
Clerk of the Circuit Court	698,206	3,400,877	3,138,991	960,092
County Recorder	8,004	138,087	137,104	8,987
County Sheriff	-	968,154	968,154	-
Inmate Trust Fund	9,634	107,941	106,366	11,209
County Auditor	25	-	-	25
County Animal Control	100	-	-	100
County Planning and Zoning	100	-	-	100
Sheriff Pension Trust	2,258,798	145,768	172,087	2,232,479
Totals	<u>\$ 18,216,619</u>	<u>\$ 88,247,127</u>	<u>\$ 85,379,513</u>	<u>\$ 21,084,233</u>

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

JEFFERSON COUNTY  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The County was established under the laws of the State of Indiana. The County provides the following services: public safety, highways and streets, sanitation, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, urban redevelopment, and economic development.

Note 2. Fund Accounting

The County uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied or highway use taxes are received are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the District in June and December. State statute (Indiana Code 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the District on or prior to December 31 of the year collected.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (Indiana Code 5-13-9) authorizes the District 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.

JEFFERSON COUNTY  
NOTES TO FINANCIAL INFORMATION  
(Continued)

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The County contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (Indiana Code 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the District authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund  
Harrison Building, Room 800  
143 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

B. County Police Retirement Plan

Plan Description

The County contribution to the County Police Retirement Plan, which 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 (Indiana Code 36-8-10-12) for full-time police officers. The plan provides retirement, death, and disability benefits to plan members and beneficiaries. The trustee issues a publicly available financial report that includes financial statements and required supplementary information of the plan. The report may be obtained by contacting the county sheriff.

Funding Policy and Annual Pension Cost

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

JEFFERSON COUNTY  
NOTES TO FINANCIAL INFORMATION  
(Continued)

C. County Police Benefit Plan

The County contributes to the County Police Benefit Plan which 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 (Indiana Code 36-8-10-12) for full-time police officers. The plan provides dependent pensions, life insurance, and disability benefits to plan members and beneficiaries. The trustee issues a publicly available financial report that includes financial statements and required supplementary information of the plan. The report may be obtained by contacting the county sheriff.

Funding Policy and Annual Pension Cost

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

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

The County has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Bonds payable:		
General obligation bonds:		
Jail renovations	\$ 4,946,000	\$ 825,000
 Total governmental activities debt	 \$ 4,946,000	 \$ 825,000

JEFFERSON COUNTY  
OTHER REPORTS

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

County Auditor  
Emergency 911 Department

JEFFERSON COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on March 2, 2010, with Sandra J. Shelton, Auditor; Delores E. Barnes, Deputy Auditor; Tom Pietrykowski, President of the Board of County Commissioners; and Dale Armstrong, President of the County Council.