

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

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



FILED
11/15/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Rachel A. Schuler	01-01-07 to 12-31-10
Treasurer	Stacey L. Penick	01-01-06 to 12-31-12
Clerk of Circuit Court	Ginger Peters	01-01-07 to 12-31-10
Recorder	Nancy J. Barker Darla McAlister	01-01-05 to 12-31-08 01-01-09 to 12-31-12
Sheriff	Nathan E. Hughes	01-01-07 to 12-31-10
President of the Board of County Commissioners	Kenton C. Banta Brian L. Morton	01-01-08 to 12-31-09 01-01-10 to 12-31-10
President of the County Council	Michael L. Jones	01-01-08 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF SWITZERLAND COUNTY, INDIANA

We have examined the financial information presented herein of Switzerland 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 subject 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 Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information, and accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

August 24, 2010

SWITZERLAND 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		Disbursements	Cash and	
	Investments	Receipts		Investments	12-31-08
	01-01-08				
Governmental Funds:					
General	\$ 593,786	\$ 3,902,547	\$ 4,364,289	\$ 132,044	
Adult Probation Services	29,519	25,302	22,914	31,907	
Juvenile Probation Service	446	802	-	1,248	
Highway	256,050	935,975	1,142,378	49,647	
Cumulative Bridge	173,747	261,448	248,208	186,987	
Clerk's Incentive	5,823	1,806	800	6,829	
Prosecutor Incentive	5,804	1,806	202	7,408	
Hoosier Safe - T	249	-	-	249	
Health	138,560	329,531	277,674	190,417	
Park and Recreation	1,177	8,500	2,180	7,497	
Local Road and Street	4,655	95,109	97,182	2,582	
Property Reassessment	207,344	64,221	67,145	204,420	
Extradition	300	-	-	300	
Drug Free Community	15,731	14,325	13,950	16,106	
Guardian Ad Litem/Court	(301)	19,597	15,475	3,821	
Misdemeanant	17,312	7,050	3,800	20,562	
Motor Vehicle Inspection	8,444	375	-	8,819	
Probation Administration Fee	10,790	9,169	10,790	9,169	
Family and Children	421,611	430,328	784,239	67,700	
Emergency Telephone System	54,278	189,749	122,953	121,074	
Health Maintenance	65,209	24,854	28,481	61,582	
Jack Sullivan Senior Center	6,642	33,172	39,147	667	
Hollywood Park	(15,598)	253,824	260,341	(22,115)	
Markland Park Grant	1,933	46,607	33,170	15,370	
Children's Psychiatric Residential Treatment Services	95,081	44,738	122,321	17,498	
Pretrial Diversion	25,587	7,260	518	32,329	
Cumulative Capital Development	107,329	86,076	37,479	155,926	
Emergency Response Team	140	-	-	140	
County Road Ordinance	484	26	-	510	
EMA - Homeland Security	627	-	-	627	
Cemetery Board	326	1,000	13	1,313	
Solid Waste Grant	100	-	-	100	
Tax Sale Costs	27,203	13,165	10,234	30,134	
Campaign Finance Enforcement	66	-	-	66	
Nurse Managed Clinic	198,106	234,525	240,533	192,098	
Jury Pay	12,250	1,600	-	13,850	
Infraction Deferral	20,373	3,748	-	24,121	
Riverboat	5,275,178	11,858,016	11,693,044	5,440,150	
Title 3 Voting	14,760	-	-	14,760	
Identification Security Protection	10,438	3,936	862	13,512	
Bennington Planning Study	-	10,000	-	10,000	
Child Restraint Violations	75	175	250	-	
Accident Report	9,482	767	-	10,249	
Firearm Training	655	2,900	-	3,555	
County Law Enforcement Continuing Education	33	-	-	33	

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

SWITZERLAND 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):				
Surveyor's Corner Perpetuation	33,541	2,600	-	36,141
Recorder's Records Perpetuation	20,550	12,555	4,140	28,965
Clerk's Records Perpetuation	7,415	2,582	132	9,865
Emergency Planning Right To Know	10,940	460	12	11,388
East Enterprise Sewer	1,925	-	1,925	-
SCMC Operating	105,943	29,223	36,830	98,336
EMA Grant For Computers	-	17,901	17,901	-
Danglade Animal Shelter	26,856	1,150	24,325	3,681
Vevay-Switzerland County Foundation - Sheriff Grant	-	20,745	20,745	-
Animal Shelter Spay and Neuter Program	-	586	-	586
Sheriff Commissary	15,245	44,912	46,703	13,454
Redevelopment Commission	479,190	1,721,795	858,621	1,342,364
Fiduciary Funds:				
Welfare Trust	5,731	372	4,330	1,773
Congressional School Principal	18,571	-	-	18,571
Congressional School Interest	11,664	850	743	11,771
Cemetery Interest	2,093	13	-	2,106
Surplus Tax	1,818	4,934	6,106	646
Tax Sale Redemption	(277)	30,343	36,622	(6,556)
Surplus Tax Sale	209,365	70,286	219,259	60,392
County User Fees - Law Enforcement Continuing Education	16,114	2,492	369	18,237
State Sales Disclosure	5,321	1,610	-	6,931
City/Town Ordinance Violations	132	-	-	132
Coroner's Continuing Education	207	382	547	42
Education Plate Fees	-	300	300	-
Mortgage Fee	1,118	1,367	2,395	90
Sheriff's Service Of Process	1,313	4,433	4,641	1,105
State Fines and Forfeitures	12,625	16,670	23,544	5,751
Inheritance Tax	35,984	236,281	227,286	44,979
Infraction Judgments	9,013	16,069	24,364	718
City and Town Court Costs	3,354	3,640	3,354	3,640
State Sales Disclosure	1,200	1,610	2,635	175
Innkeepers Tax	-	396,750	296,416	100,334
Homestead Credit Rebate	195,805	-	195,805	-
State Homestead Credit	-	408,246	411,963	(3,717)
Tax Distributions	-	7,535,905	7,535,905	-
Payroll	5,024	1,165,519	1,166,524	4,019
County Treasurer	100,061	10,232,062	9,573,017	759,106
Clerk of the Circuit Court	200,328	1,234,020	1,129,955	304,393
County Recorder	50	43,900	43,900	50
County Sheriff	301	188,450	187,287	1,464
Inmate Trust	524	68,060	38,394	30,190
Medical Care For Inmates	1,088	619	115	1,592
Probation Department	13,101	117,368	118,374	12,095
County Police Pension	483,368	47,379	180,862	349,885
Totals	<u>\$ 9,838,405</u>	<u>\$ 42,608,468</u>	<u>\$ 42,086,918</u>	<u>\$ 10,359,955</u>

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

SWITZERLAND 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		Cash and	
	Investments	Receipts	Disbursements	Investments
	01-01-09			12-31-09
Governmental Funds:				
General	\$ 132,044	\$ 4,484,219	\$ 4,354,282	\$ 261,981
Adult Probation Services	31,907	30,421	44,426	17,902
Juvenile Probation Service	1,248	485	-	1,733
Highway	49,647	943,250	840,988	151,909
Cumulative Bridge	186,987	258,781	261,653	184,115
Clerk's Incentive	6,829	2,097	-	8,926
Prosecutor Incentive	7,408	3,154	1,325	9,237
Hoosier Safe - T	249	-	-	249
Health	190,417	331,033	282,100	239,350
Park and Recreation	7,497	9,300	4,220	12,577
Local Road and Street	2,582	90,267	83,821	9,028
Property Reassessment	204,420	57,443	136,898	124,965
Extradition	300	-	-	300
Drug Free Community	16,106	17,003	14,609	18,500
Guardian Ad Litem/Court	3,821	16,585	16,759	3,647
Misdemeanant	20,562	7,050	-	27,612
Motor Vehicle Inspection	8,819	475	-	9,294
Probation Administration Fee	9,169	12,653	-	21,822
Family and Children	67,700	68,100	135,715	85
Emergency Telephone System	121,074	142,845	176,673	87,246
Health Maintenance	61,582	33,139	21,692	73,029
Jack Sullivan Senior Center	667	40,299	40,563	403
Hollywood Park	(22,115)	279,682	284,721	(27,154)
Markland Park Grant	15,370	-	6,211	9,159
Children's Psychiatric Residential Treatment Services	17,498	5,357	22,855	-
Pretrial Diversion	32,329	12,930	9,937	35,322
Wireless 911 Collections	-	21,281	-	21,281
Cumulative Capital Development	155,926	92,609	71,228	177,307
Emergency Response Team	140	-	-	140
County Road Ordinance	510	7	-	517
Interstate Compact Fee	-	375	225	150
EMA - Homeland Security	627	-	-	627
Cemetery Board	1,313	10,865	5,221	6,957
Solid Waste Grant	100	-	-	100
Tax Sale Costs	30,134	14,440	11,206	33,368
Campaign Finance Enforcement	66	-	-	66
Nurse Managed Clinic	192,098	180,136	194,776	177,458
Jury Pay	13,850	1,616	-	15,466
Infraction Deferral	24,121	3,808	-	27,929
Riverboat	5,440,150	12,627,401	13,046,195	5,021,356
Title 3 Voting	14,760	-	-	14,760
Identification Security Protection	13,512	4,186	-	17,698
Moorefield/Bennington Plan	10,000	510,000	10,200	509,800
Child Restraint Violations	-	225	225	-
Accident Report	10,249	648	-	10,897
Firearm Training	3,555	6,340	7,413	2,482
County Law Enforcement Continuing Education	33	-	-	33
Surveyor's Corner Perpetuation	36,141	2,380	27,500	11,021
Recorder's Records Perpetuation	28,965	12,800	8,083	33,682
Clerk's Records Perpetuation	9,865	2,818	8,202	4,481
Emergency Planning Right To Know	11,388	248	7,220	4,416

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

SWITZERLAND 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):				
East Enterprise Sewer	-	19,363	-	19,363
SCMC Operating	98,336	29,223	9,505	118,054
Danglade Animal Shelter	3,681	10,000	10,000	3,681
Animal Shelter Spay and Neuter Program	586	8,180	5,854	2,912
County Spay/Neuter Program	-	10,000	10,764	(764)
2006 IDHS LETPP	-	33,550	33,550	-
2007 PSIC Grant	-	35,362	35,362	-
2009 Bond Issue	-	3,131,691	48,069	3,083,622
Sheriff Commissary	13,454	62,189	63,070	12,573
Redevelopment Commission	1,342,364	71,664	735,070	678,958
Fiduciary Funds:				
Welfare Trust	1,773	-	1,773	-
Congressional School Principal	18,571	-	-	18,571
Congressional School Interest	11,771	372	743	11,400
Cemetery Interest	2,106	15	-	2,121
Surplus Tax	646	1,220	4,091	(2,225)
Tax Sale Redemption	(6,556)	22,164	13,937	1,671
Surplus Tax Sale	60,392	44,290	71,789	32,893
County User Fees - Law Enforcement Continuing Education	18,237	3,338	2,173	19,402
State Sales Disclosure	6,931	1,305	5	8,231
City/Town Ordinance Violations	132	-	-	132
Coroner's Continuing Education	42	329	362	9
Education Plate Fees	-	75	75	-
Levy Excess	-	1,791	-	1,791
Mortgage Fee	90	1,465	1,455	100
Sheriff's Service Of Process	1,105	3,874	-	4,979
State Fines and Forfeitures	5,751	21,736	23,722	3,765
Inheritance Tax	44,979	23,183	68,162	-
Infraction Judgments	718	17,781	16,461	2,038
City and Town Court Costs	3,640	3,928	-	7,568
State Sales Disclosure	175	1,305	1,335	145
Florence Sewer District	-	1,247	-	-
Innkeepers Tax	100,334	334,475	357,385	77,424
Excise Tax Allocation	-	354,452	205,146	149,306
State Homestead Credit	(3,717)	68,459	83,285	(18,543)
PCA Fees	-	256	171	85
Tax Distributions	-	5,918,295	5,915,340	2,955
Payroll	4,019	1,180,695	1,179,418	5,296
County Treasurer	759,106	7,301,838	7,882,589	178,355
Clerk of the Circuit Court	304,393	1,202,348	1,242,644	264,097
County Recorder	50	49,329	49,329	50
County Sheriff	1,464	355,720	356,215	969
Inmate Trust	30,190	54,786	83,198	1,778
Medical Care For Inmates	1,592	1,202	275	2,519
Probation Department	12,095	116,922	124,166	4,851
County Police Pension	349,885	272,503	174,054	448,334
Totals	<u>\$ 10,359,955</u>	<u>\$ 41,110,671</u>	<u>\$ 38,948,931</u>	<u>\$ 12,521,695</u>

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

SWITZERLAND 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, health, culture and recreation, public improvement, planning and zoning, and general administrative services.

Note 2. Fund Accounting

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

Note 3. Budgets

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

Note 4. Property Taxes

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

SWITZERLAND COUNTY
NOTES TO FINANCIAL INFORMATION
(Continued)

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 (IC 5-13-9) authorizes the County to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 6. Redevelopment Commission

Prior to January 1, 2008, the Redevelopment Commission financial statements were not reflected in the financial activity of Switzerland County. A change was made to the financial information to include the Redevelopment Commission in the financial activity of Switzerland County. The beginning balance of \$479,190 was added to the January 1, 2008 financial activity of Switzerland County.

Note 7. Subsequent Event

On January 21, 2010, the Switzerland County Redevelopment Commission purchased the Indiana Redevelopment District Tax Gaming Revenue Bonds, Series 2010, in the principal amount of \$500,000 to pay for costs of acquiring, constructing, and equipping an industrial/business park.

SWITZERLAND COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended December 31, 2009

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

General infrastructure assets (those reported by governmental activities) are included regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 2,889,105
Infrastructure	6,421,151
Buildings	9,893,130
Improvements other than buildings	1,144,645
Machinery and equipment	<u>2,586,788</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 22,934,819</u>

SWITZERLAND 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:		
Revenue bonds:		
Markland Business Park Development	\$ 3,370,000	\$ 602,000
Gaming Revenue Bonds, Series 2009	<u>3,100,000</u>	<u>344,276</u>
 Total revenue bonds	 <u>\$ 6,470,000</u>	 <u>\$ 946,276</u>

SWITZERLAND COUNTY
OTHER REPORTS

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

Board of County Commissioners
County Council
County Auditor
Emergency 911 Department
County Coroner

SWITZERLAND COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 24, 2010, with Rachel A. Schuler, Auditor; Brian L. Morton, President of the Board of County Commissioners; and Darrell Hansel, County Council member. Our examination disclosed no material items that warrant comment at this time.