

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

EXAMINATION REPORT
OF

SWITZERLAND COUNTY CONVENTION, RECREATION,
AND VISITOR INDUSTRY COMMISSION
SWITZERLAND COUNTY, INDIANA

January 1, 2010 to December 31, 2010



FILED
11/15/2011

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OFFICIAL

<u>Office</u>	<u>Official</u>	<u>Term</u>
Executive Director	David Attaway T.J. Justice	01-01-10 to 09-03-10 09-04-10 to 12-31-11
Treasurer	Donna Graham Lisa Fisher	01-01-10 to 12-31-10 01-01-11 to 12-31-11
President of the Commission	Ron Otter Donna Graham (Interim) Jo Ann Connolly	01-01-10 to 05-15-11 05-16-11 to 06-07-11 06-08-11 to 12-31-11



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF SWITZERLAND COUNTY CONVENTION, RECREATION,
AND VISITOR INDUSTRY COMMISSION, SWITZERLAND COUNTY, INDIANA

We have examined the financial statement of Switzerland County Convention, Recreation, and Visitor Industry Commission (Commission), for the period of January 1, 2010 to December 31, 2010. The Commission's management is responsible for the financial statement. Our responsibility is to express an opinion based on our examination.

Except as discussed in the following paragraph, 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 statement and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

Prior to January 1, 2010, the Commission did not maintain financial records to support the amounts reported as cash and investment balances for individual funds.

As discussed in Note 1, the Commission prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by 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.

In our opinion, except for cash and investments reported at January 1, 2010, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the Commission for the year ended December 31, 2010, on the basis of accounting described in Note 1.

The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, as listed in the Table of Contents, is presented for additional analysis and is not required part of the financial statement. They have not been subjected to the examination procedures applied to the financial statement and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Commission's management, Commission's Board, and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

August 16, 2011

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FINANCIAL STATEMENT

SWITZERLAND COUNTY CONVENTION, RECREATION,
 AND VISITOR INDUSTRY COMMISSION
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
 REGULATORY BASIS
 For The Year Ended December 31, 2010

	Cash and Investments <u>01-01-10</u>	Receipts <u> </u>	Disbursements <u> </u>	Cash and Investments <u>12-31-10</u>
General Fund	\$ 234,415	\$ 709,233	\$ 575,261	\$ 368,387
Recap Grant	137,365	28,046	128,020	37,391
Special Projects	100,591	257,830	310,909	47,512
Payroll	2,819	338,091	342,479	(1,569)
Sales Account	<u>715</u>	<u>17,875</u>	<u>16,936</u>	<u>1,654</u>
Totals	<u>\$ 475,905</u>	<u>\$ 1,351,075</u>	<u>\$ 1,373,605</u>	<u>\$ 453,375</u>

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

SWITZERLAND COUNTY CONVENTION, RECREATION,
AND VISITOR INDUSTRY COMMISSION
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The Commission was established under the laws of the State of Indiana. The Commission operates under an appointed governing board.

The accompanying financial statement presents the financial information for the Commission (primary government), and does not include financial information for any of the Commission's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial information of the Commission (primary government).

B. Basis of Accounting

The financial statements are reported on a regulatory basis of accounting prescribed by the 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. Receipts are recorded when received and disbursements are recorded when paid.

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 may include, but are not limited to, 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 District.

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 CONVENTION, RECREATION,
AND VISITOR INDUSTRY COMMISSION
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).

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 may include, but are not limited to, 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 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 District. It includes all expenditures for the reduction of the principal and interest of the District's general obligation indebtedness.

SWITZERLAND COUNTY CONVENTION, RECREATION,
AND VISITOR INDUSTRY COMMISSION
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.

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 Commission 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 Commission. 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 Commission. 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 Commission 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 Commission shall annually prepare an operating budget and submit it to the county fiscal body for its review and approval.

Note 3. Innkeeper's Taxes

Innkeeper's Taxes are collected by the State of Indiana and are remitted monthly to the Treasurer of Switzerland County. Switzerland County remits the Innkeeper's Tax collection quarterly to the Treasurer of the Commission. The Innkeeper's Tax is levied by ordinance of the Switzerland County Council at a rate of five percent on the gross retail income derived from the sale of lodging.

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.

SWITZERLAND COUNTY CONVENTION, RECREATION,
AND VISITOR INDUSTRY COMMISSION
NOTES TO FINANCIAL STATEMENT
(Continued)

State statutes authorize the Commission 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 Commission 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 Commission to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the Commission by recording as a disbursement and replacement items purchased.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the District's Annual Report can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

SWITZERLAND COUNTY CONVENTION, RECREATION,
AND VISITOR INDUSTRY COMMISSION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For The Year Ended December 31, 2010

	General Fund	Recap Grant	Special Projects	Payroll	Sales Account	Totals
Cash and investments - beginning	\$ 234,415	\$ 137,365	\$ 100,591	\$ 2,819	\$ 715	\$ 475,905
Receipts:						
Intergovernmental	546,258	23,894	102,000	-	-	672,152
Other receipts	<u>162,975</u>	<u>4,152</u>	<u>155,830</u>	<u>338,091</u>	<u>17,875</u>	<u>678,923</u>
Total receipts	<u>709,233</u>	<u>28,046</u>	<u>257,830</u>	<u>338,091</u>	<u>17,875</u>	<u>1,351,075</u>
Disbursements:						
Personal services	-	-	42,116	-	-	42,116
Supplies	7,462	-	5,078	-	-	12,540
Other services and charges	55,688	-	48,928	-	-	104,616
Capital outlay	60,343	-	117,130	-	-	177,473
Other disbursements	<u>451,768</u>	<u>128,020</u>	<u>97,657</u>	<u>342,479</u>	<u>16,936</u>	<u>1,036,860</u>
Total disbursements	<u>575,261</u>	<u>128,020</u>	<u>310,909</u>	<u>342,479</u>	<u>16,936</u>	<u>1,373,605</u>
Excess (deficiency) of receipts over disbursements	<u>133,972</u>	<u>(99,974)</u>	<u>(53,079)</u>	<u>(4,388)</u>	<u>939</u>	<u>(22,530)</u>
Cash and investments - ending	<u>\$ 368,387</u>	<u>\$ 37,391</u>	<u>\$ 47,512</u>	<u>\$ (1,569)</u>	<u>\$ 1,654</u>	<u>\$ 453,375</u>

SWITZERLAND COUNTY CONVENTION, RECREATION,
AND VISITOR INDUSTRY COMMISSION
EXAMINATION RESULTS AND COMMENTS

ANNUAL REPORT

The 2010 Special District Annual Report (SDAR) that reports the financial activity and cash and investment balances was not completed and filed with the Indiana State Board of Accounts until June 13, 2011.

Indiana Code 5-11-1-4 states in part: "The state examiner shall require from every . . . local governmental unit . . . financial reports covering the full period of each fiscal year. These reports shall be . . . filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be filed electronically, in a manner prescribed by the state examiner . . ."

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

SALES ACCOUNT RECORDS

Prior to January 1, 2007, the Commission established a separate fund (Sales Account Fund) and bank account to account for monies collected on behalf of other entities. Examples of monies collected on behalf of other entities were: (1) the sale of theater tickets for a local theater and (2) the collection of camping fees for the Town of Vevay. Monies collected are subsequently remitted to the other entities. The following were noted regarding the accounting for these collections:

1. The financial activity for this fund was not recorded in the Commission's accounting records for the period January 1, 2010 to December 31, 2010.

All financial transactions pertaining to the governmental unit should be recorded in the records of the governmental unit. (Accounting and Uniform Compliance Guidelines for Special Districts, Chapter 10)

2. Reconcilements of record balances of cash and investments to depository balances were not presented for examination for the Sales Account. The accounting records showed the cash balance in the amount of \$2,665.81 at December 31, 2010. The bank account balance for the Sales Account was \$1,654.40. One cause for the variance was financial transactions not being recorded to the accounting records (see item number 1).

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

OPTICAL IMAGES OF CHECKS

Starting in November 2010, the financial institution did not return the actual cancelled checks with the monthly bank statements for the Commission's General Fund bank account, but instead returned an optical image of the front side of the checks.

SWITZERLAND COUNTY CONVENTION, RECREATION,
AND VISITOR INDUSTRY COMMISSION
EXAMINATION RESULTS AND COMMENTS
(Continued)

Indiana Code 5-15-6-3(a) concerning optical imaging of checks, states in part:

". . . 'original records' includes the optical image of a check or deposit document when:

- (1) the check or deposit document is recorded, copied, or reproduced by an optical imaging process . . . ; and
- (2) the drawer of the check receives an optical image of the check after the check is processed for payment . . ."

Further, Indiana Code 26-2-8-111(a) and (e) state:

"(a) If a law requires that certain records be retained, that requirement is met by retaining an electronic record of the information in the record that:

- (1) accurately reflects the information set forth in the record after it was first generated in its final form as an electronic record or otherwise: and
- (2) remains accessible for later reference."

"(e) If a law requires retention of a check, that requirement is satisfied by retention of an electronic record of the information on the front and back of the check in accordance with subsection (a)."

OLD OUTSTANDING CHECKS

Our review of the bank reconcilements as of December 31, 2010, revealed 41 checks, totaling \$4,438.29, that had been outstanding in excess of two years.

Indiana Code 5-11-10.5-2 states in part: "All warrants or checks drawn upon public funds of a political subdivision that are outstanding and unpaid for a period of two (2) or more years as of the last day of December of each year are void."

Indiana Code 5-11-10.5-3 states:

"Not later than March 1 of each year, the treasurer of each political subdivision shall prepare or cause to be prepared a list in triplicate of all warrants or checks that have been outstanding for a period of two (2) or more years as of December 31 of the preceding year. The original copy of each list shall be filed with the:

- (1) board of finance of the political subdivision; . . .

The duplicate copy shall be transmitted to the disbursing officer of the political subdivision. The triplicate copy of each list shall be filed in the office of the treasurer of the political subdivision. If the treasurer serves also as the disbursing officer of the political subdivision, only two (2) copies of each list need be prepared or caused to be prepared by the treasurer."

SWITZERLAND COUNTY CONVENTION, RECREATION,
AND VISITOR INDUSTRY COMMISSION
EXAMINATION RESULTS AND COMMENTS
(Continued)

Indiana Code 5-11-10.5-5 states:

"(a) Upon the preparation and transmission of the copies of the list of the outstanding warrants or checks, the treasurer of the political subdivision shall enter the amounts so listed as a receipt into the fund or funds from which they were originally drawn and shall also remove the warrants or checks from the record of outstanding warrants or checks.

(b) If the disbursing officer does not serve also as treasurer of the political subdivision, the disbursing officer shall also enter the amounts so listed as a receipt into the fund or funds from which the warrants or checks were originally drawn. If the fund from which the warrant or check was originally drawn is not in existence, or cannot be ascertained, the amount of the outstanding warrant or check shall be receipted into the general fund of the political subdivision."

CONFLICT OF INTEREST – BOOKKEEPING SERVICES

The Commission began paying Donna Graham, Commission member and Treasurer, \$600 per month beginning July 1, 2008, to perform bookkeeping services using a computerized accounting software program purchased by the Commission. Donna Graham was paid through the vendor claim process and was not paid through the Commission's payroll. Prior to July 1, 2008, the Commission's Treasurer was primarily responsible for signing checks and auditing claims while the bookkeeping duties were performed by a contractual accountant.

Donna Graham was paid \$5,600 for the year 2010 for this service. No conflict of interest statements and no written contract were presented for examination.

Prior to its amendment, effective July 1, 2011, Indiana Code 35-44-1-3 stated in part:

"(a) A public servant who knowingly or intentionally: (1) has a pecuniary interest in; or (2) derives a profit from; a contract or purchase connected with an action by the governmental entity served by the public servant commits conflict of interest, a Class D felony. . . .

(c) This section does not prohibit a public servant from having a pecuniary interest in or deriving a profit from a contract or purchase connected with the governmental entity served . . . (4) If the public servant: (A) was appointed by an elected public servant . . . and (B) makes a disclosure under subsection (d)(1) through (d)(7). . . .

(d) A disclosure required by this section must: (1) be in writing; (2) describe the contract or purchase to be made by the governmental entity; (3) describe the pecuniary interest that the public servant has in the contract or purchase; (4) be affirmed under penalty of perjury; (5) be submitted to the governmental entity and be accepted by the governmental entity in a public meeting of the governmental entity prior to final action on the contract or purchase; (6) be filed within fifteen (15) days after final action on the contract or purchase with: (A) the state board of accounts; and (B) . . . the clerk of the circuit court in the county where the governmental entity takes final action on the contract or purchase; and (7) contain, if the public servant is appointed, the written approval of the elected public servant . . .

(g) A public servant has a pecuniary interest in a contract or purchase if the contract or purchase will result or is intended to result in an ascertainable increase in the income or net worth of: (1) the public servant . . ."

SWITZERLAND COUNTY CONVENTION, RECREATION,
AND VISITOR INDUSTRY COMMISSION
EXAMINATION RESULTS AND COMMENTS
(Continued)

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

CONFLICT OF INTEREST – BOARD MEMBER AWARDED GRANT

The Commission received A RECAP Grant from the Indiana Housing and Community Development Authority (IHCDA). The grant was for facade renovations and related improvements to commercial and residential buildings in the commercial corridor targeted by the Commission. All grants were reviewed by the Vevay RECAP Large Project Facade Grant Committee that was made up of Vevay Main Street (not-for-profit organization) members who approved the project designs before awarding grant funds which were administered by the Commission.

A grant in the amount of \$15,926 was paid to Ron Otter for reimbursement of repairs to the Sinclair Garage during the year 2010. Ron Otter, former Commission member, owns Sinclair Garage. No conflict of interest statement was presented for examination.

Prior to its amendment, effective July 1, 2011, Indiana Code 35-44-1-3 stated in part:

"(a) A public servant who knowingly or intentionally: (1) has a pecuniary interest in; or (2) derives a profit from; a contract or purchase connected with an action by the governmental entity served by the public servant commits conflict of interest, a Class D felony. . . .

(c) This section does not prohibit a public servant from having a pecuniary interest in or deriving a profit from a contract or purchase connected with the governmental entity served . . . (4) If the public servant: (A) was appointed by an elected public servant . . . and (B) makes a disclosure under subsection (d)(1) through (d)(7). . . .

(d) A disclosure required by this section must: (1) be in writing; (2) describe the contract or purchase to be made by the governmental entity; (3) describe the pecuniary interest that the public servant has in the contract or purchase; (4) be affirmed under penalty of perjury; (5) be submitted to the governmental entity and be accepted by the governmental entity in a public meeting of the governmental entity prior to final action on the contract or purchase; (6) be filed within fifteen (15) days after final action on the contract or purchase with: (A) the state board of accounts; and (B) . . . the clerk of the circuit court in the county where the governmental entity takes final action on the contract or purchase; and (7) contain, if the public servant is appointed, the written approval of the elected public servant . . .

(g) A public servant has a pecuniary interest in a contract or purchase if the contract or purchase will result or is intended to result in an ascertainable increase in the income or net worth of: (1) the public servant . . ."

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

The following was noted regarding payments made to employees:

1. The Commission's Board approved an annual stipend for employees equal to 4 percent of gross income for the year 2010 in lieu of an employee retirement program. The annual stipends were paid directly to individual employees and ranged from \$1,160 to \$4,000 per employee for the year 2010.

SWITZERLAND COUNTY CONVENTION, RECREATION,
AND VISITOR INDUSTRY COMMISSION
EXAMINATION RESULTS AND COMMENTS
(Continued)

2. The Commission's personal services contract with David Attaway, former Executive Director, provided for a monthly payment of \$550 to cover health insurance reimbursement and car allowance for the period March 15, 2009 to August 31, 2010. The contract did not specify an amount for each individual item.
3. The Commission's personal services contract with T.J. Justice, Executive Director, provides for a monthly payment of \$600 to cover health insurance reimbursement, cell phone reimbursement and travel expense for the period January 1, 2011 to December 31, 2011. The contract did not specify an amount for each individual item. According to T.J. Justice and Commission officials, this monthly payment was also effective for the period from September 4, 2010 to December 31, 2010.
4. In a letter dated July 23, 2010, from Ron Otter, former President of the Commission, to T.J. Justice, Executive Director, as part of T.J. Justice's acceptance of employment, the Commission approved a relocation allowance of \$7,000 to cover moving expenses. This amount was paid to T.J. Justice on July 28, 2010.

The above payments were not processed through the Commission's payroll system resulting in no payroll taxes being withheld and the Commission not reporting and remitting the employer's share of social security taxes. In addition, the payments were not reported on the employee's Internal Revenue Service Form W-2.

Each governmental unit is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indiana Department of Revenue. All questions concerning taxes should be directed to these agencies. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

EXECUTIVE DIRECTOR CAR ALLOWANCE

The Commission's personal services contracts with David Attaway, former Executive Director, provided for the payment of a monthly car allowance. The personal service contract with T.J. Justice, Executive Director, also provided for a monthly allowance which included reimbursement for travel expenses (see Examination Result and Comment titled "Federal and State – Compliance Requirements"). No documentation of actual miles traveled on Commission business was reported on the claims filed by the former Executive Director and Executive Director.

A local unit is specifically authorized by statute to reimbursement its officers or employees for travel related expenses, the local unit may reimburse such persons for actual miles traveled in their own motor vehicles on official business of the local unit at the rate per mile indicated in the enabling statute. The mileage rate should be fixed by the board or commission having authority to approve claims for travel expenses. No particular mileage rate has been set by the State of Indiana for local units of government and, consequently, the mileage rate lies within the discretion of legislative body, board or commission, unless otherwise provided by statute. The body setting the mileage rate should also determine whether parking fees and toll charges are included in the rate or, on the other hand, whether such expenses are to be reimbursed separately based on the submission of receipts. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 14)

SWITZERLAND COUNTY CONVENTION, RECREATION,
AND VISITOR INDUSTRY COMMISSION
EXAMINATION RESULTS AND COMMENTS
(Continued)

PENALTIES, INTEREST, AND OTHER CHARGES

The Commission was assessed penalties and interest totaling \$46.40 during the year 2010 for not paying amounts owed by the required due date to the Indiana Department of Revenue.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit. Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit. Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

DISBURSEMENT PROCEDURES

The following deficiencies were noted on accounts payable vouchers during the examination period:

1. Accounts payable vouchers were not listed on the Accounts Payable Voucher Register (Form 364) for 40 percent of accounts payable vouchers reviewed. The Accounts Payable Voucher Register is used to document Commission approval of accounts payable vouchers.
2. Signatures, affirming that goods and services purchased had been received, were not present on 20 percent of accounts payable vouchers reviewed.
3. On October 29, 2010, a transfer of funds was made from the RECAP Grant Fund to the Special Projects Fund in the amount of \$86,789. Accounts payable voucher number 5421 was presented for examination; however, the voucher did not have any supporting documentation attached or any description noted on the accounts payable voucher. The voucher was not certified by the Treasurer; nor was it approved by the Commission Board. Natasha Turner, Office Manager, stated that the former Executive Director instructed the Treasurer to make the transfer to reimburse the Special Projects Fund for expenses incurred during the renovation of the Grisard Building which was being funded partially from the RECAP grant proceeds.

Indiana Code 5-11-10-2(a) states:

"Claims against a political subdivision of the state must be approved by the officer or person receiving the goods or services, be audited for correctness and approved by the disbursing officer of the political subdivision, and, where applicable, be allowed by the governing body having jurisdiction over allowance of such claims before they are paid."

SWITZERLAND COUNTY CONVENTION, RECREATION,
AND VISITOR INDUSTRY COMMISSION
EXAMINATION RESULTS AND COMMENTS
(Continued)

PERSONNEL REPORT NOT FILED

Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100R) due January 31, 2011, was not filed in the office of the State Examiner until June 24, 2011.

Indiana Code 5-11-13-1 states in part:

"Every state, county, city, town, township, or school official, elective or appointive, who is the head of or in charge of any office, department, board, or commission of the state or of any county, city, town, or township, and every state, county, city, town, or township employee or agent who is the head of, or in charge of, or the executive officer of any department, bureau, board, or commission of the state, county, city, town, or township, and every executive officer by whatever title designated, who is in charge of any state educational institution or of any other state, county, or city institution, shall during the month of January of each year prepare, make, and sign a written or printed certified report, correctly and completely showing the names and business addresses of each and all officers, employees, and agents in their respective offices, departments, boards, commissions, and institutions, and the respective duties and compensation of each, and shall forthwith file said report in the office of the state examiner of the state board of accounts. However, no more than one (1) report covering the same officers, employees, and agents need be made from the state or any county, city, town, township, or school unit in any one year."

Indiana Code 5-11-13-3 states:

"A person who violates section 1 of this chapter commits a Class C infraction. If violated by an elected state officer, the officer is liable to impeachment, and if violated by any other person, the person is subject to removal for neglect of duty under the procedures described in IC 34-17."

ANNUAL BUDGET

The Commission prepared an annual operating budget for the year 2010. No evidence was presented for examination to indicate that the annual budgets were submitted to the Switzerland County Council for their review and approval.

Indiana Code 6-9-18-6(b) states in part:

"The commission shall annually prepare a budget . . . and submit it to the county fiscal body for its review and approval. An expenditure may not be made . . . unless it is in accordance with an appropriation made by the county fiscal body in the manner provided by law."

SWITZERLAND COUNTY CONVENTION, RECREATION,
AND VISITOR INDUSTRY COMMISSION
EXIT CONFERENCE

The contents of this report were discussed on August 16, 2011, with Jo Ann Connolly, President of the Commission; Donna Graham, Commission member and former Treasurer; Lisa Fisher, Treasurer; and T.J. Justice, Executive Director.

The contents of this report were discussed on August 23, 2011, with Ron Otter, former Commission member and former President of the Commission. The official concurred with our findings.