

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT
OF
RUSH COUNTY, INDIANA
January 1, 2005 to December 31, 2005



FILED
09/14/2006

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Deborah Adams	01-01-05 to 12-31-08
Treasurer	Mary Ann Beard	01-01-05 to 12-31-08
Clerk	Linda Sheehan	01-01-05 to 12-31-08
Sheriff	Jim Owens	01-01-03 to 12-31-06
Recorder	Evelyn Lacy	01-01-03 to 12-31-06
President of the Board of County Commissioners	Tom Barnes	01-01-05 to 12-31-06
President of the County Council	Norman Winkler	01-01-05 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF RUSH COUNTY, INDIANA

We have examined the schedule of receipts, disbursements, and cash and investment balances of Rush County (County), for the period of January 1, 2005 to December 31, 2005. The County's management is responsible for the schedule. 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 schedule of receipts, disbursements, and cash and investment balances 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 schedule referred to above presents fairly, in all material respects, the cash transactions of the County for the year ended December 31, 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

August 3, 2006

RUSH COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, TRUST, PROPRIETARY AND FIDUCIARY FUND TYPES
As Of And For The Year Ended December 31, 2005

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 1,776,665	\$ 5,157,982	\$ 4,864,922	\$ 2,069,725
County Highway	1,872,603	2,404,577	2,925,660	1,351,520
Local Road and Street	768,183	231,165	117,739	881,609
Covered Bridge	36,980	7,014	-	43,994
Property Reassessment	422	-	422	-
Health	181,193	272,757	216,690	237,260
Surveyor's Corner Perpetuation	5,612	5,070	5,295	5,387
Recorder's Records Perpetuation	117,389	28,963	22,326	124,026
Sale of County Property	3,585	3,001	6,586	-
Local Health Maintenance	-	20,000	20,000	-
County Welfare Administration	-	10,316	10,316	-
Drainage Maintenance	111,847	113,152	70,045	154,954
Accident Report	2,930	1,960	-	4,890
Firearms Training	7,009	1,990	-	8,999
County Law Enforcement Continuing Education	4,807	-	1,564	3,243
Supplemental Juvenile Probation	41,059	4,478	-	45,537
Supplemental Adult Probation	137,325	69,460	108,142	98,643
County User Fee	12,258	8,358	5,363	15,253
Campaign Finance Enforcement	700	-	-	700
City Curfew Violation	100	-	-	100
Pre-Trial Diversion	32,535	22,273	13,805	41,003
Criminal Justice	1,086	-	-	1,086
Seat Belt Grant	293	-	-	293
Sheriff's Grant	-	3,257	3,257	-
County Misdemeanant	4,982	13,119	-	18,101
Work Release Program	52,452	4,700	55,896	1,256
Emergency Planning/Right to Know	15,921	-	3,910	12,011
Reassessment 2003	38,029	86,562	54,593	69,998
Clerk's Record Perpetuation	17,079	9,601	6,344	20,336
Health Maintenance Tobacco	60,547	-	9,212	51,335
Plat Book	9,115	5,405	1,886	12,634
IV-D Incentive/County	13,161	20,105	625	32,641
IV-D Incentive/Clerk	7,535	20,106	6,404	21,237
IV-D Incentive/Prosecutor	8,878	28,608	14,506	22,980
County Family and Children	162,489	1,312,830	1,350,980	124,339
Child Psychology Residential Treatment	115,616	116,545	141,763	90,398
Mortgage Fee Fund	-	2,885	2,637	248
Health Maintenance Tobacco Master	-	15,603	-	15,603
Rainy Day Fund	190,371	5,412	-	195,783
GIS Electronic Map Generation	-	6,400	-	6,400
Public Health Coordinator Grant	-	28,728	29,063	(335)
Law Enforcement Contributions	-	5,700	-	5,700
Bio-Terrorism Grant	23,498	10,000	10,358	23,140
Sales Disclosure Training	5,856	2,435	915	7,376
Riverboat Revenue Sharing	70,101	115,149	45,048	140,202
Sheriff's Buckle Up Grant	102	-	-	102
County Child Advocacy	-	75	-	75
Victims Assistance	-	6,806	4,569	2,237
Prosecutor Bad Check	8,006	1,561	-	9,567
County Alcohol and Drug Program	28,594	16,448	23,000	22,042

The accompanying notes are an integral part of the schedules.

RUSH COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, TRUST, PROPRIETARY AND FIDUCIARY FUND TYPES
As Of And For The Year Ended December 31, 2005
(Continued)

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds (continued):				
Infraction Deferral	48,560	30,551	21,962	57,149
Nonreverting Sheriff	450	-	-	450
Guardian AD Litem	1,959	3,004	1,269	3,694
Emergency Telephone System	283,727	237,206	189,645	331,288
Supplemental Public Defender	26,375	40,282	14,604	52,053
Homeland Security Grant	109,268	25,000	133,790	478
Jury Fee	3,868	4,859	1,260	7,467
Manilla Fire Department Grant	-	152,391	152,391	-
Emergency Management Grant	15,761	-	-	15,761
Sheriff's Commissary	4,603	43,175	36,377	11,401
Economic Development Income Tax	940,926	531,357	548,975	923,308
Cumulative Bridge Fund	527,885	276,974	192,692	612,167
Cumulative Capital Development	1,047,054	635,212	702,154	980,112
General Drain Improvement	83,974	76,649	63,443	97,180
Trust Funds:				
Congressional Principal	24,383	-	-	24,383
Sheriff's Pension Trust	2,384,956	394,661	155,947	2,623,670
Proprietary Funds:				
Health Insurance	3,432	541,702	537,833	7,301
Fiduciary Funds:				
Poor Relief	-	34,607	34,607	-
County Hospital Care for the Indigent	-	59,439	59,439	-
Welfare Trust	3,320	1,310	2,160	2,470
Education Plate Fee	-	1,181	-	1,181
Inheritance Tax	110,423	1,122,391	1,182,284	50,530
Excess Tax	13,824	18,907	23,165	9,566
Tax Sale Surplus	48,717	91,041	101,483	38,275
County Surtax	1,779	264,328	266,028	79
County Wheel Tax	59	66,771	66,736	94
Surplus Dog Tax	-	895	895	-
Congressional Interest	12,673	733	1,950	11,456
Area Plan Escrow	26,000	20,000	15,000	31,000
Coroner's Training and Continuing Education	-	891	789	102
City/Town Court Costs	725	8,263	8,988	-
Flatrock Bond Escrow	1,000	-	-	1,000
Medical Assistance to Wards	-	12,802	12,802	-
Tax Sale Redemption	-	18,214	18,214	-
Children with Special Health Care Needs	-	23,776	23,776	-
Tax Distribution Funds	-	19,702,997	19,702,997	-
State Fees	10,970	121,054	123,025	8,999
County Treasurer	282,031	22,175,372	22,158,008	299,395
Clerk of the Circuit Court	302,079	3,113,175	3,176,878	238,376
County Recorder	50	94,160	94,160	50
County Sheriff	122	619,754	619,876	-
Sheriff Inmate Trust	2,556	43,591	45,820	327
County Health	2,318	55,199	57,492	25
Area Plan Commission	15	13,899	13,899	15
Payroll	93,829	1,178,920	1,214,051	58,698
Totals	<u>\$ 12,366,584</u>	<u>\$ 62,057,249</u>	<u>\$ 61,930,705</u>	<u>\$ 12,493,128</u>

The accompanying notes are an integral part of the schedules.

RUSH COUNTY
NOTES TO SCHEDULE

Note 1. Introduction

The County was established under the laws of the State of Indiana. The County provides 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.

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.

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 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.

RUSH COUNTY
NOTES TO SCHEDULE
(Continued)

Note 6. Pension Plans

a. Public Employees' Retirement Fund

Plan Description

The District 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 (IC 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 primary government contributes to the County Police Retirement Plan, which is a single-employer defined benefit pension plan. With the approval of the primary government'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. 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 Retirement Plan are established by state statute. The primary government's annual pension cost and related information, as provided by the actuary, is presented in this note.

RUSH COUNTY
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2005

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 have been omitted by the unit

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 162,000
Buildings	7,029,252
Machinery and equipment	<u>3,861,354</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 11,052,606</u>

RUSH COUNTY
SUPPLEMENTARY INFORMATION
SCHEDULE OF DEBT

For The Year Ended December 31, 2005

CAPITAL LEASES

The Unittype has entered into the following capital leases:

Description of Asset	Present Value of Net Minimum Lease Payments	Ending Balance	Due Within One Year
Addition and Renovation of Rush County Hospital	<u>\$ 971,000</u>	<u>\$ 906,000</u>	<u>\$ 298,000</u>

RUSH COUNTY
OTHER REPORT

The annual report presented herein was prepared in addition to the official report prepared for the individual County office listed below:

County Plan Commission

RUSH COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 3, 2006, with Tom Barnes, President of the Board of County Commissioners; and Deborah Adams, Auditor. Our examination disclosed no material items that warrant comment at this time.