

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

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



FILED
09/28/2006

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report	3
Schedule of Receipts, Disbursements, and Cash and Investment Balances.....	4-6
Notes to Schedule	7-9
Supplemental Information:	
Schedule of Investments	10
Schedule of Debt	11
Schedule of Capital Assets.....	12
Exit Conference.....	13

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Kay M. Myers	01-01-03 to 12-31-06
Treasurer	Bonnie J. Brown	01-01-05 to 12-31-08
Clerk	Beverly S. Elliot	01-01-05 to 12-31-08
Sheriff	Greg J. Dhaene	01-01-03 to 12-31-06
Recorder	Sharon E. Martin	01-01-05 to 12-31-08
President of the Board of County Commissioners	Phillip D. Curtis	01-01-05 to 12-31-06
President of the County Council	Michael G. Strawser	01-01-05 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2765

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF LAGRANGE COUNTY, LAGRANGE COUNTY, INDIANA

We have examined the schedule of receipts, disbursements, and cash and investment balances of LaGrange 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

September 6, 2006

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

	Cash and Investments		Cash and Investments	
	01-01-05	Receipts	Disbursements	12-31-05
Governmental Funds:				
General	\$ (778,936)	\$ 10,107,314	\$ 8,668,970	\$ 659,408
County Health	(45,866)	525,766	302,513	177,387
County Highway	1,247,904	2,961,224	3,014,652	1,194,476
Local Road and Street	213,830	305,329	295,000	224,159
Park and Recreation	(75,552)	357,455	274,482	7,421
Park Nonreverting Operating	33,183	140,085	146,176	27,092
Property Reassessment 2006	325,747	151,967	261,150	216,564
Accident Report	19,994	9,125	438	28,681
Firearms Training	4,855	2,600	1,990	5,465
Surveyor's Corner Perpetuation	38,763	9,696	2,309	46,150
Supplemental Juvenile Probation Services	19,869	5,657	18,378	7,148
Supplemental Adult Probation Service Circuit Court	85,757	52,893	47,940	90,710
Supplemental Adult Probation Service Superior Court	257,422	87,955	171,244	174,133
Work Release Maintenance	27,077	16,368	20,138	23,307
Sheriff Drug and Education	33,453	3,129	8,544	28,038
County Extradition	22,596	6,858	-	29,454
Solid Waste Nonreverting	10,723	-	4,928	5,795
Clerk's Records Perpetuation	31,593	12,887	17,083	27,397
Recorder's Records Perpetuation	72,023	44,665	61,051	55,637
Local Health Maintenance	-	10,000	20,000	(10,000)
Emergency Planning and Right to Know	13,443	-	-	13,443
County Drug Free Community	22,520	19,321	24,000	17,841
Plat Book	22,540	2,009	3,497	21,052
Riverboat Revenue	376,712	408,221	268,564	516,369
Communications Center - Emergency Telephone	66,559	461,637	471,804	56,392
Maplewood Land Acquisition	2,526	-	-	2,526
County Corrections	58,269	23,242	21,095	60,416
Sales Disclosure	14,502	5,991	611	19,882
Women, Infants, and Children	(10,621)	60,817	61,005	(10,809)
Immunization Donation	7,883	5,706	3,782	9,807
Canine Donation	1,168	4,500	814	4,854
GAL/CASA User Fee	-	3,993	3,700	293
Infraction Deferral	62,858	148,913	131,955	79,816
Nuisance Ordinance Enforcement	1,375	-	559	816
Pretrial Diversion	22,453	9,989	14,014	18,428
Abandoned Vehicles	1,574	-	-	1,574
Unsafe Buildings	5,000	1,467	-	6,467
Prisoner Reimbursement	3,365	-	-	3,365
Convention, Recreation, and Visitor Promotion	-	361,757	331,000	30,757
Drug Free Grant	5,651	2,500	2,254	5,897
Family and Children	(661,617)	2,988,140	1,875,706	450,817
Infant Seat Donation	4,625	-	-	4,625
E911 Education Fund	1,570	1,200	2,574	196
Gazebo	100	-	-	100
GED Program	410	5,000	4,580	830
Child Restraint System Violations	-	75	25	50
Shop with a Cop	9,710	1,245	1,729	9,226
Sheriff Marine Patrol	2,706	-	-	2,706
Police Cadet	3,284	-	-	3,284
Inmate Medical	18,858	4,889	-	23,747
Supplemental Public Defender	27,918	5,810	-	33,728
Children's Psychiatric Residential Treatment	803	162,015	803	162,015

The accompanying notes are an integral part of the schedules.

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

	Cash and	Receipts	Disbursements	Cash and
	Investments			Investments
	01-01-05			12-31-05
Governmental Funds (continued):				
Tobacco Settlement	110,745	46,274	8,127	148,892
Jury Pay	41,296	8,019	-	49,315
County Economic Development Income Tax	235,561	868,885	728,563	375,883
Comprehensive Plan Donation	41	-	-	41
Economic Development Area No. 1	20,515	29,984	31,596	18,903
Economic Development Area No. 2	36,574	263,494	102,392	197,676
Economic Development Area No. 3	48,838	78,782	74,509	53,111
Redevelopment Commission	-	93,635	30,138	63,497
Sewer Improvement Bonds of 1999	(6,512)	205,332	135,340	63,480
Technology Improvement	445,872	58,139	412,975	91,036
Technology Improvement Bond	60,551	543,858	407,392	197,017
Jail Bond	9,653	351,986	361,639	-
Economic Development Donation	5,611	-	70	5,541
Critical Response Team	3,544	13,776	9,498	7,822
Administration Fee/Circuit Court Adult Prob.	9,403	9,110	-	18,513
Administration Fee/Circuit Court Juvenile Prob.	7,360	5,840	-	13,200
Administration Fee/Superior Court Adult Prob.	15,250	13,695	-	28,945
Interstate Compact Fee/Circuit Court	750	1,484	2,159	75
Clerk's IV-D (New)	3,128	20,388	5,899	17,617
Prosecutor's IV-D (Old)	6,061	-	-	6,061
Prosecutor's IV-D (New)	11,232	20,386	-	31,618
Cumulative Bridge	270,345	482,743	287,328	465,760
Park Nonreverting Capital	283	-	-	283
Cumulative Capital Development	1,221,615	444,462	508,442	1,157,635
General Drain Improvement	142,127	66,589	77,642	131,074
Drainage Maintenance	956,274	117,210	74,245	999,239
Crime Victims Assistance	-	35,430	35,430	-
Adventure Bound Grant	3,612	13,835	12,735	4,712
Victim's Advocate 03VA168	(3,746)	23,696	19,950	-
Victim's Advocate 7/05-6/06	-	6,650	11,305	(4,655)
Victim's Advocate 7/02-6/30/03	(482)	482	-	-
Bio-Terrorism Grant	(3,560)	46,749	51,638	(8,449)
IDEM 319 Grant	217	29,680	29,782	115
Bio-Terrorism Preparedness Grant	25,489	-	-	25,489
Child Safety Seat	285	1,500	-	1,785
Circuit Court/Tobacco	499	928	1,427	-
Bicycle Safety Grant	1,020	-	-	1,020
Exploration Express Grant	3,309	15,791	14,435	4,665
Respirator Grant	8,836	-	8,836	-
Tobacco Cessation Grant	19,774	12,657	32,431	-
Emergency Response Team	420	-	-	420
Local Emergency Planning Grant	983	3,393	4,376	-
Domestic Preparedness	84	-	84	-
CERTA Grant-CFDA 83.552	823	-	-	823
CERTA Grant-CFDA 83.656	631	-	-	631
2004 Homeland Security	81,317	34,012	112,787	2,542
Tobacco Cessation II	-	40,272	37,976	2,296
Gifts to Animal Shelter	7,277	2,779	4,879	5,177
Surplus Dog Tax Special Revenue	-	8,236	8,236	-
County User Fee	49,219	11,394	11,862	48,751

The accompanying notes are an integral part of the schedules.

LAGRANGE COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, 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):				
County Law Enforcement Continuing Education	10,070	1,794	-	11,864
Community Correction Home Detention	105,905	15,020	16,617	104,308
Special Death Benefit	-	1,340	1,120	220
Proprietary Funds:				
County Liability	41,500	-	-	41,500
Self-Insurance Health	181,132	2,195,772	1,957,735	419,169
Fiduciary Funds:				
Welfare Trust	2,742	76	200	2,618
Congressional School Principal	17,576	-	-	17,576
Congressional School Interest	625	549	703	471
Surplus Tax	37,040	107,744	110,316	34,468
Tax Sale Surplus	7,515	-	5,269	2,246
State Fees	81,466	246,422	286,142	41,746
City/Town Court Costs	7,672	12,960	-	20,632
Hospital Nonexpendable Trust	2,864,993	85,585	-	2,950,578
Hospital Trust Interest	-	132,246	132,246	-
Roger's Home Principal	165,550	-	-	165,550
Roger's Home Interest Income	73,075	7,962	6,130	74,907
Cloyd Duff Trust	110,581	3,420	-	114,001
M. Greenwalt Trust	1,750	-	-	1,750
Surplus Property Tax Repl Cr	-	129,046	129,046	-
Inheritance Tax	102,991	986,928	1,051,768	38,151
Coroners Training and Continuing Education Fund	93	1,281	1,210	164
State Sales Disclosure Fee Fund	535	5,990	6,060	465
Recorder's Mortgage Fees	-	6,273	5,240	1,033
Sheriff's Pension Trust	2,067,167	579,301	210,050	2,436,418
Prosecutor's Bad Check	2,113	92,591	94,704	-
County Sheriff	3,989	429,512	433,501	-
Tax Distributions	(2,871,802)	64,194,718	61,270,450	52,466
County Treasurer After Settlement Collections	10,120,701	66,026,645	75,622,412	524,934
Clerk of the Circuit Court	275,483	3,712,729	3,560,169	428,043
County Recorder	-	173,171	173,171	-
Superior Court Probation Trust	6,725	94,955	94,215	7,465
Payroll Withholdings	4,787	8,190,407	8,189,760	5,434
Levy Excess	-	67,976	67,976	-
Education Plate Fee	-	1,950	1,950	-
Totals	<u>\$ 18,904,677</u>	<u>\$ 171,035,328</u>	<u>\$ 173,645,340</u>	<u>\$ 16,294,665</u>

The accompanying notes are an integral part of the schedules.

LAGRANGE 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, health and social services, culture and recreation, and general administrative services, highways and streets, public improvements, planning and zoning.

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 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 (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.

LAGRANGE COUNTY
NOTES TO SCHEDULE
(Continued)

Note 6. Pension Plans

Agent Multiple-Employer and Single Employer Defined Benefit 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 (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 (CPRP)

Plan Description

The County contributes 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 (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 Sheriff's Department.

Funding Policy and Annual Pension Cost

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

LAGRANGE COUNTY
NOTES TO SCHEDULE
(Continued)

C. County Police Benefit Plan (CPBP)

Plan Description

The County contributes to the County Police Benefit Plan (CPBP) 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 (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. 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 Sheriff's Department.

Funding Policy and Annual Pension Cost

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

Note 7. Long-Term Debt

The County has entered into various debts such as bonds for Sewer Improvement, Technology Improvement, and County Road 800 South and capital leases for a Jail and Phone System. The outstanding principal at December 31, 2005, was \$560,000, \$1,660,000, and \$632,212, for bonds and \$8,485,000 and \$18,299, for capital leases.

LAGRANGE COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF INVESTMENTS
 For The Year Ended December 31, 2005

<u>Fund</u>	<u>Purchase Price of Investment</u>
Total Monies	\$ 2,760,940
Hospital Nonexpendable Trust	2,864,993
County Highway	300,000
Local Road and Street	200,000
Property Reassessment 2006	150,000
Drainage Maintenance	750,000
County Economic Development Income Tax	250,000
Technology Improvement	50,000
Cumulative Bridge	200,000
Park Nonreverting Capital	283
Cumulative Capital Development	500,000
General Drain Improvement	100,000
Congressional School Principal	17,576
Roger's Home Principal	165,550
Roger's Home Interest Income	74,907
Cloyd Duff Trust	114,001
M. Greenwalt Trust	1,750
Sheriff's Pension Trust	2,436,417

LAGRANGE COUNTY
SUPPLEMENTARY INFORMATION
SCHEDULE OF DEBT

For The Year Ended December 31, 2005

CAPITAL LEASES

The County has entered into the following capital leases:

Description of Asset	Present Value of Net Minimum Lease Payments	Ending Balance	Due Within One Year
County Jail	\$ 8,485,000	\$ 8,485,000	\$ 205,000
Phone System	18,299	18,299	18,299
		<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:			
Bonds payable:			
General obligation bonds:			
Sewer Improvement	\$ 560,000	\$ 50,000	
Technology Improvement	1,660,000	365,000	
Revenue bonds:			
County Road 800 South	632,212	98,132	
Total governmental activities long-term debt	\$ 2,852,212	\$ 102,282	

LAGRANGE 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 not been reported. Retroactive reporting of general infrastructure assets will occur by 2006.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 141,355
Buildings	18,497,957
Improvements other than buildings	11,292
Machinery and equipment	<u>9,795,599</u>
 Total governmental activities, capital assets not being depreciated	 <u><u>\$ 28,446,203</u></u>

LAGRANGE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 6, 2006, with Kay M. Myers, Auditor; Phillip D. Curtis, President of the Board of County Commissioners; and Michael G. Strawser, President of the County Council. Our examination disclosed no material items that warrant comment at this time.