

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

AUDIT REPORT

OF

BOARD OF COUNTY COMMISSIONERS

LAPORTE COUNTY, INDIANA

January 1, 2005 to December 31, 2005



**FILED**

12/22/2006



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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of the Board of County Commissioners	Marlow Harmon	01-01-05 to 12-31-06
President of the County Council	John W. Jones Jerry Cooley	01-01-05 to 12-31-05 01-01-06 to 12-31-06



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF LAPORTE COUNTY

We have audited the records of the Board of County Commissioners for the period from January 1, 2005 to December 31, 2005, and certify that the records and accountability for cash and other assets are satisfactory to the best of our knowledge and belief, except as stated in the Audit Results and Comments. The financial transactions of this office are reflected in the Annual Report of LaPorte County for the year 2005.

STATE BOARD OF ACCOUNTS

October 12, 2006

BOARD OF COUNTY COMMISSIONERS  
LAPORTE COUNTY  
AUDIT RESULTS AND COMMENTS

CAPITAL ASSET RECORDS

County officials have not maintained a current listing of capital assets owned by the County. In addition, the County's capital asset policy approved in 2003 does not address a threshold or definitions for infrastructure items or a depreciation policy for all capital assets.

Governmental Accounting Standards Board (GASB) Statement 34, paragraph 18 states in part: "Capital assets should be reported as historical cost." "As used in this Statement, the term capital assets includes land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period. Infrastructure assets are long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems."

GASB Statement 34, paragraph 21 states: "Capital assets should be depreciated over their estimated useful lives unless they are either inexhaustible or are infrastructure assets reported using the modified approach in paragraphs 23 through 25. Inexhaustible capital assets such as land and land improvements should not be depreciated."

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded on the applicable Capital Asset Ledger. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Uniform Accounting and Compliance Guidelines Manual for County Auditors, Chapter 14)

COUNTY HOME RESIDENT'S ROOM AND BOARD RATE

The County Commissioner's have not set the room and board rate charged to County Home residents each year as required by state statute. Currently, a rate of \$30 per day is routinely charged for residents that are self-pay residents and not enrolled in the state funded Assistance to Residents in County Homes (ARCH) Program. This rate was approved in 1998. Residents in the Arch program have been routinely billed the state's ARCH rate, \$27 per day as of July 1, 2003. Officials have not determined the operating costs of the County Home and have not established a room and board rate to cover the costs of board, room, medical, and nursing care, maintenance, clothing and all other items furnished within the County Home since 1998.

The board of commissioners shall, at their July meeting of each year, fix an amount to be charged for the care and maintenance per person in the county home, such charge to cover the total amount for board, room, medical and nursing care, maintenance, clothing and all other items furnished within the county home, which items shall be available to all residents and patients on the same basis (IC 12-30-4-8). In those cases where facilities are available, the board of commissioners shall have authority to accept persons in need of care and able to pay all or part of the costs of care on a voluntary basis. The board of commissioners shall "periodically" determine the reasonable cost of such service and fix charges for each voluntary resident on the basis of cost of care and the ability of the voluntary resident to pay (IC 12-30-4-9). (The County Bulletin and Uniform Compliance Guidelines, October 2004)

BOARD OF COUNTY COMMISSIONERS  
LAPORTE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on October 25, 2006, with Barbara Huston, Commissioner. The official concurred with our audit findings.