

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

EXAMINATION REPORT
OF
LAGRANGE COUNTY, INDIANA
January 1, 2006 to December 31, 2006



FILED
06/04/2007

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Kay M. Myers Jackie S. Boyle	01-01-03 to 12-31-06 01-01-07 to 12-31-10
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 Terry Martin	01-01-03 to 12-31-06 01-01-07 to 12-31-10
Recorder	Sharon E. Martin	01-01-05 to 12-31-08
President of the Board of County Commissioners	Phillip D. Curtis George R. Bachman	01-01-06 to 12-31-06 01-01-07 to 12-31-07
President of the County Council	Michael G. Strawser Charles F. Ashcraft	01-01-06 to 12-31-06 01-01-07 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF LAGRANGE COUNTY, INDIANA

We have examined the financial information presented herein of LaGrange County (County), for the period of January 1, 2006 to December 31, 2006. 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 year ended December 31, 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

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 a required part 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

May 17, 2007

LAGRANGE COUNTY
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, PROPRIETARY, AND FIDUCIARY FUND TYPES
As Of And For The Year Ended December 31, 2006

	Cash and Investments		Cash and Investments	
	01-01-06	Receipts	Disbursements	12-31-06
Governmental Funds:				
General	\$ 659,408	\$ 9,504,212	\$ 9,241,440	\$ 922,180
County Health	177,387	359,178	429,196	107,369
County Highway	1,194,476	3,542,512	3,150,104	1,586,884
Local Road and Street	224,159	302,450	300,000	226,609
Park and Recreation	7,421	296,514	275,244	28,691
Park Nonreverting Operating	27,092	230,433	57,655	199,870
Property Reassessment 2006	216,564	99,799	242,105	74,258
Accident Report	28,681	11,448	25,100	15,029
Firearms Training	5,465	5,640	-	11,105
Surveyor's Corner Perpetuation	46,150	9,135	2,739	52,546
Supplemental Juvenile Probation Services	7,148	27,973	16,007	19,114
Supplemental Adult Probation Service Circuit Court	90,710	43,625	69,889	64,446
Supplemental Adult Probation Service Superior Court	174,133	70,567	169,612	75,088
Work Release Maintenance	23,307	19,087	11,232	31,162
Sheriff Drug and Education	28,038	1,019	11,226	17,831
County Extradition	29,454	6,157	-	35,611
Solid Waste Nonreverting	5,795	-	4,928	867
Clerk's Records Perpetuation	27,397	13,983	12,698	28,682
Recorder's Records Perpetuation	55,637	47,051	66,169	36,519
Local Health Maintenance	(10,000)	33,285	23,285	-
Emergency Planning and Right to Know	13,443	-	27	13,416
County Drug Free Community	17,841	18,196	18,636	17,401
Plat Book	21,052	5,043	2,731	23,364
Riverboat Revenue	516,369	188,808	448,956	256,221
Communications Center - Emergency Telephone	56,392	408,468	471,021	(6,161)
Maplewood Land Acquisition	2,526	-	-	2,526
County Corrections	60,416	23,213	15,203	68,426
Sales Disclosure	19,882	5,700	1,283	24,299
Women, Infants, and Children	(10,809)	63,374	64,458	(11,893)
Immunization Donation	9,807	5,230	4,292	10,745
Canine Donation	4,854	-	-	4,854
GAL/CASA User Fee	293	3,091	3,091	293
Infraction Deferral	79,816	140,399	164,692	55,523
Nuisance Ordinance Enforcement	816	-	-	816
Pretrial Diversion	18,428	9,500	11,686	16,242
Abandoned Vehicles	1,574	50	-	1,624
Unsafe Buildings	6,467	4,826	300	10,993
Prisoner Reimbursement	3,365	-	-	3,365
Convention, Recreation, and Visitor Promotion	30,757	378,969	377,760	31,966
Drug Free Grant	5,897	2,000	2,882	5,015
Family and Children	450,817	1,880,379	2,035,234	295,962
Infant Seat Donation	4,625	20	1,808	2,837
E911 Education Fund	196	1,437	1,633	-
Gazebo	100	50	-	150
GED Program	830	5,000	5,830	-
Child Restraint System Violations	50	175	175	50
Shop with a Cop	9,226	695	2,266	7,655
Sheriff Marine Patrol	2,706	-	2,706	-
Police Cadet	3,284	-	3,284	-
Inmate Medical	23,747	4,490	-	28,237
Supplemental Public Defender	33,728	4,201	-	37,929
Children's Psychiatric Residential Treatment	162,015	1,366	24,575	138,806
Tobacco Settlement	148,892	33,830	13,280	169,442

The accompanying notes are an integral part of the schedules.

LAGRANGE COUNTY
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, PROPRIETARY, AND FIDUCIARY FUND TYPES
As Of And For The Year Ended December 31, 2006
(Continued)

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds (continued):				
County Identity Security Protect	-	16,216	-	16,216
Jury Pay	49,315	10,711	-	60,026
Major Moves Construction	-	37,682,075	-	37,682,075
County Economic Development Income Tax	375,883	1,056,538	688,990	743,431
Comprehensive Plan Donation	41	-	41	-
Economic Development Area No. 1	18,903	31,800	3,495	47,208
Economic Development Area No. 2	197,676	101,339	93,032	205,983
Economic Development Area No. 3	53,111	33,492	3,496	83,107
Redevelopment Commission	63,497	58,535	18,014	104,018
Sewer Improvement Bonds of 1999	63,480	135,160	130,943	67,697
Technology Improvement	91,036	5,000	96,036	-
Technology Improvement Bond	197,017	455,842	425,887	226,972
HAVA Title III	-	67,240	63,506	3,734
Economic Development Donation	5,541	-	-	5,541
Critical Response Team	7,822	-	5,637	2,185
Adm Fee / Circ Court Adult Prob.	18,513	11,243	-	29,756
Adm Fee / Circ Court Juv Prob.	13,200	8,916	-	22,116
Adm Fee / Sup Court Adult Prob.	28,945	11,090	-	40,035
Interstate Compact Fee/Circuit Court	75	1,125	1,050	150
Clerk's IV-D (New)	17,617	7,972	4,625	20,964
Prosecutor's IV-D (Old)	6,061	-	-	6,061
Prosecutor's IV-D (New)	31,618	11,994	1,199	42,413
Cumulative Bridge	465,760	345,373	259,944	551,189
Park Nonreverting Capital	283	-	-	283
Cumulative Capital Development	1,157,635	478,038	735,176	900,497
General Drain Improvement	131,074	14,444	21,235	124,283
Drainage Maintenance	999,239	95,702	45,406	1,049,535
Crime Victims Assistance	-	26,773	26,773	-
Adventure Bound Grant	4,712	10,290	9,191	5,811
Victim's Assistance 06VA069	-	-	11,305	(11,305)
Victim's Advocate 7/05-6/06	(4,655)	18,430	13,775	-
Bio-Terrorism Grant	(8,449)	40,145	35,194	(3,498)
Bio-Terrorism Grant 9/06	-	7,241	10,246	(3,005)
IDEM 319 Grant	115	4,558	4,673	-
Bio-Terrorism Preparedness Grant	25,489	-	-	25,489
Child Safety Seat	1,785	20	1,474	331
Bicycle Safety Grant	1,020	-	-	1,020
Exploration Express Grant	4,665	12,512	13,751	3,426
West Nile Virus	-	1,410	1,410	-
Emergency Response Team	420	-	-	420
CERTA Grant-CFDA 83.552	823	-	-	823
CERTA Grant-CFDA 83.656	631	-	-	631
2004 Homeland Security	2,542	-	2,542	-
2005 Homeland Security	-	25,704	59,696	(33,992)
Homeland Security - DELL	-	-	11,250	(11,250)
Tobacco Cessation II	2,296	32,304	30,737	3,863
Land/Water Conservation	-	38,562	100,577	(62,015)
Gifts to Animal Shelter	5,177	2,359	5,199	2,337
Surplus Dog Tax Special Revenue	-	13,473	13,473	-
County User Fee	48,751	13,575	4,647	57,679
County Law Enforcement Continuing Ed	11,864	369	-	12,233
Community Correction Home Detention	104,308	13,567	21,730	96,145
Special Death Benefit	220	3,720	3,475	465

The accompanying notes are an integral part of the schedules.

LAGRANGE COUNTY
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, PROPRIETARY, AND FIDUCIARY FUND TYPES
As Of And For The Year Ended December 31, 2006
(Continued)

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Proprietary Funds:				
County Liability	41,500	-	-	41,500
Self-Insurance Health	419,169	2,544,264	2,426,351	537,082
Fiduciary Funds:				
Welfare Trust	2,618	186	-	2,804
Congressional School Principal	17,576	-	-	17,576
Congressional School Interest	471	859	703	627
Surplus Tax	34,468	50,141	46,988	37,621
Tax Sale Surplus	2,246	295,177	223,159	74,264
Tax Sale Redemption	-	28,410	28,410	-
State Fees	41,746	268,328	268,036	42,038
City/Town Court Costs	20,632	14,926	26,767	8,791
Hospital Nonexpendable Trust	2,950,578	118,801	-	3,069,379
Hospital Trust Interest	-	170,066	170,066	-
Roger's Home Principal	165,550	-	-	165,550
Roger's Home Interest Income	74,907	11,759	550	86,116
Cloyd Duff Trust	114,001	5,575	-	119,576
M. Greenwalt Trust	1,750	-	-	1,750
Surplus Property Tax Replacement Credit	-	220,429	220,429	-
Inheritance Tax	38,151	541,763	437,237	142,677
Coroners Training and Continuing Education Fund	164	1,407	1,438	133
State Sales Disclosure Fee Fund	465	5,700	5,810	355
Recorder's Mortgage Fees	1,033	6,080	6,723	390
Sheriff's Pension Trust	2,436,418	438,679	78,146	2,796,951
Prosecutor's Bad Check	-	95,502	90,425	5,077
County Sheriff	-	360,768	360,768	-
Major Moves Clearing	-	40,000,000	40,000,000	-
Tax Distributions	52,466	38,260,343	38,168,272	144,537
County Treasurer After Settlement Collections	524,934	45,146,924	45,074,113	597,745
Clerk of the Circuit Court	428,043	4,398,563	4,031,410	795,196
County Recorder	-	188,012	188,047	(35)
Superior Court Probation Trust	7,465	76,293	78,705	5,053
Payroll Withholdings	5,434	8,593,116	8,595,858	2,692
Levy Excess	-	83,971	83,971	-
Contractor Registration	-	5,095	-	5,095
Education Plate Fee	-	1,950	1,950	-
Totals	<u>\$ 16,294,665</u>	<u>\$ 200,650,522</u>	<u>\$ 161,379,600</u>	<u>\$ 55,565,587</u>

The accompanying notes are an integral part of the schedules.

LAGRANGE 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, health and social services, culture and recreation, 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 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 FINANCIAL INFORMATION
(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 the 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 County 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 member's 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. The 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 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 (CPRP), 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 FINANCIAL INFORMATION
(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.

LAGRANGE COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2006

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 2007.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 141,355
Buildings	19,024,719
Improvements other than buildings	11,292
Machinery and equipment	<u>9,915,404</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 29,092,770</u>

LAGRANGE COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT

For The Year Ended December 31, 2006

The county has entered into the following long-term obligations:

Description of Asset	Ending Balance	Due Within One Year
Governmental Activities:		
Capital leases:		
County Jail	\$ 8,280,000	\$ 240,000
Bonds payable:		
General obligation bonds:		
Sewer Improvement	460,000	50,000
Technology Improvement	1,295,000	400,000
Revenue bonds:		
County Road 800 South	<u>433,162</u>	<u>103,785</u>
Total governmental activities long-term debt	<u>\$ 10,468,162</u>	<u>\$ 793,785</u>

LAGRANGE COUNTY
OTHER REPORT

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

County Auditor

LAGRANGE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on May 17, 2007, with Jackie S. Boyle, Auditor; George R. Bachman, President of the Board of County Commissioners; and Charles F. Ashcraft, President of the County Council. Our examination disclosed no material items that warrant comment at this time.