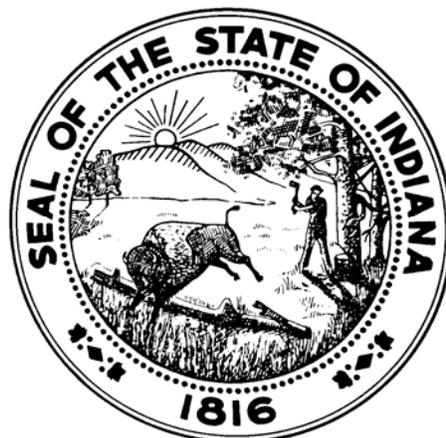


**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

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



**FILED**  
08/23/2007



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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Michaelene J. Houston	01-01-03 to 12-31-10
President of the County Council	Bruce Fingerhut	01-01-06 to 12-31-07
President of the Board of County Commissioners	Kevin Kroft	01-01-06 to 12-31-07



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Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

TO: THE OFFICIALS OF STARKE COUNTY

We have examined the records of the County Auditor for the period from January 1, 2006 to December 31, 2006, 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 Examination Results and Comments. The financial transactions of this office are reflected in the Examination Report of Starke County for the year 2006.

STATE BOARD OF ACCOUNTS

July 2, 2007

COUNTY AUDITOR  
STARKE COUNTY  
EXAMINATION RESULTS AND COMMENTS

OVERDRAWN FUND BALANCES

The County had six funds with negative balances on December 31, 2006.

The balance of any fund may not be reduced below zero. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 14)

DORMANT FUNDS

The County had three funds with no activity during 2006.

The County Auditor should examine any dormant funds carried on their ledgers with the view toward closing out funds before December 31. (The County Bulletin, October 2005)

RECONCILIATION OF SUBSIDIARY LEDGERS

Reconciliation of the Tax Sale Surplus Fund, Tax Sale Redemption Fund and Surplus Tax Fund could not be verified to the subsidiary ledger.

At all times, the manual and computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 6)

COUNTY AUDITOR  
STARKE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on July 2, 2007, with Michaelene J. Houston, Auditor; and Kevin Kroft, President of the Board of County Commissioners.