

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

EXAMINATION REPORT

OF

DEKALB COUNTY, INDIANA

January 1, 2006 to December 31, 2006



FILED

11/15/2007

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Sharon G. Hayes John W. Fetters	01-01-03 to 12-31-06 01-01-07 to 12-31-10
Treasurer	Susan J. Bauermeister	01-01-05 to 12-31-08
Clerk	Jacqueline Rowan	01-01-05 to 12-31-08
Sheriff	John Dennis	01-01-03 to 12-31-10
Recorder	Burtie Rynearson	01-01-05 to 12-31-08
President of the Board of County Commissioners	William C. Ort	01-01-06 to 12-31-07
President of the County Council	Ben Smaltz	01-01-06 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF DEKALB COUNTY, INDIANA

We have examined the financial information presented herein of DeKalb 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 required parts 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

September 24, 2007

DEKALB 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, 2006

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 1,923,986	\$ 12,487,702	\$ 11,573,280	\$ 2,838,408
Accident Report	7,016	5,549	3,726	8,839
Adult Administrative Fee	21,513	19,935	21,513	19,935
Adult Probation Services	247,863	96,312	90,404	253,771
American Heritage Village TIF	9,833	29,401	-	39,234
County Aviation	148,340	346,594	192,108	302,826
Children's Psych Res Treatment	24,368	94,399	51,995	66,772
Clerk's Record Perpetuation	7,078	10,807	13,170	4,715
Home Detention	72,070	26,160	34,770	63,460
CDBG Revolving Loan	49,654	8,437	5,923	52,168
Community Transitional Living	18,105	1,605	-	19,710
Covered Bridge	16,852	1,250	-	18,102
Dare Equipment Grant	168	-	-	168
Local Planning Grant	5,763	-	-	5,763
Disaster Mitigation	-	6,000	-	6,000
County Home Donations	240	-	-	240
Drainage Maintenance	1,601,366	582,695	360,855	1,823,206
Drug Free Community	24,392	21,323	25,496	20,219
Emergency Planning	53,542	7,857	41,979	19,420
Emergency Telephone System	185,536	289,487	301,272	173,751
Enhanced Access	1,389	-	-	1,389
County Extradition	452	-	139	313
Family and Children	514,690	2,360,321	2,828,540	46,471
Guardian Ad Litem	-	3,557	3,557	-
Firearms Training	10,566	8,050	9,586	9,030
County Health	152,244	285,488	213,772	223,960
Health Maintenance	44,494	33,139	36,880	40,753
Highway	906,540	2,746,636	2,469,780	1,183,396
Historical Guide Pub Grant	3,162	-	1,630	1,532
Identification Security Protection	-	16,998	-	16,998
Inmate Medical	9,981	1,734	-	11,715
Interstate Compact Fee	113	112	187	38
Juvenile Admin Fee	1,931	2,394	1,931	2,394
Juvenile Probation Services	45,165	5,702	10,034	40,833
K-9 Donations	2,732	750	787	2,695
Law Enforcement Assistance	616	-	-	616
Levy Excess	133,978	259,110	253,157	139,931
Local Road and Street	982,158	479,432	373,951	1,087,639
County Misdemeanant	57,473	26,391	37,474	46,390
New Millennium Infrastructure TIF	421,515	228,726	610,696	39,545
Plat Book	56,306	14,630	24,988	45,948
Pretrial Diversion	449,479	61,012	132,049	378,442
Property Reassessment	1,251,030	258,647	291,942	1,217,735
Public Health Bioterrorism	23,218	2,000	2,896	22,322
Rainy Day	158,382	-	-	158,382
Recorder's Records Perpetuation	54,168	59,249	42,950	70,467
Sales Disclosure	64,370	7,030	3,950	67,450
Sheriff Donation	1,975	-	-	1,975
Sheriff Response Team	-	22,150	18,053	4,097
Sheriff's Commissary	33,338	89,293	95,025	27,606
Sheriff's Cont Education	18,934	6,650	1,050	24,534
State Homeland Security Grant	16,105	89,600	89,601	16,104
Supplemental Public Defender	7,717	1,772	-	9,489

The accompanying notes are an integral part of the financial information.

DEKALB 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, 2006
(Continued)

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds (continued):				
Surveyor's Corner Perpetuation	6,486	9,690	9,971	6,205
Tobacco Settlement	24,058	22,338	16,046	30,350
County User Fee	109,153	15,760	1,743	123,170
Ambulance Replacement	59,935	85,949	90,084	55,800
Aviation Lease Rental	229,101	314,574	266,422	277,253
Jail Lease Rental	9,378	-	-	9,378
Aviation Loan Repayment	19,248	101,653	85,435	35,466
Redevelopment Authority	(360)	8,733	8,373	-
Redevelopment Commission	4,069,570	2,226,126	864,653	5,431,043
Aviation Grant	11,528	-	-	11,528
County EDIT Capital Improv Plan	655,708	951,540	1,456,268	150,980
Cumulative Bridge	2,638,827	437,078	763,192	2,312,713
Cumulative Capital Development	1,916,871	481,272	662,952	1,735,191
Cumulative Jail	920	-	-	920
General Drain Improvement	1,195,735	105,066	207,507	1,093,294
Public Airport Capital Improvement	58,506	108,409	74,256	92,659
USDA Infrastructure Grant	800	-	-	800
Proprietary Funds:				
Self-Insurance	18,463	1,574,369	1,698,548	(105,716)
Self-Insurance Surplus	314,901	10,671	114,901	210,671
Health Insurance	4,916	1,323,746	1,328,611	51
Fiduciary Funds:				
Court Fees	164,833	302,975	438,673	29,135
Tax Distributions	166,456	60,896,521	60,860,105	202,872
Sheriff's Inmate Trust	1,844	79,029	80,246	627
County Sheriff	-	1,712,419	1,712,419	-
Sheriff's Pension Trust	3,131,230	471,396	149,294	3,453,332
Clerk of the Circuit Court	93,086	4,746,304	4,564,720	274,670
County Recorder	-	229,590	229,590	-
County Treasurer	2,474,095	59,239,983	61,412,407	301,671
County Home Residents' Trust	5,210	109,260	105,505	8,965
Probation Department	3,688	176,242	175,188	4,742
Health Department	4,347	29,234	29,822	3,759
Payroll	135,033	9,439,313	9,538,823	35,523
Welfare Trust	18,151	82,065	80,839	19,377
Congressional School Principle	17,684	-	-	17,684
Congressional School Interest	18,047	523	707	17,863
Coroner's Continuing Education	1,184	2,317	3,280	221
Ditch Surplus Tax	636	92	86	642
Inheritance Tax	92,653	543,186	495,547	140,292
Late Surrender Fees	48,010	9,840	-	57,850
Mortgage Fees - State Share	4,318	6,962	10,675	605
State Sales Disclosure Fee	-	6,740	6,275	465
Surplus Dog Tax	50	5,564	5,564	50
Surplus Tax	52,935	51,335	34,349	69,921
Tax Sale Redemption	5,231	152,126	146,030	11,327
Tax Sale Surplus	503,703	1,256,640	951,730	808,613
Totals	<u>\$ 28,128,074</u>	<u>\$ 168,432,716</u>	<u>\$ 168,951,932</u>	<u>\$ 27,608,858</u>

The accompanying notes are an integral part of the financial information.

DEKALB COUNTY
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The County was established under the laws of the State of Indiana. The County operates under a Council-Commissioner form of government and provides the following services: public safety, highways and streets, health 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 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.

DEKALB COUNTY
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 6. Pension Plan

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

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 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.

DEKALB COUNTY
NOTES TO FINANCIAL INFORMATION
(Continued)

c. County Police Benefit Plan

Plan Description

The County contributes to the County Police Benefit 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 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 county sheriff.

Funding Policy and Annual Pension Cost

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

DEKALB 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 (those reported by governmental activities) are included regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 3,851,686
Infrastructure	77,370,483
Buildings	11,437,201
Improvements other than buildings	6,703,356
Machinery and equipment	<u>6,724,249</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 106,086,975</u>

DEKALB COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT

For The Year Ended December 31, 2006

CAPITAL LEASES

The County has entered into the following capital leases:

Description of Asset	Ending Balance	Due Within One Year
Governmental Activities:		
Capital leases:		
Airport Expansion	\$ 2,000,000	\$ 415,000
Notes and loans payable	670,265	48,432
Bonds payable:		
Revenue bonds:		
Tax Incremental Financing (TIF) Bonds	11,450,000	600,000
Total governmental activities long-term debt	\$ 14,120,265	\$ 1,063,432

DEKALB COUNTY
OTHER REPORTS

The report presented herein was prepared in addition to other official reports prepared for the individual county offices listed below:

County Auditor
Department of Aviation
Plan Commission
County Home

DEKALB COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 24, 2007, with William C. Ort, President of the Board of County Commissioners; Connie R. Miles, Commissioner; Don Kaufman, Commissioner; and John W. Fetters, Auditor.