

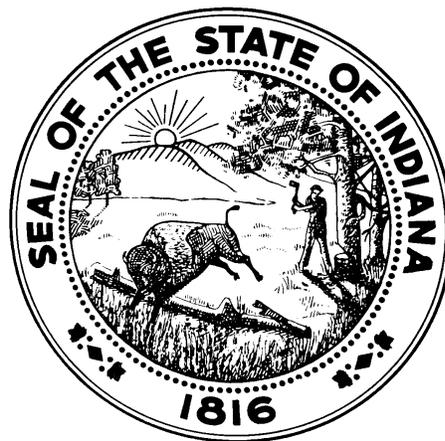
**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

EXAMINATION REPORT

OF

BLACKFORD COUNTY, INDIANA

January 1, 2007 to December 31, 2007



**FILED**  
08/22/2008



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials .....	2
Independent Accountant's Report.....	3
Financial Information:	
Schedule of Receipts, Disbursements, and Cash and Investment Balances .....	4-5
Notes to Financial Information .....	6-7
Supplementary Information:	
Schedule of Capital Assets.....	8
Schedule of Long-Term Debt .....	9
Other Reports.....	10
Exit Conference.....	11

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Kathy J. Bantz	01-01-07 to 12-31-10
Treasurer	Lisa M. Simmons	01-01-05 to 12-31-08
Clerk	Laura A. Coons	10-01-06 to 12-31-09
Sheriff	John A. Lancaster	07-21-07 to 12-31-10
Recorder	Derinda E. Shady	01-01-06 to 12-31-09
President of the Board of County Commissioners	Fred Walker Robert O'Rourke	01-01-07 to 12-31-07 01-01-08 to 12-31-08
President of the County Council	Cathy Weschke Thomas S. Armstrong	01-01-07 to 12-31-07 01-01-08 to 12-31-08



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

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

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF BLACKFORD COUNTY, INDIANA

We have examined the financial information presented herein of Blackford County (County), for the period of January 1, 2007 to December 31, 2007. 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, 2007, 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

July 16, 2008

BLACKFORD COUNTY  
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
As Of And For The Year Ended December 31, 2007

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 1,167,758	\$ 4,304,776	\$ 4,464,319	\$ 1,008,215
Property Reassessment	74,863	-	-	74,863
Excess Levy	43,311	-	43,311	-
Surveyor's Corner Perpetuation	14,510	2,815	-	17,325
2006 Reassessment	340,519	81,014	34,815	386,718
Identification Security Protection	4,810	4,292	2,400	6,702
Recorder's Perpetuation	41,958	14,520	17,955	38,523
Plat Map	8,204	6,106	-	14,310
Economic Development Income Tax	395,068	357,367	146,079	606,356
Clerk's Records Perpetuation	10,792	3,274	-	14,066
West Nile Virus	-	414	414	-
County Sales Disclosure	6,396	1,360	1,413	6,343
Industrial Parks	27,313	-	-	27,313
Donations	25,794	16,261	21,086	20,969
Juvenile Probation Service	26,853	7,809	8,587	26,075
Probation User Fees	118,589	51,967	42,446	128,110
New Clerk Incentive	18,322	-	9,232	9,090
Pretrial Diversion	1,342	9,137	5,127	5,352
New Prosecutor Incentive	16,208	-	9,268	6,940
Cumulative Courthouse	403,996	67,656	195,150	276,502
Adult Administrative Fee	12,667	9,761	7,221	15,207
Juvenile Administrative Fee	2,735	589	-	3,324
CERT Grant	51	-	-	51
Sheriff Sale Fee	6,308	12,600	6,900	12,008
Highway	727,826	1,191,735	1,049,235	870,326
Local Road and Street	91,075	125,509	108,033	108,551
Riverboat Revenue	30,690	88,583	88,520	30,753
Cumulative Bridge	444,602	173,872	100,665	517,809
Health	33,113	142,997	149,846	26,264
Attendance Support Program	1	-	-	1
Project Lifesaver Grant	1,000	-	-	1,000
Health Maintenance	46,958	41,452	23,793	64,617
Master Settlement Tobacco	24,853	14,777	13,417	26,213
County Preparedness Grant	-	2,500	-	2,500
Family and Children	1,852,239	163,815	331,353	1,684,701
Welfare Adoption Fees	1,300	220	120	1,400
Welfare Reform Grant	284	-	-	284
Children's Psychiatric Residential Treatment	85,321	32,255	45,425	72,151
HS CFDA 97.004	33,280	11,250	44,529	1
Bioterrorism Grant	9,043	-	4,593	4,450
Rainy Day	24,055	46,079	24,055	46,079
PHC Grant	(2,195)	28,088	22,794	3,099
General Drain Improvement	147,785	26,456	22,573	151,668
General Drain Maintenance	696,677	165,589	396,408	465,858
Drainage Maintenance District	175,135	58,210	37,070	196,275
Campaign Finance Enforcement	100	-	-	100
Emergency Response	17,100	281	-	17,381
Accident Report	8,146	1,001	-	9,147
Firearms Training	6,123	3,700	-	9,823
Operation Pullover	1	4,800	4,775	26
Law Enforcement Continuing Education	4,671	-	-	4,671
Emergency Telephone System	77,332	207,733	188,623	96,442
Community Corrections Project Income	60,075	41,659	45,161	56,573
Inmate Medical Care	5,492	1,612	-	7,104
Jail Housing Grant	-	14,050	9,120	4,930
Drug Advisory Project Income	3,269	2,100	2,496	2,873
Community Correction Home Detention	-	65,981	59,929	6,052
Drug Free Community	17,148	9,422	8,131	18,439
Community Corrections Grant	2,900	47,027	49,927	-
Community Transition Program	1,420	5,960	5,593	1,787
Jail Bond	191,068	168,471	359,539	-
Incarceration Fees	3,930	-	-	3,930
Interpreter Grant	68	-	-	68
Cumulative Jail	206,447	39,528	42,883	203,092

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

BLACKFORD COUNTY  
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
As Of And For The Year Ended December 31, 2007  
(Continued)

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
<b>Governmental Funds:</b>				
ITPC Grant	6,960	5,000	-	11,960
Victim Assistance Grant	-	15,594	13,349	2,245
Family Violence Victim Assistance	169	16,566	16,735	-
Jury Pay	5,744	1,652	-	7,396
Personal Property Attorney Fees	375	9	246	138
Supplemental Public Defender Services	22,867	31,010	31,991	21,886
Cumulative Capital Development	201,203	92,628	83,235	210,596
Solid Waste Disposal Capital	77,617	22,085	-	99,702
Landfill Closure Trust	19,732	9,816	9,527	20,021
Sheriff's Commissary	30,972	89,575	85,659	34,888
<b>Fiduciary Funds:</b>				
Surplus Tax	47,996	2,610	45,417	5,189
Surplus Dog Tax	102	-	-	102
Tax Sale Redemption	2,195	19,098	21,293	-
Surplus Tax Sale	88,799	22,776	55,868	55,707
Tax Certificate Sale	2,000	-	-	2,000
Financial Institutions Tax	-	58,877	58,877	-
Homestead Credit Rebate	-	418,258	-	418,258
Certified Shares (CAGIT)	-	1,350,620	1,350,620	-
Homestead Credit (Local Option)	3,233	209,860	-	213,093
Commercial Vehicle Excise Tax	54,601	114,670	111,936	57,335
Economic Development Income Tax Clearing	1	547,397	547,397	1
Property Replacement Homestead Credit	-	450,207	450,207	-
Payroll	50,458	1,186,481	1,236,122	817
United Way	126	399	525	-
Section 125 Pre-Tax	612	16,309	16,867	54
State Sales Disclosure Fees	110	1,330	670	770
State Coroner Continuing Education	56	980	340	696
County Health Insurance	12,675	299,693	298,509	13,859
Court Martial Fines/Fees	61	-	-	61
Infraction Judgments	643	11,663	3,000	9,306
Special Death Benefit	235	1,435	640	1,030
City and Town Court Costs	3,964	3,986	3,964	3,986
Sheriff's Pension Trust	559	7,839	8,007	391
Overweight Vehicle Fines	-	25	-	25
Child Restraints Violations Fines	-	250	75	175
Seatbelt Violations	2,025	6,550	-	8,575
Mortgage Fees - State Share	255	1,379	677	957
Medical Assistance to Wards	-	12,787	12,787	-
Health Care for the Indigent	-	128,255	128,255	-
Children with Special Health Needs	-	24,025	24,025	-
User Fee	18,257	2,499	717	20,039
Ordinance Violation	6,953	210	-	7,163
Congressional School Interest	5,396	447	159	5,684
Education Plate Fees	-	1,087	1,087	-
Inheritance Tax	1	171,250	130,548	40,703
State Fair Board	-	3,056	3,056	-
State Forestry Tax	-	6,111	6,111	-
State Settlement	-	12,564,816	12,564,816	-
State Fines and Forfeitures	1,038	2,850	2,885	1,003
Landfill User Fees	18,845	246,744	245,389	20,200
Congressional School Principal	7,971	-	-	7,971
Sheriff's Retirement and Benefit Plan	586,504	159,027	43,153	702,378
County Treasurer	515,145	2,547,402	515,145	2,547,402
County Sheriff	-	189,389	189,389	-
Clerk of the Circuit Court	250,879	1,656,429	1,633,668	273,640
Probation Department	-	72,239	72,239	-
Community Corrections	-	41,646	41,646	-
County Recorder	50	57,821	57,821	50
Sheriff's Inmate Trust	3,145	94,147	93,246	4,046
<b>Totals</b>	<b>\$ 9,847,228</b>	<b>\$ 30,877,294</b>	<b>\$ 28,472,224</b>	<b>\$ 12,252,298</b>

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

BLACKFORD 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. However, the distribution of taxes received by the County Treasurer by November 13, 2007, was not completed until 2008.

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.

BLACKFORD COUNTY  
NOTES TO FINANCIAL INFORMATION  
(Continued)

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.

Note 6. Pension Plan

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 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 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.

BLACKFORD COUNTY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2007

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	\$ 116,750
Infrastructure	26,818,695
Buildings	6,444,570
Machinery and equipment	<u>1,303,503</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 34,683,518</u>

BLACKFORD COUNTY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2007

The County has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
County jail	\$ 2,755,000	\$ 387,383
Loan payable:		
Energy savings contract	<u>230,000</u>	<u>51,580</u>
Total governmental activities debt	<u>\$ 2,985,000</u>	<u>\$ 438,963</u>

BLACKFORD COUNTY  
OTHER REPORTS

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

County Sheriff  
Clerk of the Circuit Court

BLACKFORD COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on July 16, 2008, with Kathy J. Bantz, Auditor; Robert O'Rourke, President of the Board of County Commissioners; and Thomas S. Armstrong, President of the County Council. Our examination disclosed no material items that warrant comment at this time.