

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

EXAMINATION REPORT
OF
STARKE COUNTY
STARKE COUNTY, INDIANA
January 1, 2007 to December 31, 2007



FILED
09/15/2008

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Michaelene J. Houston	01-01-07 to 12-31-10
Treasurer	Marilyn Folkers	01-01-05 to 12-31-08
Clerk	Evelyn Skronski	01-01-07 to 12-31-10
Sheriff	Oscar Cowen	01-01-07 to 12-31-10
Recorder	Jackie Bridengroom	01-01-07 to 12-31-10
President of the Board of County Commissioners	Kevin Kroft	01-01-07 to 12-31-08
President of the County Council	Bruce Fingerhut Mark Smith	01-01-07 to 12-31-07 01-01-08 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF STARKE COUNTY, STARKE COUNTY, INDIANA

We have examined the financial information presented herein of Starke 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, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

May 27, 2008

STARKE 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		Cash and	
	Investments	Receipts	Disbursements	Investments
	01-01-07			12-31-07
Governmental Funds:				
General	\$ 784,753	\$ 6,247,079	\$ 5,330,878	\$ 1,700,954
Child Advocacy	297	-	-	297
EMS Donation for Educational Materials	497	-	-	497
Title 3 Fund	3,292	275	-	3,567
Community Transition Program	11,685	-	-	11,685
Emergency Management Grant	6,259	36,336	32,551	10,044
Sale of Plat Books	272	564	418	418
Mortgage Fee	-	5,254	5,738	(484)
County Share Disclosure Fee	8,580	3,835	11,000	1,415
Special Death Benefits	-	4,305	2,790	1,515
Juvenile Tracking Grant	23	-	-	23
Starke County Drug Enforcement	10,000	-	1,443	8,557
Redact - Recorder	9,714	10,266	2,852	17,128
Auditor's Transfer Fee	6,090	6,986	6,000	7,076
COPS Grant	3,277	46,084	49,361	-
Welfare Hospital Care for the Indigent	-	318,829	318,829	-
Alternative Dispute Resolution	7,980	1,800	-	9,780
County Economic Development Income Tax	763,611	1,140,549	1,201,181	702,979
Hamlet Fire Wall	2,873	13,000	9,007	6,866
Surveyor Corner Perpetual	13,701	15,195	15,425	13,471
Tactical Narcotics Team Rico	888	45	135	798
Children With Special Health Care Needs	-	47,554	47,554	-
Drunk Driving Task Force	-	14,050	14,050	-
Coroners Continuing Education	94	1,844	1,435	503
Juvenile Account Block Grant	-	13,500	17,648	(4,148)
K-9 Unit for Prosecutor	-	10,270	10,270	-
Jury Pay	1,613	4,963	-	6,576
WIC Donations	14	575	263	326
Starke County Dare Donations	8,736	8,204	5,733	11,207
Recorder Perpetual	43,631	31,216	25,518	49,329
Clerks Perpetual	4,266	4,370	599	8,037
Title IV-D Clerk	26,900	-	17,069	9,831
Title IV-D Prosecutor	35,934	-	11,082	24,852
2000 Victim Assistance Grant	11,215	152	14,593	(3,226)
DUI Patrol Task Force	(5)	-	-	(5)
Knox Lead Track Expenses	117,692	29,784	23,078	124,398
Knox Lead Track Grant	-	969	-	969
Supplemental Juvenile Probation	32,054	18,146	-	50,200
Supplemental Adult Probation	68,011	91,695	47,574	112,132
Probation Grant 02-JB-061	812	9,250	10,073	(11)
Pretrial Diversion	19,232	64,971	67,628	16,575
County Extradition	12,809	-	5,073	7,736
County Corrections	19,379	16,886	24,856	11,409
Supplemental Public Defender Services	11,729	2,140	6,167	7,702
Victim Assistance 02VA147	(8,613)	19,723	11,110	-
Motor Vehicle Highway	859,014	2,366,907	2,872,347	353,574
Local Road and Street	31,750	266,150	178,023	119,877
Cumulative Bridge	429,870	106,901	-	536,771
Worker's Comp Insurance Account	150,000	-	-	150,000
Health	48,719	191,229	195,754	44,194
Women, Infants and Childrens	-	17,875	25,757	(7,882)
Women, Infants and Childrens #2	(15,312)	92,718	77,406	-
Women, Infants and Childrens #3	76	-	-	76
Pandemic Influenza Preparedness	2,000	-	-	2,000
Mosquito Control	420	-	-	420
Local Health Maintenance	60	41,424	11,326	30,158
Children Psychiatric	498,728	572,594	499,087	572,235
Family and Children Services	1,713,181	2,355,460	2,201,803	1,866,838
Family and Children Debt Services	10,722	37	-	10,759
New Cumulative Reassessment	705,672	330,473	251,370	784,775

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

STARKE 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
Governmental Funds (continued):				
Special Vehicle Inspection	3,988	1,030	3,811	1,207
Prosecutor Rico	850	-	831	19
General Drain Improvement	166,980	13,823	28,429	152,374
General Drain Maintenance	1,081,009	327,943	247,852	1,161,100
Accident Report Fees	2,427	2,915	1,981	3,361
Firearms Training	8,070	11,470	1,929	17,611
Drug Free Community	56,257	26,507	80,605	2,159
Drug Free Community	3,125	-	3,125	-
Drug Free Community Fd	-	88,292	77,498	10,794
Drug Task Force 98DB-063	(11,955)	41,267	29,312	-
County & Local Law Enforcement	2,121	386	2,388	119
Emergency 911	141,198	395,123	365,016	171,305
Emergency Planning and Right to Know	2,570	-	814	1,756
Cumulative Capital Development	183,708	218,424	100,718	301,414
Public Health Preparedness Grant	(10,572)	18,521	22,915	(14,966)
Public Health Preparedness Grant	5,934	13,156	3,500	15,590
Local Health Preparedness	-	5,320	9,671	(4,351)
LHMF Tobacco Settlement	21,572	18,011	2,615	36,968
Health Department Donations	309	-	-	309
Operation Pullover	2,004	9,973	11,891	86
Victim Assistance Grant 97VA046	126	-	-	126
Child Immunization Grant	809	-	749	60
Drug Free/Teen Court	-	4,000	-	4,000
Fiduciary Funds:				
Sheriff's Retirement Plan	1,814,447	240,183	300,937	1,753,693
Sheriff's Benefit Plan	75,866	6,092	21,161	60,797
County Police Pension Trust	-	21,910	-	21,910
Congressional School Principal	14,720	-	-	14,720
Save the Hospital	3,568,217	257,226	-	3,825,443
Tax Distributions	31,059	24,462,747	23,776,884	716,922
Tax Collections Due State	-	57,793	57,793	-
Payroll	127,531	1,614,958	1,579,500	162,989
Court Fees	3,853	25,226	23,129	5,950
2003 Surplus Tax	87,946	-	86,839	1,107
2004 Surplus Tax	20,554	-	-	20,554
2205 Surplus Tax	17,330	-	2,015	15,315
2006 Surplus Tax	22,404	-	12,811	9,593
2007 Surplus Tax	-	42,390	-	42,390
2006 Tax Sale Surplus	381,022	-	310,518	70,504
Tax Sale Surplus	47,377	-	-	47,377
2004 Tax Sale Surplus	42,171	-	18,312	23,859
2005 Tax Sale Surplus	83,027	-	38,743	44,284
2007 Tax Sale Surplus	-	1,043,278	323,744	719,534
Tax Sale Redemption	241	-	-	241
2005 Tax Sale Redemption	2,675	1,146	-	3,821
2006 Tax Sale Redemption	(2,968)	75,682	74,989	(2,275)
2007 Tax Sale Redemption	-	47,934	47,934	-
Welfare Trust	1,567	38,247	33,773	6,041
Congressional School Interest	9,571	1,420	2,355	8,636
Inheritance Tax	137,573	698,972	761,866	74,679
Poor Relief	-	53,068	53,068	-
Sheriff	3,278	580,042	567,713	15,607
Inmates Trust	29,355	226,665	222,531	33,489
Probation	-	117,429	117,429	-
Recorder	9,664	117,579	119,054	8,189
Treasurer	264,590	27,091,547	26,999,707	356,430
Clerk	791,727	2,043,998	2,539,446	296,279
Totals	<u>\$ 15,719,522</u>	<u>\$ 74,644,125</u>	<u>\$ 72,749,755</u>	<u>\$ 17,613,892</u>

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

STARKE 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, highways and streets, health and social services, culture and recreation, planning and zoning, public improvements 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.

STARKE COUNTY
NOTES TO FINANCIAL INFORMATION
(Continued)

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.

STARKE 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	\$ 13,804
Infrastructure	32,034,207
Buildings	3,556,665
Improvements other than buildings	84,073
Machinery and equipment	<u>5,000,028</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 40,688,777</u>

STARKE 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
County Treasurer
County Sheriff
County Highway

STARKE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on May 27, 2008, with Michaelene J. Houston, Auditor; Melinda McCarty, Deputy Auditor; and Mark Smith, President of the County Council. Our examination disclosed no material items that warrant comment at this time.