

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

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



FILED
12/12/2008

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	6-8
Supplementary Information:	
Schedule of Capital Assets.....	9
Schedule of Long-Term Debt	10
Other Report	11
Exit Conference.....	12

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Virginia Bostick Pat Hensley	01-01-04 to 12-31-07 01-01-08 to 12-31-11
Treasurer	Bonnie Adams	02-01-05 to 12-31-08
Clerk	Sue Ray	01-01-07 to 12-31-10
Sheriff	Eric Cantrell	07-01-06 to 12-31-10
Recorder	Loree Persinger	01-01-04 to 12-31-11
President of the Board of County Commissioners	Allen Paddock	01-01-07 to 12-31-08
President of the County Council	Alan Alcorn	01-01-07 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF UNION COUNTY, INDIANA

We have examined the financial information presented herein of Union 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

October 30, 2008

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

	Cash and Investments			Cash and Investments	
	01-01-07	Receipts	Disbursements	12-31-07	
Governmental Funds:					
General	\$ 641,253	\$ 2,240,987	\$ 2,349,382	\$ 532,858	
County Highway	485,153	989,998	1,134,527	340,624	
Family and Children	463,288	934,673	810,586	587,375	
Local Road and Street	4,789	81,321	63,287	22,823	
Health	80,420	84,221	158,842	5,798	
Health Clinic	-	3,081	987	2,094	
Property Reassessment	95,380	50,845	55,415	90,811	
Accident Report	450	356	156	650	
Firearms Training	1,237	2,895	1,831	2,301	
Surveyor's Corner Perpetuation	12,480	2,815	3,044	12,251	
Supplemental Juvenile Probation Service	4,227	6,436	7,347	3,316	
Supplemental Adult Probation Service	16,888	19,756	29,912	6,732	
Pre-Trial Diversion	2,573	1,470	-	4,043	
County 4-H Building Maintenance	-	5,592	5,592	-	
Recorder's Records Perpetuation	32,660	11,772	10,731	33,701	
Clerk's Records Perpetuation	11,731	3,023	-	14,754	
Law Enforcement Continuing Education	354	-	-	354	
County User Fee	37,269	14,739	8,468	43,540	
Child Support IV-D	20,914	-	755	20,159	
Clerk Title IV-D	14,926	-	939	13,987	
Plat Book	14,589	2,800	183	17,206	
Local Health Maintenance	18,007	51,769	43,073	26,704	
Fitness	-	3,000	2,602	398	
Home Detention	114	-	44	69	
Community Corrections	9,013	119,510	107,983	20,540	
Community Corrections/Project Income	14,833	31,905	20,240	26,499	
Emergency Planning/Right To Know	23,374	203	1,224	22,353	
County Drug Free Community	27,908	9,599	8,141	29,366	
Sheriff's Motor Vehicle Registration Penalties	12	-	-	12	
Emergency Telephone System	129,119	139,462	126,417	142,164	
County Corrections (Misdemeanant)	9,763	5,152	533	14,382	
Supplemental Public Defender Services	-	60,768	51,068	9,699	
Drainage Maintenance	66,813	39,307	43,214	62,906	
Election and Registration	4,813	49,291	42,396	11,708	
Mid Month Advance	-	195,900	195,900	-	
Mass Public Transportation	-	256,010	256,010	-	
Economic Development Income Tax	205,430	213,528	182,032	236,926	
Deferral Program	27,238	7,273	29,654	4,857	
Parks/Recreation Board	80,994	6,787	4,845	82,935	
Local Option Highway User Tax (LOHUT)	40,875	83,499	70,140	54,234	
Local Health Maintenance - Tobacco Funds	16,819	12,499	11,880	17,438	
LCC Tobacco Grant	4,164	29,964	20,045	14,083	
Juvenile Intake Center Services	201	638	533	306	
Adult Probation Supplemental Fees	1,875	-	1,875	-	
Sheriff Special Programs	300	-	-	300	
Reserve Deputy Donations	2,145	1,030	1,248	1,927	
Sheriff Equipment Donations	200	-	-	200	
Sheriff Support Donations	-	3,978	2,887	1,091	
Sheriff's Donation	-	1,000	1,000	-	
Health Equipment Donations	10,547	1,000	8,824	2,723	
Sheriff Commissary	5,206	29,724	31,080	3,850	
Sheriff K-9 Donations	2,390	-	60	2,330	
Operation Pull Over	253	-	-	253	
Riverboat Revenue Sharing	117,409	29,347	68,880	77,876	
Probation Administrative Fees	1,770	5,408	822	6,355	
Bioterrorism Grant	1,885	-	931	954	
Homeland Security Grant	6	67,565	67,565	6	
Cemetery Board	-	500	-	500	

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

UNION COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, TRUST, 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):				
Children's Psychiatric Residential Treatment	52,763	30,792	13,164	70,391
Rainy Day Fund	97,669	29,644	2,000	125,314
Public Health Coordinator Grant	3,823	38,137	38,217	3,744
GED Donations	15	-	-	15
Mosquito State Grant	285	500	783	2
Child Safety	2,098	662	1,855	905
Recorder Identity Security Protection	3,954	4,752	4,610	4,096
FEMA Supplemental Grant	1	-	-	1
Sheriff's Pension	1,144	3,476	-	4,620
Cumulative Bridge	143,235	147,872	51,002	240,105
Cumulative Capital Development	189,176	70,906	28,260	231,822
General Drain Improvement	4,226	4,541	4,000	4,767
Community Care Project - Escrow	3,018	-	-	3,018
Courthouse Renovation - Special EDIT	434,334	273,449	318,460	389,324
Redevelopment Commission	-	23,059	18,132	4,927
Union County Redevelopment Industrial Park	-	478,425	478,425	-
Trust Funds:				
Sheriff's Pension Trust	505,770	155,954	101,979	559,745
Crawford Cemetery Perpetual Care	2,500	118	118	2,500
Congressional Principal	27,117	-	-	27,117
Fiduciary Funds:				
State Sales Disclosure Fees	90	1,655	1,625	120
Mortgage Fees - State Share	100	1,225	1,233	93
Special Death Benefits	-	860	860	-
Inheritance Tax	58,555	180,569	120,197	118,927
Health Care for the Indigent	-	46,480	46,480	-
Medical Assistance to Wards	-	349	349	-
Children with Special Medical Needs	-	2,097	2,097	-
Surplus Tax	8,053	9,504	11,976	5,581
Tax Sale Surplus	5,235	-	5,235	-
Tax Sale Redemption	4,199	4,796	4,708	4,287
State Fines and Forfeitures	2,896	25,752	5,232	23,415
Welfare Trust Clearance	246	17,053	5,491	11,808
Infraction Judgments	-	17,493	17,493	-
Coroner's Training and Continuing Education	8	255	228	35
City and Town Court Costs	1,317	3,852	3,472	1,697
Congressional Interest	22,081	1,284	1,085	22,280
Education Plate Fees	-	1,425	1,425	-
Wheel Tax	-	21,602	21,232	370
Surtax	-	72,617	72,617	-
Overweight Vehicle Fines	-	1,225	1,225	-
Adult Offender Interstate	75	75	150	-
Child Restraint Violations Fines	-	50	50	-
Homestead Credit Rebate	-	224,416	-	224,416
Excess Levy	61,183	-	61,183	-
Tax Distribution Funds	10,497	7,818,147	7,828,644	-
County Treasurer	91,434	10,900,768	10,907,925	84,277
Clerk of the Circuit Court	153,323	1,308,735	1,321,455	140,603
County Recorder	3,936	47,620	47,534	4,022
County Sheriff	-	161,922	159,622	2,300
County Sheriff-Inmate Trust	198	34,783	34,956	25
County Probation	2,673	33,809	34,536	1,946
County Health	-	6,951	5,376	1,575
County Community Health Center	-	3,866	3,081	785
Payroll	45,431	1,062,026	1,058,805	48,652
Totals	<u>\$ 4,706,713</u>	<u>\$ 29,187,942</u>	<u>\$ 28,893,712</u>	<u>\$ 5,000,943</u>

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

UNION 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 (police), highways and streets, health, welfare and social services, culture and recreation, public improvements, planning and zoning, economic development, 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.

UNION COUNTY
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 6. 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 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.

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 Indiana Code 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.

UNION 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 Indiana Code 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 Benefit Plan are established by state statute.

Note 7. Loans Between Funds

On April 30, 2007, the Rainy Day Fund loaned the Election and Registration Fund \$2,000. At December 31, 2007, this loan remained outstanding. The loan was repaid April 2, 2008.

Note 8. Subsequent Event

On January 23, 2008, and April 30, 2008, the Rainy Day Fund loaned the Health Fund \$25,000 and \$50,000, respectively. On June 10, 2008, the Rainy Day Fund loaned the Election and Registration Fund \$2,000. All of these loans are currently outstanding. Repayment is due by December 31, 2008.

UNION 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 have been omitted by the unit.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 716,935
Buildings	3,105,288
Machinery and equipment	<u>2,647,416</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 6,469,639</u>

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

The County has entered into the following capital leases:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
Courthouse Renovation	\$ 2,384,179	\$ 94,000
Gradall Equipment	<u>128,396</u>	<u>35,948</u>
Total governmental activities debt	<u>\$ 2,512,575</u>	<u>\$ 129,948</u>

UNION COUNTY
OTHER REPORT

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

County Commissioners

UNION COUNTY
EXIT CONFERENCE

The contents of this report were discussed on October 30, 2008, with Allen Paddock, President of the Board of County Commissioners; Pat Hensley, Auditor; and Gene Sanford, Auditor Elect. Our examination disclosed no material items that warrant comment at this time.