

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

STARKE COUNTY, INDIANA

January 1, 2011 to December 31, 2011



FILED
09/11/2012

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Katherine Chaffins	01-01-11 to 12-31-14
Treasurer	Linda L. Belork Kasey Clark (Deputy) Kasey Clark (Interim)	01-01-09 to 08-11-11 08-12-11 to 11-30-11 12-01-11 to 12-31-12
Clerk	Evelyn A. Skronski	01-01-11 to 12-31-14
Sheriff	Oscar O. Cowen	01-01-11 to 12-31-14
Recorder	Lisa Minix	01-01-11 to 12-31-14
President of the Board of County Commissioners	Daniel D. Bridegroom Kathryn Norem	01-01-11 to 12-31-11 01-01-12 to 12-31-12
President of the County Council	Mark C. Smith Dave Pearman	01-01-11 to 12-31-11 01-01-12 to 12-31-12



STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF STARKE COUNTY, INDIANA

We have audited the accompanying financial statement of Starke County (County), for the year ended December 31, 2011. This financial statement is the responsibility of the County's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the County prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the County for the year ended December 31, 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated August 13, 2012, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the County's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other reports used to prepare the financial statement. The information has been subjected to

INDEPENDENT AUDITOR'S REPORT
(Continued)

the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

Included in the financial statement are the receipts and disbursements activity from emergency telephone system fees (IC 36-8-16) and enhanced wireless emergency telephone fees (IC 36-8-16.5). In accordance with Indiana Code 36-8-16-14 and Indiana Code 36-8-16.5-41 these fees have been subject to an annual audit performed by the State Board of Accounts and, in our opinion, are fairly stated, in all material respects, in relation to the financial statement taken as a whole.

Our audit was conducted for the purpose of forming an opinion on the County's financial statement. The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the County's management, Board of County Commissioners, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

August 13, 2012



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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENT
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

TO: THE OFFICIALS OF STARKE COUNTY, INDIANA

We have audited the financial statement of Starke County (County), for the year ended December 31, 2011, and have issued our report thereon dated August 13, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the County is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENT
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the County's management, Board of County Commissioners, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

August 13, 2012

FINANCIAL STATEMENT

The financial statement and accompanying notes were approved by management of the County. The financial statement and notes are presented as intended by the County.

STARKE COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2011

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
General	\$ 1,060,108	\$ 5,297,581	\$ 5,255,026	\$ 1,102,663
Highway	651,788	1,816,222	1,731,958	736,052
Firearms Training	29,719	8,690	665	37,744
Health	76,067	155,912	144,639	87,340
Jury Pay	4,258	6,835	14,934	(3,841)
Rainy Day	1,430,771	319	-	1,431,090
Child Advocacy	297	-	-	297
Levy Excess	11,289	525	10,363	1,451
Alternative Dispute Resolution	11,945	2,660	4,135	10,470
Community Transition Program	11,685	-	-	11,685
Cumulative Capital Development	259,768	151,049	298,400	112,417
Cumulative Bridge	716,694	90,557	32,409	774,842
Inheritance Tax	49,956	330,995	317,749	63,202
Innkeepers Tax	-	8,414	8,414	-
Financial Institution Tax	-	45,103	45,103	-
Fire & Police Equipment Debt	-	37,756	37,756	-
Park	-	25,816	25,816	-
CASA Grant	-	300	560	(260)
Bio-Terrorism Preparedness Grant	-	5,187	5,187	-
Rural Demonstration Project	-	256	350	(94)
Title IV-D Incentive Fund	-	120,666	-	120,666
Cum. Fire-City/Town	-	4,297	4,297	-
City/Town Park	-	98,176	98,177	(1)
School Pension Debt	-	228,863	228,862	1
School Bus Replacement	-	164,457	164,457	-
Library Capital Projects	-	69,466	69,466	-
Co. Elected Off. Training Fund	-	840	-	840
County Auditor Ineligible Deduction Fund	-	10,913	910	10,003
DLGF HMST Prop. Data. Fund	-	8	-	8
2015 Reassessment	-	195,029	-	195,029
Coroner's Continuing Education Fund	-	2,217	2,217	-
2011 Surplus Tax	-	41,048	14,282	26,766
2011 Certificate Sale	-	122,543	102,781	19,762
Judgements for Violation of Infractions	-	80,436	74,837	5,599
WIC Program 2012	-	9,951	28,961	(19,010)
County Option Dog Tax	-	1,970	1,155	815
Clerk	381,871	383,850	445,394	320,327
Inmate Trust	4,877	101,979	105,189	1,667
Sheriff	26,546	532,222	542,102	16,666
Prosecutor	52	-	-	52
County Police Pension Retirement	1,792,713	338,942	201,905	1,929,750
Police Pension Trust Retirement	86,379	9,378	4,512	91,245
State Welfare Excise Tax	-	745,733	745,733	-
Cumulative Reassessment	773,024	1,972	372,365	402,631
Sheriff's Commissary	20,596	46,169	40,862	25,903
Operation Pullover	(201)	6,000	6,644	(845)
Ems Donations For Education	597	-	-	597
Emergency Management Grant	18,914	26,206	16,563	28,557
County Share Sales Disclosure	5,137	2,670	-	7,807
Juv. Tracking Grant	23	-	-	23
Redact Fund--Recorder	26,488	4,458	21,008	9,938
Cops Technology Program	1,493	-	-	1,493
Starke County Check Enforcement	25	438	-	463
Prosecutor's Stop Grant	(14,801)	23,776	24,866	(15,891)
Sex Offender Fees--Sheriff	-	1,605	1,605	-
State Share Delinquent Tax	-	284	284	-
H1N1 Grant	17,804	-	17,804	-
Sc Sheriff Narcotic K-9 Donation	441	-	85	356
Hamlet Project With Grant	(389,795)	128,114	7,731	(269,412)
Surveyor Corner Perpetual	4,100	5,130	-	9,230
Tact Narco Team Rico	14	-	-	14
Wic Donations	243	972	403	812

The notes to the financial statement are an integral part of this statement.

STARKE COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2011
(Continued)

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
Starke County Dare Donations	3,418	406	-	3,824
Recorder Perpetual	42,894	29,343	34,269	37,968
2010 Tax Sale Surplus	66,152	4	17,911	48,245
2010 Tax Sale Redemption	-	58,729	58,729	-
2010 Certificate Sale & Redemption	20,300	-	12,388	7,912
2009 Tax Sale Redemption	1,057	2,280	3,337	-
2009 Tax Sale Surplus	59,883	-	37,693	22,190
2009 Surplus Tax	8,644	-	1,750	6,894
2010 Surplus Tax	65,201	-	44,667	20,534
Title IV-D Clerk	15,029	67,101	10,529	71,601
Title IV-D Prosecutor	65,103	76,793	32,777	109,119
Knox Lead Track Grant	969	-	-	969
Knox Lead Track Expenses	169,990	18,666	2,836	185,820
State Share Disclosure Fee	175	2,750	2,710	215
Supplemental Juvenile	76,959	5,304	-	82,263
Supplemental Adult	171,717	90,090	58,945	202,862
Juvenile Acc. Blk. Grant	(26)	-	-	(26)
Pretrial Diversion Fund	83,255	56,337	66,483	73,109
County Corrections Fund	19,900	16,856	12,067	24,689
Supplemental Pub Defender Serv	12,610	12,452	16,230	8,832
In Crim Just Vict Ast.	(7,839)	26,001	25,127	(6,965)
Local Road & Street	306,693	218,827	329,091	196,429
Wic Program	-	-	27	(27)
Wic Program # 2	60	-	60	-
Wic Program # 3	(13,040)	114,025	100,985	-
Pandemic Influenza Preparedness	2,000	-	-	2,000
Mosquito Control Block Grant	420	-	-	420
Local Health Maint	54,791	41,424	14,606	81,609
Child Services	6,691	-	-	6,691
Special Vehicle Inspect Fund	271	270	400	141
Local Option Tax Cert Shares	-	719,189	719,189	-
Local Option Tax Ptrc	-	719,189	719,189	-
General Drain Maintenance	1,228,261	255,747	210,647	1,273,361
Yellow River Basin Project	5,107	194,332	172,762	26,677
Accident Report Fees	534	2,453	2,065	922
Sccc Project Income	141,598	167,678	183,035	126,241
Sccc - Ctp	11,725	18,340	-	30,065
Energy Grant	(44,980)	51,002	6,022	-
2009 Polling Place Grants	6,410	-	-	6,410
10-1-06 Drug Free Commun. Fund	2,462	23,405	27,100	(1,233)
7-1-2005 Drug Free Comm. Fund	-	150	150	-
Drug Free Community Fund	-	1,187	1,187	-
County & Local Law Enforcement	895	402	85	1,212
Wireless 911 Fees	-	95,503	87,121	8,382
Emergency 911	28,104	362,850	401,320	(10,366)
Emergency PI/Right To Know	536	-	-	536
Fines & Forfeitures	8,179	30,613	39,975	(1,183)
Public Health Preparedness Grant	153	-	-	153
Lhmf / Tobacco Settlement	55,479	17,956	11,857	61,578
St Co Health Dept Donations	309	-	-	309
Child Immunization Grant	60	-	-	60
Riverboat Wagering Rev Chrg	-	147,414	147,414	-
General Drain Reconstruction	131,818	420	27	132,211
Arra Title IV-D Pros Incentive	16,513	-	-	16,513
Dental Self Pay	83,847	44,421	43,072	85,196
Auditor's Transfer Fee	21,020	5,885	-	26,905
Worker's Comp Insurance Acct	150,000	-	-	150,000
County Police Pension Trust	-	130,869	129,049	1,820
Principal Congressional School	14,720	-	-	14,720
Save The Hospital Fund	4,513,839	144,752	-	4,658,591
Recorder	8,677	93,468	94,401	7,744
Treasurer	454,680	18,573,655	18,630,544	397,791

The notes to the financial statement are an integral part of this statement.

STARKE COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2011
(Continued)

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
Title 3 Fund (No Approp Nec)	3,292	-	-	3,292
Sale Of Plat Books	981	418	898	501
Mortgage Fee Fund	-	1,748	1,535	213
Special Death Benefits	-	4,170	3,955	215
T.I.F. Districts	-	87,700	87,700	-
St. Co. Community Corrections	(48,252)	133,686	83,880	1,554
St. Co. Community Corrections - 2	(169)	114,491	127,370	(13,048)
Probation Indigent Assistance	1,500	-	-	1,500
Cedit / Co Econ Dev Income Tax	1,291,018	1,165,971	958,583	1,498,406
Hamlet Fire Well	8,226	-	4,262	3,964
Edit Tax	-	1,437,474	1,437,474	-
Cedit Excess - Rainy Day Fund	266,071	-	-	266,071
Education Plate Fee	38	638	638	38
2008 Surplus Tax	5,503	1,057	23	6,537
2007 Tax Sale Surplus	2,751	-	2,751	-
2007 Surplus Tax	17,105	-	17,105	-
2006 Tax Sale Surplus	13,048	-	13,048	-
2006 Surplus Tax	9,167	-	9,167	-
Sewage Charges & Collections	2,911	57,075	59,986	-
Cedit For Homestead Credits	6,547	172,497	174,996	4,048
Hea 1001-2008 St.Hmstd.Cr.Fund	1,156	-	-	1,156
2004 Tax Sale Surplus	16,578	-	16,578	-
2005 Tax Sale Surplus	8,465	-	8,465	-
Clerks Perpetual	19,681	4,138	-	23,819
Victim's Assistance # 2	-	3,771	6,178	(2,407)
Payroll Clearing	1,027,021	-	995,790	31,231
City / Town Share Court Costs	14,333	3,638	-	17,971
Cum Sewer City	-	42,965	42,966	(1)
Children's Psychiatric Res. Tr	1,055	-	-	1,055
Airport Authority	-	267,668	267,668	-
City Debt Fund	-	126,964	126,964	-
Cvet	-	83,965	83,965	-
Township Tax	-	200,002	200,002	-
Township Fire Fighting Tax	-	569,926	569,925	1
Township Fire Fighting Loan	-	29,736	29,736	-
Library Tax	-	935,981	935,980	1
Corporation Tax	-	1,431,983	1,431,983	-
Corporate Street Tax	-	244,353	244,353	-
School Debt Service Tax	-	4,743,031	4,743,031	-
School Cumulative Bldg Tax	-	2,480,950	2,480,951	(1)
School Transportation Tax	-	1,928,914	1,928,913	1
Cum Capital Imp City	-	24,928	24,928	-
Conservancy District Tax	-	75,681	75,681	-
Park Tax	-	2,159	2,159	-
Library Lease	-	138,887	138,887	-
Cum Fire Fund	-	54,861	54,861	-
Int Congressional School	6,114	96	-	6,210
Victim Assistant Grant-97Va046	(4)	-	-	(4)
Poor Relief	-	46,737	46,737	-
Totals	<u>\$ 17,818,244</u>	<u>\$ 50,751,752</u>	<u>\$ 51,228,821</u>	<u>\$ 17,341,175</u>

The notes to the financial statement are an integral part of this statement.

STARKE COUNTY
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The County was established under the laws of the State of Indiana. The County operates under a Council-Commissioner form of government and provides some or all of the following services: public safety (police), highways and streets, health welfare and social services, culture and recreation, public improvements, planning and zoning, and general administrative services.

The accompanying financial statement presents the financial information for the County.

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts may include the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the County.

Licenses and permits which include amounts received from businesses, occupations, or nonbusinesses that must be licensed before doing business within the government's jurisdiction or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include: peddler licenses, dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state,

STARKE COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Fines and forfeits which include receipts derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements may include the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service principal and interest which include fixed obligations resulting from financial transactions previously entered into by the County. It includes all expenditures for the reduction of the principal and interest of the County's general obligation indebtedness.

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

STARKE COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

F. Interfund Transfers

The County may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the County. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the County. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the County submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the County in June and December; however, situations can arise which would delay the distributions. 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 percent 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 normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be 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.

STARKE COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

State statutes authorize 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 5. Risk Management

The County may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the County to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is 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 Indiana Public Retirement System (INPRS) 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 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS 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:

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

STARKE COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

B. County Police Retirement Plan

Plan Description

The County Police Retirement Plan 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

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

C. County Police Benefit Plan

Plan Description

The County Police Benefit Plan 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

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

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SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the County's 2011 Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Annual Report of the County which is referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The supplementary information presented was approved by management of the County. It is presented as intended by the County.

STARKE COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For The Year Ended December 31, 2011

	General	Highway	Firearms Training	Health	Jury Pay	Rainy Day	Child Advocacy
Cash and investments - beginning	\$ 1,060,108	\$ 651,788	\$ 29,719	\$ 76,067	\$ 4,258	\$ 1,430,771	\$ 297
Receipts:							
Taxes	3,856,099	-	-	114,781	-	-	-
Licenses and permits	88,375	-	-	-	-	-	-
Intergovernmental	515,067	1,711,098	-	11,133	-	-	-
Charges for services	690,135	-	-	29,488	-	-	-
Fines and forfeits	80,005	5,350	-	-	6,835	-	-
Other receipts	67,900	99,774	8,690	510	-	319	-
Total receipts	5,297,581	1,816,222	8,690	155,912	6,835	319	-
Disbursements:							
Personal services	4,013,713	1,007,874	-	141,402	-	-	-
Supplies	504,469	624,780	-	-	-	-	-
Other services and charges	603,845	13,874	-	1,112	14,918	-	-
Capital outlay	29,994	85,430	-	-	-	-	-
Other disbursements	103,005	-	665	2,125	16	-	-
Total disbursements	5,255,026	1,731,958	665	144,639	14,934	-	-
Excess (deficiency) of receipts over disbursements	42,555	84,264	8,025	11,273	(8,099)	319	-
Cash and investments - ending	\$ 1,102,663	\$ 736,052	\$ 37,744	\$ 87,340	\$ (3,841)	\$ 1,431,090	\$ 297

STARKE COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For The Year Ended December 31, 2011
(Continued)

	Levy Excess	Alternative Dispute Resolution	Community Transition Program	Cumulative Capital Development	Cumulative Bridge	Inheritance Tax	Innkeepers Tax
Cash and investments - beginning	\$ 11,289	\$ 11,945	\$ 11,685	\$ 259,768	\$ 716,694	\$ 49,956	\$ -
Receipts:							
Taxes	-	-	-	121,367	59,272	-	8,414
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	11,771	5,749	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	525	2,660	-	17,911	25,536	330,995	-
Total receipts	525	2,660	-	151,049	90,557	330,995	8,414
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	4,135	-	100,674	-	-	-
Capital outlay	-	-	-	125,647	-	-	-
Other disbursements	10,363	-	-	72,079	32,409	317,749	8,414
Total disbursements	10,363	4,135	-	298,400	32,409	317,749	8,414
Excess (deficiency) of receipts over disbursements	(9,838)	(1,475)	-	(147,351)	58,148	13,246	-
Cash and investments - ending	\$ 1,451	\$ 10,470	\$ 11,685	\$ 112,417	\$ 774,842	\$ 63,202	\$ -

STARKE COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For The Year Ended December 31, 2011
(Continued)

	Financial Institution Tax	Fire & Police Equipment Debt	Park	CASA Grant	Bio-Terrorism Preparedness Grant	Rural Demonstration Project	Title IV-D Incentive Fund
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	33,418	23,161	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	45,103	4,338	2,655	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	300	5,187	256	120,666
Total receipts	45,103	37,756	25,816	300	5,187	256	120,666
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	45,103	37,756	25,816	560	5,187	350	-
Total disbursements	45,103	37,756	25,816	560	5,187	350	-
Excess (deficiency) of receipts over disbursements	-	-	-	(260)	-	(94)	120,666
Cash and investments - ending	\$ -	\$ -	\$ -	\$ (260)	\$ -	\$ (94)	\$ 120,666

STARKE COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For The Year Ended December 31, 2011
(Continued)

	Cum. Fire-City/Town	City/Town Park	School Pension Debt	School Bus Replacement	Library Capital Projects	Co. Elected Off. Training Fund	County Auditor Ineligible Deduction Fund
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	4,047	92,472	206,235	147,890	64,034	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	250	5,704	22,628	16,567	5,432	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	840	10,913
Total receipts	<u>4,297</u>	<u>98,176</u>	<u>228,863</u>	<u>164,457</u>	<u>69,466</u>	<u>840</u>	<u>10,913</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	<u>4,297</u>	<u>98,177</u>	<u>228,862</u>	<u>164,457</u>	<u>69,466</u>	<u>-</u>	<u>910</u>
Total disbursements	<u>4,297</u>	<u>98,177</u>	<u>228,862</u>	<u>164,457</u>	<u>69,466</u>	<u>-</u>	<u>910</u>
Excess (deficiency) of receipts over disbursements	-	(1)	1	-	-	840	10,003
Cash and investments - ending	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 840</u>	<u>\$ 10,003</u>

STARKE COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For The Year Ended December 31, 2011
(Continued)

	DLGF HMST Prop. Data. Fund	2015 Reassessment	Coroner's Continuing Education Fund	2011 Surplus Tax	2011 Certificate Sale	Judgements for Violation of Infractions	WIC Program 2012
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	177,816	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	17,020	-	-	-	-	9,951
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	8	193	2,217	41,048	122,543	80,436	-
Total receipts	8	195,029	2,217	41,048	122,543	80,436	9,951
Disbursements:							
Personal services	-	-	-	-	-	-	25,399
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	3,562
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	2,217	14,282	102,781	74,837	-
Total disbursements	-	-	2,217	14,282	102,781	74,837	28,961
Excess (deficiency) of receipts over disbursements	8	195,029	-	26,766	19,762	5,599	(19,010)
Cash and investments - ending	<u>\$ 8</u>	<u>\$ 195,029</u>	<u>\$ -</u>	<u>\$ 26,766</u>	<u>\$ 19,762</u>	<u>\$ 5,599</u>	<u>\$ (19,010)</u>

STARKE COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For The Year Ended December 31, 2011
(Continued)

	County Option Dog Tax	Clerk	Inmate Trust	Sheriff	Prosecutor	County Police Pension Retirement	Police Pension Trust Retirement
Cash and investments - beginning	\$ -	\$ 381,871	\$ 4,877	\$ 26,546	\$ 52	\$ 1,792,713	\$ 86,379
Receipts:							
Taxes	1,970	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	383,850	101,979	532,222	-	338,942	9,378
Total receipts	1,970	383,850	101,979	532,222	-	338,942	9,378
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	1,155	445,394	105,189	542,102	-	201,905	4,512
Total disbursements	1,155	445,394	105,189	542,102	-	201,905	4,512
Excess (deficiency) of receipts over disbursements	815	(61,544)	(3,210)	(9,880)	-	137,037	4,866
Cash and investments - ending	\$ 815	\$ 320,327	\$ 1,667	\$ 16,666	\$ 52	\$ 1,929,750	\$ 91,245

STARKE COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For The Year Ended December 31, 2011
(Continued)

	State Welfare Excise Tax	Cumulative Reassessment	Sheriff's Commissary	Operation Pullover	Ems Donations For Education	Emergency Management Grant	County Share Sales Disclosure
Cash and investments - beginning	\$ -	\$ 773,024	\$ 20,596	\$ (201)	\$ 597	\$ 18,914	\$ 5,137
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	227	-	-	-	26,206	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	745,733	1,745	46,169	6,000	-	-	2,670
Total receipts	745,733	1,972	46,169	6,000	-	26,206	2,670
Disbursements:							
Personal services	-	131,661	-	1,120	-	-	-
Supplies	-	10,121	-	-	-	-	-
Other services and charges	-	214,377	-	-	-	-	-
Capital outlay	-	6,965	-	-	-	-	-
Other disbursements	745,733	9,241	40,862	5,524	-	16,563	-
Total disbursements	745,733	372,365	40,862	6,644	-	16,563	-
Excess (deficiency) of receipts over disbursements	-	(370,393)	5,307	(644)	-	9,643	2,670
Cash and investments - ending	\$ -	\$ 402,631	\$ 25,903	\$ (845)	\$ 597	\$ 28,557	\$ 7,807

STARKE COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For The Year Ended December 31, 2011
(Continued)

	Juv. Tracking Grant	Redact Fund--Recorder	Cops Technology Program	Starke County Check Enforcement	Prosecutor's Stop Grant	Sex Offender Fees--Sheriff	State Share Delinquent Tax
Cash and investments - beginning	\$ 23	\$ 26,488	\$ 1,493	\$ 25	\$ (14,801)	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	23,776	-	-
Charges for services	-	4,458	-	-	-	1,605	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	438	-	-	284
Total receipts	-	4,458	-	438	23,776	1,605	284
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	21,008	-	-	24,866	1,605	284
Total disbursements	-	21,008	-	-	24,866	1,605	284
Excess (deficiency) of receipts over disbursements	-	(16,550)	-	438	(1,090)	-	-
Cash and investments - ending	\$ 23	\$ 9,938	\$ 1,493	\$ 463	\$ (15,891)	\$ -	\$ -

STARKE COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For The Year Ended December 31, 2011
(Continued)

	H1N1 Grant	Sc Sheriff Narcotic K-9 Donation	Hamlet Project With Grant	Surveyor Corner Perpetual	Tact Narco Team Rico	Wic Donations	Starke County Dare Donations
Cash and investments - beginning	\$ 17,804	\$ 441	\$ (389,795)	\$ 4,100	\$ 14	\$ 243	\$ 3,418
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	128,114	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	5,130	-	972	406
Total receipts	-	-	128,114	5,130	-	972	406
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	231	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	17,804	85	7,500	-	-	403	-
Total disbursements	17,804	85	7,731	-	-	403	-
Excess (deficiency) of receipts over disbursements	(17,804)	(85)	120,383	5,130	-	569	406
Cash and investments - ending	\$ -	\$ 356	\$ (269,412)	\$ 9,230	\$ 14	\$ 812	\$ 3,824

STARKE COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For The Year Ended December 31, 2011
(Continued)

	Recorder Perpetual	2010 Tax Sale Surplus	2010 Tax Sale Redemption	2010 Certificate Sale & Redemption	2009 Tax Sale Redemption	2009 Tax Sale Surplus	2009 Surplus Tax
Cash and investments - beginning	\$ 42,894	\$ 66,152	\$ -	\$ 20,300	\$ 1,057	\$ 59,883	\$ 8,644
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	29,343	4	58,729	-	2,280	-	-
Total receipts	29,343	4	58,729	-	2,280	-	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	34,269	17,911	58,729	12,388	3,337	37,693	1,750
Total disbursements	34,269	17,911	58,729	12,388	3,337	37,693	1,750
Excess (deficiency) of receipts over disbursements	(4,926)	(17,907)	-	(12,388)	(1,057)	(37,693)	(1,750)
Cash and investments - ending	\$ 37,968	\$ 48,245	\$ -	\$ 7,912	\$ -	\$ 22,190	\$ 6,894

STARKE COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For The Year Ended December 31, 2011
(Continued)

	2010 Surplus Tax	Title IV-D Clerk	Title IV-D Prosecutor	Knox Lead Track Grant	Knox Lead Track Expenses	State Share Disclosure Fee	Supplemental Juvenile
Cash and investments - beginning	\$ 65,201	\$ 15,029	\$ 65,103	\$ 969	\$ 169,990	\$ 175	\$ 76,959
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	67,101	40,390	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	36,403	-	18,666	2,750	5,304
Total receipts	-	67,101	76,793	-	18,666	2,750	5,304
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	44,667	10,529	32,777	-	2,836	2,710	-
Total disbursements	44,667	10,529	32,777	-	2,836	2,710	-
Excess (deficiency) of receipts over disbursements	(44,667)	56,572	44,016	-	15,830	40	5,304
Cash and investments - ending	\$ 20,534	\$ 71,601	\$ 109,119	\$ 969	\$ 185,820	\$ 215	\$ 82,263

STARKE COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For The Year Ended December 31, 2011
(Continued)

	Supplemental Adult	Juvenile Acc. Blk. Grant	Pretrial Diversion Fund	County Corrections Fund	Supplemental Pub Defender Serv	In Crim Just Vict Ast.	Local Road & Street
Cash and investments - beginning	\$ 171,717	\$ (26)	\$ 83,255	\$ 19,900	\$ 12,610	\$ (7,839)	\$ 306,693
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	2,859	-	-	-	212,816
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	20,000	-	-	-	-
Other receipts	90,090	-	33,478	16,856	12,452	26,001	6,011
Total receipts	90,090	-	56,337	16,856	12,452	26,001	218,827
Disbursements:							
Personal services	39,614	-	1,274	-	-	7,222	-
Supplies	3,422	-	-	-	-	-	-
Other services and charges	12,053	-	-	-	-	-	-
Capital outlay	2,210	-	-	-	-	-	-
Other disbursements	1,646	-	65,209	12,067	16,230	17,905	329,091
Total disbursements	58,945	-	66,483	12,067	16,230	25,127	329,091
Excess (deficiency) of receipts over disbursements	31,145	-	(10,146)	4,789	(3,778)	874	(110,264)
Cash and investments - ending	\$ 202,862	\$ (26)	\$ 73,109	\$ 24,689	\$ 8,832	\$ (6,965)	\$ 196,429

STARKE COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For The Year Ended December 31, 2011
(Continued)

	Wic Program	Wic Program # 2	Wic Program # 3	Pandemic Influenza Preparedness	Mosquito Control Block Grant	Local Health Maint	Child Services
Cash and investments - beginning	\$ -	\$ 60	\$ (13,040)	\$ 2,000	\$ 420	\$ 54,791	\$ 6,691
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	111,321	-	-	33,139	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	2,704	-	-	8,285	-
Total receipts	-	-	114,025	-	-	41,424	-
Disbursements:							
Personal services	27	-	81,087	-	-	658	-
Supplies	-	-	8,438	-	-	3,338	-
Other services and charges	-	-	11,460	-	-	10,610	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	60	-	-	-	-	-
Total disbursements	27	60	100,985	-	-	14,606	-
Excess (deficiency) of receipts over disbursements	(27)	(60)	13,040	-	-	26,818	-
Cash and investments - ending	<u>\$ (27)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,000</u>	<u>\$ 420</u>	<u>\$ 81,609</u>	<u>\$ 6,691</u>

STARKE COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For The Year Ended December 31, 2011
(Continued)

	Special Vehicle Inspect Fund	Local Option Tax Cert Shares	Local Option Tax Ptrc	General Drain Maintenance	Yellow River Basin Project	Accident Report Fees	Sccc Project Income
Cash and investments - beginning	\$ 271	\$ -	\$ -	\$ 1,228,261	\$ 5,107	\$ 534	\$ 141,598
Receipts:							
Taxes	-	719,189	719,189	247,585	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	2,453	-
Fines and forfeits	-	-	-	-	-	-	167,678
Other receipts	270	-	-	8,162	194,332	-	-
Total receipts	270	719,189	719,189	255,747	194,332	2,453	167,678
Disbursements:							
Personal services	-	-	-	-	-	-	950
Supplies	-	-	-	-	-	-	135,187
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	2,618
Other disbursements	400	719,189	719,189	210,647	172,762	2,065	44,280
Total disbursements	400	719,189	719,189	210,647	172,762	2,065	183,035
Excess (deficiency) of receipts over disbursements	(130)	-	-	45,100	21,570	388	(15,357)
Cash and investments - ending	\$ 141	\$ -	\$ -	\$ 1,273,361	\$ 26,677	\$ 922	\$ 126,241

STARKE COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For The Year Ended December 31, 2011
(Continued)

	Sccc - Ctp	Energy Grant	2009 Polling Place Grants	10-1-06 Drug Free Commun. Fund	7-1-2005 Drug Free Comm. Fund	Drug Free Community Fund	County & Local Law Enforcement
Cash and investments - beginning	\$ 11,725	\$ (44,980)	\$ 6,410	\$ 2,462	\$ -	\$ -	\$ 895
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	51,002	-	-	-	-	-
Charges for services	-	-	-	-	-	-	402
Fines and forfeits	18,340	-	-	11,892	-	-	-
Other receipts	-	-	-	11,513	150	1,187	-
Total receipts	18,340	51,002	-	23,405	150	1,187	402
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	6,022	-	27,100	150	1,187	85
Total disbursements	-	6,022	-	27,100	150	1,187	85
Excess (deficiency) of receipts over disbursements	18,340	44,980	-	(3,695)	-	-	317
Cash and investments - ending	\$ 30,065	\$ -	\$ 6,410	\$ (1,233)	\$ -	\$ -	\$ 1,212

STARKE COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For The Year Ended December 31, 2011
(Continued)

	Wireless 911 Fees	Emergency 911	Emergency PI/Right To Know	Fines & Forfeitures	Public Health Preparedness Grant	Lhmf / Tobacco Settlement	St Co Health Dept Donations
Cash and investments - beginning	\$ -	\$ 28,104	\$ 536	\$ 8,179	\$ 153	\$ 55,479	\$ 309
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	95,503	362,850	-	-	-	-	-
Fines and forfeits	-	-	-	30,613	-	-	-
Other receipts	-	-	-	-	-	17,956	-
Total receipts	95,503	362,850	-	30,613	-	17,956	-
Disbursements:							
Personal services	-	322,392	-	-	-	3,572	-
Supplies	-	1,755	-	-	-	-	-
Other services and charges	-	77,173	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	87,121	-	-	39,975	-	8,285	-
Total disbursements	87,121	401,320	-	39,975	-	11,857	-
Excess (deficiency) of receipts over disbursements	8,382	(38,470)	-	(9,362)	-	6,099	-
Cash and investments - ending	\$ 8,382	\$ (10,366)	\$ 536	\$ (1,183)	\$ 153	\$ 61,578	\$ 309

STARKE COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For The Year Ended December 31, 2011
(Continued)

	Child Immunization Grant	Riverboat Wagering Rev Chrg	General Drain Reconstruction	Arra Title IV-D Pros Incentive	Dental Self Pay	Auditor's Transfer Fee	Worker's Comp Insurance Acct
Cash and investments - beginning	\$ 60	\$ -	\$ 131,818	\$ 16,513	\$ 83,847	\$ 21,020	\$ 150,000
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	147,414	-	-	-	-	-
Charges for services	-	-	-	-	-	5,885	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	420	-	44,421	-	-
Total receipts	-	147,414	420	-	44,421	5,885	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	147,414	27	-	43,072	-	-
Total disbursements	-	147,414	27	-	43,072	-	-
Excess (deficiency) of receipts over disbursements	-	-	393	-	1,349	5,885	-
Cash and investments - ending	\$ 60	\$ -	\$ 132,211	\$ 16,513	\$ 85,196	\$ 26,905	\$ 150,000

STARKE COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For The Year Ended December 31, 2011
(Continued)

	County Police Pension Trust	Principal Congressional School	Save The Hospital Fund	Recorder	Treasurer	Title 3 Fund (No Approp Nec)	Sale Of Plat Books
Cash and investments - beginning	\$ -	\$ 14,720	\$ 4,513,839	\$ 8,677	\$ 454,680	\$ 3,292	\$ 981
Receipts:							
Taxes	-	-	-	-	16,890,546	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	1,683,109	-	-
Charges for services	-	-	-	93,468	-	-	-
Fines and forfeits	8,900	-	-	-	-	-	-
Other receipts	121,969	-	144,752	-	-	-	418
Total receipts	130,869	-	144,752	93,468	18,573,655	-	418
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	129,049	-	-	94,401	18,630,544	-	898
Total disbursements	129,049	-	-	94,401	18,630,544	-	898
Excess (deficiency) of receipts over disbursements	1,820	-	144,752	(933)	(56,889)	-	(480)
Cash and investments - ending	\$ 1,820	\$ 14,720	\$ 4,658,591	\$ 7,744	\$ 397,791	\$ 3,292	\$ 501

STARKE COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For The Year Ended December 31, 2011
(Continued)

	Mortgage Fee Fund	Special Death Benefits	T.I.F. Districts	St. Co. Community Corrections	St. Co. Community Corrections - 2	Probation Indigent Assistance	Cedit / Co Econ Dev Income Tax
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ (48,252)	\$ (169)	\$ 1,500	\$ 1,291,018
Receipts:							
Taxes	-	-	87,700	-	-	-	1,014,694
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	68,362	114,291	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	1,748	4,170	-	65,324	200	-	151,277
Total receipts	1,748	4,170	87,700	133,686	114,491	-	1,165,971
Disbursements:							
Personal services	-	-	-	83,880	115,024	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	1,535	3,955	87,700	-	12,346	-	958,583
Total disbursements	1,535	3,955	87,700	83,880	127,370	-	958,583
Excess (deficiency) of receipts over disbursements	213	215	-	49,806	(12,879)	-	207,388
Cash and investments - ending	\$ 213	\$ 215	\$ -	\$ 1,554	\$ (13,048)	\$ 1,500	\$ 1,498,406

STARKE COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For The Year Ended December 31, 2011
(Continued)

	Hamlet Fire Well	Edit Tax	Cedit Excess - Rainy Day Fund	Education Plate Fee	2008 Surplus Tax	2007 Tax Sale Surplus	2007 Surplus Tax
Cash and investments - beginning	\$ 8,226	\$ -	\$ 266,071	\$ 38	\$ 5,503	\$ 2,751	\$ 17,105
Receipts:							
Taxes	-	1,437,474	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	638	1,057	-	-
Total receipts	-	1,437,474	-	638	1,057	-	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	4,262	1,437,474	-	638	23	2,751	17,105
Total disbursements	4,262	1,437,474	-	638	23	2,751	17,105
Excess (deficiency) of receipts over disbursements	(4,262)	-	-	-	1,034	(2,751)	(17,105)
Cash and investments - ending	\$ 3,964	\$ -	\$ 266,071	\$ 38	\$ 6,537	\$ -	\$ -

STARKE COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For The Year Ended December 31, 2011
(Continued)

	2006 Tax Sale Surplus	2006 Surplus Tax	Sewage Charges & Collections	Cedit For Homestead Credits	Hea 1001-2008 St.Hmstd.Cr.Fund	2004 Tax Sale Surplus	2005 Tax Sale Surplus
Cash and investments - beginning	\$ 13,048	\$ 9,167	\$ 2,911	\$ 6,547	\$ 1,156	\$ 16,578	\$ 8,465
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	57,075	172,497	-	-	-
Total receipts	-	-	57,075	172,497	-	-	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	13,048	9,167	59,986	174,996	-	16,578	8,465
Total disbursements	13,048	9,167	59,986	174,996	-	16,578	8,465
Excess (deficiency) of receipts over disbursements	(13,048)	(9,167)	(2,911)	(2,499)	-	(16,578)	(8,465)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 4,048	\$ 1,156	\$ -	\$ -

STARKE COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For The Year Ended December 31, 2011
(Continued)

	Clerks Perpetual	Victim's Assistance # 2	Payroll Clearing	City / Town Share Court Costs	Cum Sewer City	Children's Psychiatric Res. Tr	Airport Authority
Cash and investments - beginning	\$ 19,681	\$ -	\$ 1,027,021	\$ 14,333	\$ -	\$ 1,055	\$ -
Receipts:							
Taxes	-	-	-	-	40,469	-	245,556
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	2,496	-	22,112
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	3,638	-	-	-
Other receipts	4,138	3,771	-	-	-	-	-
Total receipts	4,138	3,771	-	3,638	42,965	-	267,668
Disbursements:							
Personal services	-	5,377	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	801	995,790	-	42,966	-	267,668
Total disbursements	-	6,178	995,790	-	42,966	-	267,668
Excess (deficiency) of receipts over disbursements	4,138	(2,407)	(995,790)	3,638	(1)	-	-
Cash and investments - ending	\$ 23,819	\$ (2,407)	\$ 31,231	\$ 17,971	\$ (1)	\$ 1,055	\$ -

STARKE COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For The Year Ended December 31, 2011
(Continued)

	City Debt Fund	Cvet	Township Tax	Township Fire Fighting Tax	Township Fire Fighting Loan	Library Tax	Corporation Tax
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	119,587	-	184,259	527,828	27,545	856,850	1,325,617
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	7,377	83,965	15,743	42,098	2,191	79,131	106,366
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>126,964</u>	<u>83,965</u>	<u>200,002</u>	<u>569,926</u>	<u>29,736</u>	<u>935,981</u>	<u>1,431,983</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	<u>126,964</u>	<u>83,965</u>	<u>200,002</u>	<u>569,925</u>	<u>29,736</u>	<u>935,980</u>	<u>1,431,983</u>
Total disbursements	<u>126,964</u>	<u>83,965</u>	<u>200,002</u>	<u>569,925</u>	<u>29,736</u>	<u>935,980</u>	<u>1,431,983</u>
Excess (deficiency) of receipts over disbursements	-	-	-	1	-	1	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>

STARKE COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For The Year Ended December 31, 2011
(Continued)

	Corporate Street Tax	School Debt Service Tax	School Cumulative Bldg Tax	School Transportation Tax	Cum Capital Imp City	Conservancy District Tax	Park Tax
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	227,668	4,345,174	2,272,822	1,729,675	23,141	75,681	1,918
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	16,685	397,857	208,128	199,239	1,787	-	241
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>244,353</u>	<u>4,743,031</u>	<u>2,480,950</u>	<u>1,928,914</u>	<u>24,928</u>	<u>75,681</u>	<u>2,159</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	<u>244,353</u>	<u>4,743,031</u>	<u>2,480,951</u>	<u>1,928,913</u>	<u>24,928</u>	<u>75,681</u>	<u>2,159</u>
Total disbursements	<u>244,353</u>	<u>4,743,031</u>	<u>2,480,951</u>	<u>1,928,913</u>	<u>24,928</u>	<u>75,681</u>	<u>2,159</u>
Excess (deficiency) of receipts over disbursements	-	-	(1)	1	-	-	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STARKE COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For The Year Ended December 31, 2011
(Continued)

	Library Lease	Cum Fire Fund	Int Congressional School	Victim Assistant Grant-97Va046	Poor Relief	Totals
Cash and investments - beginning	\$ -	\$ -	\$ 6,114	\$ (4)	\$ -	\$ 17,818,244
Receipts:						
Taxes	125,670	49,663	-	-	42,537	38,249,013
Licenses and permits	-	-	-	-	-	88,375
Intergovernmental	13,217	5,198	-	-	4,200	6,302,624
Charges for services	-	-	-	-	-	1,286,247
Fines and forfeits	-	-	-	-	-	353,251
Other receipts	-	-	96	-	-	4,472,242
Total receipts	138,887	54,861	96	-	46,737	50,751,752
Disbursements:						
Personal services	-	-	-	-	-	5,982,246
Supplies	-	-	-	-	-	1,291,510
Other services and charges	-	-	-	-	-	1,068,024
Capital outlay	-	-	-	-	-	252,864
Other disbursements	138,887	54,861	-	-	46,737	42,634,177
Total disbursements	138,887	54,861	-	-	46,737	51,228,821
Excess (deficiency) of receipts over disbursements	-	-	96	-	-	(477,069)
Cash and investments - ending	\$ -	\$ -	\$ 6,210	\$ (4)	\$ -	\$ 17,341,175

STARKE COUNTY
SCHEDULE OF PAYABLES AND RECEIVABLES
December 31, 2011

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 554,627</u>	<u>\$ 2,559,949</u>

STARKE COUNTY
SCHEDULE OF LEASES AND DEBT
December 31, 2011

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
Notes and loans payable	DeMotte State Bank--Telephone Loan	\$ 41,111	\$ 21,770

STARKE COUNTY
SCHEDULE OF CAPITAL ASSETS
December 31, 2011

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.

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 13,804
Infrastructure	32,728,552
Buildings	3,556,665
Improvements other than buildings	84,073
Machinery, equipment and vehicles	<u>5,859,679</u>
Total capital assets	<u>\$ 42,242,773</u>

STARKE COUNTY
OTHER REPORTS

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

County Auditor
County Treasurer
County Highway Department
County Health Department

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF STARKE COUNTY, INDIANA

Compliance

We have audited Starke County's (County) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011. The County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011.

Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the County's management, Board of County Commissioners, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

August 13, 2012

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Schedule of Expenditures of Federal Awards and accompanying note presented were approved by management of the County. The schedule and note are presented as intended by the County.

STARKE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2011

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Pass-Through Indiana State Department of Health Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	WIC 174-1 WIC 2012	\$ 96,164 25,108
Total for federal grantor agency			121,272
<u>U.S. DEPARTMENT OF COMMERCE</u>			
Direct Grant Economic Development Cluster Investments for Public Works and Economic Development Facilities Starke County Industrial Infrastructure Project	11.300		128,114
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Pass-Through Indiana Criminal Justice Institute Crime Victim Assistance	16.575	11STPR066	24,527
Violence Against Women Formula Grants	16.588	10STPR030	23,776
Total for federal grantor agency			48,303
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Criminal Justice Institute Highway Safety Cluster State and Community Highway Safety Operation Pullover	20.600	032NHTSA4022011	6,000
<u>U.S. DEPARTMENT OF ENERGY</u>			
Pass-Through Indiana Office of Energy Development ARRA- Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128		51,002
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-Through Indiana Department of Child Services Child Support Enforcement Expenditure Reimbursements Indirect Cost Reimbursements Incentive	93.563		133,789 155,236 7,729
Total for federal grantor agency			296,754
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security Homeland Security Cluster Homeland Security Grant Program	97.067		10,000
Total for cluster			10,000
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036		16,191
Emergency Management Performance Grants	97.042		38,745
Total for federal grantor agency			74,936
Total federal awards expended			\$ 716,381

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

STARKE COUNTY
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Starke County and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

STARKE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
93.563	Child Support Enforcement

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

STARKE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 13, 2012, with Katherine Chaffins, Auditor; Kathryn Norem, President of the Board of County Commissioners; and Dave Pearman, President of the County Council. Our audit disclosed no material items that warrant comment at this time.