

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

AUDIT REPORT

OF

COUNTY AUDITOR

STARKE COUNTY, INDIANA

January 1, 2012 to December 31, 2012



**FILED**  
10/08/2013



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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Katherine Chaffins	01-01-11 to 12-31-14
President of the County Council	Dave Pearman	01-01-12 to 12-31-13
President of the Board of County Commissioners	Kathryn Norem	01-01-12 to 12-31-13



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

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

TO: THE OFFICIALS OF STARKE COUNTY

We have audited the records of the County Auditor for the period from January 1, 2012 to December 31, 2012, and certify that the records and accountability for cash and other assets are satisfactory to the best of our knowledge and belief, except as stated in the Audit Result and Comment. The financial transactions of this office are reflected in the Annual Report of Starke County for the year 2012.

STATE BOARD OF ACCOUNTS

September 11, 2013

COUNTY AUDITOR  
STARKE COUNTY  
AUDIT RESULT AND COMMENT

***OVERDRAWN CASH BALANCES***

The financial statements presented in this report included several funds with negative cash balances at December 31, 2012. Most are grant funds that have been reimbursed in the subsequent month.

The Hamlet Project with grant fund has had the same negative balance, \$269,412, since at least December 31, 2011. The Auditor explained this fund expended monies for a project to attract an industry to the County. The industry cancelled its attempt to move into the County and the County has been slow to repay these project costs from another fund.

The balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 14)

COUNTY AUDITOR  
STARKE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on September 11, 2013, with Katherine Chaffins, Auditor; Kathryn Norem, President of the Board of County Commissioners; and with Dave Pearman, President of the County Council.