

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT

OF

STARKE COUNTY

STARKE COUNTY, INDIANA

January 1, 2005 to December 31, 2005



FILED
10/11/2006

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Michaelene J. Houston	01-01-03 to 12-31-06
Treasurer	Marilyn Folkers	01-01-01 to 12-31-08
Clerk	Rhonda R. Milner	01-01-03 to 12-31-06
Sheriff	Robert Sims	01-01-03 to 12-31-06
Recorder	Jackie Bridegroom	01-01-04 to 12-31-07
President of the Board of County Commissioners	Kevin Kroft	01-01-05 to 12-31-06
President of the Board of County Council	Chuck Estok Bruce Fingerhut	01-01-05 to 12-31-05 01-01-06 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the schedule of receipts, disbursements, and cash and investment balances of Starke County (County), for the period of January 1, 2005 to December 31, 2005. The County's management is responsible for the schedule. 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 schedule of receipts, disbursements, and cash and investment balances 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 schedule referred to above presents fairly, in all material respects, the cash transactions of the County for the year ended December 31, 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

August 8, 2006

STARKE COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
As Of And For The Year Ended December 31, 2005

	Cash and Investments		Cash and Investments	
	01-01-05	Receipts	Disbursements	12-31-05
Governmental Funds:				
General	\$ 526,890	\$ 5,475,330	\$ 5,261,178	\$ 741,042
Child Advocacy	297	-	-	297
EMS Donation for Educational Materials	791	-	-	791
Title 3 Fund	-	6,000	2,708	3,292
Community Transition Program	11,685	-	-	11,685
Emergency Management Grant	74,290	42,633	102,684	14,239
Sale of Plat Books	246	748	779	215
Mortgage Fee Fund	-	3,690	3,690	-
County Share Disclosure Fee	-	4,170	-	4,170
Special Death Benefits	-	1,582	1,555	27
Juvenile Tracking Grant	-	4,500	388	4,112
Starke County Drug Enforcement	-	10,000	-	10,000
Alternative Dispute Resolution	1,120	4,980	-	6,100
County Economic Development Income Tax	695,602	983,991	1,121,116	558,477
Hamlet Fire Wall	1,601	13,000	7,115	7,486
Cumulative Reassessment	4,628	1,545	6,173	-
Surveyor Corner Perpetual	6,562	7,587	8,000	6,149
Tactical Narcotics Team Rico	3,738	5,450	8,610	578
Drunk Driving Task Force	39	-	-	39
Coroners Continuing Education	24	1,689	1,703	10
State Dare Grant	11	-	-	11
Criminal Justice Drug Enforcement	170	-	-	170
Jury Pay	1,139	6,408	6,439	1,108
WIC Donations	553	1,132	1,216	469
Starke County Dare Donations	6,450	8,093	6,353	8,190
Recorder Perpetual	32,061	31,043	12,687	50,417
Clerks Perpetual	5,688	5,828	4,490	7,026
Title IV-D Clerk	12,756	25,401	9,065	29,092
Title IV-D Prosecutor	95	25,401	4,791	20,705
2000 Victim Assistance Grant	-	9,373	-	9,373
Work Release	2,850	-	1,995	855
Build Indiana	188	-	-	188
DUI Patrol Task Force	2,145	12,300	11,152	3,293
Starke County Council on Aging	(7,088)	7,088	-	-
Stop Violence	-	17,122	17,122	-
Knox Lead Track Expenses	61,333	35,555	7,124	89,764
Supplemental Juvenile Probation	7,386	14,356	1,300	20,442
Supplemental Adult Probation	125,474	78,135	152,837	50,772
Probation Grant 02-JB-061	16,907	26,804	36,477	7,234
Pretrial Diversion	6,582	77,028	63,401	20,209
County Extradition	28,204	-	7,559	20,645
County Corrections	9,836	16,836	15,437	11,235
Supplemental Public Defender Services	9,662	3,708	-	13,370
Victim Assistance 02VA147	(604)	23,156	22,863	(311)
Motor Vehicle Highway	739,928	2,001,924	2,098,355	643,497
Local Road and Street	79,496	274,946	338,200	16,242
Cumulative Bridge	443,797	74,551	12,087	506,261
Health Risk Awareness	1,029	-	836	193
Health	57,249	106,977	169,157	(4,931)
Women, Infants and Children's	-	18,879	22,810	(3,931)
Women, Infants and Children's No. 2	-	300	300	-
Women, Infants and Children's No. 3	3,861	65,334	70,019	(824)
Mosquito Control	-	-	1,000	(1,000)
Local Health Maintenance	32,295	41,531	53,347	20,479
Children Psychiatric	340,384	371,087	472,524	238,947
Family and Children Services	1,275,269	2,414,860	2,177,395	1,512,734
Family and Children Debt Services	-	485,640	475,512	10,128
New Cumulative Reassessment	576,149	293,924	202,224	667,849
Special Vehicle Inspection	4,328	855	-	5,183
Prosecutor Rico	4,831	-	-	4,831
Sheriff Rico	808	-	-	808
General Drain Improvement	77,487	101,270	43,594	135,163

The accompanying notes are an integral part of the schedules.

STARKE COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
As Of And For The Year Ended December 31, 2005
(Continued)

Governmental Funds (continued):				
General Drain Maintenance	890,246	443,483	256,368	1,077,361
Yellow River Basin Project	(18,294)	-	-	(18,294)
Accident Report Fees	4,958	3,833	4,546	4,245
Firearms Training	3,728	2,340	1,428	4,640
Drug Free Community	-	185,179	27,684	157,495
Drug Free Community Fd	149,267	41,586	186,027	4,826
Drug Task Force 98 DB-063	3,230	26,890	31,288	(1,168)
County and Local Law Enforcement	2,481	1,059	1,282	2,258
Emergency 911	210,414	375,801	413,361	172,854
Emergency Planning and Right to Know	5,385	49	1,644	3,790
Cumulative Capital Development	137,284	252,631	229,541	160,374
Sheriff Build Indiana Fund	2	-	-	2
Public Health Preparedness Grant	10,885	42,513	51,839	1,559
Circuit Court Computer Grant	60,000	-	17,210	42,790
LHMF Tobacco Settlement	25,516	24,953	15,996	34,473
Health Department Donations	1,552	34	1,172	414
Beware of Tobacco Grant	3,149	-	3,149	-
Prosecutor Attorney Computer Grant	13,786	-	-	13,786
Meth Awareness Program	1	-	-	1
Operation Pullover	1,295	6,126	6,657	764
Victim Assistance Grant 97VA046	1,326	-	-	1,326
Child Immunization Grant	814	-	-	814
Dare Grant 98DB-046	924	-	-	924
Marijuana Eradication Fee	15	-	-	15
Criminal Justice Grant Fund	1,600	16,027	-	17,627
Title IV-D County General	-	83,293	75,624	7,669
Sheriff's Commissary	35,178	-	-	35,178
Fiduciary Funds:				
Sheriff's Retirement Plan	1,493,030	201,782	97,232	1,597,580
Sheriff's Benefit Plan	60,982	14,498	7,562	67,918
Congressional School Principal	14,720	-	-	14,720
Save the Hospital	3,230,918	125,594	-	3,356,512
Tax Distributions	15,217	21,326,859	21,316,553	25,523
Tax Collections Due State	(207)	383,180	382,973	-
Payroll	162,644	1,410,295	1,461,009	111,930
Court Fees	26,503	34,301	28,485	32,319
Surplus Tax	14,182	199	3,759	10,622
2001 Surplus Tax	4,164	-	4,164	-
2003 Surplus Tax	91,827	336	2,975	89,188
2004 Surplus Tax	65,257	139	43,363	22,033
2005 Surplus Tax	-	66,584	6,451	60,133
Tax Sale Surplus	65,791	2,109	144,868	(76,968)
2004 Tax Sale Surplus	1,060,292	1,097	872,006	189,383
2005 Tax Sale Surplus	-	1,093,520	390,702	702,818
Tax Sale Redemption	(2,824)	229,715	225,981	910
2005 Tax Sale Redemption	-	30,228	31,347	(1,119)
Surplus Dog Tax	483	1,817	1,280	1,020
Welfare Trust	4,478	35,657	36,593	3,542
Levy Excess	3	-	-	3
Congressional School Interest	11,529	397	-	11,926
Gross Tax on Sale of Real Estate	14	-	-	14
Inheritance Tax	33,080	282,204	303,380	11,904
Poor Relief	(1,522)	38,523	36,976	25
Sheriff	37,815	544,860	578,603	4,072
Inmate Trust	1,055	116,146	116,854	347
Probation	-	82,360	82,360	-
Recorder	9,440	112,971	114,965	7,446
Treasurer	353,069	25,581,821	25,552,577	382,313
Clerk	1,018,164	2,491,813	2,713,611	796,366
Totals	<u>\$ 14,601,068</u>	<u>\$ 68,958,542</u>	<u>\$ 68,926,812</u>	<u>\$ 14,632,798</u>

The accompanying notes are an integral part of the schedules.

STARKE COUNTY
NOTES TO SCHEDULE

Note 1. Introduction

The County was established under the laws of the State of Indiana. The County provides the following services: public safety, highways and streets, health, welfare, and social services, culture and recreation, public improvements, planning and zoning, and general administrative services.

Note 2. Fund Accounting

The County uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied or highway use taxes are received are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the County in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the County on or prior to December 31 of the year collected.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the County to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

STARKE COUNTY
NOTES TO SCHEDULE
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The County contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the County authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at three 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.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

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

STARKE COUNTY
OTHER REPORTS

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

County Auditor
County Treasurer
Clerk of the Circuit Court

STARKE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 8, 2006, with Michaelene J. Houston, Auditor; Kevin Kroft, President of the Board of County Commissioners; and Bruce Fingerhut, President of the County Council. Our examination disclosed no material items that warrant comment at this time.