

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

EXAMINATION REPORT
OF
UNION COUNTY, INDIANA
January 1, 2005 to December 31, 2005



FILED
12/29/2006

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Virginia Bostick	01-01-04 to 12-31-07
Treasurer	Denise Thibaut Bonnie Adams	01-01-04 to 01-31-05 02-01-05 to 12-31-08
Clerk	Pat Hensley	01-01-03 to 12-31-06
Sheriff	Stephen Leverton Eric Cantrell	01-01-03 to 06-30-06 07-01-06 to 12-31-06
Recorder	Loree Persinger	01-01-04 to 12-31-07
President of the Board of County Commissioners	Allen Paddock	01-01-05 to 12-31-06
President of the County Council	Patricia Gentry Alan Alcorn	01-01-05 to 12-31-05 01-01-06 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF UNION COUNTY, INDIANA

We have examined the schedule of receipts, disbursements, and cash and investment balances of Union 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

November 27, 2006

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, 2005

	Cash and Investments		Cash and Investments	
	01-01-05	Receipts	Disbursements	12-31-05
Governmental Funds:				
General	\$ 836,323	\$ 2,065,712	\$ 2,337,404	\$ 564,631
County Highway	412,640	871,706	892,578	391,768
Family and Children	648,333	648,645	726,306	570,672
Local Road and Street	26,489	82,573	34,445	74,617
Health	68,196	83,424	126,657	24,963
Property Reassessment	125,327	26,047	38,615	112,759
Accident Report	640	1,268	1,056	852
Firearms Training	159	780	464	475
Surveyor's Corner Perpetuation	14,068	2,799	3,839	13,028
Supplemental Juvenile Probation Service	5,162	5,498	4,951	5,709
Supplemental Adult Probation Service	19,675	18,858	17,974	20,559
Pre-Trial Diversion	8,960	2,820	6,117	5,663
County 4-H	-	6,045	6,045	-
Recorder's Records Perpetuation	36,746	10,754	6,901	40,599
Clerk's Records Perpetuation	5,163	3,380	-	8,543
Law Enforcement Continuing Education	181	903	773	311
County User Fee	28,232	21,227	15,866	33,593
Child Support IV-D	7,490	10,512	1,656	16,346
Clerk Title IV-D	6,392	10,512	6,362	10,542
Plat Book	9,710	2,250	-	11,960
Local Health Maintenance	8,283	42,526	34,160	16,649
Home Detention	508	-	137	371
Community Corrections	41,149	74,031	103,825	11,355
Community Corrections/Project Income	11,384	22,056	15,085	18,355
Emergency Planning/Right To Know	21,765	3,590	1,638	23,717
County Drug Free Community	28,529	13,703	13,648	28,584
Sheriff's Motor Vehicle Registration Penalties	12	-	-	12
Emergency Telephone System	109,349	101,841	94,680	116,510
Guardian Ad-Litem	81	3,000	3,081	-
County Corrections (Misdemeanant)	3,796	5,102	1,871	7,027
Supplemental Public Defender Services	71	30,293	25,056	5,308
Drainage Maintenance	14,004	25,865	21,578	18,291
Election and Registration	26,099	23,466	7,040	42,525
Mass Public Transportation	-	180,718	180,718	-
Economic Development Income Tax	320,358	189,270	253,099	256,529
Deferral Program	25,265	11,480	3,210	33,535
Parks/Recreation Board	74,632	6,532	1,292	79,872
Local Option Highway Utility Tax (LOHUT)	12,696	75,225	84,514	3,407
Local Health Maintenance - Tobacco Funds	20,312	12,336	20,603	12,045
LCC Tobacco Grant	-	6,286	619	5,667
Juvenile Intake Center Services	75	1,092	975	192
Sheriff Special Programs	300	-	-	300
Reserve Deputy Donations	166	2,125	389	1,902
Sheriff Equipment Donations	-	200	-	200
Sheriff K-9 Donations	-	850	-	850
Operation Pull Over	1	1,125	873	253
Riverboat Revenue Sharing	58,776	46,341	-	105,117
Adult Offender Interstate	38	487	450	75
Probation Administrative Fees	7,231	5,459	5,162	7,528
Public Health Preparedness	14,556	-	4,523	10,033
Homeland Security Grant	48,136	16,144	64,274	6
Community Development Block Grant - Handicap Grant	-	314,093	186,281	127,812
Community Development Block Grant - Study	-	1,500	1,500	-
Children's Psychiatric Residential Treatment	22,171	30,149	31,879	20,441
Rainy Day Fund	22,669	-	-	22,669

The accompanying notes are an integral part of the schedules.

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, 2005
(Continued)

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds (continued):				
Public Health Coordinator Grant	(1,212)	43,400	40,338	1,850
Out of School Suspension Grant	-	15,383	15,383	-
Mosquito State Grant	285	2,486	2,486	285
Hoosier Safety Grant	-	5,700	5,700	-
FEMA Supplemental Grant	1	-	-	1
Cumulative Bridge	184,427	77,002	97,717	163,712
Cumulative Capital Development	106,114	70,599	16,488	160,225
General Drain Improvement	128	6,398	2,000	4,526
Community Care Project - Escrow	3,018	-	-	3,018
Courthouse Renovation - Special EDIT	49,573	230,466	30,170	249,869
Trust Funds:				
Sheriff's Pension Trust	512,719	11,635	39,113	485,241
Crawford Cemetery Perpetual Care	2,500	37	37	2,500
Congressional Principal	27,117	-	-	27,117
Fiduciary Funds:				
State Sales Disclosure Fees	120	1,165	1,135	150
Mortgage Fees - State Share	-	775	637	138
Special Death Benefits	14	29	43	-
Inheritance Tax	34,259	99,770	73,383	60,646
Health Care for the Indigent	-	42,312	42,312	-
Medical Assistance to Wards	-	318	318	-
Children with Special Medical Needs.	-	2,226	2,226	-
Surplus Tax	5,866	7,791	11,939	1,718
Tax Sale Surplus	77,641	11,815	70,819	18,637
Tax Sale Redemption	3,027	115,207	115,294	2,940
State Fines and Forfeitures	22,477	28,931	30,362	21,046
Welfare Trust Clearance	140	1,405	968	577
Infraction Judgments	838	20,271	19,473	1,636
Coroner's Training and Continuing Education	22	232	233	21
City and Town Court Costs	-	4,158	-	4,158
Congressional Interest	23,071	1,295	542	23,824
Education Plate Fees	75	862	937	-
Wheel Tax	-	20,114	19,534	580
Surtax	-	66,032	66,032	-
Adult Probation Supplemental Fees	825	488	-	1,313
Surplus Dog Tax - Special Revenue	-	531	531	-
Tax Distribution Funds	5,719	6,727,942	6,733,661	-
County Treasurer	132,128	10,307,424	9,603,992	835,560
Clerk of the Circuit Court	567,352	1,272,377	1,699,562	140,167
County Recorder	-	43,588	43,588	-
County Sheriff	-	235,827	235,827	-
County Probation	3,307	50,301	49,260	4,348
Area Plan Commission	-	19,778	19,778	-
Payroll	92,998	1,173,083	1,220,337	45,744
Totals	<u>\$ 5,006,847</u>	<u>\$ 25,841,751</u>	<u>\$ 25,702,324</u>	<u>\$ 5,146,274</u>

The accompanying notes are an integral part of the schedules.

UNION 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 (police), 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 (Indiana Code 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 (Indiana Code 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 SCHEDULE
(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 (Indiana Code 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 (CPRP)

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 primary government'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 SCHEDULE
(Continued)

c. County Police Benefit Plan (CPBP)

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 primary government's fiscal body, the plan is administered by state statute (Indiana Code 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 and Annual Pension Cost

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

Note 7. Long-Term Debt

The County has entered into various debts such as a capital lease for the renovation of the County Courthouse, a capital lease for E911 equipment, and a capital lease for a Gradall. The outstanding principal at December 31, 2005, was \$2,500,000, \$6,233, and \$184,290, respectively.

UNION COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended December 31, 2005

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	\$ 238,510
Buildings	1,930,415
Improvements other than buildings	685,851
Machinery and equipment	2,197,129
Construction in progress	<u>327,976</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 5,379,881</u>

UNION COUNTY
OTHER REPORTS

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

Board of County Commissioners
County Sheriff

UNION COUNTY
EXIT CONFERENCE

The contents of this report were discussed on November 27, 2006, with Allen Paddock, President of the Board of County Commissioners; Alan Alcorn, President of the County Council; and Virginia Bostick, Auditor. Our examination disclosed no material items that warrant comment at this time.