

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

EXAMINATION REPORT
OF
BLACKFORD COUNTY, INDIANA
January 1, 2006 to December 31, 2006



FILED

09/27/2007

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report	3
Financial Information:	
Schedule of Receipts, Disbursements, and Cash and Investment Balances	4-6
Notes to Financial Information.....	7-8
Supplementary Information:	
Schedule of Capital Assets	9
Schedule of Long-Term Debt.....	10
Other Reports.....	11
Exit Conference.....	12

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Kathy J. Bantz	01-01-03 to 12-31-10
Treasurer	Lisa M. Simmons	01-01-05 to 12-31-08
Clerk	Laura A. Coons	10-01-06 to 12-31-09
Sheriff	John Lancaster	07-21-05 to 12-31-10
Recorder	Derinda E. Shady	01-01-06 to 12-31-09
President of the Board of County Commissioners	Larry Hile Fred Walker	01-01-06 to 12-31-06 01-01-07 to 12-31-07
President of the County Council	Cathy Weschke	01-01-06 to 12-31-07



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 ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF BLACKFORD COUNTY, INDIANA

We have examined the financial information presented herein of Blackford County (County), for the period of January 1, 2006 to December 31, 2006. The County's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the County for the year ended December 31, 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information, and accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

July 30, 2007

BLACKFORD COUNTY
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
As Of And For The Year Ended December 31, 2006

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 952,697	\$ 4,713,613	\$ 4,498,552	\$ 1,167,758
Highway	478,884	1,200,101	951,159	727,826
Family and Children	1,358,360	997,793	503,914	1,852,239
General Drain Maintenance	832,279	286,071	421,673	696,677
Property Reassessment	47,949	120,606	93,692	74,863
Excess Levy	-	43,311	-	43,311
Surveyor's Corner Perpetuation	11,340	3,170	-	14,510
2006 Reassessment	349,293	106,623	115,397	340,519
Identification Security Protection	-	4,810	-	4,810
Recorder's Perpetuation	34,910	16,226	9,178	41,958
Plat Map	4,748	3,482	26	8,204
Economic Development Income Tax	313,510	308,555	226,997	395,068
Clerk's Records Perpetuation	7,986	2,806	-	10,792
West Nile Virus	-	1,419	1,419	-
County Sales Disclosure	5,894	1,610	1,108	6,396
Industrial Parks	32,103	-	4,790	27,313
Donations	26,048	14,368	14,622	25,794
Juvenile Probation Service	28,036	7,158	8,341	26,853
Probation User Fees	87,470	48,240	17,121	118,589
New Clerk Incentive	15,706	6,812	4,196	18,322
Pretrial Diversion	1,009	6,242	5,909	1,342
New Prosecutor Incentive	11,972	10,248	6,012	16,208
Cumulative Courthouse	358,524	88,992	43,520	403,996
ACT 03-JF-035	14,325	-	14,325	-
Adult Administrative Fee	10,493	10,024	7,850	12,667
Juvenile Administrative Fee	2,010	725	-	2,735
CERT Grant	(638)	3,779	3,090	51
Sheriff Sale Fee	4,354	12,875	10,921	6,308
Local Road and Street	112,043	124,773	145,741	91,075
Riverboat Revenue	30,753	88,401	88,464	30,690
Cumulative Bridge	326,745	181,561	63,704	444,602
Health	31,875	153,703	152,465	33,113
Attendance Support Program	48	-	47	1
Project Lifesaver Grant	1,000	-	-	1,000
Health Maintenance	9,747	60,397	23,186	46,958
Health Maintenance Tobacco	30,538	-	30,538	-
Master Settlement Tobacco	20,646	14,302	10,095	24,853
Welfare Adoption Fees	100	1,200	-	1,300
Welfare Reform Grant	284	-	-	284
Welfare Trust	900	-	900	-
Children in Middle	1,283	-	1,283	-
Children's Psychiatric Residential Treatment	49,595	42,483	6,757	85,321
HS CFDA 97.004	(2)	109,456	76,174	33,280
Bioterrorism Grant	17,641	3,431	12,029	9,043
Rainy Day	24,055	-	-	24,055

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

BLACKFORD COUNTY
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
As Of And For The Year Ended December 31, 2006
(Continued)

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds (continued):				
PHC Grant	(68)	25,660	27,787	(2,195)
General Drain Improvement	123,680	31,454	7,349	147,785
Drainage Maintenance District	179,569	38,625	43,059	175,135
Campaign Finance Enforcement	100	-	-	100
Emergency Response	16,840	260	-	17,100
Accident Report	7,595	551	-	8,146
Firearms Training	4,223	1,900	-	6,123
Law Enforcement Assistance Grant	2	2	4	-
Operation Pullover	474	3,425	3,898	1
Crime Prevention Grant	-	5,623	5,623	-
Law Enforcement Continuing Education	4,671	-	-	4,671
Emergency Telephone System	76,977	171,619	171,264	77,332
Community Corrections Project Income	68,524	45,062	53,511	60,075
Inmate Medical Care	3,664	1,828	-	5,492
Jail Project Income	73,358	-	73,358	-
Jail Housing Grant	17,831	14,000	31,831	-
Drug Advisory Project Income	3,273	2,360	2,364	3,269
Community Correction Home Detention	7,747	38,917	46,664	-
Drug Free Community	17,139	9,239	9,230	17,148
Community Corrections Grant	-	63,894	60,994	2,900
Community Transition Program	-	1,420	-	1,420
Jail Bond	203,570	384,140	396,642	191,068
Incarceration Fees	3,930	-	-	3,930
Interpreter Grant	-	1,000	932	68
Cumulative Jail	180,896	60,806	35,255	206,447
ITPC Grant	204	6,756	-	6,960
Old Prosecutor's Incentive	24	-	24	-
Victim Assistance Grant	(1,489)	16,068	14,579	-
Family Violence Victim Assistance	-	15,594	15,425	169
Jury Pay	11,506	1,066	6,828	5,744
Child Advocacy	50	-	50	-
Personal Property Attorney Fees	163	441	229	375
Supplemental Public Defender Services	7,062	23,439	7,634	22,867
Cumulative Capital Development	218,330	109,116	126,243	201,203
Solid Waste Disposal Capital	59,694	20,482	2,559	77,617
Landfill Closure Trust	27,356	9,103	16,727	19,732
Sheriff's Commissary	19,711	79,898	68,637	30,972
Fiduciary Funds:				
Congressional School Principal	7,971	-	-	7,971
Sheriff's Pension Trust	-	4,043	3,484	559
Sheriff's Retirement and Benefit Plan	475,650	140,266	29,412	586,504
Surplus Tax	44,766	50,468	47,238	47,996
Surplus Dog Tax	-	1,642	1,540	102
Tax Sale Redemption	-	63,464	61,269	2,195
Surplus Tax Sale	271,555	160,839	343,595	88,799

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

BLACKFORD COUNTY
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
As Of And For The Year Ended December 31, 2006
(Continued)

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Fiduciary Funds (continued):				
Tax Certificate Sale	-	2,000	-	2,000
Financial Institutions Tax	-	54,777	54,777	-
Surplus Ditch General Maintenance	823	1,003	1,826	-
Certified Shares (CAGIT)	-	1,350,620	1,350,620	-
Homestead Credit (Local Option)	5,474	213,968	216,209	3,233
Commercial Vehicle Excise Tax	-	109,202	54,601	54,601
Economic Development Income Tax Clearing	-	486,291	486,290	1
Property Replacement Homestead Credit	-	450,207	450,207	-
Payroll	49,436	1,159,436	1,158,414	50,458
United Way	154	468	496	126
Section 125 Pre-Tax	6,955	45,361	51,704	612
State Sales Disclosure Fees	165	1,610	1,665	110
State Coroner Continuing Education	14	662	620	56
County Health Insurance	10,762	272,322	270,409	12,675
Court Martial Fines/Fees	-	61	-	61
Infraction Judgments	790	6,925	7,072	643
Special Death Benefit	30	1,425	1,220	235
City and Town Court Costs	3,616	3,964	3,616	3,964
Overweight Vehicle Fines	-	25	25	-
Child Restraints Violations Fines	-	75	75	-
Seatbelt Violations	-	2,025	-	2,025
Mortgage Fees - State Share	150	1,717	1,612	255
Medical Assistance to Wards	-	14,311	14,311	-
Health Care for the Indigent	-	143,102	143,102	-
Children with Special Health Needs	-	26,831	26,831	-
Surplus Ditch Maintenance District	584	15	599	-
User Fee	18,536	1,620	1,899	18,257
Ordinance Violation	6,590	363	-	6,953
Congressional School Interest	5,301	414	319	5,396
Education Plate Fees	319	431	750	-
Inheritance Tax	30,104	139,939	170,042	1
State Fair Board	-	3,555	3,555	-
State Forestry Tax	-	7,110	7,110	-
State Settlement	-	15,375,838	15,375,838	-
State Fines and Forfeitures	1,135	3,573	3,670	1,038
Landfill User Fees	6,565	239,856	227,576	18,845
County Treasurer	305,042	16,211,161	16,001,058	515,145
County Sheriff	-	93,268	93,268	-
Clerk of the Circuit Court	252,131	1,558,787	1,560,039	250,879
Probation Department	-	68,519	68,519	-
Community Corrections	-	44,984	44,984	-
County Recorder	50	57,828	57,828	50
Sheriff's Inmate Trust	2,780	83,624	83,259	3,145
Totals	<u>\$ 8,490,567</u>	<u>\$ 48,643,109</u>	<u>\$ 47,286,448</u>	<u>\$ 9,847,228</u>

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

BLACKFORD COUNTY
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The County was established under the laws of the State of Indiana. The County provides the following services: public safety, health and social services, culture and recreation, 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.

BLACKFORD COUNTY
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The District 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 District 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.

BLACKFORD COUNTY
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2006

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 (those reported by governmental activities) are included regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 116,750
Infrastructure	27,775,720
Buildings	5,814,570
Machinery and equipment	<u>1,221,586</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 34,928,626</u>

BLACKFORD COUNTY
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT

For The Year Ended December 31, 2006

<u>Description of Asset</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:		
Capital leases:		
Copiers	\$ 24,465	\$ 7,860
Jail Building	<u>3,160,000</u>	<u>391,000</u>
Total governmental activities long-term debt	<u>\$ 3,184,465</u>	<u>\$ 398,860</u>

BLACKFORD COUNTY
OTHER REPORTS

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

County Sheriff
Clerk of the Circuit Court

BLACKFORD COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 30, 2007, with Kathy J. Bantz, Auditor; and Cathy Weschke, President of the County Council. Our examination disclosed no material items that warrant comment at this time.