

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

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



FILED
09/27/2007

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Deborah C. Adams	01-01-05 to 12-31-08
Treasurer	Mary Ann Beard	01-01-05 to 12-31-08
Clerk	Linda Sheehan	01-01-05 to 12-31-08
Sheriff	Jim Owens Jeff Sherwood	01-01-03 to 12-31-06 01-01-07 to 12-31-10
Recorder	Evelyn Lacy Sally Niedenthal	01-01-03 to 12-31-06 01-01-07 to 12-31-10
President of the Board of County Commissioners	Thomas H. Barnes	01-01-06 to 12-31-07
President of the County Council	Norman L. Winkler	01-01-06 to 12-31-07



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 RUSH COUNTY, INDIANA

We have examined the financial information presented herein of Rush 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.

The Sheriff's Pension Trust fund is reported at market value in the Schedule of Receipts, Disbursements and Cash and Investment Balances. Fund transactions were not reported as required on a cash (or cost) basis by the trustee of the fund. The records presented did not provide sufficient information for us to determine if the differences between market and cost valuations were material to the fund transactions or account balances.

In our opinion, except for the effects, if any, of the condition described in the paragraph above, 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 23, 2007

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

	Cash and Investments		Cash and Investments	
	01-01-06	Receipts	Disbursements	12-31-06
Governmental Funds:				
General	\$ 2,069,725	\$ 5,327,359	\$ 5,059,808	\$ 2,337,276
County Highway	1,351,520	2,931,690	2,525,784	1,757,426
Local Road and Street	881,609	222,171	421,544	682,236
Covered Bridge	43,994	8,792	-	52,786
Health	237,260	260,555	220,301	277,513
Surveyor's Corner Perpetuation	5,387	4,595	4,992	4,990
Recorder's Record Perpetuation	124,026	23,673	35,403	112,296
Local Health Maintenance	-	20,000	20,000	-
County Welfare Administration	-	11,474	11,474	-
Drainage Maintenance	154,954	132,299	129,588	157,664
Accident Report	4,890	1,770	-	6,660
Firearms Training	8,999	4,390	-	13,389
County Law Enforcement Continuing Education	3,243	6,592	2,750	7,085
Supplemental Juvenile Probation	45,537	6,749	-	52,286
Supplemental Adult Probation	98,643	53,535	82,168	70,010
County User Fee	15,253	6,534	10,753	11,034
Campaign Finance Enforcement	700	-	-	700
City Curfew Violation	100	-	-	100
Pretrial Diversion	41,003	20,889	24,128	37,764
Criminal Justice	1,086	-	-	1,086
Seat Belt Grant	293	-	-	293
Work Release Program	1,256	3,025	-	4,281
County Misdemeanant	18,101	13,119	850	30,370
Emergency Planning/Right to Know	12,011	-	1,611	10,400
County ID Security Protection	-	6,764	-	6,764
Inventory Homestead Credit	-	684,478	645,234	39,244
Sheriff Service Process	-	3,969	3,969	-
Reassessment 2003	69,998	155,438	112,921	112,515
Clerk's Record Perpetuation	20,336	8,032	7,744	20,624
Health Maintenance Tobacco	51,335	13,139	15,541	48,934
Plat Book	12,634	4,845	-	17,479
IV-D Incentive/County	32,641	-	5,352	27,289
IV-D Incentive/Clerk	21,237	9,544	396	30,385
IV-D Incentive/Prosecutor	22,981	17,201	13,424	26,758
County Family and Children	124,339	1,093,104	1,071,095	146,348
Child Psychology Residential Treatment	90,398	78,446	117,733	51,111
Mortgage Fee Fund	248	2,558	2,638	168
Health Maintenance Tobacco Master	15,603	15,593	-	31,195
Rainy Day Fund	195,783	389,793	380,600	204,976
GIS Electronic Map Generation	6,400	9,600	-	16,000
Public Health Coordinator Grant	(335)	29,592	39,641	(10,384)
Law Enforcement Contributions	5,700	-	4,763	937
Bioterrorism Grant	23,140	-	-	23,140
Bulletproof Vest Grant	-	-	4,763	(4,763)
Sales Disclosure Training	7,376	2,665	3,311	6,730
Riverboat Revenue Sharing	140,202	114,913	44,956	210,159
Sheriff's Buckle-up Grant	102	-	-	102
County Child Advocacy	75	-	-	75
Victims Assistance	2,237	23,878	26,115	-
Prosecutor Bad Check	9,567	1,036	-	10,603
County Alcohol and Drug Program	22,042	16,875	15,000	23,916

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

RUSH COUNTY
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, TRUST, PROPRIETARY, 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):				
Infraction Deferral	57,149	32,184	28,690	60,643
Nonreverting Sheriff	450	-	-	450
Guardian AD Litem	3,694	420	-	4,114
Emergency Telephone System	331,288	198,294	111,601	417,981
Supplemental Public Defender Service	52,053	31,113	19,023	64,143
Homeland Security Grant	478	174,037	235,962	(61,447)
Jury Fee	7,467	4,862	-	12,329
Emergency Management Grant	15,761	-	-	15,761
Sheriff's Commissary	11,401	32,819	26,741	17,479
Economic Development Income Tax	923,308	611,988	442,975	1,092,321
Cumulative Bridge	612,167	248,990	248,722	612,435
Cumulative Capital Development	980,112	416,292	287,925	1,108,479
General Drain Improvement	97,180	67,661	23,791	141,050
Trust Funds:				
Congressional Principal	24,383	-	-	24,383
Sheriff's Pension Trust	2,816,573	548,192	172,943	3,191,822
Proprietary Fund:				
Health Insurance	7,301	615,111	622,363	49
Fiduciary Funds:				
Poor Relief	-	33,931	33,931	-
County Hospital Care for the Indigent	-	60,062	60,062	-
Welfare Trust	2,470	5,360	5,607	2,223
Education Plate Fee	1,181	863	2,044	-
Inheritance Tax	50,530	538,075	463,054	125,551
Excess Tax	9,566	25,456	9,862	25,160
Tax Sale Surplus	38,275	17,110	51,419	3,966
County Surtax	79	266,007	264,764	1,322
County Wheel Tax	94	68,440	68,510	24
Surplus Dog Tax	-	2,071	2,071	-
Congressional Interest	11,456	756	975	11,236
Area Plan Escrow	31,000	-	14,000	17,000
Coroner's Training and Continuing Education	102	746	805	43
City/Town Court Costs	-	8,078	8,078	-
Flatrock Bond Escrow	1,000	-	-	1,000
Medical Assistance to Wards	-	12,689	12,689	-
Tax Sale Redemption	-	18,570	18,570	-
Children With Special Health Care Needs	-	23,687	23,687	-
Tax Distribution Funds	-	18,704,004	18,642,571	61,433
State Fees	8,999	116,698	114,791	10,905
County Treasurer	299,395	21,893,236	22,026,465	166,166
Clerk of the Circuit Court	238,376	2,589,478	2,576,222	251,632
County Recorder	50	88,655	88,655	50
County Sheriff	-	560,872	560,872	-
Sheriff Inmate Trust	327	38,233	38,099	461
County Health	25	-	-	25
Area Plan Commission	15	9,340	9,315	40
Payroll	58,698	1,285,740	1,265,550	78,888
Totals	<u>\$ 12,686,031</u>	<u>\$ 61,090,791</u>	<u>\$ 59,649,754</u>	<u>\$ 14,127,069</u>

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

RUSH 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, highways and streets, health 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.

RUSH COUNTY
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 6. Pension Plans

Agent Multiple-Employer and Single-Employer Defined Pension Benefit 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 (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 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

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

B. County Police Retirement Plan

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 County'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

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

RUSH 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.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 162,000
Infrastructure	-
Buildings	7,029,052
Improvements other than buildings	1,567
Machinery and equipment	4,018,792
Construction in progress	<u>-</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 11,211,411</u>

RUSH COUNTY
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT

For The Year Ended December 31, 2006

CAPITAL LEASE

The County has entered into the following capital lease:

<u>Description of Asset</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Addition and Renovation of Rush Memorial Hospital	<u>\$ 635,000</u>	<u>\$ 302,000</u>

RUSH COUNTY
OTHER REPORT

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

County Sheriff

RUSH COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 23, 2007, with Thomas H. Barnes, President of the Board of County Commissioners; Norman L. Winkler, President of the County Council; and Deborah C. Adams, Auditor. Our examination disclosed no material items that warrant comment at this time.