

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

EXAMINATION REPORT
OF
RUSH COUNTY, INDIANA
January 1, 2007 to December 31, 2007



FILED
10/23/2008

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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	Jeff Sherwood	01-01-07 to 12-31-10
Recorder	Sally Niedenthal	01-01-07 to 12-31-10
President of the Board of County Commissioners	Thomas H. Barnes	01-01-07 to 12-31-08
President of the County Council	Norman L. Winkler	01-01-07 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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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, 2007 to December 31, 2007. 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, 2007, 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

September 29, 2008

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, 2007

	Cash and Investments		Cash and Investments	
	01-01-07	Receipts	Disbursements	12-31-07
Governmental Funds:				
General	\$ 2,337,276	\$ 5,359,629	\$ 5,578,399	\$ 2,118,506
County Highway	1,757,426	2,765,263	3,190,376	1,332,313
Local Road and Street	682,236	353,234	639,085	396,385
Covered Bridge	52,786	12,117	7,500	57,403
Health	277,513	221,457	234,481	264,489
Surveyor's Corner Perpetuation	4,990	4,170	4,968	4,192
Recorder's Record Perpetuation	112,296	23,674	30,986	104,984
Sale of County Property	-	411	-	411
Local Health Maintenance	-	25,000	20,000	5,000
County Welfare Administration	-	10,694	10,694	-
Drainage Maintenance	157,664	158,474	167,012	149,126
Accident Report	6,660	1,730	-	8,390
Firearms Training	13,389	8,080	1,755	19,714
County Law Enforcement Continuing Education	7,085	1,896	1,580	7,401
Supplemental Juvenile Probation	52,286	6,998	-	59,284
Supplemental Adult Probation	70,010	58,175	88,521	39,664
County User Fee	11,034	7,124	7,074	11,084
Campaign Finance Enforcement	700	-	-	700
City Curfew Violation	100	-	-	100
Pre-Trial Diversion	37,764	19,940	24,830	32,874
Criminal Justice	1,086	-	-	1,086
Seat Belt Grant	293	-	-	293
Work Release Program	4,281	1,800	-	6,081
County Misdemeanant	30,370	13,169	13,000	30,539
Emergency Planning/Right to Know	10,400	12,474	4,725	18,149
County ID Security Protection	6,764	7,038	-	13,802
Inventory Homestead Credit	39,244	714,835	727,977	26,102
Sheriff Service Process	-	9,293	9,293	-
Reassessment 2003	112,515	217,275	131,766	198,024
Clerk's Record Perpetuation	20,624	8,492	8,584	20,532
Health Maintenance Tobacco	48,934	16,424	18,697	46,661
Plat Book	17,479	4,260	11,171	10,568
IV-D Incentive/County	27,289	-	5,139	22,150
IV-D Incentive/Clerk	30,385	-	6,771	23,614
IV-D Incentive/Prosecutor	26,758	7,720	16,378	18,100
County Family and Children	146,348	746,481	608,075	284,754
Child Psychology Residential Treatment	51,111	120,258	114,680	56,689
Mortgage Fee Fund	168	2,337	2,365	140
Health Maintenance Tobacco Master	31,195	16,210	15,602	31,803
Rainy Day Fund	204,976	10,499	-	215,475
GIS Electronic Map Generation	16,000	9,600	-	25,600
Public Health Coordinator Grant	(10,384)	42,311	37,945	(6,018)
Law Enforcement Contributions	937	3,924	1,745	3,116
Bio-Terrorism Grant	23,140	-	7,727	15,413
Bulletproof Vest Grant	(4,763)	4,763	-	-
Sales Disclosure Training	6,730	2,350	156	8,924
Riverboat Revenue Sharing	210,159	115,150	245,048	80,261
Sheriff's Buckle-up Grant	102	-	-	102
County Child Advocacy	75	-	-	75
Victims Assistance	-	24,559	15,955	8,604
Prosecutor Bad Check	10,603	180	-	10,783
County Alcohol and Drug Program	23,916	15,668	15,000	24,584
Infraction Deferral	60,643	33,322	37,157	56,808
Nonreverting Sheriff	450	-	-	450
Guardian AD Litem	4,114	40	-	4,154
Emergency Telephone System	417,981	258,090	145,718	530,353

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, 2007
(Continued)

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds (continued):				
Supplemental Public Defender Service	64,143	26,586	29,359	61,370
Homeland Security Grant	(61,447)	167,704	105,779	478
Jury Fee	12,329	5,168	-	17,497
Emergency Management Grant	15,761	-	-	15,761
Truancy and Substance Abuse Grant	-	11,353	11,350	3
Recycling Grant	-	11,300	9,819	1,481
Medical Reserve Corps Grant	-	10,000	-	10,000
Mobile Command Local Grant	-	14,100	4,247	9,853
Public Transportation Grant	-	10,000	10,000	-
Haz-Mat Facility Grant	-	39,075	-	39,075
2007 PEP Grant	-	4,313	-	4,313
Public Health ER Preparedness	-	2,500	-	2,500
Sheriff's Commissary	17,479	35,016	34,677	17,818
Economic Development Income Tax	1,092,321	639,902	477,000	1,255,223
Cumulative Bridge	612,435	245,160	202,563	655,032
Cumulative Capital Development	1,108,479	196,007	699,414	605,072
General Drain Improvement	141,050	437,634	348,768	229,916
Trust Funds:				
Congressional Principal	24,383	-	-	24,383
Sheriff's Pension Trust	2,914,291	457,254	183,590	3,187,955
Proprietary Fund:				
Health Insurance	49	952,625	941,290	11,384
Fiduciary Funds:				
Poor Relief	-	47,955	47,955	-
County Hospital Care for the Indigent	-	64,872	64,872	-
Welfare Trust	2,223	24,732	22,586	4,369
Education Plate Fee	-	2,212	2,212	-
Inheritance Tax	125,551	667,628	646,462	146,717
Excess Tax	25,160	21,204	30,999	15,365
Tax Sale Surplus	3,966	53,011	450	56,527
County Surtax	1,322	262,914	262,030	2,206
County Wheel Tax	24	86,303	71,480	14,847
Surplus Dog Tax	-	-	-	-
Congressional Interest	11,236	483	-	11,719
Area Plan Escrow	17,000	4,000	2,000	19,000
Coroner's Training and Continuing Education	43	1,091	1,008	126
City/Town Court Costs	-	8,575	7,956	619
Flatrock Bond Escrow	1,000	-	1,000	-
Medical Assistance to Wards	-	12,804	12,804	-
Tax Sale Redemption	-	4,686	1,806	2,880
Children With Special Health Care Needs	-	24,754	24,754	-
Homestead Rebates	-	721,110	-	721,110
Tax Distribution Funds	61,433	19,970,411	20,031,844	-
State Fees	10,905	132,635	132,957	10,583
County Treasurer	166,166	23,899,380	23,773,540	292,006
Clerk of the Circuit Court	251,632	2,692,913	2,638,732	305,813
County Recorder	50	83,460	83,460	50
County Sheriff	-	874,342	874,342	-
Sheriff Inmate Trust	461	31,352	31,751	62
County Health	25	42,076	42,076	25
Area Plan Commission	40	30,138	30,138	40
Payroll	78,888	1,809,301	1,611,417	276,772
Totals	<u>\$ 13,849,536</u>	<u>\$ 66,296,627</u>	<u>\$ 65,716,423</u>	<u>\$ 14,429,741</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 District 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 District 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 District 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. Restatements and Reclassifications

For the year ended December 31, 2007, a change has been made to the financial statements to more appropriately reflect financial activity of the primary government. The following schedule presents a summary of the restated beginning balance by fund type. Prior period adjustment represents the change from market value to cost value of investments.

<u>Fund Type</u>	<u>Balance as Reported December 31, 2006</u>	<u>Prior Period Adjustment</u>	<u>Balance as Restated January 1, 2007</u>
Sheriff's Pension Trust	<u>\$ 3,191,822</u>	<u>\$ (277,531)</u>	<u>\$ 2,914,291</u>

Note 7. Pension Plans

A. 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.

RUSH COUNTY
NOTES TO FINANCIAL INFORMATION
(Continued)

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.

Note 8. Subsequent Event

The County received a loan in 2008 totaling \$300,000 to finance the construction of improvements to the Mudd Creek Drain.

RUSH COUNTY
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2007

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	6,667
Machinery and equipment	4,049,919
Construction in progress	<u>-</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 11,247,638</u>

RUSH COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2007

The County has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
Addition and Renovation of Rush Memorial Hospital	\$ 355,000	\$ 290,000
Notes and loans payable	<u>405,000</u>	<u>75,571</u>
 Total governmental activities debt	 <u>\$ 760,000</u>	 <u>\$ 365,571</u>

RUSH COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 29, 2008, with Deborah C. Adams, Auditor; Norman L. Winkle, President of the County Council; and Thomas H. Barnes, President of the Board of County Commissioners. Our examination disclosed no material items that warrant comment at this time.