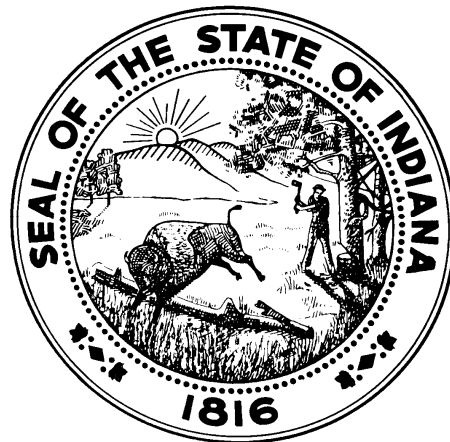


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

ANNUAL FINANCIAL REPORT

2008

STARKE COUNTY, INDIANA



FILED

09/17/2009

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Michaelene J. Houston	01-01-07 to 12-31-10
Treasurer	Marilyn Folkers Linda L. Belork	01-01-05 to 12-31-08 01-01-09 to 12-31-12
Clerk	Evelyn A. Skronski	01-01-07 to 12-31-10
Sheriff	Oscar O. Cowen	01-01-07 to 12-31-10
Recorder	Jackie Bridegroom	01-01-07 to 12-31-10
President of the Board of County Commissioners	Kevin Kroft Daniel D. Bridegroom	01-01-08 to 12-31-08 01-01-09 to 12-31-09
President of the County Council	Mark C. Smith	01-01-08 to 12-31-09



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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 AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF STARKE COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Starke County (County), as of and for the year ended December 31, 2008, which collectively comprise the County's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note I, the County prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 2008, and the respective cash receipts and cash disbursements during the year then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated August 20, 2009, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Schedules of Funding Progress, as listed in the Table of Contents, are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The County has not presented Management's Discussion and Analysis or Budgetary Comparison Schedules that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Combining Schedules, as listed in the Table of Contents, and Schedule of Capital Assets are presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Capital Assets has not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

August 20, 2009



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF STARKE COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Starke County (County), as of and for the year ended December 31, 2008, which collectively comprise the County's basic financial statements and have issued our report thereon dated August 20, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we considered to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in items 2008-1 and 2008-2 of the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(Continued)

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We noted certain matters that we reported to management in a separate letter dated August 20, 2009.

The County's response to the findings identified in our audit is described in the accompanying section of the report entitled Corrective Action Plan. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County's management, County Commissioners and County Council and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

August 20, 2009

STARKE COUNTY
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For The Year Ended December 31, 2008

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>	<u>Net (Disbursements) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Primary Government Governmental Activities</u>
Primary government:			
Governmental activities:			
General government	\$ 5,315,110	\$ 1,055,216	\$ (4,259,894)
Public safety	3,294,253	74,740	(3,219,513)
Highways and streets	1,963,561	-	(1,963,561)
Sanitation	292,842	-	(292,842)
Economic development	3,040,665	579,775	(2,460,890)
	<u>\$ 13,906,431</u>	<u>\$ 1,709,731</u>	<u>(12,196,700)</u>
Total primary government			
General receipts:			
			3,786,603
			1,446,815
			5,422,281
			349,585
			<u>11,005,284</u>
			(1,191,416)
			<u>9,307,812</u>
			<u>\$ 8,116,396</u>
<u>Assets</u>			
			\$ 908,912
			<u>7,207,484</u>
			<u>\$ 8,116,396</u>
<u>Net Assets</u>			
			\$ 750,008
			626,650
			1,339,220
			926,730
			3,564,876
			<u>908,912</u>
			<u>\$ 8,116,396</u>

The notes to the financial statements are an integral part of this statement.

STARKE COUNTY
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2008

	General	General Drain Maintenance	Highway	County Economic Development Income Tax	Family and Children Services	Other Governmental Funds	Totals
Receipts:							
Taxes	\$ 3,557,254	\$ 409,136	\$ -	\$ -	\$ 645,934	\$ 598,713	\$ 5,211,037
Licenses and permits	51,985	-	2,000	-	-	-	53,985
Intergovernmental	-	-	1,705,393	1,152,623	733,581	1,085,922	4,677,519
Charges for services	646,646	-	-	-	-	187,599	834,245
Fines and forfeits	146,486	-	-	-	-	675,015	821,501
Other	744,209	21,668	1,605	40,112	13,433	159,377	980,404
Total receipts	5,146,580	430,804	1,708,998	1,192,735	1,392,948	2,706,626	12,578,691
Disbursements:							
General government	3,788,359	-	-	980,509	-	546,242	5,315,110
Public safety	2,150,263	-	-	-	-	1,143,990	3,294,253
Highways and streets	-	-	1,714,304	-	-	249,257	1,963,561
Sanitation	-	292,842	-	-	-	-	292,842
Health and welfare	-	-	-	-	2,534,725	505,940	3,040,665
Total disbursements	5,938,622	292,842	1,714,304	980,509	2,534,725	2,445,429	13,906,431
Excess (deficiency) of receipts over disbursements	(792,042)	137,962	(5,306)	212,226	(1,141,777)	261,197	(1,327,740)
Other financing sources (uses):							
Other receipts	-	-	132,176	-	-	4,148	136,324
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(792,042)	137,962	126,870	212,226	(1,141,777)	265,345	(1,191,416)
Cash and investment fund balance - beginning	1,700,954	1,161,100	353,574	702,979	1,866,838	3,522,367	9,307,812
Cash and investment fund balance - ending	\$ 908,912	\$ 1,299,062	\$ 480,444	\$ 915,205	\$ 725,061	\$ 3,787,712	\$ 8,116,396
Cash and Investment Assets - December 31							
Cash and investments	\$ 908,912	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 908,912
Restricted assets:							
Cash and investments	-	1,299,062	480,444	915,205	725,061	3,787,712	7,207,484
Total cash and investment assets - December 31	\$ 908,912	\$ 1,299,062	\$ 480,444	\$ 915,205	\$ 725,061	\$ 3,787,712	\$ 8,116,396
Cash and Investment Fund Balance - December 31							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 750,008	\$ 750,008
Highways and streets	-	-	480,444	-	-	146,206	626,650
Sanitation	-	1,299,062	-	-	-	-	1,299,062
Health and welfare	-	-	-	-	725,061	614,159	1,339,220
Capital outlay	-	-	-	-	-	926,730	926,730
Other purposes	-	-	-	915,205	-	1,350,609	2,265,814
Unrestricted	908,912	-	-	-	-	-	908,912
Total cash and investment fund balance - December 31	\$ 908,912	\$ 1,299,062	\$ 480,444	\$ 915,205	\$ 725,061	\$ 3,787,712	\$ 8,116,396

The notes to the financial statements are an integral part of this statement.

STARKE COUNTY
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For The Year Ended December 31, 2008

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>	<u>Agency Funds</u>
Additions:			
Contributions:			
Employer	\$ 141,102	\$ -	
Plan members	14,763	-	
Other	<u>-</u>	<u>75,000</u>	
Total contributions	<u>155,865</u>	<u>75,000</u>	
Investment earnings:			
Interest	<u>415,202</u>	<u>205,977</u>	
Total additions	<u>571,067</u>	<u>280,977</u>	
Deductions:			
Benefits	141,702	-	
Refunds of contributions	117	-	
Administrative and general	<u>11,176</u>	<u>-</u>	
Total deductions	<u>152,995</u>	<u>-</u>	
Excess of total additions over total deductions	418,072	280,977	
Cash and investment fund balance - beginning	<u>1,814,490</u>	<u>3,840,163</u>	
Cash and investment fund balance - ending	<u>\$ 2,232,562</u>	<u>\$ 4,121,140</u>	<u>\$ 1,513,031</u>

The notes to the financial statements are an integral part of this statement.

STARKE COUNTY
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

The County was established under the laws of the State of Indiana. The County operates under a Council-Commissioner form of government and 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.

The County's financial reporting entity is composed of the following:

Primary Government: Starke County

In determining the financial reporting entity, the County complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

Related Organizations

The County's officials are also responsible for appointing the members of the boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointments. The County appoints the board members of the Starke County Aviation Board, and the Starke County Hospital Board.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. However, at this time, the County has not established any enterprise funds.

The County reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The general drain maintenance fund accounts for all financial resources and expenditures for maintaining the county ditch system.

STARKE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

The highway fund accounts for the state motor vehicle highway distributions. Funds may be used for the direct or indirect costs of repairing and maintaining the County's roads.

The county economic development income tax (CEDIT) fund accounts for financial resources and expenditures for improving the county economic development.

The family and children fund accounts for all financial resources and expenditures for maintaining the county family and children services.

Additionally, the County reports the following fund types:

The pension trust funds account for the activities of the sheriff's retirement trust and the sheriff's benefit trust, which accumulate resources for pension benefit payments.

The private-purpose trust funds report trust arrangements under which principal and income benefit the school corporations in the County and the county hospital.

Agency funds account for assets held by the County as an agent for federal, state and local agencies, and serve as control of accounts for certain cash transactions during the time they are a liability to the County.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The cash and investment basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash rather than when earned and disbursements are recognized when paid rather than when a liability is incurred. Investment transactions are not presented on the financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

D. Assets and Cash and Investment Balances

1. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as interest receipts in the year of the sale of the investment.

STARKE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

2. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the County in June and in 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.

3. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental fund operations are accounted for as capital outlay disbursements of the fund upon acquisition.

4. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental funds are not reported as liabilities in the basic financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as disbursements.

5. Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

It is the County's policy to first use restricted net assets prior to the use of unrestricted net assets when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance.

E. Receipts and Disbursements

Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

STARKE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Activities and Net Assets – Cash and Investment Basis, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are not reported as reimbursements but as adjustments to disbursements in the respective funds.
3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at calendar year end.

Prior to the first required publication, the fiscal officer of the County submits to the governing board a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. In September of each year, the governing board, through the passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the County receives approval of the Indiana Department of Local Government Finance.

STARKE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

The County's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

B. Cash and Investment Balance Deficits

At December 31, 2008, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines and state statute:

Fund	2008
Juvenile Account Block Grant	\$ 311
Women, Infants, and Children	56
Local Health Preparedness	3,774
Prosecutor's Stop Grant	5,579
State Grant #4	7,772
Federal Grant #3 WIC	6,087
2005 Tax Sale Redemption	773
2008 Surplus Tax	14,026
Total	\$ 38,378

Cash and investment deficits arose primarily from disbursements exceeding receipts due to the underestimate of current requirements; these deficits are to be repaid from future receipts.

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The County does not have a deposit policy for custodial credit risk. At December 31, 2008, the County had deposit balances in the amount of \$13,972,252.

The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

STARKE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

2. Investments

As of December 31, 2008, the Sheriff's Retirement and Benefit Plan had the following investments:

Investment Type	Sheriff's Retirement and Benefit Pension Plans
U.S. treasuries and securities	\$ 25,105
U.S. government sponsored enterprise	101,939
Corporate bonds	74,994
Corporate equity securities	20,337
Mutual funds	958,635
Total	\$ 1,181,010

Statutory Authorization for Investments

Indiana Code 5-13-9 authorizes the County to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the County to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50% of the funds held by the County and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

Additionally, the County may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the County's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or

STARKE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

The Sheriff's Pension Plan is not subject to the same investment laws as the County. The Sheriff's Merit Board has not adopted an investment policy for interest rate and credit risk.

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

The Sheriff's Merit Board has not adopted an investment policy for custodial credit risk for investments.

The following investments held by the Sheriff's Retirement and Benefit Pension Plans were exposed to custodial credit risks because they are uninsured and unregistered with securities held by the counterparty, or the counterparty's trust department or agent, either in the government's name or not in the government's name:

Sheriff's Retirement and Benefit Pension Plans:

Investment Type	2008 In the Government's Name
U.S. treasuries and securities	\$ 25,105
U.S. government sponsored enterprise	101,939
Corporate bonds	74,994
Corporate equity securities	20,337
Mutual funds	958,635
Total	\$ 1,181,010

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County must follow state statute and limit the stated final maturities of the investments to no more than two years.

STARKE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

The Sheriff's Merit Board has not adopted a formal investment policy for interest rate risk.

Sheriff's Retirement and Benefit Pension Plans:

Investment Type	Investment Maturities (in Years)		
	Less Than 1	1-2	More Than 2
U.S. treasuries and securities	\$ -	\$ -	\$ 25,105
U.S. government sponsored enterprise	-	-	101,939
Corporate bonds	-	-	74,994
Corporate equity securities	20,337	-	-
Mutual bond funds*	958,635	-	-
Totals	<u>\$ 978,972</u>	<u>\$ -</u>	<u>\$ 202,038</u>

*The mutual bond funds had a weighted average maturity of less than 1 year.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The distribution of securities with credit ratings is summarized below.

The Sheriff's Merit Board has not adopted a policy for credit risk.

Sheriff's Retirement and Benefit Pension Plans:

Standard and Poor's Rating	Moody's Rating	County's Investments				
		U.S. Treasuries and Securities	U.S. Government Sponsored Enterprise	Corporate Bonds	Corporate Equity Securities	Mutual Funds
AAA	Aaa	\$ 25,105	\$ -	\$ -	\$ -	\$ -
AA	Aa	-	-	49,013	-	-
A	A	-	-	-	-	-
BBB	Baa	-	-	18,073	-	-
BB	Ba	-	-	7,908	-	-
B	B	-	-	-	-	-
CCC	Caa	-	-	-	-	-
Unrated	Unrated	-	101,939	-	20,337	958,635
Totals		<u>\$ 25,105</u>	<u>\$ 101,939</u>	<u>\$ 74,994</u>	<u>\$ 20,337</u>	<u>\$ 958,635</u>

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. United States of America government and United States of America governmental agency securities are exempt from this policy requirement.

STARKE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

The Sheriff's Merit Board has not adopted a policy for the concentration of credit risk.

The County and the Sheriff's Retirement and Benefit Pension Plan held no investments that were exposed to concentration of credit risk.

Foreign Currency Risk

The Sheriff's Merit Board has not adopted a formal policy in regards to foreign currency risk.

IV. Other Information

A. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

B. Administration of Welfare Programs

The County is required to provide certain funding for administrative costs of welfare programs, the Hospital Care for the Indigent Program, Medical Assistance to Wards, and Children with Special Health Care Needs through local property tax levies. The County remits those taxes to the State, which pays the cost.

C. Pension Plans

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

1. 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 the 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 member's 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.

STARKE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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. The 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 plan members for PERF are established by the Board of Trustees of PERF. The County's annual pension cost and related information, as provided by the actuary, is presented in this note.

2. 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 (IC 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. The County's annual pension cost and related information, as provided by the actuary, is presented in this note.

3. County Police Benefit Plan

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 County's fiscal body, the plan is administered by the sheriff's department and an appointed trustee as authorized by state statute (IC 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. The County's annual pension cost and related information, as provided by the actuary, is presented in this note.

STARKE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Actuarial Information for the Above Plans

	<u>PERF</u>	<u>County Police Retirement Plan</u>	<u>County Police Benefit Plan</u>
Annual required contribution	\$ 143,679	\$ 149,024	\$ 6,049
Interest on net pension obligation	(18,848)	2,246	13
Adjustment to annual required contribution	<u>21,479</u>	<u>(4,124)</u>	<u>(23)</u>
Annual pension cost	146,310	147,146	6,039
Contributions made	<u>129,512</u>	<u>147,901</u>	<u>6,049</u>
Increase (decrease) in net pension obligation	16,798	(755)	(10)
Net pension obligation, beginning of year	<u>(259,977)</u>	<u>32,083</u>	<u>181</u>
Net pension obligation, end of year	<u>\$ (243,179)</u>	<u>\$ 31,328</u>	<u>\$ 171</u>

	<u>PERF</u>	<u>County Police Retirement Plan</u>	<u>County Police Benefit Plan</u>
Contribution rates:			
County	4.63%	31%	1%
Plan members	3%	6%	6%
Actuarial valuation date	07-01-08	01-01-09	01-01-09
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed
Amortization period	30 years	30 years	30 years
Amortization period (from date)	07-01-98	12-31-98	12-31-98
Asset valuation method	4 year smoothed market	4 year smoothed market	4 year smoothed market

<u>Actuarial Assumptions</u>	<u>PERF</u>	<u>County Police Retirement Plan</u>	<u>County Police Benefit Plan</u>
Investment rate of return	7.25%	7%	7%
Projected future salary increases:			
Total	5%	5%	5%
Attributed to inflation	4%	4%	4%
Attributed to merit/seniority	1%	1%	1%
Cost-of-living adjustments	2%	2%	0%

STARKE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Three Year Trend Information

	<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
PERF	06-30-06	\$ 101,794	116%	\$ (286,247)
	06-30-07	148,877	82%	(259,977)
	06-30-08	146,310	89%	(243,179)
County Police Retirement Plan	12-31-06	127,330	133%	20,201
	12-31-07	105,833	113%	32,083
	12-31-08	147,146	101%	31,328
County Police Benefit Plan	12-31-06	5,719	100%	190
	12-31-07	4,138	100%	181
	12-31-08	6,039	100%	171

STARKE COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-06	\$ 2,396,796	\$ 2,175,901	\$ 220,895	110%	\$ 2,775,127	8%
07-01-07	2,468,817	2,176,663	292,154	113%	2,738,507	11%
07-01-08	2,779,591	2,716,423	63,168	102%	3,024,263	2%

Sheriff's Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-07	\$ 1,928,007	\$ 2,344,307	\$ (416,300)	82%	\$ 364,684	(114%)
01-01-08	2,010,656	2,560,437	(549,781)	79%	442,549	(124%)
01-01-09	2,025,541	2,680,146	(654,605)	76%	487,978	(134%)

STARKE COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2008

	Child Advocacy	EMS Donation for Educational Materials	Title 3	Community Transition Program	Emergency Management Grant	Sale of Plat Books	County Share Disclosure Fee
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	3,997
Fines and forfeits	-	-	-	-	-	-	-
Other	-	-	-	-	9,652	504	-
Total receipts	-	-	-	-	9,652	504	3,997
Disbursements:							
General government	-	-	275	-	-	338	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Total disbursements	-	-	275	-	-	338	-
Excess (deficiency) of receipts over disbursements	-	-	(275)	-	9,652	166	3,997
Other financing sources:							
Other receipts	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(275)	-	9,652	166	3,997
Cash and investment fund balance - beginning	297	497	3,567	11,685	10,044	418	1,415
Cash and investment fund balance - ending	<u>\$ 297</u>	<u>\$ 497</u>	<u>\$ 3,292</u>	<u>\$ 11,685</u>	<u>\$ 19,696</u>	<u>\$ 584</u>	<u>\$ 5,412</u>
Cash and Investment Assets - December 31							
Restricted assets:							
Cash and investments	<u>\$ 297</u>	<u>\$ 497</u>	<u>\$ 3,292</u>	<u>\$ 11,685</u>	<u>\$ 19,696</u>	<u>\$ 584</u>	<u>\$ 5,412</u>
Cash and Investment Fund Balance - December 31							
Restricted for:							
Public safety	\$ -	\$ 497	\$ -	\$ -	\$ 19,696	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	297	-	3,292	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other purposes	-	-	-	11,685	-	584	5,412
Total cash and investment fund balance - December 31	<u>\$ 297</u>	<u>\$ 497</u>	<u>\$ 3,292</u>	<u>\$ 11,685</u>	<u>\$ 19,696</u>	<u>\$ 584</u>	<u>\$ 5,412</u>

STARKE COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	Juvenile Tracking Grant	County Drug Enforcement	Redact - Recorder	Auditor's Transfer Fee	Alternative Dispute Resolution	Hamlet Fire Well	Surveyor Corner Perpetual
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	5,732	-	-	-
Fines and forfeits	-	-	-	-	2,660	-	5,595
Other	-	164	8,456	-	-	13,685	-
Total receipts	-	164	8,456	5,732	2,660	13,685	5,595
Disbursements:							
General government	-	-	6,544	2,629	-	11,392	16,300
Public safety	-	450	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Total disbursements	-	450	6,544	2,629	-	11,392	16,300
Excess (deficiency) of receipts over disbursements	-	(286)	1,912	3,103	2,660	2,293	(10,705)
Other financing sources:							
Other receipts	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(286)	1,912	3,103	2,660	2,293	(10,705)
Cash and investment fund balance - beginning	23	8,557	17,128	7,076	9,780	6,866	13,471
Cash and investment fund balance - ending	<u>\$ 23</u>	<u>\$ 8,271</u>	<u>\$ 19,040</u>	<u>\$ 10,179</u>	<u>\$ 12,440</u>	<u>\$ 9,159</u>	<u>\$ 2,766</u>
Cash and Investment Assets - December 31							
Restricted assets:							
Cash and investments	<u>\$ 23</u>	<u>\$ 8,271</u>	<u>\$ 19,040</u>	<u>\$ 10,179</u>	<u>\$ 12,440</u>	<u>\$ 9,159</u>	<u>\$ 2,766</u>
Cash and Investment Fund Balance - December 31							
Restricted for:							
Public safety	\$ 23	\$ 8,271	\$ -	\$ -	\$ 12,440	\$ 9,159	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other purposes	-	-	19,040	10,179	-	-	2,766
Total cash and investment fund balance - December 31	\$ 23	\$ 8,271	\$ 19,040	\$ 10,179	\$ 12,440	\$ 9,159	\$ 2,766

STARKE COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	Tactical Narcotics Team Rico	Juvenile Account Block Grant	Jury Pay	WIC Donations	Starke County DARE Donations	Recorders Perpetual	Clerks Perpetual
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	377	-	-	-	-	-	-
Charges for services	-	-	6,902	-	-	-	4,062
Fines and forfeits	-	-	-	-	-	22,544	-
Other	-	-	-	1,005	5,800	231	-
Total receipts	377	-	6,902	1,005	5,800	22,775	4,062
Disbursements:							
General government	-	-	-	-	-	21,391	-
Public safety	-	311	-	-	5,327	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	1,327	-	-	-
Total disbursements	-	311	-	1,327	5,327	21,391	-
Excess (deficiency) of receipts over disbursements	377	(311)	6,902	(322)	473	1,384	4,062
Other financing sources:							
Other receipts	-	4,148	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	377	3,837	6,902	(322)	473	1,384	4,062
Cash and investment fund balance - beginning	798	(4,148)	6,576	326	11,207	49,329	8,037
Cash and investment fund balance - ending	<u>\$ 1,175</u>	<u>\$ (311)</u>	<u>\$ 13,478</u>	<u>\$ 4</u>	<u>\$ 11,680</u>	<u>\$ 50,713</u>	<u>\$ 12,099</u>
Cash and Investment Assets - December 31							
Restricted assets:							
Cash and investments	<u>\$ 1,175</u>	<u>\$ (311)</u>	<u>\$ 13,478</u>	<u>\$ 4</u>	<u>\$ 11,680</u>	<u>\$ 50,713</u>	<u>\$ 12,099</u>
Cash and Investment Fund Balance - December 31							
Restricted for:							
Public safety	\$ 1,175	\$ (311)	\$ 13,478	\$ -	\$ 11,680	\$ -	\$ 12,099
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	4	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	50,713	-
Total cash and investment fund balance - December 31	<u>\$ 1,175</u>	<u>\$ (311)</u>	<u>\$ 13,478</u>	<u>\$ 4</u>	<u>\$ 11,680</u>	<u>\$ 50,713</u>	<u>\$ 12,099</u>

STARKE COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	Title IV-D Clerk	Title IV-D Prosecutor	2000 Victim Assistance Grant	DUI Patrol Task Force	Knox Lead Track Expenses	Knox Lead Truck Grant	Supplemental Juvenile Probation
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	11,501	-	11,367	-	-	-	-
Charges for services	-	-	-	-	26,163	-	-
Fines and forfeits	-	-	-	-	-	-	13,058
Other	-	17,305	-	5	-	-	-
Total receipts	11,501	17,305	11,367	5	26,163	-	13,058
Disbursements:							
General government	13,265	-	-	-	6,900	-	-
Public safety	-	13,397	8,141	-	-	-	124
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Total disbursements	13,265	13,397	8,141	-	6,900	-	124
Excess (deficiency) of receipts over disbursements	(1,764)	3,908	3,226	5	19,263	-	12,934
Other financing sources:							
Other receipts	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,764)	3,908	3,226	5	19,263	-	12,934
Cash and investment fund balance - beginning	9,831	24,852	(3,226)	(5)	124,398	969	50,200
Cash and investment fund balance - ending	<u>\$ 8,067</u>	<u>\$ 28,760</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 143,661</u>	<u>\$ 969</u>	<u>\$ 63,134</u>
Cash and Investment Assets - December 31							
Restricted assets:							
Cash and investments	<u>\$ 8,067</u>	<u>\$ 28,760</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 143,661</u>	<u>\$ 969</u>	<u>\$ 63,134</u>
Cash and Investment Fund Balance - December 31							
Restricted for:							
Public safety	\$ 8,067	\$ 28,760	\$ -	\$ -	\$ 143,661	\$ 969	\$ 63,134
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 8,067</u>	<u>\$ 28,760</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 143,661</u>	<u>\$ 969</u>	<u>\$ 63,134</u>

STARKE COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	Supplemental Adult Probation	Probation Grant 02-JB-061	Pretrial Diversion	County Extradition	County Corrections	Supplemental Public Defender Services	Local Road and Street
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	11	-	-	-	-	251,729
Charges for services	-	-	-	-	16,886	-	-
Fines and forfeits	96,873	-	80,588	-	-	5,465	-
Other	-	-	-	-	-	-	-
Total receipts	96,873	11	80,588	-	16,886	5,465	251,729
Disbursements:							
General government	-	-	-	-	-	-	-
Public safety	53,543	-	41,875	1,466	20,733	-	-
Highways and streets	-	-	-	-	-	-	225,400
Health and welfare	-	-	-	-	-	-	-
Total disbursements	53,543	-	41,875	1,466	20,733	-	225,400
Excess (deficiency) of receipts over disbursements	<u>43,330</u>	<u>11</u>	<u>38,713</u>	<u>(1,466)</u>	<u>(3,847)</u>	<u>5,465</u>	<u>26,329</u>
Other financing sources: Other receipts	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	43,330	11	38,713	(1,466)	(3,847)	5,465	26,329
Cash and investment fund balance - beginning	112,132	(11)	16,575	7,736	11,409	7,702	119,877
Cash and investment fund balance - ending	<u>\$ 155,462</u>	<u>\$ -</u>	<u>\$ 55,288</u>	<u>\$ 6,270</u>	<u>\$ 7,562</u>	<u>\$ 13,167</u>	<u>\$ 146,206</u>
Cash and Investment Assets - December 31							
Restricted assets:							
Cash and investments	<u>\$ 155,462</u>	<u>\$ -</u>	<u>\$ 55,288</u>	<u>\$ 6,270</u>	<u>\$ 7,562</u>	<u>\$ 13,167</u>	<u>\$ 146,206</u>
Cash and Investment Fund Balance - December 31							
Restricted for:							
Public safety	\$ 155,462	\$ -	\$ 55,288	\$ 6,270	\$ 7,562	\$ 13,167	\$ -
Highways and streets	-	-	-	-	-	-	146,206
Health and welfare	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-
Total cash and investment fund balance - December 31	\$ 155,462	\$ -	\$ 55,288	\$ 6,270	\$ 7,562	\$ 13,167	\$ 146,206

STARKE COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	Cumulative Bridge	Worker's Comp Insurance Account	Health	Women, Infants and Children	Women, Infants and Children #3	Pandemic Influenza Preparedness	Mosquito Control
Receipts:							
Taxes	\$ 75,365	\$ -	\$ 114,111	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	95,060	-	-	-
Charges for services	-	-	6,617	-	-	-	-
Fines and forfeits	-	-	30,671	-	-	-	-
Other	12,277	-	-	723	-	-	-
Total receipts	87,642	-	151,399	95,783	-	-	-
Disbursements:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Highways and streets	22,703	-	-	-	-	-	-
Health and welfare	-	-	156,537	87,957	-	-	-
Total disbursements	22,703	-	156,537	87,957	-	-	-
Excess (deficiency) of receipts over disbursements	64,939	-	(5,138)	7,826	-	-	-
Other financing sources:							
Other receipts	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	64,939	-	(5,138)	7,826	-	-	-
Cash and investment fund balance - beginning	536,771	150,000	44,194	(7,882)	76	2,000	420
Cash and investment fund balance - ending	<u>\$ 601,710</u>	<u>\$ 150,000</u>	<u>\$ 39,056</u>	<u>\$ (56)</u>	<u>\$ 76</u>	<u>\$ 2,000</u>	<u>\$ 420</u>
Cash and Investment Assets - December 31							
Restricted assets:							
Cash and investments	<u>\$ 601,710</u>	<u>\$ 150,000</u>	<u>\$ 39,056</u>	<u>\$ (56)</u>	<u>\$ 76</u>	<u>\$ 2,000</u>	<u>\$ 420</u>
Cash and Investment Fund Balance - December 31							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	39,056	(56)	76	2,000	420
Capital outlay	601,710	-	-	-	-	-	-
Other purposes	-	150,000	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 601,710</u>	<u>\$ 150,000</u>	<u>\$ 39,056</u>	<u>\$ (56)</u>	<u>\$ 76</u>	<u>\$ 2,000</u>	<u>\$ 420</u>

STARKE COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	Local Health Maintenance	Children Psychiatric	Special Vehicle Inspection	Prosecutor Rico	General Drain Improvement	Accident Report Fees
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 3,199	\$ -
Intergovernmental	-	103,413	-	-	-	-
Charges for services	-	-	-	-	-	1,962
Fines and forfeits	-	-	520	800	-	-
Other	24,854	-	-	-	4,393	-
Total receipts	24,854	103,413	520	800	7,592	1,962
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	983
Highways and streets	-	-	1,154	-	-	-
Health and welfare	19,324	162,482	-	-	-	-
Total disbursements	19,324	162,482	1,154	-	-	983
Excess (deficiency) of receipts over disbursements	5,530	(59,069)	(634)	800	7,592	979
Other financing sources:						
Other receipts	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	5,530	(59,069)	(634)	800	7,592	979
Cash and investment fund balance - beginning	30,158	572,235	1,207	19	152,374	3,361
Cash and investment fund balance - ending	<u>\$ 35,688</u>	<u>\$ 513,166</u>	<u>\$ 573</u>	<u>\$ 819</u>	<u>\$ 159,966</u>	<u>\$ 4,340</u>
Cash and Investment Assets - December 31						
Restricted assets:						
Cash and investments	<u>\$ 35,688</u>	<u>\$ 513,166</u>	<u>\$ 573</u>	<u>\$ 819</u>	<u>\$ 159,966</u>	<u>\$ 4,340</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
Public safety	\$ -	\$ -	\$ 573	\$ 819	\$ -	\$ 4,340
Highways and streets	-	-	-	-	-	-
Health and welfare	35,688	513,166	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other purposes	-	-	-	-	159,966	-
Total cash and investment fund balance - December 31	<u>\$ 35,688</u>	<u>\$ 513,166</u>	<u>\$ 573</u>	<u>\$ 819</u>	<u>\$ 159,966</u>	<u>\$ 4,340</u>

STARKE COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	Firearms Training	Drug Free Community	Drug Free Community	Drug Free Community Fd	County and Local Law Enforcement	Emergency 911
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Charges for services	-	540	-	-	-	-
Fines and forfeits	9,970	-	46,746	25,125	305	310,440
Other	-	-	-	-	-	1,980
Total receipts	9,970	540	46,746	25,125	305	312,420
Disbursements:						
General government	-	-	-	-	-	-
Public safety	6,848	2,699	36,370	35,919	80	390,714
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total disbursements	6,848	2,699	36,370	35,919	80	390,714
Excess (deficiency) of receipts over disbursements	3,122	(2,159)	10,376	(10,794)	225	(78,294)
Other financing sources:						
Other receipts	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,122	(2,159)	10,376	(10,794)	225	(78,294)
Cash and investment fund balance - beginning	17,611	2,159	-	10,794	119	171,305
Cash and investment fund balance - ending	<u>\$ 20,733</u>	<u>\$ -</u>	<u>\$ 10,376</u>	<u>\$ -</u>	<u>\$ 344</u>	<u>\$ 93,011</u>
Cash and Investment Assets - December 31						
Restricted assets:						
Cash and investments	<u>\$ 20,733</u>	<u>\$ -</u>	<u>\$ 10,376</u>	<u>\$ -</u>	<u>\$ 344</u>	<u>\$ 93,011</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
Public safety	\$ 20,733	\$ -	\$ 10,376	\$ -	\$ 344	\$ 93,011
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 20,733</u>	<u>\$ -</u>	<u>\$ 10,376</u>	<u>\$ -</u>	<u>\$ 344</u>	<u>\$ 93,011</u>

STARKE COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	Emergency Planning and Right to Know	Cumulative Capital Development	Public Health Preparedness Grant	Public Health Preparedness Grant	Local Health Preparedness	LHMF Tobacco Settlement
Receipts:						
Taxes	\$ -	\$ 152,855	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	14,966	-	-	-
Charges for services	-	-	-	-	624	-
Fines and forfeits	-	-	-	-	-	-
Other	-	25,856	-	-	-	17,975
Total receipts	-	178,711	14,966	-	624	17,975
Disbursements:						
General government	-	155,105	-	-	-	-
Public safety	1,176	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	13,090	47	38,494
Total disbursements	1,176	155,105	-	13,090	47	38,494
Excess (deficiency) of receipts over disbursements	(1,176)	23,606	14,966	(13,090)	577	(20,519)
Other financing sources:						
Other receipts	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,176)	23,606	14,966	(13,090)	577	(20,519)
Cash and investment fund balance - beginning	1,756	301,414	(14,966)	15,590	(4,351)	36,968
Cash and investment fund balance - ending	\$ 580	\$ 325,020	\$ -	\$ 2,500	\$ (3,774)	\$ 16,449
Cash and Investment Assets - December 31						
Restricted assets:						
Cash and investments	\$ 580	\$ 325,020	\$ -	\$ 2,500	\$ (3,774)	\$ 16,449
Cash and Investment Fund Balance - December 31						
Restricted for:						
Public safety	\$ 580	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	2,500	(3,774)	16,449
Capital outlay	-	325,020	-	-	-	-
Other purposes	-	-	-	-	-	-
Total cash and investment fund balance - December 31	\$ 580	\$ 325,020	\$ -	\$ 2,500	\$ (3,774)	\$ 16,449

STARKE COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	Health Department Donation	Operation Pullover	Victim Assistance Grant 97VA046	Child Immunization Grant	Drug Free/ Teen Court	State Grant COPS
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	7,819	-	-	-	369,038
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	7,819	-	-	-	369,038
Disbursements:						
General government	-	-	45	-	-	-
Public safety	-	6,884	-	-	4,000	369,018
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total disbursements	-	6,884	45	-	4,000	369,018
Excess (deficiency) of receipts over disbursements	-	935	(45)	-	(4,000)	20
Other financing sources:						
Other receipts	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	935	(45)	-	(4,000)	20
Cash and investment fund balance - beginning	309	86	126	60	4,000	-
Cash and investment fund balance - ending	<u>\$ 309</u>	<u>\$ 1,021</u>	<u>\$ 81</u>	<u>\$ 60</u>	<u>\$ -</u>	<u>\$ 20</u>
Cash and Investment Assets - December 31						
Restricted assets:						
Cash and investments	<u>\$ 309</u>	<u>\$ 1,021</u>	<u>\$ 81</u>	<u>\$ 60</u>	<u>\$ -</u>	<u>\$ 20</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
Public safety	\$ -	\$ 1,021	\$ 81	\$ -	\$ -	\$ 20
Highways and streets	-	-	-	-	-	-
Health and welfare	309	-	-	60	-	-
Capital outlay	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 309</u>	<u>\$ 1,021</u>	<u>\$ 81</u>	<u>\$ 60</u>	<u>\$ -</u>	<u>\$ 20</u>

STARKE COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	San Pierre Master Plan	Starke County Check Enforcement	Prosecutor's Stop Grant	State Grant #4	Wireless Emergency Telephone System	Federal Grant #3 WIC
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	48,600	-	-	5,684	-	20,595
Charges for services	5,400	-	-	-	15,820	-
Fines and forfeits	-	2,227	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	54,000	2,227	-	5,684	15,820	20,595
Disbursements:						
General government	53,900	-	-	-	-	-
Public safety	-	-	5,579	13,456	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	26,682
Total disbursements	53,900	-	5,579	13,456	-	26,682
Excess (deficiency) of receipts over disbursements	100	2,227	(5,579)	(7,772)	15,820	(6,087)
Other financing sources:						
Other receipts	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	100	2,227	(5,579)	(7,772)	15,820	(6,087)
Cash and investment fund balance - beginning	-	-	-	-	-	-
Cash and investment fund balance - ending	<u>\$ 100</u>	<u>\$ 2,227</u>	<u>\$ (5,579)</u>	<u>\$ (7,772)</u>	<u>\$ 15,820</u>	<u>\$ (6,087)</u>
Cash and Investment Assets - December 31						
Restricted assets:						
Cash and investments	<u>\$ 100</u>	<u>\$ 2,227</u>	<u>\$ (5,579)</u>	<u>\$ (7,772)</u>	<u>\$ 15,820</u>	<u>\$ (6,087)</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
Public safety	\$ -	\$ 2,227	\$ (5,579)	\$ (7,772)	\$ 15,820	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	(6,087)
Capital outlay	-	-	-	-	-	-
Other purposes	100	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 100</u>	<u>\$ 2,227</u>	<u>\$ (5,579)</u>	<u>\$ (7,772)</u>	<u>\$ 15,820</u>	<u>\$ (6,087)</u>

STARKE COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	Police Pensions Fees	Rainy Day	Family and Children Debt Services	New Cumulative Reassessment	Sheriff's Commissary	Totals
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ 253,183	\$ -	\$ 598,713
Intergovernmental	-	145,762	-	-	-	1,085,922
Charges for services	-	-	-	-	92,894	187,599
Fines and forfeits	21,428	-	-	-	-	675,015
Other	-	-	-	14,512	-	159,377
Total receipts	21,428	145,762	-	267,695	92,894	2,706,626
Disbursements:						
General government	-	-	-	258,158	-	546,242
Public safety	43,338	-	-	-	81,559	1,143,990
Highways and streets	-	-	-	-	-	249,257
Health and welfare	-	-	-	-	-	505,940
Total disbursements	43,338	-	-	258,158	81,559	2,445,429
Excess (deficiency) of receipts over disbursements	(21,910)	145,762	-	9,537	11,335	261,197
Other financing sources:						
Other receipts	-	-	-	-	-	4,148
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(21,910)	145,762	-	9,537	11,335	265,345
Cash and investment fund balance - beginning	21,910	-	10,759	784,865	31,532	3,522,367
Cash and investment fund balance - ending	\$ -	\$ 145,762	\$ 10,759	\$ 794,402	\$ 42,867	\$ 3,787,712
Cash and Investment Assets - December 31						
Restricted assets:						
Cash and investments	\$ -	\$ 145,762	\$ 10,759	\$ 794,402	\$ 42,867	\$ 3,787,712
Cash and Investment Fund Balance - December 31						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ 42,867	\$ 750,008
Highways and streets	-	-	-	-	-	146,206
Health and welfare	-	-	10,759	-	-	614,159
Capital outlay	-	-	-	-	-	926,730
Other purposes	-	145,762	-	794,402	-	1,350,609
Total cash and investment fund balance - December 31	\$ -	\$ 145,762	\$ 10,759	\$ 794,402	\$ 42,867	\$ 3,787,712

STARKE COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PENSION TRUST FUNDS
 For The Year Ended December 31, 2008

	Retirement Plan	Benefit Plan	Totals
Additions:			
Contributions:			
Employer	\$ 135,053	\$ 6,049	\$ 141,102
Plan members	14,763	-	14,763
Total contributions	<u>149,816</u>	<u>6,049</u>	<u>155,865</u>
Investment receipts:			
Interest	<u>392,319</u>	<u>22,883</u>	<u>415,202</u>
Total additions	<u>542,135</u>	<u>28,932</u>	<u>571,067</u>
Deductions:			
Benefits	140,502	1,200	141,702
Refunds of contributions	117	-	117
Administrative and general	<u>8,718</u>	<u>2,458</u>	<u>11,176</u>
Total deductions	<u>149,337</u>	<u>3,658</u>	<u>152,995</u>
Excess of total additions over total deductions	392,798	25,274	418,072
Cash and investment fund balance - beginning	<u>1,753,693</u>	<u>60,797</u>	<u>1,814,490</u>
Cash and investment fund balance - ending	<u>\$ 2,146,491</u>	<u>\$ 86,071</u>	<u>\$ 2,232,562</u>

STARKE COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For The Year Ended December 31, 2008

	Congressional School Principal	Save the Hospital	Totals
Additions:			
Contributions:			
Other	\$ -	\$ 75,000	\$ 75,000
Investment earnings:			
Interest	-	205,977	205,977
Total additions	-	280,977	280,977
Deductions:			
Benefits	-	-	-
Excess of total additions over total deductions	-	280,977	280,977
Cash and investment fund balance - beginning	14,720	3,825,443	3,840,163
Cash and investment fund balance - ending	<u>\$ 14,720</u>	<u>\$ 4,106,420</u>	<u>\$ 4,121,140</u>

STARKE COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2008

	Tax Distributions	Payroll	Court Fees	2003 Surplus Tax	2004 Surplus Tax	2005 Surplus Tax	2006 Surplus Tax
Additions:							
Agency fund additions	\$ 23,981,787	\$ 1,679,445	\$ 27,650	\$ -	\$ -	\$ -	\$ 17,478
Deductions:							
Agency fund deductions	<u>24,677,753</u>	<u>1,669,065</u>	<u>24,752</u>	<u>1,107</u>	<u>20,554</u>	<u>71</u>	<u>345</u>
Excess (deficiency) of total additions over total deductions	(695,966)	10,380	2,898	(1,107)	(20,554)	(71)	17,133
Cash and investment fund balance - beginning	<u>716,922</u>	<u>162,989</u>	<u>5,950</u>	<u>1,107</u>	<u>20,554</u>	<u>15,315</u>	<u>9,593</u>
Cash and investment fund balance - ending	<u>\$ 20,956</u>	<u>\$ 173,369</u>	<u>\$ 8,848</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,244</u>	<u>\$ 26,726</u>

STARKE COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	<u>2007</u> <u>Surplus Tax</u>	<u>Tax</u> <u>Sale Surplus</u>	<u>2004 Tax</u> <u>Sale Surplus</u>	<u>2005 Tax</u> <u>Sale Surplus</u>	<u>2006 Tax</u> <u>Sale Surplus</u>	<u>2007 Tax</u> <u>Sale Surplus</u>	<u>Tax Sale</u> <u>Redemption</u>
Additions:							
Agency fund additions	\$ 17,816	\$ 998	\$ -	\$ 214	\$ -	\$ -	\$ 1,878
Deductions:							
Agency fund deductions	<u>23,903</u>	<u>-</u>	<u>7,281</u>	<u>35,604</u>	<u>57,456</u>	<u>517,614</u>	<u>-</u>
Excess (deficiency) of total additions over total deductions	(6,087)	998	(7,281)	(35,390)	(57,456)	(517,614)	1,878
Cash and investment fund balance - beginning	<u>42,390</u>	<u>47,377</u>	<u>23,859</u>	<u>44,284</u>	<u>70,504</u>	<u>719,534</u>	<u>241</u>
Cash and investment fund balance - ending	<u>\$ 36,303</u>	<u>\$ 48,375</u>	<u>\$ 16,578</u>	<u>\$ 8,894</u>	<u>\$ 13,048</u>	<u>\$ 201,920</u>	<u>\$ 2,119</u>

STARKE COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	2005 Tax Sale Redemption	2006 Tax Sale Redemption	2007 Tax Sale Redemption	Welfare Trust	Congressional School Interest	Inheritance Tax
Additions:						
Agency fund additions	\$ -	\$ 6,071	\$ 130,890	\$ 7,441	\$ 65	\$ 346,258
Deductions:						
Agency fund deductions	4,594	3,796	130,890	13,482	2,355	368,034
Excess (deficiency) of total additions over total deductions	(4,594)	2,275	-	(6,041)	(2,290)	(21,776)
Cash and investment fund balance - beginning	3,821	(2,275)	-	6,041	8,636	74,679
Cash and investment fund balance - ending	<u>\$ (773)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,346</u>	<u>\$ 52,903</u>

STARKE COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	<u>TIF District</u>	<u>Sheriff</u>	<u>Inmates Trust</u>	<u>Probation</u>	<u>Treasurer</u>	<u>Clerk</u>
Additions:						
Agency fund additions	\$ 7,288	\$ 700,979	\$ 123,757	\$ 101,379	\$ 387,555	\$ 2,087,968
Deductions:						
Agency fund deductions	6,128	715,654	123,757	101,379	356,430	1,896,727
Excess (deficiency) of total additions over total deductions	1,160	(14,675)	-	-	31,125	191,241
Cash and investment fund balance - beginning	-	15,607	1,957	-	356,430	296,279
Cash and investment fund balance - ending	<u>\$ 1,160</u>	<u>\$ 932</u>	<u>\$ 1,957</u>	<u>\$ -</u>	<u>\$ 387,555</u>	<u>\$ 487,520</u>

STARKE COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	Prosecutor Bad Check Account	Coroners Continuing Education	Education Plate Fees	2008 Surplus Tax	Mortgage Fee	Property Replacement Homestead Credit
Additions:						
Agency fund additions	\$ 12,892	\$ 540	\$ 1,500	\$ -	\$ 2,418	\$ 277,596
Deductions:						
Agency fund deductions	12,752	930	1,500	14,026	611	274,154
Excess (deficiency) of total additions over total deductions	140	(390)	-	(14,026)	1,807	3,442
Cash and investment fund balance - beginning	-	503	-	-	(484)	-
Cash and investment fund balance - ending	<u>\$ 140</u>	<u>\$ 113</u>	<u>\$ -</u>	<u>\$ (14,026)</u>	<u>\$ 1,323</u>	<u>\$ 3,442</u>

STARKE COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	Special Death Benefits	HEA 1001-2008 ST Homestead Credit	LOIT	Riverboat Revenue Sharing	Recorder	Totals
Additions:						
Agency fund additions	\$ 3,835	\$ 1,381,461	\$ 1,489,838	\$ 147,768	\$ 89,939	\$ 33,034,704
Deductions:						
Agency fund deductions	2,205	1,379,507	1,489,838	147,768	91,168	34,173,190
Excess (deficiency) of total additions over total deductions	1,630	1,954	-	-	(1,229)	(1,138,486)
Cash and investment fund balance - beginning	1,515	-	-	-	8,189	2,651,517
Cash and investment fund balance - ending	<u>\$ 3,145</u>	<u>\$ 1,954</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,960</u>	<u>\$ 1,513,031</u>

STARKE COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended December 31, 2008

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	\$ 13,804
Infrastructure	32,043,137
Buildings	3,556,665
Improvements other than buildings	84,073
Machinery and equipment	<u>5,586,948</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 41,284,627</u>

STARKE COUNTY
OTHER REPORTS

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

County Treasurer
County Sheriff
Clerk of the Circuit Court

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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 AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF STARKE COUNTY, INDIANA

Compliance

We have audited the compliance of Starke County (County) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2008. The County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2008.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

A control deficiency in a County's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be significant deficiencies or material weaknesses, as defined above.

The County's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County's management, County Commissioners and County Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

August 20, 2009

STARKE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2008

Federal Grantor Agency/Pass-Through Entity Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Pass-Through Indiana Department of Health Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	FY 2008 FY 2009	\$ 87,957 <u>26,682</u>
Total for federal grantor agency			<u>114,639</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Pass-Through Indiana Department of Homeland Security Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	PL-07-001	<u>48,600</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Direct Grant Public Safety Partnership and Community Policing Grants	16.710	2008CKWX0016	<u>375,938</u>
Pass-Through Indiana Criminal Justice Institute Crime Victim Assistance	16.575	07VA121 07VA276 08VA031 08VA140	11,367 5,684 5,182 <u>3,836</u>
Total for program			<u>26,069</u>
Total for federal grantor agency			<u>402,007</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Criminal Justice Institute State and Community Highway Safety	20.600	OP-08-01-01-32 OP-09-01-01-33	6,819 <u>1,000</u>
Total for federal grantor agency			<u>7,819</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-Through Indiana Department of Child Services Child Support Enforcement	93.563		<u>176,353</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	149-UO56C-00	90,905
Homeland Security Grant Program	97.067	EDS# C44P-9-682A	<u>9,549</u>
Total for federal grantor agency			<u>100,454</u>
Total federal awards expended			<u>\$ 849,872</u>

The accompanying note is an integral part of the Schedule of Expenditures of Federal Awards.

STARKE COUNTY
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Starke County (County) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

STARKE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	yes

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
16.710	Public Safety Partnership and Community Policing Grant
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disaster)

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

FINDING 2008-1, CASH NECESSARY TO BALANCE, BANK RECONCILIATIONS - CLERK

A comparison of the records to the bank account balances indicated cash necessary to balance of \$5,264.46 in the Clerk's Trust Account. This amount is a CD reported at \$5,193.88 on the unit's records plus \$70.58 interest not recorded. This CD was closed out by the bank without the knowledge of the Clerk and without the authority of a written court order. The Clerk and Circuit Court Judge are taking steps to determine the proprietary of the bank's actions.

The Clerk stated that the CD was closed out by the bank without her knowledge or the authority of a written court order.

STARKE COUNTY
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 (Continued)

Not balancing with the financial records to the depository balance on a monthly basis is an internal control deficiency that may allow errors or irregularities to go undetected and could have a material effect on the financial statements.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Clerks of the Circuit Courts of Indiana, Chapter 13-5)

We recommended that the Clerk monitor the CD investments and interest more closely by making sure that they receive monthly or quarterly statements from the bank.

FINDING 2008-2, BANK ACCOUNT RECONCILIATIONS - TREASURER

Depository reconciliations of the fund balances to the bank account balances were incorrect at December 31, 2008. The following comparison illustrates the difference.

	As Presented	Corrections
Outstanding checks	\$ 11,729.56	\$ 772,325.04
Excise tax not yet posted	-	11,685.26
Cash short (long)	(771,298.97)	981.77

The Treasurer's office had a turnover in personnel and due to lack of experience was unaware of the proper procedures necessary to complete an accurate bank reconciliation.

Not having accurate figures with supporting documentation to balance can cause posting errors to get overlooked.

IC 5-13-6-1(e) states in part: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers, Chapter 10)

We recommended that the Treasurer take the necessary steps to ensure that the bank reconciliations are accurate and timely completed.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

STARKE COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

Michaelene J. Houston
Starke County Auditor

53 E. Mound Street
Knox, Indiana, 46534
Phone: 574-772-9101
Fax: 574-772-9119
auditor75@co.starke.in.us
web site: co.starke.in.us

CORRECTIVE ACTION PLAN

August 20, 2009

The management of Starke County has reviewed the Financial Statement Findings related to their audit for the year 2008 and offer the following corrective actions.

- 2008-1. The County Clerk will be monitoring the CD Investments and interest more closely by making sure that they receive monthly and quarterly statements from the bank.
- 2008-2. The Treasurer is making every effort to ensure that the bank reconcilements are completed accurately and timely.

Respectfully,



Michaelene J. Houston
Auditor of Starke County

MJH/mjh

STARKE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 20, 2009, with Michaelene J. Houston, Auditor; and Daniel D. Bridegroom, President of the Board of County Commissioners. Our audit disclosed no material items that warrant comment at this time.