

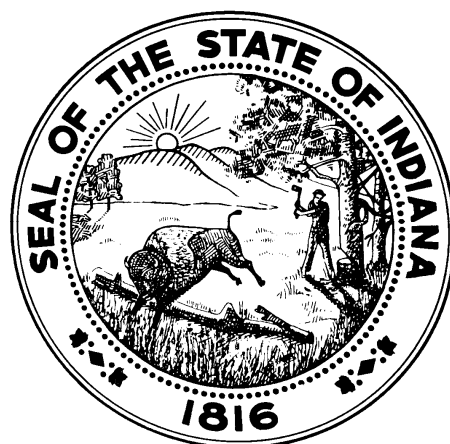
STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT

OF

MARSHALL COUNTY, INDIANA

January 1, 2008 to December 31, 2008



FILED
09/30/2009

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Penny Lukenbill	01-01-08 to 12-31-10
Treasurer	Deborah VanDeMark	01-01-08 to 12-31-11
Clerk	Julie Fox	01-01-08 to 12-31-10
Sheriff	Jon E. VanVactor	01-01-07 to 12-31-10
Recorder	Betty Engel	01-01-08 to 12-31-10
President of the Board of County Commissioners	Tom Chamberlin Kevin Overmyer	01-01-08 to 12-31-08 01-01-09 to 12-31-09
President of the County Council	Matthew Hassel	01-01-08 to 12-31-09



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF MARSHALL COUNTY, INDIANA

We have examined the financial information presented herein of Marshall County (County), for the period of January 1, 2008 to December 31, 2008. 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, 2008, 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

August 27, 2009

MARSHALL COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, INTERNAL SERVICE, AND FIDUCIARY FUND TYPES
As Of And For The Year Ended December 31, 2008

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 3,559,792	\$ 11,815,807	\$ 11,776,745	\$ 3,598,854
Highway	1,986,852	3,027,532	3,131,878	1,882,506
Family and Children	404,222	6,431,073	6,095,811	739,484
Rainy Day	2,694,376	1,938,393	1,990,692	2,642,077
Correctional Facility CAGIT	1,044,862	3,470,938	1,601,653	2,914,147
Accident Report	10,452	3,367	5,172	8,647
Alcohol and Drug Services - MCDAP Program	261,059	409,636	415,933	254,762
Campaign Enforcement	80	1,095	333	842
Prior Clerk Title IV-D	5,550	-	-	5,550
Clerk Title IV-D No. 2	16,138	18,409	942	33,605
Clerk's Records Perpetuation	25,361	18,340	882	42,819
Community Corrections Home Detention	200	-	-	200
Convention and Visitors Bureau	11,106	172,570	60,491	123,185
County Police Equipment	2,000	-	-	2,000
Court Appointed Special Advocate	37,372	47,026	12,500	71,898
Crossroads Project	20	31,940	37,948	(5,988)
DARE Grant	36,576	7,651	11,842	32,385
DFC - CPRTS	295,413	259,526	84,364	470,575
Drain Maintenance	1,264,437	533,442	326,099	1,471,780
County Drug Free Community	91,595	53,949	55,729	89,815
Multi-County Drug Task Force No. 1	31,631	1,380	4,993	28,018
Multi-County Drug Task Force No. 2	488	-	-	488
Electronic Map Generation	2,270	400	-	2,670
Emergency Management Assistance Grants	3,276	-	-	3,276
Emergency Planning and Right to Know	43,861	61,897	46,468	59,290
Emergency Telephone System	630,236	344,094	521,112	453,218
EPICS Fund	-	3,816	3,562	254
County Extradition	111,314	12,423	5,477	118,260
Family Support Services	904	-	904	-
Firearms Training	50,873	29,932	32,803	48,002
County Alcohol and Drug Program	253	-	-	253
GIS Data Enhanced Access	-	2,925	-	2,925
Health	192,983	446,202	333,618	305,567
Local Health Maintenance	20,848	31,121	30,343	21,626
Hemminger House	9,939	3,307	13,246	-
Identification Security Protection	27,079	13,758	40,793	44
Interstate Compact Fees	-	113	113	-
Juvenile Probation Services	3,309	-	-	3,309
County Law Enforcement Continuing Education	27,915	1,871	4,973	24,813
Local Road and Street	379,078	442,265	574,905	246,438
County Corrections - Misdemeanant	132,628	35,049	17,256	150,421
Older Adult Services Grant	-	75,861	75,861	-
Operation Pullover	-	1,000	910	90
Personal Property Judgements	3,065	53	53	3,065
Plat Book	40,937	11,602	6,838	45,701
Pretrial Diversion	30,896	97,740	70,359	58,277
Administrative Probation Fees	28,820	45,893	72,536	2,177
Probation User Fees	417,986	71,914	20,986	468,914
2006 Property Reassessment	1,071,339	314,783	349,781	1,036,341
Prosecutor Continuing Education	476	-	-	476
Prosecutor Title IV-D No. 1	96,200	27,698	3,372	120,526
Rainy Day Distribution	-	2,549,974	2,549,974	-
Recorder's Records Perpetuation	140,568	46,852	105,845	81,575
Road Cut Bonds	12,200	8,000	5,000	15,200
Sales Disclosure	38,584	4,675	4,101	39,158
DEA Forfeiture	34,601	906	-	35,507
Sex Offender Registration Fees	-	2,649	350	2,299
Sex Offender Registration Fees - State	-	41	15	26
Sheriff Pension	8,133	34,559	30,807	11,885

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

MARSHALL COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, INTERNAL SERVICE, AND FIDUCIARY FUND TYPES
As Of And For The Year Ended December 31, 2008
(Continued)

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds (continued):				
Sheriff's Pretrial Diversion	9,981	-	-	9,981
Supplemental Public Defender Services	18,524	4,612	-	23,136
Surveyor's Corner Perpetuation	16,151	6,767	9,455	13,463
Tobacco Cessation	82,990	25,279	19,275	88,994
County User Fees	36,546	18,304	18,071	36,779
Victim Assistance No. 2	6,011	8,219	8,219	6,011
Victim Impact	10,258	-	999	9,259
WIC No. 1	(17,131)	139,936	135,367	(12,562)
Wireless 9-1-1	156,084	163,502	-	319,586
Cumulative Bridge	1,182,243	955,455	769,927	1,367,771
Cumulative Capital Development	363,375	559,820	417,838	505,357
General Drain Improvement	359,556	100,352	174,517	285,391
Sheriff's Commissary	21,088	47,365	49,520	18,933
Internal Service Fund:				
Dental Reimbursement	37,098	122,217	117,151	42,164
Fiduciary Funds:				
Sheriff's Pension Trust	4,255,299	430,395	317,940	4,367,754
Sheriff's Benefit Trust	279,620	87,231	10,876	355,975
Congressional School Principal	21,223	-	-	21,223
Surplus Dog Tax	26	-	-	26
Welfare Trust	47,672	39,372	81,434	5,610
Sheriff	6	699,513	699,513	6
Inmate Trust	5,118	162,367	161,172	6,313
Clerk	1,620,590	6,130,604	7,040,627	710,567
Recorder	12,093	164,110	163,501	12,702
Treasurer	9,638,272	72,004,670	70,742,011	10,900,931
Child Restraint Violations Fines	50	2,425	2,275	200
Children Special Healthcare Needs	-	64,070	64,070	-
City and Town Court Costs	32,805	21,298	50,092	4,011
Congressional School Interest	19,157	516	1,273	18,400
Coroner's Training - Continuing Education	425	5,005	4,954	476
County Child Advocacy	1,495	125	-	1,620
Education License Plate Fees	150	3,394	3,544	-
Family Violence - Victim Assistance	184	200	-	384
HEA 1001-2008 State HC Funds	-	3,596,271	3,596,271	-
Health Care for Indigents	-	295,215	295,215	-
Homestead Credit Rebate	1,722,017	23,907	1,711,338	34,586
Infraction Judgements	11,021	148,807	147,799	12,029
Inheritance Tax	361,238	754,523	909,933	205,828
Additional Judgement Excise Tax	2,649	-	-	2,649
Medical Assistance to Wards	-	6,059	6,059	-
Military Fines	4	-	-	4
Mortgage Fees - State Share	443	4,545	4,700	288
Overweight Vehicle Fines	245	748	993	-
Payroll	100,778	10,412,570	10,396,535	116,813
Special Assessment	488	17,864	17,864	488
Special Death Benefit	455	5,226	5,251	430
State Fines and Forfeitures	10,691	88,332	87,579	11,444
State Sales Disclosure Fee	280	4,675	4,600	355
Surplus Tax	32,618	86,294	71,006	47,906
Surplus Tax Sale	531,114	3,232,621	2,638,244	1,125,491
Tax Sale Redemption	-	83,933	83,933	-
Welfare Excise Tax	-	34,646	34,646	-
Totals	<u>\$ 36,331,153</u>	<u>\$ 133,728,806</u>	<u>\$ 131,611,955</u>	<u>\$ 38,448,004</u>

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

MARSHALL COUNTY
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

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), highway 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: Marshall County

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

The Marshall County Solid Waste Management District, a component unit of the primary government has been omitted from these financial statements. Accordingly, the financial statements do not include the data of all of the County's component units necessary to fairly present the financial position of the County.

Note 2. Fund Accounting

The County uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied or highway use taxes are received are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the County in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively.

Due to ongoing problems related to obtaining the approved tax rates from the Indiana Department of Local Government Finance in a timely manner, the Fall 2007 pay 2008 tax settlement and distribution were not made until January 26, 2009.

MARSHALL COUNTY
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the County to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 6. Pension Plans

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

A. Public Employees' Retirement Fund

Plan Description

The County contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the County authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the 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, can be obtained from PERF at the above address.

MARSHALL 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 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.

C. 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.

MARSHALL COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 As Of 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	\$ 985,798
Infrastructure	50,465,607
Buildings	23,577,249
Machinery and equipment	<u>8,182,808</u>
 Total governmental activities, capital assets not being depreciated	 <u><u>\$ 83,211,462</u></u>

MARSHALL COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2008

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:		
Correctional facility	\$ 15,020,000	\$ 1,211,000
Postage machine	10,539	10,416
Jail - Computer hardware, training, and licenses	<u>161,029</u>	<u>164,438</u>
Total governmental activities debt	<u>\$ 15,191,568</u>	<u>\$ 1,385,854</u>

MARSHALL COUNTY
OTHER REPORT

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

County Sheriff

MARSHALL COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 27, 2009, with Penny Lukenbill, Auditor; Kevin Overmyer, President of the Board of County Commissioners; and Judith Stone, Councilwoman. Our examination disclosed no material items that warrant comment at this time.