

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

ANNUAL FINANCIAL REPORT

2009

STARKE COUNTY, INDIANA



FILED

05/28/2010

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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	Linda L. Belork	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	Daniel D. Bridegroom	01-01-09 to 12-31-10
President of the County Council	Mark C. Smith	01-01-09 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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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, 2009, 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, 2009, 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 April 27, 2010, 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 integral part of 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

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

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 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.

Included in the financial statements are the receipts and disbursements activity from emergency telephone system fees (IC 36-8-16) and enhanced wireless emergency telephone fees (IC 36-8-16.5). In accordance with IC 36-8-16-14 and IC 36-8-16.5-41 these fees have been subject to an annual audit performed by State Board of Accounts and, in our opinion are 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 a required part 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, Schedule of Capital Assets, and Schedule of Long-Term Debt 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 and Schedule of Long-Term Debt have 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 them.

STATE BOARD OF ACCOUNTS

April 27, 2010



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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, 2009, which collectively comprise the County's basic financial statements and have issued our report thereon dated April 27, 2010. 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 item 2009-1 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 April 27, 2010.

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

April 27, 2010

STARKE COUNTY
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For The Year Ended December 31, 2009

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Capital Grants and Contributions</u>	<u>Primary Government</u>
				<u>Governmental Activities</u>
Primary government:				
Governmental activities:				
General government	\$ 5,500,754	\$ 1,014,068	\$ -	\$ (4,486,686)
Public safety	3,465,997	160,729	-	(3,305,268)
Highways and streets	1,697,352	-	-	(1,697,352)
Health and welfare	474,969	-	-	(474,969)
Economic development	<u>2,653,423</u>	-	<u>1,336,699</u>	<u>(1,316,724)</u>
Total primary government	<u>13,792,495</u>	<u>1,174,797</u>	<u>1,336,699</u>	<u>(11,280,999)</u>
General receipts:				
Property taxes				4,986,160
Intergovernmental				4,483,383
Other local sources				1,508,624
Net proceeds from borrowings				<u>81,496</u>
Total general receipts				<u>11,059,663</u>
Change in net assets				(221,336)
Net assets - beginning				<u>8,116,396</u>
Net assets - ending				<u>\$ 7,895,060</u>
<u>Assets</u>				
Cash and investments				\$ 3,776,439
Restricted assets:				
Cash and investments				<u>4,118,621</u>
Total assets				<u>\$ 7,895,060</u>
<u>Net Assets</u>				
Restricted for:				
General government				\$ 1,321,721
Public safety				538,332
Highways and streets				983,025
Health and welfare				207,759
Debt service				937,287
Capital outlay				130,497
Unrestricted				<u>3,776,439</u>
Total net assets				<u>\$ 7,895,060</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, 2009

	County General	General Drain Maintenance	Highway	Hamlet Project Grant	Rainy Day	Economic Development Income Tax	Other Governmental Funds	Totals
Receipts:								
Taxes	\$ 2,949,870	\$ -	\$ -	\$ -	\$ -	\$ 1,189,486	\$ 846,804	\$ 4,986,160
Special assessments	-	287,040	-	-	-	-	1,916	288,956
Licenses and permits	105,958	-	-	-	-	-	-	105,958
Intergovernmental	1,391,392	-	1,705,700	1,336,699	-	-	1,386,291	5,820,082
Charges for services	711,494	-	68,604	-	-	-	323,045	1,103,143
Fines and forfeits	65,769	-	-	-	-	-	5,885	71,654
Other	178,444	39,199	18,280	305,736	11,451	-	490,063	1,043,173
Total receipts	5,402,927	326,239	1,792,584	1,642,435	11,451	1,189,486	3,054,004	13,419,126
Disbursements:								
General government	3,307,668	328,774	-	-	-	1,071,302	612,325	5,320,069
Public safety	2,004,910	-	-	-	-	-	1,435,677	3,440,587
Highways and streets	-	-	1,643,462	-	-	-	53,890	1,697,352
Health and welfare	-	-	-	-	-	-	474,969	474,969
Economic development	-	-	-	2,653,423	-	-	-	2,653,423
Capital outlay:								
General government	13,248	-	-	-	-	-	167,437	180,685
Public safety	-	-	-	-	-	-	25,410	25,410
Total disbursements	5,325,826	328,774	1,643,462	2,653,423	-	1,071,302	2,769,708	13,792,495
Excess (deficiency) of receipts over disbursements	77,101	(2,535)	149,122	(1,010,988)	11,451	118,184	284,296	(373,369)
Other financing sources (uses):								
Net proceeds from borrowings	-	-	-	-	-	-	81,496	81,496
Transfers in	-	-	-	500,000	1,222,570	-	-	1,722,570
Transfers out	-	-	-	-	-	(500,000)	(1,222,570)	(1,722,570)
Other receipts	-	-	-	-	-	-	70,537	70,537
Total other financing sources (uses)	-	-	-	500,000	1,222,570	(500,000)	(1,070,537)	152,033
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	77,101	(2,535)	149,122	(510,988)	1,234,021	(381,816)	(786,241)	(221,336)
Cash and investment fund balance - beginning	908,912	1,299,062	480,444	-	-	915,205	4,512,773	8,116,396
Cash and investment fund balance - ending	<u>\$ 986,013</u>	<u>\$ 1,296,527</u>	<u>\$ 629,566</u>	<u>\$ (510,988)</u>	<u>\$ 1,234,021</u>	<u>\$ 533,389</u>	<u>\$ 3,726,532</u>	<u>\$ 7,895,060</u>
Cash and Investment Assets - Ending								
Cash and investments	\$ 986,013	\$ 1,296,527	\$ -	\$ (510,988)	\$ 1,234,021	\$ 533,389	\$ 237,477	\$ 3,776,439
Restricted assets:								
Cash and investments	-	-	629,566	-	-	-	3,489,055	4,118,621
Total cash and investment assets - ending	<u>\$ 986,013</u>	<u>\$ 1,296,527</u>	<u>\$ 629,566</u>	<u>\$ (510,988)</u>	<u>\$ 1,234,021</u>	<u>\$ 533,389</u>	<u>\$ 3,726,532</u>	<u>\$ 7,895,060</u>
Cash and Investment Fund Balance - Ending								
Restricted for:								
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,321,721	\$ 1,321,721
Public safety	-	-	-	-	-	-	538,332	538,332
Highways and streets	-	-	629,566	-	-	-	353,459	983,025
Health and welfare	-	-	-	-	-	-	207,759	207,759
Capital outlay	-	-	-	-	-	-	937,287	937,287
Other purposes	-	-	-	-	-	-	130,497	130,497
Unrestricted	986,013	1,296,527	-	(510,988)	1,234,021	533,389	237,477	3,776,439
Total cash and investment fund balance - ending	<u>\$ 986,013</u>	<u>\$ 1,296,527</u>	<u>\$ 629,566</u>	<u>\$ (510,988)</u>	<u>\$ 1,234,021</u>	<u>\$ 533,389</u>	<u>\$ 3,726,532</u>	<u>\$ 7,895,060</u>

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, 2009

	Pension Trust	Private-Purpose Trust	Investment Trust	Agency
Additions:				
Contributions:				
Employer	\$ 41,410	\$ -	\$ -	
Other	-	-	218,984	
	41,410	-	218,984	
Total contributions	41,410	-	218,984	
Investment earnings:				
Interest	167,089	-	-	
	167,089	-	-	
Total additions	208,499	-	218,984	
Deductions:				
Benefits	163,710	-	-	
Administrative and general	17,649	-	-	
	181,359	-	-	
Total deductions	181,359	-	-	
Excess of total additions over total deductions	27,139	-	218,984	
Cash and investment fund balance - beginning	2,232,562	14,720	4,106,420	
Cash and investment fund balance - ending	\$ 2,259,701	\$ 14,720	\$ 4,325,404	\$ 2,451,127

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, proprietary 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 Hamlet project grant fund accounts for grant resources and expenditures to provide infrastructure improvements for public works improvements and local job creation.

The rainy day fund accounts for funds in accordance with Indiana Code 36-1-8-5.1 and a locally adopted resolution.

The economic development income tax fund accounts for financial resources and expenditures for improving county economic development.

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 fund reports a trust arrangement 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, and (2) capital grants and contributions, 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, 2009, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines and state statute:

Fund	2009
Hamlet Project Grant	\$ 510,988
Victim Assistance Grant 97VA046	4
WIC Program #2	59
WIC Program	29,655
Prosecutor's Stop Grant	13,035
Operation Pullover	125
Victim Assistance #2	16,755
Juvenile Account Block Grant	26
7-1-2-2005 Drug Free Community	161
HEA 1001-2008 St Homestead Credit	1,502

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, 2009, the County had deposit balances in the amount of \$14,091,686.

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, 2009, the County and the Sheriff's Retirement and Benefit Plan had the following investments:

Investment Type	Sheriff's Retirement and Benefit Pension Plans
Mutual funds	\$ <u>2,197,995</u>

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 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.

STARKE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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:

<u>Investment Type</u>	<u>2009 In the Government's Name</u>
Mutual funds	\$ <u>2,197,995</u>

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.

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

Sheriff's Retirement and Benefit Pension Plans:

<u>Investment Type</u>	<u>Investment Maturities (in Years) Less Than 1</u>
Mutual bond funds*	\$ <u>2,197,995</u>

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

STARKE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 Mutual Funds
AAA	Aaa	\$ -
AA	Aa	-
A	A	-
BBB	Baa	-
BB	Ba	-
B	B	-
CCC	Caa	-
Unrated	Unrated	2,197,995
Total		\$ 2,197,995

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.

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.

B. Interfund Transfers

Interfund transfers for the year ended December 31, 2009, were as follows:

Transfer From	Transfer To	2009
Economic Development Income Tax	Hamlet Project	\$ 500,000
Family and Children Services	Rainy Day	710,785
Children Psychiatric	Rainy Day	501,026
Family and Children Debt Service	Rainy Day	10,759
Total		\$ 1,722,570

STARKE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

The County typically uses transfers for cash flow purposes as provided by various statutory provisions.

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; medical benefits to employees, retirees, and dependents; 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; medical benefits to employees, retirees, and dependents; 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.

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:

STARKE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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)	Unfunded 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, 2009

	Local Road and Street	Accident Report Fees	Firearms Training	Health	St. Co. Drug Enforcement Donations	General Drain Improvement	Special Vehicle Inspection
Receipts:							
Taxes	\$ 235,804	\$ -	\$ -	\$ 116,721	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	1,916	-
Intergovernmental	-	-	-	12,198	-	-	-
Charges for services	-	-	12,200	28,499	-	-	515
Fines and forfeits	-	-	-	-	-	-	-
Other	1,022	1,632	-	2,755	-	845	-
Total receipts	236,826	1,632	12,200	160,173	-	2,761	515
Disbursements:							
General government	-	-	-	-	-	32,230	-
Public safety	-	3,775	4,797	-	4,500	-	-
Highways and streets	29,573	-	-	-	-	-	-
Health and welfare	-	-	-	154,126	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Total disbursements	29,573	3,775	4,797	154,126	4,500	32,230	-
Excess (deficiency) of receipts over disbursements	207,253	(2,143)	7,403	6,047	(4,500)	(29,469)	515
Other financing sources (uses):							
Net proceeds from borrowings	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	207,253	(2,143)	7,403	6,047	(4,500)	(29,469)	515
Cash and investment fund balance - beginning	146,206	4,340	20,733	39,056	8,271	159,966	573
Cash and investment fund balance - ending	\$ 353,459	\$ 2,197	\$ 28,136	\$ 45,103	\$ 3,771	\$ 130,497	\$ 1,088
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	353,459	2,197	28,136	45,103	3,771	130,497	1,088
Total cash and investment assets - ending	\$ 353,459	\$ 2,197	\$ 28,136	\$ 45,103	\$ 3,771	\$ 130,497	\$ 1,088
Cash and Investment Fund Balance - Ending							
Restricted for:							
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	2,197	28,136	-	3,771	-	1,088
Highways and streets	353,459	-	-	-	-	-	-
Health and welfare	-	-	-	45,103	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	130,497	-
Unrestricted	-	-	-	-	-	-	-
Total cash and investment fund balance - ending	\$ 353,459	\$ 2,197	\$ 28,136	\$ 45,103	\$ 3,771	\$ 130,497	\$ 1,088

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, 2009
 (Continued)

	Cops Technology Program	Emergency 911	Victim Assistance Grant 97VA046	Emergency Planning and Right To Know	Title IV-D Prosecutor	Supplemental Juvenile	Supplemental Adult
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Intergovernmental	157,219	-	-	-	78,717	-	-
Charges for services	-	-	-	-	-	12,038	76,820
Fines and forfeits	-	-	-	-	-	-	-
Other	-	370,008	-	-	-	-	-
Total receipts	157,219	370,008	-	-	78,717	12,038	76,820
Disbursements:							
General government	-	-	-	-	-	-	-
Public safety	155,746	429,634	-	-	-	1,091	72,265
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	21,114	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	20,325	85	-	-	-	5,000
Total disbursements	155,746	449,959	85	-	21,114	1,091	77,265
Excess (deficiency) of receipts over disbursements	1,473	(79,951)	(85)	-	57,603	10,947	(445)
Other financing sources (uses):							
Net proceeds from borrowings	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,473	(79,951)	(85)	-	57,603	10,947	(445)
Cash and investment fund balance - beginning	20	93,011	81	580	28,760	63,134	155,462
Cash and investment fund balance - ending	<u>\$ 1,493</u>	<u>\$ 13,060</u>	<u>\$ (4)</u>	<u>\$ 580</u>	<u>\$ 86,363</u>	<u>\$ 74,081</u>	<u>\$ 155,017</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	1,493	13,060	(4)	580	86,363	74,081	155,017
Total cash and investment assets - ending	<u>\$ 1,493</u>	<u>\$ 13,060</u>	<u>\$ (4)</u>	<u>\$ 580</u>	<u>\$ 86,363</u>	<u>\$ 74,081</u>	<u>\$ 155,017</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	1,493	13,060	(4)	580	-	74,081	155,017
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	86,363	-	-
Capital outlay	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-
Total cash and investment fund balance - ending	<u>\$ 1,493</u>	<u>\$ 13,060</u>	<u>\$ (4)</u>	<u>\$ 580</u>	<u>\$ 86,363</u>	<u>\$ 74,081</u>	<u>\$ 155,017</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, 2009
 (Continued)

	Recorder Perpetual	Child Services	Local Health Maintenance LM-174	Pretrial Diversion Fund	Supplemental Public Defender Service	Title IV-D Clerk	Surveyor Corner Perpetual
Receipts:							
Taxes	\$ -	\$ 36,311	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Intergovernmental	-	68,809	33,139	62,208	-	12,697	-
Charges for services	25,312	-	-	-	5,007	-	5,303
Fines and forfeits	-	-	-	-	-	-	-
Other	101	-	572	-	-	-	-
Total receipts	25,413	105,120	33,711	62,208	5,007	12,697	5,303
Disbursements:							
General government	44,684	-	-	-	-	-	7,200
Public safety	-	-	-	46,421	14,000	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	112,757	28,429	-	-	9,906	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Total disbursements	44,684	112,757	28,429	46,421	14,000	9,906	7,200
Excess (deficiency) of receipts over disbursements	(19,271)	(7,637)	5,282	15,787	(8,993)	2,791	(1,897)
Other financing sources (uses):							
Net proceeds from borrowings	-	-	-	-	-	-	-
Transfers out	-	(710,785)	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(710,785)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(19,271)	(718,422)	5,282	15,787	(8,993)	2,791	(1,897)
Cash and investment fund balance - beginning	50,713	725,061	35,688	55,288	13,167	8,067	2,766
Cash and investment fund balance - ending	<u>\$ 31,442</u>	<u>\$ 6,639</u>	<u>\$ 40,970</u>	<u>\$ 71,075</u>	<u>\$ 4,174</u>	<u>\$ 10,858</u>	<u>\$ 869</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	31,442	6,639	40,970	71,075	4,174	10,858	869
Total cash and investment assets - ending	<u>\$ 31,442</u>	<u>\$ 6,639</u>	<u>\$ 40,970</u>	<u>\$ 71,075</u>	<u>\$ 4,174</u>	<u>\$ 10,858</u>	<u>\$ 869</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
General government	\$ 31,442	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 869
Public safety	-	-	-	71,075	4,174	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	6,639	40,970	-	-	10,858	-
Capital outlay	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-
Total cash and investment fund balance - ending	<u>\$ 31,442</u>	<u>\$ 6,639</u>	<u>\$ 40,970</u>	<u>\$ 71,075</u>	<u>\$ 4,174</u>	<u>\$ 10,858</u>	<u>\$ 869</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, 2009
 (Continued)

	Jury Pay	Starke County Health Department Donations	Knox Lead Track Grant	WIC Program #2	WIC Program	WIC Program #3	Prosecutor's Stop Grant
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Intergovernmental	-	-	-	98,327	-	-	23,099
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	5,885	-	-	-	-	-	-
Other	-	-	-	505	56	-	1,767
Total receipts	5,885	-	-	98,832	56	-	24,866
Disbursements:							
General government	5,002	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	32,322
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	92,804	29,655	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Total disbursements	5,002	-	-	92,804	29,655	-	32,322
Excess (deficiency) of receipts over disbursements	883	-	-	6,028	(29,599)	-	(7,456)
Other financing sources (uses):							
Net proceeds from borrowings	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	883	-	-	6,028	(29,599)	-	(7,456)
Cash and investment fund balance - beginning	13,478	309	969	(6,087)	(56)	76	(5,579)
Cash and investment fund balance - ending	\$ 14,361	\$ 309	\$ 969	\$ (59)	\$ (29,655)	\$ 76	\$ (13,035)
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	14,361	309	969	(59)	(29,655)	76	(13,035)
Total cash and investment assets - ending	\$ 14,361	\$ 309	\$ 969	\$ (59)	\$ (29,655)	\$ 76	\$ (13,035)
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
General government	\$ 14,361	\$ -	\$ 969	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-	-	(13,035)
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	309	-	(59)	(29,655)	76	-
Capital outlay	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-
Total cash and investment fund balance - ending	\$ 14,361	\$ 309	\$ 969	\$ (59)	\$ (29,655)	\$ 76	\$ (13,035)

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, 2009
 (Continued)

	Police Pension Fees	San Pierre Master Plan Grant	Mosquito Control Block Grant	Operation Pullover	County Share Sales Disclosure	County and Local Law Enforcement	Title 3
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Intergovernmental	-	-	-	5,000	-	-	-
Charges for services	28,593	-	-	-	2,505	1,933	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	28,593	-	-	5,000	2,505	1,933	-
Disbursements:							
General government	-	100	-	-	5,445	-	-
Public safety	28,593	-	-	6,146	-	108	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Total disbursements	28,593	100	-	6,146	5,445	108	-
Excess (deficiency) of receipts over disbursements	-	(100)	-	(1,146)	(2,940)	1,825	-
Other financing sources (uses):							
Net proceeds from borrowings	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(100)	-	(1,146)	(2,940)	1,825	-
Cash and investment fund balance - beginning	-	100	420	1,021	5,412	344	3,292
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 420</u>	<u>\$ (125)</u>	<u>\$ 2,472</u>	<u>\$ 2,169</u>	<u>\$ 3,292</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ -	\$ -	\$ 420	\$ -	\$ 2,472	\$ -	\$ -
Restricted assets:							
Cash and investments	-	-	-	(125)	-	2,169	3,292
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 420</u>	<u>\$ (125)</u>	<u>\$ 2,472</u>	<u>\$ 2,169</u>	<u>\$ 3,292</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	(125)	-	2,169	3,292
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-
Unrestricted	-	-	420	-	2,472	-	-
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 420</u>	<u>\$ (125)</u>	<u>\$ 2,472</u>	<u>\$ 2,169</u>	<u>\$ 3,292</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, 2009
 (Continued)

	Auditor Transfer Fee	Workers Compensation Account	Victim Assistance #2	Alternative Dispute Resolution	Pandemic Influenza Preparedness	New Cumulative Reassessment Money	Juvenile Tracking Grant 04-JF-033
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 272,757	\$ -
Special assessments	-	-	-	-	-	-	-
Intergovernmental	-	-	-	2,465	-	-	-
Charges for services	5,760	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	-	-	-	-	3,634	-
Total receipts	5,760	-	-	2,465	-	276,391	-
Disbursements:							
General government	364	-	-	1,000	-	257,409	-
Public safety	-	-	16,755	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	800	-
Public safety	-	-	-	-	-	-	-
Total disbursements	364	-	16,755	1,000	-	258,209	-
Excess (deficiency) of receipts over disbursements	5,396	-	(16,755)	1,465	-	18,182	-
Other financing sources (uses):							
Net proceeds from borrowings	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	5,396	-	(16,755)	1,465	-	18,182	-
Cash and investment fund balance - beginning	10,179	150,000	-	12,440	2,000	794,402	23
Cash and investment fund balance - ending	<u>\$ 15,575</u>	<u>\$ 150,000</u>	<u>\$ (16,755)</u>	<u>\$ 13,905</u>	<u>\$ 2,000</u>	<u>\$ 812,584</u>	<u>\$ 23</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	15,575	150,000	(16,755)	13,905	2,000	812,584	23
Total cash and investment assets - ending	<u>\$ 15,575</u>	<u>\$ 150,000</u>	<u>\$ (16,755)</u>	<u>\$ 13,905</u>	<u>\$ 2,000</u>	<u>\$ 812,584</u>	<u>\$ 23</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
General government	\$ 15,575	\$ 150,000	\$ -	\$ 13,905	\$ -	\$ 812,584	\$ -
Public safety	-	-	(16,755)	-	-	-	23
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	2,000	-	-
Capital outlay	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-
Total cash and investment fund balance - ending	<u>\$ 15,575</u>	<u>\$ 150,000</u>	<u>\$ (16,755)</u>	<u>\$ 13,905</u>	<u>\$ 2,000</u>	<u>\$ 812,584</u>	<u>\$ 23</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, 2009
 (Continued)

	Indiana Criminal Justice Victims AST/02VA147	LHMF/Tobacco Settlement	Juvenile Account Block Grant	Local Health Preparedness	Child Advocacy	Yellow River Basin Project	Wireless 911 Fees
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Intergovernmental	11,509	17,956	311	3,774	-	81,684	88,637
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	11,509	17,956	311	3,774	-	81,684	88,637
Disbursements:							
General government	-	-	-	-	-	81,684	-
Public safety	3,737	-	26	-	-	-	104,457
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	1,130	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Total disbursements	3,737	1,130	26	-	-	81,684	104,457
Excess (deficiency) of receipts over disbursements	7,772	16,826	285	3,774	-	-	(15,820)
Other financing sources (uses):							
Net proceeds from borrowings	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	7,772	16,826	285	3,774	-	-	(15,820)
Cash and investment fund balance - beginning	(7,772)	16,449	(311)	(3,774)	297	-	15,820
Cash and investment fund balance - ending	\$ -	\$ 33,275	\$ (26)	\$ -	\$ 297	\$ -	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	-	33,275	(26)	-	297	-	-
Total cash and investment assets - ending	\$ -	\$ 33,275	\$ (26)	\$ -	\$ 297	\$ -	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	(26)	-	297	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	33,275	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-
Total cash and investment fund balance - ending	\$ -	\$ 33,275	\$ (26)	\$ -	\$ 297	\$ -	\$ -

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, 2009
 (Continued)

	Community Transition Program	WIC Donations	Starke County Dare Donations	Sale of Plat Books	EMS Donations For Education	Emergency Management Grant	Starke County Check Enforcement
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	129,273	-
Charges for services	-	-	-	420	-	-	1,857
Fines and forfeits	-	-	-	-	-	-	-
Other	-	815	1,000	-	-	-	-
Total receipts	-	815	1,000	420	-	129,273	1,857
Disbursements:							
General government	-	4	3,268	-	-	-	-
Public safety	-	-	-	-	-	131,668	1,835
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Total disbursements	-	4	3,268	-	-	131,668	1,835
Excess (deficiency) of receipts over disbursements	-	811	(2,268)	420	-	(2,395)	22
Other financing sources (uses):							
Net proceeds from borrowings	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	811	(2,268)	420	-	(2,395)	22
Cash and investment fund balance - beginning	11,685	4	11,680	584	497	19,696	2,227
Cash and investment fund balance - ending	<u>\$ 11,685</u>	<u>\$ 815</u>	<u>\$ 9,412</u>	<u>\$ 1,004</u>	<u>\$ 497</u>	<u>\$ 17,301</u>	<u>\$ 2,249</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ -	\$ 815	\$ 9,412	\$ 1,004	\$ 497	\$ -	\$ -
Restricted assets:							
Cash and investments	11,685	-	-	-	-	17,301	2,249
Total cash and investment assets - ending	<u>\$ 11,685</u>	<u>\$ 815</u>	<u>\$ 9,412</u>	<u>\$ 1,004</u>	<u>\$ 497</u>	<u>\$ 17,301</u>	<u>\$ 2,249</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	11,685	-	-	-	-	17,301	2,249
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-
Unrestricted	-	815	9,412	1,004	497	-	-
Total cash and investment fund balance - ending	<u>\$ 11,685</u>	<u>\$ 815</u>	<u>\$ 9,412</u>	<u>\$ 1,004</u>	<u>\$ 497</u>	<u>\$ 17,301</u>	<u>\$ 2,249</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, 2009
 (Continued)

	Tactical Narcotics Team RICO	Knox Lead Track Expenses	Hamlet Fire Well	County Extradition	County Corrections	CEDIT Excess Rainy Day	Clerks Perpetual
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	16,856	120,309	-
Charges for services	-	-	-	-	-	-	3,846
Fines and forfeits	-	-	-	-	-	-	-
Other	-	25,653	13,000	-	-	-	-
Total receipts	-	25,653	13,000	-	16,856	120,309	3,846
Disbursements:							
General government	-	6,037	-	-	-	-	-
Public safety	1,070	-	9,861	5,528	7,328	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Total disbursements	1,070	6,037	9,861	5,528	7,328	-	-
Excess (deficiency) of receipts over disbursements	(1,070)	19,616	3,139	(5,528)	9,528	120,309	3,846
Other financing sources (uses):							
Net proceeds from borrowings	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,070)	19,616	3,139	(5,528)	9,528	120,309	3,846
Cash and investment fund balance - beginning	1,175	143,661	9,159	6,270	7,562	145,762	12,099
Cash and investment fund balance - ending	\$ 105	\$ 163,277	\$ 12,298	\$ 742	\$ 17,090	\$ 266,071	\$ 15,945
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 163,277	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	105	-	12,298	742	17,090	266,071	15,945
Total cash and investment assets - ending	\$ 105	\$ 163,277	\$ 12,298	\$ 742	\$ 17,090	\$ 266,071	\$ 15,945
Cash and Investment Fund Balance - Ending							
Restricted for:							
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 266,071	\$ 15,945
Public safety	105	-	12,298	742	17,090	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-
Unrestricted	-	163,277	-	-	-	-	-
Total cash and investment fund balance - ending	\$ 105	\$ 163,277	\$ 12,298	\$ 742	\$ 17,090	\$ 266,071	\$ 15,945

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, 2009
 (Continued)

	7-1-2-2005 Drug Free Community	Drug Free Community	Children Psychiatric	Prosecutor RICO	Public Health Preparedness Grant	Child Immunization Grant	Sex Offenders Fee - Sheriff
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Intergovernmental	-	-	5,775	-	-	-	-
Charges for services	15,034	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	35,775	-	-	-	-	-
Total receipts	15,034	35,775	5,775	-	-	-	-
Disbursements:							
General government	-	-	-	-	-	-	-
Public safety	25,571	29,520	-	250	-	-	5
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	16,860	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Total disbursements	25,571	29,520	16,860	250	-	-	5
Excess (deficiency) of receipts over disbursements	(10,537)	6,255	(11,085)	(250)	-	-	(5)
Other financing sources (uses):							
Net proceeds from borrowings	-	-	-	-	-	-	-
Transfers out	-	-	(501,026)	-	-	-	-
Other receipts	-	-	-	-	-	-	700
Total other financing sources (uses)	-	-	(501,026)	-	-	-	700
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(10,537)	6,255	(512,111)	(250)	-	-	695
Cash and investment fund balance - beginning	10,376	-	513,166	819	2,500	60	-
Cash and investment fund balance - ending	<u>\$ (161)</u>	<u>\$ 6,255</u>	<u>\$ 1,055</u>	<u>\$ 569</u>	<u>\$ 2,500</u>	<u>\$ 60</u>	<u>\$ 695</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	(161)	6,255	1,055	569	2,500	60	695
Total cash and investment assets - ending	<u>\$ (161)</u>	<u>\$ 6,255</u>	<u>\$ 1,055</u>	<u>\$ 569</u>	<u>\$ 2,500</u>	<u>\$ 60</u>	<u>\$ 695</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	(161)	6,255	-	569	-	-	695
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	1,055	-	2,500	60	-
Capital outlay	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-
Total cash and investment fund balance - ending	<u>\$ (161)</u>	<u>\$ 6,255</u>	<u>\$ 1,055</u>	<u>\$ 569</u>	<u>\$ 2,500</u>	<u>\$ 60</u>	<u>\$ 695</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, 2009
 (Continued)

	State Share Delinquent Tax	H1N1 Grant	Sheriff Narcotic K-9 Donations	New Phone System Loan	Starke County Community Corrections	Starke County Community Corrections #2	Probation Indigent Assistance
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Intergovernmental	-	16,453	-	-	117,269	185,953	1,500
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	-	1,000	-	-	-	-
Total receipts	-	16,453	1,000	-	117,269	185,953	1,500
Disbursements:							
General government	69,837	-	-	40,750	-	-	-
Public safety	-	-	189	-	62,594	125,280	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	8,188	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Total disbursements	69,837	8,188	189	40,750	62,594	125,280	-
Excess (deficiency) of receipts over disbursements	(69,837)	8,265	811	(40,750)	54,675	60,673	1,500
Other financing sources (uses):							
Net proceeds from borrowings	-	-	-	81,496	-	-	-
Transfers out	-	-	-	-	-	-	-
Other receipts	69,837	-	-	-	-	-	-
Total other financing sources (uses)	69,837	-	-	81,496	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	8,265	811	40,746	54,675	60,673	1,500
Cash and investment fund balance - beginning	-	-	-	-	-	-	-
Cash and investment fund balance - ending	\$ -	\$ 8,265	\$ 811	\$ 40,746	\$ 54,675	\$ 60,673	\$ 1,500
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ -	\$ -	\$ -	\$ 40,746	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	-	8,265	811	-	54,675	60,673	1,500
Total cash and investment assets - ending	\$ -	\$ 8,265	\$ 811	\$ 40,746	\$ 54,675	\$ 60,673	\$ 1,500
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	811	-	54,675	60,673	1,500
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	8,265	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-
Unrestricted	-	-	-	40,746	-	-	-
Total cash and investment fund balance - ending	\$ -	\$ 8,265	\$ 811	\$ 40,746	\$ 54,675	\$ 60,673	\$ 1,500

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, 2009
 (Continued)

	Sheriff's Commissary	Redact Fund-Recorder	Family and Children Debt Service	Cumulative Capital Development	Cumulative Bridge	Totals
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ 124,439	\$ 60,772	\$ 846,804
Special assessments	-	-	-	-	-	1,916
Intergovernmental	-	-	-	35,034	120	1,386,291
Charges for services	89,075	8,328	-	-	-	323,045
Fines and forfeits	-	-	-	-	-	5,885
Other	-	-	-	20,721	9,202	490,063
Total receipts	89,075	8,328	-	180,194	70,094	3,054,004
Disbursements:						
General government	-	8,534	-	48,777	-	612,325
Public safety	110,605	-	-	-	-	1,435,677
Highways and streets	-	-	-	-	24,317	53,890
Health and welfare	-	-	-	-	-	474,969
Capital outlay:						
General government	-	-	-	166,637	-	167,437
Public safety	-	-	-	-	-	25,410
Total disbursements	110,605	8,534	-	215,414	24,317	2,769,708
Excess (deficiency) of receipts over disbursements	(21,530)	(206)	-	(35,220)	45,777	284,296
Other financing sources (uses):						
Net proceeds from borrowings	-	-	-	-	-	81,496
Transfers out	-	-	(10,759)	-	-	(1,222,570)
Other receipts	-	-	-	-	-	70,537
Total other financing sources (uses)	-	-	(10,759)	-	-	(1,070,537)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(21,530)	(206)	(10,759)	(35,220)	45,777	(786,241)
Cash and investment fund balance - beginning	42,867	19,040	10,759	325,020	601,710	4,512,773
Cash and investment fund balance - ending	\$ 21,337	\$ 18,834	\$ -	\$ 289,800	\$ 647,487	\$ 3,726,532
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ 18,834	\$ -	\$ -	\$ -	\$ 237,477
Restricted assets:						
Cash and investments	21,337	-	-	289,800	647,487	3,489,055
Total cash and investment assets - ending	\$ 21,337	\$ 18,834	\$ -	\$ 289,800	\$ 647,487	\$ 3,726,532
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,321,721
Public safety	21,337	-	-	-	-	538,332
Highways and streets	-	-	-	-	-	353,459
Health and welfare	-	-	-	-	-	207,759
Capital outlay	-	-	-	289,800	647,487	937,287
Other purposes	-	-	-	-	-	130,497
Unrestricted	-	18,834	-	-	-	237,477
Total cash and investment fund balance - ending	\$ 21,337	\$ 18,834	\$ -	\$ 289,800	\$ 647,487	\$ 3,726,532

STARKE COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PENSION TRUST FUNDS
 For The Year Ended December 31, 2009

	<u>County Police Pension Retirement</u>	<u>Police Pension Trust Retirement</u>	<u>Totals</u>
Additions:			
Contributions:			
Employer	\$ 41,410	\$ -	\$ 41,410
Investment receipts:			
Interest	<u>164,321</u>	<u>2,768</u>	<u>167,089</u>
Total additions	<u>205,731</u>	<u>2,768</u>	<u>208,499</u>
Deductions:			
Benefits	161,310	2,400	163,710
Administrative and general	<u>12,635</u>	<u>5,014</u>	<u>17,649</u>
Total deductions	<u>173,945</u>	<u>7,414</u>	<u>181,359</u>
Excess (deficiency) of total additions over total deductions	31,785	(4,646)	27,139
Cash and investment fund balance - beginning	<u>2,146,491</u>	<u>86,071</u>	<u>2,232,562</u>
Cash and investment fund balance - ending	<u>\$ 2,178,276</u>	<u>\$ 81,425</u>	<u>\$ 2,259,701</u>

STARKE COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2009

	City/Town Share Court Costs	Congressional School Interest	State Share Disclosure Fee	Inheritance Tax	Property Replacement Homestead Credit	Payroll Clearing	Special Death Benefit
Additions:							
Agency fund additions	\$ 4,524	\$ 628	\$ 2,505	\$ 301,442	\$ 6,231	\$ 1,687,757	\$ 2,760
Deductions:							
Agency fund deductions	-	1,178	3,659	309,867	9,673	1,653,407	5,665
Excess (deficiency) of total additions over total deductions	4,524	(550)	(1,154)	(8,425)	(3,442)	34,350	(2,905)
Cash and investment fund balance - beginning	5,379	6,346	1,379	52,903	3,442	173,368	3,145
Cash and investment fund balance - ending	<u>\$ 9,903</u>	<u>\$ 5,796</u>	<u>\$ 225</u>	<u>\$ 44,478</u>	<u>\$ -</u>	<u>\$ 207,718</u>	<u>\$ 240</u>

STARKE COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended December 31, 2009
 (Continued)

	2009 Tax Sale Redemption	2009 Tax Sale Surplus	2009 Surplus Tax	Mortgage Fee	C.V.E.T.	Fines and Forfeits
Additions:						
Agency fund additions	\$ 4,440	\$ 298,982	\$ 42,687	\$ 2,518	\$ 82,456	\$ 25,751
Deductions:						
Agency fund deductions	361	7,751	13,956	3,665	48,741	21,629
Excess (deficiency) of total additions over total deductions	4,079	291,231	28,731	(1,147)	33,715	4,122
Cash and investment fund balance - beginning	-	-	-	1,323	-	2,091
Cash and investment fund balance - ending	<u>\$ 4,079</u>	<u>\$ 291,231</u>	<u>\$ 28,731</u>	<u>\$ 176</u>	<u>\$ 33,715</u>	<u>\$ 6,213</u>

STARKE COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended December 31, 2009
 (Continued)

	Tax Distribution	Recorder	Clerk	Probation	Inmate Trust	Sheriff
Additions:						
Agency fund additions	\$ 17,794,102	\$ 96,192	\$ 1,561,349	\$ 88,908	\$ 114,528	\$ 1,334,451
Deductions:						
Agency fund deductions	17,794,083	95,515	1,757,356	88,908	115,009	1,330,007
Excess (deficiency) of total additions over total deductions	19	677	(196,007)	-	(481)	4,444
Cash and investment fund balance - beginning	-	6,960	487,520	-	1,957	933
Cash and investment fund balance - ending	<u>\$ 19</u>	<u>\$ 7,637</u>	<u>\$ 291,513</u>	<u>\$ -</u>	<u>\$ 1,476</u>	<u>\$ 5,377</u>

STARKE COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended December 31, 2009
 (Continued)

	Prosecutor	Treasurer	Coroners Continuing Education	2007 Tax Sale Surplus	2007 Surplus Tax	2006 Tax Sale Surplus
Additions:						
Agency fund additions	\$ 14,071	\$ 18,732,586	\$ 700	\$ -	\$ -	\$ -
Deductions:						
Agency fund deductions	13,891	17,721,856	813	199,170	17,866	-
Excess (deficiency) of total additions over total deductions	180	1,010,730	(113)	(199,170)	(17,866)	-
Cash and investment fund balance - beginning	140	387,555	113	201,921	36,304	13,048
Cash and investment fund balance - ending	<u>\$ 320</u>	<u>\$ 1,398,285</u>	<u>\$ -</u>	<u>\$ 2,751</u>	<u>\$ 18,438</u>	<u>\$ 13,048</u>

STARKE COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended December 31, 2009
 (Continued)

	2005 Surplus Tax	2006 Surplus Tax	Sewage Charges and Collections	Credit For Homestead Credits	HEA 1001-2008 St Homestead Credit	Tax Sale Redemption
Additions:						
Agency fund additions	\$ -	\$ (17,478)	\$ 87,894	\$ 197,840	\$ 286,928	\$ -
Deductions:						
Agency fund deductions	15,245	81	67,322	200,327	290,385	2,119
Excess (deficiency) of total additions over total deductions	(15,245)	(17,559)	20,572	(2,487)	(3,457)	(2,119)
Cash and investment fund balance - beginning	15,245	26,726	18,388	3,728	1,955	2,119
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 9,167</u>	<u>\$ 38,960</u>	<u>\$ 1,241</u>	<u>\$ (1,502)</u>	<u>\$ -</u>

STARKE COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended December 31, 2009
 (Continued)

	<u>Tax Sale Surplus/New</u>	<u>2004 Tax Sale Surplus</u>	<u>2005 Tax Sale Redemption</u>	<u>2005 Tax Sale Surplus</u>	<u>2008 Surplus</u>	<u>Totals</u>
Additions:						
Agency fund additions	\$ -	\$ -	\$ -	\$ -	\$ 35,294	\$ 42,790,046
Deductions:						
Agency fund deductions	48,375	-	(773)	429	14,419	41,851,955
Excess (deficiency) of total additions over total deductions	(48,375)	-	773	(429)	20,875	938,091
Cash and investment fund balance - beginning	48,375	16,578	(773)	8,894	(14,026)	1,513,036
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 16,578</u>	<u>\$ -</u>	<u>\$ 8,465</u>	<u>\$ 6,849</u>	<u>\$ 2,451,127</u>

STARKE COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2009

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>5,654,603</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 41,352,282</u>

STARKE COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2009

The County has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Notes and loans payable	\$ 81,496	\$ 21,770

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 the 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, 2009. 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, 2009.

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

April 27, 2010

STARKE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2009

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 State Department of Health Special Supplemental Nutrition Program for Women, Infants, and Children	10.557		
		FY 2009	\$ 92,299
		FY 2010	<u>25,142</u>
Total for federal grantor agency			<u>117,441</u>
<u>U.S. DEPARTMENT OF COMMERCE</u>			
Direct Grant			
Investments for Public Works and Economic Development Facilities Stake County Industrial Infrastructure Project	11.300	06-01-05226	<u>1,043,251</u>
Pass-Through Indiana Department of Homeland Security Public Safety Interoperable Communications Grant Program Homeland Security Award	11.555	2007-GS-H7-0041	<u>129,273</u>
Total for federal grantor agency			<u>1,172,524</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Pass-Through Indiana Criminal Justice Institute Crime Victim Assistance	16.575		
Stop Grant		FY 2009	23,099
VOCA Grant		FY 2009	<u>11,509</u>
Total for program			<u>34,608</u>
Direct Grant			
Public Safety Partnership and Community Policing Grants Law Enforcement Technology	16.710	2008CKWX0016	<u>138,497</u>
Direct Grant			
ARRA-Recovery Act-Edward Byrne Memorial Justice Assistance Grant	16.804	2009-SB-B9-682A	<u>10,349</u>
Total for federal grantor agency			<u>183,454</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Criminal Justice Institute State and Community Highway Safety Operation Pullover	20.600		<u>5,000</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-Through Indiana State Department of Health Public Health Emergency Preparedness Public Health Preparedness and Response for H1N1	93.069		<u>7,814</u>
Pass-Through Indiana Department of Child Services Child Support Enforcement	93.563		
Clerk Expenditures			45,612
Prosecutor Expenditures			39,184
Indirect Costs			57,564
Incentive Expenditures			<u>59,792</u>
Total for program			<u>202,152</u>
ARRA - Child Support Enforcement	93.563		<u>5,772</u>
Total for federal grantor agency			<u>215,738</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security Emergency Management Performance Grants	97.042	C44P-9-682A	<u>9,548</u>
Total federal awards expended			<u>\$ 1,703,705</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
11.300	Investments for Public Works and Economic Development Facilities

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 2009-1, INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

We noted several deficiencies in the internal control system of the Starke County Treasurer related to financial transactions and reporting.

1. Lack of Segregation of Duties: Control activities should be selected and developed at various levels of the County to reduce risks to achievement of financial reporting objectives. The County has not separated incompatible activities related to receipts, disbursements, and cash and investment balances. The failure to establish these controls could enable material misstatements or irregularities to go undetected.

STARKE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2. Preparing Financial Statements: Effective internal control over financial reporting involves the identification and analysis of the risks of material misstatement to the County's audited financial statements and then determining how those identified risks should be managed. The County has not identified risks to the preparation of reliable financial statements and as a result has failed to design effective controls over the preparation of the financial statements to prevent or detect material misstatements, including notes to the financial statements.
3. Monitoring of Controls: Effective internal control over financial reporting requires the County Commissioners to monitor and assess the quality of the County's system of internal control. The Commissioners have not performed either an ongoing or separate evaluation of their system of internal controls. The failure to exercise their oversight responsibility places the County at risk that controls may not be designed or operating effectively to provide reasonable assurance that controls will prevent or detect material misstatements in a timely manner. Additionally, the County has no process to identify or communicate corrective actions to improve controls.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objections, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

Section III – Federal Award Findings and Questioned Costs

No matters are reportable

STARKE COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.



**STARKE COUNTY AUDITOR
MICHAELENE J. HOUSTON**

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Knox, Indiana 46534
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auditor75@co.starke.in.us
web site: co.starke.in.us

CORRECTIVE ACTION PLAN

April 27, 2010

The management of Starke County has reviewed the Financial Statement Findings related to their audit for the year 2009 and offer the following correction actions:

- 2009-1. It's been noted by the commissioners that internal controls need to be established. The commissioners will convey the importance to the Treasurer that she provide accurate financial reporting monthly per I.C. 36-2-10-16 and I.C. 5-13

Respectfully,

Michaelene J. Houston
Starke County Auditor

MJH/mjh

STARKE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on April 27, 2010, with Michaelene J. Houston, Auditor; Daniel D. Bridegroom, President of the Board of County Commissioners; and Mark C. Smith, President of the County Council.