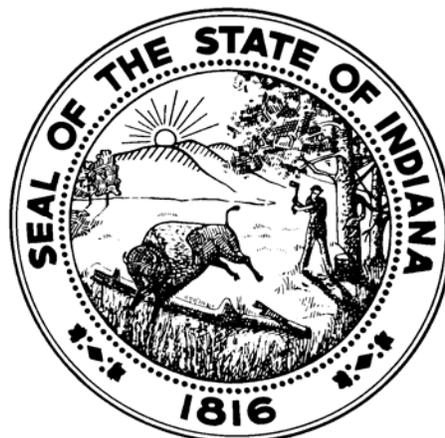


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT
OF
NOBLE COUNTY
NOBLE COUNTY, INDIANA
January 1, 2005 to December 31, 2005



FILED
08/28/2006

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Michelle L. Mawhorter	01-01-03 to 12-31-06
Treasurer	Diann Bortner	01-01-05 to 12-31-08
Clerk	Candy Myers	01-01-05 to 12-31-08
Sheriff	Gary D. Leatherman	01-01-03 to 12-31-06
Recorder	Judith K. Hass	01-01-03 to 12-31-06
President of the Board of County Commissioners	J. Hal Stump	01-01-05 to 12-31-06
President of the County Council	Robert Scott	01-01-05 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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Web Site: www.in.gov/sboa

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF NOBLE COUNTY, NOBLE COUNTY, INDIANA

We have examined the schedule of receipts, disbursements, and cash and investment balances of Noble County, for the period of January 1, 2005 to December 31, 2005. The County's management is responsible for the schedule. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the schedule of receipts, disbursements, and cash and investment balances and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the schedule referred to above presents fairly, in all material respects, the cash transactions of the County for the year ended December 31, 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

July 31, 2006

NOBLE COUNTY
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, PROPRIETARY, AND FIDUCIARY FUND TYPES
As Of And For The Year Ended December 31, 2005

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ (1,405,374)	\$ 13,818,060	\$ 12,422,414	\$ (9,728)
County Highway	1,065,682	3,296,875	3,053,289	1,309,268
County Health	(54,675)	376,183	295,988	25,520
Local Road and Street	1,579,844	667,605	1,156,212	1,091,237
Property Reassessment 2006	421,160	236,659	246,261	411,558
Property Reassessment 2005	(79,891)	79,891	-	-
Accident Report	9,854	3,879	2,089	11,644
Firearms Training	9,795	4,605	4,389	10,011
Surveyor's Corner Perpetuation	16,436	11,540	2,654	25,322
Supplemental Adult Probation Services	487,433	352,885	185,036	655,282
Supplemental Juvenile Probation Services	33,326	8,537	-	41,863
County Misdemeanant	77,005	28,497	32,667	72,835
County Extradition	17,872	11,193	20,578	8,487
Recorder's Record Perpetuation	86,003	64,832	98,743	52,092
Emergency 911 Surcharge	451,604	637,200	564,434	524,370
County Law Enforcement Continuing Education	2,926	2,737	2,589	3,074
County User Fee	44,825	10,186	10,483	44,528
Local Health Maintenance	71,780	53,753	24,739	100,794
Sheriff's Commissary	40,675	195,872	179,286	57,261
County Hospital Care for the Indigent	806	276,499	276,626	679
Medical Assistance to Wards	181	34,850	34,850	181
Children With Special Health Care Needs	78	-	78	-
Drainage Maintenance	245,387	1,783,284	985,614	1,043,057
County Drug Free Community	77,964	44,668	48,984	73,648
Prosecutor's Title IV-D Incentive	101	-	52	49
New Prosecutor's Title IV-D Incentive	34,189	67,639	8,114	93,714
Clerk's Title IV-D Incentive	2,245	-	1,879	366
New Clerk's Title IV-D Incentive	34,051	67,641	20,999	80,693
Guardian Ad Litem	-	6,920	3,670	3,250
Pretrial Diversion	27,365	30,500	34,103	23,762
Local Emergency Planning and Right to Know	30,731	13,917	12,422	32,226
Health Clinic Donations	2,468	6,983	2,042	7,409
County Rental Account	77,610	36,657	96,613	17,654
Victim Witness Grant	9,453	-	-	9,453
Family and Children	680,035	873,016	1,333,152	219,899
Local Planning Council	3,457	-	-	3,457
1000 East Federal Aid Project	8,184	-	-	8,184
Operation Pullover	2,011	10,800	10,438	2,373
Jury Fee	1,644	7,009	6,369	2,284
Prosecutor Stop Grant	(86,171)	31,915	102,961	(157,217)
School Resource Grant	16,749	-	16,749	-
Soil and Water Grant	112	-	-	112
Storm Erosion	46,373	18,088	13,264	51,197
Local PL-57-8LS-1232	3,306	-	-	3,306
Clerk's Record Perpetuation	22,888	12,962	15,027	20,823
Juvenile Incentive Block Grant	8,101	7,516	15,617	-
Dekko Match Grant	171	-	-	171
Feasibility Study Assistance Grant	-	144,070	144,070	-
COPS Grant	2,522	-	2,522	-
Alcohol Drug Service Grant	950	-	50	900
Alcohol Drug Program	20,226	173,714	170,955	22,985
Active Parenting Program	(73)	-	-	(73)
Intensive Supervisor	(429)	-	-	(429)
Drug and Alcohol Services	27,754	-	-	27,754
Cape Grant	12,285	-	4,822	7,463
Child Care Seat Program	6	900	904	2
Work Release Maintenance	10,907	8,930	1,025	18,812
Bio-Terrorist	25,600	-	1,888	23,712
Federal Drug Task Force	17,202	-	8,790	8,412
Drug Confiscated	2,024	-	-	2,024
Inner State Compact	563	1,381	1,906	38
Emergency Planning	145	-	-	145
River Boat Revenue Sharing	180,028	291,798	237,243	234,583

The accompanying notes are an integral part of the schedules.

NOBLE COUNTY
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, PROPRIETARY, AND FIDUCIARY FUND TYPES
As Of And For The Year Ended December 31, 2005
(Continued)

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds (continued):				
Child Advocacy	50	-	-	50
Hepatitis "B" Vaccine	73	3,120	3,024	169
Children Physch	(7,026)	255,633	166,250	82,357
Domestic Violence Treatment	3,221	-	3,221	-
Homeland Security	75,870	3,055	75,602	3,323
Public Health Coordinator	(3,028)	29,838	26,351	459
Local Law Enforcement Block Grant	767	-	767	-
SWAT Raffle	1,255	13,100	7,085	7,270
K-9 Donation	-	4,350	-	4,350
E-911 Radio System	939	-	938	1
Debt Service Jail	11,336	554,207	406,000	159,543
Cumulative Jail	152,905	96,084	46,084	202,905
Police Pension Other	-	14,500	-	14,500
Cumulative Courthouse	505,006	1,118,383	250,910	1,372,479
Cumulative Capital Development	3,097,991	670,215	430,901	3,337,305
General Drain Improvement	220,966	594,777	617,561	198,182
Solid Waste Nonreverting Capital	181,745	-	11,497	170,248
Jail Acquisition	3,210	-	-	3,210
Project Love	-	2,000	673	1,327
Civil Service Fee	-	3,410	-	3,410
Small Claim Fee	-	9,443	-	9,443
Coroner Education Grant	-	1,450	-	1,450
Proprietary Fund:				
Self-Insurance	(56,383)	1,134,591	1,059,745	18,463
Fiduciary Funds:				
Sheriff's Pension Trust	3,244,769	395,562	143,164	3,497,167
Congressional Principal	21,064	-	-	21,064
Public Defender	52,031	16,971	17,282	51,720
Supplemental Public Defender	15,880	200	-	16,080
Levy Excess	1	-	-	1
Tax Sale Redemption	11	18,610	17,367	1,254
Tax Sale Surplus	6,904	426,311	35,289	397,926
State Fees	145,917	334,442	311,845	168,514
Inheritance Tax	64,976	372,860	314,382	123,454
Surplus Tax	148,229	103,673	142,644	109,258
Prosecuting Attorney	-	24,710	23,809	901
Coroner's Training and Continuing Education	2,569	2,238	4,307	500
County Sheriff	-	1,848,680	1,848,680	-
Tax Distributions	881,343	70,945,968	70,115,280	1,712,031
Payroll Withholdings	68,083	9,439,998	9,452,432	55,649
Clerk of the Circuit Court	228,835	7,559,807	7,619,562	169,080
Welfare Trust	11,411	100	-	11,511
Sheriff's Inmate Trust	5,871	220,698	210,643	15,926
County Recorder	19,328	227,978	228,164	19,142
County Treasurer	20,113,345	59,163,345	76,978,729	2,297,961
State Sales Disclosure Fee	7,609	1,460	8,905	164
Probation Department	2,108	444,163	444,163	2,108
Additional Judgment Excise Tax	1,415	-	-	1,415
EID	11,068	40,087	51,155	-
Education Plate Fee	206	1,931	1,443	694
Sheriff Tax Warrants	(1,828)	10,795	8,967	-
Health Department	-	27,461	27,461	-
Innkeepers Tax	-	103,284	103,284	-
Attorney Collection Fee	173	-	-	173
Disclosure State Treasurer	3,058	5,842	-	8,900
Totals	<u>\$ 33,668,752</u>	<u>\$ 180,057,976</u>	<u>\$ 193,131,215</u>	<u>\$ 20,595,513</u>

The accompanying notes are an integral part of the schedules.

NOBLE COUNTY
NOTES TO SCHEDULE

Note 1. Introduction

The County was established under the laws of the State of Indiana. The County provides the following services: public safety, health and social services, culture and recreation, general administrative services, highways and streets, public improvements, planning and zoning.

Note 2. Fund Accounting

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

Note 3. Budgets

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

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the County in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the County on or prior to December 31 of the year collected.

Note 5. Deposits and Investments

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

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

NOBLE COUNTY
NOTES TO SCHEDULE
(Continued)

Note 6. Pension Plan

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 this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the County authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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

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

Funding Policy and Annual Pension Cost

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

2. County Police Retirement Plan (CPRP)

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.

NOBLE COUNTY
NOTES TO SCHEDULE
(Continued)

3. County Police Benefit Plan (CPBP)

Plan Description

The County contributes to the County Police Benefit Plan (CPBP) 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.

Note 7. Long-Term Debt

The County has entered into various debts such as a loan for Energy Savings and Housing of Juvenile Offenders and capital leases for Jail, 911 equipment upgrade, and three police cars. The outstanding principal at December 31, 2005, was loans \$1,407,952, and \$714,243, capital leases \$3,465,000, \$101,833, and \$34,833, respectively.

NOBLE COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF DEBT
 For The Year Ended December 31, 2005

CAPITAL LEASES

The County has entered into the following capital leases:

Description of Asset	Present Value of Net Minimum Lease Payments	Ending Balance	Due Within One Year
County Jail	\$ 3,465,000	\$ 3,465,000	\$ 285,000
911 equipment upgrade	101,833	101,833	32,732
Three police cars	34,833	34,833	16,942
	Ending Balance	Due Within One Year	
Governmental activities:			
Notes and loans payable	<u>\$ 2,122,195</u>	<u>\$ 203,229</u>	

NOBLE COUNTY
SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENTS
For The Year Ended December 31, 2005

<u>Fund</u>	<u>Purchase Price of Investment</u>
Total - Other Funds	\$ 2,000,000
Clerk Trust	20,000
Sheriff Pension	3,443,369

NOBLE 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 Auditor
County Treasurer

NOBLE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 31, 2006, with Michelle L. Mawhorter, Auditor; J. Hal Stump, President of the Board of County Commissioners; Jack W. Herendeen, County Commissioner; and Mark L. Pankop, County Commissioner.