

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

EXAMINATION REPORT

OF

NEWTON COUNTY

NEWTON COUNTY, INDIANA

January 1, 2005 to December 31, 2005



**FILED**  
10/10/2006



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Patricia L. Carlson	01-01-03 to 12-31-06
Treasurer	Rosalie Mathis	01-01-05 to 12-31-08
Clerk	Janice M. Wilson	01-01-05 to 12-31-08
Sheriff	Myron Sutton	01-01-03 to 12-31-06
Recorder	John Hall	01-01-03 to 12-31-06
President of the Board of County Commissioners	Russell Collins, Jr.	01-01-05 to 12-31-06
President of the County Council	Richard Miller	01-01-05 to 12-31-06



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the schedule of receipts, disbursements, and cash and investment balances of Newton 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

August 17, 2006

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

	Cash and		Cash and	
	Investments	Receipts	Disbursements	Investments
	01-01-05			12-31-05
Governmental Funds:				
General	\$ 1,389,709	\$ 5,903,822	\$ 5,967,176	\$ 1,326,355
Surveyor's Cornerstone Perpetuation	18,559	4,880	2,665	20,774
Property Reassessment	459,212	127,823	61,545	525,490
Clerk's Record Perpetuation	8,775	5,132	-	13,907
Recorder's Record Perpetuation	39,393	17,097	3,594	52,896
Cannabis/Marijuana Eradication	7,171	14,237	16,294	5,114
K9 Donation	986	-	589	397
Economic Development Donation	3,064	30,000	15,804	17,260
Sheriff Donation	5,931	-	-	5,931
Adult Probation Services	47,999	71,277	110,439	8,837
Adult Probation/Administration	14,914	11,648	-	26,562
Juvenile Probation/Administration	2,842	2,502	100	5,244
Interstate Compact	75	375	225	225
Misdemeanant	28,919	9,766	13,830	24,855
Cable Board	1,424	11,124	10,000	2,548
Highway	942,163	1,960,444	1,962,753	939,854
Local Road and Street	177,565	202,837	209,513	170,889
Health	67,800	117,271	163,034	22,037
Health Maintenance	19,177	26,570	23,266	22,481
Tobacco Settlement	15,455	14,469	12,351	17,573
Family and Children	143,630	1,379,711	800,257	723,084
Prosecutor Title IV-D	2,649	5,565	-	8,214
Clerk Title IV-D	3,118	-	-	3,118
Children's Psychiatric	28,613	42,948	27,539	44,022
Landfill Drainage	-	20,000	3,745	16,255
Drainage Maintenance	534,917	266,437	205,842	595,512
Emergency Medical Services	453,757	747,968	887,074	314,651
Ambulance Donation	100	50	-	150
Accident Report	1,589	1,129	1,557	1,161
Firearms Training	675	1,860	-	2,535
Civil Defense Donation	4,269	-	-	4,269
Drug Free Community	16,077	17,735	17,656	16,156
User Fee	250,672	238,704	273,238	216,138
Emergency Telephone System	146,516	255,492	157,043	244,965
Emergency Planning/Right to Know	32,350	4,891	2,876	34,365
Enforcement	32,548	53,297	63,899	21,946
Community Corrections/Home Detention	30,924	25,944	18,435	38,433
Women, Infants, Children	4,766	-	-	4,766
Landfill	2,820,437	4,863,437	3,995,639	3,688,235
Gov Driving - Wm Hall	947	-	-	947
Child Protection	14,381	2,440	4,285	12,536
Park Board	6,687	5,275	-	11,962
Marijuana Drug Grant	66	-	-	66
George Ade Home-Restoration Grant	734	-	-	734
County Owned Property	12,476	24,500	24,455	12,521
Road Deposit-Flagg Ridge	7,500	-	-	7,500
Animal Control Donation	2,061	770	-	2,831
Sumava Resorts Protection	453,876	13,893	-	467,769
Sale of County Owned Property	7,300	-	-	7,300
Landfill Closure	1,625,563	302,601	-	1,928,164
Generation Center-Lily Grant	1,826	-	-	1,826
Problem Gambling	1,400	-	-	1,400
Comp. Emergency Management	15,495	-	15,495	-
Community Emergency Response	1,578	-	-	1,578
Safe Kids Grant	206	1,000	239	967
Riverboat	117,602	91,849	33,130	176,321
Very Best Pet Network	86	2,000	1,707	379
Homeland Security	76,953	-	76,826	127
Bio Terrorism	21,866	58,258	57,649	22,475
Rain Day	320,293	-	-	320,293
Workforce 1 Center	2,365,903	61,279	2,035,336	391,846

The accompanying notes are an integral part of the schedules.

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

Governmental Funds (continued):				
Communication Equipment (Safe-T)	21,000	-	21,000	-
Law Enforcement Terrorism Prevention Program	7,637	-	7,637	-
Hamstra's Retainage	251,653	94,853	346,506	-
Jail Debt Service	23,206	-	-	23,206
General Drain Improvement	96,947	356,557	200,640	252,864
NCCS - State Grant	-	45,796	45,796	-
NCCS - Federal Grant	-	85,269	85,269	-
Electronic Map Generation	-	800	-	800
Cumulative Bridge	751,744	221,617	378,347	595,014
Cumulative Capital Development	149,544	162,391	157,960	153,975
Governmental Development	599,308	22,843	427,837	194,314
Campaign Financing	750	-	-	750
Fiduciary Funds:				
Surplus Dog Tax	-	2,641	2,641	-
Sales Disclosure - County Share	4,235	2,405	-	6,640
Coroner's Education	45	801	796	50
Sheriff's Pension	1,132,082	408,383	170,593	1,369,872
Congressional School Principal	184,835	168,750	150,000	203,585
Congressional School Interest	145,643	17,864	14,393	149,114
Health Care for the Indigent	-	133,235	133,235	-
Welfare Administration	-	14,598	14,598	-
Medical Assistance to Wards	-	318,465	318,465	-
Children with Special Health Needs	-	16,248	16,248	-
Welfare Trust	9,530	28,204	11,824	25,910
Surplus Tax	16,694	12,915	10,258	19,351
Tax Sale Redemption	-	5,382	5,382	-
Surplus Tax Sale	-	52,781	1,077	51,704
Payroll	83,301	2,002,031	1,995,611	89,721
State Sales Disclosure	205	2,405	2,405	205
City and Town Court Costs	6,706	7,228	-	13,934
Infraction Judgments	5,354	71,725	70,619	6,460
Special Death Benefit	-	770	710	60
Education Plate Fees	-	694	694	-
Inheritance Tax	52,027	379,476	266,790	164,713
State Fair Board	-	6,499	6,499	-
State Forestry Tax	-	12,999	12,999	-
State Fines and Forfeitures	100	1,371	1,265	206
Tax Distribution	-	16,692,397	16,692,397	-
Child Restraint Violations	-	25	-	25
County Sheriff	1,810	521,190	519,841	3,159
Clerk of the Circuit Court	330,683	2,997,695	2,940,872	387,506
Sheriff's Inmate Trust	161	53,262	52,716	707
County Recorder	6,163	68,527	74,690	-
County Treasurer	191,641	23,092,611	22,961,368	322,884
County Health	762	13,823	14,149	436
County Ambulance	-	290,589	269,497	21,092
Probation Department	-	85,802	85,802	-
Sheriff Commissary	6,534	42,967	38,716	10,785
Plan Commission	-	46,035	46,035	-
Animal Control	-	4,561	4,281	280
Atlas Collections	319	4,948	5,029	238
Mortgage Fees - State Share	-	2,235	2,050	185
Totals	<u>\$ 16,894,158</u>	<u>\$ 65,594,970</u>	<u>\$ 65,862,637</u>	<u>\$ 16,626,491</u>

The accompanying notes are an integral part of the schedules.

NEWTON COUNTY, NEWTON 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, highways and streets, health, welfare and social services, culture and recreation, public improvements, planning and zoning, and general administrative services.

Note 2. Fund Accounting

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

Note 3. Budgets

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

Note 4. Property Taxes

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

NEWTON COUNTY, NEWTON COUNTY  
NOTES TO SCHEDULE  
(Continued)

Note 6. Pension Plan

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.

Note 7. Long-Term Debt

The County has entered into an interest free loan with the Newton County Landfill Partnership. Annual debt service requirements to maturity for the loan will be met by withholding tipping fees due the County at the rate of \$95,000 per month. The outstanding principal at December 31, 2005, was \$3,955,000.

NEWTON COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on August 17, 2006, with Patricia L. Carlson, Auditor; Russell Collins, Jr., President of the Board of County Commissioners; and Richard Miller, President of the County Council. Our examination disclosed no material items that warrant comment at this time.