

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

EXAMINATION REPORT
OF
FULTON COUNTY
FULTON COUNTY, INDIANA
January 1, 2006 to December 31, 2006



FILED
06/05/2007

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Denise Chandler	01-01-05 to 12-31-08
Treasurer	Judy Reed	01-01-05 to 12-31-08
Clerk	Karen Miller Letty McKee	01-01-03 to 12-31-06 01-01-07 to 12-31-10
President of the Board of County Commissioners	Richard Powell	01-01-06 to 12-31-07
President of the County Council	James Widman	01-01-06 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of Fulton County (County), for the period of January 1, 2006 to December 31, 2006. The County's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

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

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the County for the year ended December 31, 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not a required part of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information, and accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

May 1, 2007

FULTON 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, 2006

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 1,366,562	\$ 5,107,955	\$ 4,731,413	\$ 1,743,104
Highway	85,096	2,584,274	2,060,784	608,586
Local Road and Street	72,654	400,490	454,197	18,947
Health	134,604	107,144	196,414	45,334
Aviation	27,739	328,318	224,653	131,404
Accident Report	6,541	2,488	-	9,029
Firearms Training	11,469	5,015	-	16,484
Adult Probation	19,197	13,106	18,170	14,133
Probation Users Fees	184,310	164,155	154,248	194,217
Alcohol and Drug Services	59,416	36,909	47,421	48,904
Probation	(130)	262	95	37
Landfill	752,027	33,387	63,429	721,985
Drainage Maintenance	1,395,407	423,231	292,008	1,526,630
Host Agreement Environmental	698,150	1,549,118	2,132,855	114,413
CAGIT Special Revenue	510,072	12,979	15,697	507,354
Child Advocacy	25	43	-	68
Children's Psychiatric Treatment Service	181,080	1,215	124,115	58,180
Family and Children	677,676	1,642,244	1,780,062	539,858
County Corrections	14,300	14,000	14,000	14,300
Atlas Collections	203	943	1,033	113
Drug Free Community	15,607	16,360	14,798	17,169
Emergency Planning and Right to Know	12,058	4,823	5,827	11,054
Emergency Telephone System	264,255	297,660	342,789	219,126
Extradition	1,666	-	-	1,666
Aviation Grant	-	37,197	37,197	-
Federal Emergency Management Grant	68	-	-	68
Certification Grant	1,873	2,003	3,876	-
Voter Registration Board Enhancement	625	162	-	787
Vote Reimbursement	-	50,047	47,885	2,162
Homeland Security Grant	-	137,454	76,233	61,221
Guardian Ad-Litem	4,209	2,199	6,408	-
Health Maintenance	102,498	38,337	35,029	105,806
County ID Security Protection	-	8,816	-	8,816
Inmate Medical	5,765	1,387	-	7,152
Jury Pay	4,516	2,888	5,934	1,470
Juvenile Probation	7,265	4,173	2,221	9,217
Juvenile Service Center	935	140	-	1,075
LECE	6,575	528	-	7,103
Courthouse Centennial	281	-	-	281
Bullet Proof Vest	1,500	5,886	7,386	-
Nonreverting Special	1,184,138	1,487,754	779,160	1,892,732
Parks and Recreation	59,387	11,704	12,423	58,668
Plat Book	47,076	7,695	5,117	49,654
Pre-Natal	4,976	-	-	4,976
Pretrial Diversion	33,305	48,863	39,263	42,905
Property Reassessment #2	377,651	99,475	174,004	303,122
Prosecutor IV-D	23,583	18,460	-	42,043
Rainy Day Fund	195,529	-	136,600	58,929
Recorders Record Perpetuation	58,914	28,452	42,065	45,301
Sheriff's Continuing Education	31,176	4,262	2,193	33,245
Transportation Grant	-	148,412	148,412	-
CDBG Repayments	12,494	-	-	12,494
Tobacco Grant	18,970	62,281	39,894	41,357

The accompanying notes are an integral part of the schedules.

FULTON 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, 2006
(Continued)

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds (continued):				
Bio-Terrorism Grant	20,015	50	538	19,527
Public Health Coordinator	1,239	30,208	27,373	4,074
Supplemental Public Defender Svc.	6,744	9,720	-	16,464
Surveyor's Corner Perpetuation	35,135	6,755	633	41,257
Tax Sale Fees	27,334	22,427	10,462	39,299
Tobacco Settlement	16,293	16,282	-	32,575
CEDIT	928,403	407,136	478,031	857,508
Cumulative Bridge	761,136	410,291	460,348	711,079
Cumulative Capital Development	156,438	198,451	138,419	216,470
General Drain Improvement	603,945	148,666	74,301	678,310
Park Nonreverting Capital	100	-	-	100
U.S. Corridor Plan	61,918	55,985	-	117,903
Zanger Hicks	544	-	-	544
Clerk Incentive	17,621	18,460	8,329	27,752
Convention and Tourism	37,423	37,063	39,704	34,782
Document Fees	18,040	6,284	-	24,324
Debt Service	139,433	261,488	266,041	134,880
Lease Rental Payment	945,133	596,092	422,501	1,118,724
Mortgage Fees	270	3,350	3,162	458
Levy Excess	67,510	40,225	107,735	-
Fiduciary Funds:				
Sheriff's Pension Trust	953,995	712,345	614,899	1,051,441
Congressional Principal	21,923	51,287	-	73,210
Welfare Trust	8,483	700	4,159	5,024
Surplus Tax	39,535	31,113	22,255	48,393
Tax Sale Redemption	4,853	62,944	65,663	2,134
Tax Sale Surplus	190,860	221,319	307,054	105,125
Congressional Interest	49,532	1,728	51,260	-
Surplus Dog Tax	-	1,662	1,662	-
Inheritance Tax	399,885	354,947	637,254	117,578
Sales Disclosure Fee	1,260	8,820	9,230	850
Coroner's Continuing Education	103	1,244	1,150	197
City & Town Court Costs	95,130	7,553	-	102,683
Payroll	6,788	1,827,332	1,778,680	55,440
Court Fees	5,613	148,418	147,801	6,230
Tax Distribution Funds	170,041	22,641,394	22,711,172	100,263
County Clerk	243,560	1,683,690	1,603,742	323,508
ISETS	8,061	878,362	879,513	6,910
County Recorder	50	105,360	105,360	50
County Treasurer	196,814	23,776,360	23,530,082	443,092
County Sheriff	2,882	672,549	675,331	100
County Probation	-	174,689	174,689	-
Inmate Trust	1,732	126,219	125,657	2,294
Sheriff's Commissary	22,372	119,567	114,702	27,237
Delinquent Mowing Liens	-	277	-	277
Delinquent Sewer	20	10,225	2,561	7,684
Dog Tax	-	83	52	31
WIC	4,395	79,608	83,752	251
Totals	<u>\$ 14,945,854</u>	<u>\$ 70,923,422</u>	<u>\$ 69,960,565</u>	<u>\$ 15,908,711</u>

The accompanying notes are an integral part of the schedules.

FULTON COUNTY
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The County was established under the laws of the State of Indiana. The County operates under a Council-Commissioner form of government and provides the following services: public safety, 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.

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.

FULTON COUNTY
NOTES TO FINANCIAL INFORMATION
(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.

FULTON COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended December 31, 2006

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.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 1,493,559
Buildings	12,685,107
Improvements other than buildings	2,037,694
Machinery and equipment	<u>4,353,585</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 20,569,945</u>

FULTON COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 For The Year Ended December 31, 2006

Description of Debt	Ending Balance	Due Within One Year
Governmental Activities:		
Capital leases:		
Woodlawn Hospital	\$ 1,955,000	\$ 195,000
Courthouse Renovation	2,970,000	260,000
Notes and loans payable	<u>190,214</u>	<u>163,031</u>
Total governmental activities long-term debt	<u>\$ 5,115,214</u>	<u>\$ 618,031</u>

FULTON COUNTY
OTHER REPORT

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

Clerk of the Circuit Court

FULTON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on May 1, 2007, with Denise Chandler, Auditor; and James Widman, President of the County Council. Our examination disclosed no material items that warrant comment at this time.