

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

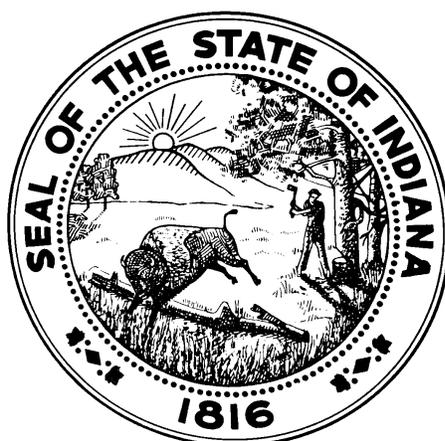
EXAMINATION REPORT

OF

NEWTON COUNTY

NEWTON COUNTY, INDIANA

January 1, 2007 to December 31, 2007



FILED

08/01/2008

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Patricia L. Carlson	01-01-07 to 12-31-10
Treasurer	Rosalie Mathis	01-01-05 to 12-31-08
Clerk	Janice M. Wilson	01-01-05 to 12-31-08
Sheriff	Donald E. Hartman, Sr.	01-01-07 to 12-31-10
Recorder	John Hall	01-01-07 to 12-31-10
President of the County Commissioners	Russell Collins, Jr. Roxanne M. Hanford	01-01-07 to 12-31-07 01-01-08 to 12-31-08
President of the County Council	Scott Madison	01-01-07 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF NEWTON COUNTY, INDIANA

We have examined the financial information presented herein of Newton County (County), for the period of January 1, 2007 to December 31, 2007. 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, 2007, 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 28, 2008

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, 2007

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 1,365,168	\$ 6,332,574	\$ 5,798,585	\$ 1,899,157
Surveyor's Cornerstone Perpetuation	25,512	3,880	598	28,794
Property Reassessment	463,168	149,189	145,572	466,785
Clerk's Record Perpetuation	18,921	5,760	-	24,681
Recorder's Record Perpetuation	66,999	13,981	7,293	73,687
Cannabis/Marijuana Eradication	6,511	8,619	8,593	6,537
K9 Donation	397	585	589	393
Economic Development Donation	1,607	30,800	24,443	7,964
Sheriff Donation	1,977	-	1,945	32
Adult Probation Services	10,586	99,811	9,993	100,404
Adult Probation/Administration	19,242	16,025	16,117	19,150
Juvenile Probation/Administration	8,513	4,119	-	12,632
Interstate Compact	-	600	600	-
Misdemeanant	17,743	9,816	6,305	21,254
Cable Board	3,751	11,875	12,882	2,744
Highway	1,261,368	2,379,118	2,399,807	1,240,679
Local Road and Street	192,697	206,577	158,684	240,590
Health	90,090	177,814	171,167	96,737
Health Maintenance	25,009	41,424	27,987	38,446
Tobacco Settlement	23,090	14,954	7,724	30,320
Family and Children	711,365	691,460	1,066,031	336,794
Prosecutor Title IV-D	11,600	50	2,801	8,849
Clerk Title IV-D	3,118	-	-	3,118
Children's Psychiatric	73,620	-	3,606	70,014
Landfill Drainage	22,688	10,000	-	32,688
Drainage Maintenance	576,879	304,395	225,067	656,207
Emergency Medical Services	280,348	1,093,337	920,997	452,688
Ambulance Donation	150	-	-	150
Accident Report	1,441	1,428	697	2,172
Firearms Training	2,175	5,530	785	6,920
Civil Defense Donation	4,269	-	2,508	1,761
Drug Free Community	11,283	24,013	11,740	23,556
User Fee	241,076	170,532	68,849	342,759
Emergency Telephone System	219,136	240,167	166,202	293,101
Emergency Planning/Right to Know	33,611	-	2,337	31,274
Enforcement	46,244	50,725	56,938	40,031
Community Corrections/Home Detention	36,793	19,172	17,794	38,171
Women, Infants, Children	4,766	-	4,766	-
Landfill	4,350,767	8,894,934	8,115,516	5,130,185
Gov Driving - Wm Hall	947	-	947	-
Child Protection	9,590	1,195	2,300	8,485
Park Board	17,412	5,738	-	23,150
Marijuana Drug Grant	66	-	66	-
County Owned Property	14,535	28,000	27,784	14,751
Road Deposit-Flagg Ridge	7,500	-	7,500	-
Animal Control Donation	3,975	1,845	2,509	3,311
Sumava Resorts Protection	492,097	28,731	-	520,828
Sale of County Owned Property	7,300	-	-	7,300
Landfill Closure	2,286,304	394,094	-	2,680,398
Generation Center-Lily Grant	1,826	-	1,826	-
Problem Gambling	1,400	-	-	1,400
Identification Security Protection	7,295	6,064	-	13,359
Community Emergency Response	1,578	-	-	1,578
Safe Kids Grant	740	1,000	1,666	74
Riverboat	58,599	91,850	33,131	117,318
Very Best Pet Network	115	-	20	95
Homeland Security Grant 2	-	87,859	87,859	-
Bio Terrorism	22,512	47,654	52,717	17,449
Rainy Day	320,293	-	-	320,293
Workforce 1 Center	406,092	319	13,945	392,466
Jail Debt Service	23,206	-	-	23,206
General Drain Improvement	149,355	122,899	240,692	31,562
NCCS-State Grant	19,137	76,935	59,836	36,236
NCCS-Federal Grant	32,960	121,585	87,649	66,896

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, 2007
 (Continued)

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds (continued):				
Electronic Map Generation	1,225	1,625	-	2,850
Road Deposit-Beaver Creek	2,000	6,000	-	8,000
Wirtz Yates Retainage	7,299	3,784	11,083	-
Cumulative Bridge	284,887	279,934	395,037	169,784
Cumulative Capital Development	138,754	158,371	133,669	163,456
Governmental Development	134,463	4,994	28,338	111,119
Campaign Financing	750	-	-	750
Voting Machines	-	50,888	-	50,888
Community Development Block Grant	-	24,393	20,921	3,472
Operation Pullover Grant 1	-	2,500	2,500	-
Homeland Security Grant 1	-	1,949	1,949	-
Operation Pullover Grant 2	-	800	754	46
Homestead Credit Rebate	-	573,769	-	573,769
Fiduciary Funds:				
Sales Disclosure-County Share	9,320	2,160	-	11,480
Coroner's Ed	-	882	882	-
Sheriff's Pension	996,718	167,941	178,907	985,752
Congressional School Principal	359,835	-	-	359,835
Congressional School Interest	147,006	20,073	14,394	152,685
Health Care for the Indigent	-	142,837	142,837	-
Welfare Administration	-	16,005	16,005	-
Medical Assistance to Wards	-	341,091	341,091	-
Children with Special Health Needs	-	17,172	17,172	-
Welfare Trust	30,338	37,154	33,857	33,635
Surplus Tax	24,339	9,458	24,121	9,676
Tax Sale Redemption	-	34,682	32,915	1,767
Surplus Tax Sale	61,601	30,311	21,094	70,818
Payroll	97,528	2,235,793	2,221,680	111,641
State Sales Disclosure	255	2,160	2,260	155
City and Town Court Costs	21,574	9,004	-	30,578
Infraction Judgments	-	70,497	61,580	8,917
Special Death Benefit	-	1,640	1,425	215
Education Plate Fees	-	1,200	1,200	-
Inheritance Tax	64,975	471,803	489,805	46,973
State Fair Board	-	6,244	6,244	-
State Forestry Tax	-	12,488	12,488	-
State Fines and Forfeitures	590	1,021	1,533	78
Tax Distribution	-	18,175,002	18,175,002	-
Child Restraint Violations	-	100	50	50
County Sheriff	-	455,839	454,256	1,583
Clerk of the Circuit Court	421,319	3,879,233	3,872,896	427,656
Sheriff's Inmate Trust	1,007	54,158	54,344	821
County Recorder	-	68,742	68,742	-
County Treasurer	161,942	21,589,730	21,459,355	292,317
County Health	243	15,907	15,604	546
County Ambulance	-	305,909	305,909	-
Probation Department	10,040	111,256	110,554	10,742
Sheriff Commissary	5,135	40,177	33,939	11,373
Plan Commission	8,234	44,241	52,475	-
Animal Control	-	9,550	9,550	-
Atlas Collections	28,278	6,348	33,972	654
Economic Development	30,800	-	30,800	-
Mortgage Fees - State Share	173	2,060	2,233	-
Totals	<u>\$ 17,169,140</u>	<u>\$ 71,527,907</u>	<u>\$ 68,981,387</u>	<u>\$ 19,715,660</u>

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

NEWTON COUNTY
NOTES TO FINANCIAL INFORMATION

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
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.

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, 2007, was \$1,675,000.

NEWTON COUNTY
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2007

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	\$ 495,040
Infrastructure	53,557
Buildings	15,551,736
Improvements other than buildings	79,747
Machinery and equipment	<u>7,791,285</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 23,971,365</u>

NEWTON COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2007

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	\$ 1,675,000	\$ 1,140,000

NEWTON COUNTY
OTHER REPORTS

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

Clerk of the Circuit Court
County Prosecuting Attorney

NEWTON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on May 28, 2008, with Scott Madison, President of the County Council; Roxanna M. Hanford, President of the Board of County Commissioners; and Patricia L. Carlson, Auditor. Our examination disclosed no material items that warrant comment at this time.