

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

EXAMINATION REPORT  
OF  
POSEY COUNTY  
POSEY COUNTY, INDIANA  
January 1, 2007 to December 31, 2007



**FILED**  
01/26/2009



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Joleen R. Elpers	01-01-04 to 12-31-10
Treasurer	Mary A. Rose	01-01-05 to 12-31-08
Clerk	Donna K. Butler	01-01-07 to 12-31-10
Sheriff	James E. Folz	01-01-07 to 12-31-10
Recorder	Sandra J. Elpers Martha J. Breeze	01-01-04 to 12-31-07 01-01-08 to 12-31-10
President of the County Council	Thomas R. Schneider Robert Gentil	01-01-07 to 12-31-07 01-01-08 to 12-31-08
President of the Board of County Commissioners	W. Scott Moye James Alsop	01-01-07 to 12-31-07 01-01-08 to 12-31-08



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of Posey 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 Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

December 3, 2008

POSEY COUNTY  
SCHEDULE 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 Fund	\$ 2,381,021	\$ 7,737,388	\$ 7,976,914	\$ 2,141,495
County Highway	533,949	3,066,809	2,993,833	606,925
Property Reassessment (2006)	1,047,589	52,397	101,846	998,140
Family and Children	1,440,743	241,253	1,168,664	513,332
Cumulative Bridge	504,592	708,340	672,823	540,109
Cumulative Capital Development	693,816	34	173,347	520,503
2005 Courthouse Project	67,388	-	59,022	8,366
County Health	71,758	96,885	144,750	23,893
Local Roads and Streets	71,952	266,605	271,160	67,397
Accident Report	1,667	675	922	1,420
Firearms Training	14,744	13,450	12,636	15,558
Surveyor's Corner Perpetuation	39,651	5,950	11,921	33,680
Adult Probation	41,029	84,528	88,526	37,031
Juvenile Probation	8,099	4,269	7,729	4,639
County Extradition	155	-	-	155
Recorder's Records Perpetuation	91,740	45,007	96,004	40,743
Emergency Telephone System	82,734	434,310	364,418	152,626
County Law Enforcement Cont. Ed.	495	5,751	7,107	(861)
County Users Fees	22,248	2,217	4,926	19,539
Local Health Maintenance	10,138	25,000	21,099	14,039
Jail Commissary Fund	1,998	74,200	73,886	2,312
Drainage Maintenance	92,717	-	99,007	(6,290)
Pretrial Diversion	13,978	10,508	12,798	11,688
Mental Health	252,766	-	346,873	(94,107)
User Fees IFDP/Prosecutor	25,823	59,897	31,075	54,645
Clerk's Records Perpetuation	14,391	8,015	14,013	8,393
Jury User Fees	4,054	5,269	16	9,307
Juvenile Informal Adjustment Fee	12,631	2,420	417	14,634
County Misdemeanant Fund	3,197	19,072	3,727	18,542
Clerk's IV-D Incentive (old)	289	-	289	-
Guardian GAL/CASA	399	-	-	399
Community Transition	9,476	-	2,249	7,227
Health Board Gift	42	-	-	42
Tobacco Settlement - Health Maintenance	35,326	16,424	19,904	31,846
Prosecutor's Incentive IV-D (old)	(149)	-	-	(149)
Prosecutor's IV-D Incentive (new)	31,809	-	7,258	24,551
Clerk's IV-D Incentive (new)	24,263	-	13,049	11,214
Wabash Levee	22,730	-	40	22,690
Unsafe Buildings (fines)	2,175	-	-	2,175
Indiana Law Enforcement	(1)	-	-	(1)
D.A.R.E.	100	-	-	100
Local Emergency Planning	38,548	6,928	17,659	27,817
Victim's Assistance	3,652	161	-	3,813
Federal Forfeitures	28	-	-	28
Drug Free Communities	33,939	69,487	57,314	46,112
Hazardous Substances	22,750	-	-	22,750
Sales Disclosure (County)	15,943	3,225	-	19,168
Tobacco Master Settlement	34,303	19,203	24,160	29,346
Community Emergency Response Grant	11	-	-	11
Family Violence	-	19,700	19,880	(180)

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

POSEY COUNTY  
SCHEDULE 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):				
Wastewater Study-Wadesville/Blairsville	(20,000)	-	-	(20,000)
Children's PRTS	173,301	-	29,758	143,543
Race & Gender Fairness Grant	2,456	-	134	2,322
Electronic Voting Machines	4,372	-	-	4,372
Jail Maintenance	78,534	95,944	139,583	34,895
EMA Technology Equipment Grant	1	-	-	1
EMS Computer Technology Grant	6	-	-	6
Lease Rental Jail	1,728	-	-	1,728
General Drain Improvement	7,595	-	-	7,595
2005 SHP (Homeland Security)	7,509	17,901	25,411	(1)
Child Advocacy	86	114	-	200
Courthouse Security Sub-Grant	(45,600)	56,850	11,250	-
Identification Security Protection	943	11,202	9,550	2,595
Plat Book	4,090	5,755	-	9,845
2005 LETPP (Homeland Security)	-	9,455	9,455	-
County Option Income Tax	-	1,104,980	1,012,898	92,082
Drug Control Program	-	-	30	(30)
GIS Mapping	-	500	-	500
Probation Technology Expansion Grant	-	3,568	3,568	-
Special Needs Survey	-	2,500	-	2,500
Fiduciary Funds:				
Pension Trust:				
Sheriff's Pension Trust	1,518,264	2,053,926	1,916,624	1,655,566
Permanent Fund:				
Congressional Principal	44,555	-	-	44,555
Agency Funds:				
Tax Sale Redemption	248	-	-	248
Surplus Tax Sale	14,563	-	1,895	12,668
State Fees	10,416	66,577	32,915	44,078
Inheritance Tax	195,583	776,159	876,763	94,979
Surplus Tax	40,180	1,398	22,465	19,113
Congressional Interest	30,631	1,640	-	32,271
County Sheriff	9,666	452,572	454,362	7,876
Tax Distribution Funds	199,397	941,519	3,262,202	(2,121,286)
Payroll Withholding Funds	1,542	10,040	4,065	7,517
Payroll Clearing	192,269	3,717,900	3,599,375	310,794
Clerk of the Circuit Court	195,219	3,141,475	3,019,460	317,234
Welfare Trust	3,713	2,363	2,194	3,882
County Recorder	10,425	148,688	159,013	100
County Treasurer	489,505	38,042,623	27,260,492	11,271,636
Coroner's Training Continuing Ed.	47	1,220	413	854
Education Plate Fees	-	2,662	-	2,662
Retainage - Reassessment	2,272	-	-	2,272
Building Commission	1,328	93,271	93,229	1,370
Emergency Medical Services	35,281	490,004	488,716	36,569
Board of Health	936	15,237	14,199	1,974
Area Plan Commission	404	4,705	4,968	141
CVET	-	149,786	-	149,786
Homestead Credit Refunds	-	1,249,023	-	1,249,023
Totals	<u>\$ 11,034,161</u>	<u>\$ 65,776,934</u>	<u>\$ 57,376,248</u>	<u>\$ 19,434,847</u>

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

POSEY 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, health and social services, 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 to be distributed to the County in June and December. State statute (IC 6-1.1-17-16(h)) 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 normally become delinquent if not paid by May 10 and November 10, respectively.

The County has had numerous delays in property tax collection and distribution. Property taxes for the year 2006 did not become due until November 30, 2007, and July 11, 2008, and were not distributed until August 27, 2008. Property taxes for the year 2007 will not be collected until early 2009 with distribution to follow at some time in 2009. These delays are creating financial hardship for the County and may cause certain financial obligations of the County to become delinquent.

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.

POSEY COUNTY  
NOTES TO FINANCIAL INFORMATION  
(Continued)

Note 6. Pension Plans

A. 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.

B. 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.

POSEY COUNTY  
NOTES TO FINANCIAL INFORMATION  
(Continued)

C. 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.

POSEY 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:		
Capital leases:		
Highway equipment	\$ 35,746	\$ 12,500
Ambulance	19,834	7,431
E-911 equipment	552,987	72,575
Notes payable:		
Voting Machines	268,369	96,279
Bonds payable:		
Revenue bonds:		
Courthouse renovations	<u>1,790,000</u>	<u>191,956</u>
Total governmental activities debt	<u>\$ 2,666,936</u>	<u>\$ 380,741</u>

POSEY COUNTY  
OTHER REPORTS

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

County Auditor  
County Coroner  
County Treasurer  
Clerk of the Circuit Court  
County Sheriff

POSEY COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on December 18, 2008, with Joleen R. Elpers, Auditor; James Alsop, President of the Board of County Commissioners; and Robert Gentil, President of the County Council. Our examination disclosed no material items that warrant comment at this time.