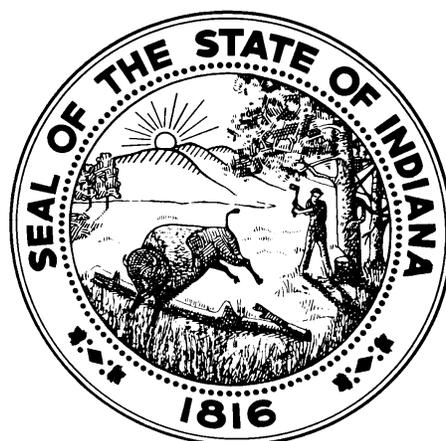


**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

ANNUAL FINANCIAL REPORT

2008

NEWTON COUNTY, INDIANA



**FILED**

09/22/2009



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Independent Auditor's Report on Financial Statements and Supplementary Schedule of Expenditures of Federal Awards .....	3-4
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards .....	5-6
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Activities and Net Assets – Cash and Investment Basis .....	7
Fund Financial Statements:	
Governmental Funds:	
Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Governmental Funds .....	8
Fiduciary Funds:	
Statement of Additions, Deductions, and Changes in Cash and Investment Balances – Fiduciary Funds .....	9
Notes to Financial Statements .....	10-21
Required Supplementary Information:	
Schedules of Funding Progress .....	22
Supplementary Information:	
Combining Schedule of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Other Governmental Funds.....	23-34
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Agency Funds.....	35-41
Schedule of Capital Assets.....	42
Schedule of Long-Term Debt .....	43
Other Reports.....	44
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133.....	46-47
Schedule of Expenditures of Federal Awards .....	48
Note to Schedule of Expenditures of Federal Awards.....	49
Schedule of Findings and Questioned Costs .....	50
Auditee Prepared Schedule:	
Summary Schedule of Prior Audit Findings .....	51
Exit Conference.....	52

### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Patricia L. Carlson	01-01-07 to 12-31-10
Treasurer	Rosalie Mathis	01-05-05 to 12-31-12
Clerk	Janice Wilson Kimberly Anderson	01-01-05 to 12-31-08 01-01-09 to 12-31-12
Sheriff	Donald Hartman, Sr.	01-01-07 to 12-31-10
Recorder	John Hall	01-01-07 to 12-31-10
President of the Board of County Commissioners	Roxanna Hanford	01-01-08 to 12-31-09
President of the County Council	Scott Madison Sharon Miller	01-01-08 to 12-31-08 01-01-09 to 12-31-09



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

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF NEWTON COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Newton County (County), as of and for the year ended December 31, 2008, which collectively comprise the County's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note I, the County prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 2008, and the respective cash receipts and cash disbursements during the year then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated July 16, 2009, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
(Continued)

Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Schedules of Funding Progress, as listed in the Table of Contents, are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The County has not presented Management's Discussion and Analysis or Budgetary Comparison Schedules that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Combining Schedule, as listed in the Table of Contents, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedule, as listed in the Table of Contents, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Capital Assets and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

July 16, 2009



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF NEWTON COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Newton County (County), as of and for the year ended December 31, 2008, which collectively comprise the County's basic financial statements and have issued our report thereon dated July 16, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies or material weaknesses, as defined above.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS  
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the County's management, County Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

July 16, 2009

NEWTON COUNTY  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For The Year Ended December 31, 2008

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>	<u>Charges for Services</u>	<u>Net (Disbursement) Receipt and Changes in Net Assets</u> <u>Primary Governmental Activities</u>
Primary government:				
Governmental activities:				
General government	\$ 4,782,350	\$ 1,293,772	\$	(3,488,578)
Public safety	4,221,619	356,965		(3,864,654)
Highways and streets	2,850,690		-	(2,850,690)
Health and welfare	9,027,351	9,547,669		520,318
Capital outlay	653,744		-	(653,744)
Total primary government	<u>\$ 21,535,754</u>	<u>\$ 11,198,406</u>		<u>(10,337,348)</u>
General receipts:				
Property taxes				5,521,384
Other local sources				1,691,958
Grants and contributions not restricted to specific programs				4,851,636
Unrestricted investment earnings				<u>184,392</u>
Total general receipts				<u>12,249,370</u>
Change in net assets				1,912,022
Net assets - beginning				<u>16,588,151</u>
Net assets - ending				<u>\$ 18,500,173</u>
<u>Assets</u>				
Cash and investments				\$ 1,645,163
Restricted assets:				
Cash and investments				<u>16,855,010</u>
Total assets				<u>\$ 18,500,173</u>
<u>Net Assets</u>				
Restricted for:				
Public safety				\$ 1,245,321
Highways and streets				816,556
Health and welfare				1,833,579
Culture and recreation				28,700
Capital outlay				356,068
Other purposes				12,574,786
Unrestricted				<u>1,645,163</u>
Total net assets				<u>\$ 18,500,173</u>

The notes to the financial statements are an integral part of this statement.

NEWTON COUNTY  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
GOVERNMENTAL FUNDS  
For The Year Ended December 31, 2008

	General	Landfill	Motor Vehicle Highway	Family and Children	Landfill Closure	Other Governmental Funds	Totals
Receipts:							
Taxes	\$ 4,962,625	\$ -	\$ -	\$ 763,042	\$ -	\$ 1,487,675	\$ 7,213,342
Licenses and permits	-	-	7,500	-	-	16,766	24,266
Intergovernmental	493,546	-	1,705,520	136,091	-	1,366,123	3,701,280
Charges for services	141,557	9,547,669	-	360,620	-	724,246	10,774,092
Fines and forfeits	123,340	-	-	-	-	276,708	400,048
Other	616,636	212,136	273,965	-	115,948	116,063	1,334,748
<b>Total receipts</b>	<b>6,337,704</b>	<b>9,759,805</b>	<b>1,986,985</b>	<b>1,259,753</b>	<b>115,948</b>	<b>3,987,581</b>	<b>23,447,776</b>
Disbursements:							
General government	4,062,682	-	-	-	-	719,668	4,782,350
Public safety	2,529,016	-	-	-	-	1,692,603	4,221,619
Highways and streets	-	-	2,677,107	-	-	173,583	2,850,690
Health and welfare	-	7,615,945	-	998,043	-	413,363	9,027,351
Capital outlay:							
Highways and streets	-	-	-	-	-	653,744	653,744
<b>Total disbursements</b>	<b>6,591,698</b>	<b>7,615,945</b>	<b>2,677,107</b>	<b>998,043</b>	<b>-</b>	<b>3,652,961</b>	<b>21,535,754</b>
Excess (deficiency) of receipts over disbursements	(253,994)	2,143,860	(690,122)	261,710	115,948	334,620	1,912,022
Other financing sources (uses):							
Transfers in	-	-	-	-	250,000	195,866	445,866
Transfers out	-	(250,000)	-	-	-	(195,866)	(445,866)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(250,000)</b>	<b>-</b>	<b>-</b>	<b>250,000</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(253,994)	1,893,860	(690,122)	261,710	365,948	334,620	1,912,022
Cash and investment fund balance - beginning	1,899,157	5,130,185	1,240,679	336,794	2,680,398	5,300,938	16,588,151
Cash and investment fund balance - ending	\$ 1,645,163	\$ 7,024,045	\$ 550,557	\$ 598,504	\$ 3,046,346	\$ 5,635,558	\$ 18,500,173
<b>Cash and Investment Assets - December 31</b>							
Cash and investments	\$ 1,645,163	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,645,163
Restricted assets:							
Cash and investments	-	7,024,045	550,557	598,504	3,046,346	5,635,558	16,855,010
<b>Total cash and investment assets - December 31</b>	<b>\$ 1,645,163</b>	<b>\$ 7,024,045</b>	<b>\$ 550,557</b>	<b>\$ 598,504</b>	<b>\$ 3,046,346</b>	<b>\$ 5,635,558</b>	<b>\$ 18,500,173</b>
<b>Cash and Investment Fund Balance - December 31</b>							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,245,321	\$ 1,245,321
Highways and streets	-	-	550,557	-	-	265,999	816,556
Health and welfare	-	-	-	598,504	-	1,235,075	1,833,579
Culture and recreation	-	-	-	-	-	28,700	28,700
Capital outlay	-	-	-	-	-	356,068	356,068
Other purposes	-	7,024,045	-	-	3,046,346	2,504,395	12,574,786
Unrestricted	1,645,163	-	-	-	-	-	1,645,163
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 1,645,163</b>	<b>\$ 7,024,045</b>	<b>\$ 550,557</b>	<b>\$ 598,504</b>	<b>\$ 3,046,346</b>	<b>\$ 5,635,558</b>	<b>\$ 18,500,173</b>

The notes to the financial statements are an integral part of this statement.

NEWTON COUNTY  
 STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 FIDUCIARY FUNDS  
 For The Year Ended December 31, 2008

	Pension Trust Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Employer	\$ 131,207	\$ -	
Plan members	16,983	-	
Other	1,340	-	
Total contributions	149,530	-	
Investment earnings:			
Interest	5,214	-	
Less investment disbursements	(4,835)	-	
Net investment earnings	379	-	
Total additions	149,909	-	
Deductions:			
Benefits	116,110	-	
Refunds of contributions	7,537	-	
Administrative and general	26,111	-	
Total deductions	149,758	-	
Excess of total additions over total deductions	151	-	
Cash and investment fund balance - beginning	985,752	359,835	
Cash and investment fund balance - ending	\$ 985,903	\$ 359,835	\$ 1,124,803

The notes to the financial statements are an integral part of this statement.

NEWTON COUNTY  
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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 (police), highways and streets, health welfare and social services, culture and recreation, public improvements, planning and zoning, and general administrative services.

The County's financial reporting entity is composed of the following:

Primary Government: Newton County

In determining the financial reporting entity, the County complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. However, at this time, the County has not established any enterprise funds.

The County reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The landfill fund accounts for financial resources received from landfill revenues and expenditures are determined at the local level for any general government expenses deemed necessary by the governing board.

The motor vehicle highway fund accounts for all financial resources and expenditures for maintaining the County highway system.

The family and children fund accounts for all financial resources and expenditures for maintaining the County welfare system.

NEWTON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

The landfill closure fund accounts for a portion of monies received from the landfill fund and retained as a savings for future landfill closure.

Additionally, the County reports the following fund types:

The pension trust funds account for the activities of the sheriff's retirement and sheriff's benefit fund, which accumulate resources for pension benefit payments.

The private-purpose trust fund reports a trust arrangement under which principal and income benefit the school districts in the County.

Agency funds account for assets held by the County as an agent for federal, state and local agencies and serve as control of accounts for certain cash transactions during the time they are a liability to the County.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The cash and investment basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash rather than when earned and disbursements are recognized when paid rather than when a liability is incurred. Investment transactions are not presented on the financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to people outside the government (enterprise funds) or other departments or agencies primarily within the government (internal service funds). The County does not have any enterprise funds or internal service funds.

D. Assets and Cash and Investment Balances

1. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as interest receipts in the year of the sale of the investment.

NEWTON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

2. Property Taxes

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

3. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental or proprietary fund operations are accounted for as capital outlay disbursements of the fund upon acquisition.

4. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental and proprietary funds is not reported as liabilities in the basic financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as disbursements.

5. Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

It is the County's policy to first use restricted net assets prior to the use of unrestricted net assets when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance.

E. Receipts and Disbursements

Program Receipts

Amounts reported as program receipts include charges to customers or applicants for goods, services, or privileges provided including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

NEWTON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Activities and Net Assets – Cash and Investment Basis, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are not reported as reimbursements but as adjustments to disbursements in the respective funds.
3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

II. Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at calendar year end.

Prior to the first required publication, the fiscal officer of the County submits to the governing board a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. In September of each year, the governing board, through the passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the County receives approval of the Indiana Department of Local Government Finance.

NEWTON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

The County's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

2. Investments

As of December 31, 2008, the County and the Sheriff's Retirement and Benefit Plan had the following investments:

Investment Type	Sheriff's Retirement and Benefit Pension Plans
U.S. treasuries and securities	\$ 474,703
Corporate bonds	426,585
Mutual funds	46,842
Managed futures	156,961
Total	\$ 1,105,091

Statutory Authorization for Investments

Indiana Code 5-13-9 authorizes the County to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the County to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50% of the funds held by the County and available for investment. The portfolio of an investment

NEWTON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

Additionally, the County may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the County's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

The Sheriff's Pension Plan is not subject to the same investment laws as the County. The Sheriff's Merit Board has not adopted an investment policy for interest rate and credit risk.

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The County does not have a formal investment policy for custodial credit risk for investments.

The Sheriff's Merit Board has not adopted an investment policy for custodial credit risk for investments.

The following investments held by the County and the Sheriff's Retirement and Benefit Pension Plans were exposed to custodial credit risks because they are uninsured and unregistered with securities held by the counterparty, or the counterparty's trust department or agent, either in the government's name or not in the government's name:

Sheriff's Retirement and Benefit Pension Plans:

Investment Type	2008 In the Government's Name
U.S. treasuries	\$ 474,703
Corporate bonds	426,585
Mutual funds	46,842
Managed futures	156,961
Total	\$ 1,105,091

NEWTON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County must follow state statute and limit the stated final maturities of the investments to no more than two years. The County does not have a formal investment policy for interest rate risk for investments.

The Sheriff's Merit Board has not adopted a formal investment policy for interest rate risk.

Sheriff's Retirement and Benefit Pension Plans:

Investment Type	Investment Maturities (in Years)		
	Less Than 1	1-2	More Than 2
U.S. treasuries and securities	\$ 101,106	\$ 71,684	\$ 301,913
Mutual bond funds*	46,842	-	-
Managed futures	156,961	-	-
Corporate bonds	426,585	-	-
Totals	<u>\$ 731,494</u>	<u>\$ 71,684</u>	<u>\$ 301,913</u>

\*The mutual bond funds had a weighted average maturity of less than year.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The distribution of securities with credit ratings is summarized below. The County does not have a formal investment policy for credit risk for investments.

The Sheriff's Merit Board has not adopted a policy for credit risk.

Primary Government:

Sheriff's Retirement and Benefit Pension Plans:

Standard and Poor's Rating	Moody's Rating	Newton County's Investments		
		Mutual Funds	Corporate Bonds	Managed Futures
AAA	Aaa	\$ -	\$ 33,814	\$ -
AA	Aa	-	21,479	-
A	A	46,842	106,537	-
BBB	Baa	-	2,819	-
Unrated		-	261,936	156,961
Totals		<u>\$ 46,842</u>	<u>\$ 426,585</u>	<u>\$ 156,961</u>

NEWTON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County does not have a policy in regards to concentration of credit risk. United States of America government and United States of America governmental agency securities are exempt from this policy requirement.

The Sheriff's Merit Board has not adopted a policy for the concentration of credit risk.

The County and the Sheriff's Retirement and Benefit Pension Plan held the following investments that were exposed to concentration of credit risk:

Sheriff's Retirement and Benefit Pension Plans:

Issuer	2008
Federal National Mortgage Association	\$ 12,209
Federal Home Loan Mortgage Corporation	88,222
Federal Home Loan Bank	35,941
Total	\$ 136,372

B. Interfund Transfers

Interfund transfers for the year ended December 31, 2008, were as follows:

Transfer From	Transfer To	2008
Landfill	Landfill Closure	\$ 250,000
Other governmental funds	Other governmental funds	195,866
Total		\$ 445,866

The County typically uses transfers for cash flow purposes as provided by various statutory provisions.

IV. Other Information

A. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters.

NEWTON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

B. Subsequent Events

The County has entered into an agreement in 2009 to construct a new highway garage building. This building will be financed from the Landfill Fund. The bid was awarded to Hamstra, Inc., for \$738,086.

C. Administration of Welfare Programs

The County is required to provide certain funding for administrative costs of welfare programs, the Hospital Care for the Indigent Program, Medical Assistance to Wards, and Children with Special Health Care Needs through local property tax levies. The County remits those taxes to the State, which pays the cost.

D. 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 the 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 member's 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. The 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

NEWTON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The County's annual pension cost and related information, as provided by the actuary, is presented in this note.

2. 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. The County's annual pension cost and related information, as provided by the actuary, is presented in this note.

3. 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. The County's annual pension cost and related information, as provided by the actuary, is presented in this note.

NEWTON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Actuarial Information for the Above Plans

	PERF	County Police Retirement Plan	County Police Benefit Plan
Annual required contribution	\$ 236,206	\$ 92,116	\$ 24,214
Interest on net pension obligation	7,819	(6,330)	-
Adjustment to annual required contribution	(8,911)	7,940	-
Annual pension cost	235,114	93,726	24,214
Contributions made	223,674	119,521	24,214
Increase (decrease) in net pension obligation	11,440	(25,795)	-
Net pension obligation, beginning of year	107,854	(84,405)	-
Net pension obligation, end of year	\$ 119,294	\$ (110,200)	\$ -

	PERF	County Police Retirement Plan	County Police Benefit Plan
Contribution rates:			
County	5.75%	7.5%	4%
Plan members	3%	6%	6%
Actuarial valuation date	07-01-08	01-01-09	01-01-09
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed
Amortization period	30 years	30 years	30 years
Amortization period (from date)	07-01-97	12-31-97	12-31-97
Asset valuation method	4 year smoothed market	4 year smoothed market	4 year smoothed market

Actuarial Assumptions	PERF	County Police Retirement Plan	County Police Benefit Plan
Investment rate of return	7.25%	7%	7%
Projected future salary increases:			
Total	5%	5%	5%
Attributed to inflation	4%	4%	4%
Attributed to merit/seniority	1%	1%	1%
Cost-of-living adjustments	2%	2%	0%

NEWTON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Three Year Trend Information

	<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
PERF	06-30-06	\$ 182,564	98%	\$ 50,519
	06-30-07	248,344	77%	107,854
	06-30-08	235,114	95%	119,294
County Police Retirement Plan	12-31-06	100,637	113%	(71,687)
	12-31-07	92,791	115%	(84,405)
	12-31-08	93,726	130%	(110,200)
County Police Benefit Plan	12-31-06	23,445	100%	-
	12-31-07	25,698	100%	-
	12-31-08	24,214	100%	-

NEWTON COUNTY  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-06	\$ 3,146,375	\$ 3,365,634	\$ (219,259)	93%	\$ 3,915,205	(6%)
07-01-07	3,388,965	3,403,642	(14,677)	100%	3,850,810	(0%)
07-01-08	3,727,065	3,930,460	(203,395)	95%	4,257,552	(5%)

Sheriff's Retirement Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-04	\$ 1,151,129	\$ 1,428,182	\$ (277,053)	81%	\$ 498,050	(56%)
01-01-05	1,274,490	1,538,226	(263,736)	83%	463,892	(57%)
01-01-06	1,370,988	1,620,388	(249,400)	85%	558,477	(45%)
01-01-07	1,493,354	1,727,367	(234,013)	86%	557,690	(42%)
01-01-08	1,611,138	1,848,917	(237,779)	87%	597,341	(40%)
01-01-09	1,507,117	1,988,079	(480,962)	76%	622,937	(77%)

Sheriff's Benefit Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-04	\$ 46,699	\$ 46,699	\$ -	100%	\$ 498,050	0%
01-01-05	55,074	55,074	-	100%	463,892	0%
01-01-06	64,890	64,890	-	100%	558,477	0%
01-01-07	78,595	78,595	-	100%	557,690	0%
01-01-08	95,918	95,918	-	100%	597,341	0%
01-01-09	96,547	96,547	-	100%	622,937	0%

NEWTON COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2008

	Surveyor's Corner Perpetuation	Sheriff Commissary	Property Reassessment	Clerk's Records Perpetuation	Recorder's Perpetuation	Identification Security Protection
Receipts:						
Taxes	\$ -	\$ -	\$ 92,824	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	8,522	-	-	-
Charges for services	3,770	44,677	-	-	13,947	5,826
Fines and forfeits	-	-	-	5,416	-	-
Other	-	-	10,413	-	-	-
	<u>3,770</u>	<u>44,677</u>	<u>111,759</u>	<u>5,416</u>	<u>13,947</u>	<u>5,826</u>
Total receipts						
Disbursements:						
General government	699	-	125,482	25,068	12,780	-
Public safety	-	41,188	-	-	-	5,549
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Capital outlay:						
Highways and streets	-	-	-	-	-	-
	<u>699</u>	<u>41,188</u>	<u>125,482</u>	<u>25,068</u>	<u>12,780</u>	<u>5,549</u>
Total disbursements						
Excess (deficiency) of receipts over disbursements	<u>3,071</u>	<u>3,489</u>	<u>(13,723)</u>	<u>(19,652)</u>	<u>1,167</u>	<u>277</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)						
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>3,071</u>	<u>3,489</u>	<u>(13,723)</u>	<u>(19,652)</u>	<u>1,167</u>	<u>277</u>
Cash and investment fund balance - beginning	<u>28,794</u>	<u>11,373</u>	<u>466,785</u>	<u>24,681</u>	<u>73,687</u>	<u>13,359</u>
Cash and investment fund balance - ending	<u>\$ 31,865</u>	<u>\$ 14,862</u>	<u>\$ 453,062</u>	<u>\$ 5,029</u>	<u>\$ 74,854</u>	<u>\$ 13,636</u>
<u>Cash and Investment Assets - December 31</u>						
Restricted assets:						
Cash and investments	<u>\$ 31,865</u>	<u>\$ 14,862</u>	<u>\$ 453,062</u>	<u>\$ 5,029</u>	<u>\$ 74,854</u>	<u>\$ 13,636</u>
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
Public safety	\$ -	\$ 14,862	\$ -	\$ -	\$ -	\$ 13,636
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other purposes	<u>31,865</u>	<u>-</u>	<u>453,062</u>	<u>5,029</u>	<u>74,854</u>	<u>-</u>
Total cash and investment fund balance - December 31	<u>\$ 31,865</u>	<u>\$ 14,862</u>	<u>\$ 453,062</u>	<u>\$ 5,029</u>	<u>\$ 74,854</u>	<u>\$ 13,636</u>

NEWTON COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	Sales Disclosure	Coroner's Education	Cannabis Marijuana Eradication	K-9 Donations	Economic Development	Sheriff's Donations
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	924	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	1,903	-	13,393	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	-	31,000	-
<b>Total receipts</b>	<b>1,903</b>	<b>924</b>	<b>13,393</b>	<b>-</b>	<b>31,000</b>	<b>-</b>
Disbursements:						
General government	-	924	-	-	750	-
Public safety	-	-	12,957	242	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Capital outlay:						
Highways and streets	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>924</b>	<b>12,957</b>	<b>242</b>	<b>750</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	1,903	-	436	(242)	30,250	-
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,903	-	436	(242)	30,250	-
Cash and investment fund balance - beginning	11,480	-	6,537	393	7,964	32
Cash and investment fund balance - ending	<u>\$ 13,383</u>	<u>\$ -</u>	<u>\$ 6,973</u>	<u>\$ 151</u>	<u>\$ 38,214</u>	<u>\$ 32</u>
<b><u>Cash and Investment Assets - December 31</u></b>						
Restricted assets:						
Cash and investments	<u>\$ 13,383</u>	<u>\$ -</u>	<u>\$ 6,973</u>	<u>\$ 151</u>	<u>\$ 38,214</u>	<u>\$ 32</u>
<b><u>Cash and Investment Fund Balance - December 31</u></b>						
Restricted for:						
Public safety	\$ -	\$ -	\$ 6,973	\$ 151	\$ -	\$ 32
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other purposes	13,383	-	-	-	38,214	-
<b>Total cash and investment fund balance - December 31</b>	<b><u>\$ 13,383</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 6,973</u></b>	<b><u>\$ 151</u></b>	<b><u>\$ 38,214</u></b>	<b><u>\$ 32</u></b>

NEWTON COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	Adult Probation Services	Adult Probation Administration	Juvenile Probation Administration	Misdemeanant	Cable Board	Local Road and Street
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	9,816	-	165,735
Charges for services	69,988	12,419	2,583	-	13,051	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	-	-	21,257
<b>Total receipts</b>	<b>69,988</b>	<b>12,419</b>	<b>2,583</b>	<b>9,816</b>	<b>13,051</b>	<b>186,992</b>
Disbursements:						
General government	-	-	-	-	-	-
Public safety	7,132	17,085	3,402	9,625	-	-
Highways and streets	-	-	-	-	-	173,583
Health and welfare	-	-	-	-	-	-
Capital outlay:						
Highways and streets	-	-	-	-	-	-
<b>Total disbursements</b>	<b>7,132</b>	<b>17,085</b>	<b>3,402</b>	<b>9,625</b>	<b>-</b>	<b>173,583</b>
Excess (deficiency) of receipts over disbursements	62,856	(4,666)	(819)	191	13,051	13,409
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	62,856	(4,666)	(819)	191	13,051	13,409
Cash and investment fund balance - beginning	100,404	19,150	12,632	21,254	2,744	240,590
Cash and investment fund balance - ending	<u>\$ 163,260</u>	<u>\$ 14,484</u>	<u>\$ 11,813</u>	<u>\$ 21,445</u>	<u>\$ 15,795</u>	<u>\$ 253,999</u>
<u>Cash and Investment Assets - December 31</u>						
Restricted assets:						
Cash and investments	<u>\$ 163,260</u>	<u>\$ 14,484</u>	<u>\$ 11,813</u>	<u>\$ 21,445</u>	<u>\$ 15,795</u>	<u>\$ 253,999</u>
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
Public safety	\$ 163,260	\$ 14,484	\$ 11,813	\$ 21,445	\$ -	\$ -
Highways and streets	-	-	-	-	-	253,999
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other purposes	-	-	-	-	15,795	-
<b>Total cash and investment fund balance - December 31</b>	<b><u>\$ 163,260</u></b>	<b><u>\$ 14,484</u></b>	<b><u>\$ 11,813</u></b>	<b><u>\$ 21,445</u></b>	<b><u>\$ 15,795</u></b>	<b><u>\$ 253,999</u></b>

NEWTON COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	Health	Health Maintenance	Tobacco Settlement	Prosecutor Title IV-D	Clerk Title IV-D	Children's Psychiatric Residential Treatment
Receipts:						
Taxes	\$ 114,802	\$ -	\$ -	\$ -	\$ -	\$ 18,093
Licenses and permits	15,842	-	-	-	-	-
Intergovernmental	10,545	24,895	14,932	5,151	3,424	1,661
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	1,318	-	-	-	-	-
<b>Total receipts</b>	<b>142,507</b>	<b>24,895</b>	<b>14,932</b>	<b>5,151</b>	<b>3,424</b>	<b>19,754</b>
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	179,060	31,323	14,590	-	312	57,514
Capital outlay:						
Highways and streets	-	-	-	-	-	-
<b>Total disbursements</b>	<b>179,060</b>	<b>31,323</b>	<b>14,590</b>	<b>-</b>	<b>312</b>	<b>57,514</b>
Excess (deficiency) of receipts over disbursements	(36,553)	(6,428)	342	5,151	3,112	(37,760)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(36,553)	(6,428)	342	5,151	3,112	(37,760)
Cash and investment fund balance - beginning	96,737	38,446	30,320	8,849	3,118	70,014
Cash and investment fund balance - ending	<u>\$ 60,184</u>	<u>\$ 32,018</u>	<u>\$ 30,662</u>	<u>\$ 14,000</u>	<u>\$ 6,230</u>	<u>\$ 32,254</u>
<b><u>Cash and Investment Assets - December 31</u></b>						
Restricted assets:						
Cash and investments	<u>\$ 60,184</u>	<u>\$ 32,018</u>	<u>\$ 30,662</u>	<u>\$ 14,000</u>	<u>\$ 6,230</u>	<u>\$ 32,254</u>
<b><u>Cash and Investment Fund Balance - December 31</u></b>						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ 14,000	\$ 6,230	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	60,184	32,018	30,662	-	-	32,254
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<b><u>\$ 60,184</u></b>	<b><u>\$ 32,018</u></b>	<b><u>\$ 30,662</u></b>	<b><u>\$ 14,000</u></b>	<b><u>\$ 6,230</u></b>	<b><u>\$ 32,254</u></b>

NEWTON COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	Landfill Drainage	Drainage Maintenance	Emergency Medical Services	ATLAS	Ambulance Donation	Accident Report
Receipts:						
Taxes	\$ -	\$ 326,083	\$ 555,368	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	50,992	-	-	-
Charges for services	-	-	305,328	-	-	1,872
Fines and forfeits	-	-	-	3,861	-	-
Other	10,000	-	-	-	-	-
<b>Total receipts</b>	<b>10,000</b>	<b>326,083</b>	<b>911,688</b>	<b>3,861</b>	<b>-</b>	<b>1,872</b>
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	984,343	3,346	-	337
Highways and streets	-	-	-	-	-	-
Health and welfare	-	130,564	-	-	-	-
Capital outlay:						
Highways and streets	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>130,564</b>	<b>984,343</b>	<b>3,346</b>	<b>-</b>	<b>337</b>
Excess (deficiency) of receipts over disbursements	10,000	195,519	(72,655)	515	-	1,535
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	(195,866)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(195,866)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	10,000	(347)	(72,655)	515	-	1,535
Cash and investment fund balance - beginning	32,688	656,207	452,688	201	150	2,172
Cash and investment fund balance - ending	<u>\$ 42,688</u>	<u>\$ 655,860</u>	<u>\$ 380,033</u>	<u>\$ 716</u>	<u>\$ 150</u>	<u>\$ 3,707</u>
<b><u>Cash and Investment Assets - December 31</u></b>						
Restricted assets:						
Cash and investments	<u>\$ 42,688</u>	<u>\$ 655,860</u>	<u>\$ 380,033</u>	<u>\$ 716</u>	<u>\$ 150</u>	<u>\$ 3,707</u>
<b><u>Cash and Investment Fund Balance - December 31</u></b>						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ 150	\$ 3,707
Highways and streets	-	-	-	-	-	-
Health and welfare	42,688	655,860	380,033	716	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<b><u>\$ 42,688</u></b>	<b><u>\$ 655,860</u></b>	<b><u>\$ 380,033</u></b>	<b><u>\$ 716</u></b>	<b><u>\$ 150</u></b>	<b><u>\$ 3,707</u></b>

NEWTON COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	Firearms Training	Donations Civil Defense	Drug Free Community	Emergency Telephone System 911	Emergency Planning/ Right to Know	Enforcement
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	66,499	-	-
Charges for services	7,720	-	-	173,616	4,056	-
Fines and forfeits	-	-	15,661	-	-	37,556
Other	-	-	-	-	-	1,320
<b>Total receipts</b>	<b>7,720</b>	<b>-</b>	<b>15,661</b>	<b>240,115</b>	<b>4,056</b>	<b>38,876</b>
Disbursements:						
General government	-	-	-	-	-	-
Public safety	4,680	406	13,895	175,977	5,327	58,790
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Capital outlay:						
Highways and streets	-	-	-	-	-	-
<b>Total disbursements</b>	<b>4,680</b>	<b>406</b>	<b>13,895</b>	<b>175,977</b>	<b>5,327</b>	<b>58,790</b>
Excess (deficiency) of receipts over disbursements	<u>3,040</u>	<u>(406)</u>	<u>1,766</u>	<u>64,138</u>	<u>(1,271)</u>	<u>(19,914)</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>3,040</u>	<u>(406)</u>	<u>1,766</u>	<u>64,138</u>	<u>(1,271)</u>	<u>(19,914)</u>
Cash and investment fund balance - beginning	<u>6,920</u>	<u>1,761</u>	<u>23,556</u>	<u>293,101</u>	<u>31,274</u>	<u>40,031</u>
Cash and investment fund balance - ending	<u>\$ 9,960</u>	<u>\$ 1,355</u>	<u>\$ 25,322</u>	<u>\$ 357,239</u>	<u>\$ 30,003</u>	<u>\$ 20,117</u>
<b><u>Cash and Investment Assets - December 31</u></b>						
Restricted assets:						
Cash and investments	<u>\$ 9,960</u>	<u>\$ 1,355</u>	<u>\$ 25,322</u>	<u>\$ 357,239</u>	<u>\$ 30,003</u>	<u>\$ 20,117</u>
<b><u>Cash and Investment Fund Balance - December 31</u></b>						
Restricted for:						
Public safety	\$ 9,960	\$ 1,355	\$ 25,322	\$ 357,239	\$ 30,003	\$ 20,117
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 9,960</b>	<b>\$ 1,355</b>	<b>\$ 25,322</b>	<b>\$ 357,239</b>	<b>\$ 30,003</b>	<b>\$ 20,117</b>

NEWTON COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	User Fees	Community Corrections Home Detention	Child Protection	Park Board	County Owned Property	ATLAS - Treasurer
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	1,550	-	-	-
Charges for services	-	15,768	-	-	32,500	-
Fines and forfeits	206,253	-	680	550	-	2,588
Other	-	-	-	5,000	-	-
<b>Total receipts</b>	<b>206,253</b>	<b>15,768</b>	<b>2,230</b>	<b>5,550</b>	<b>32,500</b>	<b>2,588</b>
Disbursements:						
General government	-	-	-	-	28,902	2,327
Public safety	115,494	18,506	1,000	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Capital outlay:						
Highways and streets	-	-	-	-	-	-
<b>Total disbursements</b>	<b>115,494</b>	<b>18,506</b>	<b>1,000</b>	<b>-</b>	<b>28,902</b>	<b>2,327</b>
Excess (deficiency) of receipts over disbursements	<u>90,759</u>	<u>(2,738)</u>	<u>1,230</u>	<u>5,550</u>	<u>3,598</u>	<u>261</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>90,759</u>	<u>(2,738)</u>	<u>1,230</u>	<u>5,550</u>	<u>3,598</u>	<u>261</u>
Cash and investment fund balance - beginning	<u>342,759</u>	<u>38,171</u>	<u>8,485</u>	<u>23,150</u>	<u>14,751</u>	<u>365</u>
Cash and investment fund balance - ending	<u>\$ 433,518</u>	<u>\$ 35,433</u>	<u>\$ 9,715</u>	<u>\$ 28,700</u>	<u>\$ 18,349</u>	<u>\$ 626</u>
<b>Cash and Investment Assets - December 31</b>						
Restricted assets:						
Cash and investments	<u>\$ 433,518</u>	<u>\$ 35,433</u>	<u>\$ 9,715</u>	<u>\$ 28,700</u>	<u>\$ 18,349</u>	<u>\$ 626</u>
<b>Cash and Investment Fund Balance - December 31</b>						
Restricted for:						
Public safety	\$ 433,518	\$ 35,433	\$ 9,715	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	626
Culture and recreation	-	-	-	28,700	-	-
Capital outlay	-	-	-	-	-	-
Other purposes	-	-	-	-	18,349	-
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 433,518</b>	<b>\$ 35,433</b>	<b>\$ 9,715</b>	<b>\$ 28,700</b>	<b>\$ 18,349</b>	<b>\$ 626</b>

NEWTON COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	ATLAS - Animal Control	Animal Control Donation	Sumava Resorts Protection	Problem Gambling Criminal Justice State Grant	Community Emergency Response Federal Grant	Safe Kids State Grant
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	500
Charges for services	-	-	-	-	-	-
Fines and forfeits	99	-	-	-	-	-
Other	-	1,799	21,764	-	-	-
	<u>99</u>	<u>1,799</u>	<u>21,764</u>	<u>-</u>	<u>-</u>	<u>500</u>
Total receipts	99	1,799	21,764	-	-	500
Disbursements:						
General government	-	-	-	-	-	-
Public safety	153	775	-	-	-	532
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Capital outlay:						
Highways and streets	-	-	-	-	-	-
	<u>153</u>	<u>775</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>532</u>
Total disbursements	153	775	-	-	-	532
Excess (deficiency) of receipts over disbursements	<u>(54)</u>	<u>1,024</u>	<u>21,764</u>	<u>-</u>	<u>-</u>	<u>(32)</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(54)</u>	<u>1,024</u>	<u>21,764</u>	<u>-</u>	<u>-</u>	<u>(32)</u>
Cash and investment fund balance - beginning	<u>88</u>	<u>3,311</u>	<u>520,828</u>	<u>1,400</u>	<u>1,578</u>	<u>74</u>
Cash and investment fund balance - ending	<u>\$ 34</u>	<u>\$ 4,335</u>	<u>\$ 542,592</u>	<u>\$ 1,400</u>	<u>\$ 1,578</u>	<u>\$ 42</u>
<u>Cash and Investment Assets - December 31</u>						
Restricted assets:						
Cash and investments	<u>\$ 34</u>	<u>\$ 4,335</u>	<u>\$ 542,592</u>	<u>\$ 1,400</u>	<u>\$ 1,578</u>	<u>\$ 42</u>
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
Public safety	\$ -	\$ 4,335	\$ -	\$ -	\$ 1,578	\$ 42
Highways and streets	-	-	-	-	-	-
Health and welfare	34	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other purposes	-	-	542,592	1,400	-	-
	<u>-</u>	<u>-</u>	<u>542,592</u>	<u>1,400</u>	<u>-</u>	<u>-</u>
Total cash and investment fund balance - December 31	<u>\$ 34</u>	<u>\$ 4,335</u>	<u>\$ 542,592</u>	<u>\$ 1,400</u>	<u>\$ 1,578</u>	<u>\$ 42</u>

NEWTON COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	Riverboat Revenue Sharing	Best Pet Network Grant	ATLAS - County Planning	Bio-Terrorism Federal Grant	Rainy Day	Workforce One Center
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	91,373	-	-	-	434,423	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	44	-	-	-
Other	-	-	-	150	-	-
<b>Total receipts</b>	<b>91,373</b>	<b>-</b>	<b>44</b>	<b>150</b>	<b>434,423</b>	<b>-</b>
Disbursements:						
General government	32,959	-	44	-	121,301	43,280
Public safety	-	88	-	8,120	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Capital outlay: Highways and streets	-	-	-	-	-	-
<b>Total disbursements</b>	<b>32,959</b>	<b>88</b>	<b>44</b>	<b>8,120</b>	<b>121,301</b>	<b>43,280</b>
Excess (deficiency) of receipts over disbursements	58,414	(88)	-	(7,970)	313,122	(43,280)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	58,414	(88)	-	(7,970)	313,122	(43,280)
Cash and investment fund balance - beginning	117,318	95	-	17,449	320,293	392,466
Cash and investment fund balance - ending	\$ 175,732	\$ 7	\$ -	\$ 9,479	\$ 633,415	\$ 349,186
<b>Cash and Investment Assets - December 31</b>						
Restricted assets:						
Cash and investments	\$ 175,732	\$ 7	\$ -	\$ 9,479	\$ 633,415	\$ 349,186
<b>Cash and Investment Fund Balance - December 31</b>						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ 9,479	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other purposes	175,732	7	-	-	633,415	349,186
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 175,732</b>	<b>\$ 7</b>	<b>\$ -</b>	<b>\$ 9,479</b>	<b>\$ 633,415</b>	<b>\$ 349,186</b>

NEWTON COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	NCCS State Grant	NCCS Federal Grant	Electronic Map Generation	Road Deposit Beaver Creek Ph 1	Voting Machine	Federal State Block Grant
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	92,471	108,983	-	-	-	17,094
Charges for services	-	-	850	-	-	-
Fines and forfeits	-	-	-	4,000	-	-
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>92,471</b>	<b>108,983</b>	<b>850</b>	<b>4,000</b>	<b>-</b>	<b>17,094</b>
Disbursements:						
General government	128,707	175,879	-	-	-	20,566
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Capital outlay:						
Highways and streets	-	-	-	-	-	-
<b>Total disbursements</b>	<b>128,707</b>	<b>175,879</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,566</b>
Excess (deficiency) of receipts over disbursements	(36,236)	(66,896)	850	4,000	-	(3,472)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(36,236)	(66,896)	850	4,000	-	(3,472)
Cash and investment fund balance - beginning	36,236	66,896	2,850	8,000	50,888	3,472
Cash and investment fund balance - ending	\$ -	\$ -	\$ 3,700	\$ 12,000	\$ 50,888	\$ -
<b><u>Cash and Investment Assets - December 31</u></b>						
Restricted assets:						
Cash and investments	\$ -	\$ -	\$ 3,700	\$ 12,000	\$ 50,888	\$ -
<b><u>Cash and Investment Fund Balance - December 31</u></b>						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	12,000	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other purposes	-	-	3,700	-	50,888	-
<b>Total cash and investment fund balance - December 31</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,700</b>	<b>\$ 12,000</b>	<b>\$ 50,888</b>	<b>\$ -</b>

NEWTON COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	Firefighting Training Federal Grant	Federal Justice Grant	Federal Criminal Justice Grant	Federal Emergency Management Performance Grant	Jail Debt Service	Cumulative Bridge
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 240,483
Licenses and permits	-	-	-	-	-	-
Intergovernmental	183,387	2,195	1,000	29,323	-	28,797
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	-	-	6,424
<b>Total receipts</b>	<b>183,387</b>	<b>2,195</b>	<b>1,000</b>	<b>29,323</b>	<b>-</b>	<b>275,704</b>
Disbursements:						
General government	-	-	-	-	-	-
Public safety	171,484	2,241	581	29,323	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Capital outlay:						
Highways and streets	-	-	-	-	-	298,068
<b>Total disbursements</b>	<b>171,484</b>	<b>2,241</b>	<b>581</b>	<b>29,323</b>	<b>-</b>	<b>298,068</b>
Excess (deficiency) of receipts over disbursements	11,903	(46)	419	-	-	(22,364)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	11,903	(46)	419	-	-	(22,364)
Cash and investment fund balance - beginning	-	46	-	-	23,206	169,784
Cash and investment fund balance - ending	<u>\$ 11,903</u>	<u>\$ -</u>	<u>\$ 419</u>	<u>\$ -</u>	<u>\$ 23,206</u>	<u>\$ 147,420</u>
<u>Cash and Investment Assets - December 31</u>						
Restricted assets:						
Cash and investments	<u>\$ 11,903</u>	<u>\$ -</u>	<u>\$ 419</u>	<u>\$ -</u>	<u>\$ 23,206</u>	<u>\$ 147,420</u>
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
Public safety	\$ 11,903	\$ -	\$ 419	\$ -	\$ 23,206	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	147,420
Other purposes	-	-	-	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<u><b>\$ 11,903</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 419</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 23,206</b></u>	<u><b>\$ 147,420</b></u>

NEWTON COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	General Drain Improvement	Cumulative Capital Development	Government Development	Campaign Financing	Sex Violent Offender	Totals
Receipts:						
Taxes	\$ -	\$ 140,022	\$ -	\$ -	\$ -	\$ 1,487,675
Licenses and permits	-	-	-	-	-	16,766
Intergovernmental	-	12,855	-	-	-	1,366,123
Charges for services	-	-	-	-	979	724,246
Fines and forfeits	-	-	-	-	-	276,708
Other	-	2,938	2,680	-	-	116,063
<b>Total receipts</b>	<b>-</b>	<b>155,815</b>	<b>2,680</b>	<b>-</b>	<b>979</b>	<b>3,987,581</b>
Disbursements:						
General government	-	-	-	-	-	719,668
Public safety	-	-	-	-	25	1,692,603
Highways and streets	-	-	-	-	-	173,583
Health and welfare	-	-	-	-	-	413,363
Capital outlay:						
Highways and streets	223,524	114,527	17,625	-	-	653,744
<b>Total disbursements</b>	<b>223,524</b>	<b>114,527</b>	<b>17,625</b>	<b>-</b>	<b>25</b>	<b>3,652,961</b>
Excess (deficiency) of receipts over disbursements	(223,524)	41,288	(14,945)	-	954	334,620
Other financing sources (uses):						
Transfers in	195,866	-	-	-	-	195,866
Transfers out	-	-	-	-	-	(195,866)
<b>Total other financing sources (uses)</b>	<b>195,866</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(27,658)	41,288	(14,945)	-	954	334,620
Cash and investment fund balance - beginning	31,562	163,456	111,119	750	-	5,300,938
Cash and investment fund balance - ending	\$ 3,904	\$ 204,744	\$ 96,174	\$ 750	\$ 954	\$ 5,635,558
<b>Cash and Investment Assets - December 31</b>						
Restricted assets:						
Cash and investments	\$ 3,904	\$ 204,744	\$ 96,174	\$ 750	\$ 954	\$ 5,635,558
<b>Cash and Investment Fund Balance - December 31</b>						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ 954	\$ 1,245,321
Highways and streets	-	-	-	-	-	265,999
Health and welfare	-	-	-	-	-	1,235,075
Culture and recreation	-	-	-	-	-	28,700
Capital outlay	3,904	204,744	-	-	-	356,068
Other purposes	-	-	96,174	750	-	2,504,395
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 3,904</b>	<b>\$ 204,744</b>	<b>\$ 96,174</b>	<b>\$ 750</b>	<b>\$ 954</b>	<b>\$ 5,635,558</b>

NEWTON COUNTY  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2008

	Health Care for the Indigent	Welfare Administration	Medical Assistance to Wards	Children With Special Health Care Needs	Kentland Conservancy District	Morocco Conservancy District	Iroquois Conservancy District
Additions: Agency fund additions	\$ 146,214	\$ 15,993	\$ 351,083	\$ 17,001	\$ 45,424	\$ 69,025	\$ 38
Deductions: Agency fund deductions	146,214	15,993	351,083	17,001	45,424	69,025	38
Excess (deficiency) of total additions over total deductions	-	-	-	-	-	-	-
Cash and investment fund balance - beginning	-	-	-	-	-	-	-
Cash and investment fund balance - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

NEWTON COUNTY  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	Sheriff Inmate Trust	Mortgage Fees State Share	Surplus Tax	Tax Sale Redemption	Surplus Tax Sale	Payroll Clearing
Additions: Agency fund additions	\$ 49,207	\$ 1,838	\$ 48,470	\$ 32,303	\$ 3,412	\$ 2,441,414
Deductions: Agency fund deductions	48,594	1,838	18,381	34,070	68,414	2,425,698
Excess (deficiency) of total additions over total deductions	613	-	30,089	(1,767)	(65,002)	15,716
Cash and investment fund balance - beginning	821	-	9,676	1,767	70,818	111,641
Cash and investment fund balance - ending	<u>\$ 1,434</u>	<u>\$ -</u>	<u>\$ 39,765</u>	<u>\$ -</u>	<u>\$ 5,816</u>	<u>\$ 127,357</u>

NEWTON COUNTY  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	Sales Disclosure Fee	City and Town Court Costs	Interstate Compact	Infraction Judgements	Special Death Benefits	Education Plate Fee
Additions: Agency fund additions	\$ 1,903	\$ 8,077	\$ 375	\$ 71,804	\$ 1,325	\$ 713
Deductions: Agency fund deductions	1,948	-	375	80,721	1,540	713
Excess (deficiency) of total additions over total deductions	(45)	8,077	-	(8,917)	(215)	-
Cash and investment fund balance - beginning	155	30,578	-	8,917	215	-
Cash and investment fund balance - ending	<u>\$ 110</u>	<u>\$ 38,655</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NEWTON COUNTY  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	Welfare Trust	Congressional School Interest	Inheritance Tax	State Fair Board	State Forestry Tax	State Fines and Fees
Additions: Agency fund additions	\$ 7,808	\$ 15,211	\$ 383,211	\$ 6,801	\$ 13,601	\$ 483
Deductions: Agency fund deductions	38,497	14,393	395,839	6,801	13,601	505
Excess (deficiency) of total additions over total deductions	(30,689)	818	(12,628)	-	-	(22)
Cash and investment fund balance - beginning	33,635	152,685	46,973	-	-	78
Cash and investment fund balance - ending	<u>\$ 2,946</u>	<u>\$ 153,503</u>	<u>\$ 34,345</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56</u>

NEWTON COUNTY  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	Sale of County Owned Property	Local Tax Distribution	Financial Institution Tax	Commercial Vehicle Excise Tax	County Sheriff	Child Restraint Violations
Additions: Agency fund additions	\$ -	\$ 18,495,368	\$ 5,150	\$ 228,114	\$ 494,188	\$ 526
Deductions: Agency fund deductions	-	18,495,368	5,150	228,114	494,514	576
Excess (deficiency) of total additions over total deductions	-	-	-	-	(326)	(50)
Cash and investment fund balance - beginning	7,300	-	-	-	1,583	50
Cash and investment fund balance - ending	<u>\$ 7,300</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,257</u>	<u>\$ -</u>

NEWTON COUNTY  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	Homestead Credit Rebate	Sex Violent Offender	State Homestead Credit	Clerk of the Circuit Court	County Treasurer	County Health
Additions: Agency fund additions	\$ -	\$ 651	\$ 1,198,391	\$ 2,187,405	\$ 23,490,792	\$ 17,202
Deductions: Agency fund deductions	573,769	651	1,199,561	2,188,633	23,525,322	16,766
Excess (deficiency) of total additions over total deductions	(573,769)	-	(1,170)	(1,228)	(34,530)	436
Cash and investment fund balance - beginning	573,769	-	-	427,656	292,317	546
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,170)</u>	<u>\$ 426,428</u>	<u>\$ 257,787</u>	<u>\$ 982</u>

NEWTON COUNTY  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	Probation Department	Ambulance Service	Animal Control	County Recorder	County Plan Commission	Totals
Additions:						
Agency fund additions	\$ 79,438	\$ 311,645	\$ 6,957	\$ 35,370	\$ 44,166	\$ 50,328,097
Deductions:						
Agency fund deductions	85,365	288,228	6,957	35,370	44,166	50,985,216
Excess (deficiency) of total additions over total deductions	(5,927)	23,417	-	-	-	(657,119)
Cash and investment fund balance - beginning	10,742	-	-	-	-	1,781,922
Cash and investment fund balance - ending	<u>\$ 4,815</u>	<u>\$ 23,417</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,124,803</u>

NEWTON COUNTY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 For The Year Ended December 31, 2008

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	\$ 459,869
Infrastructure	53,557
Buildings	15,558,987
Improvements other than buildings	79,747
Machinery and equipment	<u>8,026,913</u>
 Total governmental activities, capital assets not being depreciated	 \$ <u>24,179,073</u>

NEWTON COUNTY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2008

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	\$ 535,000	\$ 535,000

NEWTON 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 Prosecutor  
Clerk of the Circuit Court

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF NEWTON COUNTY, INDIANA

Compliance

We have audited the compliance of Newton County (County) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal program for the year ended December 31, 2008. The County's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied in all material respects with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2008.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133  
(Continued)

A control deficiency in a County's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be significant deficiencies or material weaknesses, as defined above.

This report is intended solely for the information and use of the County's management, County Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

July 16, 2009

NEWTON COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Year Ended December 31, 2008

Federal Grantor Agency/Pass-Through Entity Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Pass-Through Indiana Office of Community and Rural Affairs Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii	14.228	PL-06-002	\$ 20,566
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation Formula Grants for Other Than Urbanized Areas	20.509	18026570	134,647
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Criminal Justice Institute Alcohol Impaired Driving Countermeasures Incentive Grants	20.601		2,822
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-Through Indiana Division of Family Resources Child Support Enforcement	93.563		11,999
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036		371,610
Emergency Management Performance Grants	97.042		29,323
State Homeland Security Program (SHSP)	97.073		48,256
Total for federal grantor agency			449,189
Total federal awards expended			\$ 619,223

The accompanying note is an integral part of the Schedule of Expenditures of Federal Awards.

NEWTON COUNTY  
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Newton County (County) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NEWTON COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disaster)

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

NEWTON COUNTY  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

NEWTON COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on July 16, 2009, with Roxanna Hanford, President of the Board of County Commissioners; Sharon Miller, President of the County Council; and Patricia L. Carlson, Auditor. Our audit disclosed no material items that warrant comment at this time.