

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

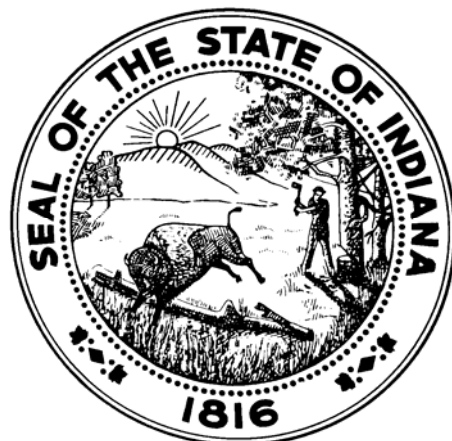
EXAMINATION REPORT

OF

NEWTON COUNTY

NEWTON COUNTY, INDIANA

January 1, 2006 to December 31, 2006



FILED

06/08/2007

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Patricia L. Carson	01-01-03 to 12-31-10
Treasurer	Rosalie Mathis	01-01-05 to 12-31-08
Clerk	Janice M. Wilson	01-01-05 to 12-31-08
Sheriff	Myron Sutton Donald E. Hartman, Sr.	01-01-03 to 12-31-06 01-01-07 to 12-31-10
Recorder	John Hall	01-01-03 to 12-31-10
President of the Board of County Commissioners	Russell Collins, Jr.	01-01-06 to 12-31-07
President of the Board of County Council	Richard Miller Scott Madison	01-01-06 to 12-31-06 01-01-07 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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INDEPENDENT ACCOUNTANT'S REPORT

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

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

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

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

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

STATE BOARD OF ACCOUNTS

April 23, 2007

NEWTON COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
As Of And For The Year Ended December 31, 2006

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 1,326,355	\$ 6,411,710	\$ 6,372,897	\$ 1,365,168
Surveyor's Cornerstone Perpetuation	20,774	5,105	367	25,512
Property Reassessment	525,490	117,846	180,168	463,168
Clerk's Record Perpetuation	13,907	5,014	-	18,921
Recorder's Record Perpetuation	52,896	18,519	4,416	66,999
Cannibus/Marijuana Eradication	5,114	11,043	9,646	6,511
K9 Donation	397	-	-	397
Economic Development Donation	17,260	30,900	46,553	1,607
Sheriff Donation	5,931	-	3,954	1,977
Adult Probation Services	8,837	67,241	65,492	10,586
Adult Probation/Administration	26,562	12,003	19,323	19,242
Juvenile Probation/Administration	5,244	3,269	-	8,513
Interstate Compact	225	450	675	-
Misdemeanant	24,855	9,766	16,878	17,743
Cable Board	2,548	11,203	10,000	3,751
Highway	939,854	2,325,196	2,003,682	1,261,368
Local Road and Street	170,889	204,175	182,367	192,697
Health	22,037	227,469	159,416	90,090
Health Maintenance	22,481	33,139	30,611	25,009
Tobacco Settlement	17,573	14,461	8,944	23,090
Family and Children	723,084	1,422,068	1,433,787	711,365
Prosecutor Title IV-D	8,214	5,694	2,308	11,600
Clerk Title IV-D	3,118	-	-	3,118
Children's Psychiatric	44,022	40,016	10,418	73,620
Landfill Drainage	16,255	10,000	3,567	22,688
Drainage Maintenance	595,512	299,511	318,144	576,879
Emergency Medical Services	314,651	911,397	945,700	280,348
Ambulance Donation	150	-	-	150
Accident Report	1,161	1,112	832	1,441
Firearms Training	2,535	5,010	5,370	2,175
Civil Defense Donation	4,269	-	-	4,269
Drug Free Community	16,156	14,260	19,133	11,283
User Fee	216,138	174,420	149,482	241,076
Emergency Telephone System	244,965	195,721	221,550	219,136
Emergency Planning/Right to Know	34,365	3,934	4,688	33,611
Enforcement	21,946	43,956	19,658	46,244
Community Corrections/Home Detention	38,433	13,970	15,610	36,793
Women, Infants, Children	4,766	-	-	4,766
Landfill	3,688,235	7,257,731	6,595,199	4,350,767
Gov Driving - Wm Hall	947	-	-	947
Child Protection	12,536	1,000	3,946	9,590
Park Board	11,962	5,450	-	17,412
Marijuana Drug Grant	66	-	-	66
George Ade Home-Restoration Grant	734	-	734	-
County Owned Property	12,521	24,000	21,986	14,535
Road Deposit-Flagg Ridge	7,500	-	-	7,500
Animal Control Donation	2,831	2,242	1,098	3,975
Sumava Resorts Protection	467,769	24,328	-	492,097
Sale of County Owned Property	7,300	-	-	7,300
Landfill Closure	1,928,164	358,140	-	2,286,304
Generation Center-Lily Grant	1,826	-	-	1,826
Problem Gambling	1,400	-	-	1,400
Identification Security Protection	-	7,295	-	7,295
Community Emergency Response	1,578	-	-	1,578
Safe Kids Grant	967	-	227	740
Riverboat	176,321	91,661	209,383	58,599
Very Best Pet Network	379	-	264	115
Homeland Security	127	64,260	64,387	-
Bio Terrorism	22,475	56,283	56,246	22,512

The accompanying notes are an integral part of the schedules.

NEWTON COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
As Of And For The Year Ended December 31, 2006
(Continued)

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds (continued):				
Rain Day	320,293	-	-	320,293
Workforce 1 Center	391,846	14,246	-	406,092
Jail Debt Service	23,206	-	-	23,206
General Drain Improvement	252,864	200,268	303,777	149,355
NCCS-State Grant	-	65,697	46,560	19,137
NCCS-Federal Grant	-	129,783	96,823	32,960
Electronic Map Generation	800	2,200	1,775	1,225
Road Deposit-Beaver Creek	-	2,000	-	2,000
Wirtz Yates Retainage	-	7,299	-	7,299
Cumulative Bridge	595,014	273,341	583,468	284,887
Cumulative Capital Development	153,975	160,738	175,959	138,754
Governmental Development	194,314	11,801	71,652	134,463
Campaign Financing	750	-	-	750
Fiduciary Funds:				
Surplus Dog Tax	-	1,548	1,548	-
Sales Disclosure-County Share	6,640	2,680	-	9,320
Coroner's Ed	50	736	786	-
Sheriff's Pension	1,369,872	172,641	179,398	1,363,115
Congressional School Principal	203,585	156,250	-	359,835
Congressional School Interest	149,114	13,978	16,086	147,006
Health Care for the Indigent	-	137,859	137,859	-
Welfare Administration	-	16,352	16,352	-
Medical Assistance to Wards	-	329,498	329,498	-
Children with Special Health Needs	-	16,664	16,664	-
Welfare Trust	25,910	32,893	28,465	30,338
Surplus Tax	19,351	13,435	8,447	24,339
Tax Sale Redemption	-	38,307	38,307	-
Surplus Tax Sale	51,704	56,105	46,208	61,601
Payroll	89,721	2,112,872	2,105,065	97,528
State Sales Disclosure	205	2,680	2,630	255
City and Town Court Costs	13,934	7,640	-	21,574
Infraction Judgments	6,460	63,219	69,679	-
Special Death Benefit	60	1,380	1,440	-
Education Plate Fees	-	488	488	-
Inheritance Tax	164,713	404,413	504,151	64,975
State Fair Board	-	6,060	6,060	-
State Forestry Tax	-	12,119	12,119	-
State Fines and Forfeitures	206	2,462	2,078	590
Tax Distribution	-	17,858,233	17,858,233	-
Child Restraint Violations	25	-	25	-
County Sheriff	3,159	318,657	321,816	-
Clerk of the Circuit Court	387,506	2,954,243	2,920,430	421,319
Sheriff's Inmate Trust	707	63,706	63,406	1,007
County Recorder	-	77,254	77,254	-
County Treasurer	322,884	21,494,285	21,655,227	161,942
County Health	436	16,815	17,008	243
County Ambulance	21,092	321,850	342,942	-
Probation Department	-	90,503	80,463	10,040
Sheriff Commissary	10,785	42,587	48,237	5,135
Levy Excess Special Revenue	-	71,937	71,937	-
Plan Commission	-	50,927	42,693	8,234
Animal Control	280	6,466	6,746	-
Atlas Collections	238	33,267	5,227	28,278
Economic Development	30,800	-	-	30,800
Mortgage Fees - State Share	185	2,715	2,727	173
Totals	<u>\$ 16,657,291</u>	<u>\$ 68,415,065</u>	<u>\$ 67,536,819</u>	<u>\$ 17,535,537</u>

The accompanying notes are an integral part of the schedules.

NEWTON COUNTY
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The County was established under the laws of the State of Indiana. The County provides the following services: public safety, highway and streets, health, welfare and social services, culture and recreation, public improvements, planning and zoning, and general administrative services.

Note 2. Fund Accounting

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

Note 3. Budgets

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

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the County in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the County on or prior to December 31 of the year collected.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the County to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

NEWTON COUNTY
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The County contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the County authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

Note 7. Long-Term Debt Event

The County has entered into an interest free loan with the Newton County Landfill Partnership. Annual debt service requirements to maturity for the loan will be met by withholding tipping fees due the County at the rate of \$95,000 per month. The outstanding principal at December 31, 2006, was \$2,815,000.

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

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

General infrastructure assets completed in the current and prior years have been reported. Retroactive reporting of general infrastructure assets is not anticipated.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 353,952
Infrastructure	42,171
Buildings	15,547,269
Improvements other than buildings	70,339
Machinery and equipment	<u> 7,494,966</u>
 Total governmental activities, capital assets not being depreciated	 <u><u>\$ 23,508,697</u></u>

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

Description of Debt	Ending Balance	Due Within One Year
Governmental Activities: Notes and loans payable	<u>\$ 2,815,000</u>	<u>\$ 1,140,000</u>

NEWTON 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 Highway Department
Clerk of the Circuit Court

NEWTON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on April 23, 2007, with Patricia L. Carlson, Auditor; Russell Collins, Jr., President of the Board of County Commissioners; and Scott Madison, President of the Board of County Council. Our examination disclosed no material items that warrant comment at this time.