

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

EXAMINATION REPORT
OF
TIPTON COUNTY, INDIANA
January 1, 2008 to December 31, 2008



FILED
10/28/2009

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Suzanne C. Alexander	01-01-07 to 12-31-10
Treasurer	Linda Warner	01-01-07 to 12-31-10
Clerk	Bonita Guffey	01-01-07 to 12-31-10
Sheriff	Frank Fritch	01-01-07 to 12-31-10
Recorder	Sheila Hook Marla Featherstone	01-01-05 to 12-31-08 01-01-09 to 12-31-09
President of the Board Of County Commissioners	Ken Ziegler	01-01-08 to 12-31-09
President of the County Council	Brad Nichols	01-01-08 to 12-31-09



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF TIPTON COUNTY, INDIANA

We have examined the financial information presented herein of Tipton County (County), for the period of January 1, 2008 to December 31, 2008. 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, 2008, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

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

STATE BOARD OF ACCOUNTS

September 29, 2009

TIPTON 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, 2008

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 1,984,202	\$ 4,662,069	\$ 5,014,046	\$ 1,632,225
Highway	898,757	1,934,297	2,725,501	107,553
Local Road and Street	89,550	167,375	203,470	53,455
Property Reassessment # 2	547,572	97,571	136,638	508,505
Welfare Administration	62,943	-	-	62,943
Health	323,422	276,975	222,452	377,945
Family and Children	367,654	497,802	302,462	562,994
Surveyor's Corner Perpetuation	3,215	3,445	-	6,660
Accident Report	403	981	784	600
Firearms Training	2,924	11,039	2,211	11,752
K-9	1,148	-	151	997
Drug Free Community	31,123	11,951	9,417	33,657
Identification Security Protection	5,247	6,605	3,015	8,837
Recorder's Record Perpetuation	45,327	16,430	9,252	52,505
User Fee	10,675	446	-	11,121
Law Enforcement Continuing Education	822	1,569	1,189	1,202
Emergency Telephone System (E-911)	66,697	175,615	200,000	42,312
Enhanced Access	63,604	399,114	418,000	44,718
Community Development Block Grant	-	8,139	8,139	-
Homeland Security Grant	-	17,228	17,228	-
Joint Dispatch Service Center	87,900	515,387	477,776	125,511
Emergency Planning/Right To Know	6,112	-	-	6,112
Electronic Map Generation	631	-	-	631
Dog	-	100	-	100
Supplemental Public Defender SVC	2,310	660	-	2,970
Clerk Title IV-D	6,386	8,649	-	15,035
County Sales Disclosure	10,666	1,600	-	12,266
Coroners Education	58	954	963	49
Clerk's Record Perpetuation	23,182	5,685	15,428	13,439
Sheriff's Sales Administration	4,200	7,560	-	11,760
Emergency Preparedness	10,780	23,600	15,539	18,841
Rainy Day	337,031	689,543	311,316	715,258
Jury Pay	27,310	5,674	3,357	29,627
Prosecutor's Special	1,057	-	-	1,057
Project Income	64,212	119,815	108,679	75,348
Community Corrections Grant	89,922	173,169	171,550	91,541
Adult Offender Interstate	75	-	75	-
Juvenile Probation Service	7,516	1,613	1,393	7,736
Adult Probation Service	93,690	46,920	32,491	108,119
Probation Users Fees	43,270	12,451	-	55,721
Prosecutor's SADD	1,755	-	-	1,755
Pretrial Diversion	38,803	20,095	11,263	47,635
Extradition	1,463	-	-	1,463
Child Advocacy (Child Protection Team)	488	-	15	473
Special Death Benefit	-	300	165	135
Misdemeanor Fund	93,164	13,417	1,200	105,381
Well Child	298	-	-	298
Ruth Jordan	1,410	220	-	1,630
Combat Range	39	-	-	39
Bid Cicero Creek Drain	731,373	276,967	373,991	634,349
Drug Abuse Interdiction	1,425	-	-	1,425
Drug Enforcement Education	174	-	-	174
Sheriff Flower	4	-	-	4
Levy Excess	6,909	-	-	6,909
Operation Pullover 2005-2006	509	3,628	4,132	5
State Drunk Driving	350	-	-	350
Guardium Ad Litem/Court	22,545	410	-	22,955
Community Improvement	2,750	-	-	2,750
Health Maintenance	5,700	18,285	23,285	700
Prosecutor Title IV-D	10,957	3,004	8,688	5,273

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

TIPTON 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, 2008
(Continued)

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds (continued):				
Drainage Maintenance	1,410,871	324,831	224,489	1,511,213
Plat Book	25,994	3,733	-	29,727
Sheriff - Commissary	27,475	32,725	38,460	21,740
Debt Service Fund	1,266	-	-	1,266
Bond and Interest Redemption	2,407	-	-	2,407
Cumulative Capital Development	229,463	195,842	154,263	271,042
Cumulative Bridge	1,552,353	516,877	668,570	1,400,660
General Drain Improvement	434,748	144,594	123,380	455,962
Economic Development	356,318	1,423,167	1,451,426	328,059
Capital Improvement Bond (Sinking)	-	18,859	18,859	-
Tax Increment Financing Debt	-	253,969	-	253,969
Capital Projects - Other (EDIT Revenue)	-	1,135,952	403,070	732,882
TIF Capital Project	-	19,802,477	17,895,736	1,906,741
Fiduciary Funds:				
Congressional School Principal	27,826	-	-	27,826
Sheriff's Pension Trust	4,576	832	-	5,408
Welfare Trust	13,618	580	-	14,198
Mortgage Fees - State Share	152	1,641	1,050	743
Congressional School Interest	7,607	484	-	8,091
Surplus Tax	25,141	30,016	41,854	13,303
Tax Sale Redemption	-	23,497	23,497	-
Surplus Tax Sale	140,397	339,373	154,931	324,839
Tax Sale Fees	9,361	6,629	4,908	11,082
Tax Sale	1,200	10,400	480	11,120
HEA 1001 - 2008 State Homestead	-	1,550,281	1,546,001	4,280
Homestead Credit (Local Option)	746,575	255,150	995,750	5,975
Property Replacement & Homestead Credit	-	815,257	815,257	-
Payroll	55,458	941,159	996,570	47
State Sales Disclosure Fee	135	1,710	1,665	180
Tax Distribution	-	21,517,762	21,520,315	(2,553)
State Welfare Excise Tax	-	14,233	14,233	-
Child Restraint Violations	-	165	125	40
Commercial CVET	-	172,456	172,456	-
Ditch Surplus	337	78	307	108
Inheritance Tax	22,744	471,904	291,224	203,424
State Fines and Forfeits	1,878	7,043	7,735	1,186
Riverboat Revenue Sharing	-	103,989	103,989	-
City and Town Court Costs	9,319	2,661	-	11,980
Infraction Judgements	6,156	81,050	83,018	4,188
Financial Institution Tax	-	120,910	120,910	-
CAGIT (Certified Shares)	-	2,570,324	2,570,324	-
Education Plate Fees Agency	-	788	788	-
Medical Equipment	196	400,777	777	400,196
Wheel Tax	37,680	101,142	138,822	-
Sur Tax	17,948	414,863	432,811	-
Treasurer	62,902	22,424,010	22,368,720	118,192
Clerk	565,572	1,569,504	1,945,327	189,749
Landfill Post Closure	27,531	556	193	27,894
Probation Department	4,347	47,015	45,642	5,720
Prosecutor	21,264	44,448	40,796	24,916
Recorder	5,615	67,594	64,109	9,100
Sheriff	3,075	173,887	176,962	-
Sheriff - Inmate Trust	488	53,645	53,777	356
Sheriff - Retirement/Benefit Plan	1,044,217	83,766	61,818	1,066,165
Totals	<u>\$ 13,145,919</u>	<u>\$ 88,512,962</u>	<u>\$ 86,610,655</u>	<u>\$ 15,048,226</u>

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

TIPTON COUNTY
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The County was established under the laws of the State of Indiana. The County provides the following services: public safety, health and social services, and general administrative services.

Note 2. Fund Accounting

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

Note 3. Budgets

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

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are 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.

TIPTON 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 District 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. Getrag Transmission Plat - Bankruptcy

On August 14, 2008, the County issued \$1,135,000 in Economic Development Income Tax Bonds. The final payment on the bonds is December 15, 2027.

On April 10, 2008, the State of Indiana paid \$464,200 toward the balance of a \$576,803 loan entered into by the Tipton County Commissioners for the purchase of land associated with the Getrag transmission plant. As of December 31, 2008, the remaining balance on this loan was \$67,040.

During 2008, the Tipton County Redevelopment Commission issued Redevelopment District Tax Increment Revenue Bonds, Series A, in the amount of \$11,000,000 and Redevelopment District Tax District Increment Revenue Bonds, Series B, in the amount of \$3,100,000. Both bond issues were made to fund infrastructure improvements at the Getrag transmission plant in Tipton County. Debt service payments for both bond issues were to be made from tax revenues received from a Tax Increment Financing District established by the Redevelopment Commission which included the transmission plant. Subsequent to the issuance of these bonds, Getrag, Inc., declared bankruptcy.

TIPTON COUNTY
NOTES TO FINANCIAL INFORMATION
(Continued)

The \$3,100,000 bond issue was used for water and wastewater utility improvements. These bonds are recognized as debt of the County and will be repaid from County funds.

The \$11,000,000 bond issue was for infrastructure. The building has been substantially completed and is now owned by the unpaid creditors. This matter is still in litigation and issues related to the bond debt service payments have not yet been resolved.

TIPTON 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:		
Capital lease:		
Sheriff's Department Vehicles	\$ 24,805	\$ 24,805
Notes and loans payable:		
Getrag land purchase loan	67,040	16,252
Courthouse Renovation	1,480,104	90,608
Bonds payable:		
Economic Development Income Tax Bonds	1,135,000	92,256
Redevelopment District Tax Increment Bonds	<u>3,100,000</u>	<u>135,406</u>
 Total governmental activities debt	 <u>\$ 5,806,949</u>	 <u>\$ 359,327</u>

TIPTON COUNTY
OTHER REPORT

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

County Auditor

TIPTON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 30, 2009, with Suzanne C. Alexander, Auditor; Jane Harper, County Commissioner; and Mike Cline, County Commissioner. Our examination disclosed no material items that warrant comment at this time.