

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

ANNUAL FINANCIAL REPORT

2008

SULLIVAN COUNTY, INDIANA



FILED

08/21/2009

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Jean Harris	01-01-07 to 12-31-10
Treasurer	June Ladson	01-01-06 to 12-31-09
Clerk	Shelly Hiatt Parris	01-01-07 to 12-31-10
Sheriff	Bryan Kinnett	01-01-07 to 12-31-10
Recorder	Brenda Howard	01-01-07 to 12-31-10
President of the Board of County Commissioners	Jim Boes	01-01-08 to 12-31-09
President of the County Council	Duane Wampler	01-01-08 to 12-31-09



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF SULLIVAN COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Sullivan 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 8, 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.

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

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 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 Schedule of Funding Progress, as listed in the Table of Contents, is not a required part of the basic financial statements but is 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 Schedules, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

STATE BOARD OF ACCOUNTS

July 8, 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 SULLIVAN COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Sullivan 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 8, 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, the Board of 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 8, 2009

SULLIVAN 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>Net (Disbursement) Receipt and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Governmental</u>
					<u>Governmental Activities</u>
Primary government:					
Governmental activities:					
General government	\$ 6,864,493	\$ 107,364	\$ 416,926	\$ -	\$ (6,340,203)
Public safety	3,503,342	575,325	-	-	(2,928,017)
Highways and streets	5,148,970	-	2,018,573	1,927,244	(1,203,153)
Sanitation	46,339	52,529	-	-	6,190
Health and welfare	2,728,231	490,581	-	-	(2,237,650)
Economic development	182,163	-	-	-	(182,163)
Culture and recreation	1,036,467	634,386	-	-	(402,081)
Total primary government	\$ 19,510,005	\$ 1,860,185	\$ 2,435,499	\$ 1,927,244	(13,287,077)
General receipts:					
Property taxes					6,406,848
Other local sources					3,943,336
Other:					
Employee health care contributions					2,265,914
Total general receipts, special items, and transfers					12,616,098
Change in net assets					(670,979)
Net assets - beginning					11,236,855
Net assets - ending					\$ 10,565,876
 <u>Assets</u>					
Cash and investments					\$ 3,758,881
Restricted assets:					
Cash and investments					6,806,995
Total assets					\$ 10,565,876
 <u>Net Assets</u>					
Restricted for:					
General government					\$ 1,024,059
Public safety					141,077
Highways and streets					690,056
Health and welfare					1,111,420
Culture and recreation					80,253
Capital outlay					949,496
Employee health care					2,810,634
Unrestricted					3,758,881
Total net assets					\$ 10,565,876

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

SULLIVAN 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	Highway	Reassessment	Other Governmental Funds	Totals
Receipts:					
Taxes	\$ 4,467,297	\$ 318,776	\$ 181,308	\$ 1,439,467	\$ 6,406,848
Licenses and permits	-	-	-	19,840	19,840
Intergovernmental	478,491	2,018,573	16,724	1,845,047	4,358,835
Charges for services	157,726	-	-	1,702,459	1,860,185
Fines and forfeits	116,186	-	-	597,042	713,228
Other	556,196	89,509	31,260	515,572	1,192,537
Total receipts	5,775,896	2,426,858	229,292	6,119,427	14,551,473
Disbursements:					
General government	3,795,751	-	567,599	2,471,570	6,834,920
Public safety	2,065,913	-	-	1,292,100	3,358,013
Highways and streets	-	4,059,308	-	638,781	4,698,089
Sanitation	46,339	-	-	-	46,339
Health and welfare	-	-	-	906,727	906,727
Economic development	-	-	-	179,222	179,222
Culture and recreation	53,060	-	-	942,931	995,991
Capital outlay:					
General government	27,233	-	-	2,340	29,573
Public safety	88,698	-	-	56,631	145,329
Highways and streets	-	94,970	-	355,911	450,881
Economic development	-	-	-	2,941	2,941
Culture and recreation	1,194	-	-	39,282	40,476
Total disbursements	6,078,188	4,154,278	567,599	6,888,436	17,688,501
Deficiency of receipts over disbursements	(302,292)	(1,727,420)	(338,307)	(769,009)	(3,137,028)
Other financing sources:					
Other receipts	384,982	1,273,576	-	359,173	2,017,731
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	82,690	(453,844)	(338,307)	(409,836)	(1,119,297)
Cash and investment fund balance - beginning	1,473,468	1,120,321	1,148,365	5,132,385	8,874,539
Cash and investment fund balance - ending	<u>\$ 1,556,158</u>	<u>\$ 666,477</u>	<u>\$ 810,058</u>	<u>\$ 4,722,549</u>	<u>7,755,242</u>
Amounts reported for governmental activities in the Statement of Activities and Net Assets - Internal services funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.					<u>2,810,634</u>
Net assets of governmental activities					<u>\$ 10,565,876</u>
Cash and Investment Assets - Ending					
Cash and investments	\$ 1,556,158	\$ -	\$ -	\$ -	\$ 1,556,158
Restricted assets:					
Cash and investments	-	666,477	810,058	4,722,549	6,199,084
Total cash and investment assets - ending	<u>\$ 1,556,158</u>	<u>\$ 666,477</u>	<u>\$ 810,058</u>	<u>\$ 4,722,549</u>	<u>\$ 7,755,242</u>
Cash and Investment Fund Balance - Ending					
Restricted for:					
General government	\$ -	\$ -	\$ 810,058	\$ 197,595	\$ 1,007,653
Public safety	-	-	-	141,077	141,077
Highways and streets	-	666,477	-	23,579	690,056
Health and welfare	-	-	-	1,111,420	1,111,420
Culture and recreation	-	-	-	80,253	80,253
Capital outlay	-	-	-	949,496	949,496
Other purposes	-	-	-	19,930	19,930
Unrestricted	1,556,158	-	-	2,199,199	3,755,357
Total cash and investment fund balance - ending	<u>\$ 1,556,158</u>	<u>\$ 666,477</u>	<u>\$ 810,058</u>	<u>\$ 4,722,549</u>	<u>\$ 7,755,242</u>

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

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

	Sheriff Pension Trust Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Employer	\$ 77,238	\$ -	
Other	-	35,925	
Total contributions	77,238	35,925	
Investment earnings:			
Interest	26,127	9,965	
Dividends	-	3,080	
Net investment earnings	26,127	13,045	
Agency fund additions	-	-	
Total additions	103,365	48,970	
Deductions:			
Administrative and general	217,362	34,022	
Agency fund deductions	81,125	-	
Total deductions	298,487	34,022	
Excess (deficiency) of total additions over total deductions	(195,122)	14,948	
Cash and investment fund balance - beginning	937,999	365,331	
Cash and investment fund balance - ending	\$ 742,877	\$ 380,279	\$ 1,385,539

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

SULLIVAN 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: Sullivan 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, proprietary 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 county highway fund accounts for the maintenance of county roads within Sullivan County.

The reassessment fund accounts for the reassessment of property in Sullivan County.

SULLIVAN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Additionally, the County reports the following fund types:

The internal service fund accounts for health benefits provided to other departments on a cost-reimbursement basis.

The pension trust funds account for the activities of the Sheriff's Pension Trust and Sheriff's Benefit pension funds, which accumulate resources for pension benefit payments.

The private-purpose trust fund reports a trust arrangement under which principal and income benefit the Sullivan County school corporation and future landfill closure.

Agency funds account for assets held by the County as an agent for various taxing authorities, state, and federal government departments, and employee benefit providers and serve as control 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, proprietary 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.

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.

SULLIVAN 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 (Indiana Code 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 District on or prior to December 31 of the year collected.

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. Proprietary fund equity is classified the same as in the government-wide statements.

SULLIVAN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

E. Receipts and Disbursements

Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

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

A. 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

SULLIVAN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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.

B. Cash and Investment Balance Deficits

At December 31, 2008, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines and state statute:

Fund	2008
Payroll Withholdings	\$ 660
Education Plate	1,068
Hea 1001 State HSC	2,209
Victim Advocacy	4,604

Cash and investment deficits arose primarily from disbursements exceeding receipts due to the underestimate of current requirements; these deficits are to be repaid from future receipts.

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The County does not have a deposit policy for custodial credit risk. At December 31, 2008, the County had deposit balances in the amount of \$13,074,572. The 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.

SULLIVAN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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	\$ 167,967
Corporate bonds	168,439
Mutual funds	360,094
Total	\$ 696,500

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 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.

SULLIVAN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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:

Investment Type	Not in the Government's Name
U.S. treasuries and securities	\$ 167,967
Corporate bonds	168,439
Mutual funds	360,094
 Total	 \$ 696,500

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	\$ 15,616	\$ 35,142	\$ 117,209
Corporate bonds	-	-	168,439
 Totals	 \$ 15,616	 \$ 35,142	 \$ 285,648

SULLIVAN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

Sheriff's Retirement and Benefit Pension Plans:

Standard and Poor's Rating	Moody's Rating	County's Investments	
		Mutual Funds	Corporate Bonds
AAA	Aaa	\$ -	\$ 18,119
AA	Aa	-	46,568
A	A	-	73,220
BBB	Baa	-	30,532
Unrated	Unrated	360,094	-
Totals		<u>\$ 360,094</u>	<u>\$ 168,439</u>

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
U.S. treasuries and securities	\$ 167,967
Corporate bonds	168,439
Mutual funds	<u>360,094</u>
Total	<u>\$ 696,500</u>

SULLIVAN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Foreign Currency Risk

The County does not have a formal policy in regards to foreign currency risk.

The Sheriff's Merit Board has not adopted a formal policy in regards to foreign currency risk.

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.

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.

The County has chosen to establish a risk financing fund for risks associated with medical benefits. The risk financing fund is accounted for in the Health Benefits Fund, an internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$25,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. A premium is charged to each fund that accounts for payroll expenditures. The total charge allocated to each of the funds is calculated using trends in actual claims experience. Provisions are also made for unexpected and unusual claims.

B. 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.

C. Pension Plans

Agent Multiple-Employer and Single-Employer Defined Benefit Pension Plans

1. 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 (Indiana Code 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.

SULLIVAN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

2. 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 (Indiana Code 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.

Actuarial Information for the Above Plans

	County Police Retirement Plan	County Police Benefit Plan
Annual required contribution	\$ 26,728	\$ 42,793
Interest on net pension obligation	5,451	-
Adjustment to annual required contribution	(7,326)	-
	<u>24,853</u>	<u>42,793</u>
Annual pension cost	24,853	42,793
Contributions made	<u>23,733</u>	<u>42,793</u>
Increase (decrease) in net pension obligation	1,120	-
Net pension obligation, beginning of year	<u>77,872</u>	-
Net pension obligation, end of year	<u>\$ 78,992</u>	<u>\$ -</u>

SULLIVAN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

	County Police Retirement Plan	County Police Benefit Plan
Contribution rates:		
County	100%	100%
Plan members	0%	0%
Actuarial valuation date	01-01-08	01-01-08
Actuarial cost method	Entry age	Entry age
Amortization method	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed
Amortization period	30 years	30 years
Amortization period (from date)	12-31-97	12-31-97
Asset valuation method	4 year smoothed market	4 year smoothed market
	County Police Retirement Plan	County Police Benefit Plan
<u>Actuarial Assumptions</u>		
Investment rate of return	7%	7%
Projected future salary increases:		
Total	5%	5%
Attributed to inflation	4%	4%
Attributed to merit/seniority	1%	1%
Cost-of-living adjustments	2%	0%

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
County Police Retirement Plan	12-31-06	\$ 42,689	54.1%	\$ 66,976
	12-31-07	35,596	60.9%	77,872
	12-31-08	26,728	88.8%	78,992
County Police Benefit Plan	12-31-06	21,422	0%	-
	12-31-07	23,813	0%	-
	12-31-08	54,488	0%	-

D. Landfill Closure and Postclosure Care Costs

State and federal laws and regulations require the County to place a final cover on its municipal landfill when it stops accepting solid waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste. The County has estimated the costs of closure and postclosure to be \$193,765. This amount is based on 1989 costs. The County expects to close the landfill in 2015. Actual cost may be higher due to inflation, changes in technology or changes in regulations. The County prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of

SULLIVAN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

the State of Indiana, which is a comprehensive basis of accounting other than generally, accepted accounting principles. Therefore, the liability for estimated closure and postclosure care costs attributable to the current year's operations as required by Statement Number 18 of the Governmental Accounting Standards Board has not been computed.

The County is required by state and federal laws and regulations to make contributions to a trust account to finance closure and postclosure care, obtain a line of credit, obtain bond in an amount sufficient to finance closure and postclosure care costs or obtain insurance or fulfill the financial requirements set forth in 329 IA. 12. The County has chosen to make contributions to a trust account. At December 31, 2008, funds in the amount of \$364,817 were held for these purposes. These funds are included in "Cash and Investments" on the financial statement. The County expects that future inflation costs will be paid from interest earnings on these contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations), these costs may be covered by charges to future landfill uses or from future tax revenue.

SULLIVAN COUNTY
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

County Police Retirement 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)
10-01-03	\$ 537,886	\$ 537,886	\$ -	100%	\$ 329,045	0%
10-01-04	559,367	559,367	-	100%	342,618	0%
10-01-05	584,918	584,918	-	100%	325,430	0%
10-01-06	650,355	650,355	-	100%	348,754	0%
10-01-07	706,238	706,238	-	100%	307,180	0%
10-01-08	814,922	814,922	-	100%	346,606	0%

SULLIVAN 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

	Local Road and Street	Aviation	Accident Report	Firearms Training	Park Special	Health
Receipts:						
Taxes	\$ -	\$ 31,460	\$ -	\$ -	\$ -	\$ 69,543
Licenses and permits	-	690	-	-	-	19,150
Intergovernmental	181,134	2,901	-	-	-	6,413
Charges for services	-	42,947	-	-	-	-
Fines and forfeits	-	-	570	9,640	85,001	-
Other	-	8,000	-	-	1,702	-
Total receipts	181,134	85,998	570	9,640	86,703	95,106
Disbursements:						
General government	-	111,970	-	-	-	-
Public safety	-	-	850	1,769	-	-
Highways and streets	200,609	-	-	-	-	-
Health and welfare	-	-	-	-	-	107,339
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	83,348	-
Capital outlay:						
General government	-	2,340	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total disbursements	200,609	114,310	850	1,769	83,348	107,339
Excess (deficiency) of receipts over disbursements	(19,475)	(28,312)	(280)	7,871	3,355	(12,233)
Other financing sources:						
Other receipts	3,981	358	-	-	103	195
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(15,494)	(27,954)	(280)	7,871	3,458	(12,038)
Cash and investment fund balance - beginning	39,073	53,990	8,128	7,300	76,795	36,225
Cash and investment fund balance - ending	\$ 23,579	\$ 26,036	\$ 7,848	\$ 15,171	\$ 80,253	\$ 24,187
Cash and Investment Assets - Ending						
Restricted assets:						
Cash and investments	\$ 23,579	\$ 26,036	\$ 7,848	\$ 15,171	\$ 80,253	\$ 24,187
Cash and Investment Fund Balance - Ending						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	7,848	15,171	-	-
Highways and streets	23,579	-	-	-	-	-
Health and welfare	-	-	-	-	-	24,187
Culture and recreation	-	-	-	-	80,253	-
Capital outlay	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-
Unrestricted	-	26,036	-	-	-	-
Total cash and investment fund balance - ending	\$ 23,579	\$ 26,036	\$ 7,848	\$ 15,171	\$ 80,253	\$ 24,187

SULLIVAN 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)

	Ambulance	Transporation	Com Emer Man Planning Grant	Law Enforcement Continuing Ed	Vehicle Inspection	Clerk's Perpetuation
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	701,741	-	-	-	-	-
Fines and forfeits	-	-	-	1,020	1,100	7,858
Other	32,110	-	-	-	-	-
Total receipts	733,851	-	-	1,020	1,100	7,858
Disbursements:						
General government	-	-	-	-	-	4,584
Public safety	719,233	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total disbursements	719,233	-	-	-	-	4,584
Excess (deficiency) of receipts over disbursements	14,618	-	-	1,020	1,100	3,274
Other financing sources:						
Other receipts	540	-	-	-	-	608
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	15,158	-	-	1,020	1,100	3,882
Cash and investment fund balance - beginning	28,493	4,380	1,016	1,187	6,821	9,992
Cash and investment fund balance - ending	\$ 43,651	\$ 4,380	\$ 1,016	\$ 2,207	\$ 7,921	\$ 13,874
Cash and Investment Assets - Ending						
Restricted assets:						
Cash and investments	\$ 43,651	\$ 4,380	\$ 1,016	\$ 2,207	\$ 7,921	\$ 13,874
Cash and Investment Fund Balance - Ending						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,874
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-
Unrestricted	43,651	4,380	1,016	2,207	7,921	-
Total cash and investment fund balance - ending	\$ 43,651	\$ 4,380	\$ 1,016	\$ 2,207	\$ 7,921	\$ 13,874

SULLIVAN 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)

	Methamphetamine Mini Grant	E-911	Drug Free Community	E W House	Emergency Plan Right to Know	Park And Recreation
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ 1,913	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	844,912
Fines and forfeits	-	134,730	11,400	-	-	-
Other	-	5,554	-	-	-	11,837
Total receipts	-	140,284	11,400	1,913	-	856,749
Disbursements:						
General government	-	-	-	1,913	-	-
Public safety	-	143,143	4,355	-	16	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	859,583
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	27,370	-	-	-	-
Highways and streets	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	39,282
Total disbursements	-	170,513	4,355	1,913	16	898,865
Excess (deficiency) of receipts over disbursements	-	(30,229)	7,045	-	(16)	(42,116)
Other financing sources:						
Other receipts	-	-	-	-	-	41,597
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(30,229)	7,045	-	(16)	(519)
Cash and investment fund balance - beginning	1,495	95,211	9,100	-	18,046	374,449
Cash and investment fund balance - ending	\$ 1,495	\$ 64,982	\$ 16,145	\$ -	\$ 18,030	\$ 373,930
Cash and Investment Assets - Ending						
Restricted assets:						
Cash and investments	\$ 1,495	\$ 64,982	\$ 16,145	\$ -	\$ 18,030	\$ 373,930
Cash and Investment Fund Balance - Ending						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	64,982	16,145	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-
Unrestricted	1,495	-	-	-	18,030	373,930
Total cash and investment fund balance - ending	\$ 1,495	\$ 64,982	\$ 16,145	\$ -	\$ 18,030	\$ 373,930

SULLIVAN 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)

	Prosecutor's Title lv-D	Juvenile Probation	Adult Probation	Probation Transfer Fee	Recorder's Perpetuation	County User Fee
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	2,822	26,049	300	60,143	5,512
Other	11,310	-	-	-	-	-
Total receipts	11,310	2,822	26,049	300	60,143	5,512
Disbursements:						
General government	-	-	-	-	46,559	2,169
Public safety	-	-	14,862	300	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	447	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	8,212	-	-	-
Highways and streets	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total disbursements	447	-	23,074	300	46,559	2,169
Excess (deficiency) of receipts over disbursements	10,863	2,822	2,975	-	13,584	3,343
Other financing sources:						
Other receipts	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	10,863	2,822	2,975	-	13,584	3,343
Cash and investment fund balance - beginning	23,038	12,774	57,666	-	98,241	38,716
Cash and investment fund balance - ending	\$ 33,901	\$ 15,596	\$ 60,641	\$ -	\$ 111,825	\$ 42,059
Cash and Investment Assets - Ending						
Restricted assets:						
Cash and investments	\$ 33,901	\$ 15,596	\$ 60,641	\$ -	\$ 111,825	\$ 42,059
Cash and Investment Fund Balance - Ending						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ 111,825	\$ -
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-
Unrestricted	33,901	15,596	60,641	-	-	42,059
Total cash and investment fund balance - ending	\$ 33,901	\$ 15,596	\$ 60,641	\$ -	\$ 111,825	\$ 42,059

SULLIVAN 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)

	Family and Children	Health Maintenance	Hospital Care Indigent	Pretrial Diversion	Medical Aid to Wards	Child Special Health Needs
Receipts:						
Taxes	\$ -	\$ -	\$ 113,421	\$ -	\$ 8,279	\$ 23,181
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	9,393	-	686	1,920
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	11,850	-	-
Other	-	24,854	-	-	-	-
Total receipts	-	24,854	122,814	11,850	8,965	25,101
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	-	5,093	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	496,661	20,453	122,814	-	8,965	25,101
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total disbursements	496,661	20,453	122,814	5,093	8,965	25,101
Excess (deficiency) of receipts over disbursements	(496,661)	4,401	-	6,757	-	-
Other financing sources:						
Other receipts	154,983	-	-	192	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(341,678)	4,401	-	6,949	-	-
Cash and investment fund balance - beginning	1,428,911	40,258	-	2,998	-	-
Cash and investment fund balance - ending	<u>\$ 1,087,233</u>	<u>\$ 44,659</u>	<u>\$ -</u>	<u>\$ 9,947</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Restricted assets:						
Cash and investments	<u>\$ 1,087,233</u>	<u>\$ 44,659</u>	<u>\$ -</u>	<u>\$ 9,947</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	9,947	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	1,087,233	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-
Unrestricted	-	44,659	-	-	-	-
Total cash and investment fund balance - ending	<u>\$ 1,087,233</u>	<u>\$ 44,659</u>	<u>\$ -</u>	<u>\$ 9,947</u>	<u>\$ -</u>	<u>\$ -</u>

SULLIVAN 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)

	Clerk Title IV-D	Surveyor Perpetuation	Jury Pay	Emergency Response Team Sub-Grant	Election Hava Title III	Election Non Reverting
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	5,370	6,104	-	-	-
Other	7,517	-	25	-	-	-
Total receipts	7,517	5,370	6,129	-	-	-
Disbursements:						
General government	-	13,800	-	-	29,123	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	17,649	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total disbursements	17,649	13,800	-	-	29,123	-
Excess (deficiency) of receipts over disbursements	(10,132)	(8,430)	6,129	-	(29,123)	-
Other financing sources:						
Other receipts	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(10,132)	(8,430)	6,129	-	(29,123)	-
Cash and investment fund balance - beginning	18,589	59,792	14,405	2,531	29,123	1,194
Cash and investment fund balance - ending	<u>\$ 8,457</u>	<u>\$ 51,362</u>	<u>\$ 20,534</u>	<u>\$ 2,531</u>	<u>\$ -</u>	<u>\$ 1,194</u>
Cash and Investment Assets - Ending						
Restricted assets:						
Cash and investments	<u>\$ 8,457</u>	<u>\$ 51,362</u>	<u>\$ 20,534</u>	<u>\$ 2,531</u>	<u>\$ -</u>	<u>\$ 1,194</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
General government	\$ -	\$ 51,362	\$ 20,534	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-
Unrestricted	8,457	-	-	2,531	-	1,194
Total cash and investment fund balance - ending	<u>\$ 8,457</u>	<u>\$ 51,362</u>	<u>\$ 20,534</u>	<u>\$ 2,531</u>	<u>\$ -</u>	<u>\$ 1,194</u>

SULLIVAN 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 Bio Terrorism	Indiana Youth Aviation Grant	Aviation Rotary	Gill Township Levee	Island Levee	J W Adams
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ 148,300	\$ 73,672	\$ 246
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	85,689	-	-	-
Other	11,175	18,589	-	-	-	-
Total receipts	11,175	18,589	85,689	148,300	73,672	246
Disbursements:						
General government	3,680	-	107,693	148,300	73,672	246
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total disbursements	3,680	-	107,693	148,300	73,672	246
Excess (deficiency) of receipts over disbursements	7,495	18,589	(22,004)	-	-	-
Other financing sources:						
Other receipts	-	-	326	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	7,495	18,589	(21,678)	-	-	-
Cash and investment fund balance - beginning	18,329	1,500	79,466	-	-	-
Cash and investment fund balance - ending	<u>\$ 25,824</u>	<u>\$ 20,089</u>	<u>\$ 57,788</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Restricted assets:						
Cash and investments	<u>\$ 25,824</u>	<u>\$ 20,089</u>	<u>\$ 57,788</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-
Unrestricted	<u>25,824</u>	<u>20,089</u>	<u>57,788</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash and investment fund balance - ending	<u>\$ 25,824</u>	<u>\$ 20,089</u>	<u>\$ 57,788</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SULLIVAN 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)

	Niblack Levee Repair	Niblack Maintenance	Highway 54	Law Enforcement Fund	Infraction Deferral	State Welfare Excise Allocation
Receipts:						
Taxes	\$ 19,522	\$ 6,137	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	25,001
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	112,799	-
Other	-	-	-	2,987	-	-
Total receipts	19,522	6,137	-	2,987	112,799	25,001
Disbursements:						
General government	19,522	6,137	-	-	-	-
Public safety	-	-	-	6,608	212,669	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	25,001
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	5,020	516	-
Highways and streets	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total disbursements	19,522	6,137	-	11,628	213,185	25,001
Excess (deficiency) of receipts over disbursements	-	-	-	(8,641)	(100,386)	-
Other financing sources:						
Other receipts	-	-	-	-	1,674	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	(8,641)	(98,712)	-
Cash and investment fund balance - beginning	-	-	824,380	61,779	180,335	-
Cash and investment fund balance - ending	\$ -	\$ -	\$ 824,380	\$ 53,138	\$ 81,623	\$ -
Cash and Investment Assets - Ending						
Restricted assets:						
Cash and investments	\$ -	\$ -	\$ 824,380	\$ 53,138	\$ 81,623	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-
Unrestricted	-	-	824,380	53,138	81,623	-
Total cash and investment fund balance - ending	\$ -	\$ -	\$ 824,380	\$ 53,138	\$ 81,623	\$ -

SULLIVAN 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	Public Health Coordinator	County Correction	Victim Advocacy	Tobacco Settlement	Levee Excess
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	136,445	27,055	13,898	25,159	17,464	-
Total receipts	136,445	27,055	13,898	25,159	17,464	-
Disbursements:						
General government	136,445	27,114	-	-	-	102,543
Public safety	-	-	4,283	25,075	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	18,000	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	14,251	-	-	-
Highways and streets	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total disbursements	136,445	27,114	18,534	25,075	18,000	102,543
Excess (deficiency) of receipts over disbursements	-	(59)	(4,636)	84	(536)	(102,543)
Other financing sources:						
Other receipts	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(59)	(4,636)	84	(536)	(102,543)
Cash and investment fund balance - beginning	-	59	23,833	(4,688)	52,735	102,543
Cash and investment fund balance - ending	\$ -	\$ -	\$ 19,197	\$ (4,604)	\$ 52,199	\$ -
Cash and Investment Assets - Ending						
Restricted assets:						
Cash and investments	\$ -	\$ -	\$ 19,197	\$ (4,604)	\$ 52,199	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-
Unrestricted	-	-	19,197	(4,604)	52,199	-
Total cash and investment fund balance - ending	\$ -	\$ -	\$ 19,197	\$ (4,604)	\$ 52,199	\$ -

SULLIVAN 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)

	Fairbanks LIFT Grant	Surveyor's Coroner Perpetuation	Identification Security Protection	Operation Pullover	CPRT	911 Wireless
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 41,395	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	3,817	88,470
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	2,194	7,914	-	-	-
Other	25,000	-	-	1,000	17,726	7,933
Total receipts	25,000	2,194	7,914	1,000	62,938	96,403
Disbursements:						
General government	47,614	-	-	-	-	-
Public safety	-	2,229	-	996	-	50,319
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	64,297	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	1,262
Highways and streets	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total disbursements	47,614	2,229	-	996	64,297	51,581
Excess (deficiency) of receipts over disbursements	(22,614)	(35)	7,914	4	(1,359)	44,822
Other financing sources:						
Other receipts	-	-	-	-	-	1,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(22,614)	(35)	7,914	4	(1,359)	45,822
Cash and investment fund balance - beginning	22,614	63	19,066	-	42,565	167,651
Cash and investment fund balance - ending	\$ -	\$ 28	\$ 26,980	\$ 4	\$ 41,206	\$ 213,473
Cash and Investment Assets - Ending						
Restricted assets:						
Cash and investments	\$ -	\$ 28	\$ 26,980	\$ 4	\$ 41,206	\$ 213,473
Cash and Investment Fund Balance - Ending						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	26,980	4	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-
Unrestricted	-	28	-	-	41,206	213,473
Total cash and investment fund balance - ending	\$ -	\$ 28	\$ 26,980	\$ 4	\$ 41,206	\$ 213,473

SULLIVAN 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)

	Bail Bond Circuit Court	Bail Bond Superior Court	Probation Administration Fee	Redevelopment Commission	Allocation	Court Improvement Plan Grant
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 19,035	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	3,570	7,000	4,413	-	-	-
Other	-	-	-	7,500	-	16,000
Total receipts	3,570	7,000	4,413	7,500	19,035	16,000
Disbursements:						
General government	2,210	9,028	-	-	-	1,245
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	4,874	10,105	-
Culture and recreation	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Economic development	-	-	-	2,941	-	-
Culture and recreation	-	-	-	-	-	-
Total disbursements	2,210	9,028	-	7,815	10,105	1,245
Excess (deficiency) of receipts over disbursements	1,360	(2,028)	4,413	(315)	8,930	14,755
Other financing sources:						
Other receipts	-	839	-	350	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,360	(1,189)	4,413	35	8,930	14,755
Cash and investment fund balance - beginning	10,357	57,014	491	12,082	13,265	-
Cash and investment fund balance - ending	\$ 11,717	\$ 55,825	\$ 4,904	\$ 12,117	\$ 22,195	\$ 14,755
Cash and Investment Assets - Ending						
Restricted assets:						
Cash and investments	\$ 11,717	\$ 55,825	\$ 4,904	\$ 12,117	\$ 22,195	\$ 14,755
Cash and Investment Fund Balance - Ending						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-
Unrestricted	11,717	55,825	4,904	12,117	22,195	14,755
Total cash and investment fund balance - ending	\$ 11,717	\$ 55,825	\$ 4,904	\$ 12,117	\$ 22,195	\$ 14,755

SULLIVAN 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)

	Citation Grant	Pandemic Assessment	Sex Offender Fund	Hea 1001 State Hsc	EFT to Wrong Banc Account	Cumulative Capital Development
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,471
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	1,073,529	-	3,398
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	962	-	-	-
Other	5,000	-	-	-	51,703	-
Total receipts	5,000	-	962	1,073,529	51,703	30,869
Disbursements:						
General government	-	-	-	1,075,738	51,703	30,869
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total disbursements	-	-	-	1,075,738	51,703	30,869
Excess (deficiency) of receipts over disbursements	5,000	-	962	(2,209)	-	-
Other financing sources: Other receipts	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	5,000	-	962	(2,209)	-	-
Cash and investment fund balance - beginning	-	1,889	-	-	-	-
Cash and investment fund balance - ending	\$ 5,000	\$ 1,889	\$ 962	\$ (2,209)	\$ -	\$ -
Cash and Investment Assets - Ending						
Restricted assets:						
Cash and investments	\$ 5,000	\$ 1,889	\$ 962	\$ (2,209)	\$ -	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-
Unrestricted	5,000	1,889	962	(2,209)	-	-
Total cash and investment fund balance - ending	\$ 5,000	\$ 1,889	\$ 962	\$ (2,209)	\$ -	\$ -

SULLIVAN 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)

	Cumulative Bridge	Sheriff's Commissary	Aviation Construction	County CEDIT	Totals
Receipts:					
Taxes	\$ 341,091	\$ -	\$ -	\$ 514,801	\$ 1,439,467
Licenses and permits	-	-	-	-	19,840
Intergovernmental	31,459	-	416,926	-	1,845,047
Charges for services	-	112,859	-	-	1,702,459
Fines and forfeits	-	-	3,032	-	597,042
Other	18,832	-	9,197	-	515,572
Total receipts	391,382	112,859	429,155	514,801	6,119,427
Disbursements:					
General government	-	-	417,693	-	2,471,570
Public safety	-	100,300	-	-	1,292,100
Highways and streets	438,172	-	-	-	638,781
Health and welfare	-	-	-	-	906,727
Economic development	-	-	-	164,243	179,222
Culture and recreation	-	-	-	-	942,931
Capital outlay:					
General government	-	-	-	-	2,340
Public safety	-	-	-	-	56,631
Highways and streets	355,911	-	-	-	355,911
Economic development	-	-	-	-	2,941
Culture and recreation	-	-	-	-	39,282
Total disbursements	794,083	100,300	417,693	164,243	6,888,436
Excess (deficiency) of receipts over disbursements	(402,701)	12,559	11,462	350,558	(769,009)
Other financing sources:					
Other receipts	152,427	-	-	-	359,173
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(250,274)	12,559	11,462	350,558	(409,836)
Cash and investment fund balance - beginning	799,455	7,371	38,294	-	5,132,385
Cash and investment fund balance - ending	\$ 549,181	\$ 19,930	\$ 49,756	\$ 350,558	\$ 4,722,549
Cash and Investment Assets - Ending					
Restricted assets:					
Cash and investments	\$ 549,181	\$ 19,930	\$ 49,756	\$ 350,558	\$ 4,722,549
Cash and Investment Fund Balance - Ending					
Restricted for:					
General government	\$ -	\$ -	\$ -	\$ -	\$ 197,595
Public safety	-	-	-	-	141,077
Highways and streets	-	-	-	-	23,579
Health and welfare	-	-	-	-	1,111,420
Culture and recreation	-	-	-	-	80,253
Capital outlay	549,181	-	49,756	350,558	949,495
Other purposes	-	19,930	-	-	19,930
Unrestricted	-	-	-	-	2,199,200
Total cash and investment fund balance - ending	\$ 549,181	\$ 19,930	\$ 49,756	\$ 350,558	\$ 4,722,549

SULLIVAN COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For The Year Ended December 31, 2008

	Landfill Closure and Post-Closure	Congressional School Principal	Totals
Additions:			
Contributions:			
Other	\$ 5,000	\$ 30,925	\$ 35,925
Investment earnings:			
Interest	9,965	-	9,965
Dividends	3,080	-	3,080
Total investment earnings	13,045	-	13,045
Total additions	18,045	30,925	48,970
Deductions:			
Administrative and general	3,097	30,925	34,022
Excess of total additions over total deductions	14,948	-	14,948
Cash and investment fund balance - beginning	349,869	15,462	365,331
Cash and investment fund balance - ending	\$ 364,817	\$ 15,462	\$ 380,279

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

	<u>City/Town Court Costs</u>	<u>Congressional Interest</u>	<u>Tax Sale Surplus</u>	<u>Tax Sale Redemption</u>	<u>Surplus Tax</u>	<u>Refund Due State</u>
Additions:						
Agency fund additions	\$ 10,916	\$ 326	\$ -	\$ 85,827	\$ 40,588	\$ 13,826
Deductions:						
Agency fund deductions	<u>10,564</u>	<u>618</u>	<u>364,232</u>	<u>81,669</u>	<u>48,968</u>	<u>13,826</u>
Excess (deficiency) of total additions over total deductions	352	(292)	(364,232)	4,158	(8,380)	-
Cash and investment fund balance - beginning	<u>10,564</u>	<u>12,061</u>	<u>409,178</u>	<u>3,555</u>	<u>59,098</u>	<u>-</u>
Cash and investment fund balance - ending	<u>\$ 10,916</u>	<u>\$ 11,769</u>	<u>\$ 44,946</u>	<u>\$ 7,713</u>	<u>\$ 50,718</u>	<u>\$ -</u>

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

	State Fair Board	State Fines and Forfeitures	State Forestry Tax	Sewer Liens	Overweight Vehicles	Road Closure
Additions:						
Agency fund additions	\$ 7,172	\$ 11,700	\$ 14,343	\$ 1,920	\$ 904	\$ -
Deductions:						
Agency fund deductions	7,172	8,438	14,343	1,920	904	-
Excess (deficiency) of total additions over total deductions	-	3,262	-	-	-	-
Cash and investment fund balance - beginning	-	1,025	-	-	-	2,000
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 4,287</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,000</u>

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

	<u>Infractions</u>	<u>Inheritance Tax</u>	<u>Sale of Property</u>	<u>Bank Transfer</u>	<u>Payroll Withholdings</u>	<u>Offender Trust</u>
Additions:						
Agency fund additions	\$ 32,720	\$ 1,143,550	\$ 67,071	\$ 29,744	\$ 1,176,875	\$ 144,721
Deductions:						
Agency fund deductions	<u>31,632</u>	<u>1,129,827</u>	<u>64,467</u>	<u>29,744</u>	<u>1,176,612</u>	<u>143,646</u>
Excess (deficiency) of total additions over total deductions	1,088	13,723	2,604	-	263	1,075
Cash and investment fund balance - beginning	<u>1,687</u>	<u>348,451</u>	<u>23,058</u>	<u>-</u>	<u>(923)</u>	<u>9,493</u>
Cash and investment fund balance - ending	<u>\$ 2,775</u>	<u>\$ 362,174</u>	<u>\$ 25,662</u>	<u>\$ -</u>	<u>\$ (660)</u>	<u>\$ 10,568</u>

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

	Speical Death Benefit	Education Plate	CEDIT Distribution	Tourism Promotion	Financial Institutions	Wheel Tax
Additions:						
Agency fund additions	\$ 1,420	\$ 938	\$ 898,662	\$ 20,914	\$ 99,987	\$ 77,847
Deductions:						
Agency fund deductions	1,370	3,075	898,662	21,314	99,987	77,847
Excess (deficiency) of total additions over total deductions	50	(2,137)	-	(400)	-	-
Cash and investment fund balance - beginning	60	1,069	-	27,060	-	-
Cash and investment fund balance - ending	<u>\$ 110</u>	<u>\$ (1,068)</u>	<u>\$ -</u>	<u>\$ 26,660</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Surtax	State Share Mortgage Fees	Child Restraint Violation	Welfare Trust	Homestead Credit Rebate	Commercial Vehicle Excise
Additions:						
Agency fund additions	\$ 303,824	\$ 1,830	\$ 400	\$ -	\$ 193	\$ 186,465
Deductions:						
Agency fund deductions	303,824	1,865	380	-	513,624	186,476
Excess (deficiency) of total additions over total deductions	-	(35)	20	-	(513,431)	(11)
Cash and investment fund balance - beginning	-	180	20	1,739	513,485	11
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 145</u>	<u>\$ 40</u>	<u>\$ 1,739</u>	<u>\$ 54</u>	<u>\$ -</u>

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

	2008 Tax Sale Surplus	2008 Tax Sale Surplus Normal	Sheriff's Trust	Clerk of the Circuit Court	Recorder's Trust	Airport Manager
Additions:						
Agency fund additions	\$ 57,569	\$ 50,341	\$ 600,732	\$ 2,590,687	\$ 129,648	\$ 134,999
Deductions:						
Agency fund deductions	57,569	-	606,439	3,028,020	129,648	126,070
Excess (deficiency) of total additions over total deductions	-	50,341	(5,707)	(437,333)	-	8,929
Cash and investment fund balance - beginning	-	-	8,008	812,545	-	-
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 50,341</u>	<u>\$ 2,301</u>	<u>\$ 375,212</u>	<u>\$ -</u>	<u>\$ 8,929</u>

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

	Prosecutor's Law Enforcement	Probation Trust	Treasurer's Trust	Common School	Jefferson Township Fire Department
Additions:					
Agency fund additions	\$ 4,212	\$ 48,461	\$ 26,915,197	\$ -	\$ -
Deductions:					
Agency fund deductions	5,050	45,749	26,943,259	-	-
Excess (deficiency) of total additions over total deductions	(838)	2,712	(28,062)	-	-
Cash and investment fund balance - beginning	2,527	-	393,433	3,000	18
Cash and investment fund balance - ending	<u>\$ 1,689</u>	<u>\$ 2,712</u>	<u>\$ 365,371</u>	<u>\$ 3,000</u>	<u>\$ 18</u>

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

	<u>Aviation Donation</u>	<u>Sales Disclosure Fund</u>	<u>Police Pension</u>	<u>Sex Offender</u>	<u>Totals</u>
Additions:					
Agency fund additions	\$ -	\$ 2,805	\$ 13,335	\$ 1,320	\$ 34,923,989
Deductions:					
Agency fund deductions	-	2,635	-	1,430	36,182,875
Excess (deficiency) of total additions over total deductions	-	170	13,335	(110)	(1,258,886)
Cash and investment fund balance - beginning	<u>175</u>	<u>160</u>	<u>1,578</u>	<u>110</u>	<u>2,644,425</u>
Cash and investment fund balance - ending	<u>\$ 175</u>	<u>\$ 330</u>	<u>\$ 14,913</u>	<u>\$ -</u>	<u>\$ 1,385,539</u>

SULLIVAN 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
County Sheriff
Emergency Medical Service
Clerk of the Circuit Court
County Treasurer
County Aviation

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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 SULLIVAN COUNTY, INDIANA

Compliance

We have audited the compliance of Sullivan 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 programs for the year ended December 31, 2008. The County's major federal programs are 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 each of its major federal programs 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, the Board of 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 8, 2009

SULLIVAN 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 Office of Community and Rural Affairs Community Development Block Grant	14.228		\$ 25,000
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation Airport Improvement Program	20.106		390,984
Highway Planning and Construction	20.205		43,882
Total for federal grantor agency			434,866
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-Through Indiana Department of Health Public Health Emergency Preparedness	93.069		29,550
Centers for Disease Control and Prevention	93.283		5,000
Pass-Through Indiana Family and Social Services Administration Child Support Enforcement	93.563		
Child Support Expenditures			63,299
Incentive Expenditures			31,114
Indirect Expenditures			9,969
Total for program			104,382
Total for federal grantor agency			138,932
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036		370,780
Emergency Management Performance Grants	97.042		14,851
Total for federal grantor agency			385,631
Total federal awards expended			\$ 984,429

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

SULLIVAN COUNTY
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Sullivan 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.

SULLIVAN 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
20.106	Airport Improvement Program
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? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

SULLIVAN COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

SULLIVAN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 8, 2009, with Jim Boes, President of the Board of County Commissioners; Duane Wampler, President of the County Council; and Jean Harris, Auditor. Our audit disclosed no material items that warrant comment at this time.