

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

ANNUAL FINANCIAL REPORT

2009

PIKE COUNTY, INDIANA



FILED

09/14/2010

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SCHEDULE OF OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|---|--|--|
| Auditor | Teresia Faye Leslie | 01-01-07 to 12-31-10 |
| Treasurer | Nyla Dooley | 01-01-09 to 12-31-12 |
| Clerk | Shirley VanMeter | 01-01-09 to 12-31-12 |
| Sheriff | G. Todd Meadors | 01-01-07 to 12-31-10 |
| Recorder | Tom Edrington Vacant Jody Hoover | 01-01-07 to 07-31-09 08-01-09 to 08-17-09 08-18-09 to 12-31-10 |
| President of the Board of County Commissioners | Dale E. Nalley | 01-01-09 to 12-31-10 |
| President of the County Council | Sharon Booth | 01-01-09 to 12-31-10 |



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 PIKE COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Pike County (County), as of and for the year ended December 31, 2009, 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, 2009, 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 August 12, 2010, 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 integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations,

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

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.

Included in the financial statements are the receipts and disbursements activity from emergency telephone system fees (IC 36-8-16) and enhanced wireless emergency telephone fees (IC 36-8-16.5). In accordance with IC 36-8-16-14 and IC 36-8-16.5-41 these fees have been subjected to an annual examination performed by State Board of Accounts and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Schedule of Funding Progress 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, Schedule of Contributions From the Employer and Other Contributing Entities, 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, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the basic financial statements. The Combining 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. The Schedule of Capital Assets and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

August 12, 2010



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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 PIKE COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Pike County (County), as of and for the year ended December 31, 2009, which collectively comprise the County's basic financial statements and have issued our report thereon dated August 12, 2010. 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, 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

August 12, 2010

PIKE COUNTY
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For The Year Ended December 31, 2009

| Functions/Programs | Program Receipts | | | | Net (Disbursement) Receipt and Changes in Net Assets |
|---|------------------|-------------------------|--|--|--|
| | Disbursements | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government |
| | | | | | Governmental Activities |
| Primary government: | | | | | |
| Governmental activities: | | | | | |
| General government | \$ 7,264,253 | \$ 68,308 | \$ - | \$ - | \$ (7,195,945) |
| Public safety | 370,908 | 1,053,954 | 8,517 | - | 691,563 |
| Highways and streets | 1,755,989 | 642 | - | 1,440,305 | (315,042) |
| Sanitation | - | 76,419 | - | - | 76,419 |
| Health and welfare | 809,278 | - | 56,836 | - | (752,442) |
| Economic development | 774,187 | - | - | - | (774,187) |
| Culture and recreation | 331,131 | 153,536 | - | - | (177,595) |
| Principal and interest on indebtedness | 434,335 | - | - | - | (434,335) |
| Total governmental activities | 11,740,081 | 1,352,859 | 65,353 | 1,440,305 | (8,881,564) |
| General receipts: | | | | | |
| Property taxes | | | | | 4,860,652 |
| Income taxes | | | | | 814,713 |
| Intergovernmental | | | | | 343,704 |
| Other local sources | | | | | 2,810,218 |
| Grants and contributions not restricted to specific programs | | | | | 78,274 |
| Investment earnings | | | | | 172,743 |
| Total general receipts, special items, and transfers | | | | | 9,080,304 |
| Change in net assets | | | | | 198,740 |
| Net assets - beginning | | | | | 10,806,519 |
| Net assets - ending | | | | | \$ 11,005,259 |
| <u>Assets</u> | | | | | |
| Cash and investments | | | | | \$ 4,624,661 |
| Restricted assets: | | | | | |
| Cash and investments | | | | | 6,380,598 |
| Total assets | | | | | \$ 11,005,259 |
| <u>Net Assets</u> | | | | | |
| Restricted for: | | | | | |
| General government | | | | | \$ 2,247,710 |
| Public safety | | | | | 750,852 |
| Highways and streets | | | | | 427,920 |
| Health and welfare | | | | | 82,454 |
| Culture and recreation | | | | | 672,307 |
| Capital outlay | | | | | 2,199,355 |
| Unrestricted | | | | | 4,624,661 |
| Total net assets | | | | | \$ 11,005,259 |

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

PIKE 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, 2009

| | County General | Highway | Cedit Capital Projects | Other Governmental Funds | Totals |
|---|---------------------|-------------------|------------------------------|--------------------------------|----------------------|
| Receipts: | | | | | |
| Taxes | \$ 4,072,008 | \$ - | \$ 814,713 | \$ 788,644 | \$ 5,675,365 |
| Intergovernmental | 281,641 | 1,316,320 | - | 291,197 | 1,889,158 |
| Charges for services | 859,877 | - | - | 358,621 | 1,218,498 |
| Fines and forfeits | 72,762 | - | - | 61,599 | 134,361 |
| Other | 551,922 | 15,177 | 7,929 | 252,151 | 827,179 |
| Total receipts | 5,838,210 | 1,331,497 | 822,642 | 1,752,212 | 9,744,561 |
| Disbursements: | | | | | |
| General government | 5,989,977 | - | - | 1,150,481 | 7,140,458 |
| Public safety | - | - | - | 341,696 | 341,696 |
| Highways and streets | - | 1,374,245 | - | 376,302 | 1,750,547 |
| Health and welfare | - | - | - | 806,174 | 806,174 |
| Economic development | - | - | 745,557 | - | 745,557 |
| Culture and recreation | - | - | - | 331,131 | 331,131 |
| Debt service: | | | | | |
| Principal | - | - | - | 434,335 | 434,335 |
| Capital outlay: | | | | | |
| General government | 53,754 | - | - | 70,041 | 123,795 |
| Public safety | - | - | - | 29,212 | 29,212 |
| Highways and streets | - | 5,442 | - | - | 5,442 |
| Health and welfare | - | - | - | 3,104 | 3,104 |
| Economic development | - | - | 28,630 | - | 28,630 |
| Total disbursements | 6,043,731 | 1,379,687 | 774,187 | 3,542,476 | 11,740,081 |
| Excess (deficiency) of receipts over disbursements | (205,521) | (48,190) | 48,455 | (1,790,264) | (1,995,520) |
| Other financing sources: | | | | | |
| Other receipts | 59,587 | 105,023 | - | 2,029,650 | 2,194,260 |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (145,934) | 56,833 | 48,455 | 239,386 | 198,740 |
| Cash and investment fund balance - beginning | 4,770,595 | 356,958 | 1,394,988 | 4,283,978 | 10,806,519 |
| Cash and investment fund balance - ending | <u>\$ 4,624,661</u> | <u>\$ 413,791</u> | <u>\$ 1,443,443</u> | <u>\$ 4,523,364</u> | <u>\$ 11,005,259</u> |
| Cash and Investment Assets - Ending | | | | | |
| Cash and investments | \$ 4,624,661 | \$ - | \$ - | \$ - | \$ 4,624,661 |
| Restricted assets: | | | | | |
| Cash and investments | - | 413,791 | 1,443,443 | 4,523,364 | 6,380,598 |
| Total cash and investment assets - ending | <u>\$ 4,624,661</u> | <u>\$ 413,791</u> | <u>\$ 1,443,443</u> | <u>\$ 4,523,364</u> | <u>\$ 11,005,259</u> |
| Cash and Investment Fund Balance - Ending | | | | | |
| Restricted for: | | | | | |
| General government | \$ - | \$ - | \$ - | \$ 2,247,710 | \$ 2,247,710 |
| Public safety | - | - | - | 750,852 | 750,852 |
| Highways and streets | - | 413,791 | - | 14,129 | 427,920 |
| Health and welfare | - | - | - | 82,454 | 82,454 |
| Culture and recreation | - | - | - | 672,307 | 672,307 |
| Capital outlay | - | - | 1,443,443 | 755,912 | 2,199,355 |
| Unrestricted | 4,624,661 | - | - | - | 4,624,661 |
| Total cash and investment fund balance - ending | <u>\$ 4,624,661</u> | <u>\$ 413,791</u> | <u>\$ 1,443,443</u> | <u>\$ 4,523,364</u> | <u>\$ 11,005,259</u> |

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

PIKE COUNTY
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For The Year Ended December 31, 2009

| | Pension Trust Funds | Private-Purpose Trust Funds | Agency Funds |
|--|------------------------|--------------------------------|---------------------|
| Additions: | | | |
| Contributions: | | | |
| Other | \$ - | \$ 6,000 | |
| Investment earnings: | | | |
| Dividends | - | 2,283 | |
| Total investment earnings | - | 2,283 | |
| Less investment disbursements | - | (750) | |
| Net investment earnings | - | 1,533 | |
| Total additions | - | 7,533 | |
| Deductions: | | | |
| Refunds of contributions | - | 30,144 | |
| Deficiency of total additions over total deductions | - | (22,611) | |
| Cash and investment fund balance - beginning | 3 | 197,727 | |
| Cash and investment fund balance - ending | <u>\$ 3</u> | <u>\$ 175,116</u> | <u>\$ 1,250,368</u> |

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

PIKE 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: Pike 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. However, there are no business-type activities to report at this time.

Fund Financial Statements

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

The County reports the following major governmental funds:

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

The Highway Fund receives funds from state motor vehicle highway distributions and general property taxes. This fund is used primarily for the construction and maintenance of county highways.

The Economic Development Income Tax fund is used to account for capital outlay pertaining to economic development projects from receipts derived from the county economic development tax.

PIKE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Additionally, the County reports the following fund types:

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

The private-purpose trust fund reports a trust arrangement under which principal and income benefit the County's school corporation and the citizens of the County.

Agency funds account for assets held by the County as an agent for various other governmental units within the County and State and serve as control of accounts for certain cash transactions during the time they are a liability to the County.

C. Measurement Focus and Basis of Accounting

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

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

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

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

When both restricted and unrestricted resources are available for use, the County's policy is to use restricted resources first, then unrestricted resources as they are needed.

D. Assets and Cash and Investment Balances

1. Restricted Assets

All restricted assets, as presented in the accompanying financial statements, are restricted due to enabling legislation.

2. 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.

PIKE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

3. Property Taxes

Normally, property taxes levied are collected by the County Treasurer and are distributed to the County in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. 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 may 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.

4. 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.

5. Long-Term Debt

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

6. 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."

Fund Financial Statements

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

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.

PIKE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

F. Internal and Interfund 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 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.
4. Interfund loans – Flow of assets from one fund to another where repayment is expected is reported as interfund loans.

Government-Wide Financial Statements

Interfund activity, if any, is 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 loans and 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 obtain taxpayer comments. Prior to November 1, 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.

PIKE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

B. Cash and Investment Balance Deficits

At December 31, 2009, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines as authorized by state statute:

| Fund | 2009 |
|--------------|------------|
| Health Grant | \$ (159) |
| Payroll | (6,164) |
| Total | \$ (6,323) |

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

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. IC 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, 2009, the County had deposit balances in the amount of \$12,430,746.

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.

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; medical benefits to employees, and dependents; 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; medical benefits to employees, and dependents; and natural disasters are covered by commercial insurance from independent third parties.

PIKE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Settled claims from risks covered by commercial insurance have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

During 2000, the County joined with other governmental entities in the Indiana Public Employer's Plan, a public entity risk pool currently operating as a common risk management and insurance program for 512 member governmental entities. This risk pool was formed in the 1989. The purpose of the risk pool is to provide a medium for the funding and administration of workers' compensation claims. The County pays an annual premium to the risk pool for its coverage. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$1,000,000 per insured event.

B. Pension Plan

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

Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The total contributions made to PERF by the County during the period were \$166,446.

PIKE COUNTY
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

| 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) |
|--------------------------------|--|---|--|--------------------------|---------------------------|--|
| 07-01-07 | \$ 2,834,498 | \$ 2,705,562 | \$ 128,936 | 105% | \$ 2,809,962 | 5% |
| 07-01-08 | 2,942,164 | 2,942,731 | (567) | 100% | 2,741,955 | (0%) |
| 07-01-09 | 2,635,146 | 3,009,174 | (374,028) | 88% | 2,891,592 | (13%) |

PIKE 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, 2009

| | Local Road And Street | Accident Report (Sheriff) | Firearms Training | Health | Law Enforcement Continuing Ed | Clerk's Records Perpetuation |
|---|--------------------------------|---------------------------------|----------------------|------------------|--|------------------------------------|
| Receipts: | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ 100,178 | \$ - | \$ - |
| Intergovernmental | 123,985 | - | - | 6,923 | - | - |
| Charges for services | - | - | - | 22,634 | - | - |
| Fines and forfeits | - | - | - | - | - | - |
| Other | - | 430 | - | 1,009 | - | 6,054 |
| Total receipts | 123,985 | 430 | - | 130,744 | - | 6,054 |
| Disbursements: | | | | | | |
| General government | - | - | - | - | - | 7,230 |
| Public safety | - | 361 | 5,959 | - | 2,364 | - |
| Highways and streets | 122,202 | - | - | - | - | - |
| Health and welfare | - | - | - | 128,996 | - | - |
| Culture and recreation | - | - | - | - | - | - |
| Debt service: | | | | | | |
| Principal | - | - | - | - | - | - |
| Capital outlay: | | | | | | |
| General government | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - |
| Total disbursements | 122,202 | 361 | 5,959 | 128,996 | 2,364 | 7,230 |
| Excess (deficiency) of receipts over disbursements | 1,783 | 69 | (5,959) | 1,748 | (2,364) | (1,176) |
| Other financing sources (uses): | | | | | | |
| Other receipts | - | - | 11,270 | - | 3,243 | - |
| Total other financing sources (uses) | - | - | 11,270 | - | 3,243 | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | 1,783 | 69 | 5,311 | 1,748 | 879 | (1,176) |
| Cash and investment fund balance - beginning | 11,554 | 3,219 | 6,998 | 11,098 | 4,225 | 8,347 |
| Cash and investment fund balance - ending | \$ 13,337 | \$ 3,288 | \$ 12,309 | \$ 12,846 | \$ 5,104 | \$ 7,171 |
| Cash and Investment Assets - Ending | | | | | | |
| Restricted assets: | | | | | | |
| Cash and investments | \$ 13,337 | \$ 3,288 | \$ 12,309 | \$ 12,846 | \$ 5,104 | \$ 7,171 |
| Cash and Investment Fund Balance - Ending | | | | | | |
| Restricted for: | | | | | | |
| General government | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 7,171 |
| Public safety | - | 3,288 | 12,309 | - | 5,104 | - |
| Highways and streets | 13,337 | - | - | - | - | - |
| Health and welfare | - | - | - | 12,846 | - | - |
| Culture and recreation | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - |
| Total cash and investment fund balance - ending | \$ 13,337 | \$ 3,288 | \$ 12,309 | \$ 12,846 | \$ 5,104 | \$ 7,171 |

PIKE 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, 2009
 (Continued)

| | Election And Registration | Emergency Telephone System | Emergency Planning/Right To Know | Parks And Recreation | Property Reassessment | Extradition |
|---|---------------------------------|----------------------------------|---|----------------------------|--------------------------|-------------|
| Receipts: | | | | | | |
| Taxes | \$ 50,104 | \$ - | \$ - | \$ - | \$ 354,220 | \$ - |
| Intergovernmental | 3,462 | - | - | - | 24,487 | - |
| Charges for services | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - |
| Other | - | - | 1,291 | - | 3,647 | - |
| Total receipts | 53,566 | - | 1,291 | - | 382,354 | - |
| Disbursements: | | | | | | |
| General government | 26,795 | - | - | - | 198,465 | - |
| Public safety | - | 62,264 | 2,393 | - | - | - |
| Highways and streets | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - |
| Culture and recreation | - | - | - | 331,131 | - | - |
| Debt service: | | | | | | |
| Principal | - | - | - | - | - | - |
| Capital outlay: | | | | | | |
| General government | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - |
| Total disbursements | 26,795 | 62,264 | 2,393 | 331,131 | 198,465 | - |
| Excess (deficiency) of receipts over disbursements | 26,771 | (62,264) | (1,102) | (331,131) | 183,889 | - |
| Other financing sources (uses): | | | | | | |
| Other receipts | - | 77,502 | - | 384,287 | - | - |
| Total other financing sources (uses) | - | 77,502 | - | 384,287 | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | 26,771 | 15,238 | (1,102) | 53,156 | 183,889 | - |
| Cash and investment fund balance - beginning | 221,754 | 149,187 | 60,692 | 619,151 | 284,529 | 7 |
| Cash and investment fund balance - ending | \$ 248,525 | \$ 164,425 | \$ 59,590 | \$ 672,307 | \$ 468,418 | \$ 7 |
| Cash and Investment Assets - Ending | | | | | | |
| Restricted assets: | | | | | | |
| Cash and investments | \$ 248,525 | \$ 164,425 | \$ 59,590 | \$ 672,307 | \$ 468,418 | \$ 7 |
| Cash and Investment Fund Balance - Ending | | | | | | |
| Restricted for: | | | | | | |
| General government | \$ 248,525 | \$ - | \$ - | \$ - | \$ 468,418 | \$ - |
| Public safety | - | 164,425 | 59,590 | - | - | 7 |
| Highways and streets | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - |
| Culture and recreation | - | - | - | 672,307 | - | - |
| Capital outlay | - | - | - | - | - | - |
| Total cash and investment fund balance - ending | \$ 248,525 | \$ 164,425 | \$ 59,590 | \$ 672,307 | \$ 468,418 | \$ 7 |

PIKE 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, 2009
 (Continued)

| | Juvenile Probation Service | Recorder's Records Perpetuation | User Fee | Health Maintenance | Pretrial Diversion | Guardian Ad Litem/Court |
|---|----------------------------------|---------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------------|
| Receipts: | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | - | - | - | - | - | 16,957 |
| Charges for services | - | - | - | 33,139 | - | - |
| Fines and forfeits | - | - | - | - | - | - |
| Other | - | - | 5,801 | - | - | - |
| Total receipts | - | - | 5,801 | 33,139 | - | 16,957 |
| Disbursements: | | | | | | |
| General government | - | 1,071 | 4,966 | - | - | 26,353 |
| Public safety | - | - | - | - | 45,937 | - |
| Highways and streets | - | - | - | - | - | - |
| Health and welfare | - | - | - | 33,132 | - | - |
| Culture and recreation | - | - | - | - | - | - |
| Debt service: | | | | | | |
| Principal | - | - | - | - | - | - |
| Capital outlay: | | | | | | |
| General government | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - |
| Total disbursements | - | 1,071 | 4,966 | 33,132 | 45,937 | 26,353 |
| Excess (deficiency) of receipts over disbursements | - | (1,071) | 835 | 7 | (45,937) | (9,396) |
| Other financing sources (uses): | | | | | | |
| Other receipts | - | 18,515 | - | - | 47,350 | - |
| Total other financing sources (uses) | - | 18,515 | - | - | 47,350 | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | - | 17,444 | 835 | 7 | 1,413 | (9,396) |
| Cash and investment fund balance - beginning | 14,299 | 118,603 | 57,836 | 25,468 | 75,833 | 9,396 |
| Cash and investment fund balance - ending | <u>\$ 14,299</u> | <u>\$ 136,047</u> | <u>\$ 58,671</u> | <u>\$ 25,475</u> | <u>\$ 77,246</u> | <u>\$ -</u> |
| Cash and Investment Assets - Ending | | | | | | |
| Restricted assets: | | | | | | |
| Cash and investments | <u>\$ 14,299</u> | <u>\$ 136,047</u> | <u>\$ 58,671</u> | <u>\$ 25,475</u> | <u>\$ 77,246</u> | <u>\$ -</u> |
| Cash and Investment Fund Balance - Ending | | | | | | |
| Restricted for: | | | | | | |
| General government | \$ - | \$ 136,047 | \$ 58,671 | \$ - | \$ - | \$ - |
| Public safety | 14,299 | - | - | - | 77,246 | - |
| Highways and streets | - | - | - | - | - | - |
| Health and welfare | - | - | - | 25,475 | - | - |
| Culture and recreation | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - |
| Total cash and investment fund balance - ending | <u>\$ 14,299</u> | <u>\$ 136,047</u> | <u>\$ 58,671</u> | <u>\$ 25,475</u> | <u>\$ 77,246</u> | <u>\$ -</u> |

PIKE 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, 2009
 (Continued)

| | Plat Book | Misdemeanant | Supplemental Public Defender Svc | Surveyor's Corner Perpetuation | Jury Pay | Rainy Day |
|---|------------------|------------------|---|--------------------------------------|------------------|-------------------|
| Receipts: | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | - | - | - | - | - | - |
| Charges for services | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - |
| Other | - | 10,549 | - | - | 2,999 | - |
| Total receipts | - | 10,549 | - | - | 2,999 | - |
| Disbursements: | | | | | | |
| General government | 525 | - | - | 6,632 | - | 23,336 |
| Public safety | - | 3,377 | 84,862 | - | - | - |
| Highways and streets | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - |
| Debt service: | | | | | | |
| Principal | - | - | - | - | - | - |
| Capital outlay: | | | | | | |
| General government | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - |
| Total disbursements | 525 | 3,377 | 84,862 | 6,632 | - | 23,336 |
| Excess (deficiency) of receipts over disbursements | (525) | 7,172 | (84,862) | (6,632) | 2,999 | (23,336) |
| Other financing sources (uses): | | | | | | |
| Other receipts | 3,090 | - | 149,216 | 2,775 | - | 658,598 |
| Total other financing sources (uses) | 3,090 | - | 149,216 | 2,775 | - | 658,598 |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | 2,565 | 7,172 | 64,354 | (3,857) | 2,999 | 635,262 |
| Cash and investment fund balance - beginning | 23,726 | 23,847 | 9,670 | 24,337 | 23,142 | 244,892 |
| Cash and investment fund balance - ending | \$ 26,291 | \$ 31,019 | \$ 74,024 | \$ 20,480 | \$ 26,141 | \$ 880,154 |
| Cash and Investment Assets - Ending | | | | | | |
| Restricted assets: | | | | | | |
| Cash and investments | \$ 26,291 | \$ 31,019 | \$ 74,024 | \$ 20,480 | \$ 26,141 | \$ 880,154 |
| Cash and Investment Fund Balance - Ending | | | | | | |
| Restricted for: | | | | | | |
| General government | \$ 26,291 | \$ - | \$ - | \$ 20,480 | \$ 26,141 | \$ 880,154 |
| Public safety | - | 31,019 | 74,024 | - | - | - |
| Highways and streets | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - |
| Total cash and investment fund balance - ending | \$ 26,291 | \$ 31,019 | \$ 74,024 | \$ 20,480 | \$ 26,141 | \$ 880,154 |

PIKE 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, 2009
 (Continued)

| | County Sales Disclosure | Law Enforcement Assistance | Sales Disclosure | Dare | Tobacco Settlement | Health Immunization Grant |
|---|-------------------------------|----------------------------------|----------------------|------------------------|-------------------------|---------------------------------|
| Receipts: | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | - | - | - | - | 14,335 | - |
| Charges for services | - | - | 2,020 | - | - | - |
| Fines and forfeits | - | - | - | - | - | - |
| Other | 4,520 | - | - | 1,500 | - | - |
| Total receipts | 4,520 | - | 2,020 | 1,500 | 14,335 | - |
| Disbursements: | | | | | | |
| General government | 384 | - | 5,590 | - | - | - |
| Public safety | - | - | - | 223 | - | - |
| Highways and streets | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | 19,438 | - |
| Culture and recreation | - | - | - | - | - | - |
| Debt service: | | | | | | |
| Principal | - | - | - | - | - | - |
| Capital outlay: | | | | | | |
| General government | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | 3,104 | - |
| Total disbursements | 384 | - | 5,590 | 223 | 22,542 | - |
| Excess (deficiency) of receipts over disbursements | 4,136 | - | (3,570) | 1,277 | (8,207) | - |
| Other financing sources (uses): | | | | | | |
| Other receipts | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | 4,136 | - | (3,570) | 1,277 | (8,207) | - |
| Cash and investment fund balance - beginning | 6,148 | 52 | 3,820 | 1,732 | 51,671 | 669 |
| Cash and investment fund balance - ending | <u>\$ 10,284</u> | <u>\$ 52</u> | <u>\$ 250</u> | <u>\$ 3,009</u> | <u>\$ 43,464</u> | <u>\$ 669</u> |
| Cash and Investment Assets - Ending | | | | | | |
| Restricted assets: | | | | | | |
| Cash and investments | <u>\$ 10,284</u> | <u>\$ 52</u> | <u>\$ 250</u> | <u>\$ 3,009</u> | <u>\$ 43,464</u> | <u>\$ 669</u> |
| Cash and Investment Fund Balance - Ending | | | | | | |
| Restricted for: | | | | | | |
| General government | \$ 10,284 | \$ - | \$ 250 | \$ - | \$ - | \$ - |
| Public safety | - | 52 | - | 3,009 | - | - |
| Highways and streets | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | 43,464 | 669 |
| Culture and recreation | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - |
| Total cash and investment fund balance - ending | <u>\$ 10,284</u> | <u>\$ 52</u> | <u>\$ 250</u> | <u>\$ 3,009</u> | <u>\$ 43,464</u> | <u>\$ 669</u> |

PIKE 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, 2009
 (Continued)

| | Seized Assets | Levy Excess | Identification Security Protection | Wireless Emergency Telephone System | Adult Probation Admin Fee | Supplement Adult Probation Fees |
|---|---------------------|--------------------|--|--|------------------------------------|--|
| Receipts: | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | - | - | - | - | - | - |
| Charges for services | - | - | - | - | - | 642 |
| Fines and forfeits | - | - | - | - | - | 61,599 |
| Other | - | - | - | - | - | - |
| Total receipts | - | - | - | - | - | 62,241 |
| Disbursements: | | | | | | |
| General government | - | 581,514 | - | - | 6,782 | 27,653 |
| Public safety | - | - | - | 11,908 | - | - |
| Highways and streets | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - |
| Debt service: | | | | | | |
| Principal | - | - | - | - | - | - |
| Capital outlay: | | | | | | |
| General government | - | - | - | - | - | - |
| Public safety | - | - | - | 29,212 | - | - |
| Health and welfare | - | - | - | - | - | - |
| Total disbursements | - | 581,514 | - | 41,120 | 6,782 | 27,653 |
| Excess (deficiency) of receipts over disbursements | - | (581,514) | - | (41,120) | (6,782) | 34,588 |
| Other financing sources (uses): | | | | | | |
| Other receipts | - | 581,514 | 4,540 | 67,912 | 11,714 | - |
| Total other financing sources (uses) | - | 581,514 | 4,540 | 67,912 | 11,714 | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | - | - | 4,540 | 26,792 | 4,932 | 34,588 |
| Cash and investment fund balance - beginning | 72 | - | 17,736 | 195,106 | 33,097 | 159,695 |
| Cash and investment fund balance - ending | <u>\$ 72</u> | <u>\$ -</u> | <u>\$ 22,276</u> | <u>\$ 221,898</u> | <u>\$ 38,029</u> | <u>\$ 194,283</u> |
| Cash and Investment Assets - Ending | | | | | | |
| Restricted assets: | | | | | | |
| Cash and investments | <u>\$ 72</u> | <u>\$ -</u> | <u>\$ 22,276</u> | <u>\$ 221,898</u> | <u>\$ 38,029</u> | <u>\$ 194,283</u> |
| Cash and Investment Fund Balance - Ending | | | | | | |
| Restricted for: | | | | | | |
| General government | \$ - | \$ - | \$ - | \$ - | \$ 38,029 | \$ 194,283 |
| Public safety | 72 | - | 22,276 | 221,898 | - | - |
| Highways and streets | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - |
| Total cash and investment fund balance - ending | <u>\$ 72</u> | <u>\$ -</u> | <u>\$ 22,276</u> | <u>\$ 221,898</u> | <u>\$ 38,029</u> | <u>\$ 194,283</u> |

PIKE 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, 2009
 (Continued)

| | Old State Road Fund | Donations | Manned Collection Sites | Reverse 911 | Document Storage Fee | EMS Donation/Grant |
|---|------------------------------|-------------------------|-------------------------------|----------------------|-------------------------|-----------------------|
| Receipts: | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | - | - | - | - | - | - |
| Charges for services | - | - | 59,393 | - | - | - |
| Fines and forfeits | - | - | - | - | - | - |
| Other | - | - | - | - | - | 64,441 |
| Total receipts | - | - | 59,393 | - | - | 64,441 |
| Disbursements: | | | | | | |
| General government | - | - | 59,393 | 1,975 | - | - |
| Public safety | - | - | - | - | - | - |
| Highways and streets | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - |
| Debt service: | | | | | | |
| Principal | - | - | - | - | - | - |
| Capital outlay: | | | | | | |
| General government | - | - | - | - | - | 70,041 |
| Public safety | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - |
| Total disbursements | - | - | 59,393 | 1,975 | - | 70,041 |
| Excess (deficiency) of receipts over disbursements | - | - | - | (1,975) | - | (5,600) |
| Other financing sources (uses): | | | | | | |
| Other receipts | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | - | - | - | (1,975) | - | (5,600) |
| Cash and investment fund balance - beginning | 2,239 | 14,205 | 4,332 | 2,971 | 200 | 6,546 |
| Cash and investment fund balance - ending | <u>\$ 2,239</u> | <u>\$ 14,205</u> | <u>\$ 4,332</u> | <u>\$ 996</u> | <u>\$ 200</u> | <u>\$ 946</u> |
| Cash and Investment Assets - Ending | | | | | | |
| Restricted assets: | | | | | | |
| Cash and investments | <u>\$ 2,239</u> | <u>\$ 14,205</u> | <u>\$ 4,332</u> | <u>\$ 996</u> | <u>\$ 200</u> | <u>\$ 946</u> |
| Cash and Investment Fund Balance - Ending | | | | | | |
| Restricted for: | | | | | | |
| General government | \$ 2,239 | \$ 14,205 | \$ 4,332 | \$ 996 | \$ 200 | \$ 946 |
| Public safety | - | - | - | - | - | - |
| Highways and streets | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - |
| Total cash and investment fund balance - ending | <u>\$ 2,239</u> | <u>\$ 14,205</u> | <u>\$ 4,332</u> | <u>\$ 996</u> | <u>\$ 200</u> | <u>\$ 946</u> |

PIKE 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, 2009
 (Continued)

| | Community Emergency Response Grant | Tobacco Coalition | South Patoka Vol Fd Grant | County Drug Free Comm | Refuge Revenue Sharing | Bioterrorism |
|---|---|----------------------|---------------------------------------|--------------------------------|------------------------------|----------------------|
| Receipts: | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | - | - | 42,500 | 22,842 | - | - |
| Charges for services | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - |
| Other | - | - | - | - | - | - |
| Total receipts | - | - | 42,500 | 22,842 | - | - |
| Disbursements: | | | | | | |
| General government | - | - | 42,500 | 14,475 | - | - |
| Public safety | - | - | - | - | - | - |
| Highways and streets | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - |
| Debt service: | | | | | | |
| Principal | - | - | - | - | - | - |
| Capital outlay: | | | | | | |
| General government | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - |
| Total disbursements | - | - | 42,500 | 14,475 | - | - |
| Excess (deficiency) of receipts over disbursements | - | - | - | 8,367 | - | - |
| Other financing sources (uses): | | | | | | |
| Other receipts | - | - | - | - | 8,124 | - |
| Total other financing sources (uses) | - | - | - | - | 8,124 | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | - | - | - | 8,367 | 8,124 | - |
| Cash and investment fund balance - beginning | 1 | 6,605 | - | 37,341 | 30,235 | 12,380 |
| Cash and investment fund balance - ending | <u>1</u> | <u>6,605</u> | <u>-</u> | <u>45,708</u> | <u>38,359</u> | <u>12,380</u> |
| Cash and Investment Assets - Ending | | | | | | |
| Restricted assets: | | | | | | |
| Cash and investments | <u>1</u> | <u>6,605</u> | <u>-</u> | <u>45,708</u> | <u>38,359</u> | <u>12,380</u> |
| Cash and Investment Fund Balance - Ending | | | | | | |
| Restricted for: | | | | | | |
| General government | \$ 1 | \$ 6,605 | \$ - | \$ 45,708 | \$ 38,359 | \$ 12,380 |
| Public safety | - | - | - | - | - | - |
| Highways and streets | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - |
| Total cash and investment fund balance - ending | <u>1</u> | <u>6,605</u> | <u>-</u> | <u>45,708</u> | <u>38,359</u> | <u>12,380</u> |

PIKE 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, 2009
 (Continued)

| | Victim Assistance | Edit (Other Than Co) | Bioterrorism (2009) | H1N1 Grant | Cumulative Capital Development | Cumulative Bridge |
|---|----------------------|----------------------------|------------------------|-----------------|--------------------------------------|----------------------|
| Receipts: | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 284,142 |
| Intergovernmental | 8,517 | - | - | - | 7,556 | 19,633 |
| Charges for services | - | - | 11,017 | - | 109,380 | - |
| Fines and forfeits | - | - | - | - | - | - |
| Other | - | 97,245 | - | 11,191 | - | 41,474 |
| Total receipts | 8,517 | 97,245 | 11,017 | 11,191 | 116,936 | 345,249 |
| Disbursements: | | | | | | |
| General government | - | 97,245 | 11,017 | 6,580 | - | - |
| Public safety | 14,421 | - | - | - | - | - |
| Highways and streets | - | - | - | - | - | 254,100 |
| Health and welfare | - | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - |
| Debt service: | | | | | | |
| Principal | - | - | - | - | - | 434,335 |
| Capital outlay: | | | | | | |
| General government | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - |
| Total disbursements | 14,421 | 97,245 | 11,017 | 6,580 | - | 688,435 |
| Excess (deficiency) of receipts over disbursements | (5,904) | - | - | 4,611 | 116,936 | (343,186) |
| Other financing sources (uses): | | | | | | |
| Other receipts | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (5,904) | - | - | 4,611 | 116,936 | (343,186) |
| Cash and investment fund balance - beginning | 8,288 | - | - | - | 343,361 | 638,801 |
| Cash and investment fund balance - ending | \$ 2,384 | \$ - | \$ - | \$ 4,611 | \$ 460,297 | \$ 295,615 |
| Cash and Investment Assets - Ending | | | | | | |
| Restricted assets: | | | | | | |
| Cash and investments | \$ 2,384 | \$ - | \$ - | \$ 4,611 | \$ 460,297 | \$ 295,615 |
| Cash and Investment Fund Balance - Ending | | | | | | |
| Restricted for: | | | | | | |
| General government | \$ 2,384 | \$ - | \$ - | \$ 4,611 | \$ - | \$ - |
| Public safety | - | - | - | - | - | - |
| Highways and streets | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | 460,297 | 295,615 |
| Total cash and investment fund balance - ending | \$ 2,384 | \$ - | \$ - | \$ 4,611 | \$ 460,297 | \$ 295,615 |

PIKE 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, 2009
 (Continued)

| | Sheriff's Commissary | Family and Children Services | Children's Psychiatric Residential Treatment | County Road 475 North | Totals |
|---|-------------------------|------------------------------------|---|--------------------------|---------------------|
| Receipts: | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ 788,644 |
| Intergovernmental | - | - | - | - | 291,197 |
| Charges for services | 120,396 | - | - | - | 358,621 |
| Fines and forfeits | - | - | - | - | 61,599 |
| Other | - | - | - | - | 252,151 |
| Total receipts | <u>120,396</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,752,212</u> |
| Disbursements: | | | | | |
| General government | - | - | - | - | 1,150,481 |
| Public safety | 107,627 | - | - | - | 341,696 |
| Highways and streets | - | - | - | - | 376,302 |
| Health and welfare | - | 576,969 | 47,639 | - | 806,174 |
| Culture and recreation | - | - | - | - | 331,131 |
| Debt service: | - | - | - | - | - |
| Principal | - | - | - | - | 434,335 |
| Capital outlay: | - | - | - | - | - |
| General government | - | - | - | - | 70,041 |
| Public safety | - | - | - | - | 29,212 |
| Health and welfare | - | - | - | - | 3,104 |
| Total disbursements | <u>107,627</u> | <u>576,969</u> | <u>47,639</u> | <u>-</u> | <u>3,542,476</u> |
| Excess (deficiency) of receipts over disbursements | <u>12,769</u> | <u>(576,969)</u> | <u>(47,639)</u> | <u>-</u> | <u>(1,790,264)</u> |
| Other financing sources (uses): | | | | | |
| Other receipts | - | - | - | - | 2,029,650 |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,029,650</u> |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | 12,769 | (576,969) | (47,639) | - | 239,386 |
| Cash and investment fund balance - beginning | 49,465 | 576,969 | 47,639 | 792 | 4,283,978 |
| Cash and investment fund balance - ending | <u>\$ 62,234</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 792</u> | <u>\$ 4,523,364</u> |
| Cash and Investment Assets - Ending | | | | | |
| Restricted assets: | | | | | |
| Cash and investments | <u>\$ 62,234</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 792</u> | <u>\$ 4,523,364</u> |
| Cash and Investment Fund Balance - Ending | | | | | |
| Restricted for: | | | | | |
| General government | \$ - | \$ - | \$ - | \$ - | 2,247,710 |
| Public safety | 62,234 | - | - | - | 750,852 |
| Highways and streets | - | - | - | 792 | 14,129 |
| Health and welfare | - | - | - | - | 82,454 |
| Culture and recreation | - | - | - | - | 672,307 |
| Capital outlay | - | - | - | - | 755,912 |
| Total cash and investment fund balance - ending | <u>\$ 62,234</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 792</u> | <u>\$ 4,523,364</u> |

PIKE COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For The Year Ended December 31, 2009

| | Congressional School Principal | Noble Energy Deposit (Roads) | Road Bonding | Thortons Trust | Coleman Cemetery | Totals |
|---|--------------------------------------|---------------------------------------|------------------|-------------------|---------------------|-------------------|
| Additions: | | | | | | |
| Contributions: | | | | | | |
| Other | \$ - | \$ - | \$ 6,000 | \$ - | \$ - | \$ 6,000 |
| Total contributions | - | - | 6,000 | - | - | 6,000 |
| Investment earnings: | | | | | | |
| Interest | - | - | - | - | - | - |
| Dividends | - | 1,759 | - | - | 524 | 2,283 |
| Total investment earnings | - | 1,759 | - | - | 524 | 2,283 |
| Less investment disbursements | - | - | - | - | (750) | (750) |
| Net investment earnings | - | 1,759 | - | - | (226) | 1,533 |
| Total additions | - | 1,759 | 6,000 | - | (226) | 7,533 |
| Deductions: | | | | | | |
| Refunds of contributions | - | 30,144 | - | - | - | 30,144 |
| Excess (deficiency) of total additions over total deductions | - | (28,385) | 6,000 | - | (226) | (22,611) |
| Cash and investment fund balance - beginning | 16,807 | 158,749 | 10,075 | 3,347 | 8,749 | 197,727 |
| Cash and investment fund balance - ending | <u>\$ 16,807</u> | <u>\$ 130,364</u> | <u>\$ 16,075</u> | <u>\$ 3,347</u> | <u>\$ 8,523</u> | <u>\$ 175,116</u> |

PIKE COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2009

| | City And Town Court Costs | Congressional School Interest | Tax Sale Redemption | Surplus Tax | Overweight Vehicle Fines | Infraction Judgements |
|---|---------------------------------------|-------------------------------------|---------------------------|------------------|--------------------------------|--------------------------|
| Additions: | | | | | | |
| Agency fund additions | \$ 5,278 | \$ 1,033 | \$ 32,801 | \$ 264,116 | \$ 3,011 | \$ 26,698 |
| Deductions: | | | | | | |
| Agency fund deductions | 12,328 | - | 32,801 | 269,251 | 3,312 | 27,593 |
| Excess (deficiency) of total additions over total deductions | (7,050) | 1,033 | - | (5,135) | (301) | (895) |
| Cash and investment fund balance - beginning | 11,088 | 16,555 | - | 16,468 | 301 | 1,540 |
| Cash and investment fund balance - ending | <u>\$ 4,038</u> | <u>\$ 17,588</u> | <u>\$ -</u> | <u>\$ 11,333</u> | <u>\$ -</u> | <u>\$ 645</u> |

PIKE COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2009
 (Continued)

| | Inheritance Tax | Payroll | Special Death Benefit | Education Plate Fees Agency | Health Grant | Riverboat Revenue Sharing |
|---|--------------------|--------------|-----------------------------|--------------------------------------|-----------------|---------------------------------|
| Additions: | | | | | | |
| Agency fund additions | \$ 412,889 | \$ 2,758,548 | \$ 1,580 | \$ 619 | \$ - | \$ 80,334 |
| Deductions: | | | | | | |
| Agency fund deductions | 180,181 | 2,817,707 | 1,665 | 619 | - | 23,017 |
| Excess (deficiency) of total additions over total deductions | 232,708 | (59,159) | (85) | - | - | 57,317 |
| Cash and investment fund balance - beginning | 6,478 | 52,994 | 210 | - | (159) | 230,600 |
| Cash and investment fund balance - ending | \$ 239,186 | \$ (6,165) | \$ 125 | \$ - | \$ (159) | \$ 287,917 |

PIKE COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2009
 (Continued)

| | Mortgage Fees-State Share | Hea 1001 State Homestead Credit | Tax Distribution | DOC Med/Dental Payments | Advance Collections | Sheriff's Extradition |
|---|---------------------------------|---|---------------------|-------------------------------|------------------------|--------------------------|
| Additions: | | | | | | |
| Agency fund additions | \$ 1,303 | \$ 144,258 | \$ 14,972,374 | \$ 3,065 | \$ 243,291 | \$ - |
| Deductions: | | | | | | |
| Agency fund deductions | 1,383 | 146,925 | 14,972,374 | 4,695 | 111,308 | - |
| Excess (deficiency) of total additions over total deductions | (80) | (2,667) | - | (1,630) | 131,983 | - |
| Cash and investment fund balance - beginning | 80 | 3,110 | 6,063 | 10,628 | 111,308 | 600 |
| Cash and investment fund balance - ending | \$ - | \$ 443 | \$ 6,063 | \$ 8,998 | \$ 243,291 | \$ 600 |

PIKE COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2009
 (Continued)

| | Adult Interstate Fees | Comm Certificate Sale | State Fines and Forfeitures | IV-D Collections | Clerk of the Circuit Court | County Recorder |
|---|-----------------------------|-----------------------------|--------------------------------------|---------------------|----------------------------------|--------------------|
| Additions: | | | | | | |
| Agency fund additions | \$ 300 | \$ 6,370 | \$ 3,101 | \$ 209 | \$ 1,577,323 | \$ 64,505 |
| Deductions: | | | | | | |
| Agency fund deductions | 300 | 510 | 5,565 | 113 | 1,637,543 | 64,505 |
| Excess (deficiency) of total additions over total deductions | - | 5,860 | (2,464) | 96 | (60,220) | - |
| Cash and investment fund balance - beginning | - | - | 2,904 | 61 | 339,024 | 50 |
| Cash and investment fund balance - ending | \$ - | \$ 5,860 | \$ 440 | \$ 157 | \$ 278,804 | \$ 50 |

PIKE COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2009
 (Continued)

| | Sheriff Inmate Trust | County Prosecutor | Prosecutor Drug Buy | County Health | County Probation | Park and Recreation |
|---|----------------------------|----------------------|------------------------|------------------|---------------------|------------------------|
| Additions: | | | | | | |
| Agency fund additions | \$ 139,384 | \$ 20,395 | \$ - | \$ 24,889 | \$ 63,280 | \$ 208,777 |
| Deductions: | | | | | | |
| Agency fund deductions | 137,977 | 20,395 | - | 23,644 | 63,231 | 208,589 |
| Excess (deficiency) of total additions over total deductions | 1,407 | - | - | 1,245 | 49 | 188 |
| Cash and investment fund balance - beginning | 491 | - | 35 | 1,784 | 4,791 | 206 |
| Cash and investment fund balance - ending | \$ 1,898 | \$ - | \$ 35 | \$ 3,029 | \$ 4,840 | \$ 394 |

PIKE COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2009
 (Continued)

| | Emergency Management Service | Landfill Closure | County Sheriff | Tax Sale Surplus | Welfare Trust | Totals |
|---|------------------------------------|---------------------|-------------------|------------------------|------------------|---------------------|
| Additions: | | | | | | |
| Agency fund additions | \$ 234,553 | \$ - | \$ 53,859 | \$ 232,570 | \$ - | \$ 21,580,713 |
| Deductions: | | | | | | |
| Agency fund deductions | 240,965 | 1,295 | 53,859 | 252,663 | 691 | 21,317,004 |
| Excess (deficiency) of total additions over total deductions | (6,412) | (1,295) | - | (20,093) | (691) | 263,709 |
| Cash and investment fund balance - beginning | 19,975 | 23,294 | - | 125,489 | 691 | 986,659 |
| Cash and investment fund balance - ending | <u>\$ 13,563</u> | <u>\$ 21,999</u> | <u>\$ -</u> | <u>\$ 105,396</u> | <u>\$ -</u> | <u>\$ 1,250,368</u> |

PIKE COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended December 31, 2009

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

General infrastructure assets are included if acquired (purchased, constructed, or donated) after July 1, 1980, or if they received major renovations, restorations, or improvements after that date. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

| <u>Primary Government</u> | <u>Ending Balance</u> |
|--|---------------------------|
| Governmental activities: | |
| Capital assets, not being depreciated: | |
| Land | \$ 166,870 |
| Infrastructure | 2,510,578 |
| Buildings | 6,649,577 |
| Machinery and equipment | <u>4,937,406</u> |
| Total governmental activities, capital assets not being depreciated | <u>\$ 14,264,431</u> |

PIKE COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2009

| Description of Debt | Ending Principal Balance | Principal and Interest Due Within One Year |
|------------------------------------|--------------------------------|---|
| Governmental activities: | | |
| Capital leases: | | |
| 2007 Alexis Ambulance | \$ 56,643 | \$ 20,877 |
| 2008 Ford Explorer | <u>11,256</u> | <u>4,113</u> |
| Total governmental activities debt | <u>\$ 67,899</u> | <u>\$ 24,990</u> |

PIKE 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 Sheriff
County Auditor

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 PIKE COUNTY, INDIANA

Compliance

We have audited the compliance of the Pike 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, 2009. 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.

Except as discussed in the following paragraph, 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.

We were unable to obtain sufficient documentation supporting the compliance of Pike County with CFDA 93.563, Child Support Enforcement regarding eligibility and special tests and provisions (Enforcement of Support Obligations), nor were we able to satisfy ourselves as to the County's compliance with those requirements by other auditing procedures.

As described in item 2009-01 in the accompanying Schedule of Findings and Questioned Costs, the County did not comply with requirements regarding eligibility and special tests and provisions that are applicable to its Child Support Enforcement program. Compliance with such requirements is necessary, in our opinion, for the County to comply with requirements applicable to that program.

In our opinion, except for the effects of such noncompliance, if any, as might have been determined had we been able to examine sufficient evidence regarding the County's compliance with the requirements of CFDA 93.563, Child Support Enforcement regarding eligibility and special tests and provisions (Enforcement of Support Obligations), the County complied, in all material respects, with the requirements referred to above that are applicable to each of its other major federal programs for the year ended December 31, 2009.

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)

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.

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.

The County's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County's management, 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

August 12, 2010

PIKE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2009

| 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 COMMERCE</u> | | | |
| Pass-Through Indiana Department of Homeland Security Public Safety Interoperable Communications Grant Program | 11.555 | EDS #C44P-9-303A | \$ 121,737 |
| <u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u> | | | |
| Pass-Through Indiana Office of Community and Rural Affairs Community Development Block Grants/State's Program Fire Station Feasibility Study | 14.228 | B09DC18000PL-04-067 B10DC18000DR1A-09-015 | 42,500 <u>51,870</u> |
| Fire Station Feasibility Study | | | <u>51,870</u> |
| Total for federal grantor agency | | | <u>94,370</u> |
| <u>U.S. DEPARTMENT OF INTERIOR</u> | | | |
| Pass-Through Indiana Department of Interior Historic Preservation Fund Grants-In-Aid Rotunda Grant | 15.904 | 21820-14 | <u>9,459</u> |
| <u>U.S. DEPARTMENT OF JUSTICE</u> | | | |
| Pass-Through Indiana Criminal Justice Institute Crime Victim Assistance | 16.575 | 08VA116 09VA113 | 3,871 <u>9,684</u> |
| Total for federal grantor agency | | | <u>13,555</u> |
| <u>U.S. DEPARTMENT OF TRANSPORTATION</u> | | | |
| Pass-Through Indiana Department of Transportation Highway Planning and Construction Cluster Highway Planning and Construction Safe Routes to School | 20.205 | DEC #0710195 | <u>34,524</u> |
| Highway Safety Cluster State and Community Highway Safety Operation Pullover | 20.600 | OP-09-01-02-34 | <u>764</u> |
| Total for federal grantor agency | | | <u>35,288</u> |
| <u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u> | | | |
| Pass-Through Indiana Department of Child Services Public Health Emergency Preparedness Public Health Emergency Preparedness and Response for Bioterrorism Public Health Emergency Preparedness and Response for H1N1 | 93.069 | 5U90TP517024-09 1H75TP000339-01 | 11,017 <u>6,580</u> |
| Total for program | | | <u>17,597</u> |
| Child Support Enforcement ARRA - County Clerk FY-09 ARRA - County Prosecutor FY-09 County Clerk FY-09 County Prosecutor FY-09 Collection Incentive FY-09 Indirect Costs FY-09 | 93.563 | | 383 4,926 11,447 49,963 26,489 <u>16,497</u> |
| Total for program | | | <u>109,705</u> |
| Total for federal grantor agency | | | <u>127,302</u> |
| <u>U.S. DEPARTMENT OF HOMELAND SECURITY</u> | | | |
| Pass-Through Indiana Department of Homeland Security Disaster Grants - Public Assistance Wind Damage Disaster Flooding Damage Disaster | 97.036 | DR #1795 DR #1766 | 23,082 <u>30,071</u> |
| Total for program | | | <u>53,153</u> |
| Emergency Management Performance Grants | 97.042 | EDS #C44P-9-670A | 23,646 |
| Assistance to Firefighters Grants | 97.044 | EMW-2008-FO-01412 | 64,441 |
| Law Enforcement Terrorism Prevention Program | 97.074 | EDS #C44P-9-588A | <u>14,894</u> |
| Total for federal grantor agency | | | <u>156,134</u> |
| Total federal awards expended | | | <u>\$ 557,845</u> |

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

PIKE COUNTY
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Pike County (County) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statements. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

PIKE 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: Qualified for Child Support Enforcement program. Other major programs are unqualified.

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? yes

Identification of Major Programs:

| CFDA Number | Name of Federal Program or Cluster |
|----------------|--|
| 11.555 | Public Safety Interoperable Communications Grant Program |
| 93.563 | Child Support Enforcement |
| 97.036 | Disaster Grants – Public Assistance |

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.

PIKE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III – Federal Award Findings and Questioned Costs

FINDING 2009-1, ELIGIBILITY AND SPECIAL TESTS AND PROVISIONS

Federal Agency: Department of Health and Human Services
Federal Program: Child Support Enforcement
CFDA Number: 93.563
Federal Award Number: FY-09
Pass-Through Entity: Indiana Department of Child Services

The Pike County Prosecuting Attorney did not provide for audit, case file documents supporting the child support enforcement program. Our access for audit purposes was limited in accordance with a directive of the Indiana Child Support Bureau contained in Action Transmittal AT-CSB-409 dated April 19, 2010. Because of the limited scope we were unable to perform sufficient audit procedures to provide assurance that Pike County had complied with the program's requirements in the areas of eligibility and special tests and provisions. The special tests and provisions applicable to the program at the county level include: establishment of paternity and support obligations; and enforcement of support obligations.

The case files would contain the divorce decree or other court orders needed to determine the child support ordered by the court and health insurance responsibility. The child support obligation worksheet completed by the prosecuting attorney's office showing the calculation of the support amount and genetic testing reports to determine paternity would be part of the case file documentation needed to support compliance with special tests and provisions. Additionally, the case file may contain a calculation of child support balance worksheet if the prosecuting attorney's office has taken action on a case recently that necessitated this manual calculation of the amount owed on the case. This information would have been used as a starting point to recalculate and confirm a current balance within the ISETS system.

We recommended the prosecuting attorney's office work with the Indiana Child Support Bureau on procedures to secure tax information as required by Internal Revenue Service Publication 1075, Tax Information Security Guidelines for Federal, State and Local Agencies and Entities, while providing the access needed by auditors performing required procedures under Office of Management and Budget, Circular A-133, including the following federal requirements.

45 CFR § 302.33 Services to individuals not receiving title IV–A assistance states in part:

"(a) *Availability of Services.*

- (1) The State plan must provide that the services established under the plan shall be made available to any individual who:
 - (i) Files an application for the services with the IV-D agency. In an interstate case, only the initiating State may require an application under this section; or
 - (ii) Is a non-IV-A Medicaid recipient; or
 - (iii) Has been receiving IV-D services and is no longer eligible for assistance under the title IV-A, IV-E foster care, and Medicaid program.

PIKE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- (2) The State may not require an application, other request for services or an application fee from any individual who is eligible to receive services under paragraphs (a)(1) (ii) and (iii) of this section. If an individual receiving services under paragraph (a)(1)(iii) of this section refuses services in response to a notice under paragraph (a)(4) of this section, and subsequently requests services, that individual must file an application and pay an application fee.
- (3) The State may not charge fees or recover costs from any individual who is eligible to receive services under paragraph (a)(1)(ii) of this section.
- (4) Whenever a family is no longer eligible for assistance under the State's title IV-A, IV-E foster care, and Medicaid programs, the IV-D agency must notify the family, within five working days of the notification of ineligibility, that IV-D services will be continued unless the IV-D agency is notified to the contrary by the family. The notice must inform the family of the consequences of continuing to receive IV-D services, including the available services and the State's fees, cost recovery and distribution policies.
- (5) The State must provide all appropriate IV-D services, in addition to IVD services related to securing medical support, to all individuals who are eligible to receive services under paragraph (a)(1)(ii) of this section unless the individual notifies the State that only IV-D services related to securing medical support are wanted. . . ."

45 CFR § 303.2 Establishment of cases and maintenance of case records states:

"(a) The IV-D agency must:

- (1) Make applications for child support services readily accessible to the public;
- (2) When an individual requests an application or IV-D services, provide an application to the individual on the day the individual makes a request in person or send an application to the individual within no more than 5 working days of a written or telephone request. Information describing available services, the individual's rights and responsibilities, and the State's fees, cost recovery and distribution policies must accompany all applications for services and must be provided to title IV-A, Medicaid and title IV-E foster care applicants or recipients within no more than 5 working days of referral to the IV-D agency; and
- (3) Accept an application as filed on the day it and the application fee are received. An application is a written document provided by the State which indicates that the individual is applying for child support enforcement services under the State's title IV-D program and is signed by the individual applying for IV-D services.

(b) For all cases referred to the IV-D agency or applying for services under § 302.33 of this chapter, the IV-D agency must, within no more than 20 calendar days of receipt of referral of a case or filing of an application for services under § 302.33, open a case by establishing a case record and, based on an assessment of the case to determine necessary action:

PIKE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- (1) Solicit necessary and relevant information from the custodial parent and other relevant sources and initiate verification of information, if appropriate; and
- (2) If there is inadequate location information to proceed with the case, request additional information or refer the case for further location attempts, as specified in § 303.3.

(c) The case record must be supplemented with all information and documents pertaining to the case, as well as all relevant facts, dates, actions taken, contacts made and results in a case."

45 CFR § 302.31 Establishing paternity and securing support states in part:

". . . (a) The IV-D agency will undertake:

- (1) In the case of a child born out of wedlock with respect to whom an assignment as defined in § 301.1 of this chapter is effective, to establish the paternity of such child; and
- (2) In the case of any individual with respect to whom an assignment as defined in § 301.1 of this chapter is effective, to secure support for a child or children from any person who is legally liable for such support, using State laws regarding intrastate and interstate establishment and enforcement of support obligations. Effective October 1, 1985, this includes securing support for a spouse or former spouse who is living with the child or children, but only if a support obligation has been established for that spouse and the child support obligation is being enforced under the title IV-D State plan.
- (3) When assigned medical support payments are received and retained by a non-IV-A Medicaid recipient, the IVD agency shall notify the Medicaid agency whenever it discovers that directly received medical support payments are being, or have been, retained."

45 CFR § 303.6 Enforcement of support obligations states:

"For all cases referred to the IV-D agency or applying for services under Sec. 302.33 in which the obligation to support and the amount of the obligation have been established, the IV-D agency must maintain and use an effective system for:

- (a) Monitoring compliance with the support obligation;
- (b) Identifying on the date the parent fails to make payments in an amount equal to the support payable for one month, or on an earlier date in accordance with State law, those cases in which there is a failure to comply with the support obligation; and

PIKE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

(c) Enforcing the obligation by:

- (1) Initiating income withholding, in accordance with Sec. 303.100;
- (2) Taking any appropriate enforcement action (except income withholding and Federal and State income tax refund offset) unless service of process is necessary, within no more than 30 calendar days of identifying a delinquency or other support-related non-compliance with the order or the location of the noncustodial parent, whichever occurs later. If service of process is necessary prior to taking an enforcement action, service must be completed (or unsuccessful attempts to serve process must be documented in accordance with the State's guidelines defining diligent efforts under Sec. 303.3(c)), and enforcement action taken if process is served, within no later than 60 calendar days of identifying a delinquency or other support-related non-compliance with the order, or the location of the noncustodial parent, whichever occurs later;
- (3) Submitting once a year all cases which meet the certification requirements under Sec. 303.102 of this part and State guidelines developed under Sec. 302.70(b) of this title for State income tax refund offset, and which meet the certification requirements under Sec. 303.72 of this part for Federal income tax refund offset; and
- (4) In cases in which enforcement attempts have been unsuccessful, at the time an attempt to enforce fails, examining the reason the enforcement attempt failed and determining when it would be appropriate to take an enforcement action in the future, and taking an enforcement action in accordance with the requirements of this section at that time."

PIKE COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

Pike County Commissioners County Council

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CORRECTIVE ACTION PLAN

Finding No. 2009-1 Eligibility and Special Tests and Provisions

**Federal Agency: Department of Health and Human Services
Federal Program: Child Support Enforcement
CFDA Number: 93.563
Federal Award Number**

Corrective Action:

- 1. The County Boards have discussed the finding and reviewed the Laws of the State of Indiana.**
- 2. We recommend the prosecuting attorney's office work with the Indiana Child Support Bureau on procedures to secure tax information as required by Internal Revenue Service Publication 1075, while providing the access needed by auditors performing required procedures.**

Dated August 12, 2010



Teresia F Leslie, Auditor

PIKE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 12, 2010, with Dale E. Nalley, President of the Board of County Commissioners; Sharon Booth, President of the County Council; and Teresia Faye Leslie, Auditor. Our report disclosed no material items that warrant comment at this time.