

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

ANNUAL FINANCIAL REPORT

2009

HANCOCK COUNTY, INDIANA



FILED

09/15/2010

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Linda Grass Rosemary Melvin (Interim) Robin Lowder	01-01-08 to 06-22-09 06-23-09 to 07-01-09 07-02-09 to 12-31-10
Treasurer	Phyllis Vest	01-01-09 to 12-31-12
Clerk	Shari Burris	01-01-07 to 12-31-10
Sheriff	Calvin Gray	01-01-07 to 12-31-10
Recorder	Sharon Shambaugh	01-01-07 to 12-31-10
President of the Board of County Commissioners	Derek Towle	01-01-09 to 12-31-10
President of the County Council	William Bolander	01-01-09 to 12-31-10



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

TO: THE OFFICIALS OF HANCOCK COUNTY, INDIANA

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

As discussed in Note I, the financial statements referred to above do not include a component unit of the County which should have been included to fairly present the financial position of the County.

In our opinion, except that the omission of the component unit of the County referred to in the preceding paragraph results in incomplete presentation, 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 July 19, 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.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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 audit performed by the 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 County has not presented Management's Discussion and Analysis, Schedules of Funding Progress, 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

July 19, 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 HANCOCK COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Hancock 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 July 19, 2010. The opinions to the financial statements were qualified due to the omission of a component unit resulting in incomplete presentation. 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.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we considered to be significant deficiencies.

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. We consider the deficiencies described in item 2009-1 of the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting.

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.

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)

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. However, we believe that none of the significant deficiencies described above is a material weakness.

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.

The County's response to the findings identified in our audit is described in the accompanying section of the report entitled 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, County Commissioners, County Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

July 19, 2010

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

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Capital Grants and Contributions</u>	<u>Net (Disbursement) Receipt and Changes Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		
Primary government:					
Governmental activities:					
General government	\$ 18,960,375	\$ 2,079,515	\$ -	\$ -	\$ (16,880,860)
Public safety	7,921,332	2,971,258	253,786	14,036	(4,682,252)
Highways and streets	6,717,216	-	2,549,318	-	(4,167,898)
Sanitation	-	27,425	-	-	27,425
Health and welfare	1,002,148	87,882	337,851	-	(576,415)
Total primary government	<u>\$ 34,601,071</u>	<u>\$ 5,166,080</u>	<u>\$ 3,140,955</u>	<u>\$ 14,036</u>	<u>(26,280,000)</u>
General receipts:					
Property taxes					11,104,529
Intergovernmental					2,834,589
Other local sources					11,362,245
Net proceeds from borrowings					10,515,225
Investment earnings					<u>168,290</u>
Total general receipts					<u>35,984,878</u>
Change in net assets					9,704,878
Net assets - beginning, (restated)					<u>15,111,120</u>
Net assets - ending					<u>\$ 24,815,998</u>
<u>Assets</u>					
Cash and investments					\$ 7,417,748
Restricted assets:					
Cash and investments					<u>17,398,250</u>
Total assets					<u>\$ 24,815,998</u>
<u>Net Assets</u>					
Restricted for:					
General government					\$ 312,475
Public safety					719,360
Highways and streets					1,255,030
Health and welfare					60,753
Debt service					3,647,630
Capital outlay					3,111,584
Other purposes					8,291,418
Unrestricted					<u>7,417,748</u>
Total net assets					<u>\$ 24,815,998</u>

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

HANCOCK 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

	General	Drainage Maintenance	Highway	Rainy Day	Cumulative Bridge	Redevelopment Capital	Redevelopment Debt Service Reserve	Redevelopment Bond Principal and Interest	Other Governmental Funds	Totals
Receipts:										
Taxes	\$ 11,650,197	\$ -	\$ 218,459	\$ 532,999	\$ 934,083	\$ -	\$ -	\$ -	\$ 4,739,816	\$ 18,075,554
Special assessments	-	367,391	-	-	-	-	-	-	1,777	369,168
Licenses and permits	270	-	14,300	-	-	-	-	-	-	14,570
Intergovernmental	1,038,682	-	2,978,313	60,672	99,958	-	-	-	1,583,769	5,761,394
Charges for services	1,142,912	-	-	-	-	-	-	-	3,171,121	4,314,033
Fines and forfeits	352,789	-	900	-	-	-	-	-	17,100	370,789
Interfund loans	-	-	-	300,000	-	-	-	-	300,000	600,000
Other	256,117	26,052	350,520	4,370	32,303	107,200	-	-	278,844	1,055,406
Total receipts	14,440,967	393,443	3,562,492	898,041	1,066,344	107,200	-	-	10,092,427	30,560,914
Disbursements:										
General government	8,978,033	294,631	-	150,627	-	161,998	-	-	6,403,953	15,989,242
Public safety	5,973,667	-	-	-	-	-	-	-	1,947,665	7,921,332
Highways and streets	61,603	-	3,688,292	-	82,977	-	-	-	1,153,860	4,986,732
Health and welfare	-	-	-	-	-	-	-	-	999,000	999,000
Interfund loans	-	-	-	300,000	-	-	-	-	300,000	600,000
Capital outlay:										
General government	-	-	-	-	-	-	-	-	535,593	535,593
Highways and streets	-	-	320,501	-	1,409,983	-	-	-	-	1,730,484
Health and welfare	-	-	-	-	-	-	-	-	3,148	3,148
Total disbursements	15,013,303	294,631	4,008,793	450,627	1,492,960	161,998	-	-	11,343,219	32,765,531
Excess (deficiency) of receipts over disbursements	(572,336)	98,812	(446,301)	447,414	(426,616)	(54,798)	-	-	(1,250,792)	(2,204,617)
Other financing sources (uses):										
Net proceeds from borrowings	-	-	-	-	-	10,515,225	-	-	-	10,515,225
Transfers in	208,807	-	-	215,989	-	-	1,064,800	1,104,209	1,298,039	3,891,844
Transfers out	-	(18,098)	-	-	-	(2,169,009)	-	-	(1,704,737)	(3,891,844)
Other receipts	340,662	-	18,769	-	79,551	-	-	-	1,190,828	1,629,810
Total other financing sources (uses)	549,469	(18,098)	18,769	215,989	79,551	8,346,216	1,064,800	1,104,209	784,130	12,145,035
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(22,867)	80,714	(427,532)	663,403	(347,065)	8,291,418	1,064,800	1,104,209	(466,662)	9,940,418
Cash and investment fund balance - beginning, restated	581,258	2,350,347	1,128,727	1,850,379	1,970,150	-	-	-	7,026,603	14,907,464
Cash and investment fund balance - ending	\$ 558,391	\$ 2,431,061	\$ 701,195	\$ 2,513,782	\$ 1,623,085	\$ 8,291,418	\$ 1,064,800	\$ 1,104,209	\$ 6,559,941	24,847,882
Amounts reported for governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis are different because:										
Internal services funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.										
										(31,884)
Net assets of governmental activities										<u>\$ 24,815,998</u>
<u>Cash and Investment Assets - Ending</u>										
Cash and investments	\$ 558,391	\$ 2,431,061	\$ -	\$ 2,513,782	\$ -	\$ -	\$ -	\$ -	\$ 1,946,398	\$ 7,449,632
Restricted assets:										
Cash and investments	-	-	701,195	-	1,623,085	8,291,418	1,064,800	1,104,209	4,613,543	17,398,250
Total cash and investment assets - ending	\$ 558,391	\$ 2,431,061	\$ 701,195	\$ 2,513,782	\$ 1,623,085	\$ 8,291,418	\$ 1,064,800	\$ 1,104,209	\$ 6,559,941	\$ 24,847,882
<u>Cash and Investment Fund Balance - Ending</u>										
Restricted for:										
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 312,475	\$ 312,475
Public safety	-	-	-	-	-	-	-	-	719,360	719,360
Highways and streets	-	-	701,195	-	-	-	-	-	553,835	1,255,030
Health and welfare	-	-	-	-	-	-	-	-	60,753	60,753
Debt service	-	-	-	-	-	-	1,064,800	1,104,209	1,478,621	3,647,630
Capital outlay	-	-	-	-	1,623,085	-	-	-	1,488,499	3,111,584
Other purposes	-	-	-	-	-	8,291,418	-	-	-	8,291,418
Unrestricted	558,391	2,431,061	-	2,513,782	-	-	-	-	1,946,398	7,449,632
Total cash and investment fund balance - ending	\$ 558,391	\$ 2,431,061	\$ 701,195	\$ 2,513,782	\$ 1,623,085	\$ 8,291,418	\$ 1,064,800	\$ 1,104,209	\$ 6,559,941	\$ 24,847,882

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

HANCOCK COUNTY
STATEMENT OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
PROPRIETARY FUND
As Of And For The Year Ended December 31, 2009

	<u>Internal Service Fund</u>
Operating receipts:	
Charges for services	\$ 2,200,000
Operating disbursements:	
Insurance claims and expense	<u>2,435,540</u>
Deficiency of operating receipts over operating disbursements	<u>(235,540)</u>
Cash and investment fund balance - beginning	<u>203,656</u>
Cash and investment fund balance - ending	<u>\$ (31,884)</u>
<u>Cash and Investment Assets - December 31</u>	
Cash and investments	<u>\$ (31,884)</u>
<u>Cash and Investment Fund Balance - December 31</u>	
Unrestricted	<u>\$ (31,884)</u>
Total cash and investment fund balance - December 31	<u>\$ (31,884)</u>

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

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

	Pension Trust Fund	Private-Purpose Trust Fund	Agency Funds
Additions:			
Contributions:			
Employer	\$ 384,662	\$ -	
Plan members	62,894	-	
Other	-	10,741	
	447,556	10,741	
Investment earnings:			
Interest	133,068	-	
Dividends	(388,625)	-	
	(255,557)	-	
Net investment earnings			-
	191,999	10,741	
Deductions:			
Benefits	255,707	-	
Administrative and general	55,978	10,741	
	311,685	10,741	
Total deductions			-
Deficiency of total additions over total deductions	(119,686)		
Cash and investment fund balance - beginning	5,302,769	10,741	
Cash and investment fund balance - ending	\$ 5,183,083	\$ 10,741	\$ 10,664,630

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

HANCOCK 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:	Hancock County
Discretely Presented Component Unit:	Hancock Regional Hospital

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

Discretely Presented Component Unit

Discretely presented component units are separate legal entities that meet the component unit criteria but do not meet the criteria for blending. Hancock Regional Hospital is a discretely component unit of the county. It would be misleading to exclude the Hancock Regional Hospital from the County's financial statements because of its relationship with the County.

The Hancock Regional Hospital has been omitted from these financial statements. Accordingly, the financial statements do not include the data of this component unit, which is necessary to fairly present the financial position of the County.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

Fund Financial Statements

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

HANCOCK COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 drainage maintenance fund is used to account for the collection of special assessments and other related fees associated with the maintenance and repair of the County's drainage system.

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 rainy day fund is used to account for transfers of unused and unencumbered funds under Indiana Code 36-1-8-5 and a locally adopted ordinance. The rainy day funds may be used solely for the operation of the County and its various departments, including, but not limited to, salaries and wages, costs of services, supplies, equipment, capital improvements, repairs, and similar expenditures.

The cumulative bridge fund accounts for the collection of taxes and other related fees. The principal uses are for the maintenance, repair, and preservation of County bridges.

The redevelopment capital fund accounts for the activity of certain local improvements, including construction, engineering, and preliminary specifications for certain road improvements located in serving, or benefiting the Mt. Comfort Corridor Economic Development Area; as funded by bond proceeds.

The redevelopment bond principal and interest fund accounts for the transfer and payment of the bond debt obligations.

The redevelopment debt service reserve fund accounts for all monies required to be held in reserve and used to pay principal and interest on the bonds to the extent that amounts in the bond and interest account are insufficient.

Additionally, the County reports the following fund types:

The internal service fund accounts for health insurance and limited liability insurance costs and is provided to various other departments based on a premium charged.

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

The private purpose trust fund reports a trust arrangement under which principal and income benefit the government.

Agency funds account for assets held by the County as an agent for individuals, private organizations, and other government, and serve as a control of accounts for certain cash transactions during the time they are a liability to the County.

HANCOCK COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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.

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. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the

HANCOCK COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

1. 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.

2. Operating Receipts and Disbursements

Operating receipts and disbursements for proprietary funds result from providing services and producing and delivering goods and/or services. They also include all receipts and disbursements not related to capital and related financing, noncapital financing, or investing activities.

HANCOCK 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.

HANCOCK 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 Insurance	\$ 31,884
Circuit Court Transcripts	1,411
Gal/Casa Services	2,711
Safe-T Grant	2,641
Tax Sale Vendor Sales	1,006
Substance Abuse Fund	2,642

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

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. 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 \$38,419,657.

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.

2. Investments

As of December 31, 2009, the County and the Sheriff's Retirement and Benefit Plan had the following investments:

HANCOCK COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Investment Type	Sheriffs Retirement and Benefit Pension Plans
U.S. Treasuries & Securities	\$ 1,260,054
Government Sponsored Enterprise	513,718
Common Stock	2,411,947
Coporate Bonds	811,193
Fixed Rate Capital Securities	12,086
Mutual Funds	249,998
Managed Funds	234,156
Alternative Investment	431,898
Total	\$ 5,925,050

Statutory Authorization for Investments

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

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50% of the funds held by the County and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust have a stated final maturity of one day.

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

HANCOCK COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

Investment Custodial Credit Risk

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

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

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

Sheriff's Retirement and Benefit Pension Plans:

Investment Type	Not in the Government's Name
Common Stock	\$ 2,411,947
Coporate Bonds	811,193
Fixed Rate Capital Securities	12,086
Managed Funds	234,156
Alternative Investment	431,898
Total	\$ 3,901,280

Interest Rate Risk

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

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

HANCOCK COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Sheriff's Retirement and Benefit Pension Plans:

Investment Type	Investment Maturities (in Years)		
	Less Than 1	1-2	More Than 2
U.S. Treasuries & Securities	\$ 474,962	\$ 97,556	\$ 687,536
Government Sponsored Enterprise	-	46,118	467,600
Corporate Bonds	-	7,105	804,088
Fixed Rate Capital Securities	-	-	12,086
Totals	<u>\$ 474,962</u>	<u>\$ 150,779</u>	<u>\$ 1,971,310</u>

Credit Risk

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

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

Sheriff's Retirement and Benefit Pension Plans:

Standard and Poor's Rating	Moody's Rating	Corporate Bonds
AA	Aa	\$ 97,214
A	A	416,283
BBB	Baa	301,934
Unrated	Unrated	<u>7,848</u>
Total		<u>\$ 823,279</u>

Concentration of Credit Risk

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

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

HANCOCK COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Foreign Currency Risk

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

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

B. Interfund Transfers

Interfund transfers for the year ended December 31, 2009, were as follows:

Transfer From	Transfer To	2009
Drainage Maintenance	Other Governmental Funds	\$ 18,097
Redevelopment Capital	Redevelopment Debt Service Reserve	1,064,800
	Redevelopment Bond and Interest	1,104,209
Other Governmental Funds	General Fund	208,807
	Rainy Day	215,989
	Other Governmental Funds	<u>1,279,942</u>
Total		<u><u>\$ 3,891,844</u></u>

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

C. Restatements and Reclassifications

For the year ended December 31, 2008, certain changes have been made to the financial statements to more appropriately reflect financial activity of the County. The following schedule presents a summary of restated beginning balances by opinion unit. The prior period adjustment represents an adjustment needed to an outside department's beginning balance.

Opinion Unit	Balance as Reported December 31, 2008	Fund Reclassification	New Funds	Prior Period Adjustments	Balance as Restated January 1, 2009
Government Wide	\$ 14,765,998	\$ 345,122	\$ -	\$ -	\$ 15,111,120
Governmental Funds	14,562,342	345,122	-	-	14,907,464
Fiduciary Funds - Agency Funds	10,843,199	(345,122)	166,359	194	10,664,630

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, retirees, and dependents; and natural disasters.

HANCOCK COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters are covered by commercial insurance from independent third parties.

Medical Benefits to Employees, Retirees, and Dependents (Excluding Postemployment Benefits)

The County has chosen to establish a risk financing fund for risks associated with medical benefits to employees, retirees, and dependents. The risk financing fund is accounted for in the Health Claims Fund, an internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$70,000 per person per year with a lifetime limit of \$1,000,000. Interfund premiums are based upon an overall premium percentage which is applied to each affected fund and are reported as quasi-external fund transactions.

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 1992, the County joined with other governmental entities in the Indiana Public Employees Plan, a public entity risk pool currently operating as a common risk management and insurance program for member governmental entities. This risk pool was formed in 1990. The purpose of the risk pool is to provide a medium for the funding and administration of worker's compensation. The County pays an annual premium to the risk pool for its worker's compensation 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. Other Postemployment Benefits

Single-Employer Defined Benefit Healthcare Plan

Plan Description

Hancock County Health Plan is a single-employer defined benefit healthcare plan administered by Unified Group Service. The plan provides medical and dental insurance to eligible retirees and their spouses. Local ordinance 2003-03E assigns the authority to establish and amend benefit provisions to the County. The Hancock County Health Plan issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for the participants. That report may be obtained by contacting the plan administrator:

Unified Group Service
3131 E 67th Street
Anderson, IN 46013
1-800-291-5837

Funding Policy

The contribution requirements of plan members for the Hancock County Health Plan are established by the County's governing board. The required contribution is based on projected pay-as-you-go financing requirements. For the year ended December 31, 2009, the County contributed \$46,443 to the plan for current premiums.

HANCOCK COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Administration of Welfare Programs

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

D. Hospital Debt Obligation

The County and Hancock Regional Hospital (Hospital) entered into a capital lease with the Hancock County Hospital Association (Association) on April 14, 2004, amended June 22, 2004, for the acquisition, construction, and equipping of certain improvements to the existing Hospital facilities and a new addition thereto. The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the government. Lease rental payments are payable solely from the net revenues of the Hospital, and to the extent the Hospital revenues are insufficient, ad valorem property taxes levied and collected by the County on all taxable property within the geographical boundaries for the County. The debt is an obligation of the Hospital, and is not a direct liability of the County itself. Accordingly, no liability is presented by the County.

E. Pension Plans

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

1. Public Employees' Retirement Fund

Plan Description

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

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

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

HANCOCK COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 \$764,054.

2. County Police Retirement Plan

Plan Description

The County contributes to the County Police Retirement Plan, which is a single-employer defined benefit pension plan. With the approval of the County's fiscal body, the plan is administered by the sheriff's department and an appointed trustee as authorized by state statute (IC 36-8-10-12) for full-time police officers. The plan provides retirement, death, and disability benefits to plan members and beneficiaries. The trustee issues a publicly available financial report that includes financial statements and required supplementary information of the plan. The report may be obtained by contacting the county sheriff.

Funding Policy

The contribution requirements of plan members for the County Police Retirement Plan are established by state statute. The contributions made by the County during the period were \$384,662.27.

3. County Police Benefit Plan

Plan Description

The County contributes to the County Police Benefit Plan which is a single-employer defined benefit pension plan. With the approval of the County's fiscal body, the plan is administered by the sheriff's department and an appointed trustee as authorized by state statute (IC 36-8-10-12) for full-time police officers. The plan provides dependent pensions, life insurance, and disability benefits to plan members and beneficiaries. The trustee issues a publicly available financial report that includes financial statements and required supplementary information of the plan. The report may be obtained by contacting the county sheriff.

Funding Policy

The contribution requirements of plan members for the County Police Benefit Plan are established by state statute. The contributions made by the County during the period were \$73,295.00.

HANCOCK 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	Firearms Training	Health	Bio-Terrorism Grant	Law Enforcement Continuing Ed
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ 228,522	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Intergovernmental	571,950	-	-	24,456	31,649	-
Charges for services	-	2,223	-	87,882	-	-
Fines and forfeits	-	-	-	17,100	-	-
Interfund loans	300,000	-	-	-	-	-
Other	15,237	-	45,015	14,007	15,141	22,892
Total receipts	887,187	2,223	45,015	371,967	46,790	22,892
Disbursements:						
General government	-	-	-	-	38,878	-
Public safety	-	4,400	49,248	-	-	22,892
Highways and streets	1,153,860	-	-	-	-	-
Health and welfare	-	-	-	456,285	-	-
Interfund loans	300,000	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Health and welfare	-	-	-	3,148	-	-
Total disbursements	1,453,860	4,400	49,248	459,433	38,878	22,892
Excess (deficiency) of receipts over disbursements	(566,673)	(2,177)	(4,233)	(87,466)	7,912	-
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	107,526	-	-	-	-	-
Total other financing sources (uses)	107,526	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(459,147)	(2,177)	(4,233)	(87,466)	7,912	-
Cash and investment fund balance - beginning	1,012,982	3,512	18,934	148,219	52,136	663
Cash and investment fund balance - ending	\$ 553,835	\$ 1,335	\$ 14,701	\$ 60,753	\$ 60,048	\$ 663
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 60,048	\$ 663
Restricted assets:						
Cash and investments	553,835	1,335	14,701	60,753	-	-
Total cash and investment assets - ending	\$ 553,835	\$ 1,335	\$ 14,701	\$ 60,753	\$ 60,048	\$ 663
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	1,335	14,701	-	-	-
Highways and streets	553,835	-	-	-	-	-
Health and welfare	-	-	-	60,753	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	60,048	663
Total cash and investment fund balance - ending	\$ 553,835	\$ 1,335	\$ 14,701	\$ 60,753	\$ 60,048	\$ 663

HANCOCK 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)

	Clerk's Records Perpetuation	Unsafe Building	Drug Court Fund	Emergency Telephone System	Drug Free Community	Emergency Planning/Right To Know
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Intergovernmental	-	-	-	-	101,848	-
Charges for services	27,456	-	-	630,000	-	-
Fines and forfeits	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>27,456</u>	<u>-</u>	<u>-</u>	<u>630,000</u>	<u>101,848</u>	<u>-</u>
Disbursements:						
General government	7,962	-	34,957	-	-	-
Public safety	-	-	-	1,248,804	88,637	6,205
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Capital outlay:						
General government	-	-	999	-	-	-
Health and welfare	-	-	-	-	-	-
Total disbursements	<u>7,962</u>	<u>-</u>	<u>35,956</u>	<u>1,248,804</u>	<u>88,637</u>	<u>6,205</u>
Excess (deficiency) of receipts over disbursements	<u>19,494</u>	<u>-</u>	<u>(35,956)</u>	<u>(618,804)</u>	<u>13,211</u>	<u>(6,205)</u>
Other financing sources (uses):						
Transfers in	-	-	-	970,679	-	-
Transfers out	-	-	-	-	-	-
Other receipts	-	-	36,722	25,234	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>36,722</u>	<u>995,913</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>19,494</u>	<u>-</u>	<u>766</u>	<u>377,109</u>	<u>13,211</u>	<u>(6,205)</u>
Cash and investment fund balance - beginning	<u>29,667</u>	<u>2,185</u>	<u>6,296</u>	<u>646</u>	<u>86,685</u>	<u>19,410</u>
Cash and investment fund balance - ending	<u>\$ 49,161</u>	<u>\$ 2,185</u>	<u>\$ 7,062</u>	<u>\$ 377,755</u>	<u>\$ 99,896</u>	<u>\$ 13,205</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ 2,185	\$ 7,062	\$ -	\$ -	\$ 13,205
Restricted assets:						
Cash and investments	<u>49,161</u>	<u>-</u>	<u>-</u>	<u>377,755</u>	<u>99,896</u>	<u>-</u>
Total cash and investment assets - ending	<u>\$ 49,161</u>	<u>\$ 2,185</u>	<u>\$ 7,062</u>	<u>\$ 377,755</u>	<u>\$ 99,896</u>	<u>\$ 13,205</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
General government	\$ 49,161	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	377,755	99,896	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	<u>-</u>	<u>2,185</u>	<u>7,062</u>	<u>-</u>	<u>-</u>	<u>13,205</u>
Total cash and investment fund balance - ending	<u>\$ 49,161</u>	<u>\$ 2,185</u>	<u>\$ 7,062</u>	<u>\$ 377,755</u>	<u>\$ 99,896</u>	<u>\$ 13,205</u>

HANCOCK 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)

	Prosecutor Title Iv-D #1	Recorder's Records Perpetuation	User Fee	Family And Children	Health Maintenance	Pretrial Diversion
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	102,424	385,268	-	-	76,363
Fines and forfeits	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	838	-	-	48,859	-
Total receipts	-	103,262	385,268	-	48,859	76,363
Disbursements:						
General government	-	140,991	415,780	-	-	-
Public safety	-	-	-	-	-	22,795
Highways and streets	-	-	-	-	-	-
Health and welfare	6,067	-	-	389,598	33,427	-
Interfund loans	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total disbursements	6,067	140,991	415,780	389,598	33,427	22,795
Excess (deficiency) of receipts over disbursements	(6,067)	(37,729)	(30,512)	(389,598)	15,432	53,568
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(29,248)	-	-
Other receipts	18,372	-	-	97,371	-	-
Total other financing sources (uses)	18,372	-	-	68,123	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	12,305	(37,729)	(30,512)	(321,475)	15,432	53,568
Cash and investment fund balance - beginning	45,556	216,886	209,908	321,475	56,527	97,165
Cash and investment fund balance - ending	\$ 57,861	\$ 179,157	\$ 179,396	\$ -	\$ 71,959	\$ 150,733
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 57,861	\$ -	\$ 179,396	\$ -	\$ 71,959	\$ -
Restricted assets:						
Cash and investments	-	179,157	-	-	-	150,733
Total cash and investment assets - ending	\$ 57,861	\$ 179,157	\$ 179,396	\$ -	\$ 71,959	\$ 150,733
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
General government	\$ -	\$ 179,157	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-	150,733
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	57,861	-	179,396	-	71,959	-
Total cash and investment fund balance - ending	\$ 57,861	\$ 179,157	\$ 179,396	\$ -	\$ 71,959	\$ 150,733

HANCOCK 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)

	Misdemeanant	Supplemental Public Defender Svc	Clerk Title Iv-D #1	Surveyor's Corner Perpetuation	Sheriff's Continuing Education	Jury Pay
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	85,978	-	-	7,519	19,331
Fines and forfeits	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	11,775	-	-
Total receipts	-	85,978	-	11,775	7,519	19,331
Disbursements:						
General government	-	-	-	3,942	-	-
Public safety	33,994	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total disbursements	33,994	-	-	3,942	-	-
Excess (deficiency) of receipts over disbursements	(33,994)	85,978	-	7,833	7,519	19,331
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	(150,000)	-	-	-	-
Other receipts	34,013	-	-	-	-	-
Total other financing sources (uses)	34,013	(150,000)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	19	(64,022)	-	7,833	7,519	19,331
Cash and investment fund balance - beginning	32,827	124,827	15,823	28,317	4,386	28,676
Cash and investment fund balance - ending	\$ 32,846	\$ 60,805	\$ 15,823	\$ 36,150	\$ 11,905	\$ 48,007
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 32,846	\$ 60,805	\$ 15,823	\$ -	\$ 11,905	\$ -
Restricted assets:						
Cash and investments	-	-	-	36,150	-	48,007
Total cash and investment assets - ending	\$ 32,846	\$ 60,805	\$ 15,823	\$ 36,150	\$ 11,905	\$ 48,007
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ 36,150	\$ -	\$ 48,007
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	32,846	60,805	15,823	-	11,905	-
Total cash and investment fund balance - ending	\$ 32,846	\$ 60,805	\$ 15,823	\$ 36,150	\$ 11,905	\$ 48,007

HANCOCK 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)

	Public Health H1N1 Phase 1 & 2	Public Health H1N1 Phase 3	Bullet Proof Vests	Gal/Casa Services	Hancock Area Rural Transit	Jaibg Jobs Grant
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Intergovernmental	50,843	36,290	7,895	13,755	185,593	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	50,843	36,290	7,895	13,755	185,593	-
Disbursements:						
General government	23,858	-	7,895	11,957	185,593	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Capital outlay:						
General government	8,510	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total disbursements	32,368	-	7,895	11,957	185,593	-
Excess (deficiency) of receipts over disbursements	18,475	36,290	-	1,798	-	-
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	18,475	36,290	-	1,798	-	-
Cash and investment fund balance - beginning	-	-	-	(4,509)	-	395
Cash and investment fund balance - ending	<u>\$ 18,475</u>	<u>\$ 36,290</u>	<u>\$ -</u>	<u>\$ (2,711)</u>	<u>\$ -</u>	<u>\$ 395</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 18,475	\$ 36,290	\$ -	\$ (2,711)	\$ -	\$ 395
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 18,475	\$ 36,290	\$ -	\$ (2,711)	\$ -	\$ 395
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	18,475	36,290	-	(2,711)	-	395
Total cash and investment fund balance - ending	\$ 18,475	\$ 36,290	\$ -	\$ (2,711)	\$ -	\$ 395

HANCOCK 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)

	Idem Grant	Safe-T Grant	County Sales Disclosure	2005 Shsp	Sheriff's Commissary Car-1	Dare
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Intergovernmental	-	-	6,320	105,268	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	1,514	-	-	-	-	-
Total receipts	1,514	-	6,320	105,268	-	-
Disbursements:						
General government	8,982	-	6,280	105,268	-	-
Public safety	-	-	-	-	204,322	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total disbursements	8,982	-	6,280	105,268	204,322	-
Excess (deficiency) of receipts over disbursements	(7,468)	-	40	-	(204,322)	-
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	-	-	-	-	185,611	-
Total other financing sources (uses)	-	-	-	-	185,611	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(7,468)	-	40	-	(18,711)	-
Cash and investment fund balance - beginning	9,300	(2,641)	4,153	-	49,469	451
Cash and investment fund balance - ending	<u>1,832</u>	<u>(2,641)</u>	<u>4,193</u>	<u>\$ -</u>	<u>30,758</u>	<u>451</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 1,832	\$ (2,641)	\$ 4,193	\$ -	\$ 30,758	\$ 451
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 1,832</u>	<u>\$ (2,641)</u>	<u>\$ 4,193</u>	<u>\$ -</u>	<u>\$ 30,758</u>	<u>\$ 451</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	1,832	(2,641)	4,193	-	30,758	451
Total cash and investment fund balance - ending	<u>\$ 1,832</u>	<u>\$ (2,641)</u>	<u>\$ 4,193</u>	<u>\$ -</u>	<u>\$ 30,758</u>	<u>\$ 451</u>

HANCOCK 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)

	Tobacco Settlement	Law Enforcement Forfeitures	Identification Security Protection	Operation Pullover	Children's Psych Res Treatment Serv	Homeland Security
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Intergovernmental	-	-	-	18,865	-	-
Charges for services	-	-	27,123	-	-	-
Fines and forfeits	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	35,074	-	-	-	-	-
Total receipts	<u>35,074</u>	<u>-</u>	<u>27,123</u>	<u>18,865</u>	<u>-</u>	<u>-</u>
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	3,744	5,909	14,368	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	20,575	-	-	-	81,348	-
Interfund loans	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total disbursements	<u>20,575</u>	<u>3,744</u>	<u>5,909</u>	<u>14,368</u>	<u>81,348</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>14,499</u>	<u>(3,744)</u>	<u>21,214</u>	<u>4,497</u>	<u>(81,348)</u>	<u>-</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	(13,271)	-	-	(186,741)	-
Other receipts	-	483	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(12,788)</u>	<u>-</u>	<u>-</u>	<u>(186,741)</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	14,499	(16,532)	21,214	4,497	(268,089)	-
Cash and investment fund balance - beginning	<u>70,719</u>	<u>16,532</u>	<u>52,064</u>	<u>(2,835)</u>	<u>268,089</u>	<u>2,302</u>
Cash and investment fund balance - ending	<u>\$ 85,218</u>	<u>\$ -</u>	<u>\$ 73,278</u>	<u>\$ 1,662</u>	<u>\$ -</u>	<u>\$ 2,302</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 85,218	\$ -	\$ -	\$ -	\$ -	\$ 2,302
Restricted assets:						
Cash and investments	-	-	73,278	1,662	-	-
Total cash and investment assets - ending	<u>\$ 85,218</u>	<u>\$ -</u>	<u>\$ 73,278</u>	<u>\$ 1,662</u>	<u>\$ -</u>	<u>\$ 2,302</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	73,278	1,662	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	85,218	-	-	-	-	2,302
Total cash and investment fund balance - ending	<u>\$ 85,218</u>	<u>\$ -</u>	<u>\$ 73,278</u>	<u>\$ 1,662</u>	<u>\$ -</u>	<u>\$ 2,302</u>

HANCOCK 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)

	Food And Beverage Tax	Prosecutor Title Iv-D #2	Clerk Title Iv-D #2	Adult Probation #2	Juvenile Probation #2	Auditors Transfer Fee
Receipts:						
Taxes	\$ 335,142	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	167,456	-	14,130
Fines and forfeits	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	335,142	-	-	167,456	-	14,130
Disbursements:						
General government	343,933	-	-	-	-	8,746
Public safety	-	-	-	221,134	21,213	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	11,700	-	-	-
Interfund loans	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total disbursements	343,933	-	11,700	221,134	21,213	8,746
Excess (deficiency) of receipts over disbursements	(8,791)	-	(11,700)	(53,678)	(21,213)	5,384
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	(45,536)	-	-	-	-	-
Other receipts	-	-	25,093	-	13,221	-
Total other financing sources (uses)	(45,536)	-	25,093	-	13,221	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(54,327)	-	13,393	(53,678)	(7,992)	5,384
Cash and investment fund balance - beginning	345,347	1,712	3,963	101,060	29,835	10,216
Cash and investment fund balance - ending	<u>\$ 291,020</u>	<u>\$ 1,712</u>	<u>\$ 17,356</u>	<u>\$ 47,382</u>	<u>\$ 21,843</u>	<u>\$ 15,600</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 291,020	\$ 1,712	\$ 17,356	\$ 47,382	\$ 21,843	\$ 15,600
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 291,020</u>	<u>\$ 1,712</u>	<u>\$ 17,356</u>	<u>\$ 47,382</u>	<u>\$ 21,843</u>	<u>\$ 15,600</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	291,020	1,712	17,356	47,382	21,843	15,600
Total cash and investment fund balance - ending	<u>\$ 291,020</u>	<u>\$ 1,712</u>	<u>\$ 17,356</u>	<u>\$ 47,382</u>	<u>\$ 21,843</u>	<u>\$ 15,600</u>

HANCOCK 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)

	New Reassessment	Assessment Training Fund	Hava Sec 101	Hava Sect 102	Superior Ct I Transcripts	Superior Ii Transcripts
Receipts:						
Taxes	\$ 254,230	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Intergovernmental	25,997	6,270	-	-	-	-
Charges for services	-	-	-	-	2,987	119
Fines and forfeits	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	2,719	-	-	-	-	-
Total receipts	282,946	6,270	-	-	2,987	119
Disbursements:						
General government	436,203	5,350	-	-	2,987	190
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total disbursements	436,203	5,350	-	-	2,987	190
Excess (deficiency) of receipts over disbursements	(153,257)	920	-	-	-	(71)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(153,257)	920	-	-	-	(71)
Cash and investment fund balance - beginning	489,465	26,694	11,604	47,596	189	103
Cash and investment fund balance - ending	<u>\$ 336,208</u>	<u>\$ 27,614</u>	<u>\$ 11,604</u>	<u>\$ 47,596</u>	<u>\$ 189</u>	<u>\$ 32</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 336,208	\$ 27,614	\$ 11,604	\$ 47,596	\$ 189	\$ 32
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 336,208</u>	<u>\$ 27,614</u>	<u>\$ 11,604</u>	<u>\$ 47,596</u>	<u>\$ 189</u>	<u>\$ 32</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	336,208	27,614	11,604	47,596	189	32
Total cash and investment fund balance - ending	<u>\$ 336,208</u>	<u>\$ 27,614</u>	<u>\$ 11,604</u>	<u>\$ 47,596</u>	<u>\$ 189</u>	<u>\$ 32</u>

HANCOCK 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)

	Circuit Court Transcripts	Drug Screen Probation	Child Abuse Prevention Fee	Community Corrections Grant	Community Corrections Project	Substance Abuse Fund
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	15,385	-	130,247	498,858	-
Fines and forfeits	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	37,235
Total receipts	-	15,385	-	130,247	498,858	37,235
Disbursements:						
General government	-	15,293	-	122,247	455,313	377,093
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	3,099	6,534
Health and welfare	-	-	-	-	-	-
Total disbursements	-	15,293	-	122,247	458,412	383,627
Excess (deficiency) of receipts over disbursements	-	92	-	8,000	40,446	(346,392)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	-	-	-	-	-	320,293
Total other financing sources (uses)	-	-	-	-	-	320,293
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	92	-	8,000	40,446	(26,099)
Cash and investment fund balance - beginning	(1,411)	9,874	35	17,142	23,737	23,457
Cash and investment fund balance - ending	<u>\$ (1,411)</u>	<u>\$ 9,966</u>	<u>\$ 35</u>	<u>\$ 25,142</u>	<u>\$ 64,183</u>	<u>\$ (2,642)</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ (1,411)	\$ 9,966	\$ 35	\$ 25,142	\$ 64,183	\$ (2,642)
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ (1,411)</u>	<u>\$ 9,966</u>	<u>\$ 35</u>	<u>\$ 25,142</u>	<u>\$ 64,183</u>	<u>\$ (2,642)</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	(1,411)	9,966	35	25,142	64,183	(2,642)
Total cash and investment fund balance - ending	<u>\$ (1,411)</u>	<u>\$ 9,966</u>	<u>\$ 35</u>	<u>\$ 25,142</u>	<u>\$ 64,183</u>	<u>\$ (2,642)</u>

HANCOCK 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)

	Health Dept Donations	E911 Landline Revenue	E911 Wireless Revenue	Interstate Transfer Fee	Courthouse Renovation	Visitors Bureau
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 214,156
Special assessments	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	696,793	192,931	648	-	-
Fines and forfeits	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	67	-	-	-	-	-
Total receipts	67	696,793	192,931	648	-	214,156
Disbursements:						
General government	-	-	-	648	-	210,270
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total disbursements	-	-	-	648	-	210,270
Excess (deficiency) of receipts over disbursements	67	696,793	192,931	-	-	3,886
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	(1,055,162)	(224,779)	-	-	-
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	-	(1,055,162)	(224,779)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	67	(358,369)	(31,848)	-	-	3,886
Cash and investment fund balance - beginning	371	358,369	31,848	-	279	5,541
Cash and investment fund balance - ending	<u>438</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>279</u>	<u>9,427</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 438	\$ -	\$ -	\$ -	\$ 279	\$ 9,427
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>438</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>279</u>	<u>9,427</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	438	-	-	-	279	9,427
Total cash and investment fund balance - ending	<u>438</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>279</u>	<u>9,427</u>

HANCOCK 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)

	Excess Levy	Conservation Officer Cont Ed	E911 Bond & Interest Payments	Community Correction Const Bond	Courthouse Annex Bond	Courthouse Renovation Bond
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ 177,104	\$ 1,131,183	\$ 694,135
Special assessments	-	-	-	-	-	-
Intergovernmental	-	-	3,717	18,952	121,048	74,281
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	-	3,717	196,056	1,252,231	768,416
Disbursements:						
General government	215,989	51	249,304	190,720	1,223,138	761,249
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total disbursements	215,989	51	249,304	190,720	1,223,138	761,249
Excess (deficiency) of receipts over disbursements	(215,989)	(51)	(245,587)	5,336	29,093	7,167
Other financing sources (uses):						
Transfers in	-	-	309,263	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	252,553	51	-	-	-	-
Total other financing sources (uses)	252,553	51	309,263	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	36,564	-	63,676	5,336	29,093	7,167
Cash and investment fund balance - beginning	39,342	96	-	87,307	578,242	367,894
Cash and investment fund balance - ending	<u>\$ 75,906</u>	<u>\$ 96</u>	<u>\$ 63,676</u>	<u>\$ 92,643</u>	<u>\$ 607,335</u>	<u>\$ 375,061</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 75,906	\$ 96	\$ 63,676	\$ 92,643	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	607,335	375,061
Total cash and investment assets - ending	<u>\$ 75,906</u>	<u>\$ 96</u>	<u>\$ 63,676</u>	<u>\$ 92,643</u>	<u>\$ 607,335</u>	<u>\$ 375,061</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service	-	-	-	-	607,335	375,061
Capital outlay	-	-	-	-	-	-
Unrestricted	75,906	96	63,676	92,643	-	-
Total cash and investment fund balance - ending	<u>\$ 75,906</u>	<u>\$ 96</u>	<u>\$ 63,676</u>	<u>\$ 92,643</u>	<u>\$ 607,335</u>	<u>\$ 375,061</u>

HANCOCK 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)

	Eoc Construction Bond	Cumulative Capital Development	General Drain Improvement	Eoc Construction Fund	Totals
Receipts:					
Taxes	\$ 782,687	\$ 922,657	\$ -	\$ -	\$ 4,739,816
Special assessments	-	-	1,777	-	1,777
Intergovernmental	80,038	98,734	-	-	1,583,769
Charges for services	-	-	-	-	3,171,121
Fines and forfeits	-	-	-	-	17,100
Interfund loans	-	-	-	-	300,000
Other	-	-	28,471	-	278,844
Total receipts	862,725	1,021,391	30,248	-	10,092,427
Disbursements:					
General government	366,500	149,199	64,967	212,220	6,403,953
Public safety	-	-	-	-	1,947,665
Highways and streets	-	-	-	-	1,153,860
Health and welfare	-	-	-	-	999,000
Interfund loans	-	-	-	-	300,000
Capital outlay:					
General government	-	516,451	-	-	535,593
Health and welfare	-	-	-	-	3,148
Total disbursements	366,500	665,650	64,967	212,220	11,343,219
Excess (deficiency) of receipts over disbursements	496,225	355,741	(34,719)	(212,220)	(1,250,792)
Other financing sources (uses):					
Transfers in	-	-	18,097	-	1,298,039
Transfers out	-	-	-	-	(1,704,737)
Other receipts	-	-	-	74,285	1,190,828
Total other financing sources (uses)	-	-	18,097	74,285	784,130
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	496,225	355,741	(16,622)	(137,935)	(466,662)
Cash and investment fund balance - beginning	-	232,684	916,696	240,119	7,026,603
Cash and investment fund balance - ending	<u>\$ 496,225</u>	<u>\$ 588,425</u>	<u>\$ 900,074</u>	<u>\$ 102,184</u>	<u>\$ 6,559,941</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ -	\$ -	\$ -	\$ 102,184	\$ 1,946,398
Restricted assets:					
Cash and investments	496,225	588,425	900,074	-	4,613,543
Total cash and investment assets - ending	<u>\$ 496,225</u>	<u>\$ 588,425</u>	<u>\$ 900,074</u>	<u>\$ 102,184</u>	<u>\$ 6,559,941</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
General government	\$ -	\$ -	\$ -	\$ -	\$ 312,475
Public safety	-	-	-	-	719,360
Highways and streets	-	-	-	-	553,835
Health and welfare	-	-	-	-	60,753
Debt service	496,225	-	-	-	1,478,621
Capital outlay	-	588,425	900,074	-	1,488,499
Unrestricted	-	-	-	102,184	1,946,398
Total cash and investment fund balance - ending	<u>\$ 496,225</u>	<u>\$ 588,425</u>	<u>\$ 900,074</u>	<u>\$ 102,184</u>	<u>\$ 6,559,941</u>

HANCOCK 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	Coroners Training & Con'T Education	Congressional School Interest	Surplus Tax Sale	Tax Sale Redemption	Surplus Tax	State Fines And Forfeitures
Additions:							
Agency fund additions	\$ 32,705	\$ 5,406	\$ 42,046	\$ 1,134,110	\$ 142,625	\$ 77,415	\$ 40,493
Deductions:							
Agency fund deductions	32,705	5,336	41,517	1,213,664	140,897	83,791	16,423
Excess (deficiency) of total additions over total deductions	-	70	529	(79,554)	1,728	(6,376)	24,070
Cash and investment fund balance - beginning, restated	2,477	480	23,877	1,132,198	2,499	42,489	4,423
Cash and investment fund balance - ending	<u>\$ 2,477</u>	<u>\$ 550</u>	<u>\$ 24,406</u>	<u>\$ 1,052,644</u>	<u>\$ 4,227</u>	<u>\$ 36,113</u>	<u>\$ 28,493</u>

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

	Overweight Vehicle Fines	Infraction Judgements	Inheritance Tax	Payroll	Special Death Benefit	Education Plate Fees Agency	Cedit Agency
Additions:							
Agency fund additions	\$ 4,188	\$ 186,262	\$ 1,298,453	\$ 7,471,337	\$ 7,067	\$ 2,063	\$ 6,499,170
Deductions:							
Agency fund deductions	5,083	190,025	1,640,681	7,030,533	7,167	2,006	6,175,895
Excess (deficiency) of total additions over total deductions	(895)	(3,763)	(342,228)	440,804	(100)	57	323,275
Cash and investment fund balance - beginning, restated	1,096	17,184	435,140	362,952	360	225	3,406,298
Cash and investment fund balance - ending	<u>\$ 201</u>	<u>\$ 13,421</u>	<u>\$ 92,912</u>	<u>\$ 803,756</u>	<u>\$ 260</u>	<u>\$ 282</u>	<u>\$ 3,729,573</u>

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

	Pension Trust Clearing	Mortgage Fees-State Share	Welfare Trust	Tax Distribution	After Settlement Collections	Bids, Bonds And Deposits
Additions:						
Agency fund additions	\$ 35,943	\$ 10,205	\$ -	\$ 65,654,920	\$ 1,828,393	\$ 11,614
Deductions:						
Agency fund deductions	35,828	9,315	505	65,645,275	1,873,150	27,635
Excess (deficiency) of total additions over total deductions	115	890	(505)	9,645	(44,757)	(16,021)
Cash and investment fund balance - beginning, restated	(115)	(218)	505	11,867	1,873,150	83,275
Cash and investment fund balance - ending	\$ -	\$ 672	\$ -	\$ 21,512	\$ 1,828,393	\$ 67,254

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

	State Share Delinq Tax & Penalty	Tax Sale Vendor Fees	State Sales Disclosures Share	Substance Abuse Car-1	Inmate Trust Fund Car-1	Surveyor Car-1
Additions:						
Agency fund additions	\$ 1,054	\$ 15,535	\$ 11,850	\$ 36,670	\$ 256,625	\$ 29,027
Deductions:						
Agency fund deductions	1,054	16,541	11,950	37,235	256,464	29,032
Excess (deficiency) of total additions over total deductions	-	(1,006)	(100)	(565)	161	(5)
Cash and investment fund balance - beginning, restated	-	-	2,598	890	9,718	5
Cash and investment fund balance - ending	\$ -	\$ (1,006)	\$ 2,498	\$ 325	\$ 9,879	\$ -

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

	Sheriff Shop With A Cop Car-1	Victims Assistance Car-1	Chaplain Fund Car-1	Sheriff Car-1	Adult Probation Car-1	Planning Commission Car-1
Additions:						
Agency fund additions	\$ 4,579	\$ -	\$ -	\$ 2,443,109	\$ 193,700	\$ 183,004
Deductions:						
Agency fund deductions	7,000	-	409	2,439,692	195,091	183,086
Excess (deficiency) of total additions over total deductions	(2,421)	-	(409)	3,417	(1,391)	(82)
Cash and investment fund balance - beginning, restated	2,739	520	842	8,874	10,764	10,999
Cash and investment fund balance - ending	<u>\$ 318</u>	<u>\$ 520</u>	<u>\$ 433</u>	<u>\$ 12,291</u>	<u>\$ 9,373</u>	<u>\$ 10,917</u>

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

	Recorder Car-1	Co Extension - Purdue Ces Car-1	Clerk-Car CAR -1	Health Car-1	Community Corrections Car-1	Totals
Additions:						
Agency fund additions	\$ 379,897	\$ 78,214	\$ 6,362,236	\$ 114,236	\$ 1,152,574	\$ 95,746,725
Deductions:						
Agency fund deductions	347,049	86,609	6,667,884	115,359	1,158,417	95,730,303
Excess (deficiency) of total additions over total deductions	32,848	(8,395)	(305,648)	(1,123)	(5,843)	16,422
Cash and investment fund balance - beginning, restated	23,213	19,457	2,730,992	2,484	423,951	10,648,208
Cash and investment fund balance - ending	\$ 56,061	\$ 11,062	\$ 2,425,344	\$ 1,361	\$ 418,108	\$ 10,664,630

HANCOCK 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 completed in the current and prior years have been reported and only include parking lots.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 1,430,192
Infrastructure	222,289
Buildings	19,017,622
Machinery and equipment	8,649,341
Construction in progress	<u>1,300,171</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 30,619,615</u>

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

The County has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Bonds payable:		
2001 Community Corrections Center	\$ 455,000	\$ 193,150
2002 Courthouse Annex	4,150,000	1,240,231
2005 Courthouse Renovation	3,255,000	770,715
2007 Emergency Operations Center	3,705,000	731,203
2009 Redevelopment Bonds	10,720,000	268,677
Revenue bonds:		
2001 E911 Emergency Telephone System	473,000	250,528
Total governmental activities debt	<u>\$ 22,758,000</u>	<u>\$ 3,454,504</u>

HANCOCK COUNTY
OTHER REPORTS

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

County Auditor
Clerk of the Circuit Court
County Community Corrections

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF HANCOCK COUNTY, INDIANA

Compliance

We have audited the compliance of Hancock 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.

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 non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2009.

Internal Control Over Compliance

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

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

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

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses.

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

STATE BOARD OF ACCOUNTS

July 19, 2010

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

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA 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	\$ 101,409
Total for program and federal grantor agency		<u>101,409</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>		
Pass-Through Indiana Criminal Justice Institute Edward Byrne Memorial Justice Assistance Grant Program	16.738	16,723
Total for program and federal grantor agency		<u>16,723</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>		
Pass-Through Indiana Criminal Justice Institute Highway Safety Cluster Impaired Driving Countermeasures Incentive Grants DUI Grant	20.601	7,940
Safety Incentive Grants for Use of Seatbelts Big City/Big County Safety Belt	20.604	13,815
Total for cluster		<u>21,755</u>
Pass-Through Indiana Department of Transportation ARRA - Formula Grants for Other Than Urbanized Areas Senior Citizen's Transportation Grant	20.509	159,971
Total for federal grantor agency		<u>181,726</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>		
Pass-Through Indiana Department of Health Public Health Emergency Preparedness Award No. 1 H75TP000339-01	93.069	32,367
Pass-Through Indiana Department of Child Services Centers for Disease Control and Prevention - Investigations and Technical Assistance Bio-terrorism Grant	93.283	10,000 31,790
Total for program		<u>41,790</u>
Pass-Through Indiana Department of Child Services Child Support Enforcement	93.563	27,110 23,904 231,102 5,520 28,330 6,990 83,852
Total for program		<u>406,808</u>
Total for federal grantor agency		<u>480,965</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>		
Pass-Through Indiana Department of Homeland Security Disaster Grants - Public Assistance (Presidentially Declared Disasters) Tornadoes	97.036	3,229
Emergency Management Performance Grants	97.042	14,036
State Homeland Security Program 2007 RACES	97.073	3,859
Total for federal grantor agency		<u>21,124</u>
Total federal awards expended		<u>\$ 801,947</u>

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

HANCOCK COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

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

II. Subrecipients

Of the federal expenditures presented in the schedule, the County provided federal awards to subrecipients as follows for the year ended December 31, 2009:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>2009</u>
Formula Grants for Other than Urban Areas	20.509	<u>\$ 159,971</u>

HANCOCK COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Qualified

Internal control over financial reporting:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	yes

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

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

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

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

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
93.563	Child Support Enforcement

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

Auditee qualified as low-risk auditee? no

HANCOCK COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section II – Financial Statement Findings

FINDING NO. 2009-1, SIGNIFICANT DEFICIENCY LACK OF INTERNAL CONTROLS

The internal controls over the reconciling of the Indiana Support Enforcement Tracking System (ISETS) bank account balance to the Clerk of the Circuit Court's ledger balance were insufficient.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Clerks of the Circuit Courts, Chapter 13)

We recommended that action should be expedited to ensure internal controls are established and followed to ensure the ISETS bank account is reconciled monthly to the ledger balance.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.



Office of
SHARI BURRIS

Clerk of Hancock Circuit and Superior Courts

Court House
9 East Main Street
Greenfield, IN 46140
(317) 477-1109
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Summary Schedule of Prior Audit Findings

Section III Finding No. 2008-2 Control Deficiency – Allowable Costs/Cost Principles

Federal Agency: U.S. Department of Health and Human Services
Federal Program: Child Support Enforcement
CFDA Number: 96.563
Pass-Through Agency: Indiana Department of Child Services

Status of Finding:

We no longer purchase any supplies from the Rookie Shop. All purchases are now made through other supply vendors. All supply orders are delivered to our office and we store them here on sight. All shipments are checked for accuracy and claims for payment are made after we receive our order.

All reimbursement claims processed and presented each month to the Title IV-D program are reviewed in detail before being sent. Any questions or errors are discussed with the company that prepares these claims for us. Then they correct any matters of concern before we forward them on for reimbursement from Title IV-D.

A handwritten signature in cursive script that reads "Shari Burris".

Shari Burris, Clerk of Circuit Court
Hancock County, IN

April 19, 2010



Office of
SHARI BURRIS



Clerk of Hancock Circuit and Superior Courts

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Finding No. 2009-1 Significant Deficiency Lack of Internal Controls

With advice from the ISETS help desk and the State Child Support Division, a process has been started to recheck previous work done on the reconciling of the ISETS ledger with the bank account. This procedure should provide us with more control and a better understanding of the steps necessary for balancing.

As we move ahead with this plan we are developing a more efficient and, therefore, a more timely manner of reconciliation. With this growing process, we expect more accuracy and internal control over our ISETS account.

A handwritten signature in cursive script that reads "Shari Burris".

Shari Burris, Clerk of Hancock Circuit Court
May 26, 2010

HANCOCK COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 19, 2010, with Robin D. Lowder, Auditor; Rosemary Melvin, former Interim Auditor; Derek Towle, President of the Board of County Commissioner; and William Bolander, President of the County Council.