

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT

OF

FOUNTAIN COUNTY, INDIANA

January 1, 2011 to December 31, 2011



FILED

05/31/2012

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Colleen Chambers	01-01-09 to 12-31-12
Treasurer	Susan A. Coffing	01-01-09 to 12-31-12
Clerk	Patricia Gritten	01-01-11 to 12-31-14
Sheriff	William Sanders	01-01-11 to 12-31-14
Recorder	Wanda Taylor	01-01-11 to 12-31-14
President of the Board of County Commissioners	Walter R. Wilson	01-01-11 to 12-31-12
President of the County Council	Richard Klage	01-01-11 to 12-31-12



STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF FOUNTAIN COUNTY, INDIANA

We have audited the accompanying financial statement of Fountain County (County), for the year ended December 31, 2011. This financial statement is the responsibility of the County's management. Our responsibility is to express an opinion on this financial statement 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 statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 opinion.

As discussed in Note 1, the County prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting noted above is a different basis than that used in the prior year.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the County for the year ended December 31, 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated April 26, 2012, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the County's financial statement. 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 financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and, in our opinion, is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Included in the financial statement 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 Indiana Code 36-8-16-14 and Indiana Code 36-8-16.5-41 these fees have been subject 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 financial statement taken as a whole.

Our audit was conducted for the purpose of forming an opinion on the County's financial statement. The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, and Schedule of Leases and Debt are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

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

April 26, 2012



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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 FOUNTAIN COUNTY, INDIANA

We have audited the financial statement of Fountain County (County), for the year ended December 31, 2011, and have issued our report thereon dated April 26, 2012. 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 opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

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

April 26, 2012

FINANCIAL STATEMENT

The financial statement and accompanying notes were approved by management of the County. The financial statement and notes are presented as intended by the County.

FOUNTAIN COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2011

Fund	Cash and Investments		Cash and Investments	
	01-01-11	Receipts	Disbursements	12-31-11
General	\$ 4,295,540	\$ 5,716,690	\$ 5,915,204	\$ 4,097,026
Highway	510,661	1,883,776	1,882,409	512,028
Local Road & Street	107,168	161,431	188,339	80,260
Accident Report	763	797	-	1,560
Firearms Training	476	3,390	-	3,866
Health	300,746	319,905	277,495	343,156
County Alcohol & Drug	31,139	37,461	19,515	49,085
Emergency Medical Services /Ambulance	66,486	727,091	729,426	64,151
Clerk's Records Perpetuation	30,835	9,538	8,969	31,404
Co Share Riverboat Revenue	367,919	50,709	188,529	230,099
E-911	77,287	72,470	123,412	26,345
Co Drug Free Community	25,020	20,439	25,269	20,190
Drainage Maintenance	274,449	9,511	27,513	256,447
Emerg Planning /Right-Know Lepc	23,964	4,035	2,246	25,753
Prosecutor Title IV-D	20,208	18,608	7,165	31,651
County Extradition	558	-	-	558
Adult Probation Services	11,278	44,590	9,169	46,699
Recorder's Records Perpetuation	21,647	23,038	12,678	32,007
Local Health Maintenance	39,495	41,272	37,204	43,563
Pretrial Diversion	2,706	1,644	1,000	3,350
Guardian Ad Lit User	11,982	-	-	11,982
Plat Book	2,527	2,375	15	4,887
County Misdemeanant	15,213	12,732	5,346	22,599
Clerk Title IV-D After Oct 1999	29,785	12,366	4,098	38,053
Surveyor's Corner Perpetuation	44,404	3,830	-	48,234
Jury Fees	8,577	2,853	2,789	8,641
Rainy Day	1,132,796	564	-	1,133,360
Sales Disclosure	575	3,995	4,260	310
K-9 Project	-	15,770	325	15,445
Community Corrections	425,125	673,498	651,553	447,070
Tobacco Settlement	95,495	26,278	37,917	83,856
Levy Excess	42,709	-	42,209	500
Co Id Security Protection Fund	4,652	3,890	-	8,542
E-911 Wireless Fund	160,431	117,377	68,371	209,437
Sex Offender Fee - Co Share	-	972	-	972
Capta Grant - Casa Program	-	8,404	2,884	5,520
Reassessment 2015	-	187,032	58,826	128,206
Recorder's Cashbook	6,837	68,580	68,580	6,837
Prosecutor's Arra Fund	6,764	-	-	6,764
County Elected Officials Training	-	663	-	663
Cum Capital Development (Ccd)	433,848	140,251	84,498	489,601
Cumulative Bridge	348,596	606,817	460,015	495,398
Drainage Improvement	249,878	875	-	250,753
Congressional School Principal	26,687	-	-	26,687
City/Town Court Costs	135,210	4,512	-	139,722
Congressional School Interest	24,482	84	1,053	23,513
Surplus Tax Sale	9,980	31,322	18,094	23,208
Tax Sale Redemption	31,354	19,731	51,085	-
Excess Tax	11,727	33,716	18,388	27,055
Fines & Forfeitures	7,904	9,996	16,085	1,815
Forest Withdraw	515	-	-	515
Overweight Vehicle Fines	110	1,183	1,293	-
Sheriff's Cashbook	5,891	390,043	389,351	6,583
Infraction Judgements	5,138	27,527	32,460	205
Inheritance Tax	117,627	798,337	445,063	470,901
Sheriff's Inmate Trust	1,022	43,563	42,782	1,803
Special Death Benefit Fee	785	1,530	2,305	10
Education License Plate	-	375	375	-
Option Tax - Ptr	-	653,359	653,359	-
Financial Institution Tax (Fit)	-	84,650	84,650	-
Wheel Tax	-	48,875	48,875	-
Surtax Fund	-	246,761	246,761	-
Mortgage Fee Fund	185	1,593	1,645	133

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

FOUNTAIN COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2011
(Continued)

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
Cvet Distribution	-	59,376	59,376	-
Riverboat Revenue	-	112,357	112,357	-
Sex Offender Fee Fund - State	-	1,230	1,080	150
Tax Distribution	-	9,900,923	9,900,923	-
Commissioner Sale Fund	-	8,127	598	7,529
Local Health Maintenance Fund	-	28,908	-	28,908
Sheriff's Equipment Grant ICJI	-	489	430	59
EMS Building Grant IOCRA	-	183,065	183,065	-
Immunization Grant	-	5,742	5,742	-
Service Process	7,280	5,513	8,385	4,408
Family & Children (Child Serv)	33	-	-	33
Community Corrections 07/08	-	436,781	410,179	26,602
Sheriff's Continuing Education	19,426	2,210	738	20,898
Dare Donations	275	-	-	275
H1N1Grant	124	8,970	8,970	124
Non-Revert Prisoner Reimbursement	48,707	6,675	-	55,382
Covered Bridge Maintenance	6,893	5,550	3,602	8,841
Law Enforcement Equipment	15	-	-	15
Infraction Deferral	60,817	27,655	35,179	53,293
Cumulative Reassessment	158,616	442	67,177	91,881
Welfare Excise Tax	-	545,324	545,324	-
Dare Grant	1	-	-	1
Coroner's Training - Cont Educ	145	1,155	1,101	199
Operation Pullover	2,209	-	-	2,209
Cedit Homestead Credit Fund	5,358	264,441	265,424	4,375
Public Defense Admin Fee	35,610	5,487	-	41,097
County Sales Disclosure Fund	18,016	2,390	-	20,406
Administration Fee Prob Users	4,392	10,208	9,457	5,143
Federal Law Enforcement Distr	67	-	-	67
Cert Training Grant \$	2,139	-	-	2,139
Farm Maintenance	440,403	33,325	75,368	398,360
Co General Maintenance	319,253	1,116	-	320,369
Marijuana Eradication	4,500	-	-	4,500
Community Correction Local Approp	5,111	4,000	7,903	1,208
Community Transition	16	39,409	39,360	65
Court Administration Fee	44,428	7,400	-	51,828
Dna Sample Processing	14,189	1,640	-	15,829
Community Corrections 08-09	48,453	339,719	388,072	100
Public Health Bioterrorism Prep	2,405	-	25	2,380
Public Health Coordinator	65	-	-	65
Sheriff's Dive Team Fund	54	-	-	54
Every 15 Minutes	253	-	-	253
Mural Restoration	327	-	-	327
Co General Incentive Fund	3,717	12,366	1,951	14,132
Bid Bond	283	-	-	283
E-911 Bond Sinking Fund	-	79,865	79,865	-
County User Fee Fund	14,754	3,302	400	17,656
State Hsc Fund (Hea 100)	(827)	-	-	(827)
Treasurer	216,473	15,864,089	15,797,811	282,751
Money Services Health	517	1,702,337	1,644,715	58,139
Boston Mutual	642	7,322	7,322	642
American Family Life	1,730	28,238	28,135	1,833
Prudential Insurance	54	808	808	54
Central United Life	599	-	599	-
Prepaid Legal Services	26	311	311	26
Option Tax Certified	-	1,960,076	1,960,076	-
Colonial Insurance	1,566	33,315	32,527	2,354
Vision Insurance	50	5,195	4,948	297
Key Life Insurance	382	1,120	1,185	317
Principal Insurance	436	22,198	20,694	1,940
Liberty National #2	118	8,250	7,871	497
State Del Taxes & Penalties	-	59	59	-
Afdc Local Plan County	385	-	-	385

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

FOUNTAIN COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2011
(Continued)

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
Fountain County Mentoring	311	-	-	311
Community Correction Agency	50	577,477	577,477	50
Clerk of the Circuit Court Agency	338,431	1,609,947	1,455,305	493,073
Sheriff's Commissary	6,548	36,841	32,052	11,337
Sheriff's Pension	1,034,508	118,357	48,962	1,103,903
Employee Benefit Trust	31,462	1,849,154	1,877,716	2,900
Landfill Postclosure Trust	74,539	1,463	-	76,002
Health Agency	-	25,952	25,952	-
Prosecutor Agency	2,430	66,151	68,581	-
Totals	<u>\$ 12,585,920</u>	<u>\$ 49,496,494</u>	<u>\$ 48,806,009</u>	<u>\$ 13,276,405</u>

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

FOUNTAIN COUNTY
NOTES TO FINANCIAL STATEMENT

Note 1. 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 some or all of 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 accompanying financial statement presents the financial information for the County (primary government), and does not include financial information for any of the County's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial information of the County (primary government).

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), 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 regulatory 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.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts may include, but are not limited to, the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the County.

Licenses and permits which include amounts received from businesses, occupations, or nonbusinesses that must be licensed before doing business within the government's jurisdiction or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include: peddler licenses, dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

FOUNTAIN COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Fines and forfeits which include receipts derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements may include, but are not limited to, the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which includes articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service principal and interest which include fixed obligations resulting from financial transactions previously entered into by the County. It includes all expenditures for the reduction of the principal and interest of the County's general obligation indebtedness.

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

FOUNTAIN COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

The County may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the County. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the County. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the County submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the County in June and December; however, situations can arise which would delay the distributions. 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 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

FOUNTAIN COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

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

State statutes authorize the County to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. Risk Management

The County may be 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.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the County to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the County by recording as a disbursement any replacement items purchased.

Note 6. Pension Plans

A. County Police Retirement Plan

Plan Description

The County Police Retirement Plan 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.

FOUNTAIN COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

B. County Police Benefit Plan

Plan Description

The County Police Benefit Plan 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.

C. Fountain County Employee Retirement Plan

The County also contributes to an additional pension plan unique to the County. Information regarding these plans may be obtained from the County.

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SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the County's 2011 Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Annual Report of the County which is referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The supplementary information presented was approved by management of the County. It is presented as intended by the County.

FOUNTAIN COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011

	General	Highway	Local Road & Street	Accident Report	Firearms Training	Health	County Alcohol & Drug
Cash and investments - beginning	\$ 4,295,540	\$ 510,661	\$ 107,168	\$ 763	\$ 476	\$ 300,746	\$ 31,139
Receipts:							
Taxes	3,927,650	-	-	-	-	197,595	-
Licenses and permits	-	-	-	-	3,390	-	-
Intergovernmental	232,011	1,829,345	155,593	-	-	18,749	-
Charges for services	1,017,656	-	-	-	-	103,561	-
Fines and forfeits	111,303	-	-	797	-	-	-
Other receipts	428,070	54,431	5,838	-	-	-	37,461
Total receipts	<u>5,716,690</u>	<u>1,883,776</u>	<u>161,431</u>	<u>797</u>	<u>3,390</u>	<u>319,905</u>	<u>37,461</u>
Disbursements:							
Personal services	4,050,988	955,549	-	-	-	222,385	-
Supplies	301,574	569,468	168,551	-	-	9,629	-
Other services and charges	1,408,939	174,617	19,788	-	-	45,481	19,515
Capital outlay	113,833	182,775	-	-	-	-	-
Other disbursements	39,870	-	-	-	-	-	-
Total disbursements	<u>5,915,204</u>	<u>1,882,409</u>	<u>188,339</u>	<u>-</u>	<u>-</u>	<u>277,495</u>	<u>19,515</u>
Excess (deficiency) of receipts over disbursements	<u>(198,514)</u>	<u>1,367</u>	<u>(26,908)</u>	<u>797</u>	<u>3,390</u>	<u>42,410</u>	<u>17,946</u>
Cash and investments - ending	<u>\$ 4,097,026</u>	<u>\$ 512,028</u>	<u>\$ 80,260</u>	<u>\$ 1,560</u>	<u>\$ 3,866</u>	<u>\$ 343,156</u>	<u>\$ 49,085</u>

FOUNTAIN COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Emergency Medical Services /Ambulance	Clerk's Records Perpetuation	Co Share Riverboat Revenue	E-911	Co Drug Free Community	Drainage Maintenance	Emerg Planning /Right-Know Lepc
Cash and investments - beginning	\$ 66,486	\$ 30,835	\$ 367,919	\$ 77,287	\$ 25,020	\$ 274,449	\$ 23,964
Receipts:							
Taxes	-	-	50,709	-	-	8,550	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	14,594	-	-	-
Fines and forfeits	-	9,538	-	57,876	20,439	-	-
Other receipts	727,091	-	-	-	-	961	4,035
Total receipts	<u>727,091</u>	<u>9,538</u>	<u>50,709</u>	<u>72,470</u>	<u>20,439</u>	<u>9,511</u>	<u>4,035</u>
Disbursements:							
Personal services	-	-	-	79,357	-	-	-
Supplies	-	-	-	-	46	-	-
Other services and charges	-	-	-	42,495	25,223	-	2,246
Capital outlay	-	-	188,529	1,560	-	-	-
Other disbursements	729,426	8,969	-	-	-	27,513	-
Total disbursements	<u>729,426</u>	<u>8,969</u>	<u>188,529</u>	<u>123,412</u>	<u>25,269</u>	<u>27,513</u>	<u>2,246</u>
Excess (deficiency) of receipts over disbursements	<u>(2,335)</u>	<u>569</u>	<u>(137,820)</u>	<u>(50,942)</u>	<u>(4,830)</u>	<u>(18,002)</u>	<u>1,789</u>
Cash and investments - ending	<u>\$ 64,151</u>	<u>\$ 31,404</u>	<u>\$ 230,099</u>	<u>\$ 26,345</u>	<u>\$ 20,190</u>	<u>\$ 256,447</u>	<u>\$ 25,753</u>

FOUNTAIN COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Prosecutor Title IV-D	County Extradition	Adult Probation Services	Recorder's Records Perpetuation	Local Health Maintenance	Pretrial Diversion	Guardian Ad Lit User
Cash and investments - beginning	\$ 20,208	\$ 558	\$ 11,278	\$ 21,647	\$ 39,495	\$ 2,706	\$ 11,982
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	18,608	-	-	-	-	-	-
Fines and forfeits	-	-	44,590	-	-	1,644	-
Other receipts	-	-	-	23,038	41,272	-	-
Total receipts	18,608	-	44,590	23,038	41,272	1,644	-
Disbursements:							
Personal services	5,425	-	-	-	34,695	-	-
Supplies	-	-	4,003	-	679	-	-
Other services and charges	1,740	-	253	-	1,830	1,000	-
Capital outlay	-	-	4,913	-	-	-	-
Other disbursements	-	-	-	12,678	-	-	-
Total disbursements	7,165	-	9,169	12,678	37,204	1,000	-
Excess (deficiency) of receipts over disbursements	11,443	-	35,421	10,360	4,068	644	-
Cash and investments - ending	\$ 31,651	\$ 558	\$ 46,699	\$ 32,007	\$ 43,563	\$ 3,350	\$ 11,982

FOUNTAIN COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Plat Book	County Misdemeanant	Clerk Title IV-D After Oct 1999	Surveyor's Corner Perpetuation	Jury Fees	Rainy Day	Sales Disclosure
Cash and investments - beginning	\$ 2,527	\$ 15,213	\$ 29,785	\$ 44,404	\$ 8,577	\$ 1,132,796	\$ 575
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	12,366	-	-	-	-
Charges for services	-	12,732	-	-	-	-	-
Fines and forfeits	-	-	-	-	2,853	-	3,995
Other receipts	2,375	-	-	3,830	-	564	-
Total receipts	<u>2,375</u>	<u>12,732</u>	<u>12,366</u>	<u>3,830</u>	<u>2,853</u>	<u>564</u>	<u>3,995</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	2,789	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	15	5,346	4,098	-	-	-	4,260
Total disbursements	<u>15</u>	<u>5,346</u>	<u>4,098</u>	<u>-</u>	<u>2,789</u>	<u>-</u>	<u>4,260</u>
Excess (deficiency) of receipts over disbursements	<u>2,360</u>	<u>7,386</u>	<u>8,268</u>	<u>3,830</u>	<u>64</u>	<u>564</u>	<u>(265)</u>
Cash and investments - ending	<u>\$ 4,887</u>	<u>\$ 22,599</u>	<u>\$ 38,053</u>	<u>\$ 48,234</u>	<u>\$ 8,641</u>	<u>\$ 1,133,360</u>	<u>\$ 310</u>

FOUNTAIN COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	K-9 Project	Community Corrections	Tobacco Settlement	Levy Excess	Co Id Security Protection Fund	E-911 Wireless Fund	Sex Offender Fee - Co Share
Cash and investments - beginning	\$ -	\$ 425,125	\$ 95,495	\$ 42,709	\$ 4,652	\$ 160,431	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	117,377	-
Fines and forfeits	-	-	-	-	3,890	-	-
Other receipts	15,770	673,498	26,278	-	-	-	972
Total receipts	<u>15,770</u>	<u>673,498</u>	<u>26,278</u>	<u>-</u>	<u>3,890</u>	<u>117,377</u>	<u>972</u>
Disbursements:							
Personal services	-	-	15,621	-	-	67,471	-
Supplies	-	-	11,902	-	-	-	-
Other services and charges	-	-	10,394	-	-	360	-
Capital outlay	-	-	-	-	-	540	-
Other disbursements	325	651,553	-	42,209	-	-	-
Total disbursements	<u>325</u>	<u>651,553</u>	<u>37,917</u>	<u>42,209</u>	<u>-</u>	<u>68,371</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>15,445</u>	<u>21,945</u>	<u>(11,639)</u>	<u>(42,209)</u>	<u>3,890</u>	<u>49,006</u>	<u>972</u>
Cash and investments - ending	<u>\$ 15,445</u>	<u>\$ 447,070</u>	<u>\$ 83,856</u>	<u>\$ 500</u>	<u>\$ 8,542</u>	<u>\$ 209,437</u>	<u>\$ 972</u>

FOUNTAIN COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Capta Grant - Casa Program	Reassessment 2015	Recorder's Cashbook	Prosecutor's Arra Fund	County Elected Officials Training	Cum Capital Development (Ccd)	Cumulative Bridge
Cash and investments - beginning	\$ -	\$ -	\$ 6,837	\$ 6,764	\$ -	\$ 433,848	\$ 348,596
Receipts:							
Taxes	-	171,022	-	-	-	128,096	385,650
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	14,570	-	-	-	12,155	51,331
Charges for services	-	-	-	-	-	-	135,524
Fines and forfeits	-	-	-	-	663	-	-
Other receipts	8,404	1,440	68,580	-	-	-	34,312
Total receipts	8,404	187,032	68,580	-	663	140,251	606,817
Disbursements:							
Personal services	2,884	-	-	-	-	-	117,895
Supplies	-	-	-	-	-	-	154,727
Other services and charges	-	58,826	-	-	-	-	-
Capital outlay	-	-	-	-	-	84,498	187,393
Other disbursements	-	-	68,580	-	-	-	-
Total disbursements	2,884	58,826	68,580	-	-	84,498	460,015
Excess (deficiency) of receipts over disbursements	5,520	128,206	-	-	663	55,753	146,802
Cash and investments - ending	\$ 5,520	\$ 128,206	\$ 6,837	\$ 6,764	\$ 663	\$ 489,601	\$ 495,398

FOUNTAIN COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Drainage Improvement	Congressional School Principal	City/Town Court Costs	Congressional School Interest	Surplus Tax Sale	Tax Sale Redemption	Excess Tax
Cash and investments - beginning	\$ 249,878	\$ 26,687	\$ 135,210	\$ 24,482	\$ 9,980	\$ 31,354	\$ 11,727
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	4,512	-	-	-	-
Other receipts	875	-	-	84	31,322	19,731	33,716
Total receipts	<u>875</u>	<u>-</u>	<u>4,512</u>	<u>84</u>	<u>31,322</u>	<u>19,731</u>	<u>33,716</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	1,053	18,094	51,085	18,388
Total disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,053</u>	<u>18,094</u>	<u>51,085</u>	<u>18,388</u>
Excess (deficiency) of receipts over disbursements	<u>875</u>	<u>-</u>	<u>4,512</u>	<u>(969)</u>	<u>13,228</u>	<u>(31,354)</u>	<u>15,328</u>
Cash and investments - ending	<u>\$ 250,753</u>	<u>\$ 26,687</u>	<u>\$ 139,722</u>	<u>\$ 23,513</u>	<u>\$ 23,208</u>	<u>\$ -</u>	<u>\$ 27,055</u>

FOUNTAIN COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Fines & Forfeitures	Forest Withdraw	Overweight Vehicle Fines	Sheriff's Cashbook	Infraction Judgements	Inheritance Tax	Sheriff's Inmate Trust
Cash and investments - beginning	\$ 7,904	\$ 515	\$ 110	\$ 5,891	\$ 5,138	\$ 117,627	\$ 1,022
Receipts:							
Taxes	-	-	-	-	-	798,337	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	9,996	-	-	-	27,527	-	-
Other receipts	-	-	1,183	390,043	-	-	43,563
Total receipts	<u>9,996</u>	<u>-</u>	<u>1,183</u>	<u>390,043</u>	<u>27,527</u>	<u>798,337</u>	<u>43,563</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	16,085	-	1,293	389,351	32,460	445,063	42,782
Total disbursements	<u>16,085</u>	<u>-</u>	<u>1,293</u>	<u>389,351</u>	<u>32,460</u>	<u>445,063</u>	<u>42,782</u>
Excess (deficiency) of receipts over disbursements	<u>(6,089)</u>	<u>-</u>	<u>(110)</u>	<u>692</u>	<u>(4,933)</u>	<u>353,274</u>	<u>781</u>
Cash and investments - ending	<u>\$ 1,815</u>	<u>\$ 515</u>	<u>\$ -</u>	<u>\$ 6,583</u>	<u>\$ 205</u>	<u>\$ 470,901</u>	<u>\$ 1,803</u>

FOUNTAIN COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Special Death Benefit Fee	Education License Plate	Option Tax - Ptr	Financial Institution Tax (Fit)	Wheel Tax	Surtax Fund	Mortgage Fee Fund
Cash and investments - beginning	\$ 785	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 185
Receipts:							
Taxes	-	-	653,359	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	84,650	48,875	246,761	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	1,530	-	-	-	-	-	1,593
Other receipts	-	375	-	-	-	-	-
Total receipts	<u>1,530</u>	<u>375</u>	<u>653,359</u>	<u>84,650</u>	<u>48,875</u>	<u>246,761</u>	<u>1,593</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	2,305	375	653,359	84,650	48,875	246,761	1,645
Total disbursements	<u>2,305</u>	<u>375</u>	<u>653,359</u>	<u>84,650</u>	<u>48,875</u>	<u>246,761</u>	<u>1,645</u>
Excess (deficiency) of receipts over disbursements	<u>(775)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(52)</u>
Cash and investments - ending	<u>\$ 10</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 133</u>

FOUNTAIN COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Cvet Distribution	Riverboat Revenue	Sex Offender Fee Fund - State	Tax Distribution	Commissioner Sale Fund	Local Health Maintenance Fund	Sheriff's Equipment Grant ICJI
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	9,900,923	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	59,376	112,357	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	1,230	-	-	-	-
Other receipts	-	-	-	-	8,127	28,908	489
Total receipts	<u>59,376</u>	<u>112,357</u>	<u>1,230</u>	<u>9,900,923</u>	<u>8,127</u>	<u>28,908</u>	<u>489</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	59,376	112,357	1,080	9,900,923	598	-	430
Total disbursements	<u>59,376</u>	<u>112,357</u>	<u>1,080</u>	<u>9,900,923</u>	<u>598</u>	<u>-</u>	<u>430</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>150</u>	<u>-</u>	<u>7,529</u>	<u>28,908</u>	<u>59</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150</u>	<u>\$ -</u>	<u>\$ 7,529</u>	<u>\$ 28,908</u>	<u>\$ 59</u>

FOUNTAIN COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	EMS Building Grant IOCRA	Immunization Grant	Service Process	Family & Children (Child Serv)	Community Corrections 07/08	Sheriff's Continuing Education	Dare Donations
Cash and investments - beginning	\$ -	\$ -	\$ 7,280	\$ 33	\$ -	\$ 19,426	\$ 275
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	5,513	-	-	2,210	-
Other receipts	183,065	5,742	-	-	436,781	-	-
Total receipts	<u>183,065</u>	<u>5,742</u>	<u>5,513</u>	<u>-</u>	<u>436,781</u>	<u>2,210</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	183,065	5,742	8,385	-	410,179	738	-
Total disbursements	<u>183,065</u>	<u>5,742</u>	<u>8,385</u>	<u>-</u>	<u>410,179</u>	<u>738</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>(2,872)</u>	<u>-</u>	<u>26,602</u>	<u>1,472</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,408</u>	<u>\$ 33</u>	<u>\$ 26,602</u>	<u>\$ 20,898</u>	<u>\$ 275</u>

FOUNTAIN COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	H1N1Grant	Non-Revert Prisoner Reimbursement	Covered Bridge Maintenance	Law Enforcement Equipment	Infraction Deferral	Cumulative Reassessment	Welfare Excise Tax
Cash and investments - beginning	\$ 124	\$ 48,707	\$ 6,893	\$ 15	\$ 60,817	\$ 158,616	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	419	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	6,675	-	-	27,655	-	-
Other receipts	8,970	-	5,550	-	-	23	545,324
Total receipts	8,970	6,675	5,550	-	27,655	442	545,324
Disbursements:							
Personal services	-	-	-	-	25,259	48,381	-
Supplies	-	-	-	-	156	-	-
Other services and charges	-	-	-	-	9,764	-	-
Capital outlay	-	-	-	-	-	18,796	-
Other disbursements	8,970	-	3,602	-	-	-	545,324
Total disbursements	8,970	-	3,602	-	35,179	67,177	545,324
Excess (deficiency) of receipts over disbursements	-	6,675	1,948	-	(7,524)	(66,735)	-
Cash and investments - ending	\$ 124	\$ 55,382	\$ 8,841	\$ 15	\$ 53,293	\$ 91,881	\$ -

FOUNTAIN COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Dare Grant	Coroner's Training - Cont Educ	Operation Pullover	Cedit Homestead Credit Fund	Public Defense Admin Fee	County Sales Disclosure Fund	Administration Fee Prob Users
Cash and investments - beginning	\$ 1	\$ 145	\$ 2,209	\$ 5,358	\$ 35,610	\$ 18,016	\$ 4,392
Receipts:							
Taxes	-	-	-	264,441	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	1,155	-	-	-	-	-
Fines and forfeits	-	-	-	-	5,487	2,390	10,208
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>1,155</u>	<u>-</u>	<u>264,441</u>	<u>5,487</u>	<u>2,390</u>	<u>10,208</u>
Disbursements:							
Personal services	-	-	-	-	-	-	9,457
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	1,101	-	265,424	-	-	-
Total disbursements	<u>-</u>	<u>1,101</u>	<u>-</u>	<u>265,424</u>	<u>-</u>	<u>-</u>	<u>9,457</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>54</u>	<u>-</u>	<u>(983)</u>	<u>5,487</u>	<u>2,390</u>	<u>751</u>
Cash and investments - ending	<u>\$ 1</u>	<u>\$ 199</u>	<u>\$ 2,209</u>	<u>\$ 4,375</u>	<u>\$ 41,097</u>	<u>\$ 20,406</u>	<u>\$ 5,143</u>

FOUNTAIN COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Federal Law Enforcement Distr	Cert Training Grant \$	Farm Maintenance	Co General Maintenance	Marijuana Eradication	Community Correction Local Approp	Community Transition
Cash and investments - beginning	\$ 67	\$ 2,139	\$ 440,403	\$ 319,253	\$ 4,500	\$ 5,111	\$ 16
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	33,325	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	1,116	-	4,000	39,409
Total receipts	-	-	33,325	1,116	-	4,000	39,409
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	75,368	-	-	-	-
Other disbursements	-	-	-	-	-	7,903	39,360
Total disbursements	-	-	75,368	-	-	7,903	39,360
Excess (deficiency) of receipts over disbursements	-	-	(42,043)	1,116	-	(3,903)	49
Cash and investments - ending	<u>\$ 67</u>	<u>\$ 2,139</u>	<u>\$ 398,360</u>	<u>\$ 320,369</u>	<u>\$ 4,500</u>	<u>\$ 1,208</u>	<u>\$ 65</u>

FOUNTAIN COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Court Administration Fee	Dna Sample Processing	Community Corrections 08-09	Public Health Bioterrorism Prep	Public Health Coordinator	Sheriff's Dive Team Fund	Every 15 Minutes
Cash and investments - beginning	\$ 44,428	\$ 14,189	\$ 48,453	\$ 2,405	\$ 65	\$ 54	\$ 253
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	7,400	1,640	-	-	-	-	-
Other receipts	-	-	339,719	-	-	-	-
Total receipts	<u>7,400</u>	<u>1,640</u>	<u>339,719</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	388,072	25	-	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>388,072</u>	<u>25</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>7,400</u>	<u>1,640</u>	<u>(48,353)</u>	<u>(25)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 51,828</u>	<u>\$ 15,829</u>	<u>\$ 100</u>	<u>\$ 2,380</u>	<u>\$ 65</u>	<u>\$ 54</u>	<u>\$ 253</u>

FOUNTAIN COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Mural Restoration	Co General Incentive Fund	Bid Bond	E-911 Bond Sinking Fund	County User Fee Fund	State Hsc Fund (Hea 100)	Treasurer
Cash and investments - beginning	\$ 327	\$ 3,717	\$ 283	\$ -	\$ 14,754	\$ (827)	\$ 216,473
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	12,366	-	-	-	-	-
Fines and forfeits	-	-	-	-	3,302	-	-
Other receipts	-	-	-	79,865	-	-	15,864,089
Total receipts	-	12,366	-	79,865	3,302	-	15,864,089
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	1,951	-	79,865	400	-	15,797,811
Total disbursements	-	1,951	-	79,865	400	-	15,797,811
Excess (deficiency) of receipts over disbursements	-	10,415	-	-	2,902	-	66,278
Cash and investments - ending	\$ 327	\$ 14,132	\$ 283	\$ -	\$ 17,656	\$ (827)	\$ 282,751

FOUNTAIN COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Money Services Health	Boston Mutual	American Family Life	Prudential Insurance	Central United Life	Prepaid Legal Services
Cash and investments - beginning	\$ 517	\$ 642	\$ 1,730	\$ 54	\$ 599	\$ 26
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	1,702,337	7,322	28,238	808	-	311
Total receipts	<u>1,702,337</u>	<u>7,322</u>	<u>28,238</u>	<u>808</u>	<u>-</u>	<u>311</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	1,644,715	7,322	28,135	808	599	311
Total disbursements	<u>1,644,715</u>	<u>7,322</u>	<u>28,135</u>	<u>808</u>	<u>599</u>	<u>311</u>
Excess (deficiency) of receipts over disbursements	<u>57,622</u>	<u>-</u>	<u>103</u>	<u>-</u>	<u>(599)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 58,139</u>	<u>\$ 642</u>	<u>\$ 1,833</u>	<u>\$ 54</u>	<u>\$ -</u>	<u>\$ 26</u>

FOUNTAIN COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Option Tax Certified	Colonial Insurance	Vision Insurance	Key Life Insurance	Principal Insurance	Liberty National #2
Cash and investments - beginning	\$ -	\$ 1,566	\$ 50	\$ 382	\$ 436	\$ 118
Receipts:						
Taxes	1,960,076	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	33,315	5,195	1,120	22,198	8,250
Total receipts	<u>1,960,076</u>	<u>33,315</u>	<u>5,195</u>	<u>1,120</u>	<u>22,198</u>	<u>8,250</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	1,960,076	32,527	4,948	1,185	20,694	7,871
Total disbursements	<u>1,960,076</u>	<u>32,527</u>	<u>4,948</u>	<u>1,185</u>	<u>20,694</u>	<u>7,871</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>788</u>	<u>247</u>	<u>(65)</u>	<u>1,504</u>	<u>379</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 2,354</u>	<u>\$ 297</u>	<u>\$ 317</u>	<u>\$ 1,940</u>	<u>\$ 497</u>

FOUNTAIN COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	State Del Taxes & Penalties	Afdc Local Plan County	Fountain County Mentoring	Community Correction Agency	Clerk of the Circuit Court Agency	Sheriff's Commissary
Cash and investments - beginning	\$ -	\$ 385	\$ 311	\$ 50	\$ 338,431	\$ 6,548
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	36,841
Fines and forfeits	-	-	-	-	-	-
Other receipts	59	-	-	577,477	1,609,947	-
Total receipts	59	-	-	577,477	1,609,947	36,841
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	59	-	-	577,477	1,455,305	32,052
Total disbursements	59	-	-	577,477	1,455,305	32,052
Excess (deficiency) of receipts over disbursements	-	-	-	-	154,642	4,789
Cash and investments - ending	\$ -	\$ 385	\$ 311	\$ 50	\$ 493,073	\$ 11,337

FOUNTAIN COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Sheriffs Pension	Employee Benefit Trust	Landfill Postclosure Trust	Health Agency	Prosecutor Agency	Totals
Cash and investments - beginning	\$ 1,034,508	\$ 31,462	\$ 74,539	\$ -	\$ 2,430	\$ 12,585,920
Receipts:						
Taxes	-	-	-	-	-	18,446,408
Licenses and permits	-	-	-	-	-	3,390
Intergovernmental	-	-	-	-	-	2,878,558
Charges for services	-	-	-	-	-	1,503,739
Fines and forfeits	-	-	-	-	-	376,456
Other receipts	118,357	1,849,154	1,463	25,952	66,151	26,287,943
Total receipts	118,357	1,849,154	1,463	25,952	66,151	49,496,494
Disbursements:						
Personal services	-	-	-	-	-	5,635,367
Supplies	-	-	-	-	-	1,220,735
Other services and charges	-	-	-	-	-	1,825,260
Capital outlay	-	-	-	-	-	858,205
Other disbursements	48,962	1,877,716	-	25,952	68,581	39,266,442
Total disbursements	48,962	1,877,716	-	25,952	68,581	48,806,009
Excess (deficiency) of receipts over disbursements	69,395	(28,562)	1,463	-	(2,430)	690,485
Cash and investments - ending	\$ 1,103,903	\$ 2,900	\$ 76,002	\$ -	\$ -	\$ 13,276,405

FOUNTAIN COUNTY
SCHEDULE OF LEASES AND DEBT
December 31, 2011

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
3M ELECTRONIC MONITORING	HOME DETENTION GPS EQUIPMENT	\$ 18,798	11-10-11	11-10-12
BEHAVIORAL INTERVENTIONS	HOME DETENTION MONITORING EQUIPMENT	107,485	11-01-01	11-01-12
GREAT AMERICAN LEASING	XEROX WORK CENTER COPIER	1,434	02-17-10	02-17-15
MAIL FINANCE FKA NEOPOST	POSTAGE MACHINE	1,441	09-01-07	11-30-12
PITNEY BOWES	POSTAGE MACHINE	3,300	03-15-10	03-15-15
PNC EQUIPMENT FINANCE	E 911 EQUIPMENT	79,865	10-10-05	07-10-13
PURDUE UNIVERSITY agIT	LAPTOPS	2,160	12-31-08	12-31-11
PURDUE UNIVERSITY agIT	DESKTOPS	1,200	12-31-08	12-31-12
WELLS FARGO CAPITAL FINANCE	COPIER C353	<u>3,139</u>	10-01-08	10-01-13
Total governmental activities		<u>218,822</u>		
Total of annual lease payments		<u>\$ 218,822</u>		

FOUNTAIN COUNTY
OTHER REPORTS

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

County Auditor
County Treasurer

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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
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF FOUNTAIN COUNTY, INDIANA

Compliance

We have audited the compliance of Fountain 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, 2011. The County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2011. The results of our auditing procedures also disclosed other instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2011-1.

Internal Control Over Compliance

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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there is no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in 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 and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2011-1 to be a material weakness.

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

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

April 26, 2012

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Schedule of Expenditures of Federal Awards and accompanying notes presented were approved by management of the County. The schedule and notes are presented as intended by the County.

FOUNTAIN COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2011

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Pass-Through Indiana Office of Community and Rural Affairs CDBG - State Administered CDBG Cluster Community Development Block Grants\State's Program and Non-Entitlement Grants in Hawaii A192-11-CF-10-204	14.228		\$ 183,065
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Pass-Through Indiana Criminal Justice Institute JAG Program Cluster Edward Byrne Memorial Justice Assistance Grant Program 2008-DJ-BX-0752	16.738		430
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation Highway Planning and Construction Cluster Highway Planning and Construction A249-10-321401 A249-10-321388	20.205		74,682 63,623
Total for program			138,305
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-Through Indiana State Department of Health Immunization Cluster Immunization Grants A70-1-073044	93.268		5,742
Pass-Through Indiana State Department of Health Public Health Emergency Preparedness H1N1 122-68	93.069		8,970
Pass-Through Indiana Family and Social Services Administration Child Support Enforcement Prosecutor Clerk General	93.563		91,266 53,880 106,323
Total for program			251,469
Total for federal grantor agency			266,181
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security Emergency Management Performance Grants C44P-0-273A	97.042		18,513
Total federal awards expended			\$ 606,494

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

FOUNTAIN COUNTY
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Fountain County (County) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. 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.

FOUNTAIN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiency identified?	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?	yes

Identification of Major Programs:

_____ Name of Federal Program or Cluster

CDBG – State Administered CDBG Cluster
Highway Planning and Construction Cluster

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

2011-1 - REPORTING

Federal Agency: U.S. Department of Housing and Urban Development
Federal Program: Community Development Block Grant\State's Program
and Non-Entitlement Grants in Hawaii

CFDA Number: 14.228

Pass-Through: Indiana Office of Community and Rural Affairs

Award Number: A192-11-CF-10-204

FOUNTAIN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Semiannual Reports for the Community Development Block Grant were not properly prepared. The grant administrator did not keep a cash control register or a local match ledger as a cumulative record of project receipts and expenditures.

The report for the period ended June 30, 2011, was submitted on June 23, 2011. The improper cut-off date could have caused expenditures to be omitted that should have been reported. Expenditures totaling \$32,000 were omitted from the report. These expenditures were actually paid on June 20, 2011, and should have been included in the total amount expended to date.

The report for the period ended December 31, 2011, reported local matching expenditures of \$109,077.80. The unit's records show only \$84,097 plus accumulated in-kind contributions of \$4,673.98 totaling \$88,770.98. When questioned, the grant administrator, Anita Carpenter, could not provide a detailed listing of project expenditures. She subsequently obtained a report from the County Highway Department which showed in-kind contributions, which was used to obtain the amount shown above. When the reported amount still could not be verified, she stated that a revised report had been submitted January 31, 2012, which included costs for the engineer, grant administrator, and in-kind contributions totaling \$84,485.98. There were \$4,285 in additional expenditures shown on the unit's ledger which were omitted from the revised report. A revised report was not received by the pass-through entity.

The County did not have internal controls in place to prevent or detect these errors.

The Indiana CDBG Handbook Chapter 1.9.2 states:

"Grantees must establish a system for record keeping that assists OCRA's review of files for compliance. In other words, records should be kept in a manner that clearly tells the whole story of a CDBG project from beginning to end. Financial records, supporting documents, statistical records and all other records pertinent to a grant must be retained for a period of three years after closeout of the grant year from which the grant funds were awarded. Grantees should be advised that the record retention period could exceed ten years. OCRA notifies Grantees as to when the record retention period begins and expires."

It furthers states in Chapter 6.3.1-4:

"Federal Cash Control Register: This form is used to track the receipt and expenditure of federal funds. (Expenditures of local funds are not reported on this document.) It is the State's policy under the guidance of the Code of Federal Regulations, that grant funds of \$5,000 or more must be disbursed within five business days from the date they are deposited in the Grantee's designated account. The Federal Cash Control Register also maintains a cumulative amount deposited and disbursed throughout the grant project for accurate record-keeping purposes. . . .

While not required by the federal funding agency, Grant Support must review disbursements from local funds at monitoring. For that purpose, a 'Local Match Ledger' is included as Financial Management Form 5"

And in Chapter 1.9.3 states:

"OCRA requires Grantees to report on grant progress through the life of the project and in some cases following the closeout of the project. It is very important to note that should any of the reports listed below not be submitted to OCRA by the stated due dates, the reports will be considered past due and all future grant requests by the Grantee will be denied until the reports are submitted and approved. These reports include: 1. Semi Annual Reports – All Grantees must submit this report every six months (due by January 31 and July 31) until the project is closed out."

FOUNTAIN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

OMB Circular A133 Section .300(b) states:

"The auditee shall:

Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

Failure to comply with these requirements could cause the County to over expend grant money and increases the risk of inaccurate reporting. Inaccurate reporting could jeopardize future funding.

We recommended that the County prepare a record of all transactions relating to the project using the forms prescribed by the pass-through agency. The County should also prepare and submit corrected reports. Internal controls should be designed and implemented to prevent and/or detect errors in reporting.

FOUNTAIN COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

FOUNTAIN COUNTY AUDITOR'S OFFICE

301 4TH Street Courthouse
Covington IN 47932

Telephone: 765-793-2243

Fax 765-793-5027

E-mail cchambers@fountainco.net

Colleen Chambers
301 4th Street Courthouse
Covington IN 47932

2011-1, Reporting

Federal Agency: United States Department of Housing and Urban Development

Federal Program: CDBG – State Administered CDBG Cluster

CFDA Number: 14.228

Pass-Through: Indiana Office of Community and Rural Affairs

Award Number: A192-11-CF-10-204

I, Colleen Chambers, Auditor of Fountain County, plan on taking the following corrective action in regards to the above named grant due to the recent findings from the State Board of Account Audit.

1. Keep a Local Match Ledger (Financial Management Form 5) for monies spent from the Cumulative Capital Development Fund (1138), the Rainy Day Fund (1186) and the Community Foundation/Donation Fund (4925)
2. Keep a Federal Cash Control Register – Federal Fiscal Year (Financial Management Form 1) for monies spent and received on the federal grant
3. Make a formal request to the grant writer that she furnish a copy all documents to me immediately. Also request that any future documents be submitted as they are received and not wait until the end of the grant.
4. Make a recommendation to the Commissioners and Council that we not use Anita Carpenter in the future for grant writing purposes.

Respectively submitted,



Colleen Chambers
Fountain County Auditor
April 24, 2012

cc

Tom O'Connor, County Attorney
Fountain County Commissioners
Fountain County Council

FOUNTAIN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on April 26, 2012, with Colleen Chambers, Auditor; Thomas P. O'Connor, County Attorney; and Walter R. Wilson, President of the Board of County Commissioners. The officials concurred with our audit findings.