

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF  
ORANGE COUNTY, INDIANA  
January 1, 2012 to December 31, 2012



**FILED**  
06/13/2013



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	William J. Mathers	08-15-11 to 08-19-12
	Treva Brim	08-20-12 to 08-23-12
	Donna Atchison	08-24-12 to 12-31-16
Treasurer	Sandy Hill	01-01-09 to 12-31-16
Clerk	Roger E. Purkhiser	01-01-09 to 12-31-12
	Beth Jones	01-01-13 to 12-31-16
Sheriff	Richard W. Dixon	01-01-11 to 12-31-14
Recorder	Terry Nicholson	01-01-09 to 12-31-16
President of the Board of County Commissioners	Don Brewer	01-01-12 to 12-31-13
President of the County Council	Kermit Lamb	01-01-12 to 12-31-12
	Marshall Noble	01-01-13 to 12-31-13



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF ORANGE COUNTY, INDIANA

***Report on the Financial Statement***

We have audited the accompanying financial statement of Orange County (County), which comprises the financial position and results of operations for the year ended December 31, 2012, and the related notes to the financial statement.

***Management's Responsibility for the Financial Statement***

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statement in order to design 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

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

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the County for the year ended December 31, 2012.

***Opinion on Regulatory Basis of Accounting***

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, 2012, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated May 30, 2013, 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* in considering the County's internal control over financial reporting and compliance.

***Accompanying Information***

*Supplementary Information*

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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, 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.

*Other Information*

Included in the financial statement are the receipts and disbursements activity from emergency telephone system fees (IC 36-8-16), enhanced wireless emergency telephone fees (IC 36-8-16.5), and statewide 911 services fees (IC 36-8-16.7). In accordance with Indiana Code 36-8-16-14, Indiana Code 36-8-16.5-41, and Indiana Code 36-8-16.7-38, these fees have been subject to an annual audit performed by the Indiana 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.



Bruce Hartman  
State Examiner

May 30, 2013



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL  
STATEMENT PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF ORANGE COUNTY, INDIANA

We have audited, 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, the financial statement of Orange County (County), which comprises the financial position and results of operations for the year ended December 31, 2012, and the related notes to the financial statement, and have issued our report thereon dated May 30, 2013, wherein we noted the County followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statement, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2012-1 to be material weaknesses.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL  
STATEMENT 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*.

***Orange County's Response to Findings***

The County's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The County's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Bruce Hartman  
State Examiner

May 30, 2013

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## 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.

ORANGE COUNTY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For The Year Ended December 31, 2012

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12
GENERAL	\$ 408,863	\$ 3,786,847	\$ 3,629,324	\$ 566,386
ACCIDENT REPORT	2,320	1,813	-	4,133
CREDIT COUNTY SHARE	152,716	439,771	547,785	44,702
CITY AND TOWN COURT COSTS	63,347	5,493	-	68,840
CLERKS RECORDS PERPETUATION	10,642	6,175	8,216	8,601
CONVENTION CENTER OPERATING	990	19,925	20,915	-
STATE SALES DISCLOSURE FEE	12,407	2,369	4,624	10,152
CUMULATIVE BRIDGE	752,973	526,967	391,857	888,083
CUMULATIVE CAPITAL DEVELOPMENT	37,668	183,996	103,624	118,040
DRUG FREE COMMUNITY	3,197	22,079	23,761	1,515
EMERGENCY PLANNING/RIGHT TO KNOW	17,993	-	1,186	16,807
EMERGENCY TELEPHONE SYSTEM	10,956	111,996	122,952	-
FIREARMS TRAINING	19,371	7,809	9,424	17,756
HEALTH	33,604	112,222	113,665	32,161
IDENTIFICATION SECURITY PROTECTION	44,910	1,929	10,000	36,839
COUNTY EXCESS LEVY	2	29,238	-	29,240
LOCAL HEALTH MAINTENANCE	50,726	32,672	44,423	38,975
LOCAL ROAD AND STREET	57,265	170,516	175,863	51,918
MISDEMEANANT	29,461	13,386	16,896	25,951
MOTOR VEHICLE HIGHWAY	747,691	1,578,056	1,533,681	792,066
PARK AND RECREATION	32,329	1,975	23,519	10,785
PLAT BOOK	28,748	9,743	20,698	17,793
RAINY DAY	226,478	33,302	243,414	16,366
PROPERTY REASSESSMENT 2009	291,198	62,327	264,354	89,171
REASSESSMENT 2015	357,514	351,258	99,026	609,746
RECORDER'S RECORD PERPETUATION	42,433	17,490	4,109	55,814
RIVERBOAT ADMISSIONS TAX	-	858,670	858,670	-
COUNTY SEX AND VIOLENT OFFENDER FUND	1,728	1,215	1,218	1,725
INDIANA SHERIFF'S 457(B) PLAN	-	750	750	-
SUPPLEMENTAL PUBLIC DEFENDER SERVICES	8,169	856	-	9,025
SURPLUS TAX	11,203	36,340	9,294	38,249
SURVEYORS CORNER PERPETUATION	28,300	6,509	4,950	29,859
TAX SALE REDEMPTION	1,419	37,291	34,899	3,811
TAX SALE SURPLUS	86,444	168,332	76,207	178,569
LOCAL HEALTH DEPT. TRUST ACCOUNT	-	16,365	-	16,365
VEHICLE INSPECTION	365	140	92	413
VICTIM IMPACT PROGRAM	2	-	-	2
WIRELESS EMERGENCY TELEPHONE	128,376	38,237	166,613	-
COUNTY ELECTED OFFICIALS TRAINING	790	1,938	-	2,728
STATEWIDE 911	-	280,199	152,354	127,845
ADULT PROBATION ADMINISTRATIVE	150,731	184,434	166,910	168,255
JUVENILE PROBATION ADMINISTRATION	4,447	7,820	6,064	6,203
ALTERNATIVE DISPUTE RESOLUTION	16,058	2,542	2,475	16,125
USER-COUNTY DRUG FUND PROBATION	24,662	2,210	955	25,917
CUMULATIVE COURTHOUSE	5,523	-	-	5,523
COLONIAL LIFE	-	808	808	-
PRE-PAID LEGAL INC	-	3,837	3,837	-
DEFERRED COMPENSATION	-	3,085	3,085	-
PAYROLL WITHHOLDING FEDERAL	-	296,291	296,291	-
WITHHOLDING SOCIAL SECURITY TAX	10	435,471	435,471	10
WITHHOLDING PERF	86,920	328,704	415,624	-
WITHHOLDING STATE TAX	-	154,545	154,545	-
GARNISHMENT	-	21,064	20,927	137
SHERIFFS PENSION	2,649	24,485	24,530	2,604
STATE SETTLEMENT	-	12,903,197	12,903,197	-
CVET AGENCY	-	233,829	233,829	-
SEWAGE COLLECTIONS	479	4,116	2,483	2,112
FINANCIAL INSTITUTION TAX	-	77,875	77,875	-
HEA 1001 STATE HOMESTEAD CREDIT	567	5	-	572
FINES AND FORFEITURES	1,612	5,078	6,391	299
SPECIAL DEATH BENEFIT	60	1,255	1,315	-

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

ORANGE COUNTY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For The Year Ended December 31, 2012  
(Continued)

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12
SALES DISCLOSURE STATE SHARE	265	2,370	2,450	185
CORONERS CONTINUING EDUCATION	243	1,554	1,701	96
INTERSTATE COMPACT FEE	63	250	313	-
STATE MORTGAGE FEE	195	1,908	1,923	180
SEX AND VIOLENT OFFNDR STATE SHARE	10	135	145	-
INHERITANCE TAX	74,681	357,658	373,624	58,715
EDUCATION PLATE	-	431	431	-
INNKEEPERS TAX COLLECTIONS	486,867	845,864	775,535	557,196
CAGIT DISTRIBUTION	-	2,809,075	2,809,075	-
CAGIT-EDIT	-	703,202	703,202	-
ARRA IV-D INCENTIVE (CLERK)	4,071	-	-	4,071
COUNTY IV-D GENERAL	56,414	5,411	61,825	-
95.563 PROSECUTOR IV-D INCTV POST 99	16,648	15,558	23,228	8,978
95.563 CLERK IVD INCTV POST 99	13,642	10,344	12,433	11,553
COUNTY FRENCH LICK CASINO WAGERING AND ADMISSIONS	1,495,735	1,421,924	1,547,813	1,369,846
USER-DRUG TREATMENT PROGRAM	46,388	97,187	75,675	67,900
USER-PRETRIAL DIVERSION	26,542	34,433	45,245	15,730
USER-LAW ENFORCEMENT EDUCATION	37,331	2,296	564	39,063
USER-JURY DUTY	562	1,434	1,162	834
USER-PROS. DRUG INVESTIGATION	5,590	2,121	5,341	2,370
HEALTH INSURANCE	16,532	802,952	804,617	14,867
AMERICAN FAMILY INSURANCE	63	9,115	8,468	710
CONSECO INSURANCE	269	10,042	10,042	269
PEKIN LIFE INSURANCE	226	13,119	13,116	229
BOSTON MUTUAL LIFE INS. CO.	-	5,997	5,997	-
BROKEER DENTAL/VISION	66	18,009	17,973	102
AIR EVAC	-	2,571	2,571	-
LIBERTY NATIONAL	-	5,009	5,009	-
AUL RETIREMENT	-	19,814	19,814	-
PAYMENT IN LIEU OF TAXES	-	37,120	37,120	-
RIVERBOAT WAGERING TAX	219,835	1,690,049	1,644,801	265,083
93.563 TITLE IV-D INCENTIVE	-	32,422	3,150	29,272
ORANGE COUNTY CLERK	723,451	2,135,120	2,309,748	548,823
ISETS	2,628	480,165	477,016	5,777
COMMISSARY	56,015	73,690	83,707	45,998
INMATE TRUST FUND	6,381	90,834	93,641	3,574
TREASURER AFTER SETTLEMENT COLLECTIONS	380,446	350,302	380,446	350,302
LAW ENFORCEMENT CONTINUING EDUCATION	9	-	-	9
INDIANA REGION 15	-	12,979	8,928	4,051
WOLFE CEMETERY FUND	10,000	105	105	10,000
SHERIFF DONATIONS	7,861	2,000	7,770	2,091
TRUCK HAULING PERMITS	2,378	375	-	2,753
HIGHWAY EQUIPMENT BOND FUND	-	487,804	-	487,804
SHERIFF WALMART GRANT	188	-	-	188
2019 COURTHOUSE BOND REDEMPTION	749,520	40,000	-	789,520
UNEMPLOYMENT	917	7,047	7,964	-
HD.011.010 INDIANA HOUSING AUTHORITY	-	50,954	50,954	-
FRENCH LICK AIRPORT ROAD 300 S	55,510	77,602	107,242	25,870
RURAL DEVELOPMENT RETAINAGE ACCOUNT	24,253	-	24,253	-
OPERATION PULL OVER	1,383	1,219	1,209	1,393
SECTION 5311 TRANSPORTATION	-	323,587	323,587	-
DR2-09-215 WATERWAY DEBRIS REMOVAL	-	272,235	272,235	-
DES# 0710160 FEDERAL ROAD SIGN GRANT	-	28,159	15,149	13,010
ORANGE COUNTY PUBLIC SAFTY NARROW BANDING	70,452	30,000	55,896	44,556
ADAPT SUBSTANCE ABUSE PROGRAM	-	5,000	1,654	3,346
DRUG TESTING FUND PROBATION	548	-	-	548
<b>TOTALS</b>	<b>\$ 8,590,494</b>	<b>\$ 37,095,398</b>	<b>\$ 36,710,842</b>	<b>\$ 8,975,050</b>

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

ORANGE 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.

*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 include 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.

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,

ORANGE COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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 include 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 include 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.

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.

ORANGE COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*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.

**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.

ORANGE COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**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.

**Note 6. Pension Plans**

*A. Public Employees' Retirement Fund*

*Plan Description*

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

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

Indiana Public Retirement System  
1 North Capital Street, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

*Funding Policy and Annual Pension Cost*

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

*B. 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.

ORANGE COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

The plan provides retirement, death, and disability benefits to plan members and beneficiaries. Funds designated for payments related to this plan are accounted for in a pension trust fund. The activity of this trust fund has not been reflected in the financial statement. 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.

**C. 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. Funds designated for payments related to this plan are accounted for in a pension trust fund. The activity of this trust fund has not been reflected in the financial statement. 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.

**Note 7. Restatement of County Offices**

Certain funds that were included on the prior year financial statement have been omitted from the current year financial statement to more accurately reflect the financial activity of the County. These funds account for receipts and disbursements of County offices that are also eventually accounted for in the County's general ledger and this financial statement.

## SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the County's 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.

ORANGE COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012

	GENERAL	ACCIDENT REPORT	CREDIT COUNTY SHARE	CITY AND TOWN COURT COSTS	CLERKS RECORDS PERPETUATION	CONVENTION CENTER OPERATING	STATE SALES DISCLOSURE FEE
Cash and investments - beginning	\$ 408,863	\$ 2,320	\$ 152,716	\$ 63,347	\$ 10,642	\$ 990	\$ 12,407
Receipts:							
Taxes	3,009,135	-	430,736	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	62,571	-	-	-	-	-	-
Charges for services	406,246	980	-	-	-	-	2,369
Fines and forfeits	75,067	-	-	5,493	6,175	-	-
Other receipts	233,828	833	9,035	-	-	19,925	-
Total receipts	<u>3,786,847</u>	<u>1,813</u>	<u>439,771</u>	<u>5,493</u>	<u>6,175</u>	<u>19,925</u>	<u>2,369</u>
Disbursements:							
Personal services	2,267,877	-	-	-	8,216	-	1,124
Supplies	175,343	-	-	-	-	-	-
Other services and charges	1,040,991	-	547,785	-	-	-	3,500
Debt service - principal and interest	-	-	-	-	-	20,915	-
Capital outlay	6,123	-	-	-	-	-	-
Other disbursements	138,990	-	-	-	-	-	-
Total disbursements	<u>3,629,324</u>	<u>-</u>	<u>547,785</u>	<u>-</u>	<u>8,216</u>	<u>20,915</u>	<u>4,624</u>
Excess (deficiency) of receipts over disbursements	<u>157,523</u>	<u>1,813</u>	<u>(108,014)</u>	<u>5,493</u>	<u>(2,041)</u>	<u>(990)</u>	<u>(2,255)</u>
Cash and investments - ending	<u>\$ 566,386</u>	<u>\$ 4,133</u>	<u>\$ 44,702</u>	<u>\$ 68,840</u>	<u>\$ 8,601</u>	<u>\$ -</u>	<u>\$ 10,152</u>

ORANGE COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	CUMULATIVE BRIDGE	CUMULATIVE CAPITAL DEVELOPMENT	DRUG FREE COMMUNITY	EMERGENCY PLANNING/RIGHT TO KNOW	EMERGENCY TELEPHONE SYSTEM	FIREARMS TRAINING	HEALTH
Cash and investments - beginning	\$ 752,973	\$ 37,668	\$ 3,197	\$ 17,993	\$ 10,956	\$ 19,371	\$ 33,604
Receipts:							
Taxes	412,320	137,440	-	-	-	-	53,843
Licenses and permits	-	-	-	-	-	-	39,698
Intergovernmental	112,473	19,938	-	-	-	-	18,681
Charges for services	-	-	-	-	111,996	7,809	-
Fines and forfeits	-	-	22,079	-	-	-	-
Other receipts	2,174	26,618	-	-	-	-	-
Total receipts	526,967	183,996	22,079	-	111,996	7,809	112,222
Disbursements:							
Personal services	155,399	-	-	1,186	96,411	-	100,093
Supplies	77,433	-	-	-	-	-	6,366
Other services and charges	78,575	81,858	-	-	26,541	-	7,206
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	80,450	21,766	-	-	-	-	-
Other disbursements	-	-	23,761	-	-	9,424	-
Total disbursements	391,857	103,624	23,761	1,186	122,952	9,424	113,665
Excess (deficiency) of receipts over disbursements	135,110	80,372	(1,682)	(1,186)	(10,956)	(1,615)	(1,443)
Cash and investments - ending	\$ 888,083	\$ 118,040	\$ 1,515	\$ 16,807	\$ -	\$ 17,756	\$ 32,161

ORANGE COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	IDENTIFICATION SECURITY PROTECTION	COUNTY EXCESS LEVY	LOCAL HEALTH MAINTENANCE	LOCAL ROAD AND STREET	MISDEMEANANT	MOTOR VEHICLE HIGHWAY	PARK AND RECREATION
Cash and investments - beginning	\$ 44,910	\$ 2	\$ 50,726	\$ 57,265	\$ 29,461	\$ 747,691	\$ 32,329
Receipts:							
Taxes	-	29,238	-	-	-	46,893	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	32,672	170,516	13,386	1,520,461	-
Charges for services	1,929	-	-	-	-	-	1,575
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	10,702	400
Total receipts	<u>1,929</u>	<u>29,238</u>	<u>32,672</u>	<u>170,516</u>	<u>13,386</u>	<u>1,578,056</u>	<u>1,975</u>
Disbursements:							
Personal services	-	-	40,210	-	16,896	969,008	1,625
Supplies	-	-	2,489	34,994	-	285,110	2,948
Other services and charges	10,000	-	1,524	28,267	-	185,315	4,934
Debt service - principal and interest	-	-	-	112,602	-	63,213	-
Capital outlay	-	-	200	-	-	19,441	13,937
Other disbursements	-	-	-	-	-	11,594	75
Total disbursements	<u>10,000</u>	<u>-</u>	<u>44,423</u>	<u>175,863</u>	<u>16,896</u>	<u>1,533,681</u>	<u>23,519</u>
Excess (deficiency) of receipts over disbursements	<u>(8,071)</u>	<u>29,238</u>	<u>(11,751)</u>	<u>(5,347)</u>	<u>(3,510)</u>	<u>44,375</u>	<u>(21,544)</u>
Cash and investments - ending	<u>\$ 36,839</u>	<u>\$ 29,240</u>	<u>\$ 38,975</u>	<u>\$ 51,918</u>	<u>\$ 25,951</u>	<u>\$ 792,066</u>	<u>\$ 10,785</u>

ORANGE COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	PLAT BOOK	RAINY DAY	PROPERTY REASSESSMENT 2009	REASSESSMENT 2015	RECORDER'S RECORD PERPETUATION	RIVERBOAT ADMISSIONS TAX	COUNTY SEX AND VIOLENT OFFENDER FUND
Cash and investments - beginning	\$ 28,748	\$ 226,478	\$ 291,198	\$ 357,514	\$ 42,433	\$ -	\$ 1,728
Receipts:							
Taxes	-	-	-	306,761	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	44,497	-	858,670	-
Charges for services	9,600	33,160	-	-	17,490	-	1,215
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	143	142	62,327	-	-	-	-
Total receipts	9,743	33,302	62,327	351,258	17,490	858,670	1,215
Disbursements:							
Personal services	15,698	236,545	84,052	17,644	315	-	-
Supplies	-	-	493	-	-	-	1,218
Other services and charges	5,000	3,993	179,809	81,382	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	2,876	-	-	735	-	-
Other disbursements	-	-	-	-	3,059	858,670	-
Total disbursements	20,698	243,414	264,354	99,026	4,109	858,670	1,218
Excess (deficiency) of receipts over disbursements	(10,955)	(210,112)	(202,027)	252,232	13,381	-	(3)
Cash and investments - ending	\$ 17,793	\$ 16,366	\$ 89,171	\$ 609,746	\$ 55,814	\$ -	\$ 1,725

ORANGE COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	INDIANA SHERIFF'S 457(B) PLAN	SUPPLEMENTAL PUBLIC DEFENDER SERVICES	SURPLUS TAX	SURVEYORS CORNER PERPETUATION	TAX SALE REDEMPTION	TAX SALE SURPLUS	LOCAL HEALTH DEPT. TRUST ACCOUNT
Cash and investments - beginning	\$ -	\$ 8,169	\$ 11,203	\$ 28,300	\$ 1,419	\$ 86,444	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	16,365
Charges for services	-	-	-	6,509	-	-	-
Fines and forfeits	-	856	-	-	-	-	-
Other receipts	750	-	36,340	-	37,291	168,332	-
Total receipts	750	856	36,340	6,509	37,291	168,332	16,365
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	4,950	20,954	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	750	-	9,294	-	13,945	76,207	-
Total disbursements	750	-	9,294	4,950	34,899	76,207	-
Excess (deficiency) of receipts over disbursements	-	856	27,046	1,559	2,392	92,125	16,365
Cash and investments - ending	\$ -	\$ 9,025	\$ 38,249	\$ 29,859	\$ 3,811	\$ 178,569	\$ 16,365

ORANGE COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	VEHICLE INSPECTION	VICTIM IMPACT PROGRAM	WIRELESS EMERGENCY TELEPHONE	COUNTY ELECTED OFFICIALS TRAINING	STATEWIDE 911	ADULT PROBATION ADMINISTRATIVE	JUVENILE PROBATION ADMINISTRATION
Cash and investments - beginning	\$ 365	\$ 2	\$ 128,376	\$ 790	\$ -	\$ 150,731	\$ 4,447
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	38,237	-	-	-	-
Charges for services	140	-	-	1,938	143,995	-	-
Fines and forfeits	-	-	-	-	-	184,434	4,320
Other receipts	-	-	-	-	136,204	-	3,500
Total receipts	<u>140</u>	<u>-</u>	<u>38,237</u>	<u>1,938</u>	<u>280,199</u>	<u>184,434</u>	<u>7,820</u>
Disbursements:							
Personal services	-	-	30,408	-	125,708	132,313	1,176
Supplies	92	-	-	-	-	1,647	-
Other services and charges	-	-	-	-	26,646	32,950	4,888
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	136,205	-	-	-	-
Total disbursements	<u>92</u>	<u>-</u>	<u>166,613</u>	<u>-</u>	<u>152,354</u>	<u>166,910</u>	<u>6,064</u>
Excess (deficiency) of receipts over disbursements	<u>48</u>	<u>-</u>	<u>(128,376)</u>	<u>1,938</u>	<u>127,845</u>	<u>17,524</u>	<u>1,756</u>
Cash and investments - ending	<u>\$ 413</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 2,728</u>	<u>\$ 127,845</u>	<u>\$ 168,255</u>	<u>\$ 6,203</u>

ORANGE COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	ALTERNATIVE DISPUTE RESOLUTION	USER-COUNTY DRUG FUND PROBATION	CUMULATIVE COURTHOUSE	COLONIAL LIFE	PRE-PAID LEGAL INC	DEFERRED COMPENSATION	PAYROLL WITHHOLDING FEDERAL
Cash and investments - beginning	\$ 16,058	\$ 24,662	\$ 5,523	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	2,542	2,210	-	-	-	-	-
Other receipts	-	-	-	808	3,837	3,085	296,291
Total receipts	2,542	2,210	-	808	3,837	3,085	296,291
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	2,475	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	955	-	808	3,837	3,085	296,291
Total disbursements	2,475	955	-	808	3,837	3,085	296,291
Excess (deficiency) of receipts over disbursements	67	1,255	-	-	-	-	-
Cash and investments - ending	\$ 16,125	\$ 25,917	\$ 5,523	\$ -	\$ -	\$ -	\$ -

ORANGE COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	WITHHOLDING SOCIAL SECURITY TAX	WITHHOLDING PERF	WITHHOLDING STATE TAX	GARNISHMENT	SHERIFFS PENSION	STATE SETTLEMENT	CVET AGENCY
Cash and investments - beginning	\$ 10	\$ 86,920	\$ -	\$ -	\$ 2,649	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	11,388,211	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	1,514,986	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	435,471	328,704	154,545	21,064	24,485	-	233,829
Total receipts	435,471	328,704	154,545	21,064	24,485	12,903,197	233,829
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	435,471	415,624	154,545	20,927	24,530	12,903,197	233,829
Total disbursements	435,471	415,624	154,545	20,927	24,530	12,903,197	233,829
Excess (deficiency) of receipts over disbursements	-	(86,920)	-	137	(45)	-	-
Cash and investments - ending	\$ 10	\$ -	\$ -	\$ 137	\$ 2,604	\$ -	\$ -

ORANGE COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	SEWAGE COLLECTIONS	FINANCIAL INSTITUTION TAX	HEA 1001 STATE HOMESTEAD CREDIT	FINES AND FORFEITURES	SPECIAL DEATH BENEFIT	SALES DISCLOSURE STATE SHARE	CORONERS CONTINUING EDUCATION
Cash and investments - beginning	\$ 479	\$ -	\$ 567	\$ 1,612	\$ 60	\$ 265	\$ 243
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	2,370	1,554
Fines and forfeits	-	-	-	5,078	1,255	-	-
Other receipts	4,116	77,875	5	-	-	-	-
Total receipts	<u>4,116</u>	<u>77,875</u>	<u>5</u>	<u>5,078</u>	<u>1,255</u>	<u>2,370</u>	<u>1,554</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	6,219	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	2,483	77,875	-	172	1,315	2,450	1,701
Total disbursements	<u>2,483</u>	<u>77,875</u>	<u>-</u>	<u>6,391</u>	<u>1,315</u>	<u>2,450</u>	<u>1,701</u>
Excess (deficiency) of receipts over disbursements	<u>1,633</u>	<u>-</u>	<u>5</u>	<u>(1,313)</u>	<u>(60)</u>	<u>(80)</u>	<u>(147)</u>
Cash and investments - ending	<u>\$ 2,112</u>	<u>\$ -</u>	<u>\$ 572</u>	<u>\$ 299</u>	<u>\$ -</u>	<u>\$ 185</u>	<u>\$ 96</u>

ORANGE COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	INTERSTATE COMPACT FEE	STATE MORTGAGE FEE	SEX AND VIOLENT OFFNDR STate SHARE	INHERITANCE TAX	EDUCATION PLATE	INNKEEPERS TAX COLLECTIONS	CAGIT DISTRIBUTION
Cash and investments - beginning	\$ 63	\$ 195	\$ 10	\$ 74,681	\$ -	\$ 486,867	\$ -
Receipts:							
Taxes	-	-	-	-	-	845,864	2,809,075
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	1,908	135	-	-	-	-
Fines and forfeits	250	-	-	-	-	-	-
Other receipts	-	-	-	357,658	431	-	-
Total receipts	<u>250</u>	<u>1,908</u>	<u>135</u>	<u>357,658</u>	<u>431</u>	<u>845,864</u>	<u>2,809,075</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	75	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	313	1,923	70	373,624	431	775,535	2,809,075
Total disbursements	<u>313</u>	<u>1,923</u>	<u>145</u>	<u>373,624</u>	<u>431</u>	<u>775,535</u>	<u>2,809,075</u>
Excess (deficiency) of receipts over disbursements	<u>(63)</u>	<u>(15)</u>	<u>(10)</u>	<u>(15,966)</u>	<u>-</u>	<u>70,329</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 180</u>	<u>\$ -</u>	<u>\$ 58,715</u>	<u>\$ -</u>	<u>\$ 557,196</u>	<u>\$ -</u>

ORANGE COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	CAGIT-EDIT	ARRA IV-D INCENTIVE (CLERK)	COUNTY IV-D GENERAL	95.563 PROSECUTOR IV-D INCTV POST 99	95.563 CLERK IVD INCTV POST 99	COUNTY FRENCH LICK CASINO WAGERING AND ADMISSIONS	USER-DRUG TREATMENT PROGRAM
Cash and investments - beginning	\$ -	\$ 4,071	\$ 56,414	\$ 16,648	\$ 13,642	\$ 1,495,735	\$ 46,388
Receipts:							
Taxes	703,202	-	-	-	-	1,421,924	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	5,411	15,558	10,344	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	97,187
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>703,202</u>	<u>-</u>	<u>5,411</u>	<u>15,558</u>	<u>10,344</u>	<u>1,421,924</u>	<u>97,187</u>
Disbursements:							
Personal services	-	-	-	-	2,635	295,722	62,436
Supplies	-	-	-	-	-	-	1,439
Other services and charges	-	-	-	-	-	141,312	8,332
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	1,110,779	99
Other disbursements	703,202	-	61,825	23,228	9,798	-	3,369
Total disbursements	<u>703,202</u>	<u>-</u>	<u>61,825</u>	<u>23,228</u>	<u>12,433</u>	<u>1,547,813</u>	<u>75,675</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>(56,414)</u>	<u>(7,670)</u>	<u>(2,089)</u>	<u>(125,889)</u>	<u>21,512</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 4,071</u>	<u>\$ -</u>	<u>\$ 8,978</u>	<u>\$ 11,553</u>	<u>\$ 1,369,846</u>	<u>\$ 67,900</u>

ORANGE COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	USER-PRETRIAL DIVERSION	USER-LAW ENFORCEMENT EDUCATION	USER-JURY DUTY	USER-PROS. DRUG INVESTIGATION	HEALTH INSURANCE	AMERICAN FAMILY INSURANCE	CONSECO INSURANCE
Cash and investments - beginning	\$ 26,542	\$ 37,331	\$ 562	\$ 5,590	\$ 16,532	\$ 63	\$ 269
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	34,433	2,296	1,434	2,121	-	-	-
Other receipts	-	-	-	-	802,952	9,115	10,042
Total receipts	<u>34,433</u>	<u>2,296</u>	<u>1,434</u>	<u>2,121</u>	<u>802,952</u>	<u>9,115</u>	<u>10,042</u>
Disbursements:							
Personal services	13,945	-	-	-	-	-	-
Supplies	4,269	-	-	-	-	-	-
Other services and charges	21,360	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	5,520	-	-	-	-	-	-
Other disbursements	151	564	1,162	5,341	804,617	8,468	10,042
Total disbursements	<u>45,245</u>	<u>564</u>	<u>1,162</u>	<u>5,341</u>	<u>804,617</u>	<u>8,468</u>	<u>10,042</u>
Excess (deficiency) of receipts over disbursements	<u>(10,812)</u>	<u>1,732</u>	<u>272</u>	<u>(3,220)</u>	<u>(1,665)</u>	<u>647</u>	<u>-</u>
Cash and investments - ending	<u>\$ 15,730</u>	<u>\$ 39,063</u>	<u>\$ 834</u>	<u>\$ 2,370</u>	<u>\$ 14,867</u>	<u>\$ 710</u>	<u>\$ 269</u>

ORANGE COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	PEKIN LIFE INSURANCE	BOSTON MUTUAL LIFE INS. CO.	BROKER DENTAL/VISION	AIR EVAC	LIBERTY NATIONAL	AUL RETIREMENT	PAYMENT IN LIEU OF TAXES
Cash and investments - beginning	\$ 226	\$ -	\$ 66	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	37,120
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	13,119	5,997	18,009	2,571	5,009	19,814	-
Total receipts	<u>13,119</u>	<u>5,997</u>	<u>18,009</u>	<u>2,571</u>	<u>5,009</u>	<u>19,814</u>	<u>37,120</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	13,116	5,997	17,973	2,571	5,009	19,814	37,120
Total disbursements	<u>13,116</u>	<u>5,997</u>	<u>17,973</u>	<u>2,571</u>	<u>5,009</u>	<u>19,814</u>	<u>37,120</u>
Excess (deficiency) of receipts over disbursements	<u>3</u>	<u>-</u>	<u>36</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 229</u>	<u>\$ -</u>	<u>\$ 102</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ORANGE COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	RIVERBOAT WAGERING TAX	93,563 TITLE IV-D INCENTIVE	ORANGE COUNTY CLERK	ISETS	COMMISSARY	INMATE TRUST FUND	TREASURER AFTER SETTLEMENT COLLECTIONS
Cash and investments - beginning	\$ 219,835	\$ -	\$ 723,451	\$ 2,628	\$ 56,015	\$ 6,381	\$ 380,446
Receipts:							
Taxes	1,690,049	-	-	-	-	-	350,302
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	32,422	-	-	-	-	-
Charges for services	-	-	-	-	73,690	90,834	-
Fines and forfeits	-	-	2,135,120	480,165	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>1,690,049</u>	<u>32,422</u>	<u>2,135,120</u>	<u>480,165</u>	<u>73,690</u>	<u>90,834</u>	<u>350,302</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	83,707	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	1,644,801	3,150	2,309,748	477,016	-	93,641	380,446
Total disbursements	<u>1,644,801</u>	<u>3,150</u>	<u>2,309,748</u>	<u>477,016</u>	<u>83,707</u>	<u>93,641</u>	<u>380,446</u>
Excess (deficiency) of receipts over disbursements	<u>45,248</u>	<u>29,272</u>	<u>(174,628)</u>	<u>3,149</u>	<u>(10,017)</u>	<u>(2,807)</u>	<u>(30,144)</u>
Cash and investments - ending	<u>\$ 265,083</u>	<u>\$ 29,272</u>	<u>\$ 548,823</u>	<u>\$ 5,777</u>	<u>\$ 45,998</u>	<u>\$ 3,574</u>	<u>\$ 350,302</u>

ORANGE COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	LAW ENFORCEMENT CONTINUING EDUCATION	INDIANA REGION 15	WOLFE CEMETERY FUND	SHERIFF DONATIONS	TRUCK HAULING PERMITS	HIGHWAY EQUIPMENT BOND FUND	SHERIFF WALMART GRANT
Cash and investments - beginning	\$ 9	\$ -	\$ 10,000	\$ 7,861	\$ 2,378	\$ -	\$ 188
Receipts:							
Taxes	-	11,335	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	1,644	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	105	2,000	375	487,804	-
Total receipts	-	12,979	105	2,000	375	487,804	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	5,776	-	-	-
Other services and charges	-	8,928	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	1,994	-	-	-
Other disbursements	-	-	105	-	-	-	-
Total disbursements	-	8,928	105	7,770	-	-	-
Excess (deficiency) of receipts over disbursements	-	4,051	-	(5,770)	375	487,804	-
Cash and investments - ending	<u>\$ 9</u>	<u>\$ 4,051</u>	<u>\$ 10,000</u>	<u>\$ 2,091</u>	<u>\$ 2,753</u>	<u>\$ 487,804</u>	<u>\$ 188</u>

ORANGE COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	2019 COURTHOUSE BOND REDEMPTION	UNEMPLOYMENT	HD.011.010 INDIANA HOUSING AUTHORITY	FRENCH LICK AIRPORT ROAD 300 S	RURAL DEVELOPMENT RETAINAGE ACCOUNT	OPERATION PULL OVER	SECTION 5311 TRANSPORTATION
Cash and investments - beginning	\$ 749,520	\$ 917	\$ -	\$ 55,510	\$ 24,253	\$ 1,383	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	50,954	77,602	-	1,219	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	40,000	7,047	-	-	-	-	323,587
Total receipts	40,000	7,047	50,954	77,602	-	1,219	323,587
Disbursements:							
Personal services	-	-	-	-	-	1,123	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	107,242	24,253	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	7,964	50,954	-	-	86	323,587
Total disbursements	-	7,964	50,954	107,242	24,253	1,209	323,587
Excess (deficiency) of receipts over disbursements	40,000	(917)	-	(29,640)	(24,253)	10	-
Cash and investments - ending	\$ 789,520	\$ -	\$ -	\$ 25,870	\$ -	\$ 1,393	\$ -

ORANGE COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	DR2-09-215 WATERWAY DEBRIS REMOVAL	DES# 0710160 FEDERAL ROAD SIGN GRANT	ORAGE COUNTY PUBLIC SAFTY NARROW BANDING	ADAPT SUBSTANCE ABUSE PROGRAM	DRUG TESTING FUND PROBATION	TOTALS
Cash and investments - beginning	\$ -	\$ -	\$ 70,452	\$ -	\$ 548	\$ 8,590,494
Receipts:						
Taxes	-	-	-	-	-	23,646,328
Licenses and permits	-	-	-	-	-	39,698
Intergovernmental	272,235	16,564	-	-	-	4,944,526
Charges for services	-	-	-	-	-	917,442
Fines and forfeits	-	-	-	-	-	3,062,515
Other receipts	-	11,595	30,000	5,000	-	4,484,889
<b>Total receipts</b>	<b>272,235</b>	<b>28,159</b>	<b>30,000</b>	<b>5,000</b>	<b>-</b>	<b>37,095,398</b>
Disbursements:						
Personal services	-	-	-	-	-	4,677,765
Supplies	-	15,149	-	-	-	698,473
Other services and charges	272,235	-	-	-	-	2,969,499
Debt service - principal and interest	-	-	-	-	-	196,730
Capital outlay	-	-	-	-	-	1,263,920
Other disbursements	-	-	55,896	1,654	-	26,904,455
<b>Total disbursements</b>	<b>272,235</b>	<b>15,149</b>	<b>55,896</b>	<b>1,654</b>	<b>-</b>	<b>36,710,842</b>
Excess (deficiency) of receipts over disbursements	-	13,010	(25,896)	3,346	-	384,556
Cash and investments - ending	<u>\$ -</u>	<u>\$ 13,010</u>	<u>\$ 44,556</u>	<u>\$ 3,346</u>	<u>\$ 548</u>	<u>\$ 8,975,050</u>

ORANGE COUNTY  
SCHEDULE OF PAYABLES AND RECEIVABLES  
December 31, 2012

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 970,736</u>	<u>\$ 159,359</u>

ORANGE COUNTY  
SCHEDULE OF LEASES AND DEBT  
December 31, 2012

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
General obligation bonds	Community Building	\$ 451,065	\$ 52,110
Revenue bonds	Courthouse Renovation	2,000,000	186,353
Notes and loans payable	Ambulance	77,500	20,355
Notes and loans payable	Highway Equipment	<u>705,000</u>	<u>210,059</u>
Total governmental activities		<u>3,233,565</u>	<u>468,877</u>
Totals		<u>\$ 3,233,565</u>	<u>\$ 468,877</u>

ORANGE COUNTY  
 SCHEDULE OF CAPITAL ASSETS  
 December 31, 2012

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.

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 329,129
Infrastructure	2,959,493
Buildings	10,948,340
Machinery, equipment, and vehicles	<u>4,835,924</u>
Total governmental activities	<u>19,072,886</u>
Total capital assets	<u><u>\$ 19,072,886</u></u>

ORANGE COUNTY  
OTHER REPORTS

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

County Auditor  
Clerk of the Circuit Court  
County Treasurer

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

TO: THE OFFICIALS OF ORANGE COUNTY, INDIANA

***Report on Compliance for Each Major Federal Program***

We have audited Orange County's (County) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012. 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.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
(Continued)

***Report on Internal Control Over Compliance***

Management of the County is responsible for establishing and maintaining effective internal control over compliance with types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the type of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program 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.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance 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. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Bruce Hartman  
State Examiner

May 30, 2013

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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.

ORANGE COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Year Ended December 31, 2012

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>Department of Housing and Urban Development</u>				
CDBG - State-Administered CDBG Cluster				
Community Development Block Grants/State's Program and Non-entitlement Grants in Hawaii		14.228		
Waterway Debris Removal	Indiana Office of Community and Rural Affairs		A192-12-DR2-09-215	\$ 272,235
Hoosier Uplands Housing	Indiana Housing and Community Development		HD-01-010	50,954
Total - Community Development Block Grants/State's Program and Non-entitlement Grants in Hawaii				<u>323,189</u>
Total - CDBG - State-Administered CDBG Cluster				<u>323,189</u>
Total - Department of Housing and Urban Development				<u>323,189</u>
<u>Department of Transportation</u>				
Highway Planning and Construction Cluster				
Highway Planning and Construction		20.205		
Federal Sign Grant	Indiana Department of Transportation		710160	16,564
2010 FHWA Funds - Bridge Inspection	Indiana Department of Transportation		901326	52,664
French Lick Airport Road 300 S 2010 FHWA	Indiana Department of Transportation		901872	68,768
French Lick Airport Road 300 S 2011 FHWA	Indiana Department of Transportation		902252	8,834
Sale of Property	Indiana Department of Transportation			324
Total - Highway Planning and Construction				<u>147,154</u>
Total - Highway Planning and Construction Cluster				<u>147,154</u>
Formula Grants for Other Than Urbanized Areas				
Transit Grant FY 2011	Indiana Department of Transportation	20.509	1802829O	3,523
Transit Grant FY 2012	Indiana Department of Transportation		18029029O	180,268
Total - Formula Grants for Other Than Urbanized Areas				<u>183,791</u>
Total - Department of Transportation				<u>330,945</u>
<u>Department of Health and Human Services</u>				
Public Health Emergency Preparedness				
Public Health Emergency Preparedness Cooperative Agreement	Indiana Department of Health	93.069	5U90TP517024-11	10,871
Child Support Enforcement				
Child Support	Indiana Department of Child Services	93.563		137,818
Total - Department of Health and Human Services				<u>148,689</u>
<u>Department of Homeland Security</u>				
Emergency Management Performance Grants				
EMA Director Salary Reimbursement	Indiana Department of Homeland Security	97.042	C44P-2-364-A	15,000
Total - Department of Homeland Security				<u>15,000</u>
Total federal awards expended				<u>\$ 817,823</u>

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

ORANGE COUNTY  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1. Basis of Presentation**

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

**Note 2. Subrecipients**

Of the federal expenditures presented in the schedule, the County provided federal awards to subrecipients as follows for the year ended December 31, 2012:

Program Title	Federal CFDA Number	2012
Community Development Block Grants/State's Program and Non-Entitlements Grants in Hawaii	14.228	\$ 50,954
Formula Grants for Other Than Urbanized Areas	20.509	183,791

ORANGE COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**Section I – Summary of Auditor's Results**

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unqualified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies 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 OMB Circular A-133?	no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
20.509	CDBG – State-Administered CDBG Cluster Formula Grants for Other Than Urbanized Areas

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

Auditee qualified as low-risk auditee?	no
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ORANGE COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

***Section II – Financial Statement Findings***

***FINDING 2012-1 - INTERNAL CONTROLS OVER SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS***

The County did not have a proper system of internal control in place to prevent or detect and correct errors on the Schedule of Expenditures of Federal Awards (SEFA). The County should have proper controls in place over the preparation of the SEFA to ensure accurate reporting of federal awards. Without a proper system of internal control in place that operates effectively, material misstatements of the SEFA could remain undetected.

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 Counties of Indiana, Chapter 1)

***Section III – Federal Award Findings and Questioned Costs***

No matters are reportable.



*Donna Atchison*  
*Auditor of Orange County*  
*205 East Main St. Suite 1*  
*Paoli, Indiana 47454*  
*auditor1@co.orange.in.us*

May 31, 2013

Indiana State Board of Accounts  
302 Washington Street Room E418  
Indianapolis, IN 46204-2765

**FINDING 2012-1 INTERNAL CONTROLS OVER SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**CORRECTIVE ACTION PLAN**

The office will implement a new policy for the accurate accounting of federal awards by the following procedures not later than June 1, 2013

1. All applications will be presented to the Auditor and Commissioners before any other action is taken by the applicant.
2. The applicant, Auditor and Commissioners shall have knowledge of OMB Circular A-133 and its contents.
3. The applicant, Auditor and Commissioner shall follow OMB Circular A-133 rules and regulations.
4. The Commissioners shall enforce the rules and regulations provided in Circular A-133
5. The applicant must provide a detailed description of the award.
6. The applicant must provide the reason for the application.
7. The applicant must provide the purpose of the application.
8. The applicant must provide a plan of action for the funds awarded.
9. The plan of action must conform to the rules and bylaws of the award.
10. Upon receipt of the award the applicant must provide the Auditor with the amount received.
11. The Auditor will enter a new line item for amount received.
12. The Auditor will enter a new line item for expenses submitted by the applicant.
13. The applicant must provide proper documentation and line item number for all claims made against the award.
14. The applicant will provide a list of all assets purchased including any identification number to the Auditor upon purchase. The Auditor will perform a complete and accurate inventory of assets at their discretion.
15. The Auditor and Applicant shall keep a excel worksheet of receipts, disbursements and assets
16. The Auditor upon their discretion shall audit the applicant worksheet for comparison to hers.

17. The Auditor shall balance both excel sheets against the financial software report in order to create an accurate accounting for the yearend report posted to Gateway.
18. The applicant shall make ready any and all reports requested by the commissioners in a timely manner.
19. The Commissioners shall be made aware of any irregularities in any reports by the Auditor and or the Applicant.

These procedures shall apply to all awards, federal, local or pass through.

Yours truly,



Donna Atchison

ORANGE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on May 30, 2013, with Donna Atchison, Auditor; Don Brewer, President of the Board of County Commissioners; Marshall Noble, President of the County Council; and John F. Noblitt, County Council member.