

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

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



FILED
08/16/2013

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Penny Lukenbill	01-01-12 to 12-31-15
Treasurer	Deborah VanDeMark	01-01-12 to 12-31-15
Clerk	Julie Fox	01-01-12 to 12-31-15
Sheriff	Tom Chamberlin	01-01-11 to 12-31-14
Recorder	Marlene Mahler	01-01-11 to 12-31-14
President of the Board of County Commissioners	Kevin Overmyer	01-01-12 to 12-31-13
President of the County Council	Matthew Hassel	01-01-12 to 12-31-13



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF MARSHALL COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of Marshall 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 July 18, 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 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.

The County's response to our audit is described in the accompanying section of the report entitled Official Response. We did not audit the County's response and, accordingly, we express no opinion on it.



Bruce Hartman
State Examiner

July 18, 2013



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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 MARSHALL 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 Marshall 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 July 18, 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 deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2012-1 to be a material weakness.

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*.

Marshall County's Response to Findings

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

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

July 18, 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.

MARSHALL 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	\$ 5,772,393	\$ 11,300,096	\$ 11,019,476	\$ 6,053,013
Statewide 911	-	831,030	253,631	577,399
MVH	1,435,789	2,799,674	2,811,245	1,424,218
Local Road And Street	297,285	426,489	454,911	268,863
Accident Report	3,904	4,636	132	7
Firearms Training	70,120	28,545	39,423	59,242
Health	537,971	403,638	328,080	613,529
EMS-Distribution	-	665,730	665,730	-
Law Enforcement Continuing Ed	19,902	3,742	-	23,644
Clerk's Records Perpetuation	48,304	23,692	17,624	54,372
Electronic Map Generation	3,270	-	-	3,270
County Riverboat Revenue Sharing	-	160,035	-	160,035
Emergency Telephone System	238,943	146,954	385,898	(1)
Drug Free Community	73,677	52,924	59,927	66,674
Drainage Maintenance	1,889,656	364,605	421,687	1,832,574
Emergency Planning/Right To Know	43,304	22,804	23,485	42,623
Prosecutor Title IV-D #1	147,849	41,648	49,477	140,020
Extradition	146,994	12,731	994	158,731
Juvenile Probation Service	3,309	-	-	3,309
Recorder's Records Perpetuation	60,839	68,454	71,201	58,092
User Fee	38,514	20,700	19,618	39,596
Health Maintenance	42,158	32,672	33,255	41,575
Pretrial Diversion	127,053	103,457	78,503	152,007
Court Appointed Special Advocate	128,276	27,560	15,845	139,991
Plat Book	59,114	10,999	7,594	62,519
Misdemeanant	177,117	38,948	59,096	156,969
Supplemental Public Defender Svc	32,770	10,720	-	43,490
Clerk Title IV-D #1	5,550	-	-	5,550
Surveyor's Corner Perpetuation	9,318	8,690	4,153	13,855
Local Option Certified Shares-CAGIT	-	6,436,903	6,436,903	-
Rainy Day	4,789,528	-	169,291	4,620,237
Sales Disclosure	21,311	4,680	1,987	24,004
K9 Program	-	19,200	16,072	3,128
Levy Excess	37,353	128,330	-	165,683
Identification Security Protection	19,080	4,125	-	23,205
Clerk Title IV-D #2	71,485	27,684	5,609	93,560
Drug Task Force	24,059	37,591	9,067	52,583
2015 Reassessment	291,086	298,521	-	589,607
Auditor's Ineligible Deduction	-	57,634	13,695	43,939
County Training Fund	1,464	4,125	184	5,405
Cumulative Capital Development	716,255	468,214	335,481	848,988
Cumulative Bridge	1,363,634	978,203	976,028	1,365,809
General Drain Improvement	386,024	115,437	82,846	418,615
Congressional School Principal	21,223	-	-	21,223
City And Town Court Costs	2,900	19,325	20,700	1,525
Congressional School Interest	16,615	157	-	16,772
Clerk's Trust	873,572	8,613,036	7,258,646	2,227,962
Surplus Tax Sale	207,547	308,694	225,157	291,084
Tax Sale Redemption	(240)	43,181	43,181	(240)
Surplus Tax	71,135	17,260	52,993	35,402
State Fines And Forfeitures	7,054	63,359	64,462	5,951
State Sales Disclosure Fee	375	4,680	4,690	365
Overweight Vehicle Fines	-	150	150	-
Infraction Judgements	8,542	125,599	123,782	10,359
Inheritance Tax	110,310	1,208,149	1,008,126	310,333

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

MARSHALL 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
Military Fines	4	-	-	4
Special Death Benefit	340	4,915	4,870	385
Education Plate Fees Agency	206	1,031	1,163	74
Local Option PTRC	-	2,145,634	2,145,634	-
FIT	-	129,833	129,833	-
CAGIT Certified Shares	-	300,000	-	300,000
Mortgage Fees-State Share	475	5,023	5,008	490
Child Restraint Violations Fines	60	1,875	1,735	200
CVET	-	326,062	326,062	-
Gaming Revenue	-	278,726	278,726	-
Homestead Credit Rebate	21,969	165	-	22,134
DLGF Homestead Database Fund	-	52	49	3
After Settlement Collections	965,971	849,162	965,971	849,162
Lake Enforcement Fund	18,025	35,000	40,791	12,234
EMA Performance Grant	3,647	3,515	7,243	(81)
Commissioners Certificate Sale	2,101	-	2,101	-
MVH Distribution Fund	-	2,199,054	2,199,054	-
Local Health Dept Trust Acct	65,226	25,094	24,967	65,353
Poor Relief	-	64,718	64,718	-
General IV-D Incentive Fund	197,544	27,684	-	225,228
Corporate Debt Service-Distribution	-	109,330	109,330	-
Police Pension	-	24,004	24,004	-
Corporation Tax-Distribution	-	6,273,887	6,273,887	-
Fire Fighting-Distribution	-	691,935	691,935	-
Fire Equipment Debt-Distribution	-	33,715	33,715	-
Cum Fire-Distribution	-	257,968	257,968	-
School Cap Projects-Distribution	-	6,481,970	6,481,970	-
School Debt Service-Distribution	-	8,072,426	8,072,426	-
School Pension Debt-Distribution	-	979,775	979,775	-
Parks & Rec-Town-Distribution	-	860,077	860,077	-
Recreation-Townships-Distribution	-	16,081	16,081	-
SW Lake Max Conservancy-Distribution	-	107,832	107,832	-
State Settlement PTRC-Distribution	-	713	713	-
Library-Distribution	-	2,047,592	2,047,592	-
Library Debt Service-Distribution	-	311,657	311,657	-
Cemetery Operating-Distribution	-	267,298	267,298	-
Corporate CCD-Distribution	-	277,687	277,687	-
School Transportation-Distribution	-	3,332,873	3,332,873	-
School Bus Replacement-Distribution	-	586,250	586,250	-
Solid Waste District-Distribution	-	288,948	288,948	-
TIF-Distribution	-	2,284,476	2,284,476	-
Township Taxes-Distribution	-	194,551	194,551	-
Payroll Clearing-Harris	206,702	3,521,861	3,629,574	98,989
Treasurer Cash	500	-	-	500
General Fund Petty Cash accts	540	-	-	540
Health Dept Petty Cash funds	50	-	-	50
HAVA 2012 Grant	-	5,000	3,200	1,800
Historical Society	-	31,000	463	30,537
Sheriff's Inmate Trust	14,801	1,475,856	1,477,478	13,179
Hea 1001-2008 State Hc	3,331	45	-	3,376
Convention And Tourism	14,258	260,577	258,634	16,201
Property Reassessment	371,804	2,682	290,915	83,571
Probation Users Fees	484,802	70,205	61,275	493,732
Comm Corrections - Home Detention	200	-	-	200

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

MARSHALL 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
Sheriff's Commissary	46,754	139,267	93,830	92,191
Dare	28,145	5,093	8,512	24,726
Surplus Dog Tax Special Revenue	26	-	-	26
Operation Pullover	645	16,543	15,458	1,730
Drug Task Force #2	488	-	-	488
Sheriff Pension Holding	17,784	23,202	37,851	3,135
Campaign Enforcement	842	-	-	842
Ema Grant Fund	3,276	-	-	3,276
Road Cut Bonds	16,200	7,500	9,000	14,700
Interstate Compact Fees	-	125	125	-
Probation Administrative Fees	8,179	46,413	50,050	4,542
Epics Fund	21,890	14,400	-	36,290
Government Drug Free Indiana	253	-	-	253
Prosecutor Continuing Ed	476	-	-	476
W.I.C.	(14,499)	158,961	176,074	(31,612)
Victim Assistance Fed Grant # 2	5,163	1,762	1,762	5,163
Victim Impact	2,346	-	-	2,346
Sheriff's Pre-Trial Diversion Fund	4,055	-	-	4,055
Crossroad's Project	980	-	-	980
Personal Property Judgments	3,065	-	-	3,065
Wireless 9-1-1 Fund	445,867	76,959	522,825	1
Sex Offender Registration Fees	11,352	2,780	-	14,132
Sex Offender Registr Fees-State	20	655	649	26
Gis Data Enhanced Access	7,959	1,625	-	9,584
Older Adult Services Grant	-	178,536	178,536	-
Court Services Fund	81,410	251,598	163,016	169,992
Public Health Emergency Response	841	-	841	-
Intrastate Compact Fees	1,508	563	-	2,071
Juvenile Probation User Fees	8,916	5,306	-	14,222
Dui Task Force	98	14,175	9,393	4,880
Prosecutor Arra Fund	35,878	-	20,283	15,595
Clerk Arra Fund	25,414	-	3,626	21,788
Cagit Special Revenue Jail	4,406,799	2,178,623	1,642,736	4,942,686
Welfare Excise Tax	-	1,651,473	1,651,473	-
Special Assessment	488	22,248	22,904	(168)
Coroner's Training - Cont Ed	641	4,958	5,164	435
Judgements Due Law Enforcement	2,649	-	-	2,649
County Child Advocacy Fund	2,210	-	-	2,210
Dea Forfeiture Fund	36,070	13,925	11,590	38,405
Victim Assistance Donations	695	250	-	945
Totals	<u>\$ 28,041,130</u>	<u>\$ 86,678,164</u>	<u>\$ 83,716,242</u>	<u>\$ 31,003,052</u>

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

MARSHALL 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,

MARSHALL 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 forfeitures 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.

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.

MARSHALL 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.

MARSHALL 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.

MARSHALL COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

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. 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.

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.

Note 8. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of the funds being set up for reimbursable grants. The reimbursements for expenditures made by the County were not received by December 31, 2012.

Note 9. Holding Corporation

The County has entered into a capital lease with Marshall County Holding Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing jail facilities for lease to the County. The lessor has been determined to be a related party of the County. Lease payments during the year 2012 totaled \$1,214,000.

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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.

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

	General	Statewide 911	MVH	Local Road And Street	Accident Report	Firearms Training
Cash and investments - beginning	\$ 5,772,393	\$ -	\$ 1,435,789	\$ 297,285	\$ 3,904	\$ 70,120
Receipts:						
Taxes	9,045,422	-	-	-	-	-
Licenses and permits	45,857	-	-	-	-	21,078
Intergovernmental	1,228,585	-	2,443,249	426,489	-	-
Charges for services	345,135	230,099	-	-	-	-
Fines and forfeits	238,932	-	-	-	-	-
Other receipts	396,165	600,931	356,425	-	4,636	7,467
Total receipts	<u>11,300,096</u>	<u>831,030</u>	<u>2,799,674</u>	<u>426,489</u>	<u>4,636</u>	<u>28,545</u>
Disbursements:						
Personal services	6,701,016	199,964	1,324,648	-	-	-
Supplies	508,181	-	1,060,304	454,911	-	-
Other services and charges	2,737,906	41,946	200,626	-	-	-
Capital outlay	140,460	-	148,279	-	-	-
Other disbursements	931,913	11,721	77,388	-	132	39,423
Total disbursements	<u>11,019,476</u>	<u>253,631</u>	<u>2,811,245</u>	<u>454,911</u>	<u>132</u>	<u>39,423</u>
Excess (deficiency) of receipts over disbursements	<u>280,620</u>	<u>577,399</u>	<u>(11,571)</u>	<u>(28,422)</u>	<u>4,504</u>	<u>(10,878)</u>
Cash and investments - ending	<u>\$ 6,053,013</u>	<u>\$ 577,399</u>	<u>\$ 1,424,218</u>	<u>\$ 268,863</u>	<u>\$ 8,408</u>	<u>\$ 59,242</u>

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

	Health	EMS- Distribution	Law Enforcement Continuing Ed	Clerk's Records Perpetuation	Electronic Map Generation	County Riverboat Revenue Sharing
Cash and investments - beginning	\$ 537,971	\$ -	\$ 19,902	\$ 48,304	\$ 3,270	\$ -
Receipts:						
Taxes	293,656	665,730	-	-	-	-
Licenses and permits	34,445	-	-	-	-	-
Intergovernmental	25,233	-	-	-	-	160,035
Charges for services	29,682	-	-	-	-	-
Fines and forfeits	-	-	3,742	23,692	-	-
Other receipts	20,622	-	-	-	-	-
Total receipts	<u>403,638</u>	<u>665,730</u>	<u>3,742</u>	<u>23,692</u>	<u>-</u>	<u>160,035</u>
Disbursements:						
Personal services	278,636	-	-	737	-	-
Supplies	13,136	-	-	1,903	-	-
Other services and charges	16,607	-	-	3,827	-	-
Capital outlay	627	-	-	11,157	-	-
Other disbursements	19,074	665,730	-	-	-	-
Total disbursements	<u>328,080</u>	<u>665,730</u>	<u>-</u>	<u>17,624</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>75,558</u>	<u>-</u>	<u>3,742</u>	<u>6,068</u>	<u>-</u>	<u>160,035</u>
Cash and investments - ending	<u>\$ 613,529</u>	<u>\$ -</u>	<u>\$ 23,644</u>	<u>\$ 54,372</u>	<u>\$ 3,270</u>	<u>\$ 160,035</u>

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

	Emergency Telephone System	Drug Free Community	Drainage Maintenance	Emergency Planning/Right To Know	Prosecutor Title IV-D #1	Extradition
Cash and investments - beginning	\$ 238,943	\$ 73,677	\$ 1,889,656	\$ 43,304	\$ 147,849	\$ 146,994
Receipts:						
Taxes	-	-	363,289	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	22,804	41,648	-
Charges for services	146,618	-	-	-	-	-
Fines and forfeits	-	52,924	-	-	-	12,731
Other receipts	336	-	1,316	-	-	-
Total receipts	<u>146,954</u>	<u>52,924</u>	<u>364,605</u>	<u>22,804</u>	<u>41,648</u>	<u>12,731</u>
Disbursements:						
Personal services	169,762	-	-	-	45,851	-
Supplies	-	-	-	-	-	-
Other services and charges	-	59,927	-	23,485	-	994
Capital outlay	-	-	-	-	-	-
Other disbursements	216,136	-	421,687	-	3,626	-
Total disbursements	<u>385,898</u>	<u>59,927</u>	<u>421,687</u>	<u>23,485</u>	<u>49,477</u>	<u>994</u>
Excess (deficiency) of receipts over disbursements	<u>(238,944)</u>	<u>(7,003)</u>	<u>(57,082)</u>	<u>(681)</u>	<u>(7,829)</u>	<u>11,737</u>
Cash and investments - ending	<u>\$ (1)</u>	<u>\$ 66,674</u>	<u>\$ 1,832,574</u>	<u>\$ 42,623</u>	<u>\$ 140,020</u>	<u>\$ 158,731</u>

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

	Juvenile Probation Service	Recorder's Records Perpetuation	User Fee	Health Maintenance	Pretrial Diversion	Court Appointed Special Advocate
Cash and investments - beginning	\$ 3,309	\$ 60,839	\$ 38,514	\$ 42,158	\$ 127,053	\$ 128,276
Receipts:						
Taxes	-	-	-	-	-	11,891
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	32,672	-	15,669
Charges for services	-	68,454	-	-	-	-
Fines and forfeits	-	-	20,700	-	103,397	-
Other receipts	-	-	-	-	60	-
Total receipts	<u>-</u>	<u>68,454</u>	<u>20,700</u>	<u>32,672</u>	<u>103,457</u>	<u>27,560</u>
Disbursements:						
Personal services	-	-	-	28,994	32,404	-
Supplies	-	-	-	7	4,222	-
Other services and charges	-	-	-	1,512	11,328	-
Capital outlay	-	-	-	2,742	8,734	-
Other disbursements	-	71,201	19,618	-	21,815	15,845
Total disbursements	<u>-</u>	<u>71,201</u>	<u>19,618</u>	<u>33,255</u>	<u>78,503</u>	<u>15,845</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(2,747)</u>	<u>1,082</u>	<u>(583)</u>	<u>24,954</u>	<u>11,715</u>
Cash and investments - ending	<u>\$ 3,309</u>	<u>\$ 58,092</u>	<u>\$ 39,596</u>	<u>\$ 41,575</u>	<u>\$ 152,007</u>	<u>\$ 139,991</u>

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

	Plat Book	Misdemeanant	Supplemental Public Defender Svc	Clerk Title IV-D #1	Surveyor's Corner Perpetuation	Local Option Certified Shares-CAGIT
Cash and investments - beginning	\$ 59,114	\$ 177,117	\$ 32,770	\$ 5,550	\$ 9,318	\$ -
Receipts:						
Taxes	-	-	-	-	-	6,436,903
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	38,777	-	-	-	-
Charges for services	10,999	-	-	-	8,690	-
Fines and forfeits	-	-	10,720	-	-	-
Other receipts	-	171	-	-	-	-
Total receipts	<u>10,999</u>	<u>38,948</u>	<u>10,720</u>	<u>-</u>	<u>8,690</u>	<u>6,436,903</u>
Disbursements:						
Personal services	7,594	-	-	-	-	-
Supplies	-	13,371	-	-	-	-
Other services and charges	-	34,167	-	-	-	-
Capital outlay	-	11,558	-	-	-	-
Other disbursements	-	-	-	-	4,153	6,436,903
Total disbursements	<u>7,594</u>	<u>59,096</u>	<u>-</u>	<u>-</u>	<u>4,153</u>	<u>6,436,903</u>
Excess (deficiency) of receipts over disbursements	<u>3,405</u>	<u>(20,148)</u>	<u>10,720</u>	<u>-</u>	<u>4,537</u>	<u>-</u>
Cash and investments - ending	<u>\$ 62,519</u>	<u>\$ 156,969</u>	<u>\$ 43,490</u>	<u>\$ 5,550</u>	<u>\$ 13,855</u>	<u>\$ -</u>

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

	Rainy Day	Sales Disclosure	K9 Program	Levy Excess	Identification Security Protection	Clerk Title IV-D #2
Cash and investments - beginning	\$ 4,789,528	\$ 21,311	\$ -	\$ 37,353	\$ 19,080	\$ 71,485
Receipts:						
Taxes	-	-	-	52,100	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	27,684
Charges for services	-	4,680	-	-	4,125	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	19,200	76,230	-	-
Total receipts	<u>-</u>	<u>4,680</u>	<u>19,200</u>	<u>128,330</u>	<u>4,125</u>	<u>27,684</u>
Disbursements:						
Personal services	-	-	-	-	-	4,965
Supplies	-	-	-	-	-	-
Other services and charges	169,291	1,987	5,000	-	-	644
Capital outlay	-	-	11,072	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>169,291</u>	<u>1,987</u>	<u>16,072</u>	<u>-</u>	<u>-</u>	<u>5,609</u>
Excess (deficiency) of receipts over disbursements	<u>(169,291)</u>	<u>2,693</u>	<u>3,128</u>	<u>128,330</u>	<u>4,125</u>	<u>22,075</u>
Cash and investments - ending	<u>\$ 4,620,237</u>	<u>\$ 24,004</u>	<u>\$ 3,128</u>	<u>\$ 165,683</u>	<u>\$ 23,205</u>	<u>\$ 93,560</u>

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

	Drug Task Force	2015 Reassessment	Auditor's Ineligible Deduction	County Training Fund	Cumulative Capital Development	Cumulative Bridge
Cash and investments - beginning	\$ 24,059	\$ 291,086	\$ -	\$ 1,464	\$ 716,255	\$ 1,363,634
Receipts:						
Taxes	-	273,577	52,442	-	426,680	657,589
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	23,507	-	-	36,663	270,631
Charges for services	-	-	-	4,125	-	-
Fines and forfeits	-	-	5,192	-	-	-
Other receipts	37,591	1,437	-	-	4,871	49,983
Total receipts	<u>37,591</u>	<u>298,521</u>	<u>57,634</u>	<u>4,125</u>	<u>468,214</u>	<u>978,203</u>
Disbursements:						
Personal services	-	-	-	-	-	86,669
Supplies	29	-	-	-	-	314,597
Other services and charges	7,060	-	13,695	184	285,699	79,021
Capital outlay	1,978	-	-	-	49,782	490,528
Other disbursements	-	-	-	-	-	5,213
Total disbursements	<u>9,067</u>	<u>-</u>	<u>13,695</u>	<u>184</u>	<u>335,481</u>	<u>976,028</u>
Excess (deficiency) of receipts over disbursements	<u>28,524</u>	<u>298,521</u>	<u>43,939</u>	<u>3,941</u>	<u>132,733</u>	<u>2,175</u>
Cash and investments - ending	<u>\$ 52,583</u>	<u>\$ 589,607</u>	<u>\$ 43,939</u>	<u>\$ 5,405</u>	<u>\$ 848,988</u>	<u>\$ 1,365,809</u>

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

	General Drain Improvement	Congressional School Principal	City And Town Court Costs	Congressional School Interest	Clerk's Trust	Surplus Tax Sale
Cash and investments - beginning	\$ 386,024	\$ 21,223	\$ 2,900	\$ 16,615	\$ 873,572	\$ 207,547
Receipts:						
Taxes	55,907	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	19,325	-	-	-
Other receipts	59,530	-	-	157	8,613,036	308,694
Total receipts	<u>115,437</u>	<u>-</u>	<u>19,325</u>	<u>157</u>	<u>8,613,036</u>	<u>308,694</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	82,846	-	20,700	-	7,258,646	225,157
Total disbursements	<u>82,846</u>	<u>-</u>	<u>20,700</u>	<u>-</u>	<u>7,258,646</u>	<u>225,157</u>
Excess (deficiency) of receipts over disbursements	<u>32,591</u>	<u>-</u>	<u>(1,375)</u>	<u>157</u>	<u>1,354,390</u>	<u>83,537</u>
Cash and investments - ending	<u>\$ 418,615</u>	<u>\$ 21,223</u>	<u>\$ 1,525</u>	<u>\$ 16,772</u>	<u>\$ 2,227,962</u>	<u>\$ 291,084</u>

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

	Tax Sale Redemption	Surplus Tax	State Fines And Forfeitures	State Sales Disclosure Fee	Overweight Vehicle Fines	Infraction Judgements
Cash and investments - beginning	\$ (240)	\$ 71,135	\$ 7,054	\$ 375	\$ -	\$ 8,542
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	63,359	-	150	125,599
Other receipts	43,181	17,260	-	4,680	-	-
Total receipts	<u>43,181</u>	<u>17,260</u>	<u>63,359</u>	<u>4,680</u>	<u>150</u>	<u>125,599</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	43,181	52,993	64,462	4,690	150	123,782
Total disbursements	<u>43,181</u>	<u>52,993</u>	<u>64,462</u>	<u>4,690</u>	<u>150</u>	<u>123,782</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(35,733)</u>	<u>(1,103)</u>	<u>(10)</u>	<u>-</u>	<u>1,817</u>
Cash and investments - ending	<u>\$ (240)</u>	<u>\$ 35,402</u>	<u>\$ 5,951</u>	<u>\$ 365</u>	<u>\$ -</u>	<u>\$ 10,359</u>

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

	Inheritance Tax	Military Fines	Special Death Benefit	Education Plate Fees Agency	Local Option PTRC	FIT
Cash and investments - beginning	\$ 110,310	\$ 4	\$ 340	\$ 206	\$ -	\$ -
Receipts:						
Taxes	-	-	-	1,031	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	1,208,149	-	-	-	2,145,634	129,833
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	4,915	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	<u>1,208,149</u>	<u>-</u>	<u>4,915</u>	<u>1,031</u>	<u>2,145,634</u>	<u>129,833</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	1,008,126	-	4,870	1,163	2,145,634	129,833
Total disbursements	<u>1,008,126</u>	<u>-</u>	<u>4,870</u>	<u>1,163</u>	<u>2,145,634</u>	<u>129,833</u>
Excess (deficiency) of receipts over disbursements	<u>200,023</u>	<u>-</u>	<u>45</u>	<u>(132)</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 310,333</u>	<u>\$ 4</u>	<u>\$ 385</u>	<u>\$ 74</u>	<u>\$ -</u>	<u>\$ -</u>

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

	CAGIT Certified Shares	Mortgage Fees-State Share	Child Restraint Violations Fines	CVET	Gaming Revenue	Homestead Credit Rebate
Cash and investments - beginning	\$ -	\$ 475	\$ 60	\$ -	\$ -	\$ 21,969
Receipts:						
Taxes	-	-	-	-	-	165
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	326,062	278,726	-
Charges for services	-	5,023	-	-	-	-
Fines and forfeits	-	-	1,875	-	-	-
Other receipts	300,000	-	-	-	-	-
Total receipts	<u>300,000</u>	<u>5,023</u>	<u>1,875</u>	<u>326,062</u>	<u>278,726</u>	<u>165</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	5,008	1,735	326,062	278,726	-
Total disbursements	<u>-</u>	<u>5,008</u>	<u>1,735</u>	<u>326,062</u>	<u>278,726</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>300,000</u>	<u>15</u>	<u>140</u>	<u>-</u>	<u>-</u>	<u>165</u>
Cash and investments - ending	<u>\$ 300,000</u>	<u>\$ 490</u>	<u>\$ 200</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,134</u>

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

	DLGF Homestead Database Fund	After Settlement Collections	Lake Enforcement Fund	EMA Performance Grant	Commissioners Certificate Sale	MVH Distribution Fund
Cash and investments - beginning	\$ -	\$ 965,971	\$ 18,025	\$ 3,647	\$ 2,101	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	15,000	3,515	-	2,199,054
Charges for services	-	-	-	-	-	-
Fines and forfeits	52	-	-	-	-	-
Other receipts	-	849,162	20,000	-	-	-
Total receipts	<u>52</u>	<u>849,162</u>	<u>35,000</u>	<u>3,515</u>	<u>-</u>	<u>2,199,054</u>
Disbursements:						
Personal services	-	-	26,934	-	-	-
Supplies	-	-	8,291	-	-	-
Other services and charges	-	-	3,513	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	49	965,971	2,053	7,243	2,101	2,199,054
Total disbursements	<u>49</u>	<u>965,971</u>	<u>40,791</u>	<u>7,243</u>	<u>2,101</u>	<u>2,199,054</u>
Excess (deficiency) of receipts over disbursements	<u>3</u>	<u>(116,809)</u>	<u>(5,791)</u>	<u>(3,728)</u>	<u>(2,101)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 3</u>	<u>\$ 849,162</u>	<u>\$ 12,234</u>	<u>\$ (81)</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Local Health Dept Trust Acct	Poor Relief	General IV-D Incentive Fund	Corporate Debt Service- Distribution	Police Pension	Corporation Tax- Distribution
Cash and investments - beginning	\$ 65,226	\$ -	\$ 197,544	\$ -	\$ -	\$ -
Receipts:						
Taxes	-	64,718	-	109,330	-	6,273,887
Licenses and permits	-	-	-	-	-	-
Intergovernmental	25,094	-	27,684	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	24,004	-
Total receipts	<u>25,094</u>	<u>64,718</u>	<u>27,684</u>	<u>109,330</u>	<u>24,004</u>	<u>6,273,887</u>
Disbursements:						
Personal services	22,978	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	1,989	64,718	-	109,330	24,004	6,273,887
Total disbursements	<u>24,967</u>	<u>64,718</u>	<u>-</u>	<u>109,330</u>	<u>24,004</u>	<u>6,273,887</u>
Excess (deficiency) of receipts over disbursements	<u>127</u>	<u>-</u>	<u>27,684</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 65,353</u>	<u>\$ -</u>	<u>\$ 225,228</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Fire Fighting- Distribution	Fire Equipment Debt- Distribution	Cum Fire- Distribution	School Cap Projects- Distribution	School Debt Service- Distribution	School Pension Debt- Distribution
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:						
Taxes	691,935	33,715	257,968	6,481,970	8,072,426	979,775
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	<u>691,935</u>	<u>33,715</u>	<u>257,968</u>	<u>6,481,970</u>	<u>8,072,426</u>	<u>979,775</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	691,935	33,715	257,968	6,481,970	8,072,426	979,775
Total disbursements	<u>691,935</u>	<u>33,715</u>	<u>257,968</u>	<u>6,481,970</u>	<u>8,072,426</u>	<u>979,775</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Parks & Rec-Town- Distribution	Recreation- Townships- Distribution	SW Lake Max Conservancy- Distribution	State Settlement PTRC- Distribution	Library- Distribution	Library Debt Service- Distribution
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:						
Taxes	860,077	16,081	107,832	-	2,047,592	311,657
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	713	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	<u>860,077</u>	<u>16,081</u>	<u>107,832</u>	<u>713</u>	<u>2,047,592</u>	<u>311,657</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	860,077	16,081	107,832	713	2,047,592	311,657
Total disbursements	<u>860,077</u>	<u>16,081</u>	<u>107,832</u>	<u>713</u>	<u>2,047,592</u>	<u>311,657</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Cemetery Operating- Distribution	Corporate CCD- Distribution	School Transportation- Distribution	School Bus Replacement- Distribution	Solid Waste District- Distribution	TIF- Distribution
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:						
Taxes	267,298	277,687	3,332,873	586,250	288,948	2,284,476
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	<u>267,298</u>	<u>277,687</u>	<u>3,332,873</u>	<u>586,250</u>	<u>288,948</u>	<u>2,284,476</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	<u>267,298</u>	<u>277,687</u>	<u>3,332,873</u>	<u>586,250</u>	<u>288,948</u>	<u>2,284,476</u>
Total disbursements	<u>267,298</u>	<u>277,687</u>	<u>3,332,873</u>	<u>586,250</u>	<u>288,948</u>	<u>2,284,476</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Township Taxes- Distribution	Payroll Clearing- Harris	Treasurer Cash	General Fund Petty Cash accts	Health Dept Petty Cash funds	HAVA 2012 Grant
Cash and investments - beginning	\$ -	\$ 206,702	\$ 500	\$ 540	\$ 50	\$ -
Receipts:						
Taxes	194,551	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	5,000
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	3,521,861	-	-	-	-
Total receipts	<u>194,551</u>	<u>3,521,861</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,000</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	3,200
Capital outlay	-	-	-	-	-	-
Other disbursements	194,551	3,629,574	-	-	-	-
Total disbursements	<u>194,551</u>	<u>3,629,574</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,200</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(107,713)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,800</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 98,989</u>	<u>\$ 500</u>	<u>\$ 540</u>	<u>\$ 50</u>	<u>\$ 1,800</u>

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

	Historical Society	Sheriff's Inmate Trust	Hea 1001-2008 State Hc	Convention And Tourism	Property Reassessment	Probation Users Fees
Cash and investments - beginning	\$ -	\$ 14,801	\$ 3,331	\$ 14,258	\$ 371,804	\$ 484,802
Receipts:						
Taxes	-	-	45	260,577	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	70,205
Other receipts	31,000	1,475,856	-	-	2,682	-
Total receipts	<u>31,000</u>	<u>1,475,856</u>	<u>45</u>	<u>260,577</u>	<u>2,682</u>	<u>70,205</u>
Disbursements:						
Personal services	430	-	-	-	101,166	8,771
Supplies	-	-	-	-	286	-
Other services and charges	-	-	-	-	155,508	-
Capital outlay	-	-	-	-	33,955	-
Other disbursements	33	1,477,478	-	258,634	-	52,504
Total disbursements	<u>463</u>	<u>1,477,478</u>	<u>-</u>	<u>258,634</u>	<u>290,915</u>	<u>61,275</u>
Excess (deficiency) of receipts over disbursements	<u>30,537</u>	<u>(1,622)</u>	<u>45</u>	<u>1,943</u>	<u>(288,233)</u>	<u>8,930</u>
Cash and investments - ending	<u>\$ 30,537</u>	<u>\$ 13,179</u>	<u>\$ 3,376</u>	<u>\$ 16,201</u>	<u>\$ 83,571</u>	<u>\$ 493,732</u>

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

	Comm Corrections - Home Detention	Sheriff's Commissary	Dare	Surplus Dog Tax Special Revenue	Operation Pullover	Drug Task Force #2
Cash and investments - beginning	\$ 200	\$ 46,754	\$ 28,145	\$ 26	\$ 645	\$ 488
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	16,543	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	139,267	5,093	-	-	-
Total receipts	-	139,267	5,093	-	16,543	-
Disbursements:						
Personal services	-	-	-	-	7,401	-
Supplies	-	-	5,451	-	-	-
Other services and charges	-	-	3,061	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	93,830	-	-	8,057	-
Total disbursements	-	93,830	8,512	-	15,458	-
Excess (deficiency) of receipts over disbursements	-	45,437	(3,419)	-	1,085	-
Cash and investments - ending	\$ 200	\$ 92,191	\$ 24,726	\$ 26	\$ 1,730	\$ 488

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

	Sheriff Pension Holding	Campaign Enforcement	Ema Grant Fund	Road Cut Bonds	Interstate Compact Fees	Probation Administrative Fees
Cash and investments - beginning	\$ 17,784	\$ 842	\$ 3,276	\$ 16,200	\$ -	\$ 8,179
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	23,202	-	-	-	125	46,413
Other receipts	-	-	-	7,500	-	-
Total receipts	<u>23,202</u>	<u>-</u>	<u>-</u>	<u>7,500</u>	<u>125</u>	<u>46,413</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	37,851	-	-	9,000	125	50,050
Total disbursements	<u>37,851</u>	<u>-</u>	<u>-</u>	<u>9,000</u>	<u>125</u>	<u>50,050</u>
Excess (deficiency) of receipts over disbursements	<u>(14,649)</u>	<u>-</u>	<u>-</u>	<u>(1,500)</u>	<u>-</u>	<u>(3,637)</u>
Cash and investments - ending	<u>\$ 3,135</u>	<u>\$ 842</u>	<u>\$ 3,276</u>	<u>\$ 14,700</u>	<u>\$ -</u>	<u>\$ 4,542</u>

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

	Epics Fund	Government Drug Free Indiana	Prosecutor Continuing Ed	W.I.C.	Victim Assistance Fed Grant # 2	Victim Impact
Cash and investments - beginning	\$ 21,890	\$ 253	\$ 476	\$ (14,499)	\$ 5,163	\$ 2,346
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	152,303	1,762	-
Charges for services	-	-	-	3,299	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	14,400	-	-	3,359	-	-
Total receipts	<u>14,400</u>	<u>-</u>	<u>-</u>	<u>158,961</u>	<u>1,762</u>	<u>-</u>
Disbursements:						
Personal services	-	-	-	109,926	-	-
Supplies	-	-	-	7,451	-	-
Other services and charges	-	-	-	51,002	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	7,695	1,762	-
Total disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>176,074</u>	<u>1,762</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>14,400</u>	<u>-</u>	<u>-</u>	<u>(17,113)</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 36,290</u>	<u>\$ 253</u>	<u>\$ 476</u>	<u>\$ (31,612)</u>	<u>\$ 5,163</u>	<u>\$ 2,346</u>

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

	Sheriff's Pre-Trial Diversion Fund	Crossroad's Project	Personal Property Judgments	Wireless 9-1-1 Fund	Sex Offender Registration Fees	Sex Offender Registr Fees-State
Cash and investments - beginning	\$ 4,055	\$ 980	\$ 3,065	\$ 445,867	\$ 11,352	\$ 20
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	76,959	-	-
Fines and forfeits	-	-	-	-	2,780	655
Other receipts	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>-</u>	<u>-</u>	<u>76,959</u>	<u>2,780</u>	<u>655</u>
Disbursements:						
Personal services	-	-	-	66,163	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	61,959	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	394,703	-	649
Total disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>522,825</u>	<u>-</u>	<u>649</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>(445,866)</u>	<u>2,780</u>	<u>6</u>
Cash and investments - ending	<u>\$ 4,055</u>	<u>\$ 980</u>	<u>\$ 3,065</u>	<u>\$ 1</u>	<u>\$ 14,132</u>	<u>\$ 26</u>

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

	Gis Data Enhanced Access	Older Adult Services Grant	Court Services Fund	Public Health Emergency Response	Intrastate Compact Fees	Juvenile Probation User Fees
Cash and investments - beginning	\$ 7,959	\$ -	\$ 81,410	\$ 841	\$ 1,508	\$ 8,916
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	178,536	-	-	-	-
Charges for services	1,625	-	-	-	-	-
Fines and forfeits	-	-	251,405	-	563	5,306
Other receipts	-	-	193	-	-	-
Total receipts	<u>1,625</u>	<u>178,536</u>	<u>251,598</u>	<u>-</u>	<u>563</u>	<u>5,306</u>
Disbursements:						
Personal services	-	-	113,368	-	-	-
Supplies	-	-	2,153	-	-	-
Other services and charges	-	-	42,005	-	-	-
Capital outlay	-	-	-	841	-	-
Other disbursements	-	178,536	5,490	-	-	-
Total disbursements	<u>-</u>	<u>178,536</u>	<u>163,016</u>	<u>841</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>1,625</u>	<u>-</u>	<u>88,582</u>	<u>(841)</u>	<u>563</u>	<u>5,306</u>
Cash and investments - ending	<u>\$ 9,584</u>	<u>\$ -</u>	<u>\$ 169,992</u>	<u>\$ -</u>	<u>\$ 2,071</u>	<u>\$ 14,222</u>

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

	Dui Task Force	Prosecutor Arra Fund	Clerk Arra Fund	Cagit Special Revenue Jail	Welfare Excise Tax	Special Assessment
Cash and investments - beginning	\$ 98	\$ 35,878	\$ 25,414	\$ 4,406,799	\$ -	\$ 488
Receipts:						
Taxes	-	-	-	-	-	22,248
Licenses and permits	-	-	-	-	-	-
Intergovernmental	14,175	-	-	2,178,623	1,651,473	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	<u>14,175</u>	<u>-</u>	<u>-</u>	<u>2,178,623</u>	<u>1,651,473</u>	<u>22,248</u>
Disbursements:						
Personal services	3,870	-	682	396,551	-	-
Supplies	-	5,321	1,736	-	-	-
Other services and charges	-	6,271	1,156	1,216,800	-	-
Capital outlay	-	8,656	-	5,250	-	-
Other disbursements	5,523	35	52	24,135	1,651,473	22,904
Total disbursements	<u>9,393</u>	<u>20,283</u>	<u>3,626</u>	<u>1,642,736</u>	<u>1,651,473</u>	<u>22,904</u>
Excess (deficiency) of receipts over disbursements	<u>4,782</u>	<u>(20,283)</u>	<u>(3,626)</u>	<u>535,887</u>	<u>-</u>	<u>(656)</u>
Cash and investments - ending	<u>\$ 4,880</u>	<u>\$ 15,595</u>	<u>\$ 21,788</u>	<u>\$ 4,942,686</u>	<u>\$ -</u>	<u>\$ (168)</u>

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

	Coroner's Training - Cont Ed	Judgements Due Law Enforcement	County Child Advocacy Fund	Dea Forfeiture Fund	Victim Assistance Donations	Totals
Cash and investments - beginning	\$ 641	\$ 2,649	\$ 2,210	\$ 36,070	\$ 695	\$ 28,041,130
Receipts:						
Taxes	-	-	-	-	-	52,160,298
Licenses and permits	-	-	-	-	-	101,380
Intergovernmental	-	-	-	-	-	15,351,525
Charges for services	-	-	-	-	-	939,513
Fines and forfeits	-	-	-	277	-	1,088,236
Other receipts	4,958	-	-	13,648	250	17,037,212
Total receipts	4,958	-	-	13,925	250	86,678,164
Disbursements:						
Personal services	-	-	-	-	-	9,739,480
Supplies	-	-	-	-	-	2,401,350
Other services and charges	-	-	-	-	-	5,239,381
Capital outlay	-	-	-	-	-	925,619
Other disbursements	5,164	-	-	11,590	-	65,410,412
Total disbursements	5,164	-	-	11,590	-	83,716,242
Excess (deficiency) of receipts over disbursements	(206)	-	-	2,335	250	2,961,922
Cash and investments - ending	\$ 435	\$ 2,649	\$ 2,210	\$ 38,405	\$ 945	\$ 31,003,052

MARSHALL 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>\$ 939,416</u>	<u>\$ -</u>

MARSHALL COUNTY
SCHEDULE OF LEASES
December 31, 2012

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities: Marshall County Holding Corporation	Pay bond issue for jail construction	<u>\$ 1,214,000</u>	01-09-06	03-18-28

MARSHALL 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	\$ 985,798
Infrastructure	70,380,571
Buildings	22,764,176
Improvements other than buildings	69,932
Machinery, equipment, and vehicles	8,760,325
Other	<u>50,000</u>
Total capital assets	<u>\$ 103,010,802</u>

MARSHALL COUNTY
OTHER REPORT

The annual report presented herein was prepared in addition to another official report prepared for the individual County office listed below:

County Auditor

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF MARSHALL COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited Marshall 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)

Other Matters

The County's response to our audit is described in the accompanying Official Response. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 County's response to our audit is described in the accompanying Official Response. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

July 18, 2013

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

MARSHALL 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
Department of Agriculture				
Special Supplemental Nutrition Program for Women, Infants, and Children WIC 149-1	Indiana Dept of Health	10.557	WIC 149-1	\$ 158,962
Total - Department of Agriculture				<u>158,962</u>
Department of Justice				
Crime Victim Assistance VOCA	Indiana Criminal Justice Institute	16.575	2011-VA-GX-0039	1,762
Total - Department of Justice				<u>1,762</u>
Department of Transportation				
Highway Safety Cluster	Indiana Criminal Justice Institute			
Alcohol Impaired Driving Countermeasures Incentive Grants I		20.601	K8-2012-03-03-23	14,175
Safety Belt Performance Grants		20.609	OP-12-04-02-16	16,543
Total - Highway Safety Cluster				<u>30,718</u>
Highway Planning and Construction Cluster	Indiana Dept of Transportation			
Pine Road construction		20.205	DES#0200822	30,585
7th Road - Pine Road to US 31			DES#0810140	130,570
NBIS Phase II (2012)			DES#1005103	30,490
Bridge #89 over Yellow River			DES#0500911	14,335
Bridge #225 Pierce St over Yellow River			DES#0800779	63,126
Total - Highway Planning and Construction Cluster				<u>269,106</u>
Transit Services Programs Cluster	Indiana Dept of Transportation			
New Freedom Program		20.521	12NWF700	21,573
Older Adult Services				
Total - Transit Services Programs Cluster				<u>21,573</u>
Formula Grants for Other than Urbanized Areas	Indiana Dept of Transportation			
Older Adult Services		20.509	#180028	156,963
Interagency Hazardous Materials Public Sector Training and Planning Grants	Indiana Dept of Homeland Security			
Local Emergency Preparedness Committee		20.703	EDS#C44P-0-144A	23,485
Total - Department of Transportation				<u>501,845</u>
Department of Health and Human Services				
Child Support Enforcement	Indiana Dept of Child Services			
Child Support Enforcement		93.563	FY 2011	204,891
IV-D Incentive Prosecutor			FY 2012	49,477
IV-D Incentive Clerk			FY 2012	5,609
Total - Child Support Enforcement				<u>259,977</u>
Voting Access for Individuals with Disabilities - Grants to States	Indiana Election Commission			
Help America Vote Act		93.617	#630903	3,200
Total - Department of Health and Human Services				<u>263,177</u>
Department of Homeland Security				
Boating Safety Financial Assistance	Indiana Dept of Natural Resources			
DNR Grant		97.012	EDS E11-1-0007	15,000
Emergency Management Performance Grants	Indiana Dept of Homeland Security			
Emergency Management Performance Grant 2011		97.042	EDS C44P-1-129A C44P-2-356A	3,515 19,136
Total - Emergency Management Performance Grants				<u>22,651</u>
Total - Department of Homeland Security				<u>37,651</u>
Total federal awards expended				<u>\$ 963,397</u>

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

MARSHALL 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 Marshall 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.

MARSHALL 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; Unmodified 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:	Unmodified
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
93.563	Highway Planning and Construction Cluster Child Support Enforcement

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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MARSHALL COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section II – Financial Statement Findings

FINDING 2012-01 - INTERNAL CONTROLS OVER PREPARATION OF 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.

During the audit of the SEFA, we noted that the County's schedule did not include the federal financial assistance for the Highway Planning and Construction program, CFDA No. 20.205, that had expenditures of \$269,106 in 2012. An audit adjustment was proposed, accepted by the County, and made to the SEFA presented in this report. This adjustment resulted in a presentation of the SEFA that is materially correct in relation to the financial statements.

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.



**Marshall County Auditor
Penny Lukenbill
112 W. Jefferson St., Room 205
Plymouth, IN 46563**

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July 26, 2013

State Board of Accounts
302 W. Washington, Room E 418
Indianapolis, IN 46204-2765

Re: Section II-Financial Statement Finding #2012-01
Internal Controls over Preparation of Schedule of
Expenditures of Federal Awards – Response and Corrective
Action Plan

Response: In 2011, the County initially included the federal highway reimbursements on our Schedule of Federal Awards, but we were subsequently informed that these monies would be audited through the Indiana Department of Transportation as the recipient of the funds and should not be included on the schedule. Since no change in that policy had been communicated to the County by the State Board of Accounts, the reimbursements were not included on the 2012 SEFA, which resulted in the audit finding citing lack of internal controls over the preparation of the SEFA. An email dated June 20, 2012 referred to the CFDA 20.205-Highway Planning and Construction Grant and indicated there was confusion even between US DOT and INDOT about whether local units should include these funds on their SEFAs for audit by the State Board of Accounts. The conclusion was that they were to be included on the schedule going forward. However, the change in reporting requirements was not communicated to the Marshall County Auditor in a timely manner and resulted in the finding in the county's audit. The County feels that this was not a substantive and purposeful error on the part of the County Auditor, but rather a result of confusion and a lack of communication from the various agencies involved.

Corrective Action Plan: The County will take steps to improve our internal controls in preparing the Schedule of Federal Awards in order to make certain that no federal

awards are omitted in future financial statements. We plan to implement a grant procedures guideline which will include requiring all departments to complete a grant summary to supply the details of any grants they apply for and/or receive, thereby providing another set of checks and balances for the Auditor's office procedures.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Penny Lukenbill".

Penny Lukenbill
Marshall County Auditor

cc: Marshall County Board of Commissioners
Marshall County Council

MARSHALL COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 18, 2013, with Penny Lukenbill, Auditor; Kevin Overmyer, President of the Board of County Commissioners; Judith Stone, County Council member; Rex Gilliland, County Council member; and Jon E. Van Vactor, County Council member. The Official Response has been made a part of this report and may be found on page 61.



**Marshall County Auditor
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July 26, 2013

State Board of Accounts
302 W. Washington, Room E 418
Indianapolis, IN 46204-2765

Re: Official Response to the Adverse Opinion on U.S. Generally Accepted Accounting Principles Report on Marshall County's 2012 Annual Audit

As Marshall County Auditor, I must take exception with the Adverse Opinion issued on the county's annual audit report, stating that "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." The State Board of Accounts has established the accounting method and reporting requirements as directed by state statute (IC-5-11-1-6), defined as the Regulatory Basis, which the County has always complied with. We feel this adverse opinion reflects a substantive difference between state and federal accounting methods and requirements, and should not be considered as an inaccurate portrayal of the county's financial information.

The wording of the Adverse Opinion as to the GAAP makes it appear that the county is not reporting financials accurately, and we feel this statement could result in serious financial consequences. All continuing disclosure statements and bond rating questionnaires ask whether the County has received an adverse opinion on our annual audits. The Marshall County Board of Commissioners and Marshall County Council join me in expressing serious concerns about the adverse effect this opinion may have on the bond rating of our county, and collectively on the State of Indiana.

Respectfully submitted,

Penny Lukenbill
Marshall County Auditor

cc: Marshall County Board of Commissioners
Marshall County Council