

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

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



FILED
08/21/2013

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Cindy Yeiter	01-01-11 to 12-31-14
Treasurer	Brenda Hamilton	01-01-09 to 12-31-16
Clerk	Kittie Keiffer	01-01-11 to 12-31-14
Sheriff	Terry Stoffel	01-01-11 to 12-31-14
Recorder	Cheryl A. Schenkel	01-01-11 to 12-31-14
President of the County Council	John E. Hacker	01-01-12 to 12-31-13
President of the Board of County Commissioners	Tom Wall Leon Hurlburt	01-01-12 to 12-31-12 01-01-13 to 12-31-13



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF HUNTINGTON COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of Huntington 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 31, 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 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

July 31, 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 HUNTINGTON 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 Huntington 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 31, 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.

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

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)

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2012-1.

Huntington 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

July 31, 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.

HUNTINGTON 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
Hazmat Grant	\$ -	\$ 73,077	\$ 73,077	\$ -
PCA Fee	1,980	99	-	2,079
97.078 Buffer Zone Protection Program	-	423,529	423,529	-
Clerk's Trust	439,422	3,240,966	3,372,186	308,202
General	2,845,695	10,316,444	9,453,697	3,708,442
Sheriff's Accident Report	2,891	1,663	2,774	1,780
CAGIT County Certified Shares	389,942	1,218,412	1,608,354	-
CEDIT County Share	1,088,081	687,003	577,225	1,197,859
City and Town Court Costs	4,448	9,954	-	14,402
Clerk's Records Perpetuation	58,357	30,112	23,185	65,284
Community Transition Program	15,590	107,704	103,104	20,190
Sales Disclosure - County Share	4,616	3,800	6,200	2,216
Cumulative Bridge	928,739	649,254	677,093	900,900
Cumulative Courthouse	781,870	259,977	149,453	892,394
Emergency Planning/Right to Know	5,844	8,566	8,371	6,039
Enhanced Access	933,350	140,059	279,305	794,104
Firearms Training	2,936	10,778	5,575	8,139
Health	66,918	275,492	277,191	65,219
Identification Security Protection	11,412	3,814	-	15,226
Levy Excess	24,669	85,426	24,669	85,426
Local Health Maintenance	12,341	45,622	49,834	8,129
Local Road and Street	90,242	332,705	282,959	139,988
LOIT Public Safety - County Share	426,098	750,218	495,299	681,017
Medical Care for Inmates	2,004	1,795	185	3,614
Misdemeanant	61,837	25,996	24,320	63,513
Motor Vehicle Highway	1,194,948	2,292,560	2,467,089	1,020,419
Plat Book	5,297	10,971	8,009	8,259
Rainy Day	889,071	-	-	889,071
Reassessment - 2009	125,938	-	109,051	16,887
Reassessment - 2015	91,628	148,585	-	240,213
Recorder's Records Perpetuation	176,809	73,948	45,703	205,054
Riverboat	-	219,920	219,920	-
Sheriff's Pension Trust	1,795	47,269	44,203	4,861
Supplemental Public Defender Service	161,372	70,576	27,321	204,627
Surplus Tax	29,859	35,806	26,456	39,209
Surveyor's Corner Perpetuation	16,134	8,215	5,629	18,720
Tax Sale Fees	56,473	599	10,238	46,834
Tax Sale Redemption	19,368	240,885	232,951	27,302
Tax Sale Surplus	190,378	267,026	58,603	398,801
Tobacco Settlement	338	-	-	338
Unsafe Building	2,367	-	-	2,367
Auditor's Ineligible Deduction	-	142,013	306	141,707
County Elected Officials Training	1,414	4,234	593	5,055
Huntington County Statewide 911	-	140,034	-	140,034
Circuit Court Juvenile Probation	9,688	5,355	-	15,043
Circuit Court Adult Probation	33,330	15,600	29,740	19,190
General Drain Improvement	308,362	275,691	73,491	510,562
Drain Maintenance	1,490,294	404,689	406,105	1,488,878
Sheriff Outside Funds	2,656	2,998	2,958	2,696
Drug Enforcement Program	14	-	-	14
K-9	12,293	1,125	6,612	6,806
IT Services	35,151	23,984	30,330	28,805
Group Insurance	89,432	1,719,765	1,666,131	143,066
Payroll Clearing	146,737	2,557,692	2,673,909	30,520
Settlement	20	25,214,641	25,211,608	3,053
LOIT Public Safety	-	1,708,638	1,708,638	-
CVET	-	265,468	265,468	-
Weed Lien Collections	-	56,208	56,208	-
Financial Institution Tax	-	141,328	141,328	-
CAGIT PTRC	80,137	155,716	235,853	-
LOIT Residential PTRC	40,015	1,708,638	1,360,931	387,722
State Fines and Forfeitures	19,227	30,665	44,421	5,471
Infraction Judgment	11,508	145,756	148,735	8,529

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

HUNTINGTON 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
Overweight Vehicle Fines	3,417	78,600	75,314	6,703
Sales Disclosure - State Share	325	3,855	3,910	270
Coroner's Training and Continuing Education	478	2,804	2,979	303
Mortgage Recording Fees - State	5,076	53,665	53,639	5,102
DLGF HSC Property Database	-	9,683	9,678	5
Child Restraint Violations Fines	25	500	475	50
Inheritance Tax	665,070	1,117,694	1,257,033	525,731
Education Plate Fees	-	338	338	-
Innkeepers Tax Collections	8,462	117,818	119,211	7,069
CAGIT	-	6,834,552	6,834,552	-
CEDIT Distribution	-	1,712,941	1,712,941	-
93.563 Prosecutor PCA	-	1,739	1,103	636
93.563 ARRA Clerk IV-D Incentive	7,769	-	-	7,769
93.563 Title IV-D Incentive	40,570	38,882	20,443	59,009
93.563 Prosecutor's IV-D Incentive - Post 1999	176,681	48,957	48,006	177,632
93.563 Clerk IV-D Incentive	86,533	25,506	29,212	82,827
Jury Pay	19,193	9,347	18,883	9,657
D. Little School Principal	-	-	-	1,000
Adult Probation Administrative Fee	4,470	31,159	27,311	8,318
Superior Court Adult Probation Fee	122,915	36,124	105,702	53,337
Juvenile Probation Administrative Fee	28,118	1,995	-	30,113
Juvenile Reimbursement Fee	15,964	-	-	15,964
D. Little Principal	39	-	-	39
Pre-Trial Diversion	57,066	9,262	2,400	63,928
Drug Free School LACE	257	-	-	257
Mt. Etna Fire Station	296	-	-	296
HEA 1001 State HSC	6,299	-	-	6,299
H1N1	441	-	-	441
MADD Grant	800	-	800	-
Collection Agency Fees	14	534	530	18
STOP Tobacco	16,441	-	-	16,441
Wireless 911	404,187	77,449	107,228	374,408
Sheriff Commissary	50,598	127,808	154,075	24,331
Sheriff Inmate Trust	2,888	156,095	153,145	5,838
Clerk ISETS	6,115	576,467	578,769	3,813
Treasurer Cashbook	481,281	309,243	481,281	309,243
GIS	1,795	155	718	1,232
Infraction Deferral	104,452	40,000	37,499	106,953
Tobacco Trust	36,145	28,124	26,336	37,933
Veteran's Recognition Donations	1,529	867	957	1,439
Coroner's Donations	-	2,700	-	2,700
Civil Defense Donations	2,200	2,409	3,116	1,493
Rescue Donations - Services	1,192	-	-	1,192
Hummer Donations	3,214	-	3,204	10
Sheriff Grant Trust	715	-	-	715
Sheriff Operation Pull Over	138	4,987	4,987	138
Community Development City Demolition Reimbursement	1,986	368	1,986	368
Ticket Violation	5,127	7,004	2,530	9,601
Sheriff Law Education	153	458	51	560
Soil and Water	543	3,460	3,215	788
County Transportation	313	438	-	751
Drug Testing Probation Fee	1,340	8,100	7,443	1,997
Seatbelt Violation for Roanoke	10,725	2,450	-	13,175
Bond Special Death	14,585	1,835	-	16,420
Revolving Loan (Economic Development)	210,463	-	-	210,463
Sheriff's Bullet Proof Vest	-	413	413	-
Sheriff's Drug Seized Money	1,716	-	402	1,314
Community Development City Reimbursement	11,622	15,597	11,592	15,627
L.A.C.E.	13,440	40,079	40,222	13,297
Pool Car	56	683	672	67
Intrastate Compact	2,488	1,673	-	4,161
Homeland Security Grant	17,276	-	-	17,276

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

HUNTINGTON 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
NFA Grant 2009	1,500	-	-	1,500
97.074 HS GPS Grant	12,337	-	-	12,337
97.073 HS Mobile Radio Grant	57	-	-	57
District Training Grant	2,627	-	-	2,627
97.043 2011 NFA Grant	46	-	-	46
97.067 Task Force Grant	(2,092)	8,772	6,680	-
Senior Center Planning Grant	-	310,296	310,296	-
Stimulus Funds for HAT Van	13	-	-	13
Health Bio Terrorism	8,831	-	10	8,821
2012 District Training Grant	(1,550)	95,688	94,138	-
97.042 2011 EMPG COMP Grant	-	3,623	3,623	-
97.043 2011 State Fire Training	-	27,051	27,051	-
County Sheriff	29,416	171,242	193,040	7,618
Totals	<u>\$ 16,148,521</u>	<u>\$ 69,000,552</u>	<u>\$ 67,815,262</u>	<u>\$ 17,333,811</u>

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

HUNTINGTON 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,

HUNTINGTON 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 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.

HUNTINGTON 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.

HUNTINGTON 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.

HUNTINGTON 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 financial statements.

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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.

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

	Hazmat Grant	PCA Fee	97.078 Buffer Zone Protection Program	Clerk's Trust	General	Sheriff's Accident Report	CAGIT County Certified Shares
Cash and investments - beginning	\$ -	\$ 1,980	\$ -	\$ 439,422	\$ 2,845,695	\$ 2,891	\$ 389,942
Receipts:							
Taxes	-	-	-	-	7,653,963	-	1,218,412
Licenses and permits	-	-	-	-	95,571	-	-
Intergovernmental	-	-	-	-	1,324,500	-	-
Charges for services	-	-	-	-	680,482	319	-
Fines and forfeits	-	-	-	-	183,679	-	-
Other receipts	<u>73,077</u>	<u>99</u>	<u>423,529</u>	<u>3,240,966</u>	<u>378,249</u>	<u>1,344</u>	<u>-</u>
Total receipts	<u>73,077</u>	<u>99</u>	<u>423,529</u>	<u>3,240,966</u>	<u>10,316,444</u>	<u>1,663</u>	<u>1,218,412</u>
Disbursements:							
Personal services	-	-	-	-	6,674,989	-	-
Supplies	-	-	-	-	256,626	-	-
Other services and charges	-	-	-	-	2,192,710	-	-
Capital outlay	-	-	-	-	187,870	-	-
Other disbursements	<u>73,077</u>	<u>-</u>	<u>423,529</u>	<u>3,372,186</u>	<u>141,502</u>	<u>2,774</u>	<u>1,608,354</u>
Total disbursements	<u>73,077</u>	<u>-</u>	<u>423,529</u>	<u>3,372,186</u>	<u>9,453,697</u>	<u>2,774</u>	<u>1,608,354</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>99</u>	<u>-</u>	<u>(131,220)</u>	<u>862,747</u>	<u>(1,111)</u>	<u>(389,942)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 2,079</u>	<u>\$ -</u>	<u>\$ 308,202</u>	<u>\$ 3,708,442</u>	<u>\$ 1,780</u>	<u>\$ -</u>

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

	CEDIT County Share	City and Town Court Costs	Clerk's Records Perpetuation	Community Transition Program	Sales Disclosure - County Share	Cumulative Bridge	Cumulative Courthouse
Cash and investments - beginning	\$ 1,088,081	\$ 4,448	\$ 58,357	\$ 15,590	\$ 4,616	\$ 928,739	\$ 781,870
Receipts:							
Taxes	687,003	-	-	-	-	595,055	229,552
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	54,199	25,910
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	9,954	29,079	105,784	-	-	-
Other receipts	-	-	1,033	1,920	3,800	-	4,515
Total receipts	<u>687,003</u>	<u>9,954</u>	<u>30,112</u>	<u>107,704</u>	<u>3,800</u>	<u>649,254</u>	<u>259,977</u>
Disbursements:							
Personal services	-	-	-	46,593	-	-	-
Supplies	-	-	3,953	-	6,200	-	-
Other services and charges	-	-	11,638	56,511	-	673,569	149,453
Capital outlay	577,225	-	-	-	-	3,524	-
Other disbursements	-	-	7,594	-	-	-	-
Total disbursements	<u>577,225</u>	<u>-</u>	<u>23,185</u>	<u>103,104</u>	<u>6,200</u>	<u>677,093</u>	<u>149,453</u>
Excess (deficiency) of receipts over disbursements	<u>109,778</u>	<u>9,954</u>	<u>6,927</u>	<u>4,600</u>	<u>(2,400)</u>	<u>(27,839)</u>	<u>110,524</u>
Cash and investments - ending	<u>\$ 1,197,859</u>	<u>\$ 14,402</u>	<u>\$ 65,284</u>	<u>\$ 20,190</u>	<u>\$ 2,216</u>	<u>\$ 900,900</u>	<u>\$ 892,394</u>

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

	Emergency Planning/Right to Know	Enhanced Access	Firearms Training	Health	Identification Security Protection	Levy Excess	Local Health Maintenance
Cash and investments - beginning	\$ 5,844	\$ 933,350	\$ 2,936	\$ 66,918	\$ 11,412	\$ 24,669	\$ 12,341
Receipts:							
Taxes	-	135,458	-	151,083	-	-	-
Licenses and permits	-	-	-	90,559	-	-	-
Intergovernmental	5,578	-	-	17,053	-	-	-
Charges for services	-	-	2,040	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	2,988	4,601	8,738	16,797	3,814	85,426	45,622
Total receipts	8,566	140,059	10,778	275,492	3,814	85,426	45,622
Disbursements:							
Personal services	-	-	-	228,963	-	-	34,398
Supplies	-	-	-	24,188	-	-	-
Other services and charges	-	279,305	-	6,480	-	-	1,602
Capital outlay	-	-	-	87	-	-	-
Other disbursements	8,371	-	5,575	17,473	-	24,669	13,834
Total disbursements	8,371	279,305	5,575	277,191	-	24,669	49,834
Excess (deficiency) of receipts over disbursements	195	(139,246)	5,203	(1,699)	3,814	60,757	(4,212)
Cash and investments - ending	<u>\$ 6,039</u>	<u>\$ 794,104</u>	<u>\$ 8,139</u>	<u>\$ 65,219</u>	<u>\$ 15,226</u>	<u>\$ 85,426</u>	<u>\$ 8,129</u>

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

	Local Road and Street	LOIT Public Safety - County Share	Medical Care for Inmates	Misdemeanant	Motor Vehicle Highway	Plat Book	Rainy Day
Cash and investments - beginning	\$ 90,242	\$ 426,098	\$ 2,004	\$ 61,837	\$ 1,194,948	\$ 5,297	\$ 889,071
Receipts:							
Taxes	-	750,218	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	324,705	-	-	-	1,857,130	-	-
Charges for services	-	-	-	-	392,153	10,971	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	8,000	-	1,795	25,996	43,277	-	-
Total receipts	<u>332,705</u>	<u>750,218</u>	<u>1,795</u>	<u>25,996</u>	<u>2,292,560</u>	<u>10,971</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	21,117	1,187,835	8,009	-
Supplies	-	-	-	-	1,087,143	-	-
Other services and charges	282,959	495,299	-	-	123,409	-	-
Capital outlay	-	-	-	-	68,702	-	-
Other disbursements	-	-	185	3,203	-	-	-
Total disbursements	<u>282,959</u>	<u>495,299</u>	<u>185</u>	<u>24,320</u>	<u>2,467,089</u>	<u>8,009</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>49,746</u>	<u>254,919</u>	<u>1,610</u>	<u>1,676</u>	<u>(174,529)</u>	<u>2,962</u>	<u>-</u>
Cash and investments - ending	<u>\$ 139,988</u>	<u>\$ 681,017</u>	<u>\$ 3,614</u>	<u>\$ 63,513</u>	<u>\$ 1,020,419</u>	<u>\$ 8,259</u>	<u>\$ 889,071</u>

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

	Reassessment - 2009	Reassessment - 2015	Recorder's Records Perpetuation	Riverboat	Sheriff's Pension Trust	Supplemental Public Defender Service	Surplus Tax
Cash and investments - beginning	\$ 125,938	\$ 91,628	\$ 176,809	\$ -	\$ 1,795	\$ 161,372	\$ 29,859
Receipts:							
Taxes	-	133,515	-	-	-	-	8,369
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	15,070	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	22,139	70,576	-
Other receipts	-	-	73,948	219,920	25,130	-	27,437
Total receipts	-	148,585	73,948	219,920	47,269	70,576	35,806
Disbursements:							
Personal services	269	-	13,035	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	108,782	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	32,668	219,920	44,203	27,321	26,456
Total disbursements	109,051	-	45,703	219,920	44,203	27,321	26,456
Excess (deficiency) of receipts over disbursements	(109,051)	148,585	28,245	-	3,066	43,255	9,350
Cash and investments - ending	\$ 16,887	\$ 240,213	\$ 205,054	\$ -	\$ 4,861	\$ 204,627	\$ 39,209

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

	Surveyor's Corner Perpetuation	Tax Sale Fees	Tax Sale Redemption	Tax Sale Surplus	Tobacco Settlement	Unsafe Building	Auditor's Ineligible Deduction
Cash and investments - beginning	\$ 16,134	\$ 56,473	\$ 19,368	\$ 190,378	\$ 338	\$ 2,367	\$ -
Receipts:							
Taxes	-	599	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	8,215	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	240,885	267,026	-	-	142,013
Total receipts	<u>8,215</u>	<u>599</u>	<u>240,885</u>	<u>267,026</u>	<u>-</u>	<u>-</u>	<u>142,013</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	5,629	10,238	232,951	58,603	-	-	306
Total disbursements	<u>5,629</u>	<u>10,238</u>	<u>232,951</u>	<u>58,603</u>	<u>-</u>	<u>-</u>	<u>306</u>
Excess (deficiency) of receipts over disbursements	<u>2,586</u>	<u>(9,639)</u>	<u>7,934</u>	<u>208,423</u>	<u>-</u>	<u>-</u>	<u>141,707</u>
Cash and investments - ending	<u>\$ 18,720</u>	<u>\$ 46,834</u>	<u>\$ 27,302</u>	<u>\$ 398,801</u>	<u>\$ 338</u>	<u>\$ 2,367</u>	<u>\$ 141,707</u>

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

	County Elected Officials Training	Huntington County Statewide 911	Circuit Court Juvenile Probation	Circuit Court Adult Probation	General Drain Improvement	Drain Maintenance	Sheriff Outside Funds
Cash and investments - beginning	\$ 1,414	\$ -	\$ 9,688	\$ 33,330	\$ 308,362	\$ 1,490,294	\$ 2,656
Receipts:							
Taxes	-	-	-	-	177,083	229,225	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	4,234	107,761	-	-	-	-	-
Fines and forfeits	-	-	5,355	15,600	-	-	-
Other receipts	-	32,273	-	-	98,608	175,464	2,998
Total receipts	<u>4,234</u>	<u>140,034</u>	<u>5,355</u>	<u>15,600</u>	<u>275,691</u>	<u>404,689</u>	<u>2,998</u>
Disbursements:							
Personal services	-	-	-	29,740	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	518	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	75	-	-	-	73,491	406,105	2,958
Total disbursements	<u>593</u>	<u>-</u>	<u>-</u>	<u>29,740</u>	<u>73,491</u>	<u>406,105</u>	<u>2,958</u>
Excess (deficiency) of receipts over disbursements	<u>3,641</u>	<u>140,034</u>	<u>5,355</u>	<u>(14,140)</u>	<u>202,200</u>	<u>(1,416)</u>	<u>40</u>
Cash and investments - ending	<u>\$ 5,055</u>	<u>\$ 140,034</u>	<u>\$ 15,043</u>	<u>\$ 19,190</u>	<u>\$ 510,562</u>	<u>\$ 1,488,878</u>	<u>\$ 2,696</u>

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

	Drug Enforcement Program	K-9	IT Services	Group Insurance	Payroll Clearing	Settlement	LOIT Public Safety
Cash and investments - beginning	\$ 14	\$ 12,293	\$ 35,151	\$ 89,432	\$ 146,737	\$ 20	\$ -
Receipts:							
Taxes	-	-	-	-	-	13,746,380	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	1,125	23,984	1,719,765	2,557,692	11,468,261	1,708,638
Total receipts	-	1,125	23,984	1,719,765	2,557,692	25,214,641	1,708,638
Disbursements:							
Personal services	-	6,612	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	30,330	1,666,131	2,673,909	25,211,608	1,708,638
Total disbursements	-	6,612	30,330	1,666,131	2,673,909	25,211,608	1,708,638
Excess (deficiency) of receipts over disbursements	-	(5,487)	(6,346)	53,634	(116,217)	3,033	-
Cash and investments - ending	\$ 14	\$ 6,806	\$ 28,805	\$ 143,066	\$ 30,520	\$ 3,053	\$ -

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

	CVET	Weed Lien Collections	Financial Institution Tax	CAGIT PTRC	LOIT Residential PTRC	State Fines and Forfeitures	Infraction Judgment
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 80,137	\$ 40,015	\$ 19,227	\$ 11,508
Receipts:							
Taxes	-	56,208	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	155,716	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	30,665	50,034
Other receipts	265,468	-	141,328	-	1,708,638	-	95,722
Total receipts	<u>265,468</u>	<u>56,208</u>	<u>141,328</u>	<u>155,716</u>	<u>1,708,638</u>	<u>30,665</u>	<u>145,756</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	265,468	56,208	141,328	235,853	1,360,931	44,421	148,735
Total disbursements	<u>265,468</u>	<u>56,208</u>	<u>141,328</u>	<u>235,853</u>	<u>1,360,931</u>	<u>44,421</u>	<u>148,735</u>
Excess (deficiency) of receipts over disbursements	-	-	-	(80,137)	347,707	(13,756)	(2,979)
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 387,722</u>	<u>\$ 5,471</u>	<u>\$ 8,529</u>

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

	Overweight Vehicle Fines	Sales Disclosure - State Share	Coroner's Training and Continuing Education	Mortgage Recording Fees - State	DLGF HSC Property Database	Child Restraint Violations Fines	Inheritance Tax
Cash and investments - beginning	\$ 3,417	\$ 325	\$ 478	\$ 5,076	\$ -	\$ 25	\$ 665,070
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	3,855	2,804	-	-	-	-
Fines and forfeits	5,385	-	-	-	-	-	-
Other receipts	73,215	-	-	53,665	9,683	500	1,117,694
Total receipts	<u>78,600</u>	<u>3,855</u>	<u>2,804</u>	<u>53,665</u>	<u>9,683</u>	<u>500</u>	<u>1,117,694</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	75,314	3,910	2,979	53,639	9,678	475	1,257,033
Total disbursements	<u>75,314</u>	<u>3,910</u>	<u>2,979</u>	<u>53,639</u>	<u>9,678</u>	<u>475</u>	<u>1,257,033</u>
Excess (deficiency) of receipts over disbursements	<u>3,286</u>	<u>(55)</u>	<u>(175)</u>	<u>26</u>	<u>5</u>	<u>25</u>	<u>(139,339)</u>
Cash and investments - ending	<u>\$ 6,703</u>	<u>\$ 270</u>	<u>\$ 303</u>	<u>\$ 5,102</u>	<u>\$ 5</u>	<u>\$ 50</u>	<u>\$ 525,731</u>

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

	Education Plate Fees	Innkeepers Tax Collections	CAGIT	CEDIT Distribution	93.563 Prosecutor PCA	93.563 ARRA Clerk IV-D Incentive	93.563 Title IV-D Incentive
Cash and investments - beginning	\$ -	\$ 8,462	\$ -	\$ -	\$ -	\$ 7,769	\$ 40,570
Receipts:							
Taxes	-	117,818	5,125,914	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	338	-	1,708,638	1,581,555	-	-	-
Charges for services	-	-	-	-	-	-	38,882
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	131,386	1,739	-	-
Total receipts	<u>338</u>	<u>117,818</u>	<u>6,834,552</u>	<u>1,712,941</u>	<u>1,739</u>	<u>-</u>	<u>38,882</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	338	119,211	6,834,552	1,712,941	1,103	-	20,443
Total disbursements	<u>338</u>	<u>119,211</u>	<u>6,834,552</u>	<u>1,712,941</u>	<u>1,103</u>	<u>-</u>	<u>20,443</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(1,393)</u>	<u>-</u>	<u>-</u>	<u>636</u>	<u>-</u>	<u>18,439</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 7,069</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 636</u>	<u>\$ 7,769</u>	<u>\$ 59,009</u>

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

	93.563 Prosecutor's IV-D Incentive - Post 1999	93.563 Clerk IV-D Incentive	Jury Pay	D. Little School Principal	Adult Probation Administrative Fee	Superior Court Adult Probation Fee	Juvenile Probation Administrative Fee
Cash and investments - beginning	\$ 176,681	\$ 86,533	\$ 19,193	\$ 1,000	\$ 4,470	\$ 122,915	\$ 28,118
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	48,957	25,506	-	-	-	-	-
Fines and forfeits	-	-	9,347	-	31,159	36,124	1,995
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>48,957</u>	<u>25,506</u>	<u>9,347</u>	<u>-</u>	<u>31,159</u>	<u>36,124</u>	<u>1,995</u>
Disbursements:							
Personal services	4,683	14,269	18,814	-	27,311	72,694	-
Supplies	-	-	-	-	-	3,381	-
Other services and charges	-	5,200	-	-	-	26,667	-
Capital outlay	-	-	-	-	-	2,960	-
Other disbursements	43,323	9,743	69	-	-	-	-
Total disbursements	<u>48,006</u>	<u>29,212</u>	<u>18,883</u>	<u>-</u>	<u>27,311</u>	<u>105,702</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>951</u>	<u>(3,706)</u>	<u>(9,536)</u>	<u>-</u>	<u>3,848</u>	<u>(69,578)</u>	<u>1,995</u>
Cash and investments - ending	<u>\$ 177,632</u>	<u>\$ 82,827</u>	<u>\$ 9,657</u>	<u>\$ 1,000</u>	<u>\$ 8,318</u>	<u>\$ 53,337</u>	<u>\$ 30,113</u>

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

	Juvenile Reimbursement Fee	D. Little Principal	Pre-Trial Diversion	Drug Free School LACE	Mt. Etna Fire Station	HEA 1001 State HSC	H1N1
Cash and investments - beginning	\$ 15,964	\$ 39	\$ 57,066	\$ 257	\$ 296	\$ 6,299	\$ 441
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	9,262	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	9,262	-	-	-	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	2,400	-	-	-	-
Total disbursements	-	-	2,400	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	-	6,862	-	-	-	-
Cash and investments - ending	<u>\$ 15,964</u>	<u>\$ 39</u>	<u>\$ 63,928</u>	<u>\$ 257</u>	<u>\$ 296</u>	<u>\$ 6,299</u>	<u>\$ 441</u>

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

	MADD Grant	Collection Agency Fees	STOP Tobacco	Wireless 911	Sheriff Commissary	Sheriff Inmate Trust	Clerk ISETS
Cash and investments - beginning	\$ 800	\$ 14	\$ 16,441	\$ 404,187	\$ 50,598	\$ 2,888	\$ 6,115
Receipts:							
Taxes	-	-	-	76,456	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	534	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	993	127,808	156,095	576,467
Total receipts	<u>-</u>	<u>534</u>	<u>-</u>	<u>77,449</u>	<u>127,808</u>	<u>156,095</u>	<u>576,467</u>
Disbursements:							
Personal services	-	-	-	107,228	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	800	530	-	-	154,075	153,145	578,769
Total disbursements	<u>800</u>	<u>530</u>	<u>-</u>	<u>107,228</u>	<u>154,075</u>	<u>153,145</u>	<u>578,769</u>
Excess (deficiency) of receipts over disbursements	<u>(800)</u>	<u>4</u>	<u>-</u>	<u>(29,779)</u>	<u>(26,267)</u>	<u>2,950</u>	<u>(2,302)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 18</u>	<u>\$ 16,441</u>	<u>\$ 374,408</u>	<u>\$ 24,331</u>	<u>\$ 5,838</u>	<u>\$ 3,813</u>

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

	Treasurer Cashbook	GIS	Infraction Deferral	Tobacco Trust	Veteran's Recognition Donations	Coroner's Donations	Civil Defense Donations
Cash and investments - beginning	\$ 481,281	\$ 1,795	\$ 104,452	\$ 36,145	\$ 1,529	\$ -	\$ 2,200
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	17,440	-	-	-	-
Other receipts	309,243	155	22,560	28,124	867	2,700	2,409
Total receipts	<u>309,243</u>	<u>155</u>	<u>40,000</u>	<u>28,124</u>	<u>867</u>	<u>2,700</u>	<u>2,409</u>
Disbursements:							
Personal services	-	-	37,499	5,607	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	481,281	718	-	20,729	957	-	3,116
Total disbursements	<u>481,281</u>	<u>718</u>	<u>37,499</u>	<u>26,336</u>	<u>957</u>	<u>-</u>	<u>3,116</u>
Excess (deficiency) of receipts over disbursements	<u>(172,038)</u>	<u>(563)</u>	<u>2,501</u>	<u>1,788</u>	<u>(90)</u>	<u>2,700</u>	<u>(707)</u>
Cash and investments - ending	<u>\$ 309,243</u>	<u>\$ 1,232</u>	<u>\$ 106,953</u>	<u>\$ 37,933</u>	<u>\$ 1,439</u>	<u>\$ 2,700</u>	<u>\$ 1,493</u>

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

	Rescue Donations - Services	Hummer Donations	Sheriff Grant Trust	Sheriff Operation Pull Over	Community Development City Demolition Reimbursement	Ticket Violation	Sheriff Law Education
Cash and investments - beginning	\$ 1,192	\$ 3,214	\$ 715	\$ 138	\$ 1,986	\$ 5,127	\$ 153
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	458
Other receipts	-	-	-	4,987	368	7,004	-
Total receipts	-	-	-	4,987	368	7,004	458
Disbursements:							
Personal services	-	-	-	4,987	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	3,204	-	-	-	-	-
Other disbursements	-	-	-	-	1,986	2,530	51
Total disbursements	-	3,204	-	4,987	1,986	2,530	51
Excess (deficiency) of receipts over disbursements	-	(3,204)	-	-	(1,618)	4,474	407
Cash and investments - ending	<u>\$ 1,192</u>	<u>\$ 10</u>	<u>\$ 715</u>	<u>\$ 138</u>	<u>\$ 368</u>	<u>\$ 9,601</u>	<u>\$ 560</u>

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

	Soil and Water	County Transportation	Drug Testing Probation Fee	Seatbelt Violation for Roanoke	Bond Special Death	Revolving Loan (Economic Development)	Sheriff's Bullet Proof Vest
Cash and investments - beginning	\$ 543	\$ 313	\$ 1,340	\$ 10,725	\$ 14,585	\$ 210,463	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	438	8,100	-	1,835	-	-
Other receipts	3,460	-	-	2,450	-	-	413
Total receipts	3,460	438	8,100	2,450	1,835	-	413
Disbursements:							
Personal services	3,215	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	7,443	-	-	-	413
Total disbursements	3,215	-	7,443	-	-	-	413
Excess (deficiency) of receipts over disbursements	245	438	657	2,450	1,835	-	-
Cash and investments - ending	\$ 788	\$ 751	\$ 1,997	\$ 13,175	\$ 16,420	\$ 210,463	\$ -

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

	Sheriff's Drug Seized Money	Community Development City Reimbursement	L.A.C.E.	Pool Car	Intrastate Compact	Homeland Security Grant	NFA Grant 2009
Cash and investments - beginning	\$ 1,716	\$ 11,622	\$ 13,440	\$ 56	\$ 2,488	\$ 17,276	\$ 1,500
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	29,479	-	1,673	-	-
Other receipts	-	15,597	10,600	683	-	-	-
Total receipts	-	15,597	40,079	683	1,673	-	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	40,222	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	402	11,592	-	672	-	-	-
Total disbursements	402	11,592	40,222	672	-	-	-
Excess (deficiency) of receipts over disbursements	(402)	4,005	(143)	11	1,673	-	-
Cash and investments - ending	<u>\$ 1,314</u>	<u>\$ 15,627</u>	<u>\$ 13,297</u>	<u>\$ 67</u>	<u>\$ 4,161</u>	<u>\$ 17,276</u>	<u>\$ 1,500</u>

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

	97.074 HS GPS Grant	97.073 HS Mobile Radio Grant	District Training Grant	97.043 2011 NFA Grant	97.067 Task Force Grant	Senior Center Planning Grant	Stimulus Funds for HAT Van
Cash and investments - beginning	\$ 12,337	\$ 57	\$ 2,627	\$ 46	\$ (2,092)	\$ -	\$ 13
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	8,772	310,296	-
Total receipts	-	-	-	-	8,772	310,296	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	6,680	310,296	-
Total disbursements	-	-	-	-	6,680	310,296	-
Excess (deficiency) of receipts over disbursements	-	-	-	-	2,092	-	-
Cash and investments - ending	<u>\$ 12,337</u>	<u>\$ 57</u>	<u>\$ 2,627</u>	<u>\$ 46</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13</u>

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

	Health Bio Terrorism	2012 District Training Grant	97.042 2011 EMPG COMP Grant	97.043 2011 State Fire Training	County Sheriff	Totals
Cash and investments - beginning	\$ 8,831	\$ (1,550)	\$ -	\$ -	\$ 29,416	\$ 16,148,521
Receipts:						
Taxes	-	-	-	-	-	31,092,311
Licenses and permits	-	-	-	-	-	186,130
Intergovernmental	-	-	-	27,051	-	7,097,443
Charges for services	-	-	-	-	-	1,326,713
Fines and forfeits	-	-	-	-	-	675,560
Other receipts	-	95,688	3,623	-	171,242	28,622,395
Total receipts	-	95,688	3,623	27,051	171,242	69,000,552
Disbursements:						
Personal services	-	-	-	-	-	8,547,867
Supplies	-	-	-	-	-	1,381,491
Other services and charges	-	-	-	-	-	4,454,324
Capital outlay	-	-	-	-	-	843,572
Other disbursements	10	94,138	3,623	27,051	193,040	52,588,008
Total disbursements	10	94,138	3,623	27,051	193,040	67,815,262
Excess (deficiency) of receipts over disbursements	(10)	1,550	-	-	(21,798)	1,185,290
Cash and investments - ending	<u>\$ 8,821</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,618</u>	<u>\$ 17,333,811</u>

HUNTINGTON COUNTY
 SCHEDULE OF LEASES AND DEBT
 December 31, 2012

Description of Debt		Ending	Principal and
Type	Purpose	Principal	Interest Due
		Balance	Within One
			Year
Governmental activities:			
General obligation bonds	Emergency 911	\$ 96,904	\$ 98,406
Notes and loans payable	Sheriff Vehicle	<u>25,015</u>	<u>25,924</u>
Totals		<u>\$ 121,919</u>	<u>\$ 124,330</u>

HUNTINGTON 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	\$ 223,021
Infrastructure	112,881,926
Buildings	7,332,916
Improvements other than buildings	706,549
Machinery, equipment, and vehicles	<u>9,463,404</u>
Total capital assets	<u><u>\$ 130,607,816</u></u>

HUNTINGTON 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
Board of County Commissioners

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 HUNTINGTON COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited Huntington 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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2012-2, 2012-3, and 2012-4. Our opinion on each major federal program is not modified with respect to these matters.

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

The County's response to the noncompliance 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 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.

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

A deficiency in internal control over compliance exists when the design or operation of a control 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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2012-2, 2012-3, and 2012-4 to be material weaknesses.

The County's response to the internal control over compliance 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 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 31, 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.

HUNTINGTON 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 Justice</u>				
Bulletproof Vest Partnership Program Sheriff Bulletproof Vest	Direct Grant	16.607	FY 2012	\$ 413
Total - Department of Justice				<u>413</u>
<u>Department of Transportation</u>				
Highway Planning and Construction Cluster Highway Planning and Construction Bridge Inspection Reimbursements Bridge #133 Reimbursements	Indiana Department of Transportation	20.205	0901937 1173243	54,096 <u>58,586</u>
Total - Highway Planning and Construction Cluster				<u>112,682</u>
Highway Safety Cluster State and Community Highway Safety Operation Pull Over Operation Pull Over	Indiana Criminal Justice Institute	20.600	OP-11-02-01-41 OP-12-04-02-33	138 <u>4,849</u>
Total - Highway Safety Cluster				<u>4,987</u>
Formula Grants for Other Than Urbanized Areas HAT Transportation HAT Transportation	Indiana Department of Transportation	20.509	A249-11-320259 A249-12-320297	54,754 <u>168,150</u>
Total - Formula Grants for Other Than Urbanized Areas				<u>222,904</u>
Total - Department of Transportation				<u>340,573</u>
<u>Department of Health and Human Services</u>				
Public Health Emergency Preparedness Health Bio-Terrorism Health	Indiana State Department of Health	93.069	BPRS 134-70 H1N1 134-68	10 <u>1,499</u>
Total - Public Health Emergency Preparedness				<u>1,509</u>
PPHF 2012 National Public Health Improvement Initiative Health Bio-Terrorism and Local Health Maintenance	Indiana State Department of Health	93.507	SPHI 134-1	<u>16,000</u>
Child Support Enforcement Title IV-D Prosecutor Title IV-D Clerk Title IV-D Courts Indirect Costs Incentive	Indiana Department of Child Services	93.563	FY 2012 FY 2012 FY 2012 FY 2012 FY 2012	176,704 32,911 27,466 42,341 <u>70,079</u>
Total - Child Support Enforcement				<u>349,501</u>
Total - Department of Health and Human Services				<u>367,010</u>
<u>Department of Homeland Security</u>				
Emergency Management Performance Grants 2011 EMPG COMP Grant 2012 District Training Grants	Indiana Department of Homeland Security	97.042	EMW-2011-EP-00036 C44P-2-342A	3,623 <u>33,741</u>
Total - Emergency Management Performance Grants				<u>37,364</u>
State Fire Training Systems Grants District Training Grants	Indiana Department of Homeland Security	97.043	EMW-2011-GR-00009	<u>26,000</u>
Homeland Security Grant Program Hazmat Grant Task Force Grant	Indiana Department of Homeland Security	97.067	2010-SS-T0-0038 2009-SS-T9-0032	73,077 <u>8,772</u>
Total - Homeland Security Grant Program				<u>81,849</u>
Buffer Zone Protection Program (BZPP) 2010 Buffer Zone Protection	Indiana Department of Homeland Security	97.078	2010-BF-T0-0018	<u>378,095</u>
Total - Department of Homeland Security				<u>523,308</u>
Total federal awards expended				<u>\$ 1,231,304</u>

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

HUNTINGTON 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 Huntington County (County) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

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
Formula Grants for Other Than Urbanized Areas	20.509	\$ <u>222,904</u>

HUNTINGTON 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?	yes

Federal Awards:

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

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
93.563	Child Support Enforcement
97.078	Buffer Zone Protection Program (BZPP)

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

FINDING 2012-1 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING - SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA)

The County did not have a proper system of internal controls 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 controls in place that operate effectively, material misstatements of the SEFA could remain undetected.

HUNTINGTON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

During the audit of the SEFA, we noted the following errors: incorrect amounts reported, incorrect program titles were used, some programs were omitted, and some programs were included that should not have been. Audit adjustments were proposed, accepted by the County, and made to the SEFA presented in this report. These adjustments resulted in a presentation of the SEFA that is materially correct in relation to the financial statement.

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)

OMB Circular A-133, Subpart C, section .300 states in part: "The auditee shall: . . . (d) Prepare appropriate financial statements, including the schedule of expenditures of Federal Awards in accordance with section .310."

OMB Circular A-133, Subpart C, section .310(b) states:

"Schedule of expenditures of Federal awards. The auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple award years, the auditee may list the amount of Federal awards expended for each award year separately. At a minimum, the schedule shall:

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.
- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

HUNTINGTON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III – Federal Award Findings and Questioned Costs

FINDING 2012-2 - REPORTING

Federal Agency: Department of Health and Human Services
Federal Program: Child Support Enforcement
CFDA Number: 93.563
Federal Award Number: FY 2012
Pass-Through Entity: Indiana Department of Child Services

Reports submitted by the Clerk's office for reimbursement were based on incorrect calculations of salaries and wages and not on actual expenditures as recorded in the Auditor's ledgers. As a result, amounts submitted for reimbursement were either under or over reported from the actual expenditures.

Controls were insufficient to monitor and verify the accuracy of the reports submitted for reimbursement. This resulted in the County not claiming or receiving all the federal funds that it was entitled to or over claiming and receiving excessive federal reimbursement under the IV-D Child Support Enforcement Program.

45 CFR § 92.20 states in part:

"(a) A State must expand and account for grant funds in accordance with State laws and procedures for expending and accounting for its own funds. Fiscal control and accounting procedures of the State, as well as its subgrantees and cost-type contractors, must be sufficient to—

- (1) Permit preparation of reports required by this part and the statutes authorizing the grant, and
 - (2) Permit the tracing of funds to a level of expenditures adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes.
- (b) The financial management systems of other grantees and subgrantees must meet the following standards:
- (1) Financial reporting. Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant.
 - (2) Accounting records. Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income.
 - (3) Internal control. Effective control and accountability must be maintained for all grant and subgrant cash, real and personal property, and other assets. Grantees and subgrantees must adequately safeguard all such property and must assure that it is used solely for authorized purposes."

HUNTINGTON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

OMB Circular A133 Section .300 states in part:

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

We recommended that controls be established and implemented to monitor and verify the accuracy of the reports submitted for reimbursement.

FINDING 2012-3 - EQUIPMENT AND REAL PROPERTY MANAGEMENT

Federal Agency: Department of Homeland Security
Federal Program: Buffer Zone Protection Program (BZPP)
CFDA Number: 97.078
Federal Award Number: 2010-BF-T0-0018
Pass-Through Entity: Indiana Department of Homeland Security

Capital asset records were not maintained for equipment purchased with BZPP funds. The Emergency Management Department is to maintain capital asset records in accordance with their local policy. Capital asset records, with all of the required information listed below, were not available.

Purchase of equipment was the primary use of BZPP grant funds. In 2012, equipment totaling \$378,095 was purchased with grant funds. Records are required to be maintained to ensure adequate safeguards are maintained over capital assets. Without detailed capital asset records, the County cannot adequately account for all of the equipment purchased with grant funds. Controls were not in place to ensure that a physical inventory of capital assets was performed as required. As such, a physical inventory of capital assets has not been performed and compared to the capital asset records.

The 2010 Buffer Zone Protection Program Sub-Grant Agreement between the Indiana Department of Homeland Security and Huntington County, Section 6(D), states: "The Sub-grantee shall comply with the requirements in the document titled '2010 Buffer Zone Protection Program-Additional Federal and State Requirements' available from the following website: <http://www.in.gov/dhs/grants.htm>." The 2010 Buffer Zone Protection Program - Additional Federal and State Requirements document, Section 7(A), states:

"Requirements Applicable to Property/Equipment Purchased Using Grant Funds: For all tangible, nonexpendable, personal property having a useful life of more than one year and a per unit cost of more than \$500 acquired in whole or in part with grant funds, the Sub-grantee must comply with the following requirements:

- A. Maintain records that include the following:
 - i. A description of the property;
 - ii. Manufacturer's serial number or other identification number;
 - iii. Source of the property;
 - iv. Identification of the title holder;
 - v. Acquisition date;

HUNTINGTON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- vi. Cost of the property;
- vii. Percentage of Federal participation in the cost of the property;
- viii. Location of the property;
- ix. If the property was assigned to an individual, the name and title of the individual to which the property was assigned;
- x. Use of the property;
- xi. Condition of the property; and
- xii. The ultimate disposition of the property, including the date of disposal and sale price."

44 CFR § 13.32(d) states in part:

"Management requirements. Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part with grant funds, until disposition takes place will, as a minimum, meet the following requirements:

- (1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
- (2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years."

OMB Circular A133 Section .300 states in part:

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

We recommended that controls be established and implemented to monitor and verify the accuracy of the capital asset records.

FINDING 2012-4 - PROCUREMENT AND SUSPENSION AND DEBARMENT

Federal Agency: Department of Homeland Security
Federal Program: Buffer Zone Protection Program (BZPP)
CFDA Number: 97.078
Federal Award Number: 2010-BF-T0-0018
Pass-Through Entity: Indiana Department of Homeland Security

HUNTINGTON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The County did not have controls in place to follow proper procurement procedures. The County was awarded a Buffer Zone Protection Program grant to purchase homeland security equipment. Equipment totaling \$378,095 was purchased of which \$206,314 required procurement procedures to be followed. One of the equipment items purchased exceeded \$100,000 which requires sealed bids to be obtained but were not. The County obtained quotes for the items noted, but was unable to locate the quotes for audit.

Because the County did not follow proper procurement procedures, we could not determine if the County received the best price for the equipment in the manner required.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement, or a type of compliance requirement of a federal program will be prevented, detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

44 CFR § 13.36(d) states in part:

- "(1) *Procurement by small purchase procedures.* Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the simplified acquisition threshold fixed at 41 U.S.C. 403(11) (currently set at \$100,000). If small purchase procedures are used, price or rate quotations shall be obtained from an adequate number of qualified sources.
- (2) *Procurement by sealed bids (formal advertising).* Bids are publicly solicited and a firm-fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the conditions in § 13.36(d)(2)(i) apply.
 - (i) In order for sealed bidding to be feasible, the following conditions should be present:
 - (A) A complete, adequate, and realistic specification or purchase description is available;
 - (B) Two or more responsible bidders are willing and able to compete effectively and for the business; and
 - (C) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price."

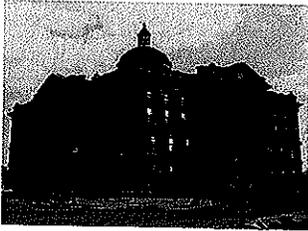
OMB Circular A133 Section .300 states in part:

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

HUNTINGTON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The failure to establish internal controls could enable material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirements that have a direct and material effect to the program could result in the loss of federal funds to the County.

We recommended that the County's management establish controls to ensure that they follow applicable state and federal guidelines. We recommended that the County retain documentation as required by state statute.



HUNTINGTON COUNTY AUDITOR'S OFFICE
CINDY YEITER, AUDITOR
cindy.yeiter@huntington.in.us

201 N Jefferson St., Room 103
Huntington, IN 46750
Phone: 260-358-4805 Fax: 260-358-4823

July 31, 2013

Section II – Financial Statement Findings 2012-1 – Internal Controls

Corrective Action: Effective immediately, the Auditor's Office staff will establish internal controls to be in compliance with the Federal law to have proper oversight, reviews and approvals to take place and have a separation of functions over certain activities related to the Schedule of Expenditures of Federal Awards program.

Tina Stevens, Grant Deputy Auditor

Cindy Yeiter, Huntington County Auditor

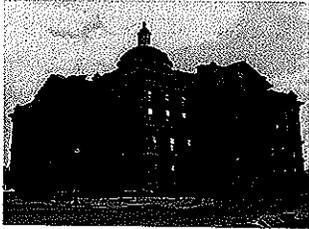
Finding 2012-3 - Equipment and Real Property Management

Federal Agency: Department of Homeland Security
 Federal Program: Buffer Zone Protection Program
 CFDA Number: 97.078
 Federal Award Number: 2010-BF-T0-0018
 Pass-Through Entity: Indiana Department of Homeland Security

Corrective Action: Effective immediately Emergency Management Agency and Auditor's staff will establish Capital Asset Records to maintain for the purchase of equipment. Records are required to be maintained to ensure adequate safeguards are maintained over capital assets. Without detailed capital asset records, the County cannot adequately account for all of the equipment purchased with grant funds.

Leon Hurlburt, Commissioner

Cindy Yeiter, Huntington County Auditor



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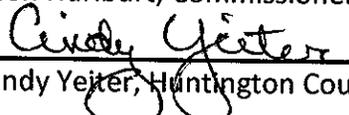
Finding 2012-4 – Procurement and Suspension and Debarment

Federal Agency: Department of Homeland Security
Federal Program: Buffer Zone Protection Program
CFDA Number: 97.078
Federal Award Number: 2010-BF-T0-0018
Pass-Through Entity: Indiana Department of Homeland Security

Corrective Action: Effective immediately the Emergency Management Agency and Auditor's staff will be following procurement procedures including sealed bids being kept on file. This will insure the County is receiving the best price for the equipment in the manner required.



Leon Hurlburt, Commissioner



Cindy Yeiter, Huntington County Auditor



Kittie Keiffer
Clerk of the Huntington
Circuit and Superior Courts

Courthouse Room 201
P.O. Box 228
Huntington, Indiana 46750
Phone (260) 358-4817
Fax (260) 358-4880

FINDING 2012-2 – REPORTING

Federal Agency: Department of Health and Human Services

Federal Program: Child Support Enforcement

CFDA Number: 93.563

Federal Award Number: FY 2012

Pass-Through Entity: Indiana Department of Child Services

CORRECTIVE ACTION PLAN

SECTION III-Federal Award Findings and Questioned Costs

The Huntington County Clerk will establish internal controls to be in compliance with Federal law to have proper oversight, reviews and approvals. The company contracted to prepare Monthly Reimbursement Claim forms for Title IV-D Expenditures & Incentive Expenditure Reports for Title IV-D will submit additional data to Clerk (Form 920). In addition, Clerk will receive a Transaction History Listing Report from Auditor. Both reports will be used to cross-check expenses submitted for reimbursement on a monthly basis.

Kittie Keiffer, Clerk Huntington Circuit Court

Date: July 31, 2013

Cindy Yeiter, Huntington County Auditor

Date: July 31, 2013

HUNTINGTON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 31, 2013, with Cindy Yeiter, Auditor; Kittie Keiffer, Clerk; Leon Hurlburt, President of the Board of County Commissioners; and John E. Hacker, President of the County Council.