

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

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



FILED
08/23/2013

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Robin Lowder	01-01-11 to 12-31-14
Treasurer	Janice Silvey	01-01-13 to 12-31-16
Clerk	Marcia Moore	01-01-11 to 12-31-14
Sheriff	Michael Shepherd	01-01-11 to 12-31-14
Recorder	Debra Carnes	01-01-11 to 12-31-14
President of the Board of County Commissioners	Tom Stevens Derek Towle	01-01-12 to 12-31-12 01-01-13 to 12-31-13
President of the County Council	William Bolander	01-01-12 to 12-31-13



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

TO: THE OFFICIALS OF HANCOCK COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of Hancock 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 16, 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 16, 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 HANCOCK 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 Hancock 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 16, 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 items 2012-1 and 2012-2 to be material weaknesses.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed 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 items 2012-1 and 2012-2.

Hancock 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 16, 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.

HANCOCK 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
CAR-1 TREASURER AFTER SETTLEMENT	\$ 1,828,459	\$ 2,400,257	\$ 1,828,459	\$ 2,400,257
CAR-1 INMATE TRUST FUND	19,034	335,823	346,406	8,451
CAR-1 SHERIFF DEPT. COMMISSARY	88,545	134,475	110,101	112,919
CAR-1 CLERK/COURT TRUST ACCOUNT	1,418,386	4,283,414	4,134,888	1,566,912
County General 01001	2,095,546	14,941,152	14,230,635	2,806,063
Accident Report 1101	1,071	7,064	6,281	1,854
Bids Bonds Deposits 1108	43,946	21,275	26,580	38,641
Co Portion Cedit Econ Dev 1112	819,051	-	40,000	779,051
Library Ptrc/Cedit Fund 1113	2,766,505	2,771,118	2,564,207	2,973,416
City/town Crt Costs 1116	2,261	22,846	25,107	-
Clerk's Rec Perpetuation 1119	67,022	29,854	38,873	58,003
Comm Corr Project Inc 1122	-	675,771	533,029	142,742
Congressional Interest 1124	24,699	33	-	24,732
Congressional Principal 1125	10,741	3	-	10,744
County Sales Disclosure 1131	3,318	7,400	7,360	3,358
Cumulative Bridge 1135	1,416,561	1,304,957	1,386,328	1,335,190
County Cum Capital Dev 1138	753,673	867,051	1,130,878	489,846
Drug Free Community 1148	98,396	91,239	70,390	119,245
Electronic Mapping GIS 1150	-	21	-	21
Emergency Plan/RTK 1152	5,340	4,709	414	9,635
E-911 Operating 1153	495,947	630,320	517,021	609,246
Firearms Training 1156	11,170	27,460	19,291	19,339
General Drain Improv 1158	933,478	120,280	93,801	959,957
County Health 1159	75,087	375,693	345,745	105,035
County ID Security 1160	98,263	7,258	3,194	102,327
Excess Levy 1167	78,420	-	78,420	-
Local Road & Street 1169	382,741	615,602	237,793	760,550
Co Misdemeanant 1175	35,946	34,013	33,973	35,986
Motor Vehicle Highway 1176	496,083	3,451,555	3,368,221	579,417
Auditor's Transfer Fee 1181	25,462	14,995	12,266	28,191
Rainy Day Fund 1186	3,271,345	781,296	60,000	3,992,641
Reassessment 1187	93,734	-	63,590	30,144
2015 Reassessment 1188	261,052	312,371	164,415	409,008
Recorder Perpetuation 1189	238,118	152,112	115,337	274,893
Sex & Violent Offender 1192	1,205	1,969	1,700	1,474
Solid Waste Agency 1194	-	3,746	-	3,746
Suppl Public Defender 1200	153,043	74,529	24,946	202,626
Surplus Tax 1201	58,463	114,806	65,943	107,326
Cornerstone Perpetuation 1202	40,305	13,214	6,129	47,390
Tax Sale Vendor Fees 1203	470	7,980	6,810	1,640
Tax Sale Redemption 1204	72,954	26,514	31,784	67,684
Tax Sale Surplus 1205	489,190	1,239,586	234,510	1,494,266
New Tobacco Money 1206	120,467	32,533	13,718	139,282
Unsafe Building Fund 1207	2,185	-	-	2,185
CAR-1 VICTIM ASSISTANCE	520	-	-	520
GAL/CASA Services 1213	2,439	22,883	24,032	1,290
Elected Officials Training	2,612	7,259	(32)	9,903
Hancock County E911 1222	8,473	1,097,758	1,044,184	62,047
Juvenile Probation 2050	5,259	13,095	14,577	3,777
Spplmntl Adult Probatn 2100	67,345	166,041	172,747	60,639
County User Fees 2500	435,851	748,854	763,663	421,042
Drainage Maintenance 2700	2,478,065	477,603	452,894	2,502,774
CAR-1 CLERK CD	55,000	-	55,000	-
Health Dept Donations 4100	5,364	-	-	5,364
All Debt Service	2,646,606	3,936,324	4,086,379	2,496,551
PensionTrustClearing 5501	-	35,123	35,123	-
Settlement - Account 6000	-	78,270,481	78,246,871	23,610
Loit Public Safety 6004	205,053	2,308,938	1,005,757	1,508,234
Loit Public Safety 6005	-	4,326,072	4,326,072	-
Excise Correction 2012	-	575,289	575,289	-
Auto Excise Surtax 6020	-	1,597,933	1,597,933	-
County Wheel Tax 6021	-	218,635	218,515	120
CVET 6023	-	439,863	439,394	469
Delinq Weeds Assess 6041	400	10,696	10,696	400
Delnqnt Sewr Assessmnt 6042	-	135,622	135,622	-
Financial Inst Tax 6051	-	46,042	46,042	-
Hea 1001-2008 StHomestead 6103	(3,140)	59	-	(3,081)
LOIT Homestead 6105	72,792	4,442,412	3,598,329	916,875
Fines & Forfeitures 7101	4,366	23,942	25,371	2,937
Infraction Judgment 7102	11,505	83,180	83,181	11,504

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

HANCOCK 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 Vehicles 7103	250	7,888	6,593	1,545
Special Death Benefit 7104	415	5,330	5,330	415
State Sales Disclosures 7105	2,273	7,400	7,350	2,323
Coroner Educ Fees 7106	578	5,497	5,674	401
Interstate Transfer Fee 7107	350	913	1,100	163
State Mortgage Fee 7108	313	10,028	8,563	1,778
State Of In Sex & Violent 7111	-	141	141	-
Military Fines 7114	-	2,095	-	2,095
Food & Beverage Tax 7201	595,137	466,801	306,277	755,661
Inheritance Tax 7202	677,875	2,892,855	2,013,143	1,557,587
Education Plate 7301	828	1,556	1,800	584
Riverboat Sharing Fund 7303	-	414,686	414,686	-
Tourism Commission 7304	9,455	261,847	260,645	10,657
CAGIT CERT SHARES/PTRC 7311	-	17,775,098	17,769,646	5,452
Cedit Special Tax 7312	42,756	-	37,336	5,420
93.563 Pros ARRA 8893	42,126	-	-	42,126
93.563 Clerk ARRA Funding 8894	4,752	-	-	4,752
93.563 TitleIV-D General 8895	-	86,736	-	86,736
Prosecutor Incent 10-1-99 8897	67,145	38,691	78,558	27,278
93.563 Clerk Incentive 8898	15,823	-	-	15,823
Clerk Incentive (10-1-99) 8899	57,797	25,716	21,190	62,323
CAR-1 SHOP WITH A COP	4,212	13,275	7,922	9,565
CAR-1 SHERIFF CHAPLAINCY FUND	230	-	75	155
CAR-1 ISETS CLERK	14,992	932,155	933,954	13,193
CAR-1 PURDUE EXTENSION	19,688	83,919	83,029	20,578
ADA Drug Screen Probation 2101	16,221	40,604	21,686	35,139
Assessment Training Fnd 4904	30,992	7,350	4,071	34,271
Superior I Trans 4910	1,901	3,168	3,854	1,215
Superior II Trans 4911	32	490	490	32
Circuit Crt Trans 4912	634	752	752	634
Jury Pay Fund 4913	35,570	10,731	18,590	27,711
City & Town General 4915	3,863	-	-	3,863
Comm Corrections Vending 4917	79,848	77,443	26,293	130,998
County Payroll 5900	1,020,455	5,852,054	5,452,948	1,419,561
Health Claims Fund 5901	142,657	1,500,000	1,577,326	65,331
Public Hlth H1N1 III Fed	90	-	-	90
D.A.R.E. Fund 1142	451	-	-	451
Bureau Of Justice Assist 8900	386	52,563	52,453	496
Jag Grant (Drug Court) 8901	(9,942)	28,150	16,253	1,955
Pace Grant - Drug Interd 8902	10,758	75,528	32,513	53,773
Hancock Area Rural Tran 8904	-	230,384	230,384	-
MRC-Medical Reserve Corp 8906	5,244	7,071	3,474	8,841
Public Hlth Emerg H1N1 8907	51	-	-	51
Health Maint Grant 8908	50,842	48,170	44,918	54,094
Bio-Terrorism Grant 8909	43,863	29,490	41,766	31,587
Community Corr Fiscal 8910	-	221,619	199,712	21,907
State Homeland Security 8911	2,302	-	-	2,302
IDEM Grant 8912	68	-	-	68
OPO- DUI K8-\$10000 8913	-	10,282	7,948	2,334
OPO-BCC - PT \$20000 8914	5,224	16,345	22,098	(529)
Sheriff Equitable Share 8915	63,621	-	10,745	52,876
IC/JI Madd Dist PBT 8917	-	1,500	-	1,500
JAIB Jobs Grant 8919	395	-	-	395
11.557 Date Share Int 8920	-	2,000	667	1,333
HAVA (HELP AMERICA VOTE 8921	-	25,000	25,000	-
HAVA-Section 8922	47,596	-	25,445	22,151
HAVA-Section 8923	10,179	-	332	9,847
Metro Drug Fed Grant OT 8924	7,377	-	-	7,377
Community Corrections Grnt Fed	21,061	111,219	132,280	-
Comm Corrections Project Inc	313,514	426,003	739,517	-
20.615 Digital Recorder/Logger	-	20,422	-	20,422
Federal Bullet Proof Vest	-	2,704	2,704	-
Redevelopment Capital	5,965,346	7,223	580,709	5,391,860
Redevelopment Debt Service Reserve	1,064,800	8,000	-	1,072,800
Redevelopment Bond Principal & Interest	395,896	144,593	443,688	96,801
Allocation Fund - Redevelopment Bond	230,330	612,636	136,844	706,122
Totals	<u>\$ 36,014,812</u>	<u>\$ 167,526,519</u>	<u>\$ 160,754,654</u>	<u>\$ 42,786,677</u>

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

HANCOCK 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), 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: 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, 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.

HANCOCK COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

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, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

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

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

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

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

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

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

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

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

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

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.

HANCOCK COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

HANCOCK 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.

HANCOCK 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 statement.

Note 8. Restatement

For the year ended December 31, 2012, one change has been made to the beginning balance of the financial statement to more appropriately reflect financial activity of the County. The following schedule presents a summary of the restated beginning balance.

Fund Name	Balance as of December 31, 2011	Prior Period Adjustment	Balance as of January 1, 2012
CAR-1 Inmate Trust Fund	\$ 4,728	\$ 14,306	\$ 19,034

HANCOCK COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 9. *Other Postemployment Benefits*

The County provides to eligible retirees and their spouses health insurance benefits. Eligible retired employees and elected officials are responsible for 50 percent of the premiums and the County is responsible for the remaining 50 percent of the premiums. These benefits pose a liability to the County for this year and in future years. Information regarding the benefits can be obtained by contacting the County.

Note 10. *Combined Funds*

Nine funds related to user fees and eleven funds related to debt service were reported individually in the prior financial statement but were combined into the County User Fees 2500 Fund and the All Debt Service Fund for the current financial statement.

The General Drain Improvement Fund and the Stormwater Fund were reported separately in the prior period financial statement and combined in the current financial statement.

Four funds related to the Sheriff's department law enforcement activities were combined into the CAR-1 Sheriff Department in the prior financial statement but were reported individually in the current financial statement.

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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.

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

	CAR-1 TREASURER AFTER SETTLEMENT	CAR-1 INMATE TRUST FUND	CAR-1 SHERIFF DEPT. COMMISSARY	CAR-1 CLERK/COURT TRUST ACCOUNT	County General 01001	Accident Report 1101	Bids Bonds Deposits 1108
Cash and investments - beginning	\$ 1,828,459	\$ 19,034	\$ 88,545	\$ 1,418,386	\$ 2,095,546	\$ 1,071	\$ 43,946
Receipts:							
Taxes	2,161,845	-	-	-	12,340,086	-	-
Licenses and permits	6,518	-	-	-	161,359	-	-
Intergovernmental	217,625	-	-	-	841,292	-	-
Charges for services	13,043	-	-	-	718,764	-	-
Fines and forfeits	-	-	-	-	518,497	-	-
Other receipts	1,226	335,823	134,475	4,283,414	361,154	7,064	21,275
Total receipts	2,400,257	335,823	134,475	4,283,414	14,941,152	7,064	21,275
Disbursements:							
Personal services	-	-	-	-	10,051,116	-	-
Supplies	-	-	-	-	140,901	-	-
Other services and charges	-	-	-	-	3,127,263	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	7,966	-	-
Other disbursements	1,828,459	346,406	110,101	4,134,888	903,389	6,281	26,580
Total disbursements	1,828,459	346,406	110,101	4,134,888	14,230,635	6,281	26,580
Excess (deficiency) of receipts over disbursements	571,798	(10,583)	24,374	148,526	710,517	783	(5,305)
Cash and investments - ending	\$ 2,400,257	\$ 8,451	\$ 112,919	\$ 1,566,912	\$ 2,806,063	\$ 1,854	\$ 38,641

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

	Co Portion Cedit Econ Dev 1112	Library Ptrc/Cedit Fund 1113	City/town Crt Costs 1116	Clerk's Rec Perpetuation 1119	Comm Corr Project Inc 1122	Congressional Interest 1124	Congressional Principal 1125
Cash and investments - beginning	\$ 819,051	\$ 2,766,505	\$ 2,261	\$ 67,022	\$ -	\$ 24,699	\$ 10,741
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	2,771,118	22,846	29,854	675,771	33	3
Total receipts	-	2,771,118	22,846	29,854	675,771	33	3
Disbursements:							
Personal services	-	-	-	14,757	344,903	-	-
Supplies	-	-	-	496	38,284	-	-
Other services and charges	40,000	-	-	5,112	98,289	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	18,508	49,184	-	-
Other disbursements	-	2,564,207	25,107	-	2,369	-	-
Total disbursements	40,000	2,564,207	25,107	38,873	533,029	-	-
Excess (deficiency) of receipts over disbursements	(40,000)	206,911	(2,261)	(9,019)	142,742	33	3
Cash and investments - ending	\$ 779,051	\$ 2,973,416	\$ -	\$ 58,003	\$ 142,742	\$ 24,732	\$ 10,744

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

	County Sales Disclosure 1131	Cumulative Bridge 1135	County Cum Capital Dev 1138	Drug Free Community 1148	Electronic Mapping GIS 1150	Emergency Plan/RTK 1152	E-911 Operating 1153
Cash and investments - beginning	\$ 3,318	\$ 1,416,561	\$ 753,673	\$ 98,396	\$ -	\$ 5,340	\$ 495,947
Receipts:							
Taxes	-	1,160,509	773,673	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	105,417	70,278	-	-	-	-
Charges for services	-	-	-	7,210	-	-	630,000
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	7,400	39,031	23,100	84,029	21	4,709	320
Total receipts	<u>7,400</u>	<u>1,304,957</u>	<u>867,051</u>	<u>91,239</u>	<u>21</u>	<u>4,709</u>	<u>630,320</u>
Disbursements:							
Personal services	-	-	-	26,234	-	-	377,587
Supplies	-	17,147	-	-	-	-	4,303
Other services and charges	-	45,441	-	44,156	-	414	135,131
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	1,315,500	1,130,878	-	-	-	-
Other disbursements	7,360	8,240	-	-	-	-	-
Total disbursements	<u>7,360</u>	<u>1,386,328</u>	<u>1,130,878</u>	<u>70,390</u>	<u>-</u>	<u>414</u>	<u>517,021</u>
Excess (deficiency) of receipts over disbursements	<u>40</u>	<u>(81,371)</u>	<u>(263,827)</u>	<u>20,849</u>	<u>21</u>	<u>4,295</u>	<u>113,299</u>
Cash and investments - ending	<u>\$ 3,358</u>	<u>\$ 1,335,190</u>	<u>\$ 489,846</u>	<u>\$ 119,245</u>	<u>\$ 21</u>	<u>\$ 9,635</u>	<u>\$ 609,246</u>

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

	Firearms Training 1156	General Drain Improv 1158	County Health 1159	County ID Security 1160	Excess Levy 1167	Local Road & Street 1169	Co Misdemeanant 1175
Cash and investments - beginning	\$ 11,170	\$ 933,478	\$ 75,087	\$ 98,263	\$ 78,420	\$ 382,741	\$ 35,946
Receipts:							
Taxes	-	-	221,049	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	12,212	20,079	-	-	562,233	-
Charges for services	-	-	122,884	-	-	2,883	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	27,460	108,068	11,681	7,258	-	50,486	34,013
Total receipts	<u>27,460</u>	<u>120,280</u>	<u>375,693</u>	<u>7,258</u>	<u>-</u>	<u>615,602</u>	<u>34,013</u>
Disbursements:							
Personal services	-	-	308,793	-	-	-	-
Supplies	-	-	14,312	-	-	-	-
Other services and charges	-	-	22,640	3,194	-	237,793	33,973
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	19,291	93,801	-	-	78,420	-	-
Total disbursements	<u>19,291</u>	<u>93,801</u>	<u>345,745</u>	<u>3,194</u>	<u>78,420</u>	<u>237,793</u>	<u>33,973</u>
Excess (deficiency) of receipts over disbursements	<u>8,169</u>	<u>26,479</u>	<u>29,948</u>	<u>4,064</u>	<u>(78,420)</u>	<u>377,809</u>	<u>40</u>
Cash and investments - ending	<u>\$ 19,339</u>	<u>\$ 959,957</u>	<u>\$ 105,035</u>	<u>\$ 102,327</u>	<u>\$ -</u>	<u>\$ 760,550</u>	<u>\$ 35,986</u>

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

	Motor Vehicle Highway 1176	Auditor's Transfer Fee 1181	Rainy Day Fund 1186	Reassessment 1187	2015 Reassessment 1188	Recorder Perpetuation 1189	Sex & Violent Offender 1192
Cash and investments - beginning	\$ 496,083	\$ 25,462	\$ 3,271,345	\$ 93,734	\$ 261,052	\$ 238,118	\$ 1,205
Receipts:							
Taxes	139,656	-	-	-	286,359	-	-
Licenses and permits	25,008	-	-	-	-	-	-
Intergovernmental	3,221,906	-	-	-	26,012	-	-
Charges for services	8,704	14,995	-	-	-	-	1,969
Fines and forfeits	100	-	-	-	-	-	-
Other receipts	56,181	-	781,296	-	-	152,112	-
Total receipts	<u>3,451,555</u>	<u>14,995</u>	<u>781,296</u>	<u>-</u>	<u>312,371</u>	<u>152,112</u>	<u>1,969</u>
Disbursements:							
Personal services	1,541,509	12,266	-	1,026	164,091	95,761	-
Supplies	1,043,682	-	-	4,843	-	4,979	-
Other services and charges	379,316	-	-	57,721	324	-	1,700
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	403,714	-	-	-	-	-	-
Other disbursements	-	-	60,000	-	-	14,597	-
Total disbursements	<u>3,368,221</u>	<u>12,266</u>	<u>60,000</u>	<u>63,590</u>	<u>164,415</u>	<u>115,337</u>	<u>1,700</u>
Excess (deficiency) of receipts over disbursements	<u>83,334</u>	<u>2,729</u>	<u>721,296</u>	<u>(63,590)</u>	<u>147,956</u>	<u>36,775</u>	<u>269</u>
Cash and investments - ending	<u>\$ 579,417</u>	<u>\$ 28,191</u>	<u>\$ 3,992,641</u>	<u>\$ 30,144</u>	<u>\$ 409,008</u>	<u>\$ 274,893</u>	<u>\$ 1,474</u>

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

	Solid Waste Agency 1194	Suppl Public Defender 1200	Surplus Tax 1201	Cornerstone Perpetuation 1202	Tax Sale Vendor Fees 1203	Tax Sale Redemption 1204	Tax Sale Surplus 1205
Cash and investments - beginning	\$ -	\$ 153,043	\$ 58,463	\$ 40,305	\$ 470	\$ 72,954	\$ 489,190
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	7,980	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	3,746	74,529	114,806	13,214	-	26,514	1,239,586
Total receipts	<u>3,746</u>	<u>74,529</u>	<u>114,806</u>	<u>13,214</u>	<u>7,980</u>	<u>26,514</u>	<u>1,239,586</u>
Disbursements:							
Personal services	-	14,430	-	3,933	-	-	-
Supplies	-	-	-	1,876	-	-	-
Other services and charges	-	-	-	320	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	10,516	65,943	-	6,810	31,784	234,510
Total disbursements	<u>-</u>	<u>24,946</u>	<u>65,943</u>	<u>6,129</u>	<u>6,810</u>	<u>31,784</u>	<u>234,510</u>
Excess (deficiency) of receipts over disbursements	<u>3,746</u>	<u>49,583</u>	<u>48,863</u>	<u>7,085</u>	<u>1,170</u>	<u>(5,270)</u>	<u>1,005,076</u>
Cash and investments - ending	<u>\$ 3,746</u>	<u>\$ 202,626</u>	<u>\$ 107,326</u>	<u>\$ 47,390</u>	<u>\$ 1,640</u>	<u>\$ 67,684</u>	<u>\$ 1,494,266</u>

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

	New Tobacco Money 1206	Unsafe Building Fund 1207	CAR-1 VICTIM ASSISTANCE	GAL/CASA Services 1213	Elected Officials Training	Hancock County E911 1222	Juvenile Probation 2050
Cash and investments - beginning	\$ 120,467	\$ 2,185	\$ 520	\$ 2,439	\$ 2,612	\$ 8,473	\$ 5,259
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	2,455	-	-	-
Charges for services	-	-	-	-	-	905,980	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	32,533	-	-	20,428	7,259	191,778	13,095
Total receipts	<u>32,533</u>	<u>-</u>	<u>-</u>	<u>22,883</u>	<u>7,259</u>	<u>1,097,758</u>	<u>13,095</u>
Disbursements:							
Personal services	11,796	-	-	-	-	520,735	14,577
Supplies	118	-	-	-	-	-	-
Other services and charges	1,804	-	-	24,032	(32)	76,460	-
Debt service - principal and interest	-	-	-	-	-	62,733	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	384,256	-
Total disbursements	<u>13,718</u>	<u>-</u>	<u>-</u>	<u>24,032</u>	<u>(32)</u>	<u>1,044,184</u>	<u>14,577</u>
Excess (deficiency) of receipts over disbursements	<u>18,815</u>	<u>-</u>	<u>-</u>	<u>(1,149)</u>	<u>7,291</u>	<u>53,574</u>	<u>(1,482)</u>
Cash and investments - ending	<u>\$ 139,282</u>	<u>\$ 2,185</u>	<u>\$ 520</u>	<u>\$ 1,290</u>	<u>\$ 9,903</u>	<u>\$ 62,047</u>	<u>\$ 3,777</u>

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

	Spplmntl Adult Probathn 2100	County User Fees 2500	Drainage Maintenance 2700	CAR-1 CLERK CD	Health Dept Donations 4100	All Debt Service	PensionTrustClearing 5501
Cash and investments - beginning	\$ 67,345	\$ 435,851	\$ 2,478,065	\$ 55,000	\$ 5,364	\$ 2,646,606	\$ -
Receipts:							
Taxes	-	-	-	-	-	2,866,106	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	443,440	-	-	260,347	-
Charges for services	-	37,693	-	-	-	-	15
Fines and forfeits	-	434,062	-	-	-	-	-
Other receipts	166,041	277,099	34,163	-	-	809,871	35,108
Total receipts	<u>166,041</u>	<u>748,854</u>	<u>477,603</u>	<u>-</u>	<u>-</u>	<u>3,936,324</u>	<u>35,123</u>
Disbursements:							
Personal services	172,747	378,208	-	-	-	-	-
Supplies	-	15,372	-	-	-	-	-
Other services and charges	-	334,881	-	-	-	1,200	-
Debt service - principal and interest	-	-	-	-	-	2,880,509	-
Capital outlay	-	1,241	-	-	-	454,655	-
Other disbursements	-	33,961	452,894	55,000	-	750,015	35,123
Total disbursements	<u>172,747</u>	<u>763,663</u>	<u>452,894</u>	<u>55,000</u>	<u>-</u>	<u>4,086,379</u>	<u>35,123</u>
Excess (deficiency) of receipts over disbursements	<u>(6,706)</u>	<u>(14,809)</u>	<u>24,709</u>	<u>(55,000)</u>	<u>-</u>	<u>(150,055)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 60,639</u>	<u>\$ 421,042</u>	<u>\$ 2,502,774</u>	<u>\$ -</u>	<u>\$ 5,364</u>	<u>\$ 2,496,551</u>	<u>\$ -</u>

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

	Settlement Account 6000	Loit Public Safety 6004	Loit Public Safety 6005	Excise Correction 2012	Auto Excise Surtax 6020	County Wheel Tax 6021	CVET 6023
Cash and investments - beginning	\$ -	\$ 205,053	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	209,382	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	<u>78,270,481</u>	<u>2,308,938</u>	<u>4,326,072</u>	<u>575,289</u>	<u>1,597,933</u>	<u>9,253</u>	<u>439,863</u>
Total receipts	<u>78,270,481</u>	<u>2,308,938</u>	<u>4,326,072</u>	<u>575,289</u>	<u>1,597,933</u>	<u>218,635</u>	<u>439,863</u>
Disbursements:							
Personal services	-	106,983	-	-	-	-	-
Supplies	-	39,160	-	-	-	-	-
Other services and charges	-	859,614	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	<u>78,246,871</u>	<u>-</u>	<u>4,326,072</u>	<u>575,289</u>	<u>1,597,933</u>	<u>218,515</u>	<u>439,394</u>
Total disbursements	<u>78,246,871</u>	<u>1,005,757</u>	<u>4,326,072</u>	<u>575,289</u>	<u>1,597,933</u>	<u>218,515</u>	<u>439,394</u>
Excess (deficiency) of receipts over disbursements	<u>23,610</u>	<u>1,303,181</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>120</u>	<u>469</u>
Cash and investments - ending	<u>\$ 23,610</u>	<u>\$ 1,508,234</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 120</u>	<u>\$ 469</u>

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

	Delinq Weeds Assess 6041	Delinqnt Sewr Assessmnt 6042	Financial Inst Tax 6051	Hea 1001-2008 StHomestead 6103	LOIT Homestead 6105	Fines & Forfeitures 7101	Infraction Judgment 7102
Cash and investments - beginning	\$ 400	\$ -	\$ -	\$ (3,140)	\$ 72,792	\$ 4,366	\$ 11,505
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	<u>10,696</u>	<u>135,622</u>	<u>46,042</u>	<u>59</u>	<u>4,442,412</u>	<u>23,942</u>	<u>83,180</u>
Total receipts	<u>10,696</u>	<u>135,622</u>	<u>46,042</u>	<u>59</u>	<u>4,442,412</u>	<u>23,942</u>	<u>83,180</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	<u>10,696</u>	<u>135,622</u>	<u>46,042</u>	<u>-</u>	<u>3,598,329</u>	<u>25,371</u>	<u>83,181</u>
Total disbursements	<u>10,696</u>	<u>135,622</u>	<u>46,042</u>	<u>-</u>	<u>3,598,329</u>	<u>25,371</u>	<u>83,181</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>59</u>	<u>844,083</u>	<u>(1,429)</u>	<u>(1)</u>
Cash and investments - ending	<u>\$ 400</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,081)</u>	<u>\$ 916,875</u>	<u>\$ 2,937</u>	<u>\$ 11,504</u>

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

	Overweight Vehicles 7103	Special Death Benefit 7104	State Sales Disclosures 7105	Coroner Educ Fees 7106	Interstate Transfer Fee 7107	State Mortgage Fee 7108	State Of In Sex & Violent 7111
Cash and investments - beginning	\$ 250	\$ 415	\$ 2,273	\$ 578	\$ 350	\$ 313	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	5,038	-	-	-
Fines and forfeits	6,593	-	-	-	-	-	-
Other receipts	1,295	5,330	7,400	459	913	10,028	141
Total receipts	7,888	5,330	7,400	5,497	913	10,028	141
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	6,593	5,330	7,350	5,674	1,100	8,563	141
Total disbursements	6,593	5,330	7,350	5,674	1,100	8,563	141
Excess (deficiency) of receipts over disbursements	1,295	-	50	(177)	(187)	1,465	-
Cash and investments - ending	\$ 1,545	\$ 415	\$ 2,323	\$ 401	\$ 163	\$ 1,778	\$ -

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

	Military Fines 7114	Food & Beverage Tax 7201	Inheritance Tax 7202	Education Plate 7301	Riverboat Sharing Fund 7303	Tourism Commission 7304
Cash and investments - beginning	\$ -	\$ 595,137	\$ 677,875	\$ 828	\$ -	\$ 9,455
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	2,095	466,801	2,892,855	1,556	414,686	261,847
Total receipts	2,095	466,801	2,892,855	1,556	414,686	261,847
Disbursements:						
Personal services	-	8,187	-	-	-	63,585
Supplies	-	156,269	-	-	-	-
Other services and charges	-	125,371	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	16,450	-	-	-	-
Other disbursements	-	-	2,013,143	1,800	414,686	197,060
Total disbursements	-	306,277	2,013,143	1,800	414,686	260,645
Excess (deficiency) of receipts over disbursements	2,095	160,524	879,712	(244)	-	1,202
Cash and investments - ending	\$ 2,095	\$ 755,661	\$ 1,557,587	\$ 584	\$ -	\$ 10,657

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

	CAGIT CERT SHARES/PTRC 7311	Cedit Special Tax 7312	93.563 Pros ARRA 8893	93.563 Clerk ARRA Funding 8894	93.563 TitleIV-D General 8895	Prosecutor Incent 10-1-99 8897
Cash and investments - beginning	\$ -	\$ 42,756	\$ 42,126	\$ 4,752	\$ -	\$ 67,145
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	<u>17,775,098</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>86,736</u>	<u>38,691</u>
Total receipts	<u>17,775,098</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>86,736</u>	<u>38,691</u>
Disbursements:						
Personal services	-	-	-	-	-	74,670
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	3,888
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	<u>17,769,646</u>	<u>37,336</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total disbursements	<u>17,769,646</u>	<u>37,336</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,558</u>
Excess (deficiency) of receipts over disbursements	<u>5,452</u>	<u>(37,336)</u>	<u>-</u>	<u>-</u>	<u>86,736</u>	<u>(39,867)</u>
Cash and investments - ending	<u>\$ 5,452</u>	<u>\$ 5,420</u>	<u>\$ 42,126</u>	<u>\$ 4,752</u>	<u>\$ 86,736</u>	<u>\$ 27,278</u>

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

	93.563 Clerk Incentive 8898	Clerk Incentive (10-1-99) 8899	CAR-1 SHOP WITH A COP	CAR-1 SHERIFF CHAPLAINCY FUND	CAR-1 ISETS CLERK	CAR-1 PURDUE EXTENSION
Cash and investments - beginning	\$ 15,823	\$ 57,797	\$ 4,212	\$ 230	\$ 14,992	\$ 19,688
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	25,716	13,275	-	932,155	83,919
Total receipts	-	25,716	13,275	-	932,155	83,919
Disbursements:						
Personal services	-	6,788	-	-	-	-
Supplies	-	248	-	-	-	-
Other services and charges	-	9,000	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	3,543	-	-	-	-
Other disbursements	-	1,611	7,922	75	933,954	83,029
Total disbursements	-	21,190	7,922	75	933,954	83,029
Excess (deficiency) of receipts over disbursements	-	4,526	5,353	(75)	(1,799)	890
Cash and investments - ending	\$ 15,823	\$ 62,323	\$ 9,565	\$ 155	\$ 13,193	\$ 20,578

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

	ADA Drug Screen Probation 2101	Assessment Training Fnd 4904	Superior I Trans 4910	Superior II Trans 4911	Circuit Crt Trans 4912	Jury Pay Fund 4913
Cash and investments - beginning	\$ 16,221	\$ 30,992	\$ 1,901	\$ 32	\$ 634	\$ 35,570
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	40,604	7,350	3,168	490	752	10,731
Total receipts	40,604	7,350	3,168	490	752	10,731
Disbursements:						
Personal services	-	-	3,854	490	752	-
Supplies	-	-	-	-	-	-
Other services and charges	21,686	-	-	-	-	18,590
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	4,071	-	-	-	-
Total disbursements	21,686	4,071	3,854	490	752	18,590
Excess (deficiency) of receipts over disbursements	18,918	3,279	(686)	-	-	(7,859)
Cash and investments - ending	\$ 35,139	\$ 34,271	\$ 1,215	\$ 32	\$ 634	\$ 27,711

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

	City & Town General 4915	Comm Corrections Vending 4917	County Payroll 5900	Health Claims Fund 5901	Public Hlth H1N1 III Fed	D.A.R.E. Fund 1142
Cash and investments - beginning	\$ 3,863	\$ 79,848	\$ 1,020,455	\$ 142,657	\$ 90	\$ 451
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	77,443	5,852,054	1,500,000	-	-
Total receipts	-	77,443	5,852,054	1,500,000	-	-
Disbursements:						
Personal services	-	-	860,221	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	26,293	-	1,577,326	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	4,592,727	-	-	-
Total disbursements	-	26,293	5,452,948	1,577,326	-	-
Excess (deficiency) of receipts over disbursements	-	51,150	399,106	(77,326)	-	-
Cash and investments - ending	\$ 3,863	\$ 130,998	\$ 1,419,561	\$ 65,331	\$ 90	\$ 451

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

	Bureau Of Justice Assist 8900	Jag Grant (Drug Court) 8901	Pace Grant - Drug Interd 8902	Hancock Area Rural Tran 8904	MRC-Medical Reserve Corp 8906	Public Hlth Emerg H1N1 8907
Cash and investments - beginning	\$ 386	\$ (9,942)	\$ 10,758	\$ -	\$ 5,244	\$ 51
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	52,563	24,984	75,528	-	2,070	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	3,166	-	230,384	5,001	-
Total receipts	<u>52,563</u>	<u>28,150</u>	<u>75,528</u>	<u>230,384</u>	<u>7,071</u>	<u>-</u>
Disbursements:						
Personal services	25,492	15,229	32,513	-	-	-
Supplies	3,649	-	-	-	81	-
Other services and charges	23,312	1,024	-	230,384	3,393	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>52,453</u>	<u>16,253</u>	<u>32,513</u>	<u>230,384</u>	<u>3,474</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>110</u>	<u>11,897</u>	<u>43,015</u>	<u>-</u>	<u>3,597</u>	<u>-</u>
Cash and investments - ending	<u>\$ 496</u>	<u>\$ 1,955</u>	<u>\$ 53,773</u>	<u>\$ -</u>	<u>\$ 8,841</u>	<u>\$ 51</u>

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

	Health Maint Grant 8908	Bio-Terrorism Grant 8909	Community Corr Fiscal 8910	State Homeland Security 8911	IDEM Grant 8912	OPO- DUI K8-\$10000 8913
Cash and investments - beginning	\$ 50,842	\$ 43,863	\$ -	\$ 2,302	\$ 68	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	8,211	18,537	-	-	4,561
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	48,170	21,279	203,082	-	-	5,721
Total receipts	<u>48,170</u>	<u>29,490</u>	<u>221,619</u>	<u>-</u>	<u>-</u>	<u>10,282</u>
Disbursements:						
Personal services	24,734	-	151,416	-	-	483
Supplies	19,436	-	36,951	-	-	-
Other services and charges	748	41,766	11,345	-	-	7,465
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>44,918</u>	<u>41,766</u>	<u>199,712</u>	<u>-</u>	<u>-</u>	<u>7,948</u>
Excess (deficiency) of receipts over disbursements	<u>3,252</u>	<u>(12,276)</u>	<u>21,907</u>	<u>-</u>	<u>-</u>	<u>2,334</u>
Cash and investments - ending	<u>\$ 54,094</u>	<u>\$ 31,587</u>	<u>\$ 21,907</u>	<u>\$ 2,302</u>	<u>\$ 68</u>	<u>\$ 2,334</u>

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

	OPO-BCC - PT \$20000 8914	Sheriff Equitable Share 8915	ICJI Madd Dist PBT 8917	JAIB Jobs Grant 8919	11.557 Date Share Int 8920	HAVA (HELP AMERICA VOTE 8921
Cash and investments - beginning	\$ 5,224	\$ 63,621	\$ -	\$ 395	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	16,345	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	1,500	-	2,000	25,000
Total receipts	16,345	-	1,500	-	2,000	25,000
Disbursements:						
Personal services	5,479	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	11,285	10,745	-	-	667	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	25,000
Other disbursements	5,334	-	-	-	-	-
Total disbursements	22,098	10,745	-	-	667	25,000
Excess (deficiency) of receipts over disbursements	(5,753)	(10,745)	1,500	-	1,333	-
Cash and investments - ending	\$ (529)	\$ 52,876	\$ 1,500	\$ 395	\$ 1,333	\$ -

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

	HAVA-Section 8922	HAVA-Section 8923	Metro Drug Fed Grant OT 8924	Community Corrections Grnt Fed	Comm Corrections Project Inc	20.615 Digital Recorder/Logger
Cash and investments - beginning	\$ 47,596	\$ 10,179	\$ 7,377	\$ 21,061	\$ 313,514	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	20,422
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	111,219	426,003	-
Total receipts	-	-	-	111,219	426,003	20,422
Disbursements:						
Personal services	-	-	-	96,177	354,988	-
Supplies	-	-	-	2,498	61,904	-
Other services and charges	-	-	-	2,677	89,482	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	2,206	-
Other disbursements	25,445	332	-	30,928	230,937	-
Total disbursements	25,445	332	-	132,280	739,517	-
Excess (deficiency) of receipts over disbursements	(25,445)	(332)	-	(21,061)	(313,514)	20,422
Cash and investments - ending	\$ 22,151	\$ 9,847	\$ 7,377	\$ -	\$ -	\$ 20,422

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

	Federal Bullet Proof Vest	Redevelopment Capital	Redevelopment Debt Service Reserve	Redevelopment Bond Principal & Interest	Allocation Fund Redevelopment Bond	Totals
Cash and investments - beginning	\$ -	\$ 5,965,346	\$ 1,064,800	\$ 395,896	\$ 230,330	\$ 36,014,812
Receipts:						
Taxes	-	-	-	-	-	20,158,665
Licenses and permits	-	-	-	-	-	192,885
Intergovernmental	-	-	-	-	-	6,006,517
Charges for services	-	-	-	-	-	2,477,158
Fines and forfeits	-	-	-	-	-	959,252
Other receipts	2,704	7,223	8,000	144,593	612,636	137,732,042
Total receipts	2,704	7,223	8,000	144,593	612,636	167,526,519
Disbursements:						
Personal services	-	-	-	-	-	15,886,510
Supplies	-	-	-	-	-	1,606,509
Other services and charges	-	-	-	-	-	7,747,193
Debt service - principal and interest	-	-	-	443,688	-	3,386,930
Capital outlay	2,704	-	-	-	-	3,431,549
Other disbursements	-	580,709	-	-	136,844	128,695,963
Total disbursements	2,704	580,709	-	443,688	136,844	160,754,654
Excess (deficiency) of receipts over disbursements	-	(573,486)	8,000	(299,095)	475,792	6,771,865
Cash and investments - ending	\$ -	\$ 5,391,860	\$ 1,072,800	\$ 96,801	\$ 706,122	\$ 42,786,677

HANCOCK COUNTY
SCHEDULE OF LEASES AND DEBT
December 31, 2012

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	Construction of the Community Corrections Facility & Annex	\$ 640,000	\$ 652,000
General obligation bonds	County Courthouse Renovation and Other Activities	1,155,000	792,609
General obligation bonds	Emergency Operations Center and Other Usages	1,800,000	752,776
General obligation bonds	Capital Expenditures/Gallahue Judgment/Jail Locking System/Dispatch Consoles	1,055,000	118,394
Revenue bonds	Purchase of Enhanced 911 AT & T	985,000	116,469
Revenue bonds	Redevelopment District Bonds	<u>10,720,000</u>	<u>443,688</u>
Total governmental activities		<u>16,355,000</u>	<u>2,875,936</u>
Totals		<u>\$ 16,355,000</u>	<u>\$ 2,875,936</u>

HANCOCK 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.

	Ending Balance
Governmental activities:	
Land	\$ 802,600
Infrastructure	253,420,530
Buildings	9,813,500
Improvements other than buildings	38,800
Machinery, equipment, and vehicles	11,513,174
Books and other	121,958
Total governmental activities	275,710,562
Total capital assets	\$ 275,710,562

HANCOCK 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
County Sheriff

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

TO: THE OFFICIALS OF HANCOCK COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited Hancock County's (County) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012. The County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

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

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

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County 's internal control over compliance with the type of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



Bruce Hartman
State Examiner

July 16, 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.

HANCOCK 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>U.S. Department of Commerce</u>				
Broadband Technology Opportunities Program (BTOP) GIS Data Sharing Initiative	Indiana Office of Technology	11.557	D20-2-7942	\$ 667
<u>U.S. Department of Justice</u>				
JAG Program Cluster				
Edward Byrne Memorial Justice Assistance Grant Program	Indiana Criminal Justice Institute			
JAG Grant - Hancock County Drug Court		16.738	11-DJ-019	16,253
JAG Grant - Hancock County Drug Court			10-DJ-036	11,898
PACE Grant	Henry County		10-DJ-017	<u>75,528</u>
Total - JAG Program Cluster				<u>103,679</u>
Equitable Sharing Program Sheriff Equitable Share	Direct Grant	16.922		<u>10,745</u>
Drug Court Discretionary Grant Program Bureau of Justice Assistance Grant	Direct Grant	16.585	2010-DC-BX-0059	<u>52,564</u>
Total - U.S. Department of Justice				<u>166,988</u>
<u>U.S. Department of Transportation</u>				
Highway Planning and Construction Cluster				
Highway Planning and Construction	Indiana Department of Transportation			
Bridge Inspection		20.205	DES# 1005718	25,600
Fortville Pike/CR 300N Intersection Improvement			DES# 0710474	<u>41,060</u>
Total - Highway Planning and Construction Cluster				<u>66,660</u>
Highway Safety Cluster				
State and Community Highway Safety	Indiana Criminal Justice Institute			
Big City/Big County Enforcement		20.600	PT-12-11-04-04	16,344
2011 Operation Pullover Awards Banquet			K4-2012-09-03-11	<u>1,500</u>
Total - State and Community Highway Safety				<u>17,844</u>
Alcohol Impaired Driving Countermeasures Incentive Grants I DUI Task Force	Indiana Criminal Justice Institute	20.601	K8-2012-03-03-11	<u>10,282</u>
Total - Highway Safety Cluster				<u>28,126</u>
Formula Grants for Other Than Urbanized Areas Hancock County Senior Services	Indiana Department of Transportation	20.509	18029560	<u>172,569</u>
E-911 Grant Program Digital Recorder	Indiana Wireless E9-1-1 Board	20.615	NHTSA2008-0142	<u>20,422</u>
Total - U.S. Department of Transportation				<u>287,777</u>

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

HANCOCK COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2012
(Continued)

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>U.S. Election Assistance Commission</u>				
Help America Vote Act Requirements Payments HAVA Section 101	Indiana Secretary of State	90.401	2006	<u>332</u>
<u>U.S. Department of Health and Human Services</u>				
Medical Reserve Corps Small Grant Program Medical Reserve Corps	National Association of County and City Health Officials	93.008	5MRSCG101005-02	<u>396</u>
Public Health Emergency Preparedness Bio-Terrorism Bio-Terrorism	Indiana Department of Health	93.069	2U90TP517024-11 5U90TP517024-11	<u>20,750</u> <u>8,458</u>
Total - Public Health Emergency Preparedness				<u>29,208</u>
Child Support Enforcement Indirect Costs Prosecutor Reimbursements Clerk Reimbursements Title IV-D Clerk Incentive Title IV-D Prosecutor Incentive	Indiana Department of Child Services	93.563	1204IN4005 1204IN4005 1204IN4005 1104IN4004 1104IN4004	<u>86,736</u> <u>214,577</u> <u>67,070</u> <u>21,190</u> <u>78,558</u>
Total - Child Support Enforcement				<u>468,131</u>
Voting Access for Individuals with Disabilities - Grants to States HAVA Section 102 Help America Vote Act	Indiana Secretary of State	93.617	2004 2012	<u>25,445</u> <u>25,000</u>
Total - Voting Access for Individuals with Disabilities - Grants to States				<u>50,445</u>
National Bioterrorism Hospital Preparedness Program MRC-Medical Reserve Corp Grant	Indiana Department of Health	93.889	5U3REP090262-03-00	<u>2,070</u>
Total - U.S. Department of Health and Human Services				<u>550,250</u>
<u>U.S. Department of Homeland Security</u>				
Emergency Management Performance Grants Emergency Management Performance Grant	Indiana Department of Homeland Security	97.042	C44P-2-337A	<u>12,769</u>
Total federal awards expended				<u>\$ 1,018,783</u>

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

HANCOCK COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Hancock County (County) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial 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>172,569</u>

HANCOCK 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?	no
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
20.509	Formula Grants for Other than Urbanized Areas
93.563	Child Support Enforcement

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

FINDING 2012-1 - INTERNAL CONTROLS OVER PREPARATION OF THE FINANCIAL STATEMENTS

The County did not have a proper system of internal control in place to prevent or detect and correct errors on the 2012 financial statement as generated by the Gateway Annual Report. The County should have proper controls in place over the preparation of the Annual Report to ensure accurate reporting of financial activity and supplementary information. Without a proper system of internal control in place that operates effectively, material misstatements of the financial activity and supplementary information included with the Annual Report could remain undetected.

HANCOCK COUNTY
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 (Continued)

During the audit of the financial statement, we noted the following omissions and one error:

- The receipts and ending balance for the after settlement collections were understated in the CAR-1 Treasurer After Settlement Fund. The Treasurer's office collections between the settlement cut-off date of December 3, 2012, and year end were not included in the Gateway Annual Report. These monies totaled \$760,684.
- The Redevelopment Commission Financial Activity was not included in the Gateway Annual Report. The financial records of the Redevelopment Commission are maintained by the Redevelopment Commission. The Redevelopment Commission is considered a department of the County and as such the financial activity should be included in the Gateway Annual Report. The prescribed form CAR-1 Supplemental report is used to assist the County Auditor in reporting the financial activity for departments that are not on the County Auditor's ledger. The CAR-1 Supplemental Report for the Redevelopment Commission was not submitted to the County Auditor and the financial activity for the Redevelopment Commission was not reported. There were four separate Redevelopment Commission Funds with total activity as follows:

Fund	Beginning Balance	Receipts	Disbursements	Ending Balance
Redevelopment Capital	\$5,965,346	\$ 7,223	\$ 580,709	\$5,391,860
Redevelopment Debt Service Reserve	1,064,800	8,000	-	1,072,800
Redevelopment Bond Principal	395,896	144,593	443,688	96,801
Allocation Fund - Redevelopment	230,330	612,636	136,844	706,122

- The Sheriff Department's Operating Fund was originally included in the Gateway Annual Report. This activity is no longer being reported separately in the Gateway Annual Report because these monies are remitted monthly to the County Auditor and recorded on the County Auditors Ledger. The Gateway Annual Report included, in error, the Sheriff Department's Operating Funds consisting of \$7,675 beginning balance, \$5,421,610 in receipts, \$5,394,198 in disbursements and a \$35,087 ending balance.
- The Redevelopment District Bonds of 2009 were not included in the Schedule of Leases and Debt in the Gateway Annual Report. The December 31, 2012 Principal Balance was \$10,720,000 and the Principal and Interest due the following year was \$443,688.
- The Schedule of Accounts Payable and Accounts Receivable in the Gateway Annual Report was not completed.

With the exception of the Schedule of Accounts Payable and Accounts Receivable, the omissions occurred within funds and records maintained and managed at the departmental level and not included as part of the County Auditor's records.

Audit adjustments were recommended and accepted by the Officials. The Financial Statement presented in this report reflects these adjustments and resulted in a presentation of the Financial Statement that is materially correct.

HANCOCK COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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)

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under IC 5-14-3.8-7."

FINDING 2012-2 - INTERNAL CONTROLS OVER PREPARATION OF THE SCHEDULE OF FEDERAL EXPENDITURES (SEFA)

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

During the audit of the SEFA, we noted the following errors:

- Three grants were omitted from the SEFA.
- Two grants were incorrectly combined with the preceding or succeeding grant and not shown individually as separate grants on the SEFA.
- Twenty grants were listed with either incorrect program names or incorrect Catalog of Federal Domestic Assistance (CFDA) numbers.
- Seven grants included the Beginning fund balance as part of the receipt amount.
- Four reimbursement grants were incorrectly listed on the SEFA as advance grants.
- Three advance grants were incorrectly listed on the SEFA as reimbursement grants.
- Adjustments were made to the amounts reported on the SEFA for seven other grants. The adjustments to the amounts reported were made for various reasons such as errors or omission.
- Eleven grants were reported on the SEFA either without identifying numbers or with incorrect identifying numbers.

HANCOCK COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Audit adjustments were recommended and accepted by the County Officials, 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 statements.

The SEFA is prepared by a specific County employee whose direct involvement with the grants is limited to recording the financial activity for the grants. The employee who prepares the SEFA is not assigned to administer any of the grants. The nonfinancial elements included within the SEFA are primarily prepared from information forwarded by the employees responsible for administering their respective grants. Review of the records indicates the information provided by these employees was not always accurate and complete.

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 I the Department of Health and Human Services.
- (2) For Federal awards received as a sub-recipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide the 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 sub-recipients from each Federal program.

HANCOCK COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- (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."

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

HANCOCK COUNTY HIGHWAY DEPARTMENT

Summary Schedule of Prior Audit Findings

March 12, 2013

Finding 2011-01, Cash Management

Federal Agency: Department of Transportation

Federal Program: Highway Planning & Construction

CFDA Number: 20.205

Federal Award Identifying Numbers: Des0200824, Des1005718, Des0901240, Des0901241,
Des0300775, Des0901502, Des0901503

Pass-through Entity: Indiana Department of Transportation

Contact Person: Joseph D. Copeland, P.E.

Title of Contact Person: Hancock County Engineer/Superintendent

Contact Number: 317-477-1130

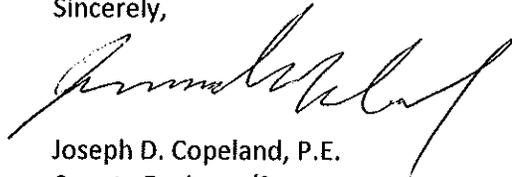
Finding

The reimbursement requests from the County were sent to the State prior to disbursements being made to the vendor.

Process for reimbursement revised

The Hancock County Highway has revised the process for submitting claims for reimbursement by not submitting the claim to INDOT until the check is sent to the vendor. This began on July 30, 2012. INDOT is now requiring that all claim vouchers submitted have a copy of the cancelled check to the vendor as proof of payment. This new process was implemented on March 8, 2013.

Sincerely,



Joseph D. Copeland, P.E.
County Engineer/Supt.

HANCOCK COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 16, 2013, with Robin Lowder, Auditor; Derek Towle, President of the Board of County Commissioners; William Bolander, President of the County Council; and Ray Richardson, County Attorney.