

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

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



FILED
09/11/2013

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report	3-5
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	6-7
Financial Statement:	
Statement of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis	10-12
Notes to Financial Statement	13-16
Supplementary Information - Unaudited:	
Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis	18-42
Schedule of Payables and Receivables	43
Schedule of Leases and Debt	44
Schedule of Capital Assets	45
Other Reports	46
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance	48-49
Schedule of Expenditures of Federal Awards	52
Note to Schedule of Expenditures of Federal Awards	53
Schedule of Findings and Questioned Costs	54-58
Auditee Prepared Schedule:	
Corrective Action Plan	59-63
Exit Conference	64

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Brenda S. Howard	01-01-11 to 12-31-14
Treasurer	Beth E. Swalls	01-01-09 to 12-31-16
Clerk	Peggy Goodman	01-01-11 to 12-31-14
Sheriff	Bryan L. Kinnett	01-01-11 to 12-31-14
Recorder	Shelly Hiatt Paris	01-01-11 to 12-31-14
President of the Board of County Commissioners	Tim Abrams Ray McCammon	01-01-12 to 12-31-12 01-01-13 to 12-31-13
President of the County Council	Duane Wampler	01-12-12 to 12-31-13



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF SULLIVAN COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of Sullivan 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 August 13, 2013, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Accompanying Information

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the County's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

Other Information

Included in the financial statement are the receipts and disbursements activity from emergency telephone system fees (IC 36-8-16), enhanced wireless emergency telephone fees (IC 36-8-16.5), and statewide 911 services fees (IC 36-8-16.7). In accordance with Indiana Code 36-8-16-14, Indiana Code 36-8-16.5-41, and Indiana Code 36-8-16.7-38, these fees have been subject to an annual audit performed by the Indiana State Board of Accounts and, in our opinion, are fairly stated, in all material respects, in relation to the financial statement taken as a whole.



Bruce Hartman
State Examiner

August 13, 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 SULLIVAN 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 Sullivan 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 August 13, 2013, wherein we noted the County followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2012-1 to be material weaknesses.

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

Compliance and Other Matters

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

Sullivan 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

August 13, 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.

SULLIVAN 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
After Settlement Collections	\$ 339,258	\$ 18,914,379	\$ 18,807,552	\$ 446,085
Sheriff Inmate	30,402	115,445	134,735	11,112
Jail Commissary Fund	12,910	121,530	125,867	8,573
Clerk Trust	366,921	1,426,301	1,584,101	209,121
General	1,989,776	6,184,501	6,244,999	1,929,278
Accident Report	9,603	930	-	10,533
Aviation	71,232	146,862	128,500	89,594
Superior Court Bail Bond	72,700	7,460	-	80,160
Aviation Construction	57,595	153,897	205,146	6,346
County Cedit	354,025	628,379	490,941	491,463
Cedit Distribution	-	1,108,202	1,107,619	583
City & Town Court Costs	9,312	8,786	13,039	5,059
Clerk Record Perpetuation	13,506	8,168	5,988	15,686
Congressional School Interest	10,764	-	939	9,825
Congressional School Principal	15,869	-	-	15,869
Tourism	39,742	48,399	23,693	64,448
Sales Disclosure	320	2,190	2,015	495
Cumulative Bridge	385,639	503,207	457,785	431,061
Corp. Cum'l. Capital Developm	1	11,218	10,500	719
Drug Free Community	23,204	22,431	18,723	26,912
Ambulance	156,978	961,712	1,034,061	84,629
LEPC/Emerg. Plan./Right to Kno	18,606	3,842	5,750	16,698
Firearm's Training	37,359	8,930	24,806	21,483
Health	38,267	114,184	111,267	41,184
County ID Protection Fund	47,356	1,891	-	49,247
Landfill Closure Trust	402,822	310,295	298,523	414,594
Local Health Maintenance	69,498	32,672	31,253	70,917
Local Road & Street	22,684	218,857	179,054	62,487
County Misdemeanant	22,402	17,648	7,451	32,599
Highway	863,256	3,786,816	2,774,161	1,875,911
Park Non Reverting Operating	93,094	118,663	36,522	175,235
Rainy Day Fund	959,709	174,353	309,250	824,812
2015 Reassessment	111,864	197,507	226,529	82,842
Recorder Perpetuation	119,655	40,851	65,259	95,247
Sex & Violent Offender Fund	7,925	6,575	4,571	9,929
Sheriff's Pension Trust	977,610	363,599	223,013	1,118,196
Supplemental Public Defender	42,476	30,681	1,698	71,459
Surplus Tax	62,238	26,681	34,680	54,239
Surveyor Perpetuation	29,278	5,195	19,991	14,482
Tax Sale Redemption	2,993	73,244	70,772	5,465
2011 Tax Sale Surplus	25,019	9,187	34,206	-
IN Local Health Dept Trust Fun	17,347	75,032	-	92,379
Vehicle Inspection	8,256	-	-	8,256
911 Wireless	215,171	40,003	280,172	(24,998)
CASA Court App Sp Advocate	1	-	-	1
Park & Recreation	481,428	1,081,452	1,177,282	385,598
SC Statewide 911	-	422,090	94,836	327,254
Adult Probation Services	75,459	27,271	23,634	79,096
Probation Administration Fee	18,887	18,168	-	37,055
Shelburn Nuisance Liens & Fees	-	120	120	-
E W House	-	2,368	2,368	-
Aviation Donation	974	1,325	1,587	712
Allocation Fund	51,637	34,924	17,925	68,636
Payroll	13,093	1,284,297	1,235,799	61,591
Health Benefits	2,921,233	1,770,101	1,861,367	2,829,967
Police Pension Trust Fund	12,285	13,332	20,685	4,932
Wheel Tax	-	81,515	81,515	-
Surtax	3	287,591	287,594	-
Commercial Vehicle Excise CVET	58,648	117,655	176,303	-
State's Share of Del Tax/Pen	5	82	82	5

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

SULLIVAN 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
Shelburn Sewer Liens	15	1,455	1,365	105
Financial Institution	48,251	97,627	145,878	-
HEA 1001 STATE HSC 2008 DISTR	-	-	1	(1)
Homestead Credit Rebate	53	-	-	53
State Fines & Forfeitures	7,735	9,293	16,065	963
Infraction Judgements	4,024	33,329	34,025	3,328
Overweight Vehicle Fines	-	164	149	15
Special Death Benefits	220	200	420	-
Coroner Perpetuation	147	1,752	1,729	170
Mortgage Fee/State	340	1,825	1,675	490
Operation Pull Over	22	5,363	5,248	137
Child Restraint Violation	25	275	250	50
Inheritance Tax	226,521	673,543	817,494	82,570
Education Plate	619	526	806	339
Riverboat Revenue Sharing	-	127,216	127,216	-
93.563 ARRA County IV-D Incent	-	21,411	21,411	-
93.563 ARRA Prosecutor IV-D In	793	-	-	793
93.563 ARRA Clerk IV-D Incent	2,090	-	-	2,090
93.563 County IV-D Incentive	-	23,234	-	23,234
93.563 Prosecu IV-D Prior10/99	9,842	-	-	9,842
93.563 Prosec. IV-D POST 10/99	83,156	22,639	15,152	90,643
93.563 Clerk IV-D POST 10/99	11,275	25,651	9,345	27,581
Prosecutor	5,489	-	-	5,489
Sheriff Inmate Trust Fund	12,766	540,907	540,196	13,477
Recorder	-	104,000	104,000	-
Sheriff's Coke Fund	388	63	-	451
4-H Extension	500	5,175	5,025	650
Aviation	10,181	168,536	169,758	8,959
Clerk Support	3,262	485,470	485,713	3,019
Supplemental Adult Probation	-	58,466	58,466	-
Highway 54	926,273	-	-	926,273
Veteran Van Donation	354	-	-	354
Ambulance Donation Fund	3,308	-	-	3,308
Cemetery Commiss. Donation Fund	-	50	-	50
Drug Interdiction Fund	5,771	2,273	-	8,044
Juvenile Probation Service	11,433	4,228	6,479	9,182
Hymera Sewer Liens & Fees	62	1,478	1,478	62
Sullivan Nuisance Liens & Fees	363	13,910	13,712	561
Law Enforcement Continue Ed	2,739	-	515	2,224
Gill Township Levee	-	219,784	219,784	-
Island Levee	-	52,154	52,154	-
J W Adams	-	82	82	-
Niblack Levee Repair	-	9,918	9,918	-
Niblack Maintenance	-	4,079	4,079	-
Utilities Fee - Mines	-	147,506	-	147,506
Probation	3,837	-	-	3,837
School Transprtation	-	2,705,286	2,705,286	-
School Bus Replacement	-	150,316	150,316	-
Corporation General	-	1,413,128	1,413,128	-
Corporation Park	-	24,485	24,485	-
Township General	-	238,056	238,056	-
Township Fire Fighting	-	214,707	214,707	-
Township Cumulative Fire	-	135,610	135,610	-
Township Recreation	-	16,295	16,295	-
Thunderbird Fire Territory	-	148,736	148,736	-
Library	-	1,104,746	1,104,747	(1)
Busseron Conservancy	-	28,449	28,449	-
School Pension Debt	-	707,515	707,515	-

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

SULLIVAN 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
Fire Territory Equip Replace	-	15,855	15,855	-
Corp. Cum'l. Fire Build/Fire	-	1,489	1,489	-
SWEATA Excise Tax Allocation	-	94,967	94,967	-
Township Assistance	-	149,864	149,865	(1)
E911	85,755	78,336	139,093	24,998
Motor Vehicle Hwy	-	50,662	50,663	(1)
Shelburn Storm Water Liens	-	5,475	5,098	377
Sullivan Sewer Liens & Fees	-	1,615	1,615	-
School Excise Tax Allocation	-	491,703	491,703	-
Clerk - D109I189	-	121,795	-	121,795
Regional Service Council	-	7,000	570	6,430
School Capital Project	-	2,680,430	2,680,431	(1)
Clerk Regular Incentive	16,668	-	16,668	-
County Gen. Regular Incentive	16,668	-	16,668	-
School Debt	-	2,915,630	2,915,630	-
User Fee	63,844	2,741	1,252	65,333
Pre-Trial	4,824	10,675	15,500	(1)
Jury Fees	22,222	3,538	4,351	21,409
Road Closure	27,000	-	-	27,000
Utility Easement Fee	10	81,393	79,313	2,090
Common School	3,008	-	-	3,008
Tobacco Settlement	58,143	-	58,143	-
Infraction Deferral	1,332	57,242	51,777	6,797
2008 Tax Sale Surplus	-	1,592	1,592	-
2009 Tax Sale Surplus	22,389	-	22,389	-
2010 Tax Sale Surplus	29,966	-	5,000	24,966
2012 Tax Sale Surplus	-	130,578	7,255	123,323
U.S. Specialty Ins. Co. Fund	1,798	-	-	1,798
48 Road Utility Agreement	125,900	-	-	125,900
Redevelopment Commission	9,485	2,500	7,788	4,197
Law Enforcement Fund	61,066	51,000	6,466	105,600
Victim Advocacy	(6,431)	22,823	22,823	(6,431)
Transportation	4,380	-	-	4,380
ADR	-	7,355	3,120	4,235
Elected Official Training DOT	876	1,891	330	2,437
Circuit Court Bail Bond	7,272	3,402	400	10,274
Sale of County Owned Property	25,162	-	-	25,162
Grant Com Emer Man Planning	1,016	-	-	1,016
Com Emer Response Team Sub	2,531	-	-	2,531
Election Non Reverting Sec 102	1,194	-	-	1,194
Grant Health Bio Terrorism	5,098	-	5,098	-
Grant Homeland Security	4,000	5,897	3,397	6,500
Grant Energy Area 2 (Round 1)	3,315	-	-	3,315
Aviation Rotary	34,179	125,404	123,514	36,069
Grant H1-N1	(30,330)	37,349	-	7,019
Drug Interdiction Fund	300	-	-	300
Grant Methamphetamine Mini	1,496	-	-	1,496
Grant Pandemic Assessment	1,889	-	-	1,889
Grant BioTerrorism Prepare/Resp	8,326	16,098	11,000	13,424
Sullivan Co Community Foundati	365	-	-	365
Grant Indiana Youth Aviaiton	1,500	-	-	1,500
Community Corrections - Grant	37,537	146,022	165,244	18,315
Comm. Corr. Project Income	5,640	18,781	22,110	2,311
Comm. Corr. - CTP	-	9,745	195	9,550
Grant Court Reform - Sulli Co	16,190	-	16,190	-
Grant - Ambulance Generator	5,875	-	5,875	-
Totals	\$ 13,851,607	\$ 58,274,752	\$ 57,093,583	\$ 15,032,776

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

SULLIVAN 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: dog tax licenses, 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,

SULLIVAN COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

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

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

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

E. Disbursements

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

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

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

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

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.

SULLIVAN 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.

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.

SULLIVAN COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

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. County Police Retirement Plan

Plan Description

The County Police Retirement Plan is a single-employer defined benefit pension plan. With the approval of the County's fiscal body, the plan is administered by the sheriff's department and an appointed trustee as authorized by state statute (IC 36-8-10-12) for full-time police officers. The plan provides retirement, death, and disability benefits to plan members and beneficiaries. Funds designated for payments related to this plan are accounted for in a pension trust fund. The activity of this trust fund has not been reflected in the financial statement. The trustee issues a publicly available financial report that includes financial statements and required supplementary information of the plan. The report may be obtained by contacting the county sheriff.

Funding Policy

The contribution requirements of plan members for the County Police Retirement Plan are established by state statute.

B. County Police Benefit Plan

Plan Description

The County Police Benefit Plan is a single-employer defined benefit pension plan. With the approval of the County's fiscal body, the plan is administered by the sheriff's department and an appointed trustee as authorized by state statute (IC 36-8-10-12) for full-time police officers. The plan provides dependent pensions, life insurance, and disability benefits to plan members and beneficiaries. 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. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of grant fund reimbursements not received by the County by December 31, 2012.

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.

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

	After Settlement Collections	Sheriff Inmate	Jail Commissary Fund	Clerk Trust	General	Accident Report	Aviation
Cash and investments - beginning	\$ 339,258	\$ 30,402	\$ 12,910	\$ 366,921	\$ 1,989,776	\$ 9,603	\$ 71,232
Receipts:							
Taxes	-	-	-	-	5,128,811	-	91,960
Licenses and permits	-	-	-	-	413	-	-
Intergovernmental	-	-	-	-	437,321	-	7,891
Charges for services	-	-	-	-	209,693	625	43,029
Fines and forfeits	-	-	-	-	60,250	305	-
Other receipts	18,914,379	115,445	121,530	1,426,301	348,013	-	3,982
Total receipts	<u>18,914,379</u>	<u>115,445</u>	<u>121,530</u>	<u>1,426,301</u>	<u>6,184,501</u>	<u>930</u>	<u>146,862</u>
Disbursements:							
Personal services	-	-	-	-	4,289,940	-	40,848
Supplies	-	-	-	-	449,525	-	5,385
Other services and charges	-	-	-	-	1,190,508	-	62,264
Capital outlay	-	-	-	-	109,812	-	20,003
Other disbursements	18,807,552	134,735	125,867	1,584,101	205,214	-	-
Total disbursements	<u>18,807,552</u>	<u>134,735</u>	<u>125,867</u>	<u>1,584,101</u>	<u>6,244,999</u>	<u>-</u>	<u>128,500</u>
Excess (deficiency) of receipts over disbursements	<u>106,827</u>	<u>(19,290)</u>	<u>(4,337)</u>	<u>(157,800)</u>	<u>(60,498)</u>	<u>930</u>	<u>18,362</u>
Cash and investments - ending	<u>\$ 446,085</u>	<u>\$ 11,112</u>	<u>\$ 8,573</u>	<u>\$ 209,121</u>	<u>\$ 1,929,278</u>	<u>\$ 10,533</u>	<u>\$ 89,594</u>

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

	Superior Court Bail Bond	Aviation Construction	County Cedit	Cedit Distribution	City & Town Court Costs	Clerk Record Perpetuation	Congressional School Interest
Cash and investments - beginning	\$ 72,700	\$ 57,595	\$ 354,025	\$ -	\$ 9,312	\$ 13,506	\$ 10,764
Receipts:							
Taxes	-	-	628,379	1,108,202	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	7,460	-	-	-	7,336	8,168	-
Other receipts	-	153,897	-	-	1,450	-	-
Total receipts	<u>7,460</u>	<u>153,897</u>	<u>628,379</u>	<u>1,108,202</u>	<u>8,786</u>	<u>8,168</u>	<u>-</u>
Disbursements:							
Personal services	-	-	17,486	-	-	-	-
Supplies	-	-	378,516	-	-	-	-
Other services and charges	-	-	42,027	-	-	5,988	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	205,146	52,912	1,107,619	13,039	-	939
Total disbursements	<u>-</u>	<u>205,146</u>	<u>490,941</u>	<u>1,107,619</u>	<u>13,039</u>	<u>5,988</u>	<u>939</u>
Excess (deficiency) of receipts over disbursements	<u>7,460</u>	<u>(51,249)</u>	<u>137,438</u>	<u>583</u>	<u>(4,253)</u>	<u>2,180</u>	<u>(939)</u>
Cash and investments - ending	<u>\$ 80,160</u>	<u>\$ 6,346</u>	<u>\$ 491,463</u>	<u>\$ 583</u>	<u>\$ 5,059</u>	<u>\$ 15,686</u>	<u>\$ 9,825</u>

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

	Congressional School Principal	Tourism	Sales Disclosure	Cumulative Bridge	Corp. Cum'l. Capital Developm	Drug Free Community	Ambulance
Cash and investments - beginning	\$ 15,869	\$ 39,742	\$ 320	\$ 385,639	\$ 1	\$ 23,204	\$ 156,978
Receipts:							
Taxes	-	48,399	-	323,699	9,603	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	27,927	1,615	-	-
Charges for services	-	-	-	115,129	-	-	72,419
Fines and forfeits	-	-	2,190	-	-	16,493	672,715
Other receipts	-	-	-	36,452	-	5,938	216,578
Total receipts	-	48,399	2,190	503,207	11,218	22,431	961,712
Disbursements:							
Personal services	-	3,836	-	89,315	-	-	573,027
Supplies	-	-	-	199,590	-	-	118,793
Other services and charges	-	19,857	-	-	-	-	66,789
Capital outlay	-	-	-	166,738	-	-	183,480
Other disbursements	-	-	2,015	2,142	10,500	18,723	91,972
Total disbursements	-	23,693	2,015	457,785	10,500	18,723	1,034,061
Excess (deficiency) of receipts over disbursements	-	24,706	175	45,422	718	3,708	(72,349)
Cash and investments - ending	\$ 15,869	\$ 64,448	\$ 495	\$ 431,061	\$ 719	\$ 26,912	\$ 84,629

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

	LEPC/Emerg. Plan./Right to Kno	Firearm's Training	Health	County ID Protection Fund	Landfill Closure Trust	Local Health Maintenance	Local Road & Street
Cash and investments - beginning	\$ 18,606	\$ 37,359	\$ 38,267	\$ 47,356	\$ 402,822	\$ 69,498	\$ 22,684
Receipts:							
Taxes	-	-	92,880	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	8,025	-	-	-	213,150
Charges for services	3,842	-	12,919	-	-	32,672	-
Fines and forfeits	-	8,930	-	1,891	-	-	-
Other receipts	-	-	360	-	310,295	-	5,707
Total receipts	<u>3,842</u>	<u>8,930</u>	<u>114,184</u>	<u>1,891</u>	<u>310,295</u>	<u>32,672</u>	<u>218,857</u>
Disbursements:							
Personal services	-	-	87,494	-	-	21,253	-
Supplies	-	-	14,452	-	-	-	179,054
Other services and charges	-	-	9,321	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	5,750	24,806	-	-	298,523	10,000	-
Total disbursements	<u>5,750</u>	<u>24,806</u>	<u>111,267</u>	<u>-</u>	<u>298,523</u>	<u>31,253</u>	<u>179,054</u>
Excess (deficiency) of receipts over disbursements	<u>(1,908)</u>	<u>(15,876)</u>	<u>2,917</u>	<u>1,891</u>	<u>11,772</u>	<u>1,419</u>	<u>39,803</u>
Cash and investments - ending	<u>\$ 16,698</u>	<u>\$ 21,483</u>	<u>\$ 41,184</u>	<u>\$ 49,247</u>	<u>\$ 414,594</u>	<u>\$ 70,917</u>	<u>\$ 62,487</u>

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

	County Misdemeanant	Highway	Park Non Reverting Operating	Rainy Day Fund	2015 Reassessment	Recorder Perpetuation	Sex & Violent Offender Fund
Cash and investments - beginning	\$ 22,402	\$ 863,256	\$ 93,094	\$ 959,709	\$ 111,864	\$ 119,655	\$ 7,925
Receipts:							
Taxes	-	283,721	-	16	182,081	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	3,268,073	-	-	15,426	-	-
Charges for services	13,898	-	158	-	-	-	-
Fines and forfeits	-	-	68,123	4	-	40,818	6,575
Other receipts	3,750	235,022	50,382	174,333	-	33	-
Total receipts	<u>17,648</u>	<u>3,786,816</u>	<u>118,663</u>	<u>174,353</u>	<u>197,507</u>	<u>40,851</u>	<u>6,575</u>
Disbursements:							
Personal services	-	1,301,354	-	-	3,385	-	-
Supplies	-	991,671	36,522	-	260	-	-
Other services and charges	-	465,619	-	209,250	222,884	-	-
Capital outlay	7,451	15,517	-	-	-	-	-
Other disbursements	-	-	-	100,000	-	65,259	4,571
Total disbursements	<u>7,451</u>	<u>2,774,161</u>	<u>36,522</u>	<u>309,250</u>	<u>226,529</u>	<u>65,259</u>	<u>4,571</u>
Excess (deficiency) of receipts over disbursements	<u>10,197</u>	<u>1,012,655</u>	<u>82,141</u>	<u>(134,897)</u>	<u>(29,022)</u>	<u>(24,408)</u>	<u>2,004</u>
Cash and investments - ending	<u>\$ 32,599</u>	<u>\$ 1,875,911</u>	<u>\$ 175,235</u>	<u>\$ 824,812</u>	<u>\$ 82,842</u>	<u>\$ 95,247</u>	<u>\$ 9,929</u>

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

	Sheriff's Pension Trust	Supplemental Public Defender	Surplus Tax	Surveyor Perpetuation	Tax Sale Redemption	2011 Tax Sale Surplus	IN Local Health Dept Trust Fun
Cash and investments - beginning	\$ 977,610	\$ 42,476	\$ 62,238	\$ 29,278	\$ 2,993	\$ 25,019	\$ 17,347
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	16,889
Fines and forfeits	-	-	26,466	5,195	-	-	-
Other receipts	363,599	30,681	215	-	73,244	9,187	58,143
Total receipts	<u>363,599</u>	<u>30,681</u>	<u>26,681</u>	<u>5,195</u>	<u>73,244</u>	<u>9,187</u>	<u>75,032</u>
Disbursements:							
Personal services	-	1,198	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	19,991	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	223,013	500	34,680	-	70,772	34,206	-
Total disbursements	<u>223,013</u>	<u>1,698</u>	<u>34,680</u>	<u>19,991</u>	<u>70,772</u>	<u>34,206</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>140,586</u>	<u>28,983</u>	<u>(7,999)</u>	<u>(14,796)</u>	<u>2,472</u>	<u>(25,019)</u>	<u>75,032</u>
Cash and investments - ending	<u>\$ 1,118,196</u>	<u>\$ 71,459</u>	<u>\$ 54,239</u>	<u>\$ 14,482</u>	<u>\$ 5,465</u>	<u>\$ -</u>	<u>\$ 92,379</u>

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

	Vehicle Inspection	911 Wireless	CASA Court App Sp Advocate	Park & Recreation	SC Statewide 911	Adult Probation Services	Probation Administration Fee
Cash and investments - beginning	\$ 8,256	\$ 215,171	\$ 1	\$ 481,428	\$ -	\$ 75,459	\$ 18,887
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	40,003	-	961,063	365,631	-	-
Fines and forfeits	-	-	-	-	56,413	27,271	18,168
Other receipts	-	-	-	120,389	46	-	-
Total receipts	-	40,003	-	1,081,452	422,090	27,271	18,168
Disbursements:							
Personal services	-	42,091	-	510,400	68,202	-	-
Supplies	-	-	-	64,163	254	11,922	-
Other services and charges	-	434	-	532,115	23,608	5,712	-
Capital outlay	-	-	-	55,545	2,772	6,000	-
Other disbursements	-	237,647	-	15,059	-	-	-
Total disbursements	-	280,172	-	1,177,282	94,836	23,634	-
Excess (deficiency) of receipts over disbursements	-	(240,169)	-	(95,830)	327,254	3,637	18,168
Cash and investments - ending	\$ 8,256	\$ (24,998)	\$ 1	\$ 385,598	\$ 327,254	\$ 79,096	\$ 37,055

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

	Shelburn Nuisance Liens & Fees	E W House	Aviation Donation	Allocation Fund	Payroll	Health Benefits	Police Pension Trust Fund
Cash and investments - beginning	\$ -	\$ -	\$ 974	\$ 51,637	\$ 13,093	\$ 2,921,233	\$ 12,285
Receipts:							
Taxes	-	2,368	-	34,924	17,456	-	-
Licenses and permits	120	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	13,332
Other receipts	-	-	1,325	-	1,266,841	1,770,101	-
Total receipts	<u>120</u>	<u>2,368</u>	<u>1,325</u>	<u>34,924</u>	<u>1,284,297</u>	<u>1,770,101</u>	<u>13,332</u>
Disbursements:							
Personal services	-	-	-	-	659,579	22,290	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	6,733	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	120	2,368	1,587	17,925	569,487	1,839,077	20,685
Total disbursements	<u>120</u>	<u>2,368</u>	<u>1,587</u>	<u>17,925</u>	<u>1,235,799</u>	<u>1,861,367</u>	<u>20,685</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>(262)</u>	<u>16,999</u>	<u>48,498</u>	<u>(91,266)</u>	<u>(7,353)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 712</u>	<u>\$ 68,636</u>	<u>\$ 61,591</u>	<u>\$ 2,829,967</u>	<u>\$ 4,932</u>

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

	Wheel Tax	Surtax	Commercial Vehicle Excise CVET	State's Share of Del Tax/Pen	Shelburn Sewer Liens	Financial Institution	HEA 1001 STATE HSC 2008 DISTR
Cash and investments - beginning	\$ -	\$ 3	\$ 58,648	\$ 5	\$ 15	\$ 48,251	\$ -
Receipts:							
Taxes	81,515	287,591	-	82	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	117,655	-	-	97,627	-
Fines and forfeits	-	-	-	-	1,365	-	-
Other receipts	-	-	-	-	90	-	-
Total receipts	<u>81,515</u>	<u>287,591</u>	<u>117,655</u>	<u>82</u>	<u>1,455</u>	<u>97,627</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	81,515	287,594	176,303	82	1,365	145,878	1
Total disbursements	<u>81,515</u>	<u>287,594</u>	<u>176,303</u>	<u>82</u>	<u>1,365</u>	<u>145,878</u>	<u>1</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(3)</u>	<u>(58,648)</u>	<u>-</u>	<u>90</u>	<u>(48,251)</u>	<u>(1)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 105</u>	<u>\$ -</u>	<u>\$ (1)</u>

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

	Homestead Credit Rebate	State Fines & Forfeitures	Infraction Judgements	Overweight Vehicle Fines	Special Death Benefits	Coroner Perpetuation	Mortgage Fee/State
Cash and investments - beginning	\$ 53	\$ 7,735	\$ 4,024	\$ -	\$ 220	\$ 147	\$ 340
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	9,293	33,329	164	200	1,752	1,825
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>9,293</u>	<u>33,329</u>	<u>164</u>	<u>200</u>	<u>1,752</u>	<u>1,825</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	16,065	34,025	149	420	1,729	1,675
Total disbursements	<u>-</u>	<u>16,065</u>	<u>34,025</u>	<u>149</u>	<u>420</u>	<u>1,729</u>	<u>1,675</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(6,772)</u>	<u>(696)</u>	<u>15</u>	<u>(220)</u>	<u>23</u>	<u>150</u>
Cash and investments - ending	<u>\$ 53</u>	<u>\$ 963</u>	<u>\$ 3,328</u>	<u>\$ 15</u>	<u>\$ -</u>	<u>\$ 170</u>	<u>\$ 490</u>

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

	Operation Pull Over	Child Restraint Violation	Inheritance Tax	Education Plate	Riverboat Revenue Sharing	93.563 ARRA County IV-D Incent	93.563 ARRA Prosecutor IV-D In
Cash and investments - beginning	\$ 22	\$ 25	\$ 226,521	\$ 619	\$ -	\$ -	\$ 793
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	5,363	-	-	338	127,216	-	-
Fines and forfeits	-	275	-	-	-	-	-
Other receipts	-	-	673,543	188	-	21,411	-
Total receipts	<u>5,363</u>	<u>275</u>	<u>673,543</u>	<u>526</u>	<u>127,216</u>	<u>21,411</u>	<u>-</u>
Disbursements:							
Personal services	5,248	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	250	817,494	806	127,216	21,411	-
Total disbursements	<u>5,248</u>	<u>250</u>	<u>817,494</u>	<u>806</u>	<u>127,216</u>	<u>21,411</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>115</u>	<u>25</u>	<u>(143,951)</u>	<u>(280)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 137</u>	<u>\$ 50</u>	<u>\$ 82,570</u>	<u>\$ 339</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 793</u>

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

	93.563 ARRA Clerk IV-D Incenti	93.563 County IV-D Incentive	93.563 Prosecu IV-D Prior10/99	93.563 Prosec. IV-D POST 10/99	93.563 Clerk IV-D POST 10/99	Prosecutor	Sheriff Inmate Trust Fund
Cash and investments - beginning	\$ 2,090	\$ -	\$ 9,842	\$ 83,156	\$ 11,275	\$ 5,489	\$ 12,766
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	23,234	-	22,639	25,651	-	540,907
Total receipts	-	23,234	-	22,639	25,651	-	540,907
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	15,152	9,345	-	540,196
Total disbursements	-	-	-	15,152	9,345	-	540,196
Excess (deficiency) of receipts over disbursements	-	23,234	-	7,487	16,306	-	711
Cash and investments - ending	\$ 2,090	\$ 23,234	\$ 9,842	\$ 90,643	\$ 27,581	\$ 5,489	\$ 13,477

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

	Recorder	Sheriff's Coke Fund	4-H Extension	Aviation	Clerk Support	Supplemental Adult Probation	Highway 54
Cash and investments - beginning	\$ -	\$ 388	\$ 500	\$ 10,181	\$ 3,262	\$ -	\$ 926,273
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	104,000	63	5,175	168,536	485,470	58,466	-
Total receipts	<u>104,000</u>	<u>63</u>	<u>5,175</u>	<u>168,536</u>	<u>485,470</u>	<u>58,466</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	104,000	-	5,025	169,758	485,713	58,466	-
Total disbursements	<u>104,000</u>	<u>-</u>	<u>5,025</u>	<u>169,758</u>	<u>485,713</u>	<u>58,466</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>63</u>	<u>150</u>	<u>(1,222)</u>	<u>(243)</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 451</u>	<u>\$ 650</u>	<u>\$ 8,959</u>	<u>\$ 3,019</u>	<u>\$ -</u>	<u>\$ 926,273</u>

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

	Veteran Van Donation	Ambulance Donation Fund	Cemetery Commiss. Donation Fund	Drug Interdiction Fund	Juvenile Probation Service	Hymera Sewer Liens & Fees	Sullivan Nuisance Liens & Fees
Cash and investments - beginning	\$ 354	\$ 3,308	\$ -	\$ 5,771	\$ 11,433	\$ 62	\$ 363
Receipts:							
Taxes	-	-	-	-	-	1,478	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	13,712
Fines and forfeits	-	-	-	2,273	4,228	-	-
Other receipts	-	-	50	-	-	-	198
Total receipts	<u>-</u>	<u>-</u>	<u>50</u>	<u>2,273</u>	<u>4,228</u>	<u>1,478</u>	<u>13,910</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	2,409	-	-
Other services and charges	-	-	-	-	4,070	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	1,478	13,712
Total disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,479</u>	<u>1,478</u>	<u>13,712</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>50</u>	<u>2,273</u>	<u>(2,251)</u>	<u>-</u>	<u>198</u>
Cash and investments - ending	<u>\$ 354</u>	<u>\$ 3,308</u>	<u>\$ 50</u>	<u>\$ 8,044</u>	<u>\$ 9,182</u>	<u>\$ 62</u>	<u>\$ 561</u>

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

	Law Enforcement Continue Ed	Gill Township Levee	Island Levee	J W Adams	Niblack Levee Repair	Niblack Maintenance	Utilities Fee - Mines
Cash and investments - beginning	\$ 2,739	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	219,784	52,154	82	9,918	4,079	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	147,506
Total receipts	<u>-</u>	<u>219,784</u>	<u>52,154</u>	<u>82</u>	<u>9,918</u>	<u>4,079</u>	<u>147,506</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	515	219,784	52,154	82	9,918	4,079	-
Total disbursements	<u>515</u>	<u>219,784</u>	<u>52,154</u>	<u>82</u>	<u>9,918</u>	<u>4,079</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(515)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>147,506</u>
Cash and investments - ending	<u>\$ 2,224</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 147,506</u>

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

	Probation	School Transprtation	School Bus Replacement	Corporation General	Corporation Park	Township General	Township Fire Fighting
Cash and investments - beginning	\$ 3,837	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	2,514,240	137,518	1,239,337	21,703	218,488	197,834
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	191,046	12,798	173,791	2,782	19,568	16,873
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>2,705,286</u>	<u>150,316</u>	<u>1,413,128</u>	<u>24,485</u>	<u>238,056</u>	<u>214,707</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	784	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	2,705,286	150,316	1,412,344	24,485	238,056	214,707
Total disbursements	<u>-</u>	<u>2,705,286</u>	<u>150,316</u>	<u>1,413,128</u>	<u>24,485</u>	<u>238,056</u>	<u>214,707</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 3,837</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Township Cumulative Fire	Township Recreation	Thunderbird Fire Territory	Library	Busseron Conservancy	School Pension Debt	Fire Territory Equip Replace
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	128,948	15,887	133,895	1,027,431	28,449	664,108	14,273
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	6,662	408	14,841	77,315	-	43,407	1,582
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>135,610</u>	<u>16,295</u>	<u>148,736</u>	<u>1,104,746</u>	<u>28,449</u>	<u>707,515</u>	<u>15,855</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	<u>135,610</u>	<u>16,295</u>	<u>148,736</u>	<u>1,104,747</u>	<u>28,449</u>	<u>707,515</u>	<u>15,855</u>
Total disbursements	<u>135,610</u>	<u>16,295</u>	<u>148,736</u>	<u>1,104,747</u>	<u>28,449</u>	<u>707,515</u>	<u>15,855</u>
Excess (deficiency) of receipts over disbursements	-	-	-	(1)	-	-	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Corp. Cum'l. Fire Build/Fire	SWEATA Excise Tax Allocation	Township Assistance	E911	Motor Vehicle Hwy	Shelburn Storm Water Liens	Sullivan Sewer Liens & Fees
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 85,755	\$ -	\$ -	\$ -
Receipts:							
Taxes	1,278	-	136,774	-	44,643	5,098	60
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	211	94,967	13,090	-	6,019	377	-
Charges for services	-	-	-	53,240	-	-	1,555
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	25,096	-	-	-
Total receipts	<u>1,489</u>	<u>94,967</u>	<u>149,864</u>	<u>78,336</u>	<u>50,662</u>	<u>5,475</u>	<u>1,615</u>
Disbursements:							
Personal services	-	-	-	15,945	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	33,931	-	-	-
Capital outlay	-	-	-	7,387	-	-	-
Other disbursements	<u>1,489</u>	<u>94,967</u>	<u>149,865</u>	<u>81,830</u>	<u>50,663</u>	<u>5,098</u>	<u>1,615</u>
Total disbursements	<u>1,489</u>	<u>94,967</u>	<u>149,865</u>	<u>139,093</u>	<u>50,663</u>	<u>5,098</u>	<u>1,615</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>(60,757)</u>	<u>(1)</u>	<u>377</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ 24,998</u>	<u>\$ (1)</u>	<u>\$ 377</u>	<u>\$ -</u>

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

	School Excise Tax Allocation	Clerk - D1091189	Regional Service Council	School Capital Project	Clerk Regular Incentive	County Gen. Regular Incentive	School Debt
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 16,668	\$ 16,668	\$ -
Receipts:							
Taxes	-	-	-	2,492,387	-	-	2,724,122
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	491,703	-	-	188,043	-	-	191,508
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	121,795	7,000	-	-	-	-
Total receipts	<u>491,703</u>	<u>121,795</u>	<u>7,000</u>	<u>2,680,430</u>	<u>-</u>	<u>-</u>	<u>2,915,630</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	4,674
Capital outlay	-	-	-	-	-	-	-
Other disbursements	491,703	-	570	2,680,431	16,668	16,668	2,910,956
Total disbursements	<u>491,703</u>	<u>-</u>	<u>570</u>	<u>2,680,431</u>	<u>16,668</u>	<u>16,668</u>	<u>2,915,630</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>121,795</u>	<u>6,430</u>	<u>(1)</u>	<u>(16,668)</u>	<u>(16,668)</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 121,795</u>	<u>\$ 6,430</u>	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	User Fee	Pre-Trial	Jury Fees	Road Closure	Utility Easement Fee	Common School	Tobacco Settlement
Cash and investments - beginning	\$ 63,844	\$ 4,824	\$ 22,222	\$ 27,000	\$ 10	\$ 3,008	\$ 58,143
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	79,303	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	2,741	9,137	3,538	-	2,090	-	-
Other receipts	-	1,538	-	-	-	-	-
Total receipts	<u>2,741</u>	<u>10,675</u>	<u>3,538</u>	<u>-</u>	<u>81,393</u>	<u>-</u>	<u>-</u>
Disbursements:							
Personal services	-	13,995	4,351	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	1,505	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	1,252	-	-	-	79,313	-	58,143
Total disbursements	<u>1,252</u>	<u>15,500</u>	<u>4,351</u>	<u>-</u>	<u>79,313</u>	<u>-</u>	<u>58,143</u>
Excess (deficiency) of receipts over disbursements	<u>1,489</u>	<u>(4,825)</u>	<u>(813)</u>	<u>-</u>	<u>2,080</u>	<u>-</u>	<u>(58,143)</u>
Cash and investments - ending	<u>\$ 65,333</u>	<u>\$ (1)</u>	<u>\$ 21,409</u>	<u>\$ 27,000</u>	<u>\$ 2,090</u>	<u>\$ 3,008</u>	<u>\$ -</u>

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

	Infraction Deferral	2008 Tax Sale Surplus	2009 Tax Sale Surplus	2010 Tax Sale Surplus	2012 Tax Sale Surplus	U.S. Specialty Ins. Co. Fund	48 Road Utility Agreement
Cash and investments - beginning	\$ 1,332	\$ -	\$ 22,389	\$ 29,966	\$ -	\$ 1,798	\$ 125,900
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	48,683	-	-	-	-	-	-
Other receipts	8,559	1,592	-	-	130,578	-	-
Total receipts	<u>57,242</u>	<u>1,592</u>	<u>-</u>	<u>-</u>	<u>130,578</u>	<u>-</u>	<u>-</u>
Disbursements:							
Personal services	45,138	-	-	-	-	-	-
Supplies	162	-	-	-	-	-	-
Other services and charges	6,477	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	1,592	22,389	5,000	7,255	-	-
Total disbursements	<u>51,777</u>	<u>1,592</u>	<u>22,389</u>	<u>5,000</u>	<u>7,255</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>5,465</u>	<u>-</u>	<u>(22,389)</u>	<u>(5,000)</u>	<u>123,323</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 6,797</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,966</u>	<u>\$ 123,323</u>	<u>\$ 1,798</u>	<u>\$ 125,900</u>

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

	Redevelopment Commission	Law Enforcement Fund	Victim Advocacy	Transportation	ADR	Elected Official Training DOT	Circuit Court Bail Bond
Cash and investments - beginning	\$ 9,485	\$ 61,066	\$ (6,431)	\$ 4,380	\$ -	\$ 876	\$ 7,272
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	22,823	-	-	-	-
Fines and forfeits	-	-	-	-	2,930	1,891	3,402
Other receipts	2,500	51,000	-	-	4,425	-	-
Total receipts	<u>2,500</u>	<u>51,000</u>	<u>22,823</u>	<u>-</u>	<u>7,355</u>	<u>1,891</u>	<u>3,402</u>
Disbursements:							
Personal services	-	6,466	22,823	-	3,120	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	2,595	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	5,193	-	-	-	-	330	400
Total disbursements	<u>7,788</u>	<u>6,466</u>	<u>22,823</u>	<u>-</u>	<u>3,120</u>	<u>330</u>	<u>400</u>
Excess (deficiency) of receipts over disbursements	<u>(5,288)</u>	<u>44,534</u>	<u>-</u>	<u>-</u>	<u>4,235</u>	<u>1,561</u>	<u>3,002</u>
Cash and investments - ending	<u>\$ 4,197</u>	<u>\$ 105,600</u>	<u>\$ (6,431)</u>	<u>\$ 4,380</u>	<u>\$ 4,235</u>	<u>\$ 2,437</u>	<u>\$ 10,274</u>

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

	Sale of County Owned Property	Grant Com Emer Man Planning	Com Emer Response Team Sub	Election Non Reverting Sec 102	Grant Health Bio Terrorism	Grant Homeland Security	Grant Energy Area 2 (Round 1)
Cash and investments - beginning	\$ 25,162	\$ 1,016	\$ 2,531	\$ 1,194	\$ 5,098	\$ 4,000	\$ 3,315
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	5,897	-
Total receipts	-	-	-	-	-	5,897	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	5,098	3,397	-
Total disbursements	-	-	-	-	5,098	3,397	-
Excess (deficiency) of receipts over disbursements	-	-	-	-	(5,098)	2,500	-
Cash and investments - ending	<u>\$ 25,162</u>	<u>\$ 1,016</u>	<u>\$ 2,531</u>	<u>\$ 1,194</u>	<u>\$ -</u>	<u>\$ 6,500</u>	<u>\$ 3,315</u>

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

	Aviation Rotary	Grant H1-N1	Drug Interdiction Fund	Grant Methamphetamine Mini	Grant Pandemic Assessment	Grant BioTerrorism Prepare/Resp	Sullivan Co Community Foundati
Cash and investments - beginning	\$ 34,179	\$ (30,330)	\$ 300	\$ 1,496	\$ 1,889	\$ 8,326	\$ 365
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	37,349	-	-	-	5,098	-
Fines and forfeits	125,404	-	-	-	-	-	-
Other receipts	-	-	-	-	-	11,000	-
Total receipts	<u>125,404</u>	<u>37,349</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,098</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	123,514	-	-	-	-	11,000	-
Total disbursements	<u>123,514</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,000</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>1,890</u>	<u>37,349</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,098</u>	<u>-</u>
Cash and investments - ending	<u>\$ 36,069</u>	<u>\$ 7,019</u>	<u>\$ 300</u>	<u>\$ 1,496</u>	<u>\$ 1,889</u>	<u>\$ 13,424</u>	<u>\$ 365</u>

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

	Grant Indiana Youth Aviation	Community Corrections - Grant	Comm. Corr. Project Income	Comm. Corr. - CTP	Grant Court Reform - Sulli Co	Grant - Ambulance Generator	Totals
Cash and investments - beginning	\$ 1,500	\$ 37,537	\$ 5,640	\$ -	\$ 16,190	\$ 5,875	\$ 13,851,607
Receipts:							
Taxes	-	-	-	-	-	-	20,355,655
Licenses and permits	-	-	-	-	-	-	533
Intergovernmental	-	-	-	-	-	-	5,605,722
Charges for services	-	-	-	-	-	-	2,369,946
Fines and forfeits	-	-	-	-	-	-	1,302,623
Other receipts	-	146,022	18,781	9,745	-	-	28,640,273
Total receipts	-	146,022	18,781	9,745	-	-	58,274,752
Disbursements:							
Personal services	-	84,322	4,878	-	-	-	7,937,984
Supplies	-	37,088	7,254	-	-	-	2,497,020
Other services and charges	-	7,942	3,480	-	-	-	2,948,558
Capital outlay	-	1,377	6,498	-	-	-	582,580
Other disbursements	-	34,515	-	195	16,190	5,875	43,127,441
Total disbursements	-	165,244	22,110	195	16,190	5,875	57,093,583
Excess (deficiency) of receipts over disbursements	-	(19,222)	(3,329)	9,550	(16,190)	(5,875)	1,181,169
Cash and investments - ending	\$ 1,500	\$ 18,315	\$ 2,311	\$ 9,550	\$ -	\$ -	\$ 15,032,776

SULLIVAN COUNTY
SCHEDULE OF PAYABLES AND RECEIVABLES
December 31, 2012

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 40,934</u>	<u>\$ 1,116,513</u>

SULLIVAN COUNTY
SCHEDULE OF LEASES AND DEBT
December 31, 2012

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
AGCO Finance LLC	Tractor Mower	\$ 22,282	12-28-09	11-30-12
Caterpillar Financial Services Corp.	Motor Grader	41,200	07-02-09	05-02-12
Caterpillar Financial Services Corp.	Caterpillar Motor Grader	20,239	05-06-11	05-06-14
Caterpillar Financial Services Corp.	Caterpillar Motor Grader	20,600	07-17-09	07-01-12
Equipment Marketing Co	Patcher Model T7500	11,586	06-02-09	06-02-14
FMV Lease Agreement Toshiba Business Solutions	Toshiba eStudio 2830C	203	08-21-09	09-21-14
Ford Motor Credit Company	2010 Ford Crown Victoria	6,171	01-25-10	01-25-14
Kansas State Bank of Manhattan	Five 2011 Chevy Tahoe's	34,559	03-16-11	03-16-15
MacAllister	Caterpillar M316D Wheeled Hydraulic Excavator	29,971	03-17-09	03-17-12
Total governmental activities		<u>186,811</u>		
Total of annual lease payments		<u>\$ 186,811</u>		

SULLIVAN 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	\$ 174,800
Infrastructure	481,955,500
Buildings	15,316,353
Machinery, equipment, and vehicles	6,548,775
Books and other	1,239,850
Total governmental activities	505,235,278
Total capital assets	\$ 505,235,278

SULLIVAN 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 Treasurer
County Prosecuting Attorney

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 SULLIVAN COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited Sullivan 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 and 2012-3. 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

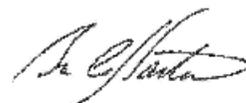
Management of the County is responsible for establishing and maintaining effective internal control over compliance with types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the type of 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 and 2012-3 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

August 13, 2013

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

SULLIVAN 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 Transportation</u>				
Highway Planning & Construction Cluster Highway Planning & Construction	IN Dept of Transportation	20.205		\$ 149,702
Total - Highway Planning and Construction Cluster				<u>149,702</u>
Highway Safety Cluster Occupant Protection Incentive Grants	IN Dept of Transportation	20.602		1,699
Safety Belt Performance Grants		20.609		<u>3,664</u>
Total - Highway Safety Cluster				<u>5,363</u>
Airport Improvement Program Airport Improvement Program	Direct grant	20.106	-	<u>143,335</u>
Total - Department of Transportation				<u>298,400</u>
<u>Department of Health and Human Services</u>				
Children Support Enforcement Prosecutor IV-D Incentive	IN Dept of Child Services	93.563	-	15,152
Clerk IV-D Incentive		93.563		9,345
Title IV-D Expenditures		93.563	-	124,620
Title IV-D Indirect Cost		93.563	-	<u>19,270</u>
Total - Children Support Enforcement				<u>168,387</u>
Total - Department of Health and Human Services				<u>168,387</u>
<u>Department of Homeland Security</u>				
Disaster Grants - Public Assistance (Presidentially Declared Disasters) Disaster Grants - Public Assistance (Presidentially Declared Disasters)	IN Dept of Homeland Security	97.036		<u>12,925</u>
Emergency Management Performance Grants Emergency Management Performance Grants	IN Dept of Homeland Security	97.042		<u>25,867</u>
Total - Department of Homeland Security				<u>38,792</u>
Total federal awards expended				<u>\$ 505,579</u>

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

SULLIVAN COUNTY
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

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

SULLIVAN 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
20.106	Airport Improvement Program

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

We noted several deficiencies in the internal control system of the County related to financial transactions and reporting. We believe the following deficiencies constitute material weaknesses:

1. Preparing Financial Statements: Effective internal control over financial reporting involves the identification and analysis of the risks of material misstatement to the County's audited financial statement and then determining how those identified risks should be managed. The County has not identified risks to the preparation of reliable financial statements and as a result has failed to design effective controls over the preparation of the financial statement to prevent or detect material misstatements, including notes to the financial statement.

SULLIVAN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2. Monitoring of Controls: Effective internal control over financial reporting requires the County Council and County Commissioners to monitor and assess the quality of the County's system of internal control. The County Council and County Commissioners have not performed either an ongoing or separate evaluation of their system of internal controls. The failure to exercise their oversight responsibility places the County at risk that controls may not be designed or operating effectively to provide reasonable assurance that controls will prevent or detect material misstatements in a timely manner. Additionally, the County has no process to identify or communicate corrective actions to improve controls.
3. 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: Non-federal grant amounts of \$4,378,351 were reported in error and two federal grants totaling \$38,792 were not reported on the SEFA. 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.

4. Bank Account Reconciliations: Monthly reconciliations of the County Treasurer's Health Benefits (Self-Insurance) bank account balances to the County Auditor's Health Benefits (Self-Insurance) Fund account balances were not performed. There was an unreconciled difference at December 31, 2011, of \$243,419 more on the Auditor's fund ledger than the Treasurer's Cash Book and reconciled bank balance. At December 31, 2012, the unreconciled difference increased to \$301,429. The County's reconciled bank balances did agree in total to the ending cash balance. Therefore, additional posting errors of the same amount exist in other funds that have not been identified.

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)

At the close of each calendar month a Monthly Financial Statement, County Form No. 61, shall be prepared, showing the financial transactions for the month and year to date, for each fund and in total.

The county treasurer is also required to independently prepare a Monthly Financial Statement on the same form and the two statements must be reconciled. If any differences exist between the records of the auditor and the treasurer, they must be identified and immediate steps taken to bring the records of the two offices into agreement. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 6)

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."

SULLIVAN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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.
- (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

FINDING 2012-2 - INTERNAL CONTROLS AND COMPLIANCE OVER CASH MANAGEMENT

Federal Agency: Department of Health and Human Services
Federal Program: Child Support Enforcement
CFDA Number: 93.563
Federal Award Number and Year (or Other Identifying Number): 2012
Pass-Through Entity: Indiana Department of Child Services

Internal controls were not in place to ensure that accurate reports of program expenditures were filed for reimbursement. The following deficiencies in claiming of reimbursements were identified:

Monthly Expense Claims for Title IV-D, Prosecuting Attorney Expenditures (claim for reimbursement)

The claims for reimbursement filed in 2012 were not compiled from the actual cash disbursements for personal services made during each month. One-twelfth of the budgeted amounts for employee salary, health insurance premium, FICA and Medicare were claimed

SULLIVAN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

monthly. The County Prosecutor's Cooperative Agreement Annual Budget Addendum was used as the basis for the monthly amounts claimed for personal services. The amount claimed was in excess of actual personal service disbursements. The claims submitted to the State for reimbursement of these expenses were in excess of the actual amounts paid.

The personal services amount abstracted from the employee's pay history was \$16,080.51 less than the reimbursement claims submitted. These expenses are reimbursed at 66 percent, which means \$10,613.13 in excess funds was received by the County General Fund.

The Cooperative Agreement For Federal Financial Participation (FFP) for Prosecuting Attorneys Performing Title IV-D Services, Section IV - Reimbursement, Budget, Incentive Distributions, and Audits states in part: "B. Reimbursements . . . (3) Expenditures for direct costs incurred by the Prosecuting Attorney in the provision of IV-D services are reimbursable when such costs are claimed in accordance with procedures established and on forms prescribed by CSB that comply with federal and state law."

To provide further guidance regarding Title IV-D program requirements, the Indiana Department of Child Services issued an update "Cash vs. Accrual Basis Clarification for Reporting of Monthly Expenditure Reimbursement Claims and Quarterly Incentive Expenditure Reports" (the Update) on March 3, 2012. Excerpts from the Update describing cash basis reporting: "According to 31 CFR 201.12 (5), Reimbursable funding means that a Federal Program Agency transfers funds to a State after the State has already paid out the funds for Federal assistance program purposes. These same guidelines apply to sub-recipients of federal funding. In order to accomplish this task, we must ensure there is an understanding of the correct reporting method: Cash Basis - Expenses are reported based on when they are actually paid, i.e., when the county remits the payment to the vendor (not the month that the invoice was received or submitted for payment)."

OMB Circular A-133, Subpart C, 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."

Controls were not in place to ensure that the claims submitted to the State for reimbursement were correct and reflective of the actual disbursements. As a result, the County General Fund has been reimbursed for expenses that were not incurred.

We recommended the County develop internal control procedures to ensure compliance with laws, regulations and the provisions of grant agreements. We further recommended the General Fund reimburse the Indiana Department of Child Services \$10,613.13 for the excess reimbursements received.

FINDING 2012-3 - INTERNAL CONTROLS AND COMPLIANCE OVER REPORTING

Federal Agency: Department of Health and Human Services
Federal Program: Child Support Enforcement
CFDA Number: 93.563
Federal Award Number and Year (or Other Identifying Number): 2012
Pass-Through Entity: Indiana Department of Child Services

Internal controls were not in place to ensure that accurate and timely reports were filed with the Indiana Department of Child Services. The following deficiencies in reporting quarterly Title IV-D balances were identified:

SULLIVAN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Quarterly Incentive Balance Form for Title IV-D, County Auditor

Receipts for the Title IV-D Child Support Enforcement program were not always recorded in the proper fund. Some reimbursements which should have been properly posted to the General Fund were posted in error to the Incentive Funds. The Title IV-D Incentive Fund balance was transferred to the incorrect fund which caused the fund balance to be reported as \$0. Posting errors remained unidentified and uncorrected by unit personnel. Improper posting of receipts contributed to incorrect reporting of fund balances to the pass-through agency. Errors were often not identified until the unit was informed of the error by the pass-through agency. Quarterly Incentive Balance Reports were not filed timely by the Auditor's office.

The federal guidelines in 45 CFR 92.20 states in part: "(b)(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."

OMB Circular A-133, Subpart C, 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."

Management of the Sullivan County Title IV-D program has not established an effective internal control system for reporting. Controls were not in place to ensure that the reports submitted to the State for reimbursement and reporting were correct and reflective of the activity of the program. As a result, errors have not been identified and all necessary corrected reports have not been submitted to the State.

We recommended the County develop internal control procedures to ensure compliance with laws and regulations and the provisions of grant agreements. We further recommended the Title IV-D offices file adjusted reports to correct any remaining errors.

Brenda S. Howard
Sullivan County Auditor

100 Courthouse Square, Room 202
Sullivan, Indiana 47882-1565
Phone: 812-268-4491
Fax: 812-268-3612

August 13, 2013

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

RE: 2012-1 AUDIT FINDING

To Whom it may concern,

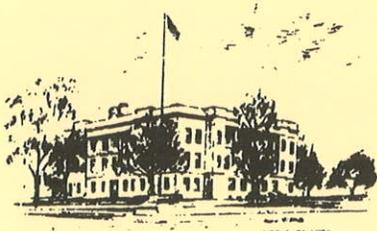
In response to finding 2012-1 Internal Controls over Financial Transactions and Reporting in Section II, my staff and I have reviewed the document and are prepared to take the following corrective actions:

Also all of our bank balance matched all the totals we had with the banks, Treasurer and Auditor, all the money was there.

1. Requested the departments use the complete account number and format when submitting claims for processing including the fund, object and location numbers, reducing the opportunity for misinterpretation.
2. Require County Council and County commissioners to monitor and assess the quality of the County's misinterpretation.
3. Will have proper controls in place over preparation of SEFA to ensure accurate reporting of federal awards.
4. Make sure that all of the health benefits will go to the right Bank and Fund. all money was there just had the wrong fund and location.

Sincerely:

Brenda S. Howard
Brenda S. Howard
Auditor of Sullivan County



Beth Swalls

Sullivan County Treasurer

"Proudly Serving Sullivan County"

Beth Swalls, Sullivan County Treasurer

bethswalls@yahoo.com

August 12, 2013

Indiana State Board of Accounts
302 West Washington St. RM E418
Indianapolis, IN 46204

Re: Sullivan County Treasurer
Audit Finding 2012-1

In response to Audit Finding 2012-1, this points out the Treasurer's office failure to make sure that the Employee Health Benefits Fund (5201) matches the total in the Employee Health Benefit Bank Account located in Harris Bank, in Sullivan, IN. I know that internal control in our instance does not mean that money is missing—it just needs to be put into the correct bank to go with the correct fund--

1. After our 2011 audit, the totals between the employee health benefit fund (5201) has a greater amount in it of \$243,418.97 than the Employee Health Benefit bank account has. This was pointed out as a problem to us in 2012. We started checking all quietuses and warrants that were brought to our office to be entered into our cashbook from the auditor's office. When we caught that the wrong fund was with the wrong bank, we would take it back to the auditor's office to be corrected/ our totals were ok up until after December 31, 2010 audit. I should have asked for the adjustments in which we found from 2011 and 2012(after spending a lot of time researching the work that was given to us from the 2011 audit in 2012) be done before December 31, 2012; although I thought we could do them all at once instead of making several different adjustment entries through the year(which also made it easier to keep our paper trail at one time of all the quietus's and adjustments which we found), so we did make the adjustments of wrong funds to wrong bank that we were able to go back and find off of the quietus's on January 29, 2013(this allowed us to complete our December 31, 2012 Employee Health Benefit Bank Statement). I understand now that all adjustments should be done in the year in which they occurred if possible. I also couldn't check the totals to see if we matched funds to the bank statement/cashbook because of the mass adjustments to be made (which caused the difference of the amount to be changed from month to month), so once we get this all on track, this will be done monthly—if they do not match, we will be stopping right then and checking out if something was given to us wrong or if we entered something wrong, that we did not catch and research until we match. I never checked the total of the funds to the bank statement in the past/I wasn't aware that we should, because this was not ever off until the 2011 audit. We will go over all quietuses or warrants brought to our office very carefully before being entered into our records. It is so hard to catch everything because of the duties we are required to do also, but we are trying to catch funds to bank mistakes and return them and have them corrected right then.
2. We have worked countless hours on this problem since the 2011 audit was finished in 2012, I am sorry to say on one hand that I didn't think of this idea that I had yesterday after pondering on how we could prove that the extra money was located in our First Financial Bank general account(I do not want this to be an ongoing problem), but happy that we are able to prove that it is definitely in the wrong bank—why this didn't come to me(before yesterday)to do this, I am sorry to say, I do not know and sure wish it did, because perhaps this could have been on the right tract in 2012 if I would have. I took the total in my funds report for

December 31, 2012, except the employee health benefits and all the payroll funds and got the total of \$ 6,812,749.83--- then I took the totals of all our cashbook (bank account totals) and our total moneys invested totals that are still in the funds, excluding our payroll bank account and our employee health benefits bank account totals which was \$ 7,471,973.03. I had to subtract our excise total (\$313,469.50), our taxes collected since fall settlement (\$ 132,615.01), our drawer total (\$500.00) from our total of bank accounts (except employee health benefits and our payroll) and got the difference of \$ 212,638.69. there were two adjustments that affected the difference between the funds and the general account that is made in January of 2013 of \$ 33,622.72 and \$ 45,405.02 and after that is made we have a difference in the First Financial Bank general account of \$ 311,192.49 and if you take the amount that they say we are off because of the adjustments and the quietus's that we were not able to catch prior to the closing of the year end account balances, this is \$ 9,763.03 off/ which proves that the \$ 301,429.46 should be transferred from our bank # 6 (First Financial Bank General account) to our Bank #5 (Harris Employee Health Benefit) account. I regret not putting this together previously—I WILL guarantee you that I will not only balance the employee health benefits to the bank account, but I WILL also balance the general overall funds to the bank statements.

3. I know that the total money is accounted for, but I did hope that this would work itself out after spending a lot of hours on trying to find the wrong funds and bank numbers given to us, but it did not—I will present the paper trail that I have now, to recommend that we are able to transfer this money from wrong bank account to right bank account—we will be even more observant on finding these corrections that need to be made prior to entry being entered (I realize that we are not perfect and we have worked hard since the last part of 2012 to find these mistakes, but I don't believe that the same problems will be an issue if I am allowed to transfer the moneys)
4. I, as an elected official, took an oath that I could perform the required duties to the best of my ability and I do regret that this has happened and will not be completely corrected until our 2013 audit, but I do intend to correct what needs to be corrected and have this issue working right, if I can get permission to transfer funds between our banks.

Beth E Swalls
8/13/2013

Beth Swalls, Sullivan County Treasurer
100 Courthouse Sq., Room 201
Sullivan, IN 47882
(812)268-6410 Fax (812)268-4250



OFFICE OF THE PROSECUTING ATTORNEY

ROBERT E. HUNLEY II

PROSECUTING ATTORNEY 14th JUDICIAL CIRCUIT
SULLIVAN COUNTY COURTHOUSE
100 COURTHOUSE SQUARE / ROOM 103
SULLIVAN, INDIANA 47882-1513

Phone (812) 268-6008
FAX (812) 268-5632

August 9, 2013

CORRECTIVE ACTION PLAN

Section III – Federal Award Findings and Questioned Costs

Findings 2012-2-Internal Controls And Compliance Over Cash Management

Federal Agency: U.S. Department of Health and Human Services

Federal Program: Child Support Enforcement

CFDA Number: 93.563

Federal Award Number and Year (or other Identifying Number): 2012

Pass-Through Entity: Indiana Department of Child Services

Description of action to be taken:

The Sullivan County Prosecutor's Office, Child Support Division will obtain a personal services cash ledger from the Auditor of Sullivan County prior to preparing the Monthly reimbursement reports to more accurately prepare the Monthly Claim for personal services. The Child Support Division will no longer use the annual budget to estimate the monthly personal services to be claimed but will report the actual personal services expended in the prior month according to the information provided by the Auditor's office.

Sincerely,

Robert E. Hunley II
Prosecutor

Brenda S. Howard
Sullivan County Auditor

100 Courthouse Square, Room 202
Sullivan, Indiana 47882-1565
Phone: 812-268-4491
Fax: 812-268-3612

August 13, 2012

CORRECTIVE ACTION PLAN

Section III - Federal Awards Findings and Questioned Cost

FINDING 2012-3-INTERNAL CONTROLS AND COMPLIANCE OVER REPORTING

Federal Agency: U.S. Department of Health and Human Services

Federal Program: Child Support Enforcement

CFDA Number: 93.563

Federal Award Number and Year (or other identifying Number): 2012

Pass -Through Entity: Indiana Department of Child Services.

Description of action to be taken:

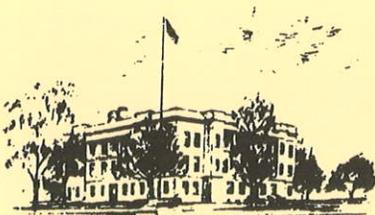
The Sullivan County Auditor will review and develop procedures to ensure that all required reports are prepared on a timely and accurate basis, in accordance with the reporting requirements.

Sincerely

Brenda S. Howard

Brenda S. Howard

Auditor Sullivan County



Sullivan County Courthouse

SULLIVAN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 13, 2013, with Brenda S. Howard, Auditor; Marvin K. Harris, County Commissioner; and Brian D. Pound, County Councilman.