

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

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



FILED
09/17/2013

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Cathy Hamilton	01-01-09 to 12-31-16
Treasurer	Ron Niemesh	09-27-10 to 12-31-16
Clerk	Sherri Crews	01-01-09 to 12-31-16
Sheriff	Jeff Ward	01-01-11 to 12-31-14
Recorder	Linda Brammel	01-01-10 to 12-31-13
President of the Board of County Commissioners	Mike Beard Skip Evans	01-01-12 to 12-31-12 01-01-13 to 12-31-13
President of the County Council	Steve Woods Alan Dunn	01-01-12 to 12-31-12 01-01-13 to 12-31-13



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF CLINTON COUNTY, INDIANA

Report on the Financial Statement

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

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the County for the year ended December 31, 2012, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated July 25, 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

July 25, 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 CLINTON 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 Clinton County (County), which comprises the financial position and results of operations for the year ended December 31, 2012, and the related notes to the financial statement, and have issued our report thereon dated July 25, 2013, wherein we noted the County followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2012-1 and 2012-2 to be material weaknesses.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Cost as items 2012-1 and 2012-2.

Clinton County's Response to Findings

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

Purpose of This Report

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



Bruce Hartman
State Examiner

July 25, 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.

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

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12
General	\$ 1,975,987	\$ 13,745,157	\$ 15,182,035	\$ 539,109
Accident Report	5,928	3,286	4,400	4,814
Bid Deposits and Bond Holding	7,438	-	-	7,438
CEDIT County Share	2,165,905	927,511	1,223,276	1,870,140
CEDIT Speical Legislation	15,453	1,427,451	1,167,072	275,832
Child Advocacy	50	75	25	100
City and Town Court Costs	17,321	88,736	106,057	-
Clerk's Records Perpetuation	45,465	9,072	12,536	42,001
Communication Corrections	80,185	330,200	318,272	92,113
Community Corrections CTP	4,240	30,150	28,695	5,695
County Home Gifts	16,436	4,168	1,918	18,686
County Option Dog Tax	813	-	-	813
Sales Disclosure County Share	26,695	3,440	-	30,135
Cumulative Bridgte	1,530,032	718,679	605,517	1,643,194
Cumulative Capital Development	1,374,451	252,824	257,483	1,369,792
Cumulative Courthouse	828,955	269,515	289,344	809,126
Drug Free Community	30,221	38,268	29,371	39,118
Emergency Planning and Right To Know	25,247	-	17,424	7,823
Emergency Telephone System	256,635	144,684	401,319	-
Firearms Training	27,971	11,037	11,461	27,547
General Drain Improvement	400,845	45,801	-	446,646
Health	183,435	208,037	292,001	99,471
Identifaction Security Protection	53,760	2,839	-	56,599
Levy Excess	180	-	-	180
Local Health Maintenance	4,500	20,000	20,000	4,500
Local Road and Street	152,268	291,938	318,099	126,107
LOIT Public Safety County Share	195,045	1,417,013	1,372,500	239,558
CCSO Chaplain Fund	1,792	-	455	1,337
Misdemeanant	23,927	22,716	20,000	26,643
Motor Vehicle Highway	622,601	2,013,103	1,737,237	898,467
Plat Book	63,040	11,805	21,571	53,274
Rainy Day	2,670,992	-	2,118,550	552,442
Reassessment 2009	173	-	-	173
Reassessment 2015	77,713	152,675	175,818	54,570
Recorders Records Perpetuation	210,118	44,884	52,056	202,946
Sex & Violent Offender Registry	1,799	3,195	4,924	70
Sheriff's Pension Trust	19,787	20,413	19,786	20,414
FF Regional Stormwater Detention	-	1,643,734	1,266,687	377,047
Supplemental Public Defender Service Fees	65,398	62,274	56,280	71,392
Surplus Tax	175,567	120,434	144,871	151,130
Surveyor's Corner Perpetuation	70,048	6,895	-	76,943
Tax Sale Redemption	-	150,807	148,415	2,392
Tax Sale Surplus	78,401	108,188	95,633	90,956
Local Health Department Trust Account	37,450	20,654	3,514	54,590
Unsafe Building	591	-	-	591
Recovery Grant	12,067	-	23,106	(11,039)
Wireless Emergency Telephone	69,564	55,144	124,708	-
Guardian At Litem	6,990	375	-	7,365
Help America Vote Act Grant	-	5,000	5,000	-
Auditors Ineligible Deductions	5,361	7,793	3,946	9,208
County Elected Official Training	1,065	2,839	-	3,904
Statewide 911 Fund	-	586,376	158,460	427,916
Adult Probation Administration	134,799	70,980	69,913	135,866
Juvenile Probation Administration	864	7,425	3,458	4,831
User Fees	178,681	186,733	27,352	338,062
McLaughlin Drain	3,916	-	-	3,916
Drainage Maintenance	1,641,027	388,474	442,871	1,586,630
Sheriff Sale Administration	4,600	44,250	22,600	26,250
DUI Task Force	600	5,423	5,446	577
K-9	646	-	-	646
Hospital Contractual	3,807,409	4,687,981	1,457,538	7,037,852

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

CLINTON 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
Court Interpreters	3,589	5,280	3,820	5,049
Donations	13,942	6,180	3,802	16,320
Payroll Clearing	182,551	4,514,187	4,617,891	78,847
Settlement	-	29,997,648	29,997,648	-
Wheel Tax Sur Tax Combined	67,627	805,997	410,861	462,763
Wheel Tax	-	230,177	230,177	-
Sur Tax	-	734,127	734,127	-
CVET	-	342,004	342,004	-
Weed Lien Collections	29,279	48,776	29,279	48,776
Financial Institution Tax	-	116,633	116,633	-
CEDIT Homestead Credit	-	1,432,667	1,426,374	6,293
HEA 1001 State Homestead Credit	3,008	974	-	3,982
Homestead Credit Rebate	95,081	15	95,096	-
LOIT Residential PTRC	34,466	1,393,460	1,179,343	248,583
State Fines & Forfeitures	7,486	60,731	29,696	38,521
Infraction Deferral Program	27,069	77,868	99,866	5,071
Overweight Vehicle Fines	-	979	979	-
Special Death Benefit	225	3,025	2,995	255
Sales Disclosure State Share	190	3,500	3,345	345
Coroner's Training & Continuing Education	268	3,457	3,501	224
Mortgage Recording Fees State	295	2,990	3,000	285
Inheritance Tax	606,218	1,439,583	1,879,089	166,712
Education Plate Fees	-	1,219	1,219	-
Riverboat Revenue Sharing	-	196,816	196,816	-
Innkeepers Tax Collections	14,730	40,709	40,400	15,039
CAGIT Certified Shares	-	5,545,741	5,545,740	1
ARRA Clerk IV-D Incentive	543	-	-	543
County IV-D Incentive	21,770	13,864	-	35,634
Prosecutor IV-D Incentive Old	11,737	-	7,051	4,686
Prosecutor IV-D Incentive	76,053	20,862	4,663	92,252
Clerk IV-D Incentive Old	21,821	-	-	21,821
Clerk IV-D Incentive	44,491	13,864	6,436	51,919
Sheriff's Gifts	-	900	-	900
Sewer Lien Fund	-	1,823	-	1,823
Step Ahead Grant	(21)	-	-	(21)
EMA Sale of Equipment	8,630	6,900	5,760	9,770
C.C.S.O. Bicycle Fund	427	-	427	-
Superior Probation User Fee	137,017	1,299	138,315	1
Bioterrorism Grant	1,916	-	1,916	-
Medical Reserve Corp Grant	4,962	-	3,178	1,784
MCR Reimbursable Grant	853	-	-	853
DARE Fund Grant	1,463	5,000	1,682	4,781
Central Dispatch	498,602	882,159	924,764	455,997
JAG Equipment Grant	6,068	-	-	6,068
JAG Grant	1,255	-	-	1,255
Emergency Management Performance Grant	-	3,368	3,368	-
Landfill Tipping Fee Fund	934,995	514,667	556,200	893,462
Law Enforcement Education Fund	24,282	6,934	17,649	13,567
Clinton County Law Enforcement Seizure	1,748	-	-	1,748
Indoor Seizure Reward	71	-	-	71
Solid Waste Payroll Fund	15,364	56,255	64,873	6,746
Traffic Enforcement RDP	-	4,510	4,505	5
Resource Center Transportation	-	313,831	313,831	-
Thinking For A Change Grant	2,800	-	2,540	260
Text Grant	977	-	-	977
Traffic Safety Equipment Grant	167	-	-	167
County Training Fund	9,087	718	2,969	6,836
Sheriff Safety Equipment	381	480	-	861
Totals	<u>\$ 22,325,930</u>	<u>\$ 79,272,628</u>	<u>\$ 78,922,828</u>	<u>\$ 22,675,730</u>

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

CLINTON 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, public improvements, planning and zoning, and general administrative services.

The accompanying financial statement presents the financial information for the County.

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the County.

Licenses and permits which include amounts received from businesses, occupations, or nonbusinesses that must be licensed before doing business within the government's jurisdiction or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include: peddler licenses, dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax received

CLINTON COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

CLINTON COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

F. 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.

CLINTON 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. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

B. County Police Retirement Plan

Plan Description

The County Police Retirement Plan is a single-employer defined benefit pension plan. With the approval of the County's fiscal body, the plan is administered by the sheriff's department and an appointed trustee as authorized by state statute (IC 36-8-10-12) for full-time police officers. 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.

CLINTON COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Funding Policy

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

C. County Police Benefit Plan

Plan Description

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

Funding Policy

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

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of grant award funds being set up as reimbursable grants.

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.

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

	General	Accident Report	Bid Deposits and Bond Holding	CEDIT County Share	CEDIT Speical Legislation	Child Advocacy
Cash and investments - beginning	\$ 1,975,987	\$ 5,928	\$ 7,438	\$ 2,165,905	\$ 15,453	\$ 50
Receipts:						
Taxes	7,015,944	-	-	-	-	-
Licenses and permits	54,223	-	-	-	-	-
Intergovernmental	1,119,880	-	-	-	-	-
Charges for services	1,065,988	-	-	-	-	-
Fines and forfeits	163,937	-	-	-	-	75
Other receipts	4,325,185	3,286	-	927,511	1,427,451	-
Total receipts	<u>13,745,157</u>	<u>3,286</u>	<u>-</u>	<u>927,511</u>	<u>1,427,451</u>	<u>75</u>
Disbursements:						
Personal services	6,877,944	-	-	-	-	-
Supplies	769,349	-	-	-	-	-
Other services and charges	2,575,204	-	-	1,222,776	-	-
Capital outlay	56,157	4,400	-	500	-	-
Other disbursements	4,903,381	-	-	-	1,167,072	25
Total disbursements	<u>15,182,035</u>	<u>4,400</u>	<u>-</u>	<u>1,223,276</u>	<u>1,167,072</u>	<u>25</u>
Excess (deficiency) of receipts over disbursements	<u>(1,436,878)</u>	<u>(1,114)</u>	<u>-</u>	<u>(295,765)</u>	<u>260,379</u>	<u>50</u>
Cash and investments - ending	<u>\$ 539,109</u>	<u>\$ 4,814</u>	<u>\$ 7,438</u>	<u>\$ 1,870,140</u>	<u>\$ 275,832</u>	<u>\$ 100</u>

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

	City and Town Court Costs	Clerk's Records Perpetuation	Communication Corrections	Community Corrections CTP	County Home Gifts	County Option Dog Tax
Cash and investments - beginning	\$ 17,321	\$ 45,465	\$ 80,185	\$ 4,240	\$ 16,436	\$ 813
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	85,516	-	-	-
Charges for services	-	-	-	26,725	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	88,736	9,072	244,684	3,425	4,168	-
Total receipts	<u>88,736</u>	<u>9,072</u>	<u>330,200</u>	<u>30,150</u>	<u>4,168</u>	<u>-</u>
Disbursements:						
Personal services	-	12,536	208,655	-	-	-
Supplies	-	-	2,883	-	1,918	-
Other services and charges	-	-	106,634	25,270	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	106,057	-	100	3,425	-	-
Total disbursements	<u>106,057</u>	<u>12,536</u>	<u>318,272</u>	<u>28,695</u>	<u>1,918</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(17,321)</u>	<u>(3,464)</u>	<u>11,928</u>	<u>1,455</u>	<u>2,250</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 42,001</u>	<u>\$ 92,113</u>	<u>\$ 5,695</u>	<u>\$ 18,686</u>	<u>\$ 813</u>

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

	Sales Disclosure County Share	Cumulative Bridgite	Cumulative Capital Development	Cumulative Courthouse	Drug Free Community	Emergency Planning and Right To Know
Cash and investments - beginning	\$ 26,695	\$ 1,530,032	\$ 1,374,451	\$ 828,955	\$ 30,221	\$ 25,247
Receipts:						
Taxes	-	324,865	196,383	215,287	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	31,376	19,423	20,793	-	-
Charges for services	-	360,685	37,018	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	3,440	1,753	-	33,435	38,268	-
Total receipts	<u>3,440</u>	<u>718,679</u>	<u>252,824</u>	<u>269,515</u>	<u>38,268</u>	<u>-</u>
Disbursements:						
Personal services	-	-	-	-	29,371	-
Supplies	-	29,584	-	-	-	-
Other services and charges	-	575,933	158,120	72,954	-	10,521
Capital outlay	-	-	99,363	216,390	-	6,903
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>605,517</u>	<u>257,483</u>	<u>289,344</u>	<u>29,371</u>	<u>17,424</u>
Excess (deficiency) of receipts over disbursements	<u>3,440</u>	<u>113,162</u>	<u>(4,659)</u>	<u>(19,829)</u>	<u>8,897</u>	<u>(17,424)</u>
Cash and investments - ending	<u>\$ 30,135</u>	<u>\$ 1,643,194</u>	<u>\$ 1,369,792</u>	<u>\$ 809,126</u>	<u>\$ 39,118</u>	<u>\$ 7,823</u>

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

	Emergency Telephone System	Firearms Training	General Drain Improvement	Health	Identification Security Protection	Levy Excess
Cash and investments - beginning	\$ 256,635	\$ 27,971	\$ 400,845	\$ 183,435	\$ 53,760	\$ 180
Receipts:						
Taxes	-	-	-	119,891	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	21,083	-	-
Charges for services	144,684	-	-	63,818	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	11,037	45,801	3,245	2,839	-
Total receipts	<u>144,684</u>	<u>11,037</u>	<u>45,801</u>	<u>208,037</u>	<u>2,839</u>	<u>-</u>
Disbursements:						
Personal services	74,239	-	-	229,089	-	-
Supplies	-	-	-	27,890	-	-
Other services and charges	9,343	-	-	31,315	-	-
Capital outlay	67,149	11,461	-	3,707	-	-
Other disbursements	250,588	-	-	-	-	-
Total disbursements	<u>401,319</u>	<u>11,461</u>	<u>-</u>	<u>292,001</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(256,635)</u>	<u>(424)</u>	<u>45,801</u>	<u>(83,964)</u>	<u>2,839</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 27,547</u>	<u>\$ 446,646</u>	<u>\$ 99,471</u>	<u>\$ 56,599</u>	<u>\$ 180</u>

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

	Local Health Maintenance	Local Road and Street	LOIT Public Safety County Share	CCSO Chaplain Fund	Misdemeanant	Motor Vehicle Highway
Cash and investments - beginning	\$ 4,500	\$ 152,268	\$ 195,045	\$ 1,792	\$ 23,927	\$ 622,601
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	287,014	-	-	-	1,997,811
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	20,000	4,924	1,417,013	-	22,716	15,292
Total receipts	<u>20,000</u>	<u>291,938</u>	<u>1,417,013</u>	<u>-</u>	<u>22,716</u>	<u>2,013,103</u>
Disbursements:						
Personal services	20,000	-	215,767	-	-	1,120,896
Supplies	-	258,291	-	-	-	472,535
Other services and charges	-	-	-	-	5,000	113,104
Capital outlay	-	59,808	25,997	-	15,000	30,702
Other disbursements	-	-	1,130,736	455	-	-
Total disbursements	<u>20,000</u>	<u>318,099</u>	<u>1,372,500</u>	<u>455</u>	<u>20,000</u>	<u>1,737,237</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(26,161)</u>	<u>44,513</u>	<u>(455)</u>	<u>2,716</u>	<u>275,866</u>
Cash and investments - ending	<u>\$ 4,500</u>	<u>\$ 126,107</u>	<u>\$ 239,558</u>	<u>\$ 1,337</u>	<u>\$ 26,643</u>	<u>\$ 898,467</u>

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

	Plat Book	Rainy Day	Reassessment 2009	Reassessment 2015	Recorders Records Perpetuation	Sex & Violent Offender Registry
Cash and investments - beginning	\$ 63,040	\$ 2,670,992	\$ 173	\$ 77,713	\$ 210,118	\$ 1,799
Receipts:						
Taxes	-	-	-	139,228	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	13,447	-	-
Charges for services	-	-	-	-	-	3,195
Fines and forfeits	-	-	-	-	-	-
Other receipts	11,805	-	-	-	44,884	-
Total receipts	<u>11,805</u>	<u>-</u>	<u>-</u>	<u>152,675</u>	<u>44,884</u>	<u>3,195</u>
Disbursements:						
Personal services	2,100	-	-	31,842	34,482	-
Supplies	127	-	-	-	1,624	-
Other services and charges	13,160	2,118,550	-	143,976	15,950	-
Capital outlay	6,098	-	-	-	-	-
Other disbursements	86	-	-	-	-	4,924
Total disbursements	<u>21,571</u>	<u>2,118,550</u>	<u>-</u>	<u>175,818</u>	<u>52,056</u>	<u>4,924</u>
Excess (deficiency) of receipts over disbursements	<u>(9,766)</u>	<u>(2,118,550)</u>	<u>-</u>	<u>(23,143)</u>	<u>(7,172)</u>	<u>(1,729)</u>
Cash and investments - ending	<u>\$ 53,274</u>	<u>\$ 552,442</u>	<u>\$ 173</u>	<u>\$ 54,570</u>	<u>\$ 202,946</u>	<u>\$ 70</u>

CLINTON 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	FF Regional Stormwater Detention	Supplemental Public Defender Service Fees	Surplus Tax	Surveyor's Corner Perpetuation	Tax Sale Redemption
Cash and investments - beginning	\$ 19,787	\$ -	\$ 65,398	\$ 175,567	\$ 70,048	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	20,413	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	1,643,734	62,274	120,434	6,895	150,807
Total receipts	<u>20,413</u>	<u>1,643,734</u>	<u>62,274</u>	<u>120,434</u>	<u>6,895</u>	<u>150,807</u>
Disbursements:						
Personal services	19,786	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	56,280	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	1,266,687	-	144,871	-	148,415
Total disbursements	<u>19,786</u>	<u>1,266,687</u>	<u>56,280</u>	<u>144,871</u>	<u>-</u>	<u>148,415</u>
Excess (deficiency) of receipts over disbursements	<u>627</u>	<u>377,047</u>	<u>5,994</u>	<u>(24,437)</u>	<u>6,895</u>	<u>2,392</u>
Cash and investments - ending	<u>\$ 20,414</u>	<u>\$ 377,047</u>	<u>\$ 71,392</u>	<u>\$ 151,130</u>	<u>\$ 76,943</u>	<u>\$ 2,392</u>

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

	Tax Sale Surplus	Local Health Department Trust Account	Unsafe Building	Recovery Grant	Wireless Emergency Telephone	Guardian At Litem
Cash and investments - beginning	\$ 78,401	\$ 37,450	\$ 591	\$ 12,067	\$ 69,564	\$ 6,990
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	108,188	20,654	-	-	55,144	375
Total receipts	<u>108,188</u>	<u>20,654</u>	<u>-</u>	<u>-</u>	<u>55,144</u>	<u>375</u>
Disbursements:						
Personal services	-	-	-	11,039	-	-
Supplies	-	94	-	-	900	-
Other services and charges	-	3,420	-	-	20,286	-
Capital outlay	-	-	-	-	-	-
Other disbursements	95,633	-	-	12,067	103,522	-
Total disbursements	<u>95,633</u>	<u>3,514</u>	<u>-</u>	<u>23,106</u>	<u>124,708</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>12,555</u>	<u>17,140</u>	<u>-</u>	<u>(23,106)</u>	<u>(69,564)</u>	<u>375</u>
Cash and investments - ending	<u>\$ 90,956</u>	<u>\$ 54,590</u>	<u>\$ 591</u>	<u>\$ (11,039)</u>	<u>\$ -</u>	<u>\$ 7,365</u>

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

	Help America Vote Act Grant	Auditors Ineligible Deductions	County Elected Official Training	Statewide 911 Fund	Adult Probation Administration	Juvenile Probation Administration
Cash and investments - beginning	\$ -	\$ 5,361	\$ 1,065	\$ -	\$ 134,799	\$ 864
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	5,000	-	-	-	-	-
Charges for services	-	-	-	232,266	40,232	7,425
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	7,793	2,839	354,110	30,748	-
Total receipts	<u>5,000</u>	<u>7,793</u>	<u>2,839</u>	<u>586,376</u>	<u>70,980</u>	<u>7,425</u>
Disbursements:						
Personal services	-	-	-	75,735	35,736	-
Supplies	-	-	-	-	1,472	-
Other services and charges	-	3,946	-	15,576	2,899	3,458
Capital outlay	5,000	-	-	67,149	1,218	-
Other disbursements	-	-	-	-	28,588	-
Total disbursements	<u>5,000</u>	<u>3,946</u>	<u>-</u>	<u>158,460</u>	<u>69,913</u>	<u>3,458</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>3,847</u>	<u>2,839</u>	<u>427,916</u>	<u>1,067</u>	<u>3,967</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 9,208</u>	<u>\$ 3,904</u>	<u>\$ 427,916</u>	<u>\$ 135,866</u>	<u>\$ 4,831</u>

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

	User Fees	McLaughlin Drain	Drainage Maintenance	Sheriff Sale Adminstration	DUI Task Force	K-9
Cash and investments - beginning	\$ 178,681	\$ 3,916	\$ 1,641,027	\$ 4,600	\$ 600	\$ 646
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	1,023	-
Charges for services	43,907	-	118,994	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	142,826	-	269,480	44,250	4,400	-
Total receipts	<u>186,733</u>	<u>-</u>	<u>388,474</u>	<u>44,250</u>	<u>5,423</u>	<u>-</u>
Disbursements:						
Personal services	11,882	-	-	-	5,446	-
Supplies	-	-	-	-	-	-
Other services and charges	15,470	-	442,385	22,600	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	486	-	-	-
Total disbursements	<u>27,352</u>	<u>-</u>	<u>442,871</u>	<u>22,600</u>	<u>5,446</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>159,381</u>	<u>-</u>	<u>(54,397)</u>	<u>21,650</u>	<u>(23)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 338,062</u>	<u>\$ 3,916</u>	<u>\$ 1,586,630</u>	<u>\$ 26,250</u>	<u>\$ 577</u>	<u>\$ 646</u>

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

	Hospital Contractual	Court Interpreters	Donations	Payroll Clearing	Settlement	Wheel Tax Sur Tax Combined
Cash and investments - beginning	\$ 3,807,409	\$ 3,589	\$ 13,942	\$ 182,551	\$ -	\$ 67,627
Receipts:						
Taxes	-	-	-	-	27,190,962	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	5,150	-	-	2,806,686	-
Charges for services	625,000	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	4,062,981	130	6,180	4,514,187	-	805,997
Total receipts	<u>4,687,981</u>	<u>5,280</u>	<u>6,180</u>	<u>4,514,187</u>	<u>29,997,648</u>	<u>805,997</u>
Disbursements:						
Personal services	456,458	-	-	-	-	-
Supplies	-	-	-	-	-	410,861
Other services and charges	1,080	3,820	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	1,000,000	-	3,802	4,617,891	29,997,648	-
Total disbursements	<u>1,457,538</u>	<u>3,820</u>	<u>3,802</u>	<u>4,617,891</u>	<u>29,997,648</u>	<u>410,861</u>
Excess (deficiency) of receipts over disbursements	<u>3,230,443</u>	<u>1,460</u>	<u>2,378</u>	<u>(103,704)</u>	<u>-</u>	<u>395,136</u>
Cash and investments - ending	<u>\$ 7,037,852</u>	<u>\$ 5,049</u>	<u>\$ 16,320</u>	<u>\$ 78,847</u>	<u>\$ -</u>	<u>\$ 462,763</u>

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

	Wheel Tax	Sur Tax	CVET	Weed Lien Collections	Financial Institution Tax	CEDIT Homestead Credit
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 29,279	\$ -	\$ -
Receipts:						
Taxes	230,177	734,127	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	342,004	-	116,633	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	48,776	-	1,432,667
Total receipts	<u>230,177</u>	<u>734,127</u>	<u>342,004</u>	<u>48,776</u>	<u>116,633</u>	<u>1,432,667</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	230,177	734,127	342,004	29,279	116,633	1,426,374
Total disbursements	<u>230,177</u>	<u>734,127</u>	<u>342,004</u>	<u>29,279</u>	<u>116,633</u>	<u>1,426,374</u>
Excess (deficiency) of receipts over disbursements	-	-	-	19,497	-	6,293
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,776</u>	<u>\$ -</u>	<u>\$ 6,293</u>

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

	HEA 1001 State Homestead Credit	Homestead Credit Rebate	LOIT Residential PTRC	State Fines & Forfeitures	Infraction Deferral Program	Overweight Vehicle Fines
Cash and investments - beginning	\$ 3,008	\$ 95,081	\$ 34,466	\$ 7,486	\$ 27,069	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	12,140	-
Fines and forfeits	-	-	-	60,731	65,728	979
Other receipts	974	15	1,393,460	-	-	-
Total receipts	<u>974</u>	<u>15</u>	<u>1,393,460</u>	<u>60,731</u>	<u>77,868</u>	<u>979</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	8,869	-
Capital outlay	-	-	-	-	25,029	-
Other disbursements	-	95,096	1,179,343	29,696	65,968	979
Total disbursements	<u>-</u>	<u>95,096</u>	<u>1,179,343</u>	<u>29,696</u>	<u>99,866</u>	<u>979</u>
Excess (deficiency) of receipts over disbursements	<u>974</u>	<u>(95,081)</u>	<u>214,117</u>	<u>31,035</u>	<u>(21,998)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 3,982</u>	<u>\$ -</u>	<u>\$ 248,583</u>	<u>\$ 38,521</u>	<u>\$ 5,071</u>	<u>\$ -</u>

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

	Special Death Benefit	Sales Disclosure State Share	Coroner's Training & Continuing Education	Mortgage Recording Fees State	Inheritance Tax	Education Plate Fees
Cash and investments - beginning	\$ 225	\$ 190	\$ 268	\$ 295	\$ 606,218	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	1,439,583	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	3,025	3,500	-	-	-	-
Other receipts	-	-	3,457	2,990	-	1,219
Total receipts	<u>3,025</u>	<u>3,500</u>	<u>3,457</u>	<u>2,990</u>	<u>1,439,583</u>	<u>1,219</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	2,995	3,345	3,501	3,000	1,879,089	1,219
Total disbursements	<u>2,995</u>	<u>3,345</u>	<u>3,501</u>	<u>3,000</u>	<u>1,879,089</u>	<u>1,219</u>
Excess (deficiency) of receipts over disbursements	<u>30</u>	<u>155</u>	<u>(44)</u>	<u>(10)</u>	<u>(439,506)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 255</u>	<u>\$ 345</u>	<u>\$ 224</u>	<u>\$ 285</u>	<u>\$ 166,712</u>	<u>\$ -</u>

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

	Riverboat Revenue Sharing	Innkeepers Tax Collections	CAGIT Certified Shares	ARRA Clerk IV-D Incentive	County IV-D Incentive	Prosecutor IV-D Incentive Old
Cash and investments - beginning	\$ -	\$ 14,730	\$ -	\$ 543	\$ 21,770	\$ 11,737
Receipts:						
Taxes	-	40,709	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	196,816	-	-	-	13,864	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	5,545,741	-	-	-
Total receipts	<u>196,816</u>	<u>40,709</u>	<u>5,545,741</u>	<u>-</u>	<u>13,864</u>	<u>-</u>
Disbursements:						
Personal services	-	-	-	-	-	7,051
Supplies	-	-	-	-	-	-
Other services and charges	-	-	1,386,421	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	196,816	40,400	4,159,319	-	-	-
Total disbursements	<u>196,816</u>	<u>40,400</u>	<u>5,545,740</u>	<u>-</u>	<u>-</u>	<u>7,051</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>309</u>	<u>1</u>	<u>-</u>	<u>13,864</u>	<u>(7,051)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 15,039</u>	<u>\$ 1</u>	<u>\$ 543</u>	<u>\$ 35,634</u>	<u>\$ 4,686</u>

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

	Prosecutor IV-D Incentive	Clerk IV-D Incentive Old	Clerk IV-D Incentive	Sheriff's Gifts	Sewer Lien Fund	Step Ahead Grant
Cash and investments - beginning	\$ 76,053	\$ 21,821	\$ 44,491	\$ -	\$ -	\$ (21)
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	20,862	-	13,864	-	-	-
Charges for services	-	-	-	-	1,823	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	900	-	-
Total receipts	<u>20,862</u>	<u>-</u>	<u>13,864</u>	<u>900</u>	<u>1,823</u>	<u>-</u>
Disbursements:						
Personal services	-	-	1,656	-	-	-
Supplies	415	-	4,382	-	-	-
Other services and charges	-	-	398	-	-	-
Capital outlay	4,248	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>4,663</u>	<u>-</u>	<u>6,436</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>16,199</u>	<u>-</u>	<u>7,428</u>	<u>900</u>	<u>1,823</u>	<u>-</u>
Cash and investments - ending	<u>\$ 92,252</u>	<u>\$ 21,821</u>	<u>\$ 51,919</u>	<u>\$ 900</u>	<u>\$ 1,823</u>	<u>\$ (21)</u>

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

	EMA Sale of Equipment	C.C.S.O. Bicycle Fund	Superior Probation User Fee	Bioterrorism Grant	Medical Reserve Corp Grant	MCR Reimbursable Grant
Cash and investments - beginning	\$ 8,630	\$ 427	\$ 137,017	\$ 1,916	\$ 4,962	\$ 853
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	1,299	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	6,900	-	-	-	-	-
Total receipts	<u>6,900</u>	<u>-</u>	<u>1,299</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:						
Personal services	-	-	3,417	-	3,178	-
Supplies	-	427	1,088	-	-	-
Other services and charges	-	-	95	-	-	-
Capital outlay	5,760	-	-	-	-	-
Other disbursements	-	-	133,715	1,916	-	-
Total disbursements	<u>5,760</u>	<u>427</u>	<u>138,315</u>	<u>1,916</u>	<u>3,178</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>1,140</u>	<u>(427)</u>	<u>(137,016)</u>	<u>(1,916)</u>	<u>(3,178)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 9,770</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1,784</u>	<u>\$ 853</u>

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

	DARE Fund Grant	Central Dispatch	JAG Equipment Grant	JAG Grant	Emergency Management Performance Grant	Landfill Tipping Fee Fund
Cash and investments - beginning	\$ 1,463	\$ 498,602	\$ 6,068	\$ 1,255	\$ -	\$ 934,995
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	5,000	-	-	-	3,368	-
Charges for services	-	-	-	-	-	514,667
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	882,159	-	-	-	-
Total receipts	<u>5,000</u>	<u>882,159</u>	<u>-</u>	<u>-</u>	<u>3,368</u>	<u>514,667</u>
Disbursements:						
Personal services	-	527,449	-	-	-	-
Supplies	-	6,690	-	-	-	-
Other services and charges	-	390,625	-	-	-	252,400
Capital outlay	-	-	-	-	-	303,800
Other disbursements	1,682	-	-	-	3,368	-
Total disbursements	<u>1,682</u>	<u>924,764</u>	<u>-</u>	<u>-</u>	<u>3,368</u>	<u>556,200</u>
Excess (deficiency) of receipts over disbursements	<u>3,318</u>	<u>(42,605)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(41,533)</u>
Cash and investments - ending	<u>\$ 4,781</u>	<u>\$ 455,997</u>	<u>\$ 6,068</u>	<u>\$ 1,255</u>	<u>\$ -</u>	<u>\$ 893,462</u>

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

	Law Enforcement Education Fund	Clinton County Law Enforcement Seizure	Indoor Seizure Reward	Solid Waste Payroll Fund	Traffic Enforcement RDP	Resource Center Transporation
Cash and investments - beginning	\$ 24,282	\$ 1,748	\$ 71	\$ 15,364	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	4,510	313,831
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	6,934	-	-	56,255	-	-
Total receipts	<u>6,934</u>	<u>-</u>	<u>-</u>	<u>56,255</u>	<u>4,510</u>	<u>313,831</u>
Disbursements:						
Personal services	-	-	-	64,873	-	-
Supplies	-	-	-	-	-	-
Other services and charges	17,649	-	-	-	4,505	313,831
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>17,649</u>	<u>-</u>	<u>-</u>	<u>64,873</u>	<u>4,505</u>	<u>313,831</u>
Excess (deficiency) of receipts over disbursements	<u>(10,715)</u>	<u>-</u>	<u>-</u>	<u>(8,618)</u>	<u>5</u>	<u>-</u>
Cash and investments - ending	<u>\$ 13,567</u>	<u>\$ 1,748</u>	<u>\$ 71</u>	<u>\$ 6,746</u>	<u>\$ 5</u>	<u>\$ -</u>

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

	Thinking For A Change Grant	Text Grant	Traffic Safety Equipment Grant	County Training Fund	Sheriff Safety Equipment	Totals
Cash and investments - beginning	\$ 2,800	\$ 977	\$ 167	\$ 9,087	\$ 381	\$ 22,325,930
Receipts:						
Taxes	-	-	-	-	-	36,207,573
Licenses and permits	-	-	-	-	-	54,223
Intergovernmental	-	-	-	-	-	8,884,537
Charges for services	-	-	-	-	-	3,320,279
Fines and forfeits	-	-	-	-	-	297,975
Other receipts	-	-	-	718	480	30,508,041
Total receipts	-	-	-	718	480	79,272,628
Disbursements:						
Personal services	-	-	-	-	-	10,080,627
Supplies	-	-	-	-	-	1,990,530
Other services and charges	-	-	-	-	-	10,163,823
Capital outlay	-	-	-	-	-	1,015,839
Other disbursements	2,540	-	-	2,969	-	55,672,009
Total disbursements	2,540	-	-	2,969	-	78,922,828
Excess (deficiency) of receipts over disbursements	(2,540)	-	-	(2,251)	480	349,800
Cash and investments - ending	\$ 260	\$ 977	\$ 167	\$ 6,836	\$ 861	\$ 22,675,730

CLINTON 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>\$ 284,100</u>	<u>\$ -</u>

CLINTON COUNTY
SCHEDULE OF LEASES AND DEBT
December 31, 2012

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities: MOTOROLA	CENTRAL DISPATCH EQUIPMENT	\$ 357,791	10-02-09	12-01-14
Total of annual lease payments		<u>\$ 357,791</u>		

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose	
Governmental activities: General obligation bonds Notes and loans payable	28 WEST INFRASTRUCTURE E911 Equipment	\$ 286,200
		<u>134,298</u>
Total governmental activities		<u>420,498</u>
Totals		<u>\$ 5,731,848</u>
		<u>\$ 420,498</u>

CLINTON 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	\$ 397,355
Infrastructure	321,020,944
Buildings	29,483,900
Improvements other than buildings	4,831,585
Machinery, equipment, and vehicles	6,897,902
Total governmental activities	362,631,686
Total capital assets	\$ 362,631,686

CLINTON 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

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

TO: THE OFFICIALS OF CLINTON COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

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

Report on Internal Control Over Compliance

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

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

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

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



Bruce Hartman
State Examiner

July 25, 2013

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

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

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Pass-Through Indiana Criminal Justice Institute Violence Against Women Formula Grants	16.588	11STPR050	\$ 16,812
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation Highway Planning and Construction Cluster Highway Planning and Construction	20.205	BRO-9912(027) DES 0900836 DES 0900837 DES 0902185 DES 1173143 DES 1173145 DES 1173452 DES 9506570	1,087 44,970 187,342 28,773 34,948 59,243 44,505 37,018
Total for cluster			437,886
Highway Safety Cluster State and Community Highway Safety	20.600	OP-12-04-02-12	4,511
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	K8-2012-03-03-04	6,021
Total for cluster			10,532
Formula Grants for Other Than Urbanized Areas	20.509	CY 2012	234,073
Total for federal grantor agency			682,491
<u>U.S. ELECTION ASSISTANCE COMMISSION</u>			
Pass-Through Indiana Secretary of State Help America Vote Act Requirements Payments	90.401	CY 2012	5,000
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-Through Indiana Department of Child Services Child Support Enforcement	93.563		
County Clerk's Child Support Expenditures		CY 2012	31,612
County Prosecutor's Child Support Expenditures		CY 2012	83,972
Clerk IV-D Incentive		CY 2012	16,998
Prosecutor IV-D Incentive		CY 2012	25,511
Indirect Costs		CY 2012	30,948
Total for federal grantor agency			189,041
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security Emergency Management Performance Grants	97.042	C44P-2-319A C44P-2-080A	39,883 3,368
Total for federal grantor agency			43,251
Total federal awards expended			\$ 936,595

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

CLINTON COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Clinton County (County) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

Note 2. Subrecipients

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

Program Title	Federal CFDA Number	2012
Formula Grants for Other Than Urbanized Areas	20.509	\$ 234,073

CLINTON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	Yes

Federal Awards:

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

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
20.509	Highway Planning and Construction Cluster Formula Grants for Other Than Urbanized Areas

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

FINDING 2012-1 - MATERIAL WEAKNESS – SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS

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

CLINTON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

During the audit of the SEFA, we noted the following errors: An incorrect CFDA number was listed for one federal award, some grants listed incorrect expenditure amounts and there were some grants which 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.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

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

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

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

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision I the Department of Health and Human Services.
- (2) For Federal awards received as a sub-recipient, the name of the pass-through entity and indentifying 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 indentifying 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."

CLINTON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2012-2 - MATERIAL WEAKNESS - COUNTY TREASURER

Internal controls over cash balances maintained by the County Treasurer were insufficient. Depository reconciliations of the Treasurer's Daily Balance of Cash and Depositories ledger (cash book) balances to the bank account balances were incorrect. This resulted in the reconciled bank balance being \$21,944.28 more than cash book balance at December 31, 2012.

The total amount of the funds ledger cash and investments as shown on the County Treasurer's cash book at December 31, 2012, totaled \$40,502.45 more than the funds ledger cash and investments as shown on the records of the County Auditor.

Controls had not been established to segregate duties that relate to the bank reconciliation process.

This affects the overall presentation of the financial statements. The total cash balance held in the bank is not identified on the funds ledger or the Treasurer's Daily Balance Record. The accuracy of the funds ledger cannot be determined until the funds and the bank balances are reconciled.

The lack of timely and accurate bank reconciliations may have a detrimental effect on management decisions due to uncertainty of available cash balances; also errors or fraud may not be detected timely. It was recommended the County Treasurer to design and implement procedures to facilitate the performance of accurate bank reconciliations on a monthly basis. Also, it was recommended, the County Treasurer to reconcile the funds ledger cash, as shown on the County Treasurer's cash book, to funds ledger - cash and investments, as shown on the records of the County Auditor. Controls should also be established that segregate duties relating to the bank reconciliation process.

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with balance statements provided by the respective depositories."

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 County Treasurers of Indiana, Chapter 10)

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers of Indiana, Chapter 10)

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

**PROSECUTOR'S OFFICE
CHILD SUPPORT DIVISION
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Prosecutor**

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**Renee Bray
IV-D Assistant**

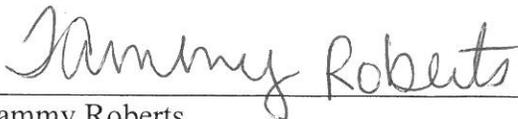
July 10, 2013

Summary Schedule of Prior Audit Findings

Finding 2011-01 Child Support Enforcement Case Balances

Federal Agency:	United States Department of Health and Human Services
Federal Program:	Child Support Enforcement
CFDA Number:	93.563
Federal Award No:	N/A
Pass-Through Entity:	Indiana Department of Child Services
Auditee Contact Person:	Tammy Roberts
Contact Person Title:	Title IV-D Coordinator
Contact Phone Number:	765-659-6352

We are continuing to research errors resulting from data conversion to ISETS, information not recorded during the time period from data conversion to system implementation, computer application processing errors and user errors. Errors found are being corrected on a case-by-case basis.



Tammy Roberts
Title IV-D Coordinator



Clinton County Auditor

Cathy J. Hamilton
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Frankfort, Indiana 46041-1995
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Corrective Action Plan – Finding 2012-01

The county will take the steps necessary to implement adequate internal controls over the preparation of the Schedule of Expenditures of Federal Awards (SEFA). This is to ensure the accurate reporting of federal awards for future audits.

Cathy J. Hamilton
Cathy J. Hamilton, Auditor

August 14 2013
Date

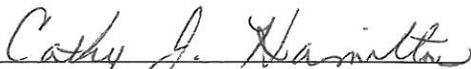


Clinton County Auditor

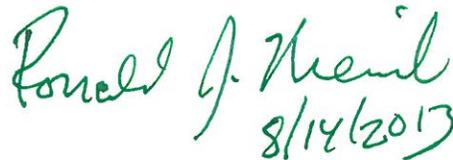
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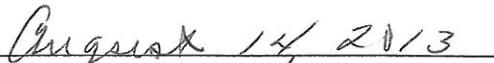
Corrective Action Plan – Finding 2012-02

The county is in the process of obtaining request for proposals for services relating to bank reconciliation issues in the County Treasurer's office as well as the differences between funds ledger – cash and investments as shown on the Treasurer's cash book and funds ledger – cash and investments as shown on the County Auditor and County Treasurer.



Cathy J. Hamilton, Auditor


8/14/2013



Date

CLINTON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 14, 2013, with Cathy Hamilton, Auditor; Steve Frey, County Council member; and Skip Evans, President of the Board of County Commissioners.