

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

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



**FILED**  
09/24/2013



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### SCHEDULE OF OFFICIALS

| <u>Office</u>                                     | <u>Official</u>                     | <u>Term</u>                                  |
|---|-------------------------------------|--|
| Auditor   | Marsha A. McSherry                  | 01-01-11 to 12-31-14                         |
| Treasurer   | Sue Ann Mitchell                    | 01-01-09 to 12-31-16                         |
| Clerk   | Jason F. McSherry<br>Ann M. Torpy   | 01-01-09 to 03-18-13<br>03-19-13 to 12-31-16 |
| Sheriff   | William R. Goshert                  | 01-01-11 to 12-31-14                         |
| Recorder  | Deborah A. Wright                   | 01-01-11 to 12-31-14                         |
| President of the Board of<br>County Commissioners | Robert M. Conley<br>Ronald D. Truex | 01-01-12 to 12-31-12<br>01-01-13 to 12-31-13 |
| President of the<br>County Council                | Thomas Anglin<br>Robert G. Sanders  | 01-01-12 to 12-31-12<br>01-01-13 to 12-31-13 |



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF KOSCIUSKO COUNTY, INDIANA

***Report on the Financial Statement***

We have audited the accompanying financial statement of Kosciusko 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 September 18, 2013, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

***Accompanying Information***

*Supplementary Information*

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

Our audit was conducted for the purpose of forming an opinion on the County's financial statement. The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and 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

September 18, 2013



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

TO: THE OFFICIALS OF KOSCIUSKO 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 Kosciusko 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 September 18, 2013, wherein we noted the County followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

***Internal Control Over Financial Reporting***

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

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

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

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the County's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the

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

determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Kosciusko 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

September 18, 2013

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## FINANCIAL STATEMENT

The financial statement and accompanying notes were approved by management of the County. The financial statement and notes are presented as intended by the County.

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

| Fund                           | Cash and<br>Investments<br>01-01-12 | Receipts      | Disbursements | Cash and<br>Investments<br>12-31-12 |
|--------------------------------|-------------------------------------|---------------|---------------|-------------------------------------|
| County General                 | \$ 8,826,903                        | \$ 16,018,707 | \$ 18,180,345 | \$ 6,665,265                        |
| Sheriff Accident Report        | 10,793                              | 6,764         | 1,820         | 15,737                              |
| County EDIT Fund               | 5,411,522                           | 3,470,858     | 4,092,410     | 4,789,970                           |
| Child Abuse Prevention         | 6,100                               | 475           | -             | 6,575                               |
| City & Town Court Costs        | -                                   | 21,872        | 20,425        | 1,447                               |
| Clerk Document Storage Fee     | 62,154                              | 29,447        | 10,696        | 80,905                              |
| Cert Share Local Option Tax    | -                                   | 7,284,974     | 7,284,974     | -                                   |
| Interest - Congressional       | 13,054                              | 131           | 1,688         | 11,497                              |
| Principal Congressional        | 28,129                              | -             | -             | 28,129                              |
| Assessor Ed/Sales Disclosure   | 84,047                              | 9,445         | 1,305         | 92,187                              |
| Cum Bridge                     | 1,459,942                           | 631,067       | 899,641       | 1,191,368                           |
| County Cum Capital Development | 2,135,135                           | 812,013       | 745,763       | 2,201,385                           |
| Cum Jail                       | 139,538                             | 146,913       | 150,000       | 136,451                             |
| Drug Free Communities - KCODE  | 15,886                              | 74,131        | 85,264        | 4,753                               |
| Electronic Data                | 27,021                              | 415           | -             | 27,436                              |
| Local Emergency Planning       | 49,118                              | 8,813         | 8,573         | 49,358                              |
| Emergency Tele Sys E911        | -                                   | 123,573       | 123,573       | -                                   |
| Recorder's Enhanced Access     | 7,410                               | -             | -             | 7,410                               |
| County Extradition             | 6,888                               | 12,584        | 11,222        | 8,250                               |
| Gun Permits                    | 13,133                              | 26,500        | 26,537        | 13,096                              |
| Gen. Drain Improvement         | 149,319                             | 287,684       | 240,161       | 196,842                             |
| County Health                  | 647,327                             | 812,159       | 710,011       | 749,475                             |
| County ID Security Protection  | 2,313                               | 9,171         | 4,500         | 6,984                               |
| Health Maintenance Grant       | 13,545                              | 36,128        | 48,269        | 1,404                               |
| Local Road & Street            | 123,383                             | 656,779       | 727,997       | 52,165                              |
| County Correction              | -                                   | 49,610        | 49,610        | -                                   |
| Highway - MVH                  | 2,953,746                           | 3,350,124     | 4,622,247     | 1,681,623                           |
| Plat Book Fund                 | 102,574                             | 19,155        | 12,810        | 108,919                             |
| Rainy Day Fund                 | 5,391,286                           | 43,827        | 93,556        | 5,341,557                           |
| Cum Reassessment               | 1,886,542                           | 8             | 522,008       | 1,364,542                           |
| Property Reassessment 2017     | 359,315                             | 364,345       | -             | 723,660                             |
| Records Record Perpetuation    | 30,939                              | 182,150       | 113,095       | 99,994                              |
| Riverboat Revenue Sharing      | -                                   | 458,263       | 458,263       | -                                   |
| Clerk Sheriff Pension          | 300                                 | 49,997        | 50,297        | -                                   |
| Surplus Tax                    | 248,709                             | 158,510       | 87,007        | 320,212                             |
| Surveyor Corner Perpetuation   | 70,373                              | 17,957        | 16,334        | 71,996                              |
| Tax Sale Redemption            | -                                   | 231,368       | 231,368       | -                                   |
| Tax Sale Surplus               | 724,185                             | 1,285,040     | 1,122,972     | 886,253                             |
| Local Health Dept Trust Acct   | 240,702                             | 34,816        | 47,887        | 227,631                             |
| Emergency Wireless Tele E911   | -                                   | 171,690       | 171,690       | -                                   |
| CASA                           | -                                   | 13,928        | 13,928        | -                                   |
| Statewide 9-1-1                | -                                   | 591,443       | 402,082       | 189,361                             |
| Adult Probation User Fees      | 434,455                             | 184,931       | 247,258       | 372,128                             |
| Juvenile Probation User Fees   | 2,079                               | 6,448         | -             | 8,527                               |
| Drug & Alcohol User Fees       | 578,920                             | 216,237       | 257,054       | 538,103                             |
| Drainage Maintenance           | 882,450                             | 669,494       | 658,224       | 893,720                             |
| Sheriff Sale Fund              | 99,478                              | 57,729        | 53,188        | 104,019                             |
| Health Clinic Administrative   | -                                   | 240           | -             | 240                                 |
| SHOT Team Donation             | 18,270                              | 7,966         | 11,431        | 14,805                              |
| Redevelopment Comm Dreyfus TIF | 62,758                              | 32,545        | -             | 95,303                              |
| Employee Health Insurance Fund | 1,756,692                           | 3,545,344     | 2,854,269     | 2,447,767                           |
| Direct Deposit                 | -                                   | 7,258,331     | 7,258,331     | -                                   |
| Colonial Insurance             | 26                                  | 2,275,179     | 2,275,155     | 50                                  |
| Deferred Compensation          | 9,412                               | 226,405       | 224,970       | 10,847                              |

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

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

| Fund                                       | Cash and<br>Investments<br>01-01-12 | Receipts   | Disbursements | Cash and<br>Investments<br>12-31-12 |
|--|-------------------------------------|------------|---------------|-------------------------------------|
| Withholding - Federal                      | -                                   | 1,175,368  | 1,175,368     | -                                   |
| Withholding - Co Option Tax                | -                                   | 114,192    | 114,192       | -                                   |
| Withholding - P.E.R.F.                     | 61,475                              | 282,323    | 343,798       | -                                   |
| Withholding - Sheriff Pension              | -                                   | 57,212     | 57,212        | -                                   |
| Withholding - State                        | -                                   | 374,232    | 374,232       | -                                   |
| Garnishment                                | (191)                               | 71,345     | 71,154        | -                                   |
| Tax Distribution                           | -                                   | 68,323,976 | 68,323,976    | -                                   |
| Commercial Vehicle Excise Tax              | -                                   | 366,510    | 366,510       | -                                   |
| Sewage Charge Assessment Delq.             | -                                   | 256,534    | 256,534       | -                                   |
| Financial Institution Fran Tax             | -                                   | 305,811    | 305,811       | -                                   |
| HEA 1001-2008 Homestead Credit             | 2,341                               | 15         | -             | 2,356                               |
| Fines & Forfeitures                        | 6,777                               | 105,404    | 106,840       | 5,341                               |
| Clerk Of Court - Infraction                | 6,846                               | 113,408    | 113,677       | 6,577                               |
| Overweight Vehicle                         | -                                   | 39         | 39            | -                                   |
| Special Death Benefit Fee                  | 585                                 | 8,410      | 8,270         | 725                                 |
| State Disclosure Of Sales                  | 735                                 | 9,395      | 9,205         | 925                                 |
| St Coroner Tr & C Education                | 639                                 | 7,877      | 7,926         | 590                                 |
| Mortgage Fee Fund                          | 790                                 | 9,675      | 9,543         | 922                                 |
| Homestd Property Database DLGF             | -                                   | 32         | 31            | 1                                   |
| Child Restraint Fines                      | 77                                  | 1,406      | 1,483         | -                                   |
| Inheritance Tax                            | 773,988                             | 1,458,038  | 1,958,310     | 273,716                             |
| Education Plate Fee Dist.                  | -                                   | 1,594      | 1,500         | 94                                  |
| County EDIT Tax                            | -                                   | 4,959,905  | 4,959,905     | -                                   |
| Cert Share Local Option                    | -                                   | 4,239,274  | 4,239,274     | -                                   |
| 93.563 Prosecutor PCA                      | 139                                 | 2,218      | 2,155         | 202                                 |
| Prosecutor ARRA                            | 7,331                               | -          | 4,791         | 2,540                               |
| Clerk ARRA                                 | 42,919                              | -          | -             | 42,919                              |
| 93.563 Title IV-D Incentive                | 68,771                              | 83,871     | -             | 152,642                             |
| Prosecutor IV-D Incentive - New            | 221,020                             | 68,176     | 76,746        | 212,450                             |
| Clerk IV-D Incentive (NEW)                 | 163,579                             | 45,319     | 27,508        | 181,390                             |
| Clerk's Trust Supplemental CAR             | 971,465                             | 6,777,093  | 6,709,952     | 1,038,606                           |
| Clerk's ISETS Support Supplemental CAR     | 20,079                              | 1,351,117  | 1,362,516     | 8,680                               |
| Probation User Fees Supplemental CAR       | -                                   | -          | -             | -                                   |
| Sheriff's Inmate Meals Supplemental CAR    | 5,634                               | 319,091    | 303,863       | 20,862                              |
| Sheriff's Inmate Trust Supplemental CAR    | 61,861                              | 1,189,365  | 1,213,078     | 38,148                              |
| Work Release Inmate Trust Supplemental CAR | 3,399                               | 45,152     | 42,232        | 6,319                               |
| Sheriff's Cash Book Supplemental CAR       | -                                   | -          | -             | -                                   |
| Sheriff's Commissary Supplemental CAR      | 198,267                             | 476,574    | 436,733       | 238,108                             |
| Sheriff's Crime Stoppers Supplemental CAR  | 26,690                              | -          | 457           | 26,233                              |
| Treasurer Cash Change Supplemental CAR     | 500                                 | -          | -             | 500                                 |
| Treasurer's Unsettled Tax Supplemental CAR | 1,658,224                           | 1,365,469  | 1,658,224     | 1,365,469                           |
| Law Enforcement Data Access                | 14,700                              | 2,200      | -             | 16,900                              |
| Dog Fund Surplus                           | 9,380                               | -          | 300           | 9,080                               |
| Ineligible Deduction Fund Coun             | 64,973                              | 35,619     | -             | 100,592                             |
| Promotional Fund                           | 6,227                               | 2,275      | 1,078         | 7,424                               |
| Innkeepers Tax                             | 23,277                              | 494,208    | 488,647       | 28,838                              |
| Dreyfus TIF Bond Repayment                 | 200,910                             | 225,747    | 185,000       | 241,657                             |
| Co Sheriff Cont Education                  | 3,576                               | 3,173      | 3,867         | 2,882                               |
| KCCRVC Commission                          | 28,020                              | 488,811    | 376,774       | 140,057                             |
| Law Enforcement Forfeit Sherif             | 80,260                              | 25,662     | 22,822        | 83,100                              |
| Recorder Refund                            | 305                                 | -          | -             | 305                                 |
| Sub Division Escrow                        | 3,750                               | -          | -             | 3,750                               |
| Etna Green Sheriff Patrol Reim             | -                                   | 13,580     | 12,460        | 1,120                               |
| Children's Psychiatric Residen             | -                                   | 227        | 227           | -                                   |

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

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

| Fund                           | Cash and<br>Investments<br>01-01-12 | Receipts              | Disbursements         | Cash and<br>Investments<br>12-31-12 |
|--------------------------------|-------------------------------------|-----------------------|-----------------------|-------------------------------------|
| Co Family & Child's Fund       | -                                   | 152                   | 152                   | -                                   |
| Withholding - Medicare         | -                                   | 160,117               | 160,117               | -                                   |
| Withholding - Oasi             | -                                   | 463,429               | 463,429               | -                                   |
| Weed Cutting Assessments       | -                                   | 8,183                 | 8,183                 | -                                   |
| Public Mass Trans 1802504O FED | -                                   | 333,048               | 333,048               | -                                   |
| Public Mass Trans 1802504O STA | -                                   | 95,549                | 95,549                | -                                   |
| DUI Reimbursement              | 4,582                               | 7,971                 | 9,828                 | 2,725                               |
| F.A.C.T. D3-13-7545            | -                                   | 1,873                 | 4,186                 | (2,313)                             |
| F.A.C.T. K4-2010-03-02-05      | 1,960                               | -                     | 1,960                 | -                                   |
| F.A.C.T. D3-12-6233            | (7,369)                             | 52,702                | 45,333                | -                                   |
| F.A.C.T. K8-2011-03-02-04      | 211                                 | -                     | 211                   | -                                   |
| A D Grant                      | 18,343                              | -                     | 18,343                | -                                   |
| AD Grant 05-DJ-025             | 20,089                              | -                     | 20,089                | -                                   |
| Fire District 2 Training 10/11 | 100                                 | -                     | -                     | 100                                 |
| Victim Assistance - Stop Grant | 138                                 | -                     | 138                   | -                                   |
| VOCA 11VAPR147                 | (8,005)                             | 43,212                | 35,207                | -                                   |
| VOCA 12VA1607                  | -                                   | 4,174                 | 8,864                 | (4,690)                             |
| Center Of Hope                 | 39                                  | -                     | 39                    | -                                   |
| Center Of Hope 07VA211         | 51                                  | -                     | 51                    | -                                   |
| Prenatal                       | 65,083                              | 25,582                | 15,682                | 74,983                              |
| DNR 2011                       | 726                                 | -                     | -                     | 726                                 |
| Fire District 2 11/12/13       | -                                   | 38,743                | 35,730                | 3,013                               |
| Bioterosim Preparedness & Resp | -                                   | 5,787                 | 5,787                 | -                                   |
| 2011 EMPG Competitive          | -                                   | 3,623                 | 3,623                 | -                                   |
| Grade Crossing                 | -                                   | 29,385                | 29,385                | -                                   |
| TB Medical Expenses            | 30,000                              | -                     | -                     | 30,000                              |
| Pandemic Fund                  | 1,908                               | -                     | -                     | 1,908                               |
| 2008 District 2 Communications | (20)                                | 20                    | -                     | -                                   |
| 2008 HomelandSecurity Exercise | 73                                  | -                     | 73                    | -                                   |
| 2009 District 2 Communications | -                                   | 3,213                 | 3,213                 | -                                   |
| 2008 Exercise Grant Addt       | (73)                                | 73                    | -                     | -                                   |
| KCADP United Way Grant         | 6                                   | -                     | 6                     | -                                   |
| Court Interpreter Grant        | -                                   | 6,150                 | 2,906                 | 3,244                               |
| Well Child Fund                | 4,488                               | 26,042                | 17,645                | 12,885                              |
| Operation Pull Over PT-08-04-0 | (6,455)                             | 26,611                | 26,693                | (6,537)                             |
| DNR Grant 2012                 | 11                                  | 15,000                | 14,955                | 56                                  |
| DNR Grant 2009                 | 3                                   | -                     | 3                     | -                                   |
| DNR Grant 2010                 | 48                                  | -                     | 48                    | -                                   |
| Aggressive Driving Enforcement | 307                                 | 774                   | 206                   | 875                                 |
| Fire District 2 Training 08-09 | (50)                                | 50                    | -                     | -                                   |
| CASA 07VA052                   | 3,000                               | -                     | 3,000                 | -                                   |
| County Transition Program      | 93,485                              | 27,085                | -                     | 120,570                             |
| 2010 EMPG                      | (33)                                | 58                    | 25                    | -                                   |
| 2010 SHSP                      | (26,521)                            | 176,669               | 154,147               | (3,999)                             |
| NLE 11 Exercise                | 21,373                              | 2,402                 | 23,775                | -                                   |
| 2009 Exercise Grant            | (7,183)                             | 72,458                | 65,275                | -                                   |
| 2010 Interoperable Communica   | -                                   | 25,097                | 25,097                | -                                   |
| 2011 SHSP Equipment            | -                                   | 49,363                | 48,857                | 506                                 |
| 2012 HMEP ( LEPC)              | -                                   | 15,658                | 15,658                | -                                   |
| 2011 Exercise                  | -                                   | 3,614                 | 3,614                 | -                                   |
| 2011 SHSP Admin                | -                                   | 14,000                | 18,000                | (4,000)                             |
| 2012 EMPG Competitive          | -                                   | 1,221                 | 1,221                 | -                                   |
| <b>Totals</b>                  | <b>\$ 40,035,504</b>                | <b>\$ 148,979,693</b> | <b>\$ 152,683,779</b> | <b>\$ 36,331,418</b>                |

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

KOSCIUSKO 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 may 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,

KOSCIUSKO 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 may include the following uses:

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

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

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

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

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

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

KOSCIUSKO COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*F. Interfund Transfers*

The County may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

*G. Fund Accounting*

Separate funds are established, maintained, and reported by the County. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the County. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

**Note 2. Budgets**

The operating budget is initially prepared and approved at the local level. The fiscal officer of the County submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

**Note 3. Property Taxes**

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the County in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

**Note 4. Deposits and Investments**

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the County to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

KOSCIUSKO COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 5. Risk Management**

The County may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the County to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

**Note 6. Pension Plans**

*A. Public Employees' Retirement Fund*

*Plan Description*

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

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

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

*Funding Policy and Annual Pension Cost*

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

*B. County Police Retirement Plan*

*Plan Description*

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

KOSCIUSKO COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

The plan provides retirement, death, and disability benefits to plan members and beneficiaries. Funds designated for payments related to this plan are accounted for in a pension trust fund. The activity of this trust fund has not been reflected in the financial statement. The trustee issues a publicly available financial report that includes financial statements and required supplementary information of the plan. The report may be obtained by contacting the county sheriff.

*Funding Policy*

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

**C. County Police Benefit Plan**

*Plan Description*

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

*Funding Policy*

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

**Note 7. Restatement of County Offices**

Certain funds that were included on the prior year financial statement have been omitted from the current year financial statement to more accurately reflect the financial activity of the County. These funds account for receipts and disbursements of County offices that are also eventually accounted for in the County's general ledger and this financial statement.

**Note 8. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash. The County established these funds to account for reimbursement grants. The cash deficits in these funds represent expenditures made the County for which reimbursement had not been received by December 31, 2012.

**Note 9. Holding Corporation**

The County has entered into a capital lease with Kosciusko County Justice Building Corporation (the lessor). The lessor was organized as a not for profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the County. The lessor has been determined to be a related party of the County. Lease payments during the year 2012 totaled \$1,895,000.

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## SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the County's Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Annual Report of the County which is referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The supplementary information presented was approved by management of the County. It is presented as intended by the County.

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

|  | County<br>General   | Sheriff<br>Accident<br>Report | County<br>EDIT<br>Fund | Child<br>Abuse<br>Prevention | City<br>&<br>Town<br>Court<br>Costs | Clerk<br>Document<br>Storage<br>Fee | Cert<br>Share<br>Local<br>Option<br>Tax |
|--|---------------------|-------------------------------|------------------------|------------------------------|-------------------------------------|-------------------------------------|---|
| Cash and investments - beginning                   | \$ 8,826,903        | \$ 10,793                     | \$ 5,411,522           | \$ 6,100                     | \$ -                                | \$ 62,154                           | \$ -                                    |
| Receipts:  |                     |                               |                        |                              |                                     |                                     |   |
| Taxes  | 12,271,231          | -                             | 3,096,381              | -                            | -                                   | -                                   | 7,284,974                               |
| Licenses and permits                               | 49,999              | -                             | -                      | -                            | -                                   | -                                   | -                                       |
| Intergovernmental                                  | 1,010,317           | -                             | -                      | -                            | -                                   | -                                   | -                                       |
| Charges for services                               | 853,200             | 6,764                         | -                      | 475                          | -                                   | -                                   | -                                       |
| Fines and forfeits                                 | 354,023             | -                             | -                      | -                            | 21,872                              | 28,297                              | -                                       |
| Other receipts                                     | 1,479,937           | -                             | 374,477                | -                            | -                                   | 1,150                               | -                                       |
| Total receipts                                     | <u>16,018,707</u>   | <u>6,764</u>                  | <u>3,470,858</u>       | <u>475</u>                   | <u>21,872</u>                       | <u>29,447</u>                       | <u>7,284,974</u>                        |
| Disbursements:                                     |                     |                               |                        |                              |                                     |                                     |   |
| Personal services                                  | 12,543,991          | -                             | -                      | -                            | -                                   | -                                   | -                                       |
| Supplies   | 632,229             | -                             | -                      | -                            | -                                   | -                                   | -                                       |
| Other services and charges                         | 4,704,998           | -                             | 171,985                | -                            | -                                   | -                                   | -                                       |
| Capital outlay                                     | 103,938             | -                             | 3,920,425              | -                            | -                                   | -                                   | -                                       |
| Other disbursements                                | 195,189             | 1,820                         | -                      | -                            | 20,425                              | 10,696                              | 7,284,974                               |
| Total disbursements                                | <u>18,180,345</u>   | <u>1,820</u>                  | <u>4,092,410</u>       | <u>-</u>                     | <u>20,425</u>                       | <u>10,696</u>                       | <u>7,284,974</u>                        |
| Excess (deficiency) of receipts over disbursements | <u>(2,161,638)</u>  | <u>4,944</u>                  | <u>(621,552)</u>       | <u>475</u>                   | <u>1,447</u>                        | <u>18,751</u>                       | <u>-</u>                                |
| Cash and investments - ending                      | <u>\$ 6,665,265</u> | <u>\$ 15,737</u>              | <u>\$ 4,789,970</u>    | <u>\$ 6,575</u>              | <u>\$ 1,447</u>                     | <u>\$ 80,905</u>                    | <u>\$ -</u>                             |

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

|   | Interest -<br>Congressional | Principal<br>Congressional | Assessor<br>Ed/Sales<br>Disclosure | Cum<br>Bridge       | County<br>Cum<br>Capital<br>Development | Cum<br>Jail       | Drug<br>Free<br>Communities -<br>KCODE |
|---|-----------------------------|----------------------------|------------------------------------|---------------------|---|-------------------|--|
| Cash and investments - beginning                      | \$ 13,054                   | \$ 28,129                  | \$ 84,047                          | \$ 1,459,942        | \$ 2,135,135                            | \$ 139,538        | \$ 15,886                              |
| Receipts:   |                             |                            |                                    |                     |   |                   |  |
| Taxes   | -                           | -                          | -                                  | 544,685             | 717,259                                 | 134,823           | -                                      |
| Licenses and permits                                  | -                           | -                          | -                                  | -                   | -                                       | -                 | -                                      |
| Intergovernmental                                     | -                           | -                          | -                                  | 48,846              | 64,320                                  | 12,090            | -                                      |
| Charges for services                                  | -                           | -                          | -                                  | 37,536              | 30,150                                  | -                 | -                                      |
| Fines and forfeits                                    | -                           | -                          | 9,445                              | -                   | -                                       | -                 | 74,131                                 |
| Other receipts  | 131                         | -                          | -                                  | -                   | 284                                     | -                 | -                                      |
| Total receipts  | <u>131</u>                  | <u>-</u>                   | <u>9,445</u>                       | <u>631,067</u>      | <u>812,013</u>                          | <u>146,913</u>    | <u>74,131</u>                          |
| Disbursements:  |                             |                            |                                    |                     |   |                   |  |
| Personal services                                     | -                           | -                          | -                                  | -                   | -                                       | -                 | -                                      |
| Supplies  | -                           | -                          | -                                  | -                   | 29,156                                  | -                 | -                                      |
| Other services and charges                            | -                           | -                          | -                                  | 899,641             | 97,254                                  | -                 | 85,264                                 |
| Capital outlay  | -                           | -                          | 1,305                              | -                   | 619,353                                 | 150,000           | -                                      |
| Other disbursements                                   | 1,688                       | -                          | -                                  | -                   | -                                       | -                 | -                                      |
| Total disbursements                                   | <u>1,688</u>                | <u>-</u>                   | <u>1,305</u>                       | <u>899,641</u>      | <u>745,763</u>                          | <u>150,000</u>    | <u>85,264</u>                          |
| Excess (deficiency) of receipts over<br>disbursements | <u>(1,557)</u>              | <u>-</u>                   | <u>8,140</u>                       | <u>(268,574)</u>    | <u>66,250</u>                           | <u>(3,087)</u>    | <u>(11,133)</u>                        |
| Cash and investments - ending                         | <u>\$ 11,497</u>            | <u>\$ 28,129</u>           | <u>\$ 92,187</u>                   | <u>\$ 1,191,368</u> | <u>\$ 2,201,385</u>                     | <u>\$ 136,451</u> | <u>\$ 4,753</u>                        |

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

|  | Electronic<br>Data | Local<br>Emergency<br>Planning | Emergency<br>Tele<br>Sys<br>E911 | Recorder's<br>Enhanced<br>Access | County<br>Extradition | Gun<br>Permits   | Gen.<br>Drain<br>Improvement |
|--|--------------------|--------------------------------|----------------------------------|----------------------------------|-----------------------|------------------|------------------------------|
| Cash and investments - beginning                   | \$ 27,021          | \$ 49,118                      | \$ -                             | \$ 7,410                         | \$ 6,888              | \$ 13,133        | \$ 149,319                   |
| Receipts:  |                    |                                |                                  |                                  |                       |                  |                              |
| Taxes  | -                  | -                              | -                                | -                                | -                     | -                | 287,684                      |
| Licenses and permits                               | -                  | -                              | -                                | -                                | -                     | 26,500           | -                            |
| Intergovernmental                                  | -                  | -                              | -                                | -                                | -                     | -                | -                            |
| Charges for services                               | 415                | -                              | 123,573                          | -                                | 12,548                | -                | -                            |
| Fines and forfeits                                 | -                  | -                              | -                                | -                                | -                     | -                | -                            |
| Other receipts                                     | -                  | 8,813                          | -                                | -                                | 36                    | -                | -                            |
| Total receipts                                     | <u>415</u>         | <u>8,813</u>                   | <u>123,573</u>                   | <u>-</u>                         | <u>12,584</u>         | <u>26,500</u>    | <u>287,684</u>               |
| Disbursements:                                     |                    |                                |                                  |                                  |                       |                  |                              |
| Personal services                                  | -                  | 249                            | -                                | -                                | -                     | -                | -                            |
| Supplies   | -                  | 3,420                          | -                                | -                                | -                     | -                | -                            |
| Other services and charges                         | -                  | 4,904                          | -                                | -                                | -                     | -                | -                            |
| Capital outlay                                     | -                  | -                              | -                                | -                                | -                     | -                | -                            |
| Other disbursements                                | -                  | -                              | 123,573                          | -                                | 11,222                | 26,537           | 240,161                      |
| Total disbursements                                | <u>-</u>           | <u>8,573</u>                   | <u>123,573</u>                   | <u>-</u>                         | <u>11,222</u>         | <u>26,537</u>    | <u>240,161</u>               |
| Excess (deficiency) of receipts over disbursements | <u>415</u>         | <u>240</u>                     | <u>-</u>                         | <u>-</u>                         | <u>1,362</u>          | <u>(37)</u>      | <u>47,523</u>                |
| Cash and investments - ending                      | <u>\$ 27,436</u>   | <u>\$ 49,358</u>               | <u>\$ -</u>                      | <u>\$ 7,410</u>                  | <u>\$ 8,250</u>       | <u>\$ 13,096</u> | <u>\$ 196,842</u>            |

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

|  | County<br>Health  | County<br>ID<br>Security<br>Protection | Health<br>Maintenance<br>Grant | Local<br>Road<br>&<br>Street | County<br>Correction | Highway -<br>MVH    | Plat<br>Book<br>Fund |
|--|-------------------|--|--------------------------------|------------------------------|----------------------|---------------------|----------------------|
| Cash and investments - beginning                   | \$ 647,327        | \$ 2,313                               | \$ 13,545                      | \$ 123,383                   | \$ -                 | \$ 2,953,746        | \$ 102,574           |
| Receipts:  |                   |  |                                |                              |                      |                     |                      |
| Taxes  | 674,115           | -                                      | -                              | -                            | -                    | -                   | -                    |
| Licenses and permits                               | -                 | -                                      | -                              | -                            | -                    | 27,880              | -                    |
| Intergovernmental                                  | 60,453            | -                                      | -                              | 656,779                      | -                    | 3,294,525           | -                    |
| Charges for services                               | 77,460            | -                                      | -                              | -                            | -                    | -                   | -                    |
| Fines and forfeits                                 | -                 | 9,152                                  | -                              | -                            | -                    | -                   | 19,155               |
| Other receipts                                     | 131               | 19                                     | 36,128                         | -                            | 49,610               | 27,719              | -                    |
| Total receipts                                     | <u>812,159</u>    | <u>9,171</u>                           | <u>36,128</u>                  | <u>656,779</u>               | <u>49,610</u>        | <u>3,350,124</u>    | <u>19,155</u>        |
| Disbursements:                                     |                   |  |                                |                              |                      |                     |                      |
| Personal services                                  | 602,246           | -                                      | 42,389                         | -                            | 49,610               | 2,323,410           | -                    |
| Supplies   | 47,453            | -                                      | -                              | 727,997                      | -                    | 1,371,279           | -                    |
| Other services and charges                         | 60,253            | -                                      | 5,880                          | -                            | -                    | 777,926             | 12,810               |
| Capital outlay                                     | -                 | -                                      | -                              | -                            | -                    | 149,472             | -                    |
| Other disbursements                                | 59                | 4,500                                  | -                              | -                            | -                    | 160                 | -                    |
| Total disbursements                                | <u>710,011</u>    | <u>4,500</u>                           | <u>48,269</u>                  | <u>727,997</u>               | <u>49,610</u>        | <u>4,622,247</u>    | <u>12,810</u>        |
| Excess (deficiency) of receipts over disbursements | <u>102,148</u>    | <u>4,671</u>                           | <u>(12,141)</u>                | <u>(71,218)</u>              | <u>-</u>             | <u>(1,272,123)</u>  | <u>6,345</u>         |
| Cash and investments - ending                      | <u>\$ 749,475</u> | <u>\$ 6,984</u>                        | <u>\$ 1,404</u>                | <u>\$ 52,165</u>             | <u>\$ -</u>          | <u>\$ 1,681,623</u> | <u>\$ 108,919</u>    |

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

|  | Rainy<br>Day<br>Fund | Cum<br>Reassessment | Property<br>Reassessment<br>2017 | Records<br>Record<br>Perpetuation | Riverboat<br>Revenue<br>Sharing | Clerk<br>Sheriff<br>Pension | Surplus<br>Tax    |
|--|----------------------|---------------------|----------------------------------|-----------------------------------|---------------------------------|-----------------------------|-------------------|
| Cash and investments - beginning                   | \$ 5,391,286         | \$ 1,886,542        | \$ 359,315                       | \$ 30,939                         | \$ -                            | \$ 300                      | \$ 248,709        |
| Receipts:  |                      |                     |                                  |                                   |                                 |                             |                   |
| Taxes  | -                    | -                   | 334,361                          | -                                 | -                               | -                           | -                 |
| Licenses and permits                               | -                    | -                   | -                                | -                                 | -                               | -                           | -                 |
| Intergovernmental                                  | -                    | -                   | 29,984                           | -                                 | 458,263                         | -                           | -                 |
| Charges for services                               | -                    | -                   | -                                | 182,150                           | -                               | -                           | -                 |
| Fines and forfeits                                 | -                    | -                   | -                                | -                                 | -                               | 49,997                      | -                 |
| Other receipts                                     | 43,827               | 8                   | -                                | -                                 | -                               | -                           | 158,510           |
| Total receipts                                     | <u>43,827</u>        | <u>8</u>            | <u>364,345</u>                   | <u>182,150</u>                    | <u>458,263</u>                  | <u>49,997</u>               | <u>158,510</u>    |
| Disbursements:                                     |                      |                     |                                  |                                   |                                 |                             |                   |
| Personal services                                  | -                    | 430,851             | -                                | -                                 | -                               | -                           | -                 |
| Supplies   | -                    | 5,007               | -                                | -                                 | -                               | -                           | -                 |
| Other services and charges                         | -                    | 38,075              | -                                | -                                 | -                               | -                           | -                 |
| Capital outlay                                     | -                    | 48,075              | -                                | -                                 | -                               | -                           | -                 |
| Other disbursements                                | 93,556               | -                   | -                                | 113,095                           | 458,263                         | 50,297                      | 87,007            |
| Total disbursements                                | <u>93,556</u>        | <u>522,008</u>      | <u>-</u>                         | <u>113,095</u>                    | <u>458,263</u>                  | <u>50,297</u>               | <u>87,007</u>     |
| Excess (deficiency) of receipts over disbursements | <u>(49,729)</u>      | <u>(522,000)</u>    | <u>364,345</u>                   | <u>69,055</u>                     | <u>-</u>                        | <u>(300)</u>                | <u>71,503</u>     |
| Cash and investments - ending                      | <u>\$ 5,341,557</u>  | <u>\$ 1,364,542</u> | <u>\$ 723,660</u>                | <u>\$ 99,994</u>                  | <u>\$ -</u>                     | <u>\$ -</u>                 | <u>\$ 320,212</u> |

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

|  | Surveyor<br>Corner<br>Perpetuation | Tax<br>Sale<br>Redemption | Tax<br>Sale<br>Surplus | Local<br>Health<br>Dept<br>Trust<br>Acct | Emergency<br>Wireless<br>Tele<br>E911 | CASA          | Statewide<br>9-1-1 |
|--|------------------------------------|---------------------------|------------------------|--|---------------------------------------|---------------|--------------------|
| Cash and investments - beginning                   | \$ 70,373                          | \$ -                      | \$ 724,185             | \$ 240,702                               | \$ -                                  | \$ -          | \$ -               |
| Receipts:  |                                    |                           |                        |  |                                       |               |                    |
| Taxes  | -                                  | -                         | -                      | -  | -                                     | -             | -                  |
| Licenses and permits                               | -                                  | -                         | -                      | -  | -                                     | -             | -                  |
| Intergovernmental                                  | -                                  | -                         | -                      | -  | -                                     | -             | -                  |
| Charges for services                               | 17,957                             | 205,581                   | -                      | -  | 171,690                               | 13,928        | -                  |
| Fines and forfeits                                 | -                                  | -                         | -                      | -  | -                                     | -             | -                  |
| Other receipts                                     | -                                  | 25,787                    | 1,285,040              | 34,816                                   | -                                     | -             | 591,443            |
| Total receipts                                     | <u>17,957</u>                      | <u>231,368</u>            | <u>1,285,040</u>       | <u>34,816</u>                            | <u>171,690</u>                        | <u>13,928</u> | <u>591,443</u>     |
| Disbursements:                                     |                                    |                           |                        |  |                                       |               |                    |
| Personal services                                  | -                                  | -                         | -                      | 47,887                                   | -                                     | -             | 363,050            |
| Supplies   | -                                  | -                         | -                      | -  | -                                     | -             | 1,261              |
| Other services and charges                         | 787                                | -                         | -                      | -  | -                                     | -             | 37,771             |
| Capital outlay                                     | -                                  | -                         | -                      | -  | -                                     | -             | -                  |
| Other disbursements                                | 15,547                             | 231,368                   | 1,122,972              | -  | 171,690                               | 13,928        | -                  |
| Total disbursements                                | <u>16,334</u>                      | <u>231,368</u>            | <u>1,122,972</u>       | <u>47,887</u>                            | <u>171,690</u>                        | <u>13,928</u> | <u>402,082</u>     |
| Excess (deficiency) of receipts over disbursements | <u>1,623</u>                       | <u>-</u>                  | <u>162,068</u>         | <u>(13,071)</u>                          | <u>-</u>                              | <u>-</u>      | <u>189,361</u>     |
| Cash and investments - ending                      | <u>\$ 71,996</u>                   | <u>\$ -</u>               | <u>\$ 886,253</u>      | <u>\$ 227,631</u>                        | <u>\$ -</u>                           | <u>\$ -</u>   | <u>\$ 189,361</u>  |

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

|  | Adult<br>Probation<br>User<br>Fees | Juvenile<br>Probation<br>User<br>Fees | Drug<br>&<br>Alcohol<br>User<br>Fees | Drainage<br>Maintenance | Sheriff<br>Sale<br>Fund | Health<br>Clinic<br>Administrative | SHOT<br>Team<br>Donation |
|--|------------------------------------|---------------------------------------|--------------------------------------|-------------------------|-------------------------|------------------------------------|--------------------------|
| Cash and investments - beginning                   | \$ 434,455                         | \$ 2,079                              | \$ 578,920                           | \$ 882,450              | \$ 99,478               | \$ -                               | \$ 18,270                |
| Receipts:  |                                    |                                       |                                      |                         |                         |                                    |                          |
| Taxes  | -                                  | -                                     | 25                                   | 669,494                 | -                       | -                                  | -                        |
| Licenses and permits                               | -                                  | -                                     | -                                    | -                       | -                       | -                                  | -                        |
| Intergovernmental                                  | -                                  | -                                     | -                                    | -                       | -                       | -                                  | -                        |
| Charges for services                               | 1,750                              | -                                     | 50,820                               | -                       | 57,729                  | -                                  | 3,520                    |
| Fines and forfeits                                 | 164,313                            | 6,448                                 | 75,286                               | -                       | -                       | -                                  | -                        |
| Other receipts                                     | 18,868                             | -                                     | 90,106                               | -                       | -                       | 240                                | 4,446                    |
| Total receipts                                     | <u>184,931</u>                     | <u>6,448</u>                          | <u>216,237</u>                       | <u>669,494</u>          | <u>57,729</u>           | <u>240</u>                         | <u>7,966</u>             |
| Disbursements:                                     |                                    |                                       |                                      |                         |                         |                                    |                          |
| Personal services                                  | 213,913                            | -                                     | 86,204                               | -                       | -                       | -                                  | -                        |
| Supplies   | 31,560                             | -                                     | 13,177                               | -                       | -                       | -                                  | -                        |
| Other services and charges                         | 1,125                              | -                                     | 134,590                              | -                       | -                       | -                                  | -                        |
| Capital outlay                                     | -                                  | -                                     | -                                    | -                       | -                       | -                                  | -                        |
| Other disbursements                                | 660                                | -                                     | 23,083                               | 658,224                 | 53,188                  | -                                  | 11,431                   |
| Total disbursements                                | <u>247,258</u>                     | <u>-</u>                              | <u>257,054</u>                       | <u>658,224</u>          | <u>53,188</u>           | <u>-</u>                           | <u>11,431</u>            |
| Excess (deficiency) of receipts over disbursements | <u>(62,327)</u>                    | <u>6,448</u>                          | <u>(40,817)</u>                      | <u>11,270</u>           | <u>4,541</u>            | <u>240</u>                         | <u>(3,465)</u>           |
| Cash and investments - ending                      | <u>\$ 372,128</u>                  | <u>\$ 8,527</u>                       | <u>\$ 538,103</u>                    | <u>\$ 893,720</u>       | <u>\$ 104,019</u>       | <u>\$ 240</u>                      | <u>\$ 14,805</u>         |

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

|  | Redevelopment<br>Comm<br>Dreyfus<br>TIF | Employee<br>Health<br>Insurance<br>Fund | Direct<br>Deposit | Colonial<br>Insurance | Deferred<br>Compensation | Withholding -<br>Federal | Withholding -<br>Co Option<br>Tax |
|--|---|---|-------------------|-----------------------|--------------------------|--------------------------|-----------------------------------|
| Cash and investments - beginning                   | \$ 62,758                               | \$ 1,756,692                            | \$ -              | \$ 26                 | \$ 9,412                 | \$ -                     | \$ -                              |
| Receipts:  |   |   |                   |                       |                          |                          |                                   |
| Taxes  | -                                       | -                                       | -                 | -                     | -                        | -                        | -                                 |
| Licenses and permits                               | -                                       | -                                       | -                 | -                     | -                        | -                        | -                                 |
| Intergovernmental                                  | -                                       | -                                       | -                 | -                     | -                        | -                        | -                                 |
| Charges for services                               | 32,545                                  | 3,197,061                               | -                 | -                     | 29                       | -                        | -                                 |
| Fines and forfeits                                 | -                                       | -                                       | -                 | -                     | -                        | -                        | -                                 |
| Other receipts                                     | -                                       | 348,283                                 | 7,258,331         | 2,275,179             | 226,376                  | 1,175,368                | 114,192                           |
| Total receipts                                     | <u>32,545</u>                           | <u>3,545,344</u>                        | <u>7,258,331</u>  | <u>2,275,179</u>      | <u>226,405</u>           | <u>1,175,368</u>         | <u>114,192</u>                    |
| Disbursements:                                     |   |   |                   |                       |                          |                          |                                   |
| Personal services                                  | -                                       | -                                       | -                 | -                     | -                        | -                        | -                                 |
| Supplies   | -                                       | -                                       | -                 | -                     | -                        | -                        | -                                 |
| Other services and charges                         | -                                       | -                                       | -                 | -                     | -                        | -                        | -                                 |
| Capital outlay                                     | -                                       | -                                       | -                 | -                     | -                        | -                        | -                                 |
| Other disbursements                                | -                                       | 2,854,269                               | 7,258,331         | 2,275,155             | 224,970                  | 1,175,368                | 114,192                           |
| Total disbursements                                | <u>-</u>                                | <u>2,854,269</u>                        | <u>7,258,331</u>  | <u>2,275,155</u>      | <u>224,970</u>           | <u>1,175,368</u>         | <u>114,192</u>                    |
| Excess (deficiency) of receipts over disbursements | <u>32,545</u>                           | <u>691,075</u>                          | <u>-</u>          | <u>24</u>             | <u>1,435</u>             | <u>-</u>                 | <u>-</u>                          |
| Cash and investments - ending                      | <u>\$ 95,303</u>                        | <u>\$ 2,447,767</u>                     | <u>\$ -</u>       | <u>\$ 50</u>          | <u>\$ 10,847</u>         | <u>\$ -</u>              | <u>\$ -</u>                       |

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

|  | Withholding -<br>P.E.R.F. | Withholding -<br>Sheriff<br>Pension | Withholding -<br>State | Garnishment   | Tax<br>Distribution | Commercial<br>Vehicle<br>Excise<br>Tax | Sewage<br>Charge<br>Assessment<br>Delq. |
|--|---------------------------|-------------------------------------|------------------------|---------------|---------------------|--|---|
| Cash and investments - beginning                   | \$ 61,475                 | \$ -                                | \$ -                   | \$ (191)      | \$ -                | \$ -                                   | \$ -                                    |
| Receipts:  |                           |                                     |                        |               |                     |  |   |
| Taxes  | -                         | -                                   | -                      | -             | 60,813,605          | -                                      | -                                       |
| Licenses and permits                               | -                         | -                                   | -                      | -             | -                   | -                                      | -                                       |
| Intergovernmental                                  | -                         | -                                   | -                      | -             | 7,510,371           | 366,510                                | -                                       |
| Charges for services                               | -                         | -                                   | -                      | -             | -                   | -                                      | 256,534                                 |
| Fines and forfeits                                 | -                         | -                                   | -                      | -             | -                   | -                                      | -                                       |
| Other receipts                                     | 282,323                   | 57,212                              | 374,232                | 71,345        | -                   | -                                      | -                                       |
| Total receipts                                     | <u>282,323</u>            | <u>57,212</u>                       | <u>374,232</u>         | <u>71,345</u> | <u>68,323,976</u>   | <u>366,510</u>                         | <u>256,534</u>                          |
| Disbursements:                                     |                           |                                     |                        |               |                     |  |   |
| Personal services                                  | -                         | -                                   | -                      | -             | -                   | -                                      | -                                       |
| Supplies   | -                         | -                                   | -                      | -             | -                   | -                                      | -                                       |
| Other services and charges                         | -                         | -                                   | -                      | -             | -                   | -                                      | -                                       |
| Capital outlay                                     | -                         | -                                   | -                      | -             | -                   | -                                      | -                                       |
| Other disbursements                                | 343,798                   | 57,212                              | 374,232                | 71,154        | 68,323,976          | 366,510                                | 256,534                                 |
| Total disbursements                                | <u>343,798</u>            | <u>57,212</u>                       | <u>374,232</u>         | <u>71,154</u> | <u>68,323,976</u>   | <u>366,510</u>                         | <u>256,534</u>                          |
| Excess (deficiency) of receipts over disbursements | <u>(61,475)</u>           | <u>-</u>                            | <u>-</u>               | <u>191</u>    | <u>-</u>            | <u>-</u>                               | <u>-</u>                                |
| Cash and investments - ending                      | <u>\$ -</u>               | <u>\$ -</u>                         | <u>\$ -</u>            | <u>\$ -</u>   | <u>\$ -</u>         | <u>\$ -</u>                            | <u>\$ -</u>                             |

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

|  | Financial<br>Institution<br>Fran<br>Tax | HEA<br>1001-2008<br>Homestead<br>Credit | Fines<br>&<br>Forfeitures | Clerk<br>Of<br>Court -<br>Infraction | Overweight<br>Vehicle | Special<br>Death<br>Benefit<br>Fee | State<br>Disclosure<br>Of<br>Sales |
|--|---|---|---------------------------|--------------------------------------|-----------------------|------------------------------------|------------------------------------|
| Cash and investments - beginning                   | \$ -                                    | \$ 2,341                                | \$ 6,777                  | \$ 6,846                             | \$ -                  | \$ 585                             | \$ 735                             |
| Receipts:  |   |   |                           |                                      |                       |                                    |                                    |
| Taxes  | -                                       | -                                       | -                         | -                                    | -                     | -                                  | -                                  |
| Licenses and permits                               | -                                       | -                                       | -                         | -                                    | -                     | -                                  | -                                  |
| Intergovernmental                                  | -                                       | -                                       | -                         | -                                    | -                     | -                                  | -                                  |
| Charges for services                               | 305,811                                 | 15                                      | -                         | -                                    | -                     | -                                  | 9,395                              |
| Fines and forfeits                                 | -                                       | -                                       | 105,404                   | 113,408                              | 39                    | 8,410                              | -                                  |
| Other receipts                                     | -                                       | -                                       | -                         | -                                    | -                     | -                                  | -                                  |
| Total receipts                                     | <u>305,811</u>                          | <u>15</u>                               | <u>105,404</u>            | <u>113,408</u>                       | <u>39</u>             | <u>8,410</u>                       | <u>9,395</u>                       |
| Disbursements:                                     |   |   |                           |                                      |                       |                                    |                                    |
| Personal services                                  | -                                       | -                                       | -                         | -                                    | -                     | -                                  | -                                  |
| Supplies   | -                                       | -                                       | -                         | -                                    | -                     | -                                  | -                                  |
| Other services and charges                         | -                                       | -                                       | -                         | -                                    | -                     | -                                  | -                                  |
| Capital outlay                                     | -                                       | -                                       | -                         | -                                    | -                     | -                                  | -                                  |
| Other disbursements                                | 305,811                                 | -                                       | 106,840                   | 113,677                              | 39                    | 8,270                              | 9,205                              |
| Total disbursements                                | <u>305,811</u>                          | <u>-</u>                                | <u>106,840</u>            | <u>113,677</u>                       | <u>39</u>             | <u>8,270</u>                       | <u>9,205</u>                       |
| Excess (deficiency) of receipts over disbursements | <u>-</u>                                | <u>15</u>                               | <u>(1,436)</u>            | <u>(269)</u>                         | <u>-</u>              | <u>140</u>                         | <u>190</u>                         |
| Cash and investments - ending                      | <u>\$ -</u>                             | <u>\$ 2,356</u>                         | <u>\$ 5,341</u>           | <u>\$ 6,577</u>                      | <u>\$ -</u>           | <u>\$ 725</u>                      | <u>\$ 925</u>                      |

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

|  | St<br>Coroner<br>Tr<br>&<br>C Education | Mortgage<br>Fee<br>Fund | Homestd<br>Property<br>Database<br>DLGF | Child<br>Restraint<br>Fines | Inheritance<br>Tax | Education<br>Plate<br>Fee<br>Dist. | County<br>EDIT<br>Tax |
|--|---|-------------------------|---|-----------------------------|--------------------|------------------------------------|-----------------------|
| Cash and investments - beginning                   | \$ 639                                  | \$ 790                  | \$ -                                    | \$ 77                       | \$ 773,988         | \$ -                               | \$ -                  |
| Receipts:  |   |                         |   |                             |                    |                                    |                       |
| Taxes  | -                                       | -                       | -                                       | -                           | -                  | -                                  | 4,959,905             |
| Licenses and permits                               | -                                       | -                       | -                                       | -                           | -                  | 1,594                              | -                     |
| Intergovernmental                                  | -                                       | -                       | -                                       | -                           | -                  | -                                  | -                     |
| Charges for services                               | 7,877                                   | 9,675                   | -                                       | -                           | 1,458,038          | -                                  | -                     |
| Fines and forfeits                                 | -                                       | -                       | -                                       | 1,406                       | -                  | -                                  | -                     |
| Other receipts                                     | -                                       | -                       | 32                                      | -                           | -                  | -                                  | -                     |
| Total receipts                                     | <u>7,877</u>                            | <u>9,675</u>            | <u>32</u>                               | <u>1,406</u>                | <u>1,458,038</u>   | <u>1,594</u>                       | <u>4,959,905</u>      |
| Disbursements:                                     |   |                         |   |                             |                    |                                    |                       |
| Personal services                                  | -                                       | -                       | -                                       | -                           | -                  | -                                  | -                     |
| Supplies   | -                                       | -                       | -                                       | -                           | -                  | -                                  | -                     |
| Other services and charges                         | -                                       | -                       | -                                       | -                           | -                  | -                                  | -                     |
| Capital outlay                                     | -                                       | -                       | -                                       | -                           | -                  | -                                  | -                     |
| Other disbursements                                | 7,926                                   | 9,543                   | 31                                      | 1,483                       | 1,958,310          | 1,500                              | 4,959,905             |
| Total disbursements                                | <u>7,926</u>                            | <u>9,543</u>            | <u>31</u>                               | <u>1,483</u>                | <u>1,958,310</u>   | <u>1,500</u>                       | <u>4,959,905</u>      |
| Excess (deficiency) of receipts over disbursements | <u>(49)</u>                             | <u>132</u>              | <u>1</u>                                | <u>(77)</u>                 | <u>(500,272)</u>   | <u>94</u>                          | <u>-</u>              |
| Cash and investments - ending                      | <u>\$ 590</u>                           | <u>\$ 922</u>           | <u>\$ 1</u>                             | <u>\$ -</u>                 | <u>\$ 273,716</u>  | <u>\$ 94</u>                       | <u>\$ -</u>           |

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

|  | Cert<br>Share<br>Local<br>Option | 93.563<br>Prosecutor<br>PCA | Prosecutor<br>ARRA | Clerk<br>ARRA    | 93.563<br>Title<br>IV-D<br>Incentive | Prosecutor<br>IV-D<br>Incentive -<br>New | Clerk<br>IV-D<br>Incentive<br>(NEW) |
|--|----------------------------------|-----------------------------|--------------------|------------------|--------------------------------------|--|-------------------------------------|
| Cash and investments - beginning                   | \$ -                             | \$ 139                      | \$ 7,331           | \$ 42,919        | \$ 68,771                            | \$ 221,020                               | \$ 163,579                          |
| Receipts:  |                                  |                             |                    |                  |                                      |  |                                     |
| Taxes  | 4,239,274                        | -                           | -                  | -                | -                                    | -  | -                                   |
| Licenses and permits                               | -                                | -                           | -                  | -                | -                                    | -  | -                                   |
| Intergovernmental                                  | -                                | -                           | -                  | -                | -                                    | -  | -                                   |
| Charges for services                               | -                                | -                           | -                  | -                | -                                    | -  | -                                   |
| Fines and forfeits                                 | -                                | -                           | -                  | -                | -                                    | -  | -                                   |
| Other receipts                                     | -                                | 2,218                       | -                  | -                | 83,871                               | 68,176                                   | 45,319                              |
| Total receipts                                     | <u>4,239,274</u>                 | <u>2,218</u>                | <u>-</u>           | <u>-</u>         | <u>83,871</u>                        | <u>68,176</u>                            | <u>45,319</u>                       |
| Disbursements:                                     |                                  |                             |                    |                  |                                      |  |                                     |
| Personal services                                  | -                                | -                           | 91                 | -                | -                                    | 55,816                                   | -                                   |
| Supplies   | -                                | -                           | -                  | -                | -                                    | 1,807                                    | -                                   |
| Other services and charges                         | -                                | -                           | -                  | -                | -                                    | 4,145                                    | -                                   |
| Capital outlay                                     | -                                | -                           | -                  | -                | -                                    | 611                                      | -                                   |
| Other disbursements                                | 4,239,274                        | 2,155                       | 4,700              | -                | -                                    | 14,367                                   | 27,508                              |
| Total disbursements                                | <u>4,239,274</u>                 | <u>2,155</u>                | <u>4,791</u>       | <u>-</u>         | <u>-</u>                             | <u>76,746</u>                            | <u>27,508</u>                       |
| Excess (deficiency) of receipts over disbursements | <u>-</u>                         | <u>63</u>                   | <u>(4,791)</u>     | <u>-</u>         | <u>83,871</u>                        | <u>(8,570)</u>                           | <u>17,811</u>                       |
| Cash and investments - ending                      | <u>\$ -</u>                      | <u>\$ 202</u>               | <u>\$ 2,540</u>    | <u>\$ 42,919</u> | <u>\$ 152,642</u>                    | <u>\$ 212,450</u>                        | <u>\$ 181,390</u>                   |

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

|  | Clerk's<br>Trust<br>Supplemental<br>CAR | Clerk's<br>ISETS<br>Support<br>Supplemental<br>CAR | Probation<br>User<br>Fees<br>Supplemental<br>CAR | Sheriff's<br>Inmate<br>Meals<br>Supplemental<br>CAR | Sheriff's<br>Inmate<br>Trust<br>Supplemental<br>CAR | Work<br>Release<br>Inmate Trust<br>Supplemental<br>CAR | Sheriff's<br>Cash<br>Book<br>Supplemental<br>CAR |
|--|---|--|--|---|---|--|--|
| Cash and investments - beginning                   | \$ 971,465                              | \$ 20,079  | \$ -   | \$ 5,634  | \$ 61,861   | \$ 3,399   | \$ -   |
| Receipts:  |   |  |  |   |   |  |  |
| Taxes  | -                                       | -  | -  | -   | -   | -  | -  |
| Licenses and permits                               | -                                       | -  | -  | -   | -   | -  | -  |
| Intergovernmental                                  | -                                       | -  | -  | -   | -   | -  | -  |
| Charges for services                               | -                                       | -  | -  | -   | -   | -  | -  |
| Fines and forfeits                                 | -                                       | -  | -  | -   | -   | -  | -  |
| Other receipts                                     | <u>6,777,093</u>                        | <u>1,351,117</u>                                   | <u>-</u>   | <u>319,091</u>                                      | <u>1,189,365</u>                                    | <u>45,152</u>  | <u>-</u>   |
| Total receipts                                     | <u>6,777,093</u>                        | <u>1,351,117</u>                                   | <u>-</u>   | <u>319,091</u>                                      | <u>1,189,365</u>                                    | <u>45,152</u>  | <u>-</u>   |
| Disbursements:                                     |   |  |  |   |   |  |  |
| Personal services                                  | -                                       | -  | -  | -   | -   | -  | -  |
| Supplies   | -                                       | -  | -  | -   | -   | -  | -  |
| Other services and charges                         | -                                       | -  | -  | -   | -   | -  | -  |
| Capital outlay                                     | -                                       | -  | -  | -   | -   | -  | -  |
| Other disbursements                                | <u>6,709,952</u>                        | <u>1,362,516</u>                                   | <u>-</u>   | <u>303,863</u>                                      | <u>1,213,078</u>                                    | <u>42,232</u>  | <u>-</u>   |
| Total disbursements                                | <u>6,709,952</u>                        | <u>1,362,516</u>                                   | <u>-</u>   | <u>303,863</u>                                      | <u>1,213,078</u>                                    | <u>42,232</u>  | <u>-</u>   |
| Excess (deficiency) of receipts over disbursements | <u>67,141</u>                           | <u>(11,399)</u>                                    | <u>-</u>   | <u>15,228</u>                                       | <u>(23,713)</u>                                     | <u>2,920</u>   | <u>-</u>   |
| Cash and investments - ending                      | <u>\$ 1,038,606</u>                     | <u>\$ 8,680</u>                                    | <u>\$ -</u>                                      | <u>\$ 20,862</u>                                    | <u>\$ 38,148</u>                                    | <u>\$ 6,319</u>  | <u>\$ -</u>                                      |

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

|  | Sheriff's<br>Commissary<br>Supplemental<br>CAR | Sheriff's<br>Crime<br>Stoppers<br>Supplemental<br>CAR | Treasurer<br>Cash<br>Change<br>Supplemental<br>CAR | Treasurer's<br>Unsettled<br>Tax<br>Supplemental<br>CAR | Law<br>Enforcement<br>Data<br>Access | Dog<br>Fund<br>Surplus | Ineligible<br>Deduction<br>Fund<br>Coun |
|--|--|---|--|--|--------------------------------------|------------------------|---|
| Cash and investments - beginning                   | \$ 198,267                                     | \$ 26,690   | \$ 500   | \$ 1,658,224   | \$ 14,700                            | \$ 9,380               | \$ 64,973                               |
| Receipts:  |  |   |  |  |                                      |                        |   |
| Taxes  | -  | -   | -  | -  | -                                    | -                      | -                                       |
| Licenses and permits                               | -  | -   | -  | -  | -                                    | -                      | -                                       |
| Intergovernmental                                  | -  | -   | -  | -  | -                                    | -                      | -                                       |
| Charges for services                               | -  | -   | -  | -  | -                                    | -                      | -                                       |
| Fines and forfeits                                 | -  | -   | -  | -  | -                                    | -                      | -                                       |
| Other receipts                                     | 476,574  | -   | -  | 1,365,469  | 2,200                                | -                      | 35,619                                  |
| Total receipts                                     | <u>476,574</u>                                 | <u>-</u>  | <u>-</u>   | <u>1,365,469</u>                                       | <u>2,200</u>                         | <u>-</u>               | <u>35,619</u>                           |
| Disbursements:                                     |  |   |  |  |                                      |                        |   |
| Personal services                                  | -  | -   | -  | -  | -                                    | -                      | -                                       |
| Supplies   | -  | -   | -  | -  | -                                    | -                      | -                                       |
| Other services and charges                         | -  | -   | -  | -  | -                                    | -                      | -                                       |
| Capital outlay                                     | -  | -   | -  | -  | -                                    | -                      | -                                       |
| Other disbursements                                | 436,733  | 457   | -  | 1,658,224  | -                                    | 300                    | -                                       |
| Total disbursements                                | <u>436,733</u>                                 | <u>457</u>  | <u>-</u>   | <u>1,658,224</u>                                       | <u>-</u>                             | <u>300</u>             | <u>-</u>                                |
| Excess (deficiency) of receipts over disbursements | <u>39,841</u>                                  | <u>(457)</u>  | <u>-</u>   | <u>(292,755)</u>                                       | <u>2,200</u>                         | <u>(300)</u>           | <u>35,619</u>                           |
| Cash and investments - ending                      | <u>\$ 238,108</u>                              | <u>\$ 26,233</u>                                      | <u>\$ 500</u>                                      | <u>\$ 1,365,469</u>                                    | <u>\$ 16,900</u>                     | <u>\$ 9,080</u>        | <u>\$ 100,592</u>                       |

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

|   | Promotional<br>Fund | Innkeepers<br>Tax | Dreyfus<br>TIF<br>Bond<br>Repayment | Co<br>Sheriff<br>Cont<br>Education | KCCRVC<br>Commission | Law<br>Enforcement<br>Forfeit<br>Sherif | Recorder<br>Refund |
|---|---------------------|-------------------|-------------------------------------|------------------------------------|----------------------|---|--------------------|
| Cash and investments - beginning                      | \$ 6,227            | \$ 23,277         | \$ 200,910                          | \$ 3,576                           | \$ 28,020            | \$ 80,260                               | \$ 305             |
| Receipts:   |                     |                   |                                     |                                    |                      |   |                    |
| Taxes   | -                   | 493,829           | -                                   | -                                  | 488,647              | -                                       | -                  |
| Licenses and permits                                  | -                   | -                 | -                                   | -                                  | -                    | -                                       | -                  |
| Intergovernmental                                     | -                   | -                 | -                                   | -                                  | -                    | -                                       | -                  |
| Charges for services                                  | -                   | -                 | 225,747                             | -                                  | -                    | 25,662                                  | -                  |
| Fines and forfeits                                    | -                   | -                 | -                                   | 3,173                              | -                    | -                                       | -                  |
| Other receipts  | 2,275               | 379               | -                                   | -                                  | 164                  | -                                       | -                  |
| Total receipts  | 2,275               | 494,208           | 225,747                             | 3,173                              | 488,811              | 25,662                                  | -                  |
| Disbursements:  |                     |                   |                                     |                                    |                      |   |                    |
| Personal services                                     | -                   | -                 | -                                   | -                                  | -                    | -                                       | -                  |
| Supplies  | -                   | -                 | -                                   | -                                  | -                    | 6,085                                   | -                  |
| Other services and charges                            | -                   | -                 | -                                   | -                                  | 376,774              | 15,000                                  | -                  |
| Capital outlay  | -                   | -                 | -                                   | -                                  | -                    | 1,737                                   | -                  |
| Other disbursements                                   | 1,078               | 488,647           | 185,000                             | 3,867                              | -                    | -                                       | -                  |
| Total disbursements                                   | 1,078               | 488,647           | 185,000                             | 3,867                              | 376,774              | 22,822                                  | -                  |
| Excess (deficiency) of receipts over<br>disbursements | 1,197               | 5,561             | 40,747                              | (694)                              | 112,037              | 2,840                                   | -                  |
| Cash and investments - ending                         | \$ 7,424            | \$ 28,838         | \$ 241,657                          | \$ 2,882                           | \$ 140,057           | \$ 83,100                               | \$ 305             |

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

|  | Sub<br>Division<br>Escrow | Etna<br>Green<br>Sheriff<br>Patrol<br>Reim | Children's<br>Psychiatric<br>Residen | Co<br>Family<br>&<br>Child's<br>Fund | Withholding -<br>Medicare | Withholding -<br>Oasi | Weed<br>Cutting<br>Assessments |
|--|---------------------------|--|--------------------------------------|--------------------------------------|---------------------------|-----------------------|--------------------------------|
| Cash and investments - beginning                   | \$ 3,750                  | \$ -                                       | \$ -                                 | \$ -                                 | \$ -                      | \$ -                  | \$ -                           |
| Receipts:  |                           |  |                                      |                                      |                           |                       |                                |
| Taxes  | -                         | -  | -                                    | -                                    | -                         | -                     | -                              |
| Licenses and permits                               | -                         | -  | -                                    | -                                    | -                         | -                     | -                              |
| Intergovernmental                                  | -                         | -  | -                                    | -                                    | -                         | -                     | -                              |
| Charges for services                               | -                         | -  | -                                    | -                                    | -                         | -                     | -                              |
| Fines and forfeits                                 | -                         | -  | -                                    | -                                    | -                         | -                     | -                              |
| Other receipts                                     | -                         | 13,580                                     | 227                                  | 152                                  | 160,117                   | 463,429               | 8,183                          |
| Total receipts                                     | -                         | 13,580                                     | 227                                  | 152                                  | 160,117                   | 463,429               | 8,183                          |
| Disbursements:                                     |                           |  |                                      |                                      |                           |                       |                                |
| Personal services                                  | -                         | -  | -                                    | -                                    | -                         | -                     | -                              |
| Supplies   | -                         | -  | -                                    | -                                    | -                         | -                     | -                              |
| Other services and charges                         | -                         | -  | -                                    | -                                    | -                         | -                     | -                              |
| Capital outlay                                     | -                         | -  | -                                    | -                                    | -                         | -                     | -                              |
| Other disbursements                                | -                         | 12,460                                     | 227                                  | 152                                  | 160,117                   | 463,429               | 8,183                          |
| Total disbursements                                | -                         | 12,460                                     | 227                                  | 152                                  | 160,117                   | 463,429               | 8,183                          |
| Excess (deficiency) of receipts over disbursements | -                         | 1,120                                      | -                                    | -                                    | -                         | -                     | -                              |
| Cash and investments - ending                      | \$ 3,750                  | \$ 1,120                                   | \$ -                                 | \$ -                                 | \$ -                      | \$ -                  | \$ -                           |

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

|  | Public<br>Mass<br>Trans<br>1802504O<br>FED | Public<br>Mass<br>Trans<br>1802504O<br>STA | DUI<br>Reimbursement | F.A.C.T<br>D3-13-7545 | F.A.C.T.<br>K4-2010-03-02-05 | F.A.C.T.<br>D3-12-6233 | F.A.C.T<br>K8-2011-03-02-04 |
|--|--|--|----------------------|-----------------------|------------------------------|------------------------|-----------------------------|
| Cash and investments - beginning                   | \$ -                                       | \$ -                                       | \$ 4,582             | \$ -                  | \$ 1,960                     | \$ (7,369)             | \$ 211                      |
| Receipts:  |  |  |                      |                       |                              |                        |                             |
| Taxes  | -  | -  | -                    | -                     | -                            | -                      | -                           |
| Licenses and permits                               | -  | -  | -                    | -                     | -                            | -                      | -                           |
| Intergovernmental                                  | -  | -  | -                    | -                     | -                            | -                      | -                           |
| Charges for services                               | -  | -  | -                    | -                     | -                            | -                      | -                           |
| Fines and forfeits                                 | -  | -  | -                    | -                     | -                            | -                      | -                           |
| Other receipts                                     | 333,048                                    | 95,549                                     | 7,971                | 1,873                 | -                            | 52,702                 | -                           |
| Total receipts                                     | 333,048                                    | 95,549                                     | 7,971                | 1,873                 | -                            | 52,702                 | -                           |
| Disbursements:                                     |  |  |                      |                       |                              |                        |                             |
| Personal services                                  | -  | -  | -                    | 4,186                 | 1,960                        | 34,831                 | -                           |
| Supplies   | -  | -  | -                    | -                     | -                            | -                      | -                           |
| Other services and charges                         | -  | -  | -                    | -                     | -                            | 799                    | -                           |
| Capital outlay                                     | -  | -  | -                    | -                     | -                            | 9,703                  | 211                         |
| Other disbursements                                | 333,048                                    | 95,549                                     | 9,828                | -                     | -                            | -                      | -                           |
| Total disbursements                                | 333,048                                    | 95,549                                     | 9,828                | 4,186                 | 1,960                        | 45,333                 | 211                         |
| Excess (deficiency) of receipts over disbursements | -  | -  | (1,857)              | (2,313)               | (1,960)                      | 7,369                  | (211)                       |
| Cash and investments - ending                      | \$ -                                       | \$ -                                       | \$ 2,725             | \$ (2,313)            | \$ -                         | \$ -                   | \$ -                        |

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

|  | A<br>D<br>Grant | AD<br>Grant<br>05-DJ-025 | Fire<br>District<br>2<br>Training<br>10/11 | Victim<br>Assistance -<br>Stop<br>Grant | VOCA<br>11VAPR147 | VOCA<br>12VA1607 | Center<br>Of<br>Hope |
|--|-----------------|--------------------------|--|---|-------------------|------------------|----------------------|
| Cash and investments - beginning                   | \$ 18,343       | \$ 20,089                | \$ 100                                     | \$ 138                                  | \$ (8,005)        | \$ -             | \$ 39                |
| Receipts:  |                 |                          |  |   |                   |                  |                      |
| Taxes  | -               | -                        | -  | -                                       | -                 | -                | -                    |
| Licenses and permits                               | -               | -                        | -  | -                                       | -                 | -                | -                    |
| Intergovernmental                                  | -               | -                        | -  | -                                       | -                 | -                | -                    |
| Charges for services                               | -               | -                        | -  | -                                       | -                 | -                | -                    |
| Fines and forfeits                                 | -               | -                        | -  | -                                       | -                 | -                | -                    |
| Other receipts                                     | -               | -                        | -  | -                                       | 43,212            | 4,174            | -                    |
| Total receipts                                     | -               | -                        | -  | -                                       | 43,212            | 4,174            | -                    |
| Disbursements:                                     |                 |                          |  |   |                   |                  |                      |
| Personal services                                  | -               | -                        | -  | -                                       | 35,207            | 8,864            | -                    |
| Supplies   | -               | -                        | -  | -                                       | -                 | -                | -                    |
| Other services and charges                         | -               | -                        | -  | -                                       | -                 | -                | -                    |
| Capital outlay                                     | -               | -                        | -  | -                                       | -                 | -                | -                    |
| Other disbursements                                | 18,343          | 20,089                   | -  | 138                                     | -                 | -                | 39                   |
| Total disbursements                                | 18,343          | 20,089                   | -  | 138                                     | 35,207            | 8,864            | 39                   |
| Excess (deficiency) of receipts over disbursements | (18,343)        | (20,089)                 | -  | (138)                                   | 8,005             | (4,690)          | (39)                 |
| Cash and investments - ending                      | \$ -            | \$ -                     | \$ 100                                     | \$ -                                    | \$ -              | \$ (4,690)       | \$ -                 |

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

|  | Center<br>Of<br>Hope<br>07VA211 | Prenatal  | DNR<br>2011 | Fire<br>District<br>2<br>11/12/13 | Bioterrorism<br>Preparedness<br>&<br>Resp | 2011<br>EMPG<br>Competitive | Grade<br>Crossing |
|--|---------------------------------|-----------|-------------|-----------------------------------|---|-----------------------------|-------------------|
| Cash and investments - beginning                   | \$ 51                           | \$ 65,083 | \$ 726      | \$ -                              | \$ -                                      | \$ -                        | \$ -              |
| Receipts:  |                                 |           |             |                                   |   |                             |                   |
| Taxes  | -                               | -         | -           | -                                 | -   | -                           | -                 |
| Licenses and permits                               | -                               | -         | -           | -                                 | -   | -                           | -                 |
| Intergovernmental                                  | -                               | -         | -           | -                                 | -   | -                           | -                 |
| Charges for services                               | -                               | -         | -           | -                                 | -   | -                           | -                 |
| Fines and forfeits                                 | -                               | -         | -           | -                                 | -   | -                           | -                 |
| Other receipts                                     | -                               | 25,582    | -           | 38,743                            | 5,787                                     | 3,623                       | 29,385            |
| Total receipts                                     | -                               | 25,582    | -           | 38,743                            | 5,787                                     | 3,623                       | 29,385            |
| Disbursements:                                     |                                 |           |             |                                   |   |                             |                   |
| Personal services                                  | -                               | 15,562    | -           | 1,355                             | -   | -                           | -                 |
| Supplies   | -                               | -         | -           | -                                 | -   | -                           | 29,385            |
| Other services and charges                         | -                               | -         | -           | 34,375                            | 5,787                                     | 3,623                       | -                 |
| Capital outlay                                     | -                               | -         | -           | -                                 | -   | -                           | -                 |
| Other disbursements                                | 51                              | 120       | -           | -                                 | -   | -                           | -                 |
| Total disbursements                                | 51                              | 15,682    | -           | 35,730                            | 5,787                                     | 3,623                       | 29,385            |
| Excess (deficiency) of receipts over disbursements | (51)                            | 9,900     | -           | 3,013                             | -   | -                           | -                 |
| Cash and investments - ending                      | \$ -                            | \$ 74,983 | \$ 726      | \$ 3,013                          | \$ -                                      | \$ -                        | \$ -              |

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

|   | TB<br>Medical<br>Expenses | Pandemic<br>Fund | 2008<br>District<br>2<br>Communications | 2008<br>HomelandSecurity<br>Exercise | 2009<br>District<br>2<br>Communications | 2008<br>Exercise<br>Grant<br>Addt | KCADP<br>United<br>Way<br>Grant |
|---|---------------------------|------------------|---|--------------------------------------|---|-----------------------------------|---------------------------------|
| Cash and investments - beginning                      | \$ 30,000                 | \$ 1,908         | \$ (20)                                 | \$ 73                                | \$ -                                    | \$ (73)                           | \$ 6                            |
| Receipts:   |                           |                  |   |                                      |   |                                   |                                 |
| Taxes   | -                         | -                | -                                       | -                                    | -                                       | -                                 | -                               |
| Licenses and permits                                  | -                         | -                | -                                       | -                                    | -                                       | -                                 | -                               |
| Intergovernmental                                     | -                         | -                | -                                       | -                                    | -                                       | -                                 | -                               |
| Charges for services                                  | -                         | -                | -                                       | -                                    | -                                       | -                                 | -                               |
| Fines and forfeits                                    | -                         | -                | -                                       | -                                    | -                                       | -                                 | -                               |
| Other receipts  | -                         | -                | 20                                      | -                                    | 3,213                                   | 73                                | -                               |
| Total receipts  | -                         | -                | 20                                      | -                                    | 3,213                                   | 73                                | -                               |
| Disbursements:  |                           |                  |   |                                      |   |                                   |                                 |
| Personal services                                     | -                         | -                | -                                       | -                                    | -                                       | -                                 | -                               |
| Supplies  | -                         | -                | -                                       | -                                    | -                                       | -                                 | 6                               |
| Other services and charges                            | -                         | -                | -                                       | -                                    | -                                       | -                                 | -                               |
| Capital outlay  | -                         | -                | -                                       | -                                    | 3,213                                   | -                                 | -                               |
| Other disbursements                                   | -                         | -                | -                                       | 73                                   | -                                       | -                                 | -                               |
| Total disbursements                                   | -                         | -                | -                                       | 73                                   | 3,213                                   | -                                 | 6                               |
| Excess (deficiency) of receipts over<br>disbursements | -                         | -                | 20                                      | (73)                                 | -                                       | 73                                | (6)                             |
| Cash and investments - ending                         | \$ 30,000                 | \$ 1,908         | \$ -                                    | \$ -                                 | \$ -                                    | \$ -                              | \$ -                            |

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

|  | Court<br>Interpreter<br>Grant | Well<br>Child<br>Fund | Operation<br>Pull<br>Over<br>PT-08-04-0 | DNR<br>Grant<br>2012 | DNR<br>Grant<br>2009 | DNR<br>Grant<br>2010 | Aggressive<br>Driving<br>Enforcement |
|--|-------------------------------|-----------------------|---|----------------------|----------------------|----------------------|--------------------------------------|
| Cash and investments - beginning                   | \$ -                          | \$ 4,488              | \$ (6,455)                              | \$ 11                | \$ 3                 | \$ 48                | \$ 307                               |
| Receipts:  |                               |                       |   |                      |                      |                      |                                      |
| Taxes  | -                             | -                     | -                                       | -                    | -                    | -                    | -                                    |
| Licenses and permits                               | -                             | -                     | -                                       | -                    | -                    | -                    | -                                    |
| Intergovernmental                                  | -                             | -                     | -                                       | -                    | -                    | -                    | -                                    |
| Charges for services                               | -                             | -                     | -                                       | -                    | -                    | -                    | -                                    |
| Fines and forfeits                                 | -                             | -                     | -                                       | -                    | -                    | -                    | -                                    |
| Other receipts                                     | 6,150                         | 26,042                | 26,611                                  | 15,000               | -                    | -                    | 774                                  |
| Total receipts                                     | <u>6,150</u>                  | <u>26,042</u>         | <u>26,611</u>                           | <u>15,000</u>        | <u>-</u>             | <u>-</u>             | <u>774</u>                           |
| Disbursements:                                     |                               |                       |   |                      |                      |                      |                                      |
| Personal services                                  | -                             | 17,645                | 25,919                                  | 11,693               | -                    | -                    | -                                    |
| Supplies   | -                             | -                     | -                                       | -                    | -                    | -                    | -                                    |
| Other services and charges                         | -                             | -                     | -                                       | 3,262                | 3                    | 48                   | -                                    |
| Capital outlay                                     | -                             | -                     | -                                       | -                    | -                    | -                    | -                                    |
| Other disbursements                                | 2,906                         | -                     | 774                                     | -                    | -                    | -                    | 206                                  |
| Total disbursements                                | <u>2,906</u>                  | <u>17,645</u>         | <u>26,693</u>                           | <u>14,955</u>        | <u>3</u>             | <u>48</u>            | <u>206</u>                           |
| Excess (deficiency) of receipts over disbursements | <u>3,244</u>                  | <u>8,397</u>          | <u>(82)</u>                             | <u>45</u>            | <u>(3)</u>           | <u>(48)</u>          | <u>568</u>                           |
| Cash and investments - ending                      | <u>\$ 3,244</u>               | <u>\$ 12,885</u>      | <u>\$ (6,537)</u>                       | <u>\$ 56</u>         | <u>\$ -</u>          | <u>\$ -</u>          | <u>\$ 875</u>                        |

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

|  | Fire<br>District<br>2<br>Training<br>08-09 | CASA<br>07VA052 | County<br>Transition<br>Program | 2010<br>EMPG | 2010<br>SHSP | NLE<br>11<br>Exercise | 2009<br>Exercise<br>Grant |
|--|--|-----------------|---------------------------------|--------------|--------------|-----------------------|---------------------------|
| Cash and investments - beginning                   | \$ (50)                                    | \$ 3,000        | \$ 93,485                       | \$ (33)      | \$ (26,521)  | \$ 21,373             | \$ (7,183)                |
| Receipts:  |  |                 |                                 |              |              |                       |                           |
| Taxes  | -  | -               | -                               | -            | -            | -                     | -                         |
| Licenses and permits                               | -  | -               | -                               | -            | -            | -                     | -                         |
| Intergovernmental                                  | -  | -               | -                               | -            | -            | -                     | -                         |
| Charges for services                               | -  | -               | -                               | -            | -            | -                     | -                         |
| Fines and forfeits                                 | -  | -               | -                               | -            | -            | -                     | -                         |
| Other receipts                                     | 50   | -               | 27,085                          | 58           | 176,669      | 2,402                 | 72,458                    |
| Total receipts                                     | 50   | -               | 27,085                          | 58           | 176,669      | 2,402                 | 72,458                    |
| Disbursements:                                     |  |                 |                                 |              |              |                       |                           |
| Personal services                                  | -  | -               | -                               | -            | -            | -                     | -                         |
| Supplies   | -  | -               | -                               | -            | -            | -                     | 65,275                    |
| Other services and charges                         | -  | -               | -                               | 25           | -            | -                     | -                         |
| Capital outlay                                     | -  | -               | -                               | -            | 151,745      | -                     | -                         |
| Other disbursements                                | -  | 3,000           | -                               | -            | 2,402        | 23,775                | -                         |
| Total disbursements                                | -  | 3,000           | -                               | 25           | 154,147      | 23,775                | 65,275                    |
| Excess (deficiency) of receipts over disbursements | 50   | (3,000)         | 27,085                          | 33           | 22,522       | (21,373)              | 7,183                     |
| Cash and investments - ending                      | \$ -                                       | \$ -            | \$ 120,570                      | \$ -         | \$ (3,999)   | \$ -                  | \$ -                      |

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

|  | 2010<br>Interoperable<br>Communica | 2011<br>SHSP<br>Equipment | 2012<br>HMEP<br>(LEPC) | 2011<br>Exercise | 2011<br>SHSP<br>Admin | 2012<br>EMPG<br>Competitive | Totals               |
|--|------------------------------------|---------------------------|------------------------|------------------|-----------------------|-----------------------------|----------------------|
| Cash and investments - beginning                   | \$ -                               | \$ -                      | \$ -                   | \$ -             | \$ -                  | \$ -                        | \$ 40,035,504        |
| Receipts:  |                                    |                           |                        |                  |                       |                             |                      |
| Taxes  | -                                  | -                         | -                      | -                | -                     | -                           | 97,010,292           |
| Licenses and permits                               | -                                  | -                         | -                      | -                | -                     | -                           | 105,973              |
| Intergovernmental                                  | -                                  | -                         | -                      | -                | -                     | -                           | 13,512,458           |
| Charges for services                               | -                                  | -                         | -                      | -                | -                     | -                           | 7,375,635            |
| Fines and forfeits                                 | -                                  | -                         | -                      | -                | -                     | -                           | 1,043,959            |
| Other receipts                                     | 25,097                             | 49,363                    | 15,658                 | 3,614            | 14,000                | 1,221                       | 29,931,376           |
| Total receipts                                     | <u>25,097</u>                      | <u>49,363</u>             | <u>15,658</u>          | <u>3,614</u>     | <u>14,000</u>         | <u>1,221</u>                | <u>148,979,693</u>   |
| Disbursements:                                     |                                    |                           |                        |                  |                       |                             |                      |
| Personal services                                  | -                                  | -                         | -                      | -                | -                     | -                           | 16,916,929           |
| Supplies   | -                                  | -                         | 2,218                  | 3,614            | 18,000                | -                           | 2,988,929            |
| Other services and charges                         | -                                  | 48,857                    | 13,440                 | -                | -                     | 1,221                       | 7,540,622            |
| Capital outlay                                     | 25,097                             | -                         | -                      | -                | -                     | -                           | 5,184,885            |
| Other disbursements                                | -                                  | -                         | -                      | -                | -                     | -                           | 120,052,414          |
| Total disbursements                                | <u>25,097</u>                      | <u>48,857</u>             | <u>15,658</u>          | <u>3,614</u>     | <u>18,000</u>         | <u>1,221</u>                | <u>152,683,779</u>   |
| Excess (deficiency) of receipts over disbursements | <u>-</u>                           | <u>506</u>                | <u>-</u>               | <u>-</u>         | <u>(4,000)</u>        | <u>-</u>                    | <u>(3,704,086)</u>   |
| Cash and investments - ending                      | <u>\$ -</u>                        | <u>\$ 506</u>             | <u>\$ -</u>            | <u>\$ -</u>      | <u>\$ (4,000)</u>     | <u>\$ -</u>                 | <u>\$ 36,331,418</u> |

KOSCIUSKO COUNTY  
SCHEDULE OF PAYABLES AND RECEIVABLES  
December 31, 2012

| <u>Government or Enterprise</u> | <u>Accounts<br/>Payable</u> | <u>Accounts<br/>Receivable</u> |
|---------------------------------|-----------------------------|--------------------------------|
| Governmental activities         | <u>\$ 983,941</u>           | <u>\$ 4,939,677</u>            |

KOSCIUSKO COUNTY  
 SCHEDULE OF LEASES AND DEBT  
 December 31, 2012

| Description of Debt      |                   | Ending<br>Principal<br>Balance | Principal and<br>Interest Due<br>Within One<br>Year |
|--------------------------|-------------------|--------------------------------|---|
| Type                     | Purpose           |                                |   |
| Governmental activities: |                   |                                |   |
| Capital lease            | Justice Building  | \$ 2,865,000                   | \$ 1,895,000  |
| General obligation bonds | Louis Dreyfus TIF | 5,555,000                      | 215,000   |
| Notes and loans payable  | Munson Buildings  | <u>600,000</u>                 | <u>103,692</u>                                      |
| Totals                   |                   | <u>\$ 9,020,000</u>            | <u>\$ 2,213,692</u>                                 |

KOSCIUSKO COUNTY  
SCHEDULE OF CAPITAL ASSETS  
December 31, 2012

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

|                                    | <u>Ending<br/>Balance</u> |
|------------------------------------|---------------------------|
| Governmental activities:           |                           |
| Infrastructure                     | \$ 50,567,954             |
| Buildings                          | 39,673,868                |
| Machinery, equipment, and vehicles | <u>3,016,342</u>          |
| Total capital assets               | <u>\$ 93,258,164</u>      |

KOSCIUSKO COUNTY  
OTHER REPORT

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

Auditor

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 KOSCIUSKO COUNTY, INDIANA

***Report on Compliance for Each Major Federal Program***

We have audited Kosciusko 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.

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 item 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

September 18, 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.

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

| Federal Grantor Agency<br>Cluster Title/Program Title/Project Title                               | Pass-Through Entity or Direct Grant     | Federal<br>CFDA<br>Number | Pass-Through<br>Entity (or Other)<br>Identifying<br>Number | Total<br>Federal Awards<br>Expended |
|---|---|---------------------------|--|-------------------------------------|
| <u>Department of Justice</u>  |   |                           |  |                                     |
| Crime Victim Assistance   | Indiana Criminal Justice Institute      |                           |  |                                     |
| VOCA  |   | 16.575                    | 2010-VA-GX-0100  | \$ 22,498                           |
| VOCA  |   | 16.575                    | 2012-VA-GX-0017  | <u>4,174</u>                        |
| Total - Department of Justice   |   |                           |  | <u>26,672</u>                       |
| <u>Department of Transportation</u>   |   |                           |  |                                     |
| Highway Planning and Construction Cluster   |   |                           |  |                                     |
| Highway Planning and Construction   | Indiana Department of Transportation    |                           |  |                                     |
| Round About   |   | 20.205                    | Des.0710955  | 140,527                             |
| Round About   |   | 20.205                    | Des.0710956  | 3,273                               |
| Round About   |   | 20.205                    | Des.0810103  | 87,635                              |
| Bridge Inspection   |   | 20.205                    | Des.0901507  | 37,536                              |
| Old US 30   |   | 20.205                    | Des.0902295  | <u>89,963</u>                       |
| Total - Highway Planning and Construction Cluster   |   |                           |  | <u>358,934</u>                      |
| Highway Safety Cluster  |   |                           |  |                                     |
| State and Community Highway Safety  | Town Of Winona Lake                     |                           |  |                                     |
| Operation Pull Over   |   | 20.600                    | PT-11-04-04-19   | 1,253                               |
| Operation Pull Over   |   | 20.600                    | PT-12-11-04-17   | <u>24,204</u>                       |
| Total - State and Community Highway Safety  |   |                           |  | <u>25,457</u>                       |
| Alcohol Impaired Driving Countermeasures Incentive Grants I                                       |   |                           |  |                                     |
| Fatal Alcohol Crash Team  | Indiana Criminal Justice Institute      | 20.601                    | K8-2012-03-02-04   | 52,702                              |
| DUI Task Force  | Town Of Winona Lake                     | 20.601                    | K8-2012-03-03-17   | 6,991                               |
| Fatal Alcohol Crash Team  | Indiana Criminal Justice Institute      | 20.601                    | K8-2013-03-02-04   | <u>1,873</u>                        |
| Total - Alcohol Impaired Driving Countermeasures<br>Incentive Grants I                            |   |                           |  | <u>61,566</u>                       |
| Total - Highway Safety Cluster  |   |                           |  | <u>87,023</u>                       |
| Formula Grants for Other Than Urbanized Areas   | Indiana Department of Transportation    |                           |  |                                     |
| KABS Federal  |   | 20.509                    | A249-12-320300   | <u>333,048</u>                      |
| Interagency Hazardous Materials Public<br>Sector Training and Planning Grants<br>2012 HMEP (LEPC) | Indiana Department of Homeland Security | 20.703                    | C44P-2-178A  | <u>15,658</u>                       |
| Total - Department of Transportation  |   |                           |  | <u>794,663</u>                      |

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

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

| Federal Grantor Agency<br>Cluster Title/Program Title/Project Title                               | Pass-Through Entity or Direct Grant     | Federal<br>CFDA<br>Number | Pass-Through<br>Entity (or Other)<br>Identifying<br>Number | Total<br>Federal Awards<br>Expended |
|---|---|---------------------------|--|-------------------------------------|
| <u>Department of Health and Human Services</u>  |   |                           |  |                                     |
| Public Health Emergency Preparedness<br>Bioterrorism Preparedness & Response Supplemental         | Indiana Department of Health            | 93.069                    | BPRS 142-70  | <u>5,787</u>                        |
| Child Support Enforcement   | Indiana Department of Child Services    |                           |  |                                     |
| Prosecutors Expenditures  |   | 93.563                    | Year 2012  | 330,617                             |
| Clerks Expenditures   |   | 93.563                    | Year 2012  | 31,343                              |
| Court Expenditures  |   | 93.563                    | Year 2012  | 10,066                              |
| Indirect Costs  |   | 93.563                    | Year 2012  | 71,153                              |
| Prosecutor Incentive  |   | 93.563                    | Year 2012  | 76,747                              |
| Clerk Incentive   |   | 93.563                    | Year 2012  | <u>27,508</u>                       |
| Total - Child Support Enforcement   |   |                           |  | <u>547,434</u>                      |
| Maternal and Child Health Services Block Grant to the States<br>Prenatal                          | Indiana Department of Health            | 93.994                    | 1B04MC23378-01-00  | <u>13,539</u>                       |
| Total - Department of Health and Human Services   |   |                           |  | <u>566,760</u>                      |
| <u>Department of Homeland Security</u>  |   |                           |  |                                     |
| Disaster Grants - Public Assistance<br>(Presidentially Declared Disasters)<br>Disaster Assistance | Indiana Department of Homeland Security | 97.036                    | #4058  | <u>4,587</u>                        |
| Emergency Management Performance Grants   | Indiana Department of Homeland Security |                           |  |                                     |
| 2011 EMPG Competitive   |   | 97.042                    | C44P-2-104A  | 3,623                               |
| EMA Competitive Grant   |   | 97.042                    | C44P-3-034B  | 1,221                               |
| Salary Reimbursement  |   | 97.042                    | C44P-3-350A  | <u>36,961</u>                       |
| Total - Emergency Management Performance Grants   |   |                           |  | <u>41,805</u>                       |
| Interoperable Emergency Communications<br>2010 Interoperable Communications                       | Indiana Department of Homeland Security | 97.055                    | C44P-2-213A  | <u>12,119</u>                       |
| State Homeland Security Program (SHSP)  | Indiana Department of Homeland Security |                           |  |                                     |
| 2009 District 2 Communications  |   | 97.073                    | C44P-0-204A  | 3,213                               |
| 2010 SHSP   |   | 97.073                    | C44P-1-071A  | 153,066                             |
| 2009 Exercise Grant   |   | 97.073                    | C44P-1-207A  | 67,700                              |
| 2011 SHSP Admin   |   | 97.073                    | C44P-2-242A  | 14,000                              |
| 2011 SHSP Equipment   |   | 97.073                    | C44P-2-245A  | 49,363                              |
| 2011 Excise   |   | 97.073                    | C44P-2-414A  | <u>3,614</u>                        |
| Total - State Homeland Security Program (SHSP)  |   |                           |  | <u>290,956</u>                      |
| Total - Department of Homeland Security   |   |                           |  | <u>349,467</u>                      |
| Total federal awards expended   |   |                           |  | <u>\$ 1,737,562</u>                 |

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

KOSCIUSKO 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 Kosciusko 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<br>CFDA<br>Number | 2012              |
|---|---------------------------|-------------------|
| Formula Grants for Other Than Urbanized Areas | 20.509                    | <u>\$ 333,048</u> |

KOSCIUSKO 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;<br>Unmodified as to Regulatory Basis |
| Internal control over financial reporting:           |  |
| Material weaknesses identified?                      | yes  |
| Significant deficiencies identified?                 | none reported  |
| Noncompliance material to financial statement noted? | no   |

Federal Awards:

|  |               |
|--|---------------|
| Internal control over major programs:  |               |
| Material weaknesses identified?  | 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<br>Number | Name of Federal Program or Cluster                                     |
|----------------|--|
| 93.563         | Highway Planning and Construction Cluster<br>Child Support Enforcement |

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

Auditee qualified as low-risk auditee? no

**Section II – Financial Statement Findings**

**FINDING 2012-1 - INTERNAL CONTROLS OVER 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. Lack of Segregation of Duties: Control activities should be selected and developed at various levels of the County to reduce risks to the achievement of financial reporting objectives. The County has not separated incompatible activities related to disbursements and payroll and related liabilities. The failure to establish these controls could enable material misstatements or irregularities to remain undetected.

KOSCIUSKO COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

2. **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 statements 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 and document effective controls over the preparation of the financial statements to prevent or detect material misstatements.
3. **Monitoring of Controls:** Effective internal control over financial reporting requires the Board of County Commissioners (Board) to monitor and assess the quality of the County's system of internal control. The Board has 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.

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)

***FINDING 2012-2 - INTERNAL CONTROLS OVER PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS***

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

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)

KOSCIUSKO COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

**Section III – Federal Award Findings and Questioned Costs**

**FINDING 2012-3 - INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO CHILD SUPPORT ENFORCEMENT**

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

Management of Kosciusko County has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and all of the compliance requirements that have a direct and material effect to the program. This includes the following compliance requirements: Allowable Activities, Allowable Costs/Cost Principals, Cash Management, Level of Effort, and Reporting. The failure to establish an effective internal control system places the County at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the grant.

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

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."

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

We recommended that the County's management establish controls, including segregation of duties, related to the grant agreement and all compliance requirements that have a direct and material effect to the program.



# Kosciusko County

Office of the Auditor  
Warsaw, Indiana 46580

**Marsha McSherry**  
Auditor

## **CORRECTIVE ACTION PLAN**

August 29, 2013

### **Section II-Financial Statement Findings**

#### **FINDING 2012-1 – I INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING**

The County will implement controls over the receipting, disbursing, recording and accounting for the financial activities as necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements to avoid incorrect decision making.

The County Commissioners have reviewed and approved the Auditor's Internal Controls manual for processes and corrective action plans and will continue to do so as documentation is completed.

#### **FINDING 2012-2 INTERNAL CONTROLS OVER PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

The County has internal controls in place to prevent or detect errors on the Schedule of Expenditures of Federal Awards (SEFA). Adjustments have been made to the SEFA presented and it is correct in relation to the financial statements.

### **Section III – Federal Award Findings and Questioned Costs**

#### **FINDING 2013-3 INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO CHILD SUPPORT ENFORCEMENT**

Federal Agency: HEALTH AND HUMAN SERVICES

Federal Program: CHILD SUPPORT ENFORCEMENT

CFDA Number: 93.563

Year: 2012

Pass-Through Entity: INDIANA DEPARTMENT OF CHILD SERVICES

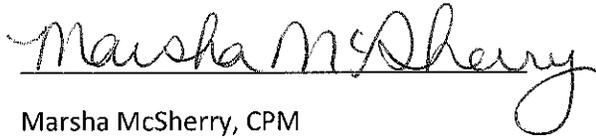
Auditee Contact Person: Marsha McSherry

Title of Contact Person: Auditor

Phone Number: 574-372-2328

Expected Completion Date: December 31, 2013

The County will establish internal controls, including segregation of duties, related to the grant agreement and all compliance requirements that have a direct and material effect to the program.

A handwritten signature in cursive script that reads "Marsha McSherry". The signature is written in black ink and is positioned above a horizontal line.

Marsha McSherry, CPM

Auditor Kosciusko County

KOSCIUSKO COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on September 18, 2013, with Marsha A. McSherry, Auditor, and Ron Robinson, County Administrator.