

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

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



**FILED**  
09/25/2013



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Amy L. Glackman	01-01-11 to 12-31-14
Treasurer	Tawnya Williams	01-01-11 to 12-31-14
Clerk	Vicki Franklin	01-01-11 to 12-31-14
Sheriff	Mike Bowlby	01-01-11 to 12-31-14
Recorder	Mary Jo Phares	01-01-11 to 12-31-14
President of the Board of County Commissioners	Tony Newton (Deceased) (Vacant) Kevin Nigh	01-01-12 to 10-25-12 10-26-12 to 12-31-12 01-01-13 to 12-31-13
President of the County Council	Tom K. Debaun Scott M. Asher	01-01-12 to 12-31-12 01-01-13 to 12-31-13



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF SHELBY COUNTY, INDIANA

***Report on the Financial Statement***

We have audited the accompanying financial statement of Shelby 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 10, 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 and Schedule of Payables and Receivables, 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 10, 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 SHELBY 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 Shelby 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 10, 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 deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2012-1 to be a material weakness.

***Compliance and Other Matters***

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

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

***Compliance and Other Matters***

was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2012-1.

***Shelby 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 10, 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.

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

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12
General	\$ 1,369,357	\$ 11,744,420	\$ 12,365,857	\$ 747,920
Highway	1,515,608	3,460,481	3,701,334	1,274,755
Local Road And Street	2,665,498	470,030	131,251	3,004,277
Firearms Training	49,306	18,387	12,247	55,446
Health	32,146	520,621	448,695	104,072
Clerk's Records Perpetuation	108,117	17,141	5,976	119,282
Recorder's Enhanced Access Fund	2,114	-	2,114	-
Unsafe Building	1,300	-	-	1,300
County 911	-	288,939	50,507	238,432
Drainage Maintenance	498,491	209,792	181,463	526,820
Emergency Planning/Right To Know	41,829	6,051	222	47,658
Prosecutor Title IV-D	650	25	-	675
Extradition	78	-	-	78
Juvenile Probation Service	7,911	-	-	7,911
Recorder's Records Perpetuation	47,590	53,444	61,117	39,917
County Auditor Ineligible Homestead Deduction	5,993	6,129	8,116	4,006
Health Maintenance	96,616	32,671	36,262	93,025
Pretrial Diversion	236,087	36,635	17,355	255,367
Guardian Ad Litem/Court	2,015	26,613	26,613	2,015
Plat Book	31,149	13,540	268	44,421
Clerk I-V D Incentive 10-1-99	66,938	62,923	9,100	120,761
Suveyor's Corner Perpetuation	6,440	11,856	18,296	-
Jury Pay	35,843	6,627	13,079	29,391
Rainy Day	389,765	-	307,547	82,218
Inmate Medical	16,103	4,822	-	20,925
Disclosure/Assessor	1,879	3,910	2,568	3,221
Tobacco Settlement - Local Health	-	24,256	2,354	21,902
Health Services Fund	-	4,962	-	4,962
Seized Assets	204	-	-	204
Identification Security Protection	28,346	5,373	1,703	32,016
Food And Beverage Tax	896,918	346,673	600,000	643,591
Pros IV-D Incentive 10-1-99	71,466	95,036	12,987	153,515
Shelby Co. Sex & Violent Offender	261	12,782	2,378	10,665
Cum Reassessment 2015	140,370	138,757	-	279,127
Prosecutor's ARRA Fund	11,553	-	-	11,553
County IV-D Incentive	-	62,923	-	62,923
Cumulative Capital Development	(99,475)	358,836	185,479	73,882
Cumulative Bridge	3,242,597	790,315	764,310	3,268,602
Sheriff Retirement	-	4,000	-	4,000
Congressional School Principal	17,421	-	17,421	-
City And Town Court Costs	10,201	16,131	17,170	9,162
State Highway Fund	-	460	460	-
State Sales Disclosure Fee	585	3,840	4,090	335
Infraction Judgements	6,894	68,306	71,215	3,985
Inheritance Tax	219,324	1,188,079	1,112,464	294,939
Sheriff's Inmate Trust	6,592	297,361	296,380	7,573
Special Death Benefit	440	4,695	4,760	375
Education Plate Fees	-	638	638	-
EDIT	-	1,200,462	1,200,462	-
Innkeepers Tax	129,431	241,593	133,041	237,983
FIT	-	326,904	326,904	-
Interstate Fees	488	1,309	400	1,397
CVET	-	181,722	181,722	-
River Boat Revenue	-	125,800	125,800	-
Homestead Credit Rebate	210,945	-	159,693	51,252
County CAGIT	-	5,387,947	5,387,947	-

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

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

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12
DLGF Homestead Property Data	2	1,262	1,264	-
Sex & Violent Offender Admin - State	-	304	-	304
County Wheel Tax	-	236,009	236,436	(427)
2008 Willow Park Grant HMGP	69,794	38,326	27,785	80,335
Competitive EMA	598	3,508	5,685	(1,579)
CTP Funding	10,651	-	-	10,651
Education Fund (Recorder)	1,743	5,374	220	6,897
Court Reform Grant (Odyssey)	2,000	28,091	30,122	(31)
Health Dept. BHP Grant 172-2	4,996	5,000	4,051	5,945
Community Corrections	28,338	576,286	604,971	(347)
County Treasurer	1,832,319	1,386,896	1,832,319	1,386,896
Sheriff's Food Account	2,899	355,554	345,589	12,864
Sheriff Commissary	97,437	207,280	196,090	108,627
Clerk of Circuit Court	688,156	5,220,323	5,341,079	567,400
Community Corrections Drug Free Coalition	-	3,360	3,234	126
Health Assessment Fund - Grant	-	3,000	766	2,234
93.563 Prosecutor PCA	-	353	-	353
93.008 NACCHO MRC	-	5,000	261	4,739
Tax Sale Redemption	-	35,052	31,016	4,036
Pass Thru Grant - Marion County	-	26,396	31,075	(4,679)
Tax Sale Surplus	-	404,103	158,620	245,483
New Settlement	73	39,249,897	39,249,997	(27)
Donations/Sheriff Dept	15,426	-	-	15,426
Medical Assistance To Wards	101,814	-	-	101,814
Children With Special Health Needs	12,980	-	-	12,980
Sheriff's Continuning Education	4,584	5,149	3,555	6,178
Presecutor Donation	786	386	-	1,172
Law Enforcement	21,331	11,432	11,956	20,807
Work Release	21,664	21,057	12,351	30,370
Welfare Hci	11,891	-	-	11,891
Project Income House Arrest	302,066	492,756	553,807	241,015
Cumulative Reassessment	67,168	199	45,093	22,274
Sheriff's Commissary	2,529	20,000	19,743	2,786
County Corrections	11,690	29,567	15,302	25,955
Build Indiana	193,498	-	-	193,498
Cri Grant - Health Dept	10,628	9,601	16,333	3,896
Adult Protective Services	79,180	77,662	46,001	110,841
Coroners Education	170	3,164	3,185	149
Operation Pull Over	263	-	-	263
Public Defender	14,565	46,897	35,619	25,843
Adult Probation Services	201,471	188,416	192,361	197,526
Act Juvenile Justice	6,715	-	-	6,715
93.041 Adult Protective Services 2	(93,574)	93	40,836	(134,317)
Assessment & Referral	108,409	106,769	90,726	124,452
Bail Alternative Building	46,899	-	-	46,899
Campaign Enforcement	200	-	-	200
Civil Process Fees	7,775	27,643	29,131	6,287
Community Corrections 2	33,932	495,891	440,129	89,694
Comprehensive Plan Emergency	16,477	-	-	16,477
County Drug Free Community Fund	73,003	86,942	-	159,945
County Share Edit	1,461,200	953,209	623,827	1,790,582
E-911	31,048	71,776	52,191	50,633
English Second Language	-	442	-	442
Informal Adjustment	10,554	19,294	10,015	19,833

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

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

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12
Interstate Compact Fees	63	1,310	1,310	63
Madd Impact Fees	2,640	-	-	2,640
Mortgage Fees - State	368	3,915	3,980	303
Pro Bono Programs	5,071	4,526	5,599	3,998
Pros Law Enforcement	52,906	15,757	25,600	43,063
Public Preparedness	10,832	16,203	24,292	2,743
Sheriff Defibulator Donations	70	-	-	70
Sheriff Drug Free	5,584	12,001	10,472	7,113
Sheriff Range Fund	216	-	-	216
Sheriff Special Accident	14,199	1,100	-	15,299
Sheriff Training Fund	550	-	-	550
Sheriff's Restitution	10,439	27	-	10,466
Vending Machine	1,468	96	264	1,300
Racino Tax	-	3,444,160	3,444,160	-
Gal/Capta	2,500	-	-	2,500
Race-Gender Fairness	16,057	6,651	10,959	11,749
Drug Free Coalition	17,540	7,534	76,820	(51,746)
Tsf Drug Free Coalition	(9,292)	16,519	-	7,227
Victim Assistance	(27,322)	24,422	35,584	(38,484)
Dui Task Force	5,774	7,560	8,149	5,185
4-H Drug Free Grant Tfc	145	-	-	145
Victim Assist 2	(55,684)	1	8,388	(64,071)
Juvenile Intensive Sp	(241)	-	-	(241)
Jisp	8,720	-	-	8,720
Community Correction Juv	(2,250)	-	-	(2,250)
Homeland Security Computer Grant	(7)	-	-	(7)
Bcc Traffic Enorcement	1,542	12,037	14,102	(523)
Youth Subsatance Abuse Provention P	(9,819)	138,148	132,859	(4,530)
Fbi Justice Funds	172	-	134	38
E-911 Land Line	318,012	181,240	35,958	463,294
Racino - County	2,934,161	3,876,091	3,155,768	3,654,484
Jabg Flow Through Grant Cc	30,375	-	-	30,375
H1N1 Vaccanation	492	-	-	492
Edward Byrne Memorial - Sheriff	252	-	-	252
Assessor Data Entry Fee	4,605	2,485	-	7,090
Hendricks Street Rental	15,147	9,345	9,783	14,709
Jail Debt	251,494	-	-	251,494
Cum. Courthouse	21,321	623,689	622,000	23,010
Gdif	210,078	105,932	137,187	178,823
Tindall Farm	212,095	58,254	22,628	247,721
Payroll	(13,743)	3,151,825	3,150,105	(12,023)
Payroll Withholding - Insurance	704,050	1,598,303	1,278,829	1,023,524
Ptrc 2008 Distribution	120	1	71	50
Excess Levy	180,449	-	-	180,449
2008 Citizen Coprts Programs	(614)	-	-	(614)
Automotive Safety	2	-	-	2
Ctp Community Corrections	12,386	21,693	12,680	21,399
Excess Taxes	472,359	43,436	169,431	346,364
Fines & Forfeitures	4,104	21,085	15,861	9,328
Misc. Distributions	279,892	-	34,288	245,604
Settlement Fund	(4,252)	-	-	(4,252)
Sheriff Surety Bonds	1,495	90	-	1,585
Totals	<u>\$ 23,325,253</u>	<u>\$ 91,749,372</u>	<u>\$ 90,799,767</u>	<u>\$ 24,274,858</u>

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

SHELBY COUNTY  
NOTES TO FINANCIAL STATEMENT

**Note 1. Summary of Significant Accounting Policies**

*A. Reporting Entity*

The County was established under the laws of the State of Indiana. The County operates under a Council-Commissioner form of government and provides some or all of the following services: public safety (police), highways and streets, health welfare and social services, culture and recreation, public improvements, planning and zoning, and general administrative services.

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

*B. Basis of Accounting*

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

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

*C. Cash and Investments*

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

*D. Receipts*

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

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

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

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

SHELBY COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

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

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

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

*E. Disbursements*

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

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

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

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

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.

SHELBY 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.

SHELBY COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

**Note 5. Risk Management**

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

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.

SHELBY COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*B. County Police Retirement Plan*

*Plan Description*

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

*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 the financial statements.

**Note 8. Cash Balance Deficits**

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

SHELBY COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 9.  *Holding Corporation***

The County has entered into a capital lease with Shelby County Courthouse Annex 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 \$622,000.

## 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.

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

	General	Highway	Local Road And Street	Firearms Training	Health	Clerk's Records Perpetuation	Recorder's Enhanced Access Fund
Cash and investments - beginning	\$ 1,369,357	\$ 1,515,608	\$ 2,665,498	\$ 49,306	\$ 32,146	\$ 108,117	\$ 2,114
Receipts:							
Taxes	8,420,157	1,078,770	-	-	371,961	-	-
Licenses and permits	75,274	10,431	-	-	43,671	-	-
Intergovernmental	989,774	2,266,130	413,468	-	68,085	-	-
Charges for services	313,713	-	-	18,387	36,904	-	-
Fines and forfeits	281,465	-	56,562	-	-	17,141	-
Other receipts	1,664,037	105,150	-	-	-	-	-
Total receipts	<u>11,744,420</u>	<u>3,460,481</u>	<u>470,030</u>	<u>18,387</u>	<u>520,621</u>	<u>17,141</u>	<u>-</u>
Disbursements:							
Personal services	8,252,886	1,050,112	-	-	320,398	76	-
Supplies	752,400	2,171,317	-	10,857	31,771	-	-
Other services and charges	2,212,420	139,180	131,251	1,390	68,582	5,900	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	56,735	340,725	-	-	449	-	-
Other disbursements	1,091,416	-	-	-	27,495	-	2,114
Total disbursements	<u>12,365,857</u>	<u>3,701,334</u>	<u>131,251</u>	<u>12,247</u>	<u>448,695</u>	<u>5,976</u>	<u>2,114</u>
Excess (deficiency) of receipts over disbursements	<u>(621,437)</u>	<u>(240,853)</u>	<u>338,779</u>	<u>6,140</u>	<u>71,926</u>	<u>11,165</u>	<u>(2,114)</u>
Cash and investments - ending	<u>\$ 747,920</u>	<u>\$ 1,274,755</u>	<u>\$ 3,004,277</u>	<u>\$ 55,446</u>	<u>\$ 104,072</u>	<u>\$ 119,282</u>	<u>\$ -</u>

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

	Unsafe Building	County 911	Drainage Maintenance	Emergency Planning/Right To Know	Prosecutor Title IV-D	Extradition	Juvenile Probation Service
Cash and investments - beginning	\$ 1,300	\$ -	\$ 498,491	\$ 41,829	\$ 650	\$ 78	\$ 7,911
Receipts:							
Taxes	-	-	209,792	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	6,051	-	-	-
Charges for services	-	288,939	-	-	25	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	288,939	209,792	6,051	25	-	-
Disbursements:							
Personal services	-	9,380	1,510	-	-	-	-
Supplies	-	-	4,797	-	-	-	-
Other services and charges	-	41,127	101,042	222	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	74,114	-	-	-	-
Total disbursements	-	50,507	181,463	222	-	-	-
Excess (deficiency) of receipts over disbursements	-	238,432	28,329	5,829	25	-	-
Cash and investments - ending	\$ 1,300	\$ 238,432	\$ 526,820	\$ 47,658	\$ 675	\$ 78	\$ 7,911

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

	Recorder's Records Perpetuation	County Auditor Ineligible Homestead Deduction	Health Maintenance	Pretrial Diversion	Guardian Ad Litem/Court	Plat Book	Clerk I-V D Incentive 10-1-99
Cash and investments - beginning	\$ 47,590	\$ 5,993	\$ 96,616	\$ 236,087	\$ 2,015	\$ 31,149	\$ 66,938
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	32,671	-	26,613	-	-
Charges for services	53,445	-	-	-	-	13,540	-
Fines and forfeits	-	6,129	-	36,635	-	-	-
Other receipts	(1)	-	-	-	-	-	62,923
Total receipts	<u>53,444</u>	<u>6,129</u>	<u>32,671</u>	<u>36,635</u>	<u>26,613</u>	<u>13,540</u>	<u>62,923</u>
Disbursements:							
Personal services	28,601	-	6,465	-	-	268	-
Supplies	-	-	6,737	5,316	-	-	-
Other services and charges	500	-	60	12,039	26,613	-	9,100
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	32,016	7,369	23,000	-	-	-	-
Other disbursements	-	747	-	-	-	-	-
Total disbursements	<u>61,117</u>	<u>8,116</u>	<u>36,262</u>	<u>17,355</u>	<u>26,613</u>	<u>268</u>	<u>9,100</u>
Excess (deficiency) of receipts over disbursements	<u>(7,673)</u>	<u>(1,987)</u>	<u>(3,591)</u>	<u>19,280</u>	<u>-</u>	<u>13,272</u>	<u>53,823</u>
Cash and investments - ending	<u>\$ 39,917</u>	<u>\$ 4,006</u>	<u>\$ 93,025</u>	<u>\$ 255,367</u>	<u>\$ 2,015</u>	<u>\$ 44,421</u>	<u>\$ 120,761</u>

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

	Suveryor's Corner Perpetuation	Jury Pay	Rainy Day	Inmate Medical	Disclosure/Assessor	Tobacco Settlement - Local Health	Health Services Fund
Cash and investments - beginning	\$ 6,440	\$ 35,843	\$ 389,765	\$ 16,103	\$ 1,879	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	11,856	-	-	4,822	3,910	-	4,962
Fines and forfeits	-	6,627	-	-	-	-	-
Other receipts	-	-	-	-	-	24,256	-
Total receipts	<u>11,856</u>	<u>6,627</u>	<u>-</u>	<u>4,822</u>	<u>3,910</u>	<u>24,256</u>	<u>4,962</u>
Disbursements:							
Personal services	16,047	13,079	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	1,909	-	294,547	-	2,568	2,354	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	340	-	13,000	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>18,296</u>	<u>13,079</u>	<u>307,547</u>	<u>-</u>	<u>2,568</u>	<u>2,354</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(6,440)</u>	<u>(6,452)</u>	<u>(307,547)</u>	<u>4,822</u>	<u>1,342</u>	<u>21,902</u>	<u>4,962</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 29,391</u>	<u>\$ 82,218</u>	<u>\$ 20,925</u>	<u>\$ 3,221</u>	<u>\$ 21,902</u>	<u>\$ 4,962</u>

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

	Seized Assets	Identification Security Protection	Food And Beverage Tax	Pros IV-D Incentive 10-1-99	Shelby Co. Sex & Violent Offender	Cum Reassessment 2015	Prosecutor's ARRA Fund
Cash and investments - beginning	\$ 204	\$ 28,346	\$ 896,918	\$ 71,466	\$ 261	\$ 140,370	\$ 11,553
Receipts:							
Taxes	-	-	346,673	-	-	123,291	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	14,528	-
Charges for services	-	5,373	-	-	12,782	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	95,036	-	938	-
Total receipts	-	5,373	346,673	95,036	12,782	138,757	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	11,413	-	-	-
Other services and charges	-	-	-	1,574	2,378	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	1,703	-	-	-	-	-
Other disbursements	-	-	600,000	-	-	-	-
Total disbursements	-	1,703	600,000	12,987	2,378	-	-
Excess (deficiency) of receipts over disbursements	-	3,670	(253,327)	82,049	10,404	138,757	-
Cash and investments - ending	\$ 204	\$ 32,016	\$ 643,591	\$ 153,515	\$ 10,665	\$ 279,127	\$ 11,553

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

	County IV-D Incentive	Cumulative Capital Development	Cumulative Bridge	Sheriff Retirement	Congressional School Principal	City And Town Court Costs	State Highway Fund
Cash and investments - beginning	\$ -	\$ (99,475)	\$ 3,242,597	\$ -	\$ 17,421	\$ 10,201	\$ -
Receipts:							
Taxes	-	319,721	488,984	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	37,674	57,619	-	-	-	-
Charges for services	62,923	-	-	-	-	-	-
Fines and forfeits	-	-	243,712	4,000	-	16,131	460
Other receipts	-	1,441	-	-	-	-	-
Total receipts	<u>62,923</u>	<u>358,836</u>	<u>790,315</u>	<u>4,000</u>	<u>-</u>	<u>16,131</u>	<u>460</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	185,479	764,310	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	17,421	17,170	460
Total disbursements	<u>-</u>	<u>185,479</u>	<u>764,310</u>	<u>-</u>	<u>17,421</u>	<u>17,170</u>	<u>460</u>
Excess (deficiency) of receipts over disbursements	<u>62,923</u>	<u>173,357</u>	<u>26,005</u>	<u>4,000</u>	<u>(17,421)</u>	<u>(1,039)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 62,923</u>	<u>\$ 73,882</u>	<u>\$ 3,268,602</u>	<u>\$ 4,000</u>	<u>\$ -</u>	<u>\$ 9,162</u>	<u>\$ -</u>

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

	State Sales Disclosure Fee	Infraction Judgements	Inheritance Tax	Sheriff's Inmate Trust	Special Death Benefit	Education Plate Fees	EDIT
Cash and investments - beginning	\$ 585	\$ 6,894	\$ 219,324	\$ 6,592	\$ 440	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	1,200,462
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	1,188,079	-	-	638	-
Charges for services	3,840	-	-	-	-	-	-
Fines and forfeits	-	68,306	-	-	4,695	-	-
Other receipts	-	-	-	297,361	-	-	-
Total receipts	<u>3,840</u>	<u>68,306</u>	<u>1,188,079</u>	<u>297,361</u>	<u>4,695</u>	<u>638</u>	<u>1,200,462</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	4,090	71,215	1,112,464	296,380	4,760	638	1,200,462
Total disbursements	<u>4,090</u>	<u>71,215</u>	<u>1,112,464</u>	<u>296,380</u>	<u>4,760</u>	<u>638</u>	<u>1,200,462</u>
Excess (deficiency) of receipts over disbursements	<u>(250)</u>	<u>(2,909)</u>	<u>75,615</u>	<u>981</u>	<u>(65)</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 335</u>	<u>\$ 3,985</u>	<u>\$ 294,939</u>	<u>\$ 7,573</u>	<u>\$ 375</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Innkeepers Tax	FIT	Interstate Fees	CVET	River Boat Revenue	Homestead Credit Rebate	County CAGIT
Cash and investments - beginning	\$ 129,431	\$ -	\$ 488	\$ -	\$ -	\$ 210,945	\$ -
Receipts:							
Taxes	240,066	-	-	-	-	-	5,387,947
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	326,904	-	181,722	125,800	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	1,309	-	-	-	-
Other receipts	1,527	-	-	-	-	-	-
Total receipts	<u>241,593</u>	<u>326,904</u>	<u>1,309</u>	<u>181,722</u>	<u>125,800</u>	<u>-</u>	<u>5,387,947</u>
Disbursements:							
Personal services	26,400	-	-	-	-	-	-
Supplies	1,805	-	-	-	-	-	-
Other services and charges	33,569	-	400	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	71,267	-	-	-	-	-	-
Other disbursements	-	326,904	-	181,722	125,800	159,693	5,387,947
Total disbursements	<u>133,041</u>	<u>326,904</u>	<u>400</u>	<u>181,722</u>	<u>125,800</u>	<u>159,693</u>	<u>5,387,947</u>
Excess (deficiency) of receipts over disbursements	<u>108,552</u>	<u>-</u>	<u>909</u>	<u>-</u>	<u>-</u>	<u>(159,693)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 237,983</u>	<u>\$ -</u>	<u>\$ 1,397</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,252</u>	<u>\$ -</u>

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

	DLGF Homestead Property Data	Sex & Violent Offender Admin - State	County Wheel Tax	2008 Willow Park Grant HMGP	Competitive EMA	CTP Funding	Education Fund (Recorder)
Cash and investments - beginning	\$ 2	\$ -	\$ -	\$ 69,794	\$ 598	\$ 10,651	\$ 1,743
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	38,326	3,508	-	-
Charges for services	1,262	304	-	-	-	-	5,374
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	236,009	-	-	-	-
Total receipts	1,262	304	236,009	38,326	3,508	-	5,374
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	27,785	-	-	220
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	5,685	-	-
Other disbursements	1,264	-	236,436	-	-	-	-
Total disbursements	1,264	-	236,436	27,785	5,685	-	220
Excess (deficiency) of receipts over disbursements	(2)	304	(427)	10,541	(2,177)	-	5,154
Cash and investments - ending	\$ -	\$ 304	\$ (427)	\$ 80,335	\$ (1,579)	\$ 10,651	\$ 6,897

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

	Court Reform Grant (Odyssey)	Health Dept. BHP Grant 172-2	Community Corrections	County Treasurer	Sheriff's Food Account	Sheriff Commissary	Clerk of Circuit Court
Cash and investments - beginning	\$ 2,000	\$ 4,996	\$ 28,338	\$ 1,832,319	\$ 2,899	\$ 97,437	\$ 688,156
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	28,091	5,000	56,096	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	343,333	-	-	-	5,220,323
Other receipts	-	-	176,857	1,386,896	355,554	207,280	-
Total receipts	<u>28,091</u>	<u>5,000</u>	<u>576,286</u>	<u>1,386,896</u>	<u>355,554</u>	<u>207,280</u>	<u>5,220,323</u>
Disbursements:							
Personal services	-	-	287,673	-	-	-	-
Supplies	-	-	10,161	-	-	-	-
Other services and charges	8,690	2,470	116,911	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	2,815	1,581	843	-	-	-	-
Other disbursements	18,617	-	189,383	1,832,319	345,589	196,090	5,341,079
Total disbursements	<u>30,122</u>	<u>4,051</u>	<u>604,971</u>	<u>1,832,319</u>	<u>345,589</u>	<u>196,090</u>	<u>5,341,079</u>
Excess (deficiency) of receipts over disbursements	<u>(2,031)</u>	<u>949</u>	<u>(28,685)</u>	<u>(445,423)</u>	<u>9,965</u>	<u>11,190</u>	<u>(120,756)</u>
Cash and investments - ending	<u>\$ (31)</u>	<u>\$ 5,945</u>	<u>\$ (347)</u>	<u>\$ 1,386,896</u>	<u>\$ 12,864</u>	<u>\$ 108,627</u>	<u>\$ 567,400</u>

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

	Community Corrections Drug Free Coalition	Health Assessment Fund - Grant	93.563 Prosecutor PCA	93.008 NACCHO MRC	Tax Sale Redemption	Pass Thru Grant - Marion County	Tax Sale Surplus
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	3,000	353	5,000	-	26,396	-
Charges for services	-	-	-	-	-	-	404,103
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	3,360	-	-	-	35,052	-	-
<b>Total receipts</b>	<b>3,360</b>	<b>3,000</b>	<b>353</b>	<b>5,000</b>	<b>35,052</b>	<b>26,396</b>	<b>404,103</b>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	1,300	766	-	261	-	-	-
Other services and charges	-	-	-	-	-	31,075	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	1,934	-	-	-	-	-	-
Other disbursements	-	-	-	-	31,016	-	158,620
<b>Total disbursements</b>	<b>3,234</b>	<b>766</b>	<b>-</b>	<b>261</b>	<b>31,016</b>	<b>31,075</b>	<b>158,620</b>
Excess (deficiency) of receipts over disbursements	126	2,234	353	4,739	4,036	(4,679)	245,483
Cash and investments - ending	\$ 126	\$ 2,234	\$ 353	\$ 4,739	\$ 4,036	\$ (4,679)	\$ 245,483

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

	New Settlement	Donations/Sheriff Dept	Medical Assistance To Wards	Children With Special Health Needs	Sheriff's Continuing Education	Presecutor Donation	Law Enforcement
Cash and investments - beginning	\$ 73	\$ 15,426	\$ 101,814	\$ 12,980	\$ 4,584	\$ 786	\$ 21,331
Receipts:							
Taxes	32,395,425	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	6,509,202	-	-	-	-	-	-
Charges for services	345,270	-	-	-	5,149	-	-
Fines and forfeits	-	-	-	-	-	-	11,432
Other receipts	-	-	-	-	-	386	-
<b>Total receipts</b>	<b>39,249,897</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,149</b>	<b>386</b>	<b>11,432</b>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	3,555	-	11,956
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	39,249,997	-	-	-	-	-	-
<b>Total disbursements</b>	<b>39,249,997</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,555</b>	<b>-</b>	<b>11,956</b>
Excess (deficiency) of receipts over disbursements	(100)	-	-	-	1,594	386	(524)
Cash and investments - ending	\$ (27)	\$ 15,426	\$ 101,814	\$ 12,980	\$ 6,178	\$ 1,172	\$ 20,807

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

	Work Release	Welfare Hci	Project Income House Arrest	Cumulative Reassessment	Sheriffs Commissary	County Corrections	Build Indiana
Cash and investments - beginning	\$ 21,664	\$ 11,891	\$ 302,066	\$ 67,168	\$ 2,529	\$ 11,690	\$ 193,498
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	21,057	-	492,756	-	-	-	-
Other receipts	-	-	-	199	20,000	29,567	-
Total receipts	<u>21,057</u>	<u>-</u>	<u>492,756</u>	<u>199</u>	<u>20,000</u>	<u>29,567</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	6,107	19,743	-	-
Supplies	5,608	-	-	-	-	-	-
Other services and charges	-	-	-	38,986	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	4,671	-	-	-	-	-	-
Other disbursements	2,072	-	553,807	-	-	15,302	-
Total disbursements	<u>12,351</u>	<u>-</u>	<u>553,807</u>	<u>45,093</u>	<u>19,743</u>	<u>15,302</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>8,706</u>	<u>-</u>	<u>(61,051)</u>	<u>(44,894)</u>	<u>257</u>	<u>14,265</u>	<u>-</u>
Cash and investments - ending	<u>\$ 30,370</u>	<u>\$ 11,891</u>	<u>\$ 241,015</u>	<u>\$ 22,274</u>	<u>\$ 2,786</u>	<u>\$ 25,955</u>	<u>\$ 193,498</u>

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

	Cri Grant - Health Dept	Adult Protective Services	Coroners Education	Operation Pull Over	Public Defender	Adult Probation Services	Act Juvenile Justice
Cash and investments - beginning	\$ 10,628	\$ 79,180	\$ 170	\$ 263	\$ 14,565	\$ 201,471	\$ 6,715
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	9,601	77,662	-	-	-	-	-
Charges for services	-	-	3,164	-	-	-	-
Fines and forfeits	-	-	-	-	46,897	188,416	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>9,601</u>	<u>77,662</u>	<u>3,164</u>	<u>-</u>	<u>46,897</u>	<u>188,416</u>	<u>-</u>
Disbursements:							
Personal services	-	43,421	-	-	-	147,961	-
Supplies	-	93	-	-	-	-	-
Other services and charges	16,333	2,487	-	-	35,619	31,430	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	7,970	-
Other disbursements	-	-	3,185	-	-	5,000	-
Total disbursements	<u>16,333</u>	<u>46,001</u>	<u>3,185</u>	<u>-</u>	<u>35,619</u>	<u>192,361</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(6,732)</u>	<u>31,661</u>	<u>(21)</u>	<u>-</u>	<u>11,278</u>	<u>(3,945)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 3,896</u>	<u>\$ 110,841</u>	<u>\$ 149</u>	<u>\$ 263</u>	<u>\$ 25,843</u>	<u>\$ 197,526</u>	<u>\$ 6,715</u>

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

	93.041 Adult Protective Services 2	Assessment & Referral	Bail Alternative Building	Campaign Enforcement	Civil Process Fees	Community Corrections 2	Comprehensive Plan Emergency
Cash and investments - beginning	\$ (93,574)	\$ 108,409	\$ 46,899	\$ 200	\$ 7,775	\$ 33,932	\$ 16,477
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	148,511	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	106,769	-	-	27,643	347,380	-
Other receipts	93	-	-	-	-	-	-
Total receipts	<u>93</u>	<u>106,769</u>	<u>-</u>	<u>-</u>	<u>27,643</u>	<u>495,891</u>	<u>-</u>
Disbursements:							
Personal services	36,946	77,128	-	-	29,131	258,452	-
Supplies	93	821	-	-	-	11,000	-
Other services and charges	3,797	10,088	-	-	-	90,084	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	1,100	-	-	-	-	-
Other disbursements	-	1,589	-	-	-	80,593	-
Total disbursements	<u>40,836</u>	<u>90,726</u>	<u>-</u>	<u>-</u>	<u>29,131</u>	<u>440,129</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(40,743)</u>	<u>16,043</u>	<u>-</u>	<u>-</u>	<u>(1,488)</u>	<u>55,762</u>	<u>-</u>
Cash and investments - ending	<u>\$ (134,317)</u>	<u>\$ 124,452</u>	<u>\$ 46,899</u>	<u>\$ 200</u>	<u>\$ 6,287</u>	<u>\$ 89,694</u>	<u>\$ 16,477</u>

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

	County Drug Free Community Fund	County Share Edit	E-911	English Second Language	Informal Adjustment	Interstate Compact Fees	Madd Impact Fees
Cash and investments - beginning	\$ 73,003	\$ 1,461,200	\$ 31,048	\$ -	\$ 10,554	\$ 63	\$ 2,640
Receipts:							
Taxes	-	953,209	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	71,776	442	-	-	-
Fines and forfeits	86,942	-	-	-	19,294	1,310	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>86,942</u>	<u>953,209</u>	<u>71,776</u>	<u>442</u>	<u>19,294</u>	<u>1,310</u>	<u>-</u>
Disbursements:							
Personal services	-	77,195	9,311	-	-	-	-
Supplies	-	1,475	-	-	8,056	-	-
Other services and charges	-	14,822	42,880	-	1,959	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	421,335	-	-	-	-	-
Other disbursements	-	109,000	-	-	-	1,310	-
Total disbursements	<u>-</u>	<u>623,827</u>	<u>52,191</u>	<u>-</u>	<u>10,015</u>	<u>1,310</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>86,942</u>	<u>329,382</u>	<u>19,585</u>	<u>442</u>	<u>9,279</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 159,945</u>	<u>\$ 1,790,582</u>	<u>\$ 50,633</u>	<u>\$ 442</u>	<u>\$ 19,833</u>	<u>\$ 63</u>	<u>\$ 2,640</u>

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

	Mortgage Fees - State	Pro Bono Programs	Pros Law Enforcement	Public Preparedness	Sheriff Defibulator Donations	Sheriff Drug Free	Sheriff Range Fund
Cash and investments - beginning	\$ 368	\$ 5,071	\$ 52,906	\$ 10,832	\$ 70	\$ 5,584	\$ 216
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	16,203	-	-	-
Charges for services	3,915	-	-	-	-	-	-
Fines and forfeits	-	4,526	15,757	-	-	-	-
Other receipts	-	-	-	-	-	12,001	-
Total receipts	<u>3,915</u>	<u>4,526</u>	<u>15,757</u>	<u>16,203</u>	<u>-</u>	<u>12,001</u>	<u>-</u>
Disbursements:							
Personal services	-	2,254	-	-	-	10,152	-
Supplies	-	195	-	-	-	-	-
Other services and charges	-	3,150	25,600	24,292	-	320	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	3,980	-	-	-	-	-	-
Total disbursements	<u>3,980</u>	<u>5,599</u>	<u>25,600</u>	<u>24,292</u>	<u>-</u>	<u>10,472</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(65)</u>	<u>(1,073)</u>	<u>(9,843)</u>	<u>(8,089)</u>	<u>-</u>	<u>1,529</u>	<u>-</u>
Cash and investments - ending	<u>\$ 303</u>	<u>\$ 3,998</u>	<u>\$ 43,063</u>	<u>\$ 2,743</u>	<u>\$ 70</u>	<u>\$ 7,113</u>	<u>\$ 216</u>

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

	Sheriff Special Accident	Sheriff Training Fund	Sheriff's Restitution	Vending Machine	Racino Tax	Gal/Capta	Race-Gender Fairness
Cash and investments - beginning	\$ 14,199	\$ 550	\$ 10,439	\$ 1,468	\$ -	\$ 2,500	\$ 16,057
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	3,444,160	-	6,651
Charges for services	1,100	-	27	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	96	-	-	-
Total receipts	<u>1,100</u>	<u>-</u>	<u>27</u>	<u>96</u>	<u>3,444,160</u>	<u>-</u>	<u>6,651</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	10,959
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	264	3,444,160	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>264</u>	<u>3,444,160</u>	<u>-</u>	<u>10,959</u>
Excess (deficiency) of receipts over disbursements	<u>1,100</u>	<u>-</u>	<u>27</u>	<u>(168)</u>	<u>-</u>	<u>-</u>	<u>(4,308)</u>
Cash and investments - ending	<u>\$ 15,299</u>	<u>\$ 550</u>	<u>\$ 10,466</u>	<u>\$ 1,300</u>	<u>\$ -</u>	<u>\$ 2,500</u>	<u>\$ 11,749</u>

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

	Drug Free Coalition	Tsf Drug Free Coalition	Victim Assistance	Dui Task Force	4-H Drug Free Grant Tfc	Victim Assist 2	Juvenile Intensive Sp
Cash and investments - beginning	\$ 17,540	\$ (9,292)	\$ (27,322)	\$ 5,774	\$ 145	\$ (55,684)	\$ (241)
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	24,422	7,334	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	7,534	16,519	-	226	-	1	-
Total receipts	<u>7,534</u>	<u>16,519</u>	<u>24,422</u>	<u>7,560</u>	<u>-</u>	<u>1</u>	<u>-</u>
Disbursements:							
Personal services	5,472	-	29,512	8,149	-	7,698	-
Supplies	417	-	1,197	-	-	519	-
Other services and charges	9,365	-	4,727	-	-	85	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	148	-	-	86	-
Other disbursements	61,566	-	-	-	-	-	-
Total disbursements	<u>76,820</u>	<u>-</u>	<u>35,584</u>	<u>8,149</u>	<u>-</u>	<u>8,388</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(69,286)</u>	<u>16,519</u>	<u>(11,162)</u>	<u>(589)</u>	<u>-</u>	<u>(8,387)</u>	<u>-</u>
Cash and investments - ending	<u>\$ (51,746)</u>	<u>\$ 7,227</u>	<u>\$ (38,484)</u>	<u>\$ 5,185</u>	<u>\$ 145</u>	<u>\$ (64,071)</u>	<u>\$ (241)</u>

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

	Jisp	Community Correction Juv	Homeland Security Computer Grant	Bcc Traffic Enorcement	Youth Subsatance Abuse Provention P	Fbi Justice Funds
Cash and investments - beginning	\$ 8,720	\$ (2,250)	\$ (7)	\$ 1,542	\$ (9,819)	\$ 172
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	11,260	120,840	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	777	17,308	-
Total receipts	-	-	-	12,037	138,148	-
Disbursements:						
Personal services	-	-	-	14,102	48,271	-
Supplies	-	-	-	-	7,372	-
Other services and charges	-	-	-	-	77,216	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	134
Other disbursements	-	-	-	-	-	-
Total disbursements	-	-	-	14,102	132,859	134
Excess (deficiency) of receipts over disbursements	-	-	-	(2,065)	5,289	(134)
Cash and investments - ending	<u>\$ 8,720</u>	<u>\$ (2,250)</u>	<u>\$ (7)</u>	<u>\$ (523)</u>	<u>\$ (4,530)</u>	<u>\$ 38</u>

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

	E-911 Land Line	Racino - County	Jabg Flow Through Grant Cc	H1N1 Vaccination	Edward Byrne Memorial - Sheriff	Assessor Data Entry Fee
Cash and investments - beginning	\$ 318,012	\$ 2,934,161	\$ 30,375	\$ 492	\$ 252	\$ 4,605
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	3,865,329	-	-	-	-
Charges for services	181,240	-	-	-	-	2,485
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	10,762	-	-	-	-
Total receipts	<u>181,240</u>	<u>3,876,091</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,485</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	48,629	-	-	-	-
Other services and charges	23,860	164,331	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	2,553,770	-	-	-	-
Other disbursements	12,098	389,038	-	-	-	-
Total disbursements	<u>35,958</u>	<u>3,155,768</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>145,282</u>	<u>720,323</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,485</u>
Cash and investments - ending	<u>\$ 463,294</u>	<u>\$ 3,654,484</u>	<u>\$ 30,375</u>	<u>\$ 492</u>	<u>\$ 252</u>	<u>\$ 7,090</u>

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

	Hendricks Street Rental	Jail Debt	Cum. Courthouse	Gdif	Tindall Farm	Payroll
Cash and investments - beginning	\$ 15,147	\$ 251,494	\$ 21,321	\$ 210,078	\$ 212,095	\$ (13,743)
Receipts:						
Taxes	-	-	557,943	105,932	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	65,746	-	-	-
Charges for services	9,345	-	-	-	58,254	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	-	3,151,825
Total receipts	<u>9,345</u>	<u>-</u>	<u>623,689</u>	<u>105,932</u>	<u>58,254</u>	<u>3,151,825</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	9,783	-	-	80,923	2,628	-
Debt service - principal and interest	-	-	622,000	56,264	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	20,000	3,150,105
Total disbursements	<u>9,783</u>	<u>-</u>	<u>622,000</u>	<u>137,187</u>	<u>22,628</u>	<u>3,150,105</u>
Excess (deficiency) of receipts over disbursements	<u>(438)</u>	<u>-</u>	<u>1,689</u>	<u>(31,255)</u>	<u>35,626</u>	<u>1,720</u>
Cash and investments - ending	<u>\$ 14,709</u>	<u>\$ 251,494</u>	<u>\$ 23,010</u>	<u>\$ 178,823</u>	<u>\$ 247,721</u>	<u>\$ (12,023)</u>

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

	Payroll Withholding - Insurance	Ptrc 2008 Distribution	Excess Levy	2008 Citizen Coprts Programs	Automotive Safety	Ctp Community Corrections
Cash and investments - beginning	\$ 704,050	\$ 120	\$ 180,449	\$ (614)	\$ 2	\$ 12,386
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	21,693
Other receipts	<u>1,598,303</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total receipts	<u>1,598,303</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,693</u>
Disbursements:						
Personal services	1,278,829	-	-	-	-	-
Supplies	-	-	-	-	-	196
Other services and charges	-	-	-	-	-	12,484
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	<u>-</u>	<u>71</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total disbursements	<u>1,278,829</u>	<u>71</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,680</u>
Excess (deficiency) of receipts over disbursements	<u>319,474</u>	<u>(70)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,013</u>
Cash and investments - ending	<u>\$ 1,023,524</u>	<u>\$ 50</u>	<u>\$ 180,449</u>	<u>\$ (614)</u>	<u>\$ 2</u>	<u>\$ 21,399</u>

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

	Excess Taxes	Fines & Forfeitures	Misc. Distributions	Settlement Fund	Sheriff Surety Bonds	Totals
Cash and investments - beginning	\$ 472,359	\$ 4,104	\$ 279,892	\$ (4,252)	\$ 1,495	\$ 23,325,253
Receipts:						
Taxes	43,436	-	-	-	-	52,243,769
Licenses and permits	-	-	-	-	-	129,376
Intergovernmental	-	-	-	-	-	20,208,447
Charges for services	-	-	-	-	90	1,928,721
Fines and forfeits	-	21,085	-	-	-	7,719,785
Other receipts	-	-	-	-	-	9,519,274
Total receipts	<u>43,436</u>	<u>21,085</u>	<u>-</u>	<u>-</u>	<u>90</u>	<u>91,749,372</u>
Disbursements:						
Personal services	-	-	-	-	-	12,122,729
Supplies	-	-	-	-	-	3,094,572
Other services and charges	-	-	-	-	-	4,979,384
Debt service - principal and interest	-	-	-	-	-	678,264
Capital outlay	-	-	-	-	-	3,548,676
Other disbursements	169,431	15,861	34,288	-	-	66,376,142
Total disbursements	<u>169,431</u>	<u>15,861</u>	<u>34,288</u>	<u>-</u>	<u>-</u>	<u>90,799,767</u>
Excess (deficiency) of receipts over disbursements	<u>(125,995)</u>	<u>5,224</u>	<u>(34,288)</u>	<u>-</u>	<u>90</u>	<u>949,605</u>
Cash and investments - ending	<u>\$ 346,364</u>	<u>\$ 9,328</u>	<u>\$ 245,604</u>	<u>\$ (4,252)</u>	<u>\$ 1,585</u>	<u>\$ 24,274,858</u>

SHELBY COUNTY  
SCHEDULE OF PAYABLES AND RECEIVABLES  
December 31, 2012

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ -</u>	<u>\$ 189,546</u>

SHELBY 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:

County Auditor

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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

TO: THE OFFICIALS OF SHELBY COUNTY, INDIANA

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

We have audited Shelby 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)

***Other Matters***

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

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

***Report on Internal Control Over Compliance***

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

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2012-2 and 2012-3 to be material weaknesses.

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

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 10, 2013

## 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.

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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>Department of Justice</u>				
Crime Victim Assistance Victims Asst.	Indiana Criminal Justice Institute	16.575	11VAPR168	\$ 24,422
Total - Department of Justice				<u>24,422</u>
<u>Department of Transportation</u>				
Highway Planning and Construction Cluster Highway Planning and Construction 400N/Bridge #49 Phave IV R/W Acquisition	Indiana Department of Transportation	20.205	Des No. 0600117	54,520
Bridge Inspections		20.205	Des No. 0900421	76,294
Sign Inventory		20.205	Des No. 1173523	45,000
Bridge #8		20.205	Des No. 9682190	<u>152,632</u>
Total - Highway Planning and Construction				<u>328,446</u>
Total - Highway Planning and Construction Cluster				<u>328,446</u>
<u>Highway Safety Cluster</u>				
State and Community Highway Safety BCC Traffice Enforcement	Indiana Criminal Justice Institute	20.600	K8-2010-03-03-27	<u>11,259</u>
Alcohol Impaired Driving Countermeasures Incentive Grants I DUI Task Force Enforcement	Indiana Criminal Justice Institute	20.601	PT-10-04-04-38	<u>7,334</u>
Total - Highway Safety Cluster				<u>18,593</u>
Total - Department of Transportation				<u>347,039</u>
<u>Department of Health and Human Services</u>				
Special Programs for the Aging - Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation Adult Protective Services	Indiana Family & Social Services Administration	93.041	73-08-PV-1245-03	<u>77,661</u>
Public Health Emergency Preparedness Bioterrorism	Indiana Department of Health	93.069	BPRS 172-70	8,000
Cities Readiness Initiative		93.069	BPRS-172-71	<u>17,804</u>
Total - Public Health Emergency Preparedness				<u>25,804</u>
Emergency System for Advanced Registration of Volunteer Health Professionals Medical Reserve Corps	Indiana Department of Health	93.089	BHP-172-2	<u>4,051</u>
Drug-Free Communities Support Program Grants Youth Substance Abuse Prevention Project	Direct Grant	93.276	H9SP14792A	<u>138,148</u>
Child Support Enforcement Prosecutor's Collection Incentives	Indiana Department of Child Services	93.563	2012	12,987
Clerk's Collection Incentives		93.563	2012	9,100
Clerk's Expenditures		93.563	2012	52,486
Indirect Costs		93.563	2012	23,674
Prosecutor's Expenditures		93.563	2012	<u>146,305</u>
Total - Child Support Enforcement				<u>244,552</u>
Total - Department of Health and Human Services				<u>490,216</u>
<u>Department of Homeland Security</u>				
Non-Profit Security Program Races Tower	Indiana Department of Child Services	97.008	EDS#C449-2-025A	<u>25,720</u>
Hazard Mitigation Grant 2008 Willow Park	Indiana Department of Homeland Security	97.039	EDS# C44P-1-198A	<u>38,326</u>
Emergency Management Performance Grants Ipads/Monitor	Indiana Department of Homeland Security	97.042	EDS# C44P-3-038B	3,508
Salary for Coordinator		97.042	EDS# C44P-2-377A	<u>19,270</u>
Total - Emergency Management Performance Grants				<u>22,778</u>
Total - Department of Homeland Security				<u>86,824</u>
Total federal awards expended				<u>\$ 948,501</u>

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

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

**Note 2. Subrecipients**

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

Program Title	Federal CFDA Number	2012
State and Community Highway Safety	20.600	\$ 5,511
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	3,529

SHELBY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**Section I – Summary of Auditor's Results**

Financial Statement:

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

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
93.563	Highway Planning and Construction Cluster Child Support Enforcement

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

Auditee qualified as low-risk auditee? no

**Section II – Financial Statement Findings**

**FINDING 2012-1 - INTERNAL CONTROLS OVER PREPARATION OF THE 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.

SHELBY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

During the audit of the SEFA, we noted the following errors: the State and Community Highway Safety, Alcohol Impaired Driving Countermeasures Incentive Grants I, and Special Programs for the Aging - Title VII were overstated by \$2,843, \$815, and \$9,176, respectively; the Highway Planning and Construction, Child Support Enforcement, Emergency Management Performance Grants, Public Health Emergency Preparedness, Emergency System for Advance Registration of Volunteer Health Professionals, and Non-Profit Security Program programs were understated by \$328,446, \$86,593, \$19,270, \$1,512, \$4,051, and \$25,720, respectively. The Hazard Mitigation Grant program was incorrectly reported as a Community Development Block Grant.

Audit adjustments were proposed, accepted by the County, and made to the SEFA presented in this report. These adjustments resulted in a presentation of the SEFA that is materially correct in relation to the financial statement.

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

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

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

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

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

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision I the Department of Health and Human Services.
- (2) For Federal awards received as a sub-recipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide the total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.

SHELBY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to sub-recipients from each Federal program.
- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

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

**FINDING 2012-2 - INTERNAL CONTROLS AND COMPLIANCE OVER CASH MANAGEMENT, REPORTING AND ALLOWABLE COSTS/COST PRINCIPLES**

Federal Agency: Department of Health and Human Services

Federal Program: Child Support Enforcement

CFDA Number: 93.563

Federal Award Number and Year (or Other Identifying Number): Calendar Year 2012 Prosecutor Expenditures

Pass-Through Entity: Indiana Department of Child Services

Management of the County has not established an effective internal control system over the compliance requirements relating to cash management, reporting and allowable costs/cost principles. The failure to establish an effective internal control system places the County at risk of noncompliance with the grant agreement and the compliance requirements.

The County was required to report expenditures paid monthly for the Clerk and Prosecutor offices. The Prosecutor's monthly reimbursement requests are prepared and certified by the same employee. The Prosecutor used an incorrect employer rate for retirement contributions for the reimbursements received in 2012 rather than using the "Transaction History Listing Report" from the Auditor's Office which caused the County to be reimbursed less than what it was entitled to. The Prosecutor also claimed \$1,585.29 of reimbursement for two employees' portions of insurance expenses.

The "Cooperative Agreement For Federal Financial Participation for Prosecuting Attorneys Performing Title IV-D Services" (Agreement) IV. (B) (3) and (4) states as follows:

- "(3) Expenditures for direct costs incurred by the Prosecuting Attorney in the provision of IV-D services are reimbursable when such costs are claimed in accordance with procedures established and on forms prescribed by CSB that comply with federal and state law. In no event shall reimbursement be made without the Prosecuting Attorney's certification that expenditures claimed for reimbursement are reasonable, appropriate, and directly related to IV-D cases.
- (4) Reimbursement of allowable direct costs incurred by the Prosecuting Attorney shall not exceed the amount properly claimed and will be paid by CSB only upon the receipt of a properly completed and accurate Monthly Expense Claim Form (State Form No. 54529) incorporated by reference hereto."

SHELBY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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."

Noncompliance with the grant agreement or cash management, reporting and allowable costs/cost principles requirements could result in the loss of federal funds to the County.

We recommended that the County establish controls to ensure expenditures are compliant with the grant agreements and compliance requirements.

***FINDING 2012-3 - INTERNAL CONTROLS AND COMPLIANCE  
OVER ALLOWABLE COSTS/COST PRINCIPLES***

Federal Agency: Department of Health and Human Services

Federal Program: Child Support Enforcement

CFDA Number: 93.563

Federal Award Number and Year (or Other Identifying Number): 2012 Calendar Year

Pass-Through Entity: Indiana Department of Child Services

Management of the County has not established an effective internal control system over compliance requirements relating to allowable costs/cost principles. The failure to establish an effective internal control system places the County at risk of noncompliance with the grant agreement and the compliance requirements.

The County was required to maintain time and effort reports on all full and part time employees paid from the grant. The Department of Child Services has a report titled "Record of Monthly Time, State Form 45272 (3-92)/DFC Form 918." This form provides a space for employees to enter hours worked each day during the month and then a place for them to sign that the time reported represents only Title IV-D work and is true and correct. The Clerk's office presented this report for the months tested, but they were not signed by the employees. The Prosecutor's office did not maintain this report.

OMB Circular A-87, Attachment B, item 8h, states in part:

- "(3) Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first-hand knowledge of the work performed by the employee.
  
- (4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see subsection (6)) or other substitute system has been approved by the cognizant Federal agency."

SHELBY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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."

Noncompliance with the grant agreement or the allowable cost/cost principles requirements that have a direct and material effect to the program could result in the loss of federal funds to the County.

We recommended that the County's management establish controls to ensure allowable costs/cost principle requirements are complied with.



AMY L. GLACKMAN  
SHELBY COUNTY  
AUDITOR

25 W Polk Street Room 104, Shelbyville, IN 46176  
Phone: (317) 392-6310 Fax: (317) 392-6382

September 10, 2013

RE: Schedule of Prior Audit Findings

Finding Number 2011-1:

Auditee Contact Person: Amy Glackman  
Title: County Auditor  
Phone (317) 392-6310

Corrective Action Plan

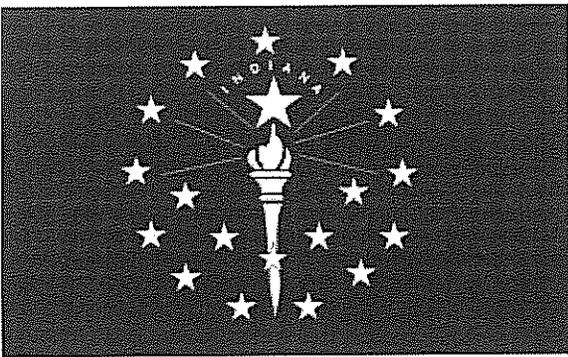
This year we have purchased the Fixed Asset Programs within our Financial system, and plan on getting the training on it.

If you need any further information or assistance please feel free to contact me.

Thanks,

A handwritten signature in cursive script that reads "Amy L. Glackman".

Amy L. Glackman  
County Auditor



AMY L. GLACKMAN  
SHELBY COUNTY  
AUDITOR

25 W Polk Street Room 104, Shelbyville, IN 46176  
Phone: (317) 392-6310 Fax: (317) 392-6382

September 17, 2013

RE: CORRECTIVE ACTION PLAN

Section II – Financial Statement Finding

FINDING 2012-1 – INTERNAL CONTROLS OVER PREPARATION OF THE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS.

Auditee Contact Person: Amy Glackman

Title: County Auditor

Contact Information: [aglackman@co.shelby.in.us](mailto:aglackman@co.shelby.in.us) or (317) 392-6310

Corrective Action Plan

The County is in the process of implementing a Grant Policy and Procedure Guideline that will be required for all Departments to fill out for every Grant request. The Department will have to specify if this is a State or Federal Grant and supply our Office with the necessary information that is needed to comply with the regulations required.

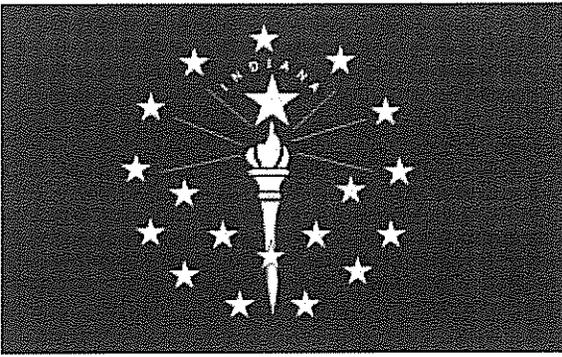
In the future this should alleviate the omission of any Federal Grants in our reports.

If you need any further information or assistance please feel free to contact me.

Respectfully,

Amy L. Glackman  
Shelby County Auditor

cc: Shelby County Commissioners  
Shelby County Council  
Department Heads



AMY L. GLACKMAN  
SHELBY COUNTY  
AUDITOR

25 W Polk Street Room 104, Shelbyville, IN 46176  
Phone: (317) 392-6310 Fax: (317) 392-6382

September 17, 2013

RE: CORRECTIVE ACTION PLAN

Section III – Federal Award Findings and Questioned Cost

**FINDING 2012-2 - INTERNAL CONTROLS OVER CASH MANAGEMENT, REPORTING  
AND ALLOWABLE COSTS/COST PRINCIPLES**

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

**FINDING 2012-3 - INTERNAL CONTROLS OVER ALLOWABLE COSTS/COST PRINCIPLES**

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

Auditee Contact Person: Amy Glackman  
Title: County Auditor  
Contact Information: [aglackman@co.shelby.in.us](mailto:aglackman@co.shelby.in.us) or (317) 392-6310

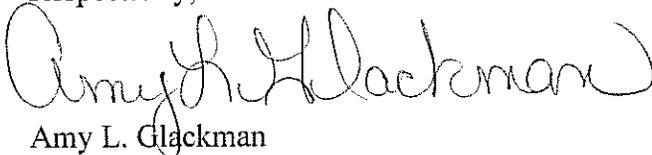
Corrective Action Plan

The County Auditor will establish internal controls with both the Prosecutor's Office and the Clerk's Office to be in compliance with the Federal laws. The County is required to maintain time and effort reports on all full and part-time employees paid from the grant. The Department of Child Services has a report titled "Record of Monthly Time, State Form 45272 (3-92)/DFC Form 918, Their IV-D Expense Reporting and Reimbursement Guide – Frequently Asked Questions" section has questions 14 and 19 referencing this

form. The form provides a space for employees to enter hours worked each day during the month and then a place for them to sign that the time reported represents only Title IV-D work and is true and correct. This shall be monitored by the Auditor's Office staff to insure all is filled out correctly and signed by employee. The Auditor's Office will also make sure that the correct amounts are claimed for insurance and the correct PERF rates are used.

If you need any further information or assistance please feel free to contact me.

Respectfully,

A handwritten signature in black ink that reads "Amy L. Glackman". The signature is written in a cursive style with a large initial "A".

Amy L. Glackman  
Shelby County Auditor

cc: Shelby County Commissioners  
Shelby County Council  
County Prosecutor  
County Clerk

SHELBY COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on September 10, 2013, with Amy L. Glackman, Auditor; Kevin Nigh, President of the Board of County Commissioners; and Scott M. Asher, President of the County Council.