

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

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



**FILED**  
04/11/2014



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Tami D. Wenning	01-01-12 to 12-31-16
Treasurer	Rita Burkert Mary Vail	01-01-09 to 12-31-12 01-01-13 to 12-31-16
Clerk	Janet S. Chadwell	01-01-11 to 12-31-14
Sheriff	Greg Allen	01-01-11 to 12-31-14
Recorder	Denise Ziegler	01-01-11 to 12-31-14
President of the Board of County Commissioners	Rick J. Nobbe	01-01-12 to 12-31-14
President of the County Council	Ernest Gauck	01-01-12 to 12-31-14



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**INDEPENDENT AUDITOR'S REPORT**

TO: THE OFFICIALS OF DECATUR COUNTY, INDIANA

***Report on the Financial Statement***

We have audited the accompanying financial statement of Decatur 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 February 20, 2014, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

***Accompanying Information***

*Supplementary Information*


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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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

*Other Information*

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

  
Paul D. Joyce, CPA  
State Examiner

February 20, 2014



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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 DECATUR 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 Decatur 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 February 20, 2014, wherein we noted the County followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

***Internal Control Over Financial Reporting***

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2012-001, 2012-002, 2012-003, and 2012-004 to be material weaknesses.



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

***Compliance and Other Matters***


As part of obtaining reasonable assurance about whether the County's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2012-001 and 2012-002.

***Decatur 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.

  
Paul D. Joyce, CPA  
State Examiner

February 20, 2014

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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.

DECATUR 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
Sheriff Inmate Trust	\$ 8,797	\$ 161,836	\$ 168,962	\$ 1,671
Sheriff Commissary	16,707	87,732	75,410	29,029
County General	2,679,662	6,927,924	7,408,707	2,198,879
Police-Accident Report	1,569	1,684	217	3,036
Certified Shares (CAGIT)	-	3,612,666	3,603,383	9,283
Co Cedit (Debt Service Fund)	1,696,263	962,899	1,163,288	1,495,874
Child Advocacy	270	100	-	370
City & Town Court Costs	5,960	15,577	1,751	19,786
Clerks Record Perpetuation	8,996	17,569	13,920	12,645
Congressional School Interest	17,768	9	1,659	16,118
Congressional School Principle	20,741	-	-	20,741
Convention And Visitors Bureau	160,642	163,702	162,352	161,992
Inmates Phone Fund	83,408	6,312	25,639	64,081
County Sales Disclosure	8,783	2,600	-	11,383
Covered Bridge Fund	13,815	1,850	-	15,665
Cumulative Bridge	2,682,239	1,054,348	1,143,745	2,592,842
Cum Cap Development Fund	448,976	237,125	354,351	331,750
Drug Free Community	32,286	33,988	26,450	39,824
Emergency Planning & Right To	23,710	-	4,526	19,184
E 911 Landline	159,662	125,229	191,151	93,740
Enhanced Access	-	872	-	872
Police Firearms Training	7,191	9,950	4,777	12,364
Health	273,042	373,495	316,498	330,039
Identification Security Protec	25,177	2,416	2,837	24,756
Excess Levy	18,790	-	-	18,790
Local Road and Street	614,802	643,287	887,618	370,471
County Misdemeanant	300,855	78,214	52,884	326,185
Highway	1,142,837	1,704,202	1,470,358	1,376,681
Park Capital Nonreverting	3,675	-	-	3,675
Park Activity	72,946	102,288	124,300	50,934
Plat Book Maintenance	19,488	8,110	-	27,598
Rainy Day Fund (Excess Edit)	1,576,211	1,913	-	1,578,124

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

DECATUR 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
Reassessment	474,210	175,224	284,946	364,488
Reassessment 2015	172,512	-	-	172,512
Recorder's Records Perpet	100,107	35,963	26,224	109,846
Sex/Violent Offender Regis Fee	5,783	2,777	916	7,644
Supplemental Public Defender	109,567	68,186	113,581	64,172
Surplus Tax	101,739	82,650	116,059	68,330
Surveyor's Corner Perpetuation	36,947	5,090	-	42,037
Tax Sale Certificate	15,266	-	5,381	9,885
Tax Sale Redemption	1	135,266	92,770	42,497
Surplus Tax Sale	515,336	346,139	506,904	354,571
E 911 Wireless	257,837	148,403	39,047	367,193
Guardian Ad Lim Court	27	17,500	17,500	27
County Officials Training Fund	1,160	2,416	744	2,832
Park And Recreation	387,179	470,912	542,246	315,845
Probation Administration Fund	119,390	22,213	46,707	94,896
Juvenile Prob User Fees	13,816	3,520	6,364	10,972
Probation User Fee	131,423	91,958	107,177	116,204
Health Maintenance	70,191	33,000	20,957	82,234
Sheriff Donation	11,240	1,142	1,247	11,135
Decatur County Excess Revenue Sub Accou	328,233	1,015,293	950	1,342,576
Decatur County TIF Board Sub Account	240,000	705,000	590,000	355,000
Decatur County Project Acct	648,591	1,240	14,961	634,870
Hospital Bond	183,648	1,143,470	366,750	960,368
Special Non-Revert Health Ins	478,662	1,908,251	1,995,014	391,899
Payroll	48,590	4,634,603	4,677,650	5,543
Police Pension	125,534	51,573	67,451	109,656
State Settlement	-	24,872,687	24,872,687	-
County Wheel Tax	5,442	95,573	108,732	(7,717)
Commercial Vehicle Excise	6	196,930	196,930	6
Financial Institution Tax	-	26,789	26,789	-
State Fines And Forfeitures	400	6,618	2,406	4,612
Infraction Judgements	2,326	48,794	45,184	5,936
Special Death Benefits	195	2,375	2,245	325

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

DECATUR 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
State Sales Disclosure	320	2,605	2,605	320
Coroners Training Fund	126	2,168	1,896	398
State Mortgage Fee Fund	343	3,557	3,265	635
State Sex/Violent Offender	171	297	-	468
Child Restraint Fees	-	50	-	50
Forest Restoration	-	197	148	49
Inheritance Tax	391,717	420,867	736,022	76,562
Education Plate Fees	113	3,881	3,675	319
Riverboat Wagering Tax Sharing	73,907	152,482	-	226,389
PTRC (Cagit)	-	1,204,223	1,213,505	(9,282)
Edit(Tax Distribution Fund)	-	1,216,225	1,179,695	36,530
93.563 Prosecutor's ARRA	8,568	2,353	8,937	1,984
Title IV-D Incentive	74,258	40,580	18,423	96,415
93.563 Clerk Incentive	25,945	38,322	1,250	63,017
Sheriff Inmate Food	10,007	121,373	122,960	8,420
Decatur County Clerk	470,166	2,572,267	2,436,598	605,835
Co Sheriff Con't Education	40,598	9,037	3,742	45,893
Treasurer	678,671	865,699	678,671	865,699
Jury Pay Fund	100,177	5,337	3,579	101,935
Marijuana Eradication Program	28,740	5,913	7,026	27,627
Park Gifts & Grants	9,160	26,410	19,000	16,570
Westport Cover Bridge Donation	41,622	-	-	41,622
Sardinia Septic Donations	10,000	-	-	10,000
Deferral Program	53,585	44,220	19,240	78,565
Clerk Incentive	25,351	4,326	29,677	-
Prosecutors Title IV-D Incentive	38,330	-	38,330	-
Animal Shelter Donations	12,194	48,962	49,514	11,642
20.600 Operation Pull Over	597	8,740	6,898	2,439
Federal Adoptive Forfeiture	291	-	-	291
Co Law Enforcement	16,830	-	-	16,830
Airport Improvement Fund	34,295	-	-	34,295
Riverboat Wagering Co Share	371,256	-	-	371,256
Home Detention	44,248	113,872	98,650	59,470

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

DECATUR 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
Community Service	30,642	23,135	4,300	49,477
Sheriff Drug Testing	2,827	-	305	2,522
Corrections Drug Testing	4,324	7,525	3,825	8,024
Check Enforcement Fund	13,351	1,033	500	13,884
Community Transitional Program	-	3,720	-	3,720
Decatur Co Redev TIF Bond Proc	8,022	2,135,293	2,134,749	8,566
Cedit Hsc	7,080	389,188	313,236	83,032
HEA 1001-2008 State Hmstd Cr	2,201	-	-	2,201
Tobacco Settle - Local Health	18,294	-	18,294	-
16.810 Rec Act Rural Law Enfor	24,142	-	24,142	-
Local Health Dept Trust Acct	-	36,514	4,265	32,249
Bioterrorism Prepared Grant	67,844	-	-	67,844
Drug Free Grant	109	99,602	105,433	(5,722)
90.401 Hava Title III	103,028	-	-	103,028
Hava Section 102	180	-	-	180
93.563 Pros Title IV-D	196,763	30,624	74,404	152,983
Child Safety Grant	1,154	500	-	1,654
Family Court Counselor	1,327	49,319	73,777	(23,131)
Decatur Co Pedestrian Trail	53,688	28,304	29,505	52,487
Totals	<u>\$ 19,807,188</u>	<u>\$ 62,408,172</u>	<u>\$ 61,571,343</u>	<u>\$ 20,644,017</u>

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

DECATUR 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 Indiana 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. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

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.



DECATUR COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

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

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

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

*E. Disbursements*

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

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

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

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

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

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

DECATUR 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.

DECATUR 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.

DECATUR 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 financial statement.

DECATUR COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 8. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash. This is a result of funds being set up for reimbursable grants and posting errors made by the County. The reimbursements for expenditures from grants made by the County were not received by December 31, 2012. Additionally, some funds had posting errors that were not detected and corrected by December 31, 2012.

**Note 9. Restatements**

For the year ended December 31, 2012, certain changes have been made to some of the beginning balances of the financial statements to more appropriately reflect financial activity of the County. The following schedule presents a summary of restated beginning balances.

Fund Name	Balance as of December 31, 2011	New Fund	Balance as of January 1, 2012
Honda TIF Bonds	\$ 6,896,021	\$ (6,896,021)	\$ -
Decatur County Excess Revenue Sub Acct	-	328,333	328,233
Decatur County TIF Board Sub Acct	-	240,000	240,000
Decatur County Project Acct	-	648,591	648,591

**Note 10. Holding Corporations**

The County has entered into a capital lease with Decatur County 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 lessors have been determined to be related parties of the County. Lease payments during the year totaled \$802,187. The lease was paid off as of December 31, 2012.

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#### SUPPLEMENTARY INFORMATION – UNAUDITED

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

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

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

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

	Sheriff Inmate Trust	Sheriff Commissary	County General	Police-Accident Report	Certified Shares (CAGIT)	Co Cedit (Debt Service Fund)
Cash and investments - beginning	\$ 8,797	\$ 16,707	\$ 2,679,662	\$ 1,569	\$ -	\$ 1,696,263
Receipts:						
Taxes	-	-	5,501,297	-	3,612,666	962,899
Licenses and permits	-	-	77,362	-	-	-
Intergovernmental	-	-	359,354	-	-	-
Charges for services	-	-	143,497	-	-	-
Fines and forfeits	-	-	1,000	-	-	-
Other receipts	161,836	87,732	845,414	1,684	-	-
Total receipts	161,836	87,732	6,927,924	1,684	3,612,666	962,899
Disbursements:						
Personal services	-	-	5,131,713	-	-	-
Supplies	-	-	398,275	-	-	-
Other services and charges	-	-	1,318,618	-	-	862,188
Capital outlay	-	-	378,669	-	-	-
Other disbursements	168,962	75,410	181,432	217	3,603,383	301,100
Total disbursements	168,962	75,410	7,408,707	217	3,603,383	1,163,288
Excess (deficiency) of receipts over disbursements	(7,126)	12,322	(480,783)	1,467	9,283	(200,389)
Cash and investments - ending	\$ 1,671	\$ 29,029	\$ 2,198,879	\$ 3,036	\$ 9,283	\$ 1,495,874



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

	Child Advocacy	City & Town Court Costs	Clerks Record Perpetuation	Congressional School Interest	Congressional School Principle	Convention And Visitors Bureau
Cash and investments - beginning	\$ 270	\$ 5,960	\$ 8,996	\$ 17,768	\$ 20,741	\$ 160,642
Receipts:						
Taxes	-	-	-	-	-	163,686
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	100	15,577	17,569	9	-	16
Total receipts	100	15,577	17,569	9	-	163,702
Disbursements:						
Personal services	-	-	8,254	-	-	-
Supplies	-	-	783	-	-	-
Other services and charges	-	-	4,847	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	1,751	36	1,659	-	162,352
Total disbursements	-	1,751	13,920	1,659	-	162,352
Excess (deficiency) of receipts over disbursements	100	13,826	3,649	(1,650)	-	1,350
Cash and investments - ending	\$ 370	\$ 19,786	\$ 12,645	\$ 16,118	\$ 20,741	\$ 161,992

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

	Inmates Phone Fund	County Sales Disclosure	Covered Bridge Fund	Cumulative Bridge	Cum Cap Development Fund	Drug Free Community
Cash and investments - beginning	\$ 83,408	\$ 8,783	\$ 13,815	\$ 2,682,239	\$ 448,976	\$ 32,286
Receipts:						
Taxes	-	-	-	623,830	207,521	-
Licenses and permits	-	-	-	27,665	-	-
Intergovernmental	-	-	-	30,841	19,463	-
Charges for services	-	-	-	280,672	1,641	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	6,312	2,600	1,850	91,340	8,500	33,988
Total receipts	6,312	2,600	1,850	1,054,348	237,125	33,988
Disbursements:						
Personal services	-	-	-	-	-	6,640
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	20,049	19,810
Capital outlay	-	-	-	1,143,745	334,302	-
Other disbursements	25,639	-	-	-	-	-
Total disbursements	25,639	-	-	1,143,745	354,351	26,450
Excess (deficiency) of receipts over disbursements	(19,327)	2,600	1,850	(89,397)	(117,226)	7,538
Cash and investments - ending	\$ 64,081	\$ 11,383	\$ 15,665	\$ 2,592,842	\$ 331,750	\$ 39,824

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

	Emergency Planning & Right To	E 911 Landline	Enhanced Access	Police Firearms Training	Health	Identification Security Protec
Cash and investments - beginning	\$ 23,710	\$ 159,662	\$ -	\$ 7,191	\$ 273,042	\$ 25,177
Receipts:						
Taxes	-	-	-	-	316,345	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	29,669	-
Charges for services	-	125,229	-	-	4,780	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	872	9,950	22,701	2,416
Total receipts	-	125,229	872	9,950	373,495	2,416
Disbursements:						
Personal services	200	44,776	-	-	263,792	-
Supplies	399	9	-	-	4,504	-
Other services and charges	3,537	146,366	-	-	43,746	-
Capital outlay	390	-	-	-	4,416	-
Other disbursements	-	-	-	4,777	40	2,837
Total disbursements	4,526	191,151	-	4,777	316,498	2,837
Excess (deficiency) of receipts over disbursements	(4,526)	(65,922)	872	5,173	56,997	(421)
Cash and investments - ending	\$ 19,184	\$ 93,740	\$ 872	\$ 12,364	\$ 330,039	\$ 24,756

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

	Excess Levy	Local Road and Street	County Misdemeanant	Highway	Park Capital Nonreverting	Park Activity
Cash and investments - beginning	\$ 18,790	\$ 614,802	\$ 300,855	\$ 1,142,837	\$ 3,675	\$ 72,946
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	450	-	-
Intergovernmental	-	619,273	-	1,667,501	-	-
Charges for services	-	-	43,720	-	-	51,605
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	24,014	34,494	36,251	-	50,683
Total receipts	-	643,287	78,214	1,704,202	-	102,288
Disbursements:						
Personal services	-	-	-	1,154,934	-	-
Supplies	-	734,767	24,377	155,829	-	10,959
Other services and charges	-	152,851	-	147,076	-	113,341
Capital outlay	-	-	-	12,519	-	-
Other disbursements	-	-	28,507	-	-	-
Total disbursements	-	887,618	52,884	1,470,358	-	124,300
Excess (deficiency) of receipts over disbursements	-	(244,331)	25,330	233,844	-	(22,012)
Cash and investments - ending	\$ 18,790	\$ 370,471	\$ 326,185	\$ 1,376,681	\$ 3,675	\$ 50,934

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

	Plat Book Maintenance	Rainy Day Fund (Excess Edit)	Reassessment	Reassessment 2015	Recorder's Records Perpet	Sex/Violent Offender Regis Fee
Cash and investments - beginning	\$ 19,488	\$ 1,576,211	\$ 474,210	\$ 172,512	\$ 100,107	\$ 5,783
Receipts:						
Taxes	-	-	156,908	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	14,716	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	8,110	1,913	3,600	-	35,963	2,777
Total receipts	8,110	1,913	175,224	-	35,963	2,777
Disbursements:						
Personal services	-	-	68,197	-	-	-
Supplies	-	-	2,913	-	-	-
Other services and charges	-	-	138,912	-	-	-
Capital outlay	-	-	74,924	-	-	-
Other disbursements	-	-	-	-	26,224	916
Total disbursements	-	-	284,946	-	26,224	916
Excess (deficiency) of receipts over disbursements	8,110	1,913	(109,722)	-	9,739	1,861
Cash and investments - ending	\$ 27,598	\$ 1,578,124	\$ 364,488	\$ 172,512	\$ 109,846	\$ 7,644

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

	Supplemental Public Defender	Surplus Tax	Surveyor's Corner Perpetuation	Tax Sale Certificate	Tax Sale Redemption	Surplus Tax Sale
Cash and investments - beginning	\$ 109,567	\$ 101,739	\$ 36,947	\$ 15,266	\$ 1	\$ 515,336
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	82,650	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	68,186	-	5,090	-	135,266	346,139
Total receipts	68,186	82,650	5,090	-	135,266	346,139
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	113,581	116,059	-	5,381	92,770	506,904
Total disbursements	113,581	116,059	-	5,381	92,770	506,904
Excess (deficiency) of receipts over disbursements	(45,395)	(33,409)	5,090	(5,381)	42,496	(160,765)
Cash and investments - ending	\$ 64,172	\$ 68,330	\$ 42,037	\$ 9,885	\$ 42,497	\$ 354,571

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

	E 911 Wireless	Guardian Ad Lim Court	County Officials Training Fund	Park And Recreation	Probation Administration Fund	Juvenile Prob User Fees
Cash and investments - beginning	\$ 257,837	\$ 27	\$ 1,160	\$ 387,179	\$ 119,390	\$ 13,816
Receipts:						
Taxes	-	-	-	411,246	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	20,331	-	-
Charges for services	148,403	-	-	39,335	-	3,520
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	17,500	2,416	-	22,213	-
Total receipts	148,403	17,500	2,416	470,912	22,213	3,520
Disbursements:						
Personal services	39,047	-	-	330,563	-	-
Supplies	-	-	-	32,748	-	2,928
Other services and charges	-	-	-	135,437	-	315
Capital outlay	-	-	-	43,498	-	-
Other disbursements	-	17,500	744	-	46,707	3,121
Total disbursements	39,047	17,500	744	542,246	46,707	6,364
Excess (deficiency) of receipts over disbursements	109,356	-	1,672	(71,334)	(24,494)	(2,844)
Cash and investments - ending	\$ 367,193	\$ 27	\$ 2,832	\$ 315,845	\$ 94,896	\$ 10,972

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

	Probation User Fee	Health Maintenance	Sheriff Donation	Decatur County Excess Revenue Sub Account	Decatur County TIF Board Sub Account	Decatur County Project Acct
Cash and investments - beginning	\$ 131,423	\$ 70,191	\$ 11,240	\$ 328,233	\$ 240,000	\$ 648,591
Receipts:						
Taxes	-	-	-	1,015,293	705,000	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	28,378	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	91,958	4,622	1,142	-	-	1,240
Total receipts	91,958	33,000	1,142	1,015,293	705,000	1,240
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	20,957	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	107,177	-	1,247	950	590,000	14,961
Total disbursements	107,177	20,957	1,247	950	590,000	14,961
Excess (deficiency) of receipts over disbursements	(15,219)	12,043	(105)	1,014,343	115,000	(13,721)
Cash and investments - ending	\$ 116,204	\$ 82,234	\$ 11,135	\$ 1,342,576	\$ 355,000	\$ 634,870



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

	Hospital Bond	Special Non-Revert Health Ins	Payroll	Police Pension	State Settlement	County Wheel Tax
Cash and investments - beginning	\$ 183,648	\$ 478,662	\$ 48,590	\$ 125,534	\$ -	\$ 5,442
Receipts:						
Taxes	1,028,750	-	-	-	22,257,148	-
Licenses and permits	-	-	-	-	2,615,539	-
Intergovernmental	114,720	-	-	-	-	95,573
Charges for services	-	13,619	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	1,894,632	4,634,603	51,573	-	-
Total receipts	<u>1,143,470</u>	<u>1,908,251</u>	<u>4,634,603</u>	<u>51,573</u>	<u>24,872,687</u>	<u>95,573</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	366,750	1,995,014	4,677,650	67,451	24,872,687	108,732
Total disbursements	<u>366,750</u>	<u>1,995,014</u>	<u>4,677,650</u>	<u>67,451</u>	<u>24,872,687</u>	<u>108,732</u>
Excess (deficiency) of receipts over disbursements	<u>776,720</u>	<u>(86,763)</u>	<u>(43,047)</u>	<u>(15,878)</u>	<u>-</u>	<u>(13,159)</u>
Cash and investments - ending	<u>\$ 960,368</u>	<u>\$ 391,899</u>	<u>\$ 5,543</u>	<u>\$ 109,656</u>	<u>\$ -</u>	<u>\$ (7,717)</u>

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

	Commercial Vehicle Excise	Financial Institution Tax	State Fines And Forfeitures	Infraction Judgements	Special Death Benefits	State Sales Disclosure
Cash and investments - beginning	\$ 6	\$ -	\$ 400	\$ 2,326	\$ 195	\$ 320
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	196,930	26,789	-	-	-	-
Charges for services	-	-	450	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	6,168	48,794	2,375	2,605
Total receipts	196,930	26,789	6,618	48,794	2,375	2,605
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	196,930	26,789	2,406	45,184	2,245	2,605
Total disbursements	196,930	26,789	2,406	45,184	2,245	2,605
Excess (deficiency) of receipts over disbursements	-	-	4,212	3,610	130	-
Cash and investments - ending	\$ 6	\$ -	\$ 4,612	\$ 5,936	\$ 325	\$ 320

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

	Coroners Training Fund	State Mortgage Fee Fund	State Sex/Violent Offender	Child Restraint Fees	Forest Restoration	Inheritance Tax
Cash and investments - beginning	\$ 126	\$ 343	\$ 171	\$ -	\$ -	\$ 391,717
Receipts:						
Taxes	-	-	-	-	-	420,867
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	148	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	2,168	3,557	297	50	49	-
Total receipts	2,168	3,557	297	50	197	420,867
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	1,896	3,265	-	-	148	736,022
Total disbursements	1,896	3,265	-	-	148	736,022
Excess (deficiency) of receipts over disbursements	272	292	297	50	49	(315,155)
Cash and investments - ending	\$ 398	\$ 635	\$ 468	\$ 50	\$ 49	\$ 76,562

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

	Education Plate Fees	Riverboat Wagering Tax Sharing	PTRC (Cagit)	Edit (Tax Distribution Fund)	93.563 Prosecutor's ARRA	Title IV-D Incentive
Cash and investments - beginning	\$ 113	\$ 73,907	\$ -	\$ -	\$ 8,568	\$ 74,258
Receipts:						
Taxes	-	-	1,204,223	1,216,225	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	152,482	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	3,881	-	-	-	2,353	40,580
Total receipts	3,881	152,482	1,204,223	1,216,225	2,353	40,580
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	3,675	-	1,213,505	1,179,695	8,937	18,423
Total disbursements	3,675	-	1,213,505	1,179,695	8,937	18,423
Excess (deficiency) of receipts over disbursements	206	152,482	(9,282)	36,530	(6,584)	22,157
Cash and investments - ending	\$ 319	\$ 226,389	\$ (9,282)	\$ 36,530	\$ 1,984	\$ 96,415

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

	93.563 Clerk Incentive	Sheriff Inmate Food	Decatur County Clerk	Co Sheriff Con't Education	Treasurer	Jury Pay Fund
Cash and investments - beginning	\$ 25,945	\$ 10,007	\$ 470,166	\$ 40,598	\$ 678,671	\$ 100,177
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	38,322	121,373	2,572,267	9,037	865,699	5,337
Total receipts	38,322	121,373	2,572,267	9,037	865,699	5,337
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	1,250	122,960	2,436,598	3,742	678,671	3,579
Total disbursements	1,250	122,960	2,436,598	3,742	678,671	3,579
Excess (deficiency) of receipts over disbursements	37,072	(1,587)	135,669	5,295	187,028	1,758
Cash and investments - ending	\$ 63,017	\$ 8,420	\$ 605,835	\$ 45,893	\$ 865,699	\$ 101,935

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

	Marijuana Eradication Program	Park Gifts & Grants	Westport Cover Bridge Donation	Sardinia Septic Donations	Deferral Program	Clerk Incentive
Cash and investments - beginning	\$ 28,740	\$ 9,160	\$ 41,622	\$ 10,000	\$ 53,585	\$ 25,351
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	5,913	26,410	-	-	44,220	4,326
Total receipts	5,913	26,410	-	-	44,220	4,326
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	7,026	19,000	-	-	19,240	29,677
Total disbursements	7,026	19,000	-	-	19,240	29,677
Excess (deficiency) of receipts over disbursements	(1,113)	7,410	-	-	24,980	(25,351)
Cash and investments - ending	\$ 27,627	\$ 16,570	\$ 41,622	\$ 10,000	\$ 78,565	\$ -

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

	Prosecutors Title IV-D Incentive	Animal Shelter Donations	20.600 Operation Pull Over	Federal Adoptive Forfeiture	Co Law Enforcement	Airport Improvement Fund
Cash and investments - beginning	\$ 38,330	\$ 12,194	\$ 597	\$ 291	\$ 16,830	\$ 34,295
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	48,962	8,740	-	-	-
Total receipts	-	48,962	8,740	-	-	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	38,330	49,514	6,898	-	-	-
Total disbursements	38,330	49,514	6,898	-	-	-
Excess (deficiency) of receipts over disbursements	(38,330)	(552)	1,842	-	-	-
Cash and investments - ending	\$ -	\$ 11,642	\$ 2,439	\$ 291	\$ 16,830	\$ 34,295

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

	Riverboat Wagering Co Share	Home Detention	Community Service	Sheriff Drug Testing	Corrections Drug Testing	Check Enforcement Fund
Cash and investments - beginning	\$ 371,256	\$ 44,248	\$ 30,642	\$ 2,827	\$ 4,324	\$ 13,351
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	103,495	23,135	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	10,377	-	-	7,525	1,033
Total receipts	-	113,872	23,135	-	7,525	1,033
Disbursements:						
Personal services	-	68,405	-	-	-	-
Supplies	-	865	-	-	-	-
Other services and charges	-	29,113	-	-	-	-
Capital outlay	-	267	-	-	-	-
Other disbursements	-	-	4,300	305	3,825	500
Total disbursements	-	98,650	4,300	305	3,825	500
Excess (deficiency) of receipts over disbursements	-	15,222	18,835	(305)	3,700	533
Cash and investments - ending	\$ 371,256	\$ 59,470	\$ 49,477	\$ 2,522	\$ 8,024	\$ 13,884



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

	Community Transitional Program	Decatur Co Redev TIF Bond Proc	Cedit Hsc	HEA 1001-2008 State Hmstd Cr	Tobacco Settle - Local Health	16.810 Rec Act Rural Law Enfor
Cash and investments - beginning	\$ -	\$ 8,022	\$ 7,080	\$ 2,201	\$ 18,294	\$ 24,142
Receipts:						
Taxes	-	2,135,293	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	389,188	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	3,720	-	-	-	-	-
Total receipts	3,720	2,135,293	389,188	-	-	-
Disbursements:						
Personal services	-	-	-	-	-	5,458
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	180
Capital outlay	-	-	-	-	-	-
Other disbursements	-	2,134,749	313,236	-	18,294	18,504
Total disbursements	-	2,134,749	313,236	-	18,294	24,142
Excess (deficiency) of receipts over disbursements	3,720	544	75,952	-	(18,294)	(24,142)
Cash and investments - ending	\$ 3,720	\$ 8,566	\$ 83,032	\$ 2,201	\$ -	\$ -

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

	Local Health Dept Trust Acct	Bioterrorism Prepared Grant	Drug Free Grant	90.401 Hava Title III	Hava Section 102
Cash and investments - beginning	\$ -	\$ 67,844	\$ 109	\$ 103,028	\$ 180
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	99,602	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Other receipts	36,514	-	-	-	-
Total receipts	36,514	-	99,602	-	-
Disbursements:					
Personal services	-	-	69,440	-	-
Supplies	-	-	-	-	-
Other services and charges	4,265	-	35,993	-	-
Capital outlay	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	4,265	-	105,433	-	-
Excess (deficiency) of receipts over disbursements	32,249	-	(5,831)	-	-
Cash and investments - ending	\$ 32,249	\$ 67,844	\$ (5,722)	\$ 103,028	\$ 180

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

	93.563 Pros Title IV-D	Child Safety Grant	Family Court Counselor	Decatur Co Pedestrian Trail	Totals
Cash and investments - beginning	\$ 196,763	\$ 1,154	\$ 1,327	\$ 53,688	\$ 19,807,188
Receipts:					
Taxes	-	-	-	-	41,939,197
Licenses and permits	-	-	-	-	2,721,016
Intergovernmental	30,624	-	-	28,304	3,895,508
Charges for services	-	-	-	-	1,094,129
Fines and forfeits	-	-	-	-	1,000
Other receipts	-	500	49,319	-	12,757,322
Total receipts	30,624	500	49,319	28,304	62,408,172
Disbursements:					
Personal services	-	-	72,173	-	7,263,592
Supplies	-	-	271	-	1,369,627
Other services and charges	-	-	1,333	-	3,198,934
Capital outlay	-	-	-	-	1,992,730
Other disbursements	74,404	-	-	29,505	47,746,460
Total disbursements	74,404	-	73,777	29,505	61,571,343
Excess (deficiency) of receipts over disbursements	(43,780)	500	(24,458)	(1,201)	836,829
Cash and investments - ending	\$ 152,983	\$ 1,654	\$ (23,131)	\$ 52,487	\$ 20,644,017

DECATUR 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>\$ 23,144</u>	<u>\$ -</u>

DECATUR COUNTY  
SCHEDULE OF LEASES AND DEBT  
December 31, 2012

Description of Debt		Ending	Principal and
Type	Purpose	Principal	Interest Due
		Balance	Within One
			Year
Governmental activities:			
General obligation bonds	Decatur County Hospital Association	\$ 1,950,000	\$ 358,063
Revenue bonds	Honda TIF	<u>21,224,100</u>	<u>800,000</u>
Total governmental activities		<u>23,174,100</u>	<u>1,158,063</u>
Totals		<u>\$ 23,174,100</u>	<u>\$ 1,158,063</u>

DECATUR COUNTY  
SCHEDULE OF CAPITAL ASSETS  
December 31, 2012

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

	Ending Balance
Governmental activities:	
Land	\$ 969,669
Infrastructure	24,928,684
Buildings	11,471,034
Improvements other than buildings	2,147,312
Machinery, equipment, and vehicles	<u>9,716,263</u>
Total governmental activities	<u>49,232,962</u>
Total capital assets	<u><u>\$ 49,232,962</u></u>

DECATUR COUNTY  
OTHER REPORTS

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

County Auditor  
County Sheriff  
County Probation Department

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

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Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

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

TO: THE OFFICIALS OF DECATUR COUNTY, INDIANA

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

We have audited Decatur 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 its major federal program for the year ended December 31, 2012. The County's major federal program is 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 the County's major federal program 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 its major federal program for the year ended December 31, 2012.

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


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

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

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

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

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

  
Paul D. Joyce, CPA  
State Examiner

February 20, 2014

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#### SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

DECATUR 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>				
ARRA - Recovery Act - Assistance to Rural Law Enforcement to Combat Crime and Drugs Competitive Grant Program ARRA Recovery Act	Direct grant	16.810	2009-SD-B9-0083	\$ 5,638
Total - Department of Justice				5,638
<u>Department of Transportation</u>				
Highway Planning and Construction Cluster				
Highway Planning and Construction	Indiana Department of Transportation			
Bridge 25 Replacement		20.205	Des. No. 0500907	57,471
Bridge 2 Replacement		20.205	Des. No. 1005700	65,911
Bridge 19 Replacement		20.205	Des. No. 9884850	116,218
Bridge Inspections		20.205	Des. No. 0810573	41,072
Pedestrian Trail		20.205	Des. No. 0902213	28,053
Total - Highway Planning and Construction Cluster				308,725
Highway Safety Cluster				
State and Community Highway Safety Big City/Big County Enforcement	Indiana Criminal Justice Institute	20.600	D3-12-6435	5,994
Alcohol Impaired Driving Countermeasures Incentive Grants I Rural Demonstration Project	Indiana Criminal Justice Institute	20.601	D3-12-7093	2,746
Total - Highway Safety Cluster				8,740
Total - Department of Transportation				317,465
<u>Department of Health and Human Services</u>				
Drug-Free Communities Support Program Grants Decatur County Community Action Coalition	Direct grant	93.276	5H79SP013007-08	98,632
Child Support Enforcement	Indiana Department of Child Services			
Prosecutor's Expenditures		93.563	Calendar Year 2012	109,392
Clerk's Expenditures		93.563	Calendar Year 2012	5,172
Indirect Costs		93.563	Calendar Year 2012	17,021
Prosecutor ARRA		93.563	Calendar Year 2012	8,937
Prosecutor Incentive		93.563	Calendar Year 2012	12,874
Clerk's Incentive		93.563	Calendar Year 2012	1,250
General Incentive		93.563	Calendar Year 2012	6,411
Total - Child Support Enforcement				161,057
Total - Department of Health and Human Services				259,689
<u>Department of Homeland Security</u>				
Emergency Management Performance Grants	Indiana Department of Homeland Security			
Salary Reimbursement		97.042	C44P-2-323A	8,291
2011 Grant Equipment		97.042	C44P-2-084A	3,623
Total - Emergency Management Performance Grants				11,914
Total - Department of Homeland Security				11,914
Total federal awards expended				\$ 594,706

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

DECATUR COUNTY  
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

***Basis of Presentation***

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

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

Identification of Major Program:

\_\_\_\_\_  
Name of Federal Program or Cluster

Highway Planning and Construction Cluster

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 2012-001 - 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.



DECATUR COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

During the audit of the SEFA, we noted the following errors: ARRA - the Recovery Act - Assistance to Rural Law Enforcement to Combat Crime and Drugs Competitive Grant Program, State and Community Highway Safety, and Drug-Free Communities and Support Program Grants programs were overstated by \$18,504, \$597, and \$1,079, respectively. The Highway Planning and Construction, Child Support Enforcement, and Emergency Management Performance Grants programs were understated by \$226,734, \$161,057, and \$11,914, respectively. 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 in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide 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.

DECATUR 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 subrecipients 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."

***FINDING 2012-002 - INTERNAL CONTROLS OVER FINANCIAL  
TRANSACTIONS AND REPORTING - COUNTY AUDITOR***

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

The Auditor's Office has not separated incompatible activities related to payroll and payroll related liabilities. The failure to establish these controls could enable material misstatements or irregularities to remain undetected. The County's payroll processing was handled primarily by one staff person in the County Auditor's Office. This same person was also responsible for calculating and making all employee benefit payments. Supporting documentation for these benefit payments were retained in the payroll files; however, there was no evidence that a review of the documentation was completed by another employee. The checks and/or electronic payments were not compared to the supporting documentation by another County employee. Also, payroll claims were not approved by the Board of County Commissioners as required by Indiana Code 36-2-6-4.

The Auditor's Office did not have sufficient internal controls over the preparation of the County's Annual Financial Report. One employee in the Auditor's Office compiled all of the information and entered it into the Gateway software, which prepares the Annual Financial Report. There was no evidence of review of the Annual Financial Report being performed by another employee. The information in the Annual Financial Report is used to prepare the financial statement.

Controls over receipts were insufficient. The 2012 Fall Settlement was completed and funds disbursed on December 21, 2012; however, tax distributions owed to the County were not receipted to the County's funds ledger until January 9, 2013. This resulted in total receipts and the cash balance as of December 31, 2012, on the financial statement being understated by \$2,790,059. Audit adjustments were proposed and accepted by management. These adjustments resulted in a presentation of the financial statement that is materially correct.

The Payroll Schedule and Voucher (General Form No. 99) should be used for all payrolls. Each claim should be certified to by the department head and the county auditor in the appropriate sections provided thereon. Payroll claims should be numbered along with other claims. Approval signatures by a majority of the board is required in the appropriate section unless Register of Claims, General Form No. 364, is signed. Payroll claims should be filed with other claims in numerical order. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 4)

Money received by the county treasurer, either at the time received or at the time of each semiannual settlement, must be accounted for by the county auditor through the issuance of an application to pay, quietus and receipt originating in the auditor's office. It is the duty of the auditor to determine the proper fund and/or account to be credited in each instance and to show on each such instrument the source of the receipt and the name of the fund and/or account. Reports of fees collected and other documents supporting receipts must be preserved by the auditor as a part of the records of the office. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 3)

DECATUR COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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

Controls over receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

***FINDING 2012-003 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING - COUNTY TREASURER***

We noted a deficiency in the internal control system of the County Treasurer's Office related to financial transactions and reporting. We believe the following deficiency constitutes a material weakness:

Lack of Segregation of Duties: Control activities should be selected and developed at various levels of the Treasurer's Office to reduce risks to the achievement of financial reporting objectives. The Treasurer's main bookkeeper collects cash, makes adjustments, makes up bank deposits, runs daily and monthly reports, and prepares the monthly bank reconciliements. There was no evidence that monthly bank reconciliements were reviewed and approved by someone other than the person preparing them. The failure to establish these controls could enable material misstatements or irregularities to remain undetected.

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

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers of Indiana, Chapter 10)

***FINDING 2012-004 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING - CLERK OF THE CIRCUIT COURT***

We noted a deficiency in the internal control system of the Clerk of the Circuit Court related to financial transactions and reporting. We believe the following deficiency constitutes a material weakness:

Lack of Segregation of Duties: Control activities should be selected and developed at various levels of the Clerk of the Circuit Court's Office to reduce risks to the achievement of financial reporting objectives. The Clerk of the Circuit Court's main bookkeeper collects cash, makes adjustments, makes up bank deposits, issues checks, runs daily and monthly reports, and prepares the monthly bank reconciliements. There was no evidence that monthly reports and bank reconciliements were reviewed and approved by someone other than the person preparing them. The failure to establish these controls could enable material misstatements or irregularities to remain undetected.

DECATUR COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Clerks of the Circuit Courts of Indiana, Chapter 13)

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

No matters are reportable.



Tami D. Wenning, Decatur County Auditor  
150 Courthouse Square Suite 133  
Greensburg, IN 47240-2091  
Phone (812)-663-2570 Fax (812)-663-2242  
E-Mail [auditor@decaturcounty.in.gov](mailto:auditor@decaturcounty.in.gov)

February 20<sup>th</sup>, 2014  
CORRECTIVE ACTION PLAN

Finding 2012-001 - INTERNAL CONTROLS OVER PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Auditee Contact Person	Tami D. Wenning
Title of Contact Person	County Auditor
Phone Number	(812) 663-2570

Corrective Action:

Decatur County will utilize available personnel to develop a procedure that will create proper checks and balances in an attempt to address the issues brought to our attention by the State Board of Accounts.

Finding 2012-002 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

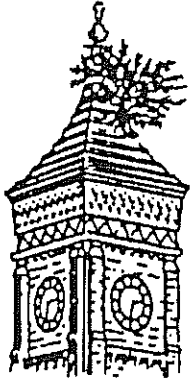
Auditee Contact Person	Tami D. Wenning
Title of Contact Person	County Auditor
Phone Number	(812) 663-2570

Corrective Action:

Decatur County Government will utilize available personnel to develop procedures that will create the proper checks and balances to address the issues brought to our attention by the State Board of Accounts.

Signed this 20<sup>th</sup> day of Feb., 2014

*Tami D. Wenning, Decatur Co. Auditor*  
Tami D. Wenning, Decatur County Auditor



**MARY C. VAIL**  
**DECATUR COUNTY TREASURER**  
**150 COURTHOUSE SQUARE**  
**SUITE 138**  
**GREENSBURG, IN. 47240-2074**  
**(812)-663-4190 Telephone**  
**(812) 222-1807 Fax**

Thursday, February 20, 2014

Attention: Cindy Slaven  
Field Examiner  
Indiana State Board of Accounts

Finding 2012-003 Internal Controls over Financial Transactions and Reporting- County Treasurer

Reference: Treasurer 2012 Corrective Action Plan

I have no plans to change anything at this time.

The County Council only allows two deputies, therefore we segregate  
the duties the best we can.

I accept the risk.

Mary Vail  
Decatur County Treasurer



**Janet S. Chadwell, Clerk**  
**Decatur Circuit and Superior Courts**

150 Courthouse Square, Suite 244, Greensburg, Indiana 47240

Phone - 812-663-8223 & 812-663-8642

Fax - 812-662-6627

[clerk@decaturcountry.in.gov](mailto:clerk@decaturcountry.in.gov)

**CORRECTIVE ACTION PLAN**

**Finding 2012-004- INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING**

Auditee Contact Person  
Title of Contact Person  
Phone Number

Janet S Chadwell  
Clerk of the Circuit Court  
(812) 663-8223

**Corrective Action:**

Office duties have been 'reassigned' in relation to financial transactions and reporting. Each Deputy Clerk has an assigned 'phone and counter day' in which they answer phone calls and wait on the public coming into the Clerk's Office, which includes receipting in monies on various court cases plus Child Support. Annie Moore performs the daily close-out on our two cash drawers; Anna Rayner is her back-up and Karen Higginbotham is the second back-up. Anna does the close-out on Annie's counter day. Karen receipts in garnishment checks received from employers. Adina Roberts prints those checks for the garnishments to the plaintiffs on Mondays, Tuesdays and Wednesdays. Janet Chadwell prints those checks on Thursdays and Fridays. Anna is the back-up for printing those daily checks. Karen prints the daily child support checks from the state ISETS system. Janet C does the daily close-out on the child support cash drawer. Faith Koors is the back-up for closing out the child support cash drawer. Each deputy takes their turn taking the daily bank deposit to the Main Source Branch Bank located at 201 North Broadway, Greensburg (across the street from the Courthouse). Karen continues to fill the role as the Clerk's main bookkeeper which may include making adjustments, running monthly reports and prepares the monthly bank reconciliements. Karen also remits court costs and fees, semi-annually, to the State Auditor's office as required by statute. Karen prepares the information/report for creating the 1099's which she emails to a local business, *Brenda Dwenger, Inc.* who prints and mails the 1099's for us.

*Janet S Chadwell*  
*2/21/14*

DECATUR COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on February 20, 2014, with Tami D. Wenning, Auditor; Mary Vail, Treasurer; and Rick J. Nobbe, President of the Board of County Commissioners.

The contents of this report were discussed on February 21, 2014, with Janet S. Chadwell, Clerk, and Karen Higgenbotham, Deputy Clerk. The officials concurred with our findings.