

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF
FULTON COUNTY, INDIANA
January 1, 2013 to December 31, 2013



FILED
06/27/2014

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Judith A. Reed	01-01-13 to 12-31-16
Treasurer	Lorie L. Hurst	01-01-13 to 12-31-16
Clerk	Letty McKee	01-01-11 to 12-31-14
Sheriff	Walker Conley	01-01-11 to 12-31-14
Recorder	Cathy Ginther	01-01-11 to 12-31-14
President of the Board of County Commissioners	Mark J. Rodriquez (Vacant) Roger D. Rose	01-01-13 to 06-22-13 06-23-13 to 08-11-13 08-12-13 to 12-31-14
President of the County Council	James Widman	01-01-13 to 12-31-14



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF FULTON COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of Fulton County (County), which comprises the financial position and results of operations for the year ended December 31, 2013, 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, 2013.

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, 2013, 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 April 28, 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 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.


Paul D. Joyce, CPA
State Examiner

April 28, 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 FULTON 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 Fulton County (County), which comprises the financial position and results of operations for the year ended December 31, 2013, and the related notes to the financial statement, and have issued our report thereon dated April 28, 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 item 2013-001 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 item 2013-001.

Fulton 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

April 28, 2014

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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.

FULTON COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended December 31, 2013

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13
Sheriff's Trust	\$ 8,528	\$ 509,218	\$ 510,264	\$ 7,482
County General	1,751,972	4,743,010	4,441,903	2,053,079
Accident Report	3,155	7,632	7,365	3,422
Airport Authority	-	369,510	369,510	-
County Certified Shares 2013	-	1,283,386	989,261	294,125
County Economic Development Income Tax	993,271	362,663	903,970	451,964
Child Abuse Prevention Fee	325	100	-	425
City/Town Court Cost	1,215	7,239	7,289	1,165
FCC Corrections Project Income	-	5,563	-	5,563
FCC Corrections Transition Program	-	2,195	-	2,195
Congressional School Interest	58,423	353	877	57,899
Congressional School Principle	21,923	-	-	21,923
Convention Visitor & Tour Program	23,679	33,299	32,855	24,123
Sales Disclosures County Share	19,690	2,700	-	22,390
Cumulative Bridge	630,331	271,751	396,005	506,077
Cumulative Capital Development	131,887	308,109	227,952	212,044
Corp Cumulative Capital Improvement	-	17,948	17,948	-
Corp Cumulative Capital Development	-	135,652	135,652	-
Electronic Map Generation	1,750	2,750	-	4,500
Fulton County EMS	47,417	605,788	548,331	104,874
Emergency Planning (LEPC)	11,165	3,614	5,090	9,689
Recorder's Enhanced Access	-	2,841	1,150	1,691
County Extradition	1,666	-	-	1,666
Handgun Application	18,087	14,340	4,635	27,792
General Drain Improvement	506,546	401,920	671,452	237,014
Health Department	125,595	253,718	191,601	187,712
County ID Security Protection	24,410	1,819	-	26,229
Levy Excess	49,843	-	-	49,843
Local Health Maintenance	193,395	39,146	24,238	208,303
Local Road & Street	65,780	202,697	201,268	67,209
LOIT-Public Safety-County Share	136,384	763,779	649,120	251,043
Inmate Medical Co-pay	15,254	1,707	-	16,961
County Correction Level 3	15,307	14,050	14,000	15,357
Highway Department	619,439	2,188,693	2,026,059	782,073
Park & Recreation Capital Account	100	-	100	-
Park and Recreation	59,642	11,235	18,649	52,228
Transfer/Plat Book	14,037	6,960	1,200	19,797
Rainy Day	543,641	2,447	49,175	496,913
2006 Reassessment	2,887	-	2,887	-
2017 Reassessment	98,355	134,497	89,926	142,926
Recorders Perpetuation	60,519	28,932	22,652	66,799
Riverboat Wagering Tax	-	123,431	123,431	-
Family Violence	1,265	5,213	424	6,054
Supplemental Public Defender	35,806	18,583	29,263	25,126
Surplus Tax	29,312	18,034	27,137	20,209
Surveyor's Corner Perpetuation	6,246	4,770	2,700	8,316
Tax Sale Cost Fee	64,359	9,640	8,176	65,823
Tax Sale Redemption	2,225	52,356	52,356	2,225
Tax Sale Surplus	261,671	2,744	186,668	77,747
Tobacco Settlement Distribution	133,933	8,342	-	142,275
Guardian AD Litem (CASA)	-	24,129	24,129	-
Fulton County 911	256,703	290,057	288,520	258,240
Adult Probation User Fee	53,910	175,909	214,628	15,191
Juvenile Probation Users	14,392	4,311	6,269	12,434
Alternative Dispute Resolution	5,730	4,235	76	9,889
Township Cemetery	-	2,871	2,871	-
User Fee	-	82,349	82,316	33
Burns & Hendrickson Tile	-	4,046	4,046	-
General Drain Maintenance	1,947,847	680,803	497,392	2,131,258
Township Community Building	-	3,780	3,780	-
Women Infants and Children (WIC)	(5,282)	71,371	76,122	(10,033)
Rochester City Redevelopment	-	42,955	42,955	-

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

FULTON COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13
Payroll	110,216	1,514,956	1,514,144	111,028
CAGIT Public Safety	-	870,335	834,423	35,912
CVET Excise Tax	-	138,430	138,430	-
Education Plate Fee	94	394	488	-
Financial Institution Tax	-	92,792	92,792	-
Infraction Judgements	2,790	40,044	40,418	2,416
Overweight Vehicles	-	515	-	515
Coroner Continuing Education Fee	362	2,193	2,399	156
Interstate Compact	-	188	125	63
Mortgage Fee	423	2,012	2,195	240
DLGF Homestead Property Databa	-	27	-	27
Violent Crime Victims Compensation	-	19,118	-	19,118
Sales Disclosure State Share	320	2,700	2,845	175
State Share Delinquent Taxes & Penalties	-	43	43	-
Inheritance Tax	208,116	267,235	475,351	-
Delinquent Sewer Assessment	-	36,225	36,081	144
County Adjusted Gross Income Tax	-	5,223,653	5,223,653	-
Private Collection Fees (PCA)	2,845	1,525	1,124	3,246
Prosecutor ARRA	9,594	-	5,057	4,537
Clerk ARRA	6,717	-	4,547	2,170
Title IV-D Incentive	46,474	11,891	-	58,365
Prosecutor Incentive	77,143	17,893	2,703	92,333
Clerk Incentive	47,739	2,133	49,319	553
Clerk's Regular Incentive	-	55,187	925	54,262
Auditor's Ineligible Deduction	25,165	95,428	58,776	61,817
Fulton County Redevelopment	-	8,764	134	8,630
Sheriff Miscellaneous Grant	-	3,760	3,760	-
County Drug Free	21,557	10,278	21,200	10,635
State Child Abuse Prevention	-	100	-	100
Adult Administrative Fee	479	13,717	11,630	2,566
Juvenile Administrative	4,188	425	-	4,613
Alcohol & Drug Services Program Fee	11,513	43,221	54,674	60
Pretrial Diversion Program Fee	102,108	31,790	44,328	89,570
Sheriff Continuing Education	63,661	7,338	3,924	67,075
County Law Enforcement Continuing Education Fee	12,068	688	-	12,756
Jury Pay	18,217	4,195	1,500	20,912
Joseph Leasure Tile	-	4,610	4,610	-
John Miller Tile	-	44,220	44,220	-
Babcock Overmyer Tile	-	15,034	15,034	-
Transpo Grant PMTF & 5311	-	267,105	267,105	-
Courthouse & Annex Lease Payment	270,778	270,272	257,500	283,550
2010 General Obligation Debt Service	158,511	267,527	256,607	169,431
EMA Performance Grant CFDA#97.042	-	3,772	3,772	-
Clerk Incentive 10-1-99	-	54,811	54,811	-
Sheriff Commissary	22,192	141,919	124,729	39,382
Sheriff Inmate Trust	7,023	233,352	234,634	5,741
Recorder	100	92,751	92,751	100
Clerk's Trust	223,734	1,890,739	1,922,109	192,364
Clerk ISETS	2,254	333,103	331,817	3,540
Treasurer's Trust	392,411	19,961,142	19,805,096	548,457
Probation	-	195,270	195,270	-
County Community Host Fee	207,009	333,595	333,595	207,009
Drug Interdiction Program	-	298	-	298
Township General	-	66,502	66,502	-
Township Fire Prevention	-	343,464	343,464	-
Township Recreation	-	6,729	6,729	-
Township Cumulative Fire	-	60,630	60,630	-
Library General	-	1,264,430	1,264,430	-
Library Debt	-	294,006	294,006	-
Hazardous Substance	547,774	2,346	16,675	533,445
School Debt	-	3,265,806	3,265,806	-
School Transportation	-	1,443,998	1,443,998	-

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

FULTON COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13
School Capital Projects	-	2,147,302	2,147,302	-
School Bus Replacement	-	366,049	366,049	-
Corp General	-	1,790,918	1,790,918	-
Corp Street (MVH)	-	883,607	883,607	-
Corp Park	-	384,440	384,440	-
Minnow Creek Debt	-	6,346	6,346	-
Minnow Creek Maintenance	-	2,056	2,056	-
Minnow Creek - Special Assessment	-	6,902	6,902	-
Lake Bruce Conservancy	6	10,557	10,557	6
Nyona Lake Conservancy	2	-	-	2
Mill Creek Conservancy	-	12,336	12,336	-
Corp Cumulative Fire	-	1,967	1,967	-
Airport Cumulative Building	-	35,584	35,584	-
Clerk Fax Document Storage	65,111	12,612	7,167	70,556
Commissioner Certificate Sale	-	5,501	5,501	-
Poor Relief	-	52,410	52,410	-
State Welfare Excise Tax Allocation	-	721,559	721,559	-
County Elected Officials Training	5,484	1,811	4,160	3,135
Fulton County Host	2,119,317	115,149	182,018	2,052,448
CAGIT Special	70,277	-	-	70,277
Federal Asset Seizure Fund	-	23,051	15,576	7,475
Atlas Collection Fees	133	383	444	72
Health Pre-Natal	4,471	-	116	4,355
2010 Edit Bond Construction	1,201,592	-	95,291	1,106,301
Fines & Forfeits	3,077	14,706	14,427	3,356
School Pension Debt	-	35,837	35,837	-
Corp Bond #2	-	59,119	59,119	-
CEDIT Homestead Replacement	320,065	871,486	995,833	195,718
Tax Distribution	4,856	-	-	4,856
PTRC/HMSTD State Repay	2,383	-	-	2,383
CAGIT LOIT PTRC	189,929	873,386	1,036,843	26,472
Bond Forfeitures	7,740	800	-	8,540
2005 Homeland Security Grant	819	-	-	819
FEMA	68	-	-	68
Wayne Township Grant	1	-	-	1
Voter Registration Board Enhanced	1,355	-	-	1,355
Sec 101 Vote Reimbursement	2,162	-	-	2,162
Hwy-INDOT-Stimulus-ARRA-09-320	-	7,180	7,180	-
11 Homeland Security CFDA#97.073	-	969	969	-
US 31 Corridor Plan	120,053	-	3,000	117,053
Sign Grant CFDA#20.205	-	6,974	6,974	-
ARRA - Transportation Grant	-	522,061	522,061	-
Help America Vote Act (HAVA)	380	-	-	380
Operation Pullover Grant	(568)	568	-	-
Transportation JARC Grant	-	28,904	28,904	-
PHC Fund Public Health Coordinator	6,196	-	-	6,196
CDBG State and Local Grant Repay	26,945	-	-	26,945
Courthouse Cenennial	281	-	-	281
Bioterrorism Grant	68	-	-	68
ADR Grant	1,903	3,000	4,903	-
Public Health Emergency Prepar	-	17,047	17,047	-
Bellwood Acres Planning Grant	-	23,400	23,400	-
FCC Corrections Grant	-	85,106	35,375	49,731
Totals	<u>\$ 15,821,416</u>	<u>\$ 62,878,897</u>	<u>\$ 63,092,709</u>	<u>\$ 15,607,604</u>

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

FULTON 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.

FULTON 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.

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.

FULTON COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

F. Interfund Transfers

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

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.

FULTON COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

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

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

Note 5. Risk Management

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

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

FULTON COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Funding Policy and Annual Pension Cost

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

B. County Police Retirement Plan

Plan Description

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

Funding Policy

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

C. County Police Benefit Plan

Plan Description

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

Funding Policy

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

Note 7. Cash Balance Deficit

The financial statement contains a fund with a deficit in cash. This is a result of the fund being set up for a reimbursable grant. The reimbursements for expenditures made by the County were not received by December 31, 2013.

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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.

FULTON COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013

	Sheriff's Trust	County General	Accident Report	Airport Authority	County Certified Shares 2013	County Economic Development Income Tax	Child Abuse Prevention Fee
Cash and investments - beginning	\$ 8,528	\$ 1,751,972	\$ 3,155	\$ -	\$ -	\$ 993,271	\$ 325
Receipts:							
Taxes	-	3,722,617	-	369,510	1,281,582	358,536	-
Licenses and permits	-	32,506	-	-	-	-	-
Intergovernmental	-	149,082	-	-	-	-	-
Charges for services	509,218	310,912	1,862	-	-	-	100
Fines and forfeits	-	138,832	-	-	-	-	-
Other receipts	-	389,061	5,770	-	1,804	4,127	-
Total receipts	509,218	4,743,010	7,632	369,510	1,283,386	362,663	100
Disbursements:							
Personal services	-	2,879,057	7,365	-	771,163	414,079	-
Supplies	-	114,648	-	-	124,876	21,048	-
Other services and charges	-	1,433,862	-	-	93,222	318,843	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	7,778	-	-	-	150,000	-
Other disbursements	510,264	6,558	-	369,510	-	-	-
Total disbursements	510,264	4,441,903	7,365	369,510	989,261	903,970	-
Excess (deficiency) of receipts over disbursements	(1,046)	301,107	267	-	294,125	(541,307)	100
Cash and investments - ending	\$ 7,482	\$ 2,053,079	\$ 3,422	\$ -	\$ 294,125	\$ 451,964	\$ 425

FULTON COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	City/Town Court Cost	FCC Corrections Project Income	FCC Corrections Transition Program	Congressional School Interest	Congressional School Principle	Convention Visitor & Tour Program	Sales Disclosures County Share
Cash and investments - beginning	\$ 1,215	\$ -	\$ -	\$ 58,423	\$ 21,923	\$ 23,679	\$ 19,690
Receipts:							
Taxes	-	-	-	-	-	33,299	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	2,700
Fines and forfeits	7,239	5,563	2,195	-	-	-	-
Other receipts	-	-	-	353	-	-	-
Total receipts	<u>7,239</u>	<u>5,563</u>	<u>2,195</u>	<u>353</u>	<u>-</u>	<u>33,299</u>	<u>2,700</u>
Disbursements:							
Personal services	-	-	-	-	-	3,000	-
Supplies	-	-	-	-	-	440	-
Other services and charges	-	-	-	-	-	29,415	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	7,289	-	-	877	-	-	-
Total disbursements	<u>7,289</u>	<u>-</u>	<u>-</u>	<u>877</u>	<u>-</u>	<u>32,855</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(50)</u>	<u>5,563</u>	<u>2,195</u>	<u>(524)</u>	<u>-</u>	<u>444</u>	<u>2,700</u>
Cash and investments - ending	<u>\$ 1,165</u>	<u>\$ 5,563</u>	<u>\$ 2,195</u>	<u>\$ 57,899</u>	<u>\$ 21,923</u>	<u>\$ 24,123</u>	<u>\$ 22,390</u>

FULTON COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	Cumulative Bridge	Cumulative Capital Development	Corp Cumulative Capital Improvement	Corp Cumulative Capital Development	Electronic Map Generation	Fulton County EMS	Emergency Planning (LEPC)
Cash and investments - beginning	\$ 630,331	\$ 131,887	\$ -	\$ -	\$ 1,750	\$ 47,417	\$ 11,165
Receipts:							
Taxes	255,758	296,902	17,948	135,652	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	2,777	3,223	-	-	-	-	-
Charges for services	13,216	-	-	-	2,750	600,491	3,525
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	7,984	-	-	-	5,297	89
Total receipts	<u>271,751</u>	<u>308,109</u>	<u>17,948</u>	<u>135,652</u>	<u>2,750</u>	<u>605,788</u>	<u>3,614</u>
Disbursements:							
Personal services	-	-	-	-	-	432,078	1,736
Supplies	-	-	-	-	-	23,123	240
Other services and charges	395,890	82,920	-	-	-	91,466	3,114
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	144,898	-	-	-	275	-
Other disbursements	115	134	17,948	135,652	-	1,389	-
Total disbursements	<u>396,005</u>	<u>227,952</u>	<u>17,948</u>	<u>135,652</u>	<u>-</u>	<u>548,331</u>	<u>5,090</u>
Excess (deficiency) of receipts over disbursements	<u>(124,254)</u>	<u>80,157</u>	<u>-</u>	<u>-</u>	<u>2,750</u>	<u>57,457</u>	<u>(1,476)</u>
Cash and investments - ending	<u>\$ 506,077</u>	<u>\$ 212,044</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,500</u>	<u>\$ 104,874</u>	<u>\$ 9,689</u>

FULTON COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	Recorder's Enhanced Access	County Extradition	Handgun Application	General Drain Improvement	Health Department	County ID Security Protection	Levy Excess
Cash and investments - beginning	\$ -	\$ 1,666	\$ 18,087	\$ 506,546	\$ 125,595	\$ 24,410	\$ 49,843
Receipts:							
Taxes	-	-	-	322,809	224,622	-	-
Licenses and permits	-	-	14,340	-	15,060	-	-
Intergovernmental	-	-	-	-	2,439	-	-
Charges for services	2,841	-	-	37,154	11,597	1,819	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	41,957	-	-	-
Total receipts	<u>2,841</u>	<u>-</u>	<u>14,340</u>	<u>401,920</u>	<u>253,718</u>	<u>1,819</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	-	181,414	-	-
Supplies	-	-	-	-	2,859	-	-
Other services and charges	-	-	-	-	7,227	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	540	-	-	-	-
Other disbursements	1,150	-	4,095	671,452	101	-	-
Total disbursements	<u>1,150</u>	<u>-</u>	<u>4,635</u>	<u>671,452</u>	<u>191,601</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>1,691</u>	<u>-</u>	<u>9,705</u>	<u>(269,532)</u>	<u>62,117</u>	<u>1,819</u>	<u>-</u>
Cash and investments - ending	<u>\$ 1,691</u>	<u>\$ 1,666</u>	<u>\$ 27,792</u>	<u>\$ 237,014</u>	<u>\$ 187,712</u>	<u>\$ 26,229</u>	<u>\$ 49,843</u>

FULTON COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	Local Health Maintenance	Local Road & Street	LOIT-Public Safety-County Share	Inmate Medical Co-pay	County Correction Level 3	Highway Department	Park & Recreation Capital Account
Cash and investments - beginning	\$ 193,395	\$ 65,780	\$ 136,384	\$ 15,254	\$ 15,307	\$ 619,439	\$ 100
Receipts:							
Taxes	-	-	754,828	-	-	-	-
Licenses and permits	-	-	-	-	-	1,600	-
Intergovernmental	-	202,697	-	-	-	2,133,477	-
Charges for services	6,007	-	8,951	1,707	-	31,089	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	33,139	-	-	-	14,050	22,527	-
Total receipts	<u>39,146</u>	<u>202,697</u>	<u>763,779</u>	<u>1,707</u>	<u>14,050</u>	<u>2,188,693</u>	<u>-</u>
Disbursements:							
Personal services	17,998	-	546,088	-	-	860,253	-
Supplies	6,145	192,720	34,890	-	-	906,076	-
Other services and charges	95	-	68,142	-	14,000	259,730	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	8,548	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	100
Total disbursements	<u>24,238</u>	<u>201,268</u>	<u>649,120</u>	<u>-</u>	<u>14,000</u>	<u>2,026,059</u>	<u>100</u>
Excess (deficiency) of receipts over disbursements	<u>14,908</u>	<u>1,429</u>	<u>114,659</u>	<u>1,707</u>	<u>50</u>	<u>162,634</u>	<u>(100)</u>
Cash and investments - ending	<u>\$ 208,303</u>	<u>\$ 67,209</u>	<u>\$ 251,043</u>	<u>\$ 16,961</u>	<u>\$ 15,357</u>	<u>\$ 782,073</u>	<u>\$ -</u>

FULTON COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	Park and Recreation	Transfer/Plat Book	Rainy Day	2006 Reassessment	2017 Reassessment	Recorders Perpetuation	Riverboat Wagering Tax
Cash and investments - beginning	\$ 59,642	\$ 14,037	\$ 543,641	\$ 2,887	\$ 98,355	\$ 60,519	\$ -
Receipts:							
Taxes	-	-	137	-	120,095	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	4,500	-	-	-	1,304	-	123,431
Charges for services	5,380	6,960	-	-	40	28,670	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	1,355	-	2,310	-	13,058	262	-
Total receipts	11,235	6,960	2,447	-	134,497	28,932	123,431
Disbursements:							
Personal services	-	-	26,243	-	37,357	-	-
Supplies	1,921	-	-	-	5,414	-	-
Other services and charges	16,728	-	22,932	-	47,101	22,652	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	1,200	-	2,887	54	-	123,431
Total disbursements	18,649	1,200	49,175	2,887	89,926	22,652	123,431
Excess (deficiency) of receipts over disbursements	(7,414)	5,760	(46,728)	(2,887)	44,571	6,280	-
Cash and investments - ending	\$ 52,228	\$ 19,797	\$ 496,913	\$ -	\$ 142,926	\$ 66,799	\$ -

FULTON COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	Family Violence	Supplemental Public Defender	Surplus Tax	Surveyor's Corner Perpetuation	Tax Sale Cost Fee	Tax Sale Redemption	Tax Sale Surplus
Cash and investments - beginning	\$ 1,265	\$ 35,806	\$ 29,312	\$ 6,246	\$ 64,359	\$ 2,225	\$ 261,671
Receipts:							
Taxes	-	-	18,034	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	5,213	18,583	-	4,770	142	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	9,498	52,356	2,744
Total receipts	<u>5,213</u>	<u>18,583</u>	<u>18,034</u>	<u>4,770</u>	<u>9,640</u>	<u>52,356</u>	<u>2,744</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	219	-	-	-	-	-	-
Other disbursements	205	29,263	27,137	2,700	8,176	52,356	186,668
Total disbursements	<u>424</u>	<u>29,263</u>	<u>27,137</u>	<u>2,700</u>	<u>8,176</u>	<u>52,356</u>	<u>186,668</u>
Excess (deficiency) of receipts over disbursements	<u>4,789</u>	<u>(10,680)</u>	<u>(9,103)</u>	<u>2,070</u>	<u>1,464</u>	<u>-</u>	<u>(183,924)</u>
Cash and investments - ending	<u>\$ 6,054</u>	<u>\$ 25,126</u>	<u>\$ 20,209</u>	<u>\$ 8,316</u>	<u>\$ 65,823</u>	<u>\$ 2,225</u>	<u>\$ 77,747</u>

FULTON COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	Tobacco Settlement Distribution	Guardian AD Litem (CASA)	Fulton County 911	Adult Probation User Fee	Juvenile Probation Users	Alternative Dispute Resolution	Township Cemetery
Cash and investments - beginning	\$ 133,933	\$ -	\$ 256,703	\$ 53,910	\$ 14,392	\$ 5,730	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	2,871
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	24,129	-	-	-	-	-
Charges for services	-	-	288,594	4,298	604	-	-
Fines and forfeits	-	-	-	171,611	3,707	4,235	-
Other receipts	8,342	-	1,463	-	-	-	-
Total receipts	<u>8,342</u>	<u>24,129</u>	<u>290,057</u>	<u>175,909</u>	<u>4,311</u>	<u>4,235</u>	<u>2,871</u>
Disbursements:							
Personal services	-	14,017	163,348	166,721	5,274	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	59,773	47,907	995	76	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	57,635	-	-	-	-
Other disbursements	-	10,112	7,764	-	-	-	2,871
Total disbursements	<u>-</u>	<u>24,129</u>	<u>288,520</u>	<u>214,628</u>	<u>6,269</u>	<u>76</u>	<u>2,871</u>
Excess (deficiency) of receipts over disbursements	<u>8,342</u>	<u>-</u>	<u>1,537</u>	<u>(38,719)</u>	<u>(1,958)</u>	<u>4,159</u>	<u>-</u>
Cash and investments - ending	<u>\$ 142,275</u>	<u>\$ -</u>	<u>\$ 258,240</u>	<u>\$ 15,191</u>	<u>\$ 12,434</u>	<u>\$ 9,889</u>	<u>\$ -</u>

FULTON COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	User Fee	Burns & Hendrickson Tile	General Drain Maintenance	Township Community Building	Women Infants and Children (WIC)	Rochester City Redevelopment	Payroll
Cash and investments - beginning	\$ -	\$ -	\$ 1,947,847	\$ -	\$ (5,282)	\$ -	\$ 110,216
Receipts:							
Taxes	-	-	566,600	3,780	-	42,955	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	26,432	-	71,371	-	-
Fines and forfeits	82,349	-	-	-	-	-	-
Other receipts	-	4,046	87,771	-	-	-	1,514,956
Total receipts	<u>82,349</u>	<u>4,046</u>	<u>680,803</u>	<u>3,780</u>	<u>71,371</u>	<u>42,955</u>	<u>1,514,956</u>
Disbursements:							
Personal services	-	-	-	-	55,580	-	1,514,144
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	4,046	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	82,316	-	497,392	3,780	20,542	42,955	-
Total disbursements	<u>82,316</u>	<u>4,046</u>	<u>497,392</u>	<u>3,780</u>	<u>76,122</u>	<u>42,955</u>	<u>1,514,144</u>
Excess (deficiency) of receipts over disbursements	<u>33</u>	<u>-</u>	<u>183,411</u>	<u>-</u>	<u>(4,751)</u>	<u>-</u>	<u>812</u>
Cash and investments - ending	<u>\$ 33</u>	<u>\$ -</u>	<u>\$ 2,131,258</u>	<u>\$ -</u>	<u>\$ (10,033)</u>	<u>\$ -</u>	<u>\$ 111,028</u>

FULTON COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	CAGIT Public Safety	CVET Excise Tax	Education Plate Fee	Financial Institution Tax	Infraction Judgements	Overweight Vehicles	Coroner Continuing Education Fee
Cash and investments - beginning	\$ -	\$ -	\$ 94	\$ -	\$ 2,790	\$ -	\$ 362
Receipts:							
Taxes	870,335	-	394	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	138,430	-	92,599	-	-	-
Charges for services	-	-	-	193	-	-	2,193
Fines and forfeits	-	-	-	-	40,044	515	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>870,335</u>	<u>138,430</u>	<u>394</u>	<u>92,792</u>	<u>40,044</u>	<u>515</u>	<u>2,193</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	488	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	<u>834,423</u>	<u>138,430</u>	<u>-</u>	<u>92,792</u>	<u>40,418</u>	<u>-</u>	<u>2,399</u>
Total disbursements	<u>834,423</u>	<u>138,430</u>	<u>488</u>	<u>92,792</u>	<u>40,418</u>	<u>-</u>	<u>2,399</u>
Excess (deficiency) of receipts over disbursements	<u>35,912</u>	<u>-</u>	<u>(94)</u>	<u>-</u>	<u>(374)</u>	<u>515</u>	<u>(206)</u>
Cash and investments - ending	<u>\$ 35,912</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,416</u>	<u>\$ 515</u>	<u>\$ 156</u>

FULTON COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	Interstate Compact	Mortgage Fee	DLGF Homestead Property Databa	Violent Crime Victims Compensation	Sales Disclosure State Share	State Share Delinquent Taxes & Penalties	Inheritance Tax
Cash and investments - beginning	\$ -	\$ 423	\$ -	\$ -	\$ 320	\$ -	\$ 208,116
Receipts:							
Taxes	-	-	27	-	-	43	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	267,235
Charges for services	-	2,012	-	19,118	2,700	-	-
Fines and forfeits	188	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>188</u>	<u>2,012</u>	<u>27</u>	<u>19,118</u>	<u>2,700</u>	<u>43</u>	<u>267,235</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	125	2,195	-	-	2,845	43	475,351
Total disbursements	<u>125</u>	<u>2,195</u>	<u>-</u>	<u>-</u>	<u>2,845</u>	<u>43</u>	<u>475,351</u>
Excess (deficiency) of receipts over disbursements	<u>63</u>	<u>(183)</u>	<u>27</u>	<u>19,118</u>	<u>(145)</u>	<u>-</u>	<u>(208,116)</u>
Cash and investments - ending	<u>\$ 63</u>	<u>\$ 240</u>	<u>\$ 27</u>	<u>\$ 19,118</u>	<u>\$ 175</u>	<u>\$ -</u>	<u>\$ -</u>

FULTON COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	Delinquent Sewer Assessment	County Adjusted Gross Income Tax	Private Collection Fees (PCA)	Prosecutor ARRA	Clerk ARRA	Title IV-D Incentive	Prosecutor Incentive
Cash and investments - beginning	\$ -	\$ -	\$ 2,845	\$ 9,594	\$ 6,717	\$ 46,474	\$ 77,143
Receipts:							
Taxes	28,665	5,222,007	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	7,560	-	1,525	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	1,646	-	-	-	11,891	17,893
Total receipts	<u>36,225</u>	<u>5,223,653</u>	<u>1,525</u>	<u>-</u>	<u>-</u>	<u>11,891</u>	<u>17,893</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	946	-	-	2,342
Other services and charges	-	-	-	3,751	4,547	-	191
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	360	-	-	-
Other disbursements	36,081	5,223,653	1,124	-	-	-	170
Total disbursements	<u>36,081</u>	<u>5,223,653</u>	<u>1,124</u>	<u>5,057</u>	<u>4,547</u>	<u>-</u>	<u>2,703</u>
Excess (deficiency) of receipts over disbursements	<u>144</u>	<u>-</u>	<u>401</u>	<u>(5,057)</u>	<u>(4,547)</u>	<u>11,891</u>	<u>15,190</u>
Cash and investments - ending	<u>\$ 144</u>	<u>\$ -</u>	<u>\$ 3,246</u>	<u>\$ 4,537</u>	<u>\$ 2,170</u>	<u>\$ 58,365</u>	<u>\$ 92,333</u>

FULTON COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	Clerk Incentive	Clerk's Regular Incentive	Auditor's Ineligible Deduction	Fulton County Redevelopment	Sheriff Miscellaneous Grant	County Drug Free	State Child Abuse Prevention
Cash and investments - beginning	\$ 47,739	\$ -	\$ 25,165	\$ -	\$ -	\$ 21,557	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	95,428	-	3,760	-	-
Charges for services	2,133	-	-	8,764	-	-	-
Fines and forfeits	-	-	-	-	-	10,278	100
Other receipts	-	55,187	-	-	-	-	-
Total receipts	<u>2,133</u>	<u>55,187</u>	<u>95,428</u>	<u>8,764</u>	<u>3,760</u>	<u>10,278</u>	<u>100</u>
Disbursements:							
Personal services	3,237	326	-	-	-	21,200	-
Supplies	418	-	-	-	-	-	-
Other services and charges	235	104	58,776	134	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	495	-	-	3,760	-	-
Other disbursements	45,429	-	-	-	-	-	-
Total disbursements	<u>49,319</u>	<u>925</u>	<u>58,776</u>	<u>134</u>	<u>3,760</u>	<u>21,200</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(47,186)</u>	<u>54,262</u>	<u>36,652</u>	<u>8,630</u>	<u>-</u>	<u>(10,922)</u>	<u>100</u>
Cash and investments - ending	<u>\$ 553</u>	<u>\$ 54,262</u>	<u>\$ 61,817</u>	<u>\$ 8,630</u>	<u>\$ -</u>	<u>\$ 10,635</u>	<u>\$ 100</u>

FULTON COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	Adult Administrative Fee	Juvenile Administrative	Alcohol & Drug Services Program Fee	Pretrial Diversion Program Fee	Sheriff Continuing Education	County Law Enforcement Continuing Education Fee	Jury Pay
Cash and investments - beginning	\$ 479	\$ 4,188	\$ 11,513	\$ 102,108	\$ 63,661	\$ 12,068	\$ 18,217
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	13,717	425	43,221	31,790	7,338	688	4,195
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>13,717</u>	<u>425</u>	<u>43,221</u>	<u>31,790</u>	<u>7,338</u>	<u>688</u>	<u>4,195</u>
Disbursements:							
Personal services	11,630	-	53,245	30,770	-	-	-
Supplies	-	-	-	3,008	-	-	-
Other services and charges	-	-	1,429	8,550	3,924	-	1,500
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	2,000	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>11,630</u>	<u>-</u>	<u>54,674</u>	<u>44,328</u>	<u>3,924</u>	<u>-</u>	<u>1,500</u>
Excess (deficiency) of receipts over disbursements	<u>2,087</u>	<u>425</u>	<u>(11,453)</u>	<u>(12,538)</u>	<u>3,414</u>	<u>688</u>	<u>2,695</u>
Cash and investments - ending	<u>\$ 2,566</u>	<u>\$ 4,613</u>	<u>\$ 60</u>	<u>\$ 89,570</u>	<u>\$ 67,075</u>	<u>\$ 12,756</u>	<u>\$ 20,912</u>

FULTON COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	Joseph Leasure Tile	John Miller Tile	Babcock Overmyer Tile	Transpo Grant PMTF & 5311	Courthouse & Annex Lease Payment	2010 General Obligation Debt Service	EMA Performance Grant CFDA#97.042
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 270,778	\$ 158,511	\$ -
Receipts:							
Taxes	-	-	-	-	268,934	264,654	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	267,105	-	2,873	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	4,610	44,220	15,034	-	1,338	-	3,772
Total receipts	4,610	44,220	15,034	267,105	270,272	267,527	3,772
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	4,610	44,220	15,034	-	257,000	255,992	-
Capital outlay	-	-	-	-	-	-	3,772
Other disbursements	-	-	-	267,105	500	615	-
Total disbursements	4,610	44,220	15,034	267,105	257,500	256,607	3,772
Excess (deficiency) of receipts over disbursements	-	-	-	-	12,772	10,920	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ 283,550	\$ 169,431	\$ -

FULTON COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	Clerk Incentive 10-1-99	Sheriff Commissary	Sheriff Inmate Trust	Recorder	Clerk's Trust	Clerk ISETS	Treasurer's Trust
Cash and investments - beginning	\$ -	\$ 22,192	\$ 7,023	\$ 100	\$ 223,734	\$ 2,254	\$ 392,411
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	141,919	-	92,751	-	-	-
Fines and forfeits	54,811	-	-	-	-	-	-
Other receipts	-	-	233,352	-	1,890,739	333,103	19,961,142
Total receipts	<u>54,811</u>	<u>141,919</u>	<u>233,352</u>	<u>92,751</u>	<u>1,890,739</u>	<u>333,103</u>	<u>19,961,142</u>
Disbursements:							
Personal services	3,237	-	-	-	-	-	-
Supplies	653	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	50,921	124,729	234,634	92,751	1,922,109	331,817	19,805,096
Total disbursements	<u>54,811</u>	<u>124,729</u>	<u>234,634</u>	<u>92,751</u>	<u>1,922,109</u>	<u>331,817</u>	<u>19,805,096</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>17,190</u>	<u>(1,282)</u>	<u>-</u>	<u>(31,370)</u>	<u>1,286</u>	<u>156,046</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 39,382</u>	<u>\$ 5,741</u>	<u>\$ 100</u>	<u>\$ 192,364</u>	<u>\$ 3,540</u>	<u>\$ 548,457</u>

FULTON COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	Probation	County Community Host Fee	Drug Interdiction Program	Township General	Township Fire Prevention	Township Recreation	Township Cumulative Fire
Cash and investments - beginning	\$ -	\$ 207,009	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	66,502	343,464	6,729	60,630
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	333,595	-	-	-	-	-
Fines and forfeits	-	-	298	-	-	-	-
Other receipts	195,270	-	-	-	-	-	-
Total receipts	<u>195,270</u>	<u>333,595</u>	<u>298</u>	<u>66,502</u>	<u>343,464</u>	<u>6,729</u>	<u>60,630</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	333,595	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	195,270	-	-	66,502	343,464	6,729	60,630
Total disbursements	<u>195,270</u>	<u>333,595</u>	<u>-</u>	<u>66,502</u>	<u>343,464</u>	<u>6,729</u>	<u>60,630</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>298</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 207,009</u>	<u>\$ 298</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

FULTON COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	Library General	Library Debt	Hazardous Substance	School Debt	School Transportation	School Capital Projects	School Bus Replacement
Cash and investments - beginning	\$ -	\$ -	\$ 547,774	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	1,264,430	294,006	-	3,265,806	1,443,998	2,147,302	366,049
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	2,346	-	-	-	-
Total receipts	<u>1,264,430</u>	<u>294,006</u>	<u>2,346</u>	<u>3,265,806</u>	<u>1,443,998</u>	<u>2,147,302</u>	<u>366,049</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	16,675	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	1,264,430	294,006	-	3,265,806	1,443,998	2,147,302	366,049
Total disbursements	<u>1,264,430</u>	<u>294,006</u>	<u>16,675</u>	<u>3,265,806</u>	<u>1,443,998</u>	<u>2,147,302</u>	<u>366,049</u>
Excess (deficiency) of receipts over disbursements	-	-	(14,329)	-	-	-	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 533,445</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

FULTON COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	Corp General	Corp Street (MVH)	Corp Park	Minnow Creek Debt	Minnow Creek Maintenance	Minnow Creek - Special Assessment	Lake Bruce Conservancy
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6
Receipts:							
Taxes	1,790,918	883,607	384,440	6,346	2,056	6,902	10,557
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>1,790,918</u>	<u>883,607</u>	<u>384,440</u>	<u>6,346</u>	<u>2,056</u>	<u>6,902</u>	<u>10,557</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	<u>1,790,918</u>	<u>883,607</u>	<u>384,440</u>	<u>6,346</u>	<u>2,056</u>	<u>6,902</u>	<u>10,557</u>
Total disbursements	<u>1,790,918</u>	<u>883,607</u>	<u>384,440</u>	<u>6,346</u>	<u>2,056</u>	<u>6,902</u>	<u>10,557</u>
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6</u>

FULTON COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	Nyona Lake Conservancy	Mill Creek Conservancy	Corp Cumulative Fire	Airport Cumulative Building	Clerk Fax Document Storage	Commissioner Certificate Sale	Poor Relief
Cash and investments - beginning	\$ 2	\$ -	\$ -	\$ -	\$ 65,111	\$ -	\$ -
Receipts:							
Taxes	-	12,336	1,967	35,584	-	-	52,410
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	12,612	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	5,501	-
Total receipts	-	12,336	1,967	35,584	12,612	5,501	52,410
Disbursements:							
Personal services	-	-	-	-	196	-	-
Supplies	-	-	-	-	6,759	-	-
Other services and charges	-	-	-	-	212	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	12,336	1,967	35,584	-	5,501	52,410
Total disbursements	-	12,336	1,967	35,584	7,167	5,501	52,410
Excess (deficiency) of receipts over disbursements	-	-	-	-	5,445	-	-
Cash and investments - ending	\$ 2	\$ -	\$ -	\$ -	\$ 70,556	\$ -	\$ -

FULTON COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	State Welfare Excise Tax Allocation	County Elected Officials Training	Fulton County Host	CAGIT Special	Federal Asset Seizure Fund	Atlas Collection Fees	Health Pre-Natal
Cash and investments - beginning	\$ -	\$ 5,484	\$ 2,119,317	\$ 70,277	\$ -	\$ 133	\$ 4,471
Receipts:							
Taxes	721,559	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	1,811	105,976	-	23,051	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	9,173	-	-	383	-
Total receipts	<u>721,559</u>	<u>1,811</u>	<u>115,149</u>	<u>-</u>	<u>23,051</u>	<u>383</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	-	3,072	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	1,319	182,018	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	12,504	-	-
Other disbursements	721,559	2,841	-	-	-	444	116
Total disbursements	<u>721,559</u>	<u>4,160</u>	<u>182,018</u>	<u>-</u>	<u>15,576</u>	<u>444</u>	<u>116</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(2,349)</u>	<u>(66,869)</u>	<u>-</u>	<u>7,475</u>	<u>(61)</u>	<u>(116)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 3,135</u>	<u>\$ 2,052,448</u>	<u>\$ 70,277</u>	<u>\$ 7,475</u>	<u>\$ 72</u>	<u>\$ 4,355</u>

FULTON COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	2010 Edit Bond Construction	Fines & Forfeits	School Pension Debt	Corp Bond #2	CEDIT Homestead Replacement	Tax Distribution	PTRC/HMSTD State Repay
Cash and investments - beginning	\$ 1,201,592	\$ 3,077	\$ -	\$ -	\$ 320,065	\$ 4,856	\$ 2,383
Receipts:							
Taxes	-	-	35,837	59,119	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	7,360	-	-	871,486	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	7,346	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	14,706	35,837	59,119	871,486	-	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	499	-	-	-	-	-	-
Debt service - principal and interest	72,122	-	-	-	-	-	-
Capital outlay	22,670	-	-	-	-	-	-
Other disbursements	-	14,427	35,837	59,119	995,833	-	-
Total disbursements	95,291	14,427	35,837	59,119	995,833	-	-
Excess (deficiency) of receipts over disbursements	(95,291)	279	-	-	(124,347)	-	-
Cash and investments - ending	\$ 1,106,301	\$ 3,356	\$ -	\$ -	\$ 195,718	\$ 4,856	\$ 2,383

FULTON COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	CAGIT LOIT PTRC	Bond Forfeitures	2005 Homeland Security Grant	FEMA	Wayne Township Grant	Voter Registration Board Enhanced
Cash and investments - beginning	\$ 189,929	\$ 7,740	\$ 819	\$ 68	\$ 1	\$ 1,355
Receipts:						
Taxes	873,386	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	800	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	<u>873,386</u>	<u>800</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	1,036,843	-	-	-	-	-
Total disbursements	<u>1,036,843</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(163,457)</u>	<u>800</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 26,472</u>	<u>\$ 8,540</u>	<u>\$ 819</u>	<u>\$ 68</u>	<u>\$ 1</u>	<u>\$ 1,355</u>

FULTON COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	Sec 101 Vote Reimbursement	Hwy-INDOT-Stimulus- ARRA-09-320	11 Homeland Security CFDA#97.073	US 31 Corridor Plan	Sign Grant CFDA#20.205	ARRA - Transportation Grant
Cash and investments - beginning	\$ 2,162	\$ -	\$ -	\$ 120,053	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	969	-	-	522,061
Charges for services	-	7,180	-	-	6,974	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	-	7,180	969	-	6,974	522,061
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	969	-	-	-
Other disbursements	-	7,180	-	3,000	6,974	522,061
Total disbursements	-	7,180	969	3,000	6,974	522,061
Excess (deficiency) of receipts over disbursements	-	-	-	(3,000)	-	-
Cash and investments - ending	\$ 2,162	\$ -	\$ -	\$ 117,053	\$ -	\$ -

FULTON COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	Help America Vote Act (HAVA)	Operation Pullover Grant	Transportation JARC Grant	PHC Fund Public Health Coordinator	CDBG State and Local Grant Repay	Courthouse Cenennial
Cash and investments - beginning	\$ 380	\$ (568)	\$ -	\$ 6,196	\$ 26,945	\$ 281
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	28,904	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	568	-	-	-	-
Total receipts	-	568	28,904	-	-	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	28,904	-	-	-
Total disbursements	-	-	28,904	-	-	-
Excess (deficiency) of receipts over disbursements	-	568	-	-	-	-
Cash and investments - ending	\$ 380	\$ -	\$ -	\$ 6,196	\$ 26,945	\$ 281

FULTON COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	Bioterrorism Grant	ADR Grant	Public Health Emergency Prepar	Bellwood Acres Planning Grant	FCC Corrections Grant	Totals
Cash and investments - beginning	\$ 68	\$ 1,903	\$ -	\$ -	\$ -	\$ 15,821,416
Receipts:						
Taxes	-	-	-	-	-	29,319,534
Licenses and permits	-	-	-	-	-	63,506
Intergovernmental	-	3,000	17,047	23,400	85,106	5,073,822
Charges for services	-	-	-	-	-	2,779,063
Fines and forfeits	-	-	-	-	-	631,485
Other receipts	-	-	-	-	-	25,011,487
Total receipts	-	3,000	17,047	23,400	85,106	62,878,897
Disbursements:						
Personal services	-	-	-	-	26,280	8,250,108
Supplies	-	-	-	-	568	1,449,094
Other services and charges	-	4,903	-	23,400	5,180	3,667,520
Debt service - principal and interest	-	-	-	-	-	653,024
Capital outlay	-	-	-	-	3,347	419,770
Other disbursements	-	-	17,047	-	-	48,653,193
Total disbursements	-	4,903	17,047	23,400	35,375	63,092,709
Excess (deficiency) of receipts over disbursements	-	(1,903)	-	-	49,731	(213,812)
Cash and investments - ending	\$ 68	\$ -	\$ -	\$ -	\$ 49,731	\$ 15,607,604

FULTON COUNTY
SCHEDULE OF LEASES AND DEBT
December 31, 2013

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	TO FUND CAPITOL PROJECTS (JAIL; HIGHWAY; LANDFILL)	\$ 1,145,000	\$ 262,820
Revenue bonds	ECONOMIC DEVELOPMENT BOND (4TH STREET PROJECT)	1,500,000	72,123
Revenue bonds	REFUNDING BONDS DATED 12-15-10	700,000	252,541
Notes and loans payable	TO FUND DRAIN RECONSTRUCTION BURNS & HENDRICKSON TILE	6,739	6,926
Notes and loans payable	TO FUND JOSEPH LEASURE RECONSTRUCTION	6,840	7,317
Notes and loans payable	TO FUND JOHN MILLER RECONSTRUCTION PROJECT	14,696	14,813
Notes and loans payable	TO FUND BABCOCK OVERMYER RECONSTRUCTION PROJECT	<u>32,325</u>	<u>14,825</u>
Totals		<u>\$ 3,405,600</u>	<u>\$ 631,365</u>

FULTON COUNTY
SCHEDULE OF CAPITAL ASSETS
December 31, 2013

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 1,286,409
Buildings	8,216,758
Improvements other than buildings	4,310,634
Machinery, equipment, and vehicles	<u>4,729,264</u>
 Total capital assets	 <u><u>\$ 18,543,065</u></u>

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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

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

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

TO: THE OFFICIALS OF FULTON COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited Fulton 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, 2013. 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 program.

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 the 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, 2013.

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 item 2013-003. Our opinion on the 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 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.

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 2013-002 and 2013-003 to be material weaknesses.

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

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


Paul D. Joyce, CPA
State Examiner

April 28, 2014

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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.

FULTON COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2013

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 Agriculture</u>				
SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS AND CHILDREN	INDIANA DEPARTMENT OF HEALTH	10.557	2IN700002	\$ 71,371
<u>Department of Commerce</u>				
ARRA - STATE BROADBAND DATA AND DEVELOPMENT GRANT PROGRAM, RECOVERY ACT	INDIANA OFFICE OF TECHNOLOGY	11.558	#067Broadband000	2,000
<u>Department of Housing and Urban Development</u>				
CDBG - STATE-ADMINISTERED CDBG CLUSTER COMMUNITY DEVELOPMENT BLOCK GRANT/STATE'S PROGRAM AND NON-ENTITLEMENT GRANTS IN HAWAII BELLWOOD ACRES PLANNING GRANT	INDIANA OFFICE OF COMMUNITY AND RURAL AFFAIRS	14.228	EDS #A192-13-PL-12-0	23,400
<u>Department of Transportation</u>				
HIGHWAY PLANNING AND CONSTRUCTION CLUSTER HIGHWAY PLANNING AND CONSTRUCTION BRIDGE INSPECTION HIGHWAY SIGNAGE GRANT	INDIANA DEPARTMENT OF TRANSPORTATION	20.205	09-1082-10 A249-11-320681	13,216 6,974
Total - Highway Planning and Construction Cluster				20,190
FEDERAL TRANSIT CLUSTER ARRA - FEDERAL TRANSIT-CAPITAL INVESTMENT GRANTS, RECOVERY ACT	INDIANA DEPARTMENT OF TRANSPORTATION	20.500	ARRA-A249-10-321071	522,061
TRANSIT SERVICES PROGRAMS CLUSTER JOB ACCESS AND REVERSE COMMUTE PROGRAM	INDIANA DEPARTMENT OF TRANSPORTATION	20.516	13JARC340	28,904
FORMULA GRANTS FOR RURAL AREAS TRANSP0 5311 GRANT	INDIANA DEPARTMENT OF TRANSPORTATION	20.509	180029	166,141
Total - Department of Transportation				737,296
<u>Department of Health and Human Services</u>				
HOSPITAL PREPAREDNESS PROGRAM (HPP) AND PUBLIC HEALTH EMERGENCY PREPAREDNESS (PHEP) ALIGNED COOPERATIVE AGREEMENTS	INDIANA DEPARTMENT OF HEALTH	93.074	#1U90TP000521-01	17,047
CHILD SUPPORT ENFORCEMENT GENERAL INDIRECT COSTS TITLE IV-D GENERAL INCENTIVE TITLE IV-D CLERK PROSECUTOR IV-D INCENTIVE PROSECUTOR PCA	INDIANA DEPARTMENT OF CHILD SERVICES	93.563	FY2013 FY2013 FY2013 FY2013 FY2013	117,297 11,891 11,891 17,893 1,526
Total - Child Support Enforcement				160,498
Total - Department of Health and Human Services				177,545
<u>Department of Homeland Security</u>				
DISASTER GRANTS - PUBLIC ASSISTANCE (PRESIDENTIALLY DECLARED DISASTERS)	INDIANA DEPARTMENT OF HOMELAND SECURITY	97.036	38512EMAL000000	1,827
EMERGENCY MANAGEMENT PERFORMANCE GRANTS EMA GRANT 2012 EMA PERFORMANCE GRANT	INDIANA DEPARTMENT OF HOMELAND SECURITY	97.042	C44P-9-256B EMW-2012-EP-00017	25,358 3,772
Total - Emergency Management Performance Grants				29,130
STATE HOMELAND SECURITY PROGRAM (SHSP) EMA RADIO GRANT	INDIANA DEPARTMENT OF HOMELAND SECURITY	97.073	EMW-2011-SS-00058	969
Total - Department of Homeland Security				31,926
Total federal awards expended				\$ 1,043,538

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

FULTON 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 Fulton County (County) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, 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, 2013:

Program Title	Federal CFDA Number	2013
ARRA - Federal Transit-Capital Investment Grants, Recovery Act	20.500	\$ 522,061
Job Access and Reverse Commute Program	20.516	28,904
Formula Grants For Rural Areas	20.509	166,141

FULTON 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?	yes
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?	yes

Identification of Major Program:

_____ Name of Federal Program or Cluster _____

Federal Transit 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 2013-001 - INTERNAL CONTROLS OVER THE SCHEDULE OF FEDERAL AWARDS

The County has not designed a proper system of internal control, which would include segregation of duties, related to the preparation of the Schedule of Expenditures of Federal Awards (SEFA). The County Auditor independently prepares the SEFA for inclusion in the financial report without oversight, review, or approval. A lack of segregation of duties within an internal control system could allow material misstatements of the SEFA to remain undetected. A proper system of internal controls would include segregation of duties by having a proper oversight, review, or approval process and would allow the County to prevent, or detect and correct, errors on the SEFA in a timely manner.

The SEFA presented for audit did not include federal expenditures of \$86,015. 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.

FULTON 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 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 in part:

"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."

Section III - Federal Award Findings and Questioned Costs

FINDING 2013-002 - INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO ARRA - FEDERAL TRANSIT-CAPITAL INVESTMENT GRANTS, RECOVERY ACT

Federal Agency: Department of Transportation
Federal Program: ARRA - Federal Transit-Capital Investment Grants, Recovery Act
CFDA Number: 20.500
Federal Award Number: ARRA-A249-10-321071
Pass-Through Entity: Indiana Department of Transportation

FULTON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Management of the County has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the Cash Management compliance requirement that has a direct and material effect on the program. The failure to establish an effective internal control system places the County at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the grant.

The County had not executed an agreement with the subrecipient of these grant funds outlining their responsibilities for compliance. Although the County EMA Director had been appointed to oversee the project of the subrecipient, the Executive Director of the subrecipient signed and submitted the requests for reimbursement to the Indiana Department of Transportation. The requests for reimbursement were submitted without review by the County. Segregation of duties, such as an oversight, review, or approval process, has not been established.

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

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

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

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

FINDING 2013-003 - SUBRECIPIENT MONITORING

Federal Agency: Department of Transportation
Federal Program: ARRA - Federal Transit-Capital Investment Grants, Recovery Act
CFDA Number: 20.500
Federal Award Number: ARRA-A249-10-321071
Pass-Through Entity: Indiana Department of Transportation

Management of the County has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the Subrecipient Monitoring compliance requirement that has a direct and material effect on the program. The failure to establish an effective internal

FULTON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

control system places the County at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the grant.

The County has not executed an agreement with the subrecipient of these grant funds outlining their responsibilities for compliance. Although the County EMA Director had been appointed to oversee the project of the subrecipient, there was no oversight to ensure that he monitored the activities of the subrecipient. Segregation of duties, such as an oversight, review, or approval process, has not been established.

Due to the lack of internal controls, the County did not comply with the Subrecipient Monitoring requirements. They did not adequately monitor the construction of the subrecipient's "Transpo Garage" financed with this grant. The County did not perform on-site visits or receive any other information that would ensure that the subrecipient was properly following the guidelines of the grant agreement or the compliance requirements.

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.

OMB Circular A-133, Subpart D, section .400(d) states in part:

"A pass-through entity shall perform the following for the Federal awards it makes: . . .

- (2) Advise subrecipients of requirements imposed on them by Federal laws, regulations, and the provisions of contracts or grant agreements as well as any supplemental requirements imposed by the pass-through entity.
- (3) Monitor the activities of subrecipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.
- (4) Ensure that subrecipients expending \$300,000 (*\$500,000 for fiscal years ending after December 31, 2003*) or more in Federal awards during the subrecipient's fiscal year have met the audit requirements of this part for that fiscal year."

The failure to monitor the subrecipient was noncompliance with the grant agreement and the compliance requirements that have a direct and material effect on the program and could result in the loss of federal funds to the County.

We recommended that the County's management establish procedures to ensure compliance and to comply with the Subrecipient Monitoring requirement that has a direct and material effect on the program.

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AUDITEE PREPARED DOCUMENTS

The subsequent documents were provided by management of the County. The documents are presented as intended by the County.



Fulton County
AUDITOR
125 East Ninth Street
Rochester, Indiana 46975

EMAIL: fcaudit@rtcol.com
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February 14, 2014

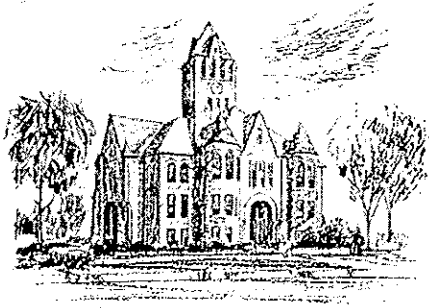
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding Number 2012-2

Original SBA Audit Report Number:	B42369
Fiscal Year	2013
Auditee Contact Person	Judith A. Reed
Title of Contact Person	Auditor
Phone Number	(574)223-2912
Status of Finding	Work in Progress, Almost Complete

Finding Number 2012 -3

Original SBA Audit Report Number	B42369
Fiscal Year	2013
Auditee Contact Person	Judith A. Reed
Title of Contact Person	Auditor
Phone Number	(574)223-2912
Status of Finding:	Work in Progress, Almost Complete



FULTON COUNTY AUDITOR'S OFFICE

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April 28, 2014

FINDING 2013-001 INTERNAL CONTROLS OVER SEFA

The management of Fulton County has reviewed the Financial Statement Finding related to their audit for the year 2013 and we offer the following corrective actions.

The Auditor's Office has a procedure and policy manual that was adopted by the Commissioners in October of 2013. We now have spreadsheets made for each active grant. This will help prevent missing any Federal money received or expensed for the SEFA schedule.

FINDING 2013-001--INTERNAL CONTROLS OVER THE SCHEDULE OF FEDERAL AWARDS. Spreadsheets have been set up to document all receipts and expenditures for each active grant for Fulton County. Controls are in place for receipting, disbursing, recording, and account for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making.

FINDING 2013-002-INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO ARRA-FEDERAL TRANSIT-CAPITAL INVESTMENT GRANTS

Federal Agency: U.S. DEPARTMENT OF TRANSPORTATION
Federal Program: Federal Transit cluster
CFDA Number: 20.500 Federal Award Number and Year (or Other Identifying Number): ARRA-A249-10-32107
Pass-Through Entity: Indiana Department of Transportation

Fulton County Auditor has discussed this grant with the Director of Council on Aging and have a system in place to review, approve and sign the draw down request for each distribution. Internal control system is now in place.

FINDING 2013-003 -- SUB-RECIPIENT MONITORING

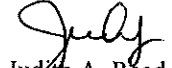
Federal Agency: U.S. DEPARTMENT OF TRANSPORTATION
Federal Program Federal Transit Cluster
CFDA NUMBER: 20.500
Federal Award Number and Year (or Other Identifying Number): FY 2010-2013
Pass-Through Entity: Indiana Department of Transportation

The Commissioner President at the time of applying for the grant appointed a representative to the board to oversee and check the progress of the work required for this grant. The policy and procedures in place now, the Commissioners and Auditor are aware of the responsibility to monitor and document and make sure that the grant requirements are followed.

The management of Fulton County has reviewed the Federal Award Finding and Questioned Costs related to their audit for the year 2012 and we offer the following corrective action.

Lack of Segregation of Duties: The Auditor's office has reviewed their office procedures and has developed and implement an internal control structure designed to insure compliance with the grant agreement provisions and the applicable federal compliance requirements that have a direct and material effect to the program.

Respectfully submitted,



Judith A. Reed
Fulton County Auditor

OTHER REPORT

In addition to this report, a Supplemental Compliance Report has been issued for the County. That report can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.