

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

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



FILED
09/12/2014

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Cathy J. Hamilton	01-01-13 to 12-31-16
Treasurer	Ronald J. Niemesh	01-01-13 to 12-31-16
Clerk	Sherri Crews	01-01-13 to 12-31-16
Sheriff	Jeff Ward	01-01-11 to 12-31-14
Recorder	Linda Brammel	01-01-10 to 12-31-17
President of the Board of County Commissioners	Skip Evans Bert Weaver	01-01-13 to 12-31-13 01-01-14 to 12-31-14
President of the County Council	Alan Dunn	01-01-13 to 12-31-14



INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF CLINTON COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of Clinton County (County), which comprises the financial position and results of operations for the year ended December 31, 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 July 30, 2014, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.


Accompanying Information

Supplementary Information

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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


Paul D. Joyce, CPA
State Examiner

July 30, 2014



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

TO: THE OFFICIALS OF CLINTON COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of Clinton County (County), which comprises the financial position and results of operations for the year ended December 31, 2013, and the related notes to the financial statement, and have issued our report thereon dated July 30, 2014, wherein we noted the County followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2013-001 and 2013-002 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 and 2013-002.

Clinton County's Response to Findings

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

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

July 30, 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.

CLINTON 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
JAILERS COMMISSARY	\$ 27,150	\$ 197,586	\$ 212,138	\$ 12,598
CLERK'S TRUST ACCOUNT	932,616	2,841,764	2,817,842	956,538
PARKVIEW HOME TRUST ACCOUNT	50,719	130,218	129,552	51,385
RECORDER'S FEE AND CASH BOOK	-	143,103	143,103	-
TREASURER	1,029,330	5,301,984	1,029,330	5,301,984
GENERAL	539,108	9,450,600	9,081,567	908,141
ACCIDENT REPORT	4,814	3,253	-	8,067
BID DEPOSITS AND BOND HOLDING	7,438	10,963	-	18,401
CAGIT County Certified Shares	-	1,762,059	1,636,818	125,241
CEDIT COUNTY SHARE	1,870,140	932,019	1,261,513	1,540,646
CEDIT SPECIAL LEGISLATION	275,832	1,377,652	1,653,483	1
CHILD ADVOCACY	100	-	-	100
CITY AND TOWN COURT COSTS	-	9,366	-	9,366
CLERK'S RECORDS PERPETUATION	42,001	9,503	10,637	40,867
COMMUNITY CORRECTIONS	92,113	304,185	305,806	90,492
COMMUNITY CORRECTIONS - CTP	5,695	28,270	21,995	11,970
COUNTY OPTION DOG TAX	813	-	-	813
SALES DISCLOSURE - COUNTY SHARE	30,135	3,495	31,265	2,365
CUMULATIVE BRIDGE	1,643,193	492,639	523,783	1,612,049
CUMULATIVE CAPITAL DEVELOP	1,369,793	413,079	630,844	1,152,028
CUMULATIVE COURTHOUSE	809,126	235,032	378,973	665,185
DRUG FREE COMMUNITY	39,118	34,367	32,027	41,458
ELECTRONIC MAP GENERATION	-	2,416	830	1,586
EMERGENCY PLANNING/ RIGHT TO KNOW	7,823	4,362	2,187	9,998
FIREARMS TRAINING	27,548	16,152	9,302	34,398
GENERAL DRAIN IMPROVEMENT	446,646	108,167	89,618	465,195
HEALTH	99,470	196,205	290,152	5,523
IDENTIFICATION SECURITY PROTECTION	56,598	2,746	-	59,344
LEVY EXCESS	180	-	-	180
LOCAL HEALTH MAINTENANCE	4,500	20,000	20,000	4,500
LOCAL ROAD AND STREET	126,107	284,643	285,000	125,750
LOIT PUBLIC SAFETY COUNTY SHARE	239,558	1,368,572	1,471,664	136,466
CCSO CHAPLAIN FUND	1,337	200	402	1,135
MISDEMEANANT	26,643	22,716	20,000	29,359
MOTOR VEHICLE HIGHWAY	898,467	2,270,369	2,663,082	505,754
PLAT BOOK	53,274	11,835	3,570	61,539
RAINY DAY	552,442	-	-	552,442
REASSESSMENT - 2009	173	-	-	173
REASSESSMENT - 2015	54,570	138,292	159,505	33,357
RECORDERS RECORDS PERPETUATION	202,946	67,129	59,447	210,628
SEX & VIOLENT OFFENDER REGISTRY	70	7,747	87	7,730
SHERIFF'S PENSION TRUST	20,414	21,621	27,600	14,435
FF REGIONAL STORMWATER DETENTION FACILITY	377,047	735,900	702,562	410,385
SUPP PUBLIC DEFENDER SERVICE FEES	71,393	77,587	65,209	83,771
SURPLUS TAX	151,131	17,613	133,724	35,020
SURVEYOR'S CORNER PERPETUATION	76,943	7,110	909	83,144
TAX SALE REDEMPTION	2,392	40,007	37,049	5,350
TAX SALE SURPLUS	90,956	81,306	62,631	109,631
LOCAL HEALTH DEPT TRUST ACCOUNT	54,590	10,315	6,466	58,439
UNSAFE BUILDING	591	-	-	591
RECOVERY GRANT	(11,039)	27,159	18,106	(1,986)
GUARDIAN AD LITEM	7,365	-	-	7,365
AUDITORS INELIGIBLE DEDUCTIONS	9,208	2,224	7,380	4,052
COUNTY ELECTED OFFICIAL TRAINING	3,903	2,746	-	6,649
STATEWIDE 911 FUND	427,916	474,838	457,183	445,571
ADULT PROBATION ADMINISTRATION	135,866	31,291	54,814	112,343
JUVENILE PROBATION ADMINISTRATION	4,831	12,401	559	16,673
USER FEES	338,062	70,017	72,159	335,920
MCLAUGHLIN DRAIN	3,916	-	-	3,916
DRAINAGE MAINTENANCE	1,586,630	360,419	633,999	1,313,050
SHERIFF SALE ADMINISTRATION	26,250	24,200	22,900	27,550
DUI TASK FORCE	577	4,489	4,489	577
K-9	646	-	-	646
HOSPITAL CONTRACTUAL	7,037,852	1,043,352	2,580,315	5,500,889

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

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

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13
COURT INTERPRETERS	5,049	9,075	9,534	4,590
DONATIONS	35,906	16,012	19,066	32,852
PAYROLL CLEARING	78,847	4,892,660	4,937,265	34,242
CHILD SUPPORT ACCOUNT	22,701	793,856	797,671	18,886
SETTLEMENT	-	30,131,366	28,561,915	1,569,451
WHEEL TAX/SURTAX COMBINED	462,763	787,764	692,026	558,501
WHEEL TAX	-	236,936	236,936	-
SUR TAX	-	755,008	755,008	-
CVET AGENCY	-	342,623	342,623	-
WEED LIEN COLLECTIONS	48,776	-	48,776	-
FINANCIAL INSTITUTION TAX	-	135,177	135,177	-
CEDIT HOMESTEAD CREDIT	6,293	1,997,325	1,967,989	35,629
HEA 1001 STATE HOMESTEAD CREDI	3,983	162	-	4,145
LOIT RESIDENTIAL PTRC	248,583	1,369,005	1,580,405	37,183
STATE FINES & FORFIETURES	38,521	58,771	89,078	8,214
INFRACTION DEFERRAL PROGRAM	5,072	68,221	32,029	41,264
OVERWEIGHT VEHICLE FINES	-	2,221	445	1,776
SPECIAL DEATH BENEFIT	255	3,135	1,600	1,790
SALES DISCLOSURE - STATE SHARE	345	3,490	1,740	2,095
CORONER'S TRAINING & CONTINUING EDUCATION	224	3,248	1,545	1,927
MORTGAGE RECORDING FEES - STATE	285	2,905	1,538	1,652
DLGF HOMESTEAD PROPERTY DATABASE	-	2	2	-
SEX & VIOLENT OFFENDER ADMIN - STATE	-	359	116	243
CHILD RESTRAINT VIOLATION FEES	-	1	-	1
INHERITANCE TAX	166,713	1,001,340	1,048,593	119,460
EDUCATION PLATE FEES AGENCY	-	1,163	1,163	-
RIVERBOAT REVENUE SHARING	-	196,816	196,816	-
INNKEEPERS TAX COLLECTIONS	15,039	35,872	40,738	10,173
CAGIT CERTIFIED SHARES	-	5,474,289	5,474,289	-
93.563 ARRA CLERK IV-D INCENTIVE	543	-	-	543
93.563 TITLE IV-D INCENTIVE	35,634	12,018	9,000	38,652
93.563 PROS IV-D INCENTIVE PRIOR	4,687	-	-	4,687
93.563 PROS IV-D INCENTIVE POST	92,252	18,082	10,086	100,248
93.563 CLERK IV-D INCENTIVE PRIOR	21,821	-	4,000	17,821
93.563 CLERK IV-D INCENTIVE POST	51,920	15,568	4,373	63,115
WILD CAT SWMD	24,710	-	24,710	-
SHERIFF'S WORK RELEASE PROGRAM	58,508	61,062	73,114	46,456
SHERIFF'S LAW ENFORCEMENT FUND	2,577	-	320	2,257
RECORDER'S PETTY CASH	50	-	-	50
SEWER LIEN FUND	1,823	-	1,823	-
STEP AHEAD GRANT	(21)	-	-	(21)
VOCA GRANT	-	-	2,691	(2,691)
16.588 VICTIM ASSISTANCE	-	19,838	16,212	3,626
EMA SALE OF EQUIPMENT	9,770	3,540	6,500	6,810
MEDICAL RESERVE CORP GRANT	1,784	749	749	1,784
MCR REIMBURSABLE GRANT	853	-	852	1
DARE FUND GRANT	4,781	1,481	5,254	1,008
CENTRAL DISPATCH	455,998	862,905	888,765	430,138
JAG EQUIPMENT GRANT	6,068	-	6,068	-
JAG GRANT	1,255	-	1,195	60
LANDFILL TIPPING FEE FUND	893,462	693,348	1,008,865	577,945
LAW ENFORCEMENT EDUCATION FUND	13,567	7,169	4,069	16,667
CLINTON COUNTY LAW ENFORCEMENT SEIZURE	1,748	-	-	1,748
INDOOR SEIZURE REWARD	71	-	-	71
SOLID WASTE PAYROLL FUND	6,746	40,855	47,416	185
20.609 OPERATION PULLOVER GRANT	5	4,855	4,870	(10)
RESOURCE CENTER TRANSPORTATION	-	247,811	247,811	-
PUBLIC HEALTH EMERGENCY PREPAREDNESS	-	19,975	18,490	1,485
BROWNFIELD GRANT	-	36,112	36,112	-
THINKING FOR A CHANGE GRANT	260	-	-	260
TEENAGERS ELIMINATING X-RATED TEXT	977	-	977	-
TRAFFIC SAFETY EQUIPMENT GRANT	167	-	-	167
COUNTY TRAINING FUND	6,837	2,881	4,565	5,153
SHERIFF SAFETY EQUIPMENT	860	-	-	860
Totals	<u>\$ 24,824,094</u>	<u>\$ 81,614,334</u>	<u>\$ 79,266,546</u>	<u>\$ 27,171,882</u>

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

CLINTON COUNTY
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

CLINTON COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

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

E. Disbursements

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

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

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

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

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

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

CLINTON COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

F. Interfund Transfers

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

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

Note 4. Deposits and Investments

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

CLINTON COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

CLINTON COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

B. County Police Retirement Plan

Plan Description

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

Funding Policy

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

C. County Police Benefit Plan

Plan Description

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

Funding Policy

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

Note 7. Restatements

For the year ended December 31, 2013, certain changes have been made to some of the beginning balances of the financial statement to more appropriately reflect financial activity of the County. The following schedule presents a summary of restated beginning balances.

CLINTON COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Fund Name	Balance as of December 31, 2012	Prior Period Adjustment	Balance as of January 1, 2013
Jailers Commissary	\$ -	\$ 27,150	\$ 27,150
Clerk's Trust Account	-	932,616	932,616
Parkview Home Trust Account	-	50,719	50,719
Treasurer	-	1,029,330	1,029,330
Child Support Account	-	22,701	22,701
Wild Cat SWMD	-	24,710	24,710
Sheriff's Work Release Program	-	58,508	58,508
Sheriff's Law Enforcement Fund	-	2,577	2,577
Recorder's Petty Cash	-	50	50

Note 8. Cash Balance Deficits

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

Note 9. Combined Funds

Funds related to Donations were reported individually in the prior financial statement but were combined into one fund for the current financial statement.

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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.

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

	JAILERS COMMISSARY	CLERK'S TRUST ACCOUNT	PARKVIEW HOME TRUST ACCOUNT	RECORDER'S FEE AND CASH BOOK	TREASURER	GENERAL	ACCIDENT REPORT
Cash and investments - beginning	\$ 27,150	\$ 932,616	\$ 50,719	\$ -	\$ 1,029,330	\$ 539,108	\$ 4,814
Receipts:							
Taxes	-	-	-	-	-	4,957,928	-
Licenses and permits	-	-	-	-	-	48,766	-
Intergovernmental	-	-	-	-	-	882,029	-
Charges for services	-	-	-	-	-	925,394	-
Fines and forfeits	-	-	-	-	-	171,278	-
Other receipts	197,586	2,841,764	130,218	143,103	5,301,984	2,465,205	3,253
Total receipts	<u>197,586</u>	<u>2,841,764</u>	<u>130,218</u>	<u>143,103</u>	<u>5,301,984</u>	<u>9,450,600</u>	<u>3,253</u>
Disbursements:							
Personal services	-	-	-	-	-	5,309,696	-
Supplies	-	-	-	-	-	763,530	-
Other services and charges	-	-	-	-	-	2,621,804	-
Capital outlay	-	-	-	-	-	127,098	-
Other disbursements	212,138	2,817,842	129,552	143,103	1,029,330	259,439	-
Total disbursements	<u>212,138</u>	<u>2,817,842</u>	<u>129,552</u>	<u>143,103</u>	<u>1,029,330</u>	<u>9,081,567</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(14,552)</u>	<u>23,922</u>	<u>666</u>	<u>-</u>	<u>4,272,654</u>	<u>369,033</u>	<u>3,253</u>
Cash and investments - ending	<u>\$ 12,598</u>	<u>\$ 956,538</u>	<u>\$ 51,385</u>	<u>\$ -</u>	<u>\$ 5,301,984</u>	<u>\$ 908,141</u>	<u>\$ 8,067</u>

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

	BID DEPOSITS AND BOND HOLDING	CAGIT County Certified Shares	CEDIT COUNTY SHARE	CEDIT SPECIAL LEGISLATION	CHILD ADVOCACY	CITY AND TOWN COURT COSTS	CLERK'S RECORDS PERPETUATION
Cash and investments - beginning	\$ 7,438	\$ -	\$ 1,870,140	\$ 275,832	\$ 100	\$ -	\$ 42,001
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	10,963	1,762,059	932,019	1,377,652	-	9,366	9,503
Total receipts	10,963	1,762,059	932,019	1,377,652	-	9,366	9,503
Disbursements:							
Personal services	-	1,636,818	-	-	-	-	10,637
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	1,259,253	-	-	-	-
Capital outlay	-	-	2,260	-	-	-	-
Other disbursements	-	-	-	1,653,483	-	-	-
Total disbursements	-	1,636,818	1,261,513	1,653,483	-	-	10,637
Excess (deficiency) of receipts over disbursements	10,963	125,241	(329,494)	(275,831)	-	9,366	(1,134)
Cash and investments - ending	\$ 18,401	\$ 125,241	\$ 1,540,646	\$ 1	\$ 100	\$ 9,366	\$ 40,867

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

	COMMUNITY CORRECTIONS	COMMUNITY CORRECTIONS - CTP	COUNTY OPTION DOG TAX	SALES DISCLOSURE - COUNTY SHARE	CUMULATIVE BRIDGE	CUMULATIVE CAPITAL DEVELOP	CUMULATIVE COURTHOUSE
Cash and investments - beginning	\$ 92,113	\$ 5,695	\$ 813	\$ 30,135	\$ 1,643,193	\$ 1,369,793	\$ 809,126
Receipts:							
Taxes	-	-	-	-	307,793	191,760	203,974
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	85,535	-	-	-	20,976	13,068	13,901
Charges for services	-	28,270	-	-	162,988	180,638	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	218,650	-	-	3,495	882	27,613	17,157
Total receipts	<u>304,185</u>	<u>28,270</u>	<u>-</u>	<u>3,495</u>	<u>492,639</u>	<u>413,079</u>	<u>235,032</u>
Disbursements:							
Personal services	215,505	-	-	-	-	-	-
Supplies	2,379	-	-	-	20,913	-	-
Other services and charges	87,272	21,995	-	31,265	502,870	503,815	165,037
Capital outlay	650	-	-	-	-	127,029	213,936
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>305,806</u>	<u>21,995</u>	<u>-</u>	<u>31,265</u>	<u>523,783</u>	<u>630,844</u>	<u>378,973</u>
Excess (deficiency) of receipts over disbursements	<u>(1,621)</u>	<u>6,275</u>	<u>-</u>	<u>(27,770)</u>	<u>(31,144)</u>	<u>(217,765)</u>	<u>(143,941)</u>
Cash and investments - ending	<u>\$ 90,492</u>	<u>\$ 11,970</u>	<u>\$ 813</u>	<u>\$ 2,365</u>	<u>\$ 1,612,049</u>	<u>\$ 1,152,028</u>	<u>\$ 665,185</u>

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

	DRUG FREE COMMUNITY	ELECTRONIC MAP GENERATION	EMERGENCY PLANNING/ RIGHT TO KNOW	FIREARMS TRAINING	GENERAL DRAIN IMPROVEMENT	HEALTH
Cash and investments - beginning	\$ 39,118	\$ -	\$ 7,823	\$ 27,548	\$ 446,646	\$ 99,470
Receipts:						
Taxes	-	-	-	-	-	113,590
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	11,026
Charges for services	-	-	-	-	-	56,256
Fines and forfeits	-	-	-	-	-	-
Other receipts	34,367	2,416	4,362	16,152	108,167	15,333
Total receipts	<u>34,367</u>	<u>2,416</u>	<u>4,362</u>	<u>16,152</u>	<u>108,167</u>	<u>196,205</u>
Disbursements:						
Personal services	32,027	-	-	-	-	245,904
Supplies	-	-	-	4,124	-	15,315
Other services and charges	-	830	1,558	-	89,618	27,842
Capital outlay	-	-	629	5,178	-	1,091
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>32,027</u>	<u>830</u>	<u>2,187</u>	<u>9,302</u>	<u>89,618</u>	<u>290,152</u>
Excess (deficiency) of receipts over disbursements	<u>2,340</u>	<u>1,586</u>	<u>2,175</u>	<u>6,850</u>	<u>18,549</u>	<u>(93,947)</u>
Cash and investments - ending	<u>\$ 41,458</u>	<u>\$ 1,586</u>	<u>\$ 9,998</u>	<u>\$ 34,398</u>	<u>\$ 465,195</u>	<u>\$ 5,523</u>

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

	IDENTIFICATION SECURITY PROTECTION	LEVY EXCESS	LOCAL HEALTH MAINTENANCE	LOCAL ROAD AND STREET	LOIT PUBLIC SAFETY COUNTY SHARE	CCSO CHAPLAIN FUND
Cash and investments - beginning	\$ 56,598	\$ 180	\$ 4,500	\$ 126,107	\$ 239,558	\$ 1,337
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	284,643	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	2,746	-	20,000	-	1,368,572	200
Total receipts	<u>2,746</u>	<u>-</u>	<u>20,000</u>	<u>284,643</u>	<u>1,368,572</u>	<u>200</u>
Disbursements:						
Personal services	-	-	20,000	-	238,173	-
Supplies	-	-	-	285,000	-	-
Other services and charges	-	-	-	-	9,015	-
Capital outlay	-	-	-	-	136,974	-
Other disbursements	-	-	-	-	1,087,502	402
Total disbursements	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>285,000</u>	<u>1,471,664</u>	<u>402</u>
Excess (deficiency) of receipts over disbursements	<u>2,746</u>	<u>-</u>	<u>-</u>	<u>(357)</u>	<u>(103,092)</u>	<u>(202)</u>
Cash and investments - ending	<u>\$ 59,344</u>	<u>\$ 180</u>	<u>\$ 4,500</u>	<u>\$ 125,750</u>	<u>\$ 136,466</u>	<u>\$ 1,135</u>

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

	MISDEMEANANT	MOTOR VEHICLE HIGHWAY	PLAT BOOK	RAINY DAY	REASSESSMENT - 2009	REASSESSMENT - 2015
Cash and investments - beginning	\$ 26,643	\$ 898,467	\$ 53,274	\$ 552,442	\$ 173	\$ 54,570
Receipts:						
Taxes	-	-	-	-	-	129,469
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	2,251,418	-	-	-	8,823
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	22,716	18,951	11,835	-	-	-
Total receipts	<u>22,716</u>	<u>2,270,369</u>	<u>11,835</u>	<u>-</u>	<u>-</u>	<u>138,292</u>
Disbursements:						
Personal services	-	1,187,846	2,100	-	-	31,034
Supplies	-	859,249	251	-	-	-
Other services and charges	5,000	108,980	500	-	-	128,471
Capital outlay	15,000	507,007	719	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>20,000</u>	<u>2,663,082</u>	<u>3,570</u>	<u>-</u>	<u>-</u>	<u>159,505</u>
Excess (deficiency) of receipts over disbursements	<u>2,716</u>	<u>(392,713)</u>	<u>8,265</u>	<u>-</u>	<u>-</u>	<u>(21,213)</u>
Cash and investments - ending	<u>\$ 29,359</u>	<u>\$ 505,754</u>	<u>\$ 61,539</u>	<u>\$ 552,442</u>	<u>\$ 173</u>	<u>\$ 33,357</u>

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

	RECORDERS RECORDS PERPETUATION	SEX & VIOLENT OFFENDER REGISTRY	SHERIFF'S PENSION TRUST	FF REGIONAL STORMWATER DETENTION FACILITY	SUPP PUBLIC DEFENDER SERVICE FEES	SURPLUS TAX
Cash and investments - beginning	\$ 202,946	\$ 70	\$ 20,414	\$ 377,047	\$ 71,393	\$ 151,131
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	3,168	21,621	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	67,129	4,579	-	735,900	77,587	17,613
Total receipts	67,129	7,747	21,621	735,900	77,587	17,613
Disbursements:						
Personal services	33,509	-	27,600	-	-	-
Supplies	1,708	-	-	-	-	-
Other services and charges	15,000	-	-	-	65,209	-
Capital outlay	9,230	80	-	-	-	-
Other disbursements	-	7	-	702,562	-	133,724
Total disbursements	59,447	87	27,600	702,562	65,209	133,724
Excess (deficiency) of receipts over disbursements	7,682	7,660	(5,979)	33,338	12,378	(116,111)
Cash and investments - ending	\$ 210,628	\$ 7,730	\$ 14,435	\$ 410,385	\$ 83,771	\$ 35,020

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

	SURVEYOR'S CORNER PERPETUATION	TAX SALE REDEMPTION	TAX SALE SURPLUS	LOCAL HEALTH DEPT TRUST ACCOUNT	UNSAFE BUILDING	RECOVERY GRANT
Cash and investments - beginning	\$ 76,943	\$ 2,392	\$ 90,956	\$ 54,590	\$ 591	\$ (11,039)
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	27,159
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	7,110	40,007	81,306	10,315	-	-
Total receipts	<u>7,110</u>	<u>40,007</u>	<u>81,306</u>	<u>10,315</u>	<u>-</u>	<u>27,159</u>
Disbursements:						
Personal services	-	-	-	-	-	18,106
Supplies	-	-	-	1,889	-	-
Other services and charges	909	-	-	4,577	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	37,049	62,631	-	-	-
Total disbursements	<u>909</u>	<u>37,049</u>	<u>62,631</u>	<u>6,466</u>	<u>-</u>	<u>18,106</u>
Excess (deficiency) of receipts over disbursements	<u>6,201</u>	<u>2,958</u>	<u>18,675</u>	<u>3,849</u>	<u>-</u>	<u>9,053</u>
Cash and investments - ending	<u>\$ 83,144</u>	<u>\$ 5,350</u>	<u>\$ 109,631</u>	<u>\$ 58,439</u>	<u>\$ 591</u>	<u>\$ (1,986)</u>

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

	GUARDIAN AD LITEM	AUDITORS INELIGIBLE DEDUCTIONS	COUNTY ELECTED OFFICIAL TRAINING	STATEWIDE 911 FUND	ADULT PROBATION ADMINISTRATION	JUVENILE PROBATION ADMINISTRAT
Cash and investments - beginning	\$ 7,365	\$ 9,208	\$ 3,903	\$ 427,916	\$ 135,866	\$ 4,831
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	474,838	31,291	12,401
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	2,224	2,746	-	-	-
Total receipts	-	2,224	2,746	474,838	31,291	12,401
Disbursements:						
Personal services	-	-	-	203,103	54,814	-
Supplies	-	-	-	-	-	-
Other services and charges	-	7,380	-	55,374	-	-
Capital outlay	-	-	-	189,286	-	559
Other disbursements	-	-	-	9,420	-	-
Total disbursements	-	7,380	-	457,183	54,814	559
Excess (deficiency) of receipts over disbursements	-	(5,156)	2,746	17,655	(23,523)	11,842
Cash and investments - ending	\$ 7,365	\$ 4,052	\$ 6,649	\$ 445,571	\$ 112,343	\$ 16,673

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

	USER FEES	MCLAUGHLIN DRAIN	DRAINAGE MAINTENANCE	SHERIFF SALE ADMINISTRATION	DUI TASK FORCE	K-9
Cash and investments - beginning	\$ 338,062	\$ 3,916	\$ 1,586,630	\$ 26,250	\$ 577	\$ 646
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	4,489	-
Charges for services	60,715	-	270,320	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	9,302	-	90,099	24,200	-	-
Total receipts	<u>70,017</u>	<u>-</u>	<u>360,419</u>	<u>24,200</u>	<u>4,489</u>	<u>-</u>
Disbursements:						
Personal services	37,042	-	-	-	4,343	-
Supplies	1,722	-	-	-	-	-
Other services and charges	19,199	-	633,999	22,900	146	-
Capital outlay	14,196	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>72,159</u>	<u>-</u>	<u>633,999</u>	<u>22,900</u>	<u>4,489</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(2,142)</u>	<u>-</u>	<u>(273,580)</u>	<u>1,300</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 335,920</u>	<u>\$ 3,916</u>	<u>\$ 1,313,050</u>	<u>\$ 27,550</u>	<u>\$ 577</u>	<u>\$ 646</u>

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

	HOSPITAL CONTRACTUAL	COURT INTERPRETERS	DONATIONS	PAYROLL CLEARING	CHILD SUPPORT ACCOUNT	SETTLEMENT
Cash and investments - beginning	\$ 7,037,852	\$ 5,049	\$ 35,906	\$ 78,847	\$ 22,701	\$ -
Receipts:						
Taxes	-	-	-	-	-	27,101,561
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	9,075	-	-	-	3,029,805
Charges for services	1,037,500	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	5,852	-	16,012	4,892,660	793,856	-
Total receipts	<u>1,043,352</u>	<u>9,075</u>	<u>16,012</u>	<u>4,892,660</u>	<u>793,856</u>	<u>30,131,366</u>
Disbursements:						
Personal services	495,275	-	-	-	-	-
Supplies	9,955	-	-	-	-	-
Other services and charges	4,729	9,534	-	-	-	-
Capital outlay	70,356	-	-	-	-	-
Other disbursements	2,000,000	-	19,066	4,937,265	797,671	28,561,915
Total disbursements	<u>2,580,315</u>	<u>9,534</u>	<u>19,066</u>	<u>4,937,265</u>	<u>797,671</u>	<u>28,561,915</u>
Excess (deficiency) of receipts over disbursements	<u>(1,536,963)</u>	<u>(459)</u>	<u>(3,054)</u>	<u>(44,605)</u>	<u>(3,815)</u>	<u>1,569,451</u>
Cash and investments - ending	<u>\$ 5,500,889</u>	<u>\$ 4,590</u>	<u>\$ 32,852</u>	<u>\$ 34,242</u>	<u>\$ 18,886</u>	<u>\$ 1,569,451</u>

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

	WHEEL TAX/SURTAX COMBINED	WHEEL TAX	SUR TAX	CVET AGENCY	WEED LIEN COLLECTIONS	FINANCIAL INSTITUTION TAX
Cash and investments - beginning	\$ 462,763	\$ -	\$ -	\$ -	\$ 48,776	\$ -
Receipts:						
Taxes	-	236,936	755,008	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	342,623	-	135,177
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	787,764	-	-	-	-	-
Total receipts	<u>787,764</u>	<u>236,936</u>	<u>755,008</u>	<u>342,623</u>	<u>-</u>	<u>135,177</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	692,026	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	236,936	755,008	342,623	48,776	135,177
Total disbursements	<u>692,026</u>	<u>236,936</u>	<u>755,008</u>	<u>342,623</u>	<u>48,776</u>	<u>135,177</u>
Excess (deficiency) of receipts over disbursements	<u>95,738</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(48,776)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 558,501</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	CREDIT HOMESTEAD CREDIT	HEA 1001 STATE HOMESTEAD CREDI	LOIT RESIDENTIAL PTRC	STATE FINES & FORFIETURES	INFRACTION DEFERRAL PROGRAM	OVERWEIGHT VEHICLE FINES
Cash and investments - beginning	\$ 6,293	\$ 3,983	\$ 248,583	\$ 38,521	\$ 5,072	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	10,538	-
Fines and forfeits	-	-	-	58,771	57,551	2,221
Other receipts	1,997,325	162	1,369,005	-	132	-
Total receipts	<u>1,997,325</u>	<u>162</u>	<u>1,369,005</u>	<u>58,771</u>	<u>68,221</u>	<u>2,221</u>
Disbursements:						
Personal services	-	-	-	-	2,000	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	1,275	-
Capital outlay	-	-	-	-	3,906	-
Other disbursements	1,967,989	-	1,580,405	89,078	24,848	445
Total disbursements	<u>1,967,989</u>	<u>-</u>	<u>1,580,405</u>	<u>89,078</u>	<u>32,029</u>	<u>445</u>
Excess (deficiency) of receipts over disbursements	<u>29,336</u>	<u>162</u>	<u>(211,400)</u>	<u>(30,307)</u>	<u>36,192</u>	<u>1,776</u>
Cash and investments - ending	<u>\$ 35,629</u>	<u>\$ 4,145</u>	<u>\$ 37,183</u>	<u>\$ 8,214</u>	<u>\$ 41,264</u>	<u>\$ 1,776</u>

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

	SPECIAL DEATH BENEFIT	SALES DISCLOSURE - STATE SHARE	CORONER'S TRAINING & CONTINUING EDUCATION	MORTGAGE RECORDING FEES - STATE	DLGF HOMESTEAD PROPERTY DATABASE	SEX & VIOLENT OFFENDER ADMIN - STATE
Cash and investments - beginning	\$ 255	\$ 345	\$ 224	\$ 285	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	359
Fines and forfeits	3,135	3,490	-	-	-	-
Other receipts	-	-	3,248	2,905	2	-
Total receipts	3,135	3,490	3,248	2,905	2	359
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	1,600	1,740	1,545	1,538	2	116
Total disbursements	1,600	1,740	1,545	1,538	2	116
Excess (deficiency) of receipts over disbursements	1,535	1,750	1,703	1,367	-	243
Cash and investments - ending	<u>\$ 1,790</u>	<u>\$ 2,095</u>	<u>\$ 1,927</u>	<u>\$ 1,652</u>	<u>\$ -</u>	<u>\$ 243</u>

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

	CHILD RESTRAINT VIOLATION FEES	INHERITANCE TAX	EDUCATION PLATE FEES AGENCY	RIVERBOAT REVENUE SHARING	INNKEEPERS TAX COLLECTIONS	CAGIT CERTIFIED SHARES
Cash and investments - beginning	\$ -	\$ 166,713	\$ -	\$ -	\$ 15,039	\$ -
Receipts:						
Taxes	-	-	-	-	35,872	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	1,001,340	-	196,816	-	-
Charges for services	1	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	1,163	-	-	5,474,289
Total receipts	<u>1</u>	<u>1,001,340</u>	<u>1,163</u>	<u>196,816</u>	<u>35,872</u>	<u>5,474,289</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	1,368,572
Capital outlay	-	-	-	-	-	-
Other disbursements	-	1,048,593	1,163	196,816	40,738	4,105,717
Total disbursements	<u>-</u>	<u>1,048,593</u>	<u>1,163</u>	<u>196,816</u>	<u>40,738</u>	<u>5,474,289</u>
Excess (deficiency) of receipts over disbursements	<u>1</u>	<u>(47,253)</u>	<u>-</u>	<u>-</u>	<u>(4,866)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 1</u>	<u>\$ 119,460</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,173</u>	<u>\$ -</u>

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

	93.563 ARRA CLERK IV-D INCENTIVE	93.563 TITLE IV-D INCENTIVE	93.563 PROS IV-D INCENTIVE PRIOR	93.563 PROS IV-D INCENTIVE POST	93.563 CLERK IV-D INCENTIVE PRIOR	93.563 CLERK IV-D INCENTIVE POST
Cash and investments - beginning	\$ 543	\$ 35,634	\$ 4,687	\$ 92,252	\$ 21,821	\$ 51,920
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	12,018	-	18,082	-	15,568
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	-	12,018	-	18,082	-	15,568
Disbursements:						
Personal services	-	-	-	9,012	-	-
Supplies	-	-	-	1,074	4,000	4,303
Other services and charges	-	-	-	-	-	70
Capital outlay	-	-	-	-	-	-
Other disbursements	-	9,000	-	-	-	-
Total disbursements	-	9,000	-	10,086	4,000	4,373
Excess (deficiency) of receipts over disbursements	-	3,018	-	7,996	(4,000)	11,195
Cash and investments - ending	\$ 543	\$ 38,652	\$ 4,687	\$ 100,248	\$ 17,821	\$ 63,115

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

	WILD CAT SWMD	SHERIFF'S WORK RELEASE PROGRAM	SHERIFF'S LAW ENFORCEMENT FUND	RECORDER'S PETTY CASH	SEWER LIEN FUND	STEP AHEAD GRANT
Cash and investments - beginning	\$ 24,710	\$ 58,508	\$ 2,577	\$ 50	\$ 1,823	\$ (21)
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	61,062	-	-	-	-
Total receipts	-	61,062	-	-	-	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	24,710	73,114	320	-	1,823	-
Total disbursements	24,710	73,114	320	-	1,823	-
Excess (deficiency) of receipts over disbursements	(24,710)	(12,052)	(320)	-	(1,823)	-
Cash and investments - ending	\$ -	\$ 46,456	\$ 2,257	\$ 50	\$ -	\$ (21)

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

	VOCA GRANT	16.588 VICTIM ASSISTANCE	EMA SALE OF EQUIPMENT	MEDICAL RESERVE CORP GRANT	MCR REIMBURSABLE GRANT	DARE FUND GRANT
Cash and investments - beginning	\$ -	\$ -	\$ 9,770	\$ 1,784	\$ 853	\$ 4,781
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	19,838	-	749	-	800
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	3,540	-	-	681
Total receipts	-	19,838	3,540	749	-	1,481
Disbursements:						
Personal services	2,691	16,212	-	749	852	-
Supplies	-	-	6,500	-	-	966
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	2,219
Other disbursements	-	-	-	-	-	2,069
Total disbursements	2,691	16,212	6,500	749	852	5,254
Excess (deficiency) of receipts over disbursements	(2,691)	3,626	(2,960)	-	(852)	(3,773)
Cash and investments - ending	\$ (2,691)	\$ 3,626	\$ 6,810	\$ 1,784	\$ 1	\$ 1,008

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

	CENTRAL DISPATCH	JAG EQUIPMENT GRANT	JAG GRANT	LANDFILL TIPPING FEE FUND	LAW ENFORCEMENT EDUCATION FUND	CLINTON COUNTY LAW ENFORCEMENT SEIZURE
Cash and investments - beginning	\$ 455,998	\$ 6,068	\$ 1,255	\$ 893,462	\$ 13,567	\$ 1,748
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	668,348	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	862,905	-	-	25,000	7,169	-
Total receipts	<u>862,905</u>	<u>-</u>	<u>-</u>	<u>693,348</u>	<u>7,169</u>	<u>-</u>
Disbursements:						
Personal services	490,272	-	-	-	-	-
Supplies	4,795	-	-	-	-	-
Other services and charges	393,698	-	1,195	722,833	4,069	-
Capital outlay	-	6,068	-	286,032	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>888,765</u>	<u>6,068</u>	<u>1,195</u>	<u>1,008,865</u>	<u>4,069</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(25,860)</u>	<u>(6,068)</u>	<u>(1,195)</u>	<u>(315,517)</u>	<u>3,100</u>	<u>-</u>
Cash and investments - ending	<u>\$ 430,138</u>	<u>\$ -</u>	<u>\$ 60</u>	<u>\$ 577,945</u>	<u>\$ 16,667</u>	<u>\$ 1,748</u>

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

	INDOOR SEIZURE REWARD	SOLID WASTE PAYROLL FUND	20.609 OPERATION PULLOVER GRANT	RESOURCE CENTER TRANSPORTATION	PUBLIC HEALTH EMERGENCY PREPAREDNESS	BROWNFIELD GRANT
Cash and investments - beginning	\$ 71	\$ 6,746	\$ 5	\$ -	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	4,855	247,811	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	40,855	-	-	19,975	36,112
Total receipts	-	40,855	4,855	247,811	19,975	36,112
Disbursements:						
Personal services	-	47,416	-	-	14,640	-
Supplies	-	-	-	-	1,506	-
Other services and charges	-	-	4,870	247,811	-	-
Capital outlay	-	-	-	-	2,344	-
Other disbursements	-	-	-	-	-	36,112
Total disbursements	-	47,416	4,870	247,811	18,490	36,112
Excess (deficiency) of receipts over disbursements	-	(6,561)	(15)	-	1,485	-
Cash and investments - ending	\$ 71	\$ 185	\$ (10)	\$ -	\$ 1,485	\$ -

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

	THINKING FOR A CHANGE GRANT	TEENAGERS ELIMINATING X-RATED TEXT	TRAFFIC SAFETY EQUIPMENT GRANT	COUNTY TRAINING FUND	SHERIFF SAFETY EQUIPMENT	Totals
Cash and investments - beginning	\$ 260	\$ 977	\$ 167	\$ 6,837	\$ 860	\$ 24,824,094
Receipts:						
Taxes	-	-	-	-	-	34,033,891
Licenses and permits	-	-	-	-	-	48,766
Intergovernmental	-	-	-	-	-	8,637,624
Charges for services	-	-	-	-	-	3,944,646
Fines and forfeits	-	-	-	-	-	296,446
Other receipts	-	-	-	2,881	-	34,652,961
Total receipts	-	-	-	2,881	-	81,614,334
Disbursements:						
Personal services	-	-	-	-	-	10,387,376
Supplies	-	-	-	-	-	2,681,205
Other services and charges	-	-	-	-	-	9,148,474
Capital outlay	-	-	-	4,565	-	1,726,412
Other disbursements	-	977	-	-	-	55,323,079
Total disbursements	-	977	-	4,565	-	79,266,546
Excess (deficiency) of receipts over disbursements	-	(977)	-	(1,684)	-	2,347,788
Cash and investments - ending	<u>\$ 260</u>	<u>\$ -</u>	<u>\$ 167</u>	<u>\$ 5,153</u>	<u>\$ 860</u>	<u>\$ 27,171,882</u>

CLINTON COUNTY
SCHEDULE OF PAYABLES AND RECEIVABLES
December 31, 2013

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 22,725</u>	<u>\$ -</u>

CLINTON COUNTY
SCHEDULE OF LEASES AND DEBT
December 31, 2013

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities: MOTOROLA	CENTRAL DISPATCH EQUIPMENT	<u>\$ 357,791</u>	10/2/2009	12/1/2014

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose	
Governmental activities: General obligation bonds	28 WEST INFRASTRUCTURE	\$ 5,270,000
Notes and loans payable	E911 Equipment	<u>91,317</u>
Totals		<u>\$ 5,361,317</u>

CLINTON 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.

	Ending Balance
Governmental activities:	
Land	\$ 397,354
Infrastructure	321,020,000
Buildings	29,500,000
Improvements other than buildings	4,835,000
Machinery, equipment, and vehicles	7,022,655
Total capital assets	\$ 362,775,009

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

TO: THE OFFICIALS OF CLINTON COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited Clinton County's (County) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013. The County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

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

Report on Internal Control Over Compliance


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

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2013-003 to be material weaknesses.

The County's response to the internal control over the compliance finding 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

July 30, 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.

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

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>DEPARTMENT OF JUSTICE</u>			
Passed-Through Indiana Criminal Justice Institute ARRA - Violence Against Women Formula Grants, Recovery Act STOP Recovery Act Formula Grant	16.588	03209EFSJ004703	\$ 27,159
Violence Against Women Formula Grants FY 2012 STOP Violence Against Women Formula Grant FY 2013 STOP Violence Against Women Formula Grant	16.588	03212WFAX003503 03213WFAX004703	15,635 4,203
Total			<u>19,838</u>
Total for federal grantor agency			<u>46,997</u>
<u>DEPARTMENT OF TRANSPORTATION</u>			
Passed-Through Indiana Department of Transportation Highway Planning and Construction Cluster Highway Planning and Construction	20.205	DES 0900836 DES 0900837 DES 0902171 DES 0902185 DES 1173143 DES 1173145 DES 1297552 DES 9506570	58,301 7,435 1,193 19,166 50,959 23,446 148,689 26,729
Total for cluster			<u>335,918</u>
Passed-Through Indiana Criminal Justice Institute Highway Safety Cluster State and Community Highway Safety Operation Pull-Over NHTSA 402 Funds Operation Pull-Over NHTSA 402 Funds	20.600	FY 2013 FY 2014	572 4,283
Total for program			<u>4,855</u>
Alcohol Impaired Driving Countermeasures Incentive Grants I DUI Taskforce - NHTSA 410 Funds	20.601	FY 2013	4,489
Total for cluster			<u>9,344</u>
Passed-Through Indiana Department of Transportation Formula Grants for Rural Areas Resource Center Transportation Resource Center Transportation	20.509	FY 2010/11 FY 2012	50,354 120,990
Total for program			<u>171,344</u>
Total for federal grantor agency			<u>516,606</u>
<u>ENVIRONMENTAL PROTECTION AGENCY</u>			
Direct Grant Congressionally Mandated Projects Eastside Regional Stormwater Detention Facility	66.202	00E01008	485,000
Direct Grant Brownfields Assessment and Cleanup Cooperative Agreements Brownfield Grant	66.818	00E01090	36,112
Total for federal grantor agency			<u>521,112</u>

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

CLINTON COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2013
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed-Through Indiana State Department of Health Public Health Emergency Preparedness 2011 Public Health Preparedness and Response for Bioterrorism	93.069	BPRS 111-75	1,776
Passed-Through Indiana State Department of Health Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements 2012 Public Health Emergency Preparedness Public Health Emergency Preparedness - 2014 Base LHD Grant	93.074	BPRS 111-70 2013	12,794 4,923
Total for program			17,717
Passed-Through Indiana State Department of Health Emergency System for Advance Registration of Volunteer Health Professionals Medical Reserve Corporation Grant	93.089	ESREP 111-2	760
Passed-Through Indiana State Department of Health Centers for Disease Control and Prevention_ Investigations and Technical Assistance Bio Preparedness and Response Program, Notice of Cooperative Agreement	93.283	40036101032BA12	482
Passed-Through Indiana Department of Child Services Child Support Enforcement Clerk's Child Support Expenditures Prosecutor's Child Support Expenditures Circuit & Superior Court Child Support Expenditures Title IV-D Incentive Clerk IV-D Incentive Prosecutor IV-D Incentive Indirect Costs	93.563	1304IN4005 1304IN4005 1304IN4005 1304IN4005 1304IN4005 1304IN4005 1304IN4005 1304IN4005	- 26,126 132,446 17,505 12,018 15,568 18,082 21,197
Total for program			242,942
Passed-Through Indiana State Department of Health National Bioterrorism Hospital Preparedness Program FY 2012	93.889	40061910ESAR013	185
Total for federal grantor agency			263,862
DEPARTMENT OF HOMELAND SECURITY			
Passed-Through Indiana Department of Homeland Security Disaster Grants - Public Assistance (Presidentially Declared Disasters) 2013 Hurricane Sandy EMAC	97.036	38512EMAC000000	2,860
Passed-Through Indiana Department of Homeland Security Emergency Management Performance Grants FY 12 Emergency Management Performance Grant	97.042	C44P-3-243B	31,543
Total for federal grantor agency			34,403
Total federal awards expended			<u>\$ 1,382,980</u>

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

CLINTON COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

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

Note 2. Subrecipients

Of the federal expenditures presented in the schedule, the County provided federal awards to subrecipients as follows for the year ended December 31, 2013:

Program Title	Federal CFDA Number	2013
Formula Grants For Rural Areas	20.509	\$ 171,344
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	36,112

CLINTON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

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

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
66.202	Congressionally Mandated Projects
93.563	Child Support Enforcement

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

Auditee qualified as low-risk auditee?	no
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Section II - Financial Statement Findings

FINDING 2013-001 - INTERNAL CONTROLS AND COMPLIANCE OVER THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

CLINTON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

During the audit of the SEFA, we noted the following errors: Two grants were not included on the SEFA; Program names were not always accurate; Total Federal Awards Expended included some State matching amounts and other immaterial amounts which could not be verified; and the Child Support Program, CFDA# 93.563, was under reported by \$201,487. In total, the SEFA was under reported by \$185,803. Audit adjustments were proposed, accepted by the County, and made to the SEFA presented in this report. These adjustments resulted in a presentation of the SEFA that is materially correct in relation to the financial statement.

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

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

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."

**FINDING 2013-002 - INTERNAL CONTROLS AND COMPLIANCE
OVER FINANCIAL TRANSACTIONS AND REPORTING**

Internal Controls

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

CLINTON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

1. **Preparing Financial Statement:** Effective internal control over financial reporting involves identification and analysis of the risks of material misstatement to the County's audited financial statement and then determining how those identified risks should be managed. The County has not identified risks to the preparation of a reliable financial statement and as a result has failed to design effective controls over the preparation of the financial statement to prevent or detect material misstatements, including notes to the financial statement. The County Auditor independently prepares the financial statement without oversight or approval.
2. **Controls Over Cash and Investment Balances:** Effective internal control over cash and investments requires the Treasurer to reduce the risks that cash and investments will not be properly safeguarded. There were no established procedures to ensure that monthly reconciliations of the fund balances to the depository account balances were prepared. The failure to establish these controls could enable material misstatements or irregularities to remain undetected.

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

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14) (Accounting and Uniform Compliance Guidelines Manual for County Treasurers of Indiana, Chapter 10)

Compliance

During the audit of the County's financial statement, we noted that the Treasurer's Supplemental fund was not reported. The failure to properly report this fund resulted in the Beginning Cash and Investment Balances, Receipts, Disbursements and Ending Cash and Investment Balances on the County's financial statement presented for audit to be understated by \$1,029,330, \$5,301,984, \$1,029,330, and \$5,301,984, respectively. Audit adjustments were proposed, accepted by the County, and made to the County's financial statement presented in this report. These adjustments resulted in a presentation of the County's financial statement that is materially correct.

Depository reconciliations of the Treasurer's Daily Balance of Cash and Depositories to bank account balances for the months July 2013 through December 2013 had not been completed. In addition, reconciliations for January 2014 through June 2014 have not yet been prepared. Based on information provided by the financial software, bank statements, and other calculations, it was determined that the Treasurer's Daily Balance of Cash and Depositories exceeds the depository balances by \$28,967.92 at December 31, 2013.

CLINTON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under IC 5-14-3.8-7."

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

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

Section III - Federal Award Findings and Questioned Costs

FINDING 2013-003 - CASH MANAGEMENT AND REPORTING

Federal Agency: Department of Health and Human Services
Federal Program: Child Support Enforcement
CFDA Number: 93.653
Award Number: 1304IN4005
Pass-Through Entity: Indiana Department of Child Services

The County has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and Cash Management and Reporting compliance requirements that have 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 Title IV-D Administrator in the Prosecutor's Office independently prepares the Monthly Expense Claim for Title IV-D to request reimbursement of program expenditures and the Quarterly Incentive Expenditure Report. An oversight, review, or approval process has not been established.

The Auditor independently prepares the Quarterly Incentive Balance Form for Title IV-D for the entire County. 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.

CLINTON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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

"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 with 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 noted above that have a direct and material effect on the program.

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AUDITEE PREPARED DOCUMENT

The subsequent document was provided by management of the County. The document is presented as intended by the County.



Clinton County Auditor

Cathy J. Hamilton
225 Courthouse Square
Frankfort, Indiana 46041-1995
765-659-6330
765-659-6391 fax
auditor@clintonco.com

CORRECTIVE ACTION PLAN

FINDING 2013-001

Contact Person Responsible for Corrective Action: Cathy J. Hamilton
Contact Phone Number: 765-659-6330

Description of Corrective Action Plan:

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

Anticipated Completion Date:

July 30, 2014

FINDING 2013-002

Contact Person Responsible for Corrective Action: Cathy J. Hamilton
Contact Phone Number: 765-659-6330

Description of Corrective Action Plan:

The Auditor will take the steps necessary to implement adequate internal controls over the preparation of the financial statement. This will ensure the accurate reporting.

Anticipated Completion Date:

July 30, 2014

FINDING 2013-003

Contact Person Responsible for Corrective Action: Cathy J. Hamilton
Contact Phone Number: 765-659-6330


Description of Corrective Action Plan:

The Auditor will take the steps necessary to implement adequate internal controls over the preparation of the Quarterly Incentive Balance Form for Title IV-D.

The Prosecutor will review and sign the Monthly Expense Claim for Title IV-D prepared by his deputy for reimbursement of program expenditures and the Quarterly Incentive Expenditure Report.

Anticipated Completion Date:

July 30, 2014



(Signature)

Clinton County Auditor
(Title)

July 30, 2014

Office of Clinton County Treasurer

Ron Niemesh, Treasurer

220 Courthouse Square Frankfort, Indiana 46041

Telephone: 765-659-6325 ~ Fax: 765-659-6391

rniemesh@clintonco.com

www.clintonco.com

CORRECTIVE ACTION PLAN

FINDING 2013-002

Contact Person Responsible for Corrective Action: Ron Niemesh, Treasurer

Contact Phone Number: 765-659-6325

Description of Corrective Action Plan:

Due to problems found in the review of and the audit of the 2012 year, we started and have completed the reviewing of the 2012 and 2013 complete financial activities through December 2013. The balancing and the month end reconciliations thru December 2013 show only the \$45,080.58 from the years previous to September 2010 when I took office. There are not any other cash short or unexplained issues.

We are continuing the balancing and month end reconciliations thru the months of 2014 and we will be current in 2014 baring any more medical issues, etc. We fully expect to not have any cash short or unexplained issues during 2014. We do control our daily receipts and deposits into the various checking accounts and funds that we maintain.

The Treasurer's supplemental fund was reported to the Auditor via my Investment Report that detailed all the funds that were under my control at the end of 2013. It was reported via a non standard report and Ms. Williams has shown me the format that I should be using and will use as required.

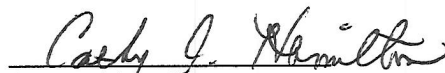
I do understand the duties and responsibilities of the office, but it took me some time (15 months) to find the right person to handle the financial activities of the office. And unfortunately during this time, the monthly reconciliation requirements were beyond my ability to comprehend and complete. The current Chief Deputy started on July 1, 2013 and has been working diligently to learn our processes and reviewing the financial activities making major headway on the completion of this last function to be corrected in the Treasurer's office.

Anticipated Completion Date:

12/31/2014



Ronald Niemesh
Clinton County Treasurer



Cathy Hamilton
Clinton 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/>.