

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

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



**FILED**  
12/10/2014



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Brenda Adams	01-01-11 to 12-31-14
Treasurer	Julie Minton	01-01-13 to 12-31-16
Clerk	Stephanie Elliott	11-29-12 to 12-31-14
Sheriff	Robert Downey	01-01-11 to 12-31-14
Recorder	Pamela Kivett	01-01-13 to 12-31-16
President of the Board of County Commissioners	Norman Voyles	01-01-13 to 12-31-14
President of the County Council	Kenneth L. Hale	01-01-13 to 12-31-14



## INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF MORGAN COUNTY, INDIANA

### ***Report on the Financial Statement***

We have audited the accompanying financial statement of Morgan 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 October 27, 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

October 27, 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 MORGAN 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 Morgan 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 October 27, 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.

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. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

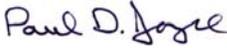
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL  
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*  
(Continued)

***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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***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

October 27, 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.

MORGAN 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
After Settlement Collections	\$ 1,017,279	\$ 1,215,331	\$ 1,017,279	\$ 1,215,331
Sheriff's Inmate Trust	51,254	461,526	464,211	48,569
Jail Commissary	262,113	201,228	258,063	205,278
Clerk's Trust	106,015	1,476,240	1,500,607	81,648
Sheriff's Cashbook	60,825	3,191,861	3,212,683	40,003
General	4,527,596	9,644,045	11,156,108	3,015,533
Accident Report	12,752	6,553	3,678	15,627
CAGIT County Certified Shares	-	4,528,459	3,248,640	1,279,819
Campaign Finance Enforcement - County	450	250	-	700
CEDIT County Share	5,072,425	1,896,696	846,415	6,122,706
City and Town Court Costs	5,408	10,119	5,408	10,119
Clerk's Records Perpetuation	24,446	15,186	18,532	21,100
Community Transition Program	17,201	11,520	28,721	-
Convention Visitor and Tourism Promotion	65,134	96,665	-	161,799
Sales Disclosure - County Share	37,903	7,770	-	45,673
Cumulative Bridge	701,376	383,877	449,746	635,507
Cumulative Building	3,127,672	6,136	46,086	3,087,722
Cumulative Capital Development	4,362,744	1,166,584	1,538,915	3,990,413
Drug Free Community	45,638	49,396	17,414	77,620
Economic Development Fee	250	3,500	3,100	650
Emergency Planning/Right To Know	44,550	4,083	1,873	46,760
Extradition	77	1,534	1,362	249
Firearms Training	67,117	60,086	39,312	87,891
General Drain Improvement	986,778	-	73,955	912,823
Health	80,841	555,709	534,163	102,387
Identification Security Protection	85,257	7,241	23,136	69,362
Levy Excess	114,846	-	114,846	-
Local Health Maintenance	64,233	50,179	45,564	68,848
Local Road and Street	1,090,816	1,202,584	1,573,824	719,576
LOIT Public Safety - County Share	4,269,615	2,031,770	2,241,037	4,060,348
Misdemeanant	-	42,249	42,199	50
Motor Vehicle Highway	411,579	2,671,074	2,340,672	741,981
Plat Book	57,160	17,960	-	75,120
Rainy Day	5,850,796	-	29,605	5,821,191
Reassessment - 2009	1,676,607	3,005	1,679,612	-
Reassessment - 2015	1,062,557	1,781,881	-	2,844,438
Recorder's Records Perpetuation	212,642	148,585	62,736	298,491
Riverboat	1,841,548	257,678	105,332	1,993,894
Sex and Violent Offender Administration	5,726	4,986	4,800	5,912
Supplemental Public Defender Services	246,483	89,180	75,968	259,695
Surplus Tax	60,829	47,454	49,417	58,866
Surveyor's Corner Perpetuation	82,967	14,825	4,645	93,147
Tax Sale Redemption	-	72,270	72,270	-
Tax Sale Surplus	621,537	863,290	548,914	935,913
GAL/CASA	22,125	7,842	12,085	17,882
Auditors Ineligible Deductions	10,001	6,847	1,298	15,550
County Elected Officials Training	9,747	7,241	160	16,828
Statewide 911	1,362,061	625,167	409,505	1,577,723
Supplemental Adult Probation Services	658,658	218,624	318,988	558,294
Supplemental Juvenile Probation Services	16,979	17,158	1,942	32,195
Self Insurance	774,356	2,450,358	2,419,813	804,901
Payroll Clearing	-	11,490,890	11,490,890	-
Payroll Withholding - PERF	-	1,089,809	1,089,809	-
Payroll Withholding - Sheriff Pension	-	38,664	38,664	-
Settlement	-	50,512,936	50,512,936	-
CVET Agency	-	276,666	276,666	-
Financial Institution Tax	-	231,517	231,517	-
CEDIT Homestead Credit	162,715	961,987	1,104,601	20,101
HEA 1001 State Homestead Credit	(3,560)	-	-	(3,560)
LOIT PTRC	2,366,191	13,879,946	15,714,495	531,642
State Fines and Forfeitures	1,410	11,547	11,343	1,614
Infraction Judgements	12,203	150,068	154,385	7,886
Overweight Vehicle Fines	93	-	93	-
Special Death Benefit	685	5,545	5,835	395
Sales Disclosure - State Share	610	7,770	7,715	665
Coroners Training & Con't Education	294	5,333	5,081	546
Interstate Compact - State Share	63	350	313	100
Mortgage Recording Fees - State Share	843	8,515	8,785	573
DLGF Homestead Property Database	1	365	366	-
Sex and Violent Offender Admin - State	33	554	562	25
Child Restraint Violations Fines	25	875	900	-
Inheritance Tax	106,636	782,687	889,323	-
Education Plate Fees Agency	-	1,388	1,388	-
Riverboat Revenue Sharing	-	408,123	408,123	-

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

MORGAN 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
CAGIT Distribution	-	13,726,066	13,726,066	-
CEDIT Distribution	-	2,748,533	2,748,533	-
93.563 Prosecutor PCA	2,421	2,283	1,370	3,334
93.563 Title IV-D ARRA	22,045	-	22,045	-
93.563 ARRA Clerk IV-D Incentive	1,789	-	1,789	-
93.563 Title IV-D Incentive	77,109	29,240	16,088	90,261
93.563 Prosecutor IV-D Incentive-Post Oct '99	119,783	43,987	57,697	106,073
93.563 Clerk IV-D Incentive-Post Oct '99	37,375	29,240	21,224	45,391
Clerk's Child Support	28,561	1,490,622	1,492,395	26,788
Clerk's Interest Trust	168,987	385,728	372,675	182,040
Clerk's Bonds	541,082	603,406	624,447	520,041
Jury User Fee	11,604	12,046	-	23,650
ADAPT	112,628	46,474	4,026	155,076
Co Law Enforce Continuing Ed	3,539	2,248	-	5,787
Law Enforcement Co User Fee	11,300	2,481	348	13,433
Pretrial Div-Traffic	119,368	161,051	136,007	144,412
Pretrial Div-Check	14,572	4,930	2,550	16,952
Administration Fees	32,427	42,952	47,480	27,899
Comm Corr Proj Income 12-13	340,117	99,613	439,730	-
K-9 Donations	211	-	54	157
EMA Donations	350	300	650	-
CASA Donations	1,021	-	-	1,021
Special Probation Programs	5,939	-	3,500	2,439
Local Health Dept Trust	50,261	380	50,641	-
Flood Homes Demolition	52,675	3,663	-	56,338
Mo Co Partner Water Quality	14,772	10,925	7,868	17,829
Work Release Intake Fee	7,125	4,225	-	11,350
Law Enforcement Fund	54,788	35,039	30,420	59,407
Federal Forfeited Property	24,953	8,468	12,893	20,528
Co Offender Transportation	438	350	-	788
Local Health Dept Tr	-	49,268	11,652	37,616
United Way	-	1,040	1,040	-
Insurance Group Trust	-	403,487	403,487	-
Life Insurance	-	51,858	49,685	2,173
Dental & Vision	-	73,910	73,910	-
AFLAC	4,133	62,669	58,778	8,024
Vol PERF Contributions	-	32,971	32,971	-
Sur Tax	-	704,046	704,046	-
Wheel Tax	2,250	121,924	124,174	-
LOIT Prop Tax Oper Levies Rep	198,720	2,745,213	2,943,933	-
LOIT Public Safety	-	3,431,516	3,431,516	-
LOIT Stabilization	2,853,828	198,720	1,196,413	1,856,135
16.607 Bullet Proof Vest	-	5,668	6,428	(760)
93.069 Bioterror Base 11-12	-	-	12,359	(12,359)
14.228 CDBG-Primary	(49,777)	-	589	(50,366)
14.228 CDBG-Old Town Waverly	(45,203)	-	46,153	(91,356)
20.600 Operation Pullvoer	(3,323)	29,659	29,144	(2,808)
20.205 Brooklyn Pedest Bridge	43,792	53,889	58,164	39,517
97.039 HAZ MIT-Primary	-	10,628	10,628	-
97.039 HAZ MIT-Henderson	3,923	28	28	3,923
97.039 HAZ MIT-Old Town Waverly	(50,480)	218,993	169,151	(638)
16.588 STOP Viol Ag Wo 11-12	-	-	6,809	(6,809)
16.575 VOCA 11-12	-	-	6,587	(6,587)
16.588 STOP Viol Ag Wo 12-13	(567)	7,660	7,093	-
93.074 Bioterror Base 12-13	(6,108)	11,804	5,696	-
97.039 HAZ MIT-2010 Waverly	(202,753)	206,225	3,472	-
14.228 CDBG-2010 Waverly	(68,216)	68,717	1,157	(656)
16.575 VOCA 12-13	(7,161)	33,427	26,266	-
93.074 Bioterror CRI 12-13	(2,649)	24,336	21,687	-
Comm Corr Grant 11-12	5,693	122,006	125,346	2,353
Interpreter Grant	3,090	-	-	3,090
Comm Corr Grant 12-13	15,887	95,206	111,093	-
Comm Corr Proj Income 13-14	-	404,119	53,165	350,954
MC Pros Fed Forfeiture	-	1,654	-	1,654
93.074 Bioterror MRC	-	4,998	4,998	-
97.039 Haz Mit-Johnson	-	136,630	136,630	-
14.228 CDBG-Johnson	-	-	45,544	(45,544)
93.069 Bioterror Base Bonus	-	18,087	18,087	-
20.205 Landersdale Const Eng	-	66,030	66,031	(1)
93.069 Bioterror MRC	-	9,953	9,953	-
Naccho MRC	-	4,000	4,000	-
CTP Grant 12-13	-	11,520	11,520	-
Sale of County Owned Property	-	37,209	37,209	-
<b>Totals</b>	<b>\$ 48,487,530</b>	<b>\$ 146,452,655</b>	<b>\$ 148,485,517</b>	<b>\$ 46,454,668</b>

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

MORGAN 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.

MORGAN 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.

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

MORGAN COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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.

MORGAN 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 Capitol Street, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

MORGAN 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 Deficits**

The financial statement contains some funds with deficits in cash. This is a result of reimbursable grants. Reimbursements were not received by December 31, 2013.

## 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.

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

	After Settlement Collections	Sheriff's Inmate Trust	Jail Commissary	Clerk's Trust	Sheriff's Cashbook	General	Accident Report	CAGIT County Certified Shares
Cash and investments - beginning	\$ 1,017,279	\$ 51,254	\$ 262,113	\$ 106,015	\$ 60,825	\$ 4,527,596	\$ 12,752	\$ -
Receipts:								
Taxes	-	-	-	-	-	5,835,302	-	4,528,459
Licenses and permits	-	-	-	-	-	88,723	-	-
Intergovernmental	-	-	-	-	-	2,126,063	-	-
Charges for services	-	-	-	-	-	476,345	6,553	-
Fines and forfeits	-	-	-	-	-	469,832	-	-
Other receipts	1,215,331	461,526	201,228	1,476,240	3,191,861	647,780	-	-
Total receipts	1,215,331	461,526	201,228	1,476,240	3,191,861	9,644,045	6,553	4,528,459
Disbursements:								
Personal services	-	-	-	-	-	7,350,491	-	2,610,711
Supplies	-	-	-	-	-	613,700	287	372,931
Other services and charges	-	-	-	-	-	2,494,224	-	14,578
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	215,498	3,391	-
Other disbursements	1,017,279	464,211	258,063	1,500,607	3,212,683	482,195	-	250,420
Total disbursements	1,017,279	464,211	258,063	1,500,607	3,212,683	11,156,108	3,678	3,248,640
Excess (deficiency) of receipts over disbursements	198,052	(2,685)	(56,835)	(24,367)	(20,822)	(1,512,063)	2,875	1,279,819
Cash and investments - ending	\$ 1,215,331	\$ 48,569	\$ 205,278	\$ 81,648	\$ 40,003	\$ 3,015,533	\$ 15,627	\$ 1,279,819

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

	Campaign Finance Enforcement - County	CEDIT County Share	City and Town Court Costs	Clerk's Records Perpetuation	Community Transition Program	Convention Visitor and Tourism Promotion	Sales Disclosure - County Share	Cumulative Bridge
Cash and investments - beginning	\$ 450	\$ 5,072,425	\$ 5,408	\$ 24,446	\$ 17,201	\$ 65,134	\$ 37,903	\$ 701,376
Receipts:								
Taxes	-	1,729,572	-	-	-	96,665	-	290,737
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	165,905	-	735	-	-	-	93,140
Charges for services	-	-	-	-	11,520	-	7,770	-
Fines and forfeits	250	-	10,119	14,451	-	-	-	-
Other receipts	-	1,219	-	-	-	-	-	-
Total receipts	250	1,896,696	10,119	15,186	11,520	96,665	7,770	383,877
Disbursements:								
Personal services	-	-	-	17,223	-	-	-	262,820
Supplies	-	73,210	-	-	-	-	-	-
Other services and charges	-	115,173	-	-	720	-	-	159,921
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	583,032	-	1,309	-	-	-	27,005
Other disbursements	-	75,000	5,408	-	28,001	-	-	-
Total disbursements	-	846,415	5,408	18,532	28,721	-	-	449,746
Excess (deficiency) of receipts over disbursements	250	1,050,281	4,711	(3,346)	(17,201)	96,665	7,770	(65,869)
Cash and investments - ending	\$ 700	\$ 6,122,706	\$ 10,119	\$ 21,100	\$ -	\$ 161,799	\$ 45,673	\$ 635,507

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

	Cumulative Building	Cumulative Capital Development	Drug Free Community	Economic Development Fee	Emergency Planning/Right To Know	Extradition	Firearms Training
Cash and investments - beginning	\$ 3,127,672	\$ 4,362,744	\$ 45,638	\$ 250	\$ 44,550	\$ 77	\$ 67,117
Receipts:							
Taxes	-	968,154	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	60,086
Intergovernmental	-	128,285	-	-	4,083	-	-
Charges for services	-	-	-	3,500	-	-	-
Fines and forfeits	-	-	49,396	-	-	1,000	-
Other receipts	6,136	70,145	-	-	-	534	-
Total receipts	6,136	1,166,584	49,396	3,500	4,083	1,534	60,086
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	27,410
Other services and charges	-	1,306,284	200	-	1,873	1,362	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	46,086	232,631	5,084	-	-	-	11,902
Other disbursements	-	-	12,130	3,100	-	-	-
Total disbursements	46,086	1,538,915	17,414	3,100	1,873	1,362	39,312
Excess (deficiency) of receipts over disbursements	(39,950)	(372,331)	31,982	400	2,210	172	20,774
Cash and investments - ending	\$ 3,087,722	\$ 3,990,413	\$ 77,620	\$ 650	\$ 46,760	\$ 249	\$ 87,891

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

	General Drain Improvement	Health	Identification Security Protection	Levy Excess	Local Health Maintenance	Local Road and Street	LOIT Public Safety - County Share
Cash and investments - beginning	\$ 986,778	\$ 80,841	\$ 85,257	\$ 114,846	\$ 64,233	\$ 1,090,816	\$ 4,269,615
Receipts:							
Taxes	-	398,310	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	53,986	-	-	48,859	1,184,080	1,801,982
Charges for services	-	100,919	7,241	-	1,276	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	2,494	-	-	44	18,504	229,788
Total receipts	-	555,709	7,241	-	50,179	1,202,584	2,031,770
Disbursements:							
Personal services	-	473,925	-	-	40,797	-	749,074
Supplies	653	15,862	-	-	1,615	343,235	12,550
Other services and charges	73,302	26,500	23,136	-	3,152	1,230,589	186,825
Debt service - principal and interest	-	-	-	-	-	-	840,808
Capital outlay	-	17,876	-	-	-	-	231,780
Other disbursements	-	-	-	114,846	-	-	220,000
Total disbursements	73,955	534,163	23,136	114,846	45,564	1,573,824	2,241,037
Excess (deficiency) of receipts over disbursements	(73,955)	21,546	(15,895)	(114,846)	4,615	(371,240)	(209,267)
Cash and investments - ending	\$ 912,823	\$ 102,387	\$ 69,362	\$ -	\$ 68,848	\$ 719,576	\$ 4,060,348

MORGAN 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	Recorder's Records Perpetuation
Cash and investments - beginning	\$ -	\$ 411,579	\$ 57,160	\$ 5,850,796	\$ 1,676,607	\$ 1,062,557	\$ 212,642
Receipts:							
Taxes	-	-	-	-	-	473,901	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	42,249	2,667,517	-	-	-	61,257	-
Charges for services	-	-	17,960	-	-	-	148,585
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	3,557	-	-	3,005	1,246,723	-
Total receipts	42,249	2,671,074	17,960	-	3,005	1,781,881	148,585
Disbursements:							
Personal services	-	1,701,458	-	-	314,613	-	32,406
Supplies	10,549	454,470	-	-	1,376	-	1,962
Other services and charges	31,650	183,977	-	29,605	106,721	-	27,721
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	767	-	-	12,531	-	647
Other disbursements	-	-	-	-	1,244,371	-	-
Total disbursements	42,199	2,340,672	-	29,605	1,679,612	-	62,736
Excess (deficiency) of receipts over disbursements	50	330,402	17,960	(29,605)	(1,676,607)	1,781,881	85,849
Cash and investments - ending	\$ 50	\$ 741,981	\$ 75,120	\$ 5,821,191	\$ -	\$ 2,844,438	\$ 298,491

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

	Riverboat	Sex and Violent Offender Administration	Supplemental Public Defender Services	Surplus Tax	Surveyor's Corner Perpetuation	Tax Sale Redemption	Tax Sale Surplus
Cash and investments - beginning	\$ 1,841,548	\$ 5,726	\$ 246,483	\$ 60,829	\$ 82,967	\$ -	\$ 621,537
Receipts:							
Taxes	-	-	-	47,454	-	72,270	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	256,820	-	-	-	-	-	-
Charges for services	-	4,986	-	-	14,825	-	-
Fines and forfeits	-	-	89,180	-	-	-	-
Other receipts	858	-	-	-	-	-	863,290
Total receipts	<u>257,678</u>	<u>4,986</u>	<u>89,180</u>	<u>47,454</u>	<u>14,825</u>	<u>72,270</u>	<u>863,290</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	45,619	-	-	-	45	-	-
Other services and charges	13,213	4,800	75,968	-	4,600	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	46,500	-	-	-	-	-	-
Other disbursements	-	-	-	49,417	-	72,270	548,914
Total disbursements	<u>105,332</u>	<u>4,800</u>	<u>75,968</u>	<u>49,417</u>	<u>4,645</u>	<u>72,270</u>	<u>548,914</u>
Excess (deficiency) of receipts over disbursements	<u>152,346</u>	<u>186</u>	<u>13,212</u>	<u>(1,963)</u>	<u>10,180</u>	<u>-</u>	<u>314,376</u>
Cash and investments - ending	<u>\$ 1,993,894</u>	<u>\$ 5,912</u>	<u>\$ 259,695</u>	<u>\$ 58,866</u>	<u>\$ 93,147</u>	<u>\$ -</u>	<u>\$ 935,913</u>

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

	GAL/CASA	Auditors Ineligible Deductions	County Elected Officials Training	Statewide 911	Supplemental Adult Probation Services	Supplemental Juvenile Probation Services	Self Insurance
Cash and investments - beginning	\$ 22,125	\$ 10,001	\$ 9,747	\$ 1,362,061	\$ 658,658	\$ 16,979	\$ 774,356
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	7,842	-	-	-	-	-	-
Charges for services	-	-	7,241	623,268	218,624	17,158	-
Fines and forfeits	-	6,847	-	-	-	-	-
Other receipts	-	-	-	1,899	-	-	2,450,358
Total receipts	<u>7,842</u>	<u>6,847</u>	<u>7,241</u>	<u>625,167</u>	<u>218,624</u>	<u>17,158</u>	<u>2,450,358</u>
Disbursements:							
Personal services	6,385	-	-	27,636	283,571	1,942	-
Supplies	538	-	-	-	-	-	-
Other services and charges	5,162	1,298	160	317,757	34,912	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	64,112	-	-	-
Other disbursements	-	-	-	-	505	-	2,419,813
Total disbursements	<u>12,085</u>	<u>1,298</u>	<u>160</u>	<u>409,505</u>	<u>318,988</u>	<u>1,942</u>	<u>2,419,813</u>
Excess (deficiency) of receipts over disbursements	<u>(4,243)</u>	<u>5,549</u>	<u>7,081</u>	<u>215,662</u>	<u>(100,364)</u>	<u>15,216</u>	<u>30,545</u>
Cash and investments - ending	<u>\$ 17,882</u>	<u>\$ 15,550</u>	<u>\$ 16,828</u>	<u>\$ 1,577,723</u>	<u>\$ 558,294</u>	<u>\$ 32,195</u>	<u>\$ 804,901</u>

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

	Payroll Clearing	Payroll Withholding - PERF	Payroll Withholding - Sheriff Pension	Settlement	CVET Agency	Financial Institution Tax	CEDIT Homestead Credit
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 162,715
Receipts:							
Taxes	-	-	-	50,512,936	-	-	961,987
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	276,666	231,517	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	11,490,890	1,089,809	38,664	-	-	-	-
Total receipts	11,490,890	1,089,809	38,664	50,512,936	276,666	231,517	961,987
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	11,490,890	1,089,809	38,664	50,512,936	276,666	231,517	1,104,601
Total disbursements	11,490,890	1,089,809	38,664	50,512,936	276,666	231,517	1,104,601
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	(142,614)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,101

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

	HEA 1001 State Homestead Credit	LOIT PTRC	State Fines and Forfeitures	Infraction Judgements	Overweight Vehicle Fines	Special Death Benefit	Sales Disclosure - State Share
Cash and investments - beginning	\$ (3,560)	\$ 2,366,191	\$ 1,410	\$ 12,203	\$ 93	\$ 685	\$ 610
Receipts:							
Taxes	-	13,879,946	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	11,547	150,068	-	5,545	7,770
Other receipts	-	-	-	-	-	-	-
Total receipts	-	13,879,946	11,547	150,068	-	5,545	7,770
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	15,714,495	11,343	154,385	93	5,835	7,715
Total disbursements	-	15,714,495	11,343	154,385	93	5,835	7,715
Excess (deficiency) of receipts over disbursements	-	(1,834,549)	204	(4,317)	(93)	(290)	55
Cash and investments - ending	\$ (3,560)	\$ 531,642	\$ 1,614	\$ 7,886	\$ -	\$ 395	\$ 665

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

	Coroners Training & Con't Education	Interstate Compact - State Share	Mortgage Recording Fees - State Share	DLGF Homestead Property Database	Sex and Violent Offender Admin - State	Child Restraint Violations Fines	Inheritance Tax
Cash and investments - beginning	\$ 294	\$ 63	\$ 843	\$ 1	\$ 33	\$ 25	\$ 106,636
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	782,687
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	5,333	350	8,515	365	554	875	-
Other receipts	-	-	-	-	-	-	-
Total receipts	5,333	350	8,515	365	554	875	782,687
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	5,081	313	8,785	366	562	900	889,323
Total disbursements	5,081	313	8,785	366	562	900	889,323
Excess (deficiency) of receipts over disbursements	252	37	(270)	(1)	(8)	(25)	(106,636)
Cash and investments - ending	\$ 546	\$ 100	\$ 573	\$ -	\$ 25	\$ -	\$ -

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

	Education Plate Fees Agency	Riverboat Revenue Sharing	CAGIT Distribution	CEDIT Distribution	93.563 Prosecutor PCA	93.563 Title IV-D ARRA	93.563 ARRA Clerk IV-D Incentive
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 2,421	\$ 22,045	\$ 1,789
Receipts:							
Taxes	-	-	13,726,066	2,748,533	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	1,388	408,123	-	-	-	-	-
Charges for services	-	-	-	-	2,283	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>1,388</u>	<u>408,123</u>	<u>13,726,066</u>	<u>2,748,533</u>	<u>2,283</u>	<u>-</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	8,600	1,789
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	13,445	-
Other disbursements	<u>1,388</u>	<u>408,123</u>	<u>13,726,066</u>	<u>2,748,533</u>	<u>1,370</u>	<u>-</u>	<u>-</u>
Total disbursements	<u>1,388</u>	<u>408,123</u>	<u>13,726,066</u>	<u>2,748,533</u>	<u>1,370</u>	<u>22,045</u>	<u>1,789</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>913</u>	<u>(22,045)</u>	<u>(1,789)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,334</u>	<u>\$ -</u>	<u>\$ -</u>

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

	93.563 Title IV-D Incentive	93.563 Prosecutor IV-D Incentive-Post Oct '99	93.563 Clerk IV-D Incentive-Post Oct '99	Clerk's Child Support	Clerk's Interest Trust	Clerk's Bonds	Jury User Fee
Cash and investments - beginning	\$ 77,109	\$ 119,783	\$ 37,375	\$ 28,561	\$ 168,987	\$ 541,082	\$ 11,604
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	29,240	43,987	29,240	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	11,578
Other receipts	-	-	-	1,490,622	385,728	603,406	468
Total receipts	<u>29,240</u>	<u>43,987</u>	<u>29,240</u>	<u>1,490,622</u>	<u>385,728</u>	<u>603,406</u>	<u>12,046</u>
Disbursements:							
Personal services	-	50,140	11,440	-	-	-	-
Supplies	-	2,521	26	-	-	-	-
Other services and charges	3,250	876	9,367	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	12,838	4,160	391	-	-	-	-
Other disbursements	-	-	-	1,492,395	372,675	624,447	-
Total disbursements	<u>16,088</u>	<u>57,697</u>	<u>21,224</u>	<u>1,492,395</u>	<u>372,675</u>	<u>624,447</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>13,152</u>	<u>(13,710)</u>	<u>8,016</u>	<u>(1,773)</u>	<u>13,053</u>	<u>(21,041)</u>	<u>12,046</u>
Cash and investments - ending	<u>\$ 90,261</u>	<u>\$ 106,073</u>	<u>\$ 45,391</u>	<u>\$ 26,788</u>	<u>\$ 182,040</u>	<u>\$ 520,041</u>	<u>\$ 23,650</u>

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

	ADAPT	Co Law Enforce Continuing Ed	Law Enforcement Co User Fee	Pretrial Div-Traffic	Pretrial Div-Check	Administration Fees	Comm Corr Proj Income 12-13
Cash and investments - beginning	\$ 112,628	\$ 3,539	\$ 11,300	\$ 119,368	\$ 14,572	\$ 32,427	\$ 340,117
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	9,495
Charges for services	46,474	-	-	-	-	42,952	62,117
Fines and forfeits	-	2,248	2,481	161,051	4,930	-	-
Other receipts	-	-	-	-	-	-	28,001
Total receipts	46,474	2,248	2,481	161,051	4,930	42,952	99,613
Disbursements:							
Personal services	-	-	-	80,117	-	-	71,982
Supplies	1,926	-	-	688	-	-	170
Other services and charges	2,100	-	-	665	-	-	29,567
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	323
Other disbursements	-	-	348	54,537	2,550	47,480	337,688
Total disbursements	4,026	-	348	136,007	2,550	47,480	439,730
Excess (deficiency) of receipts over disbursements	42,448	2,248	2,133	25,044	2,380	(4,528)	(340,117)
Cash and investments - ending	\$ 155,076	\$ 5,787	\$ 13,433	\$ 144,412	\$ 16,952	\$ 27,899	\$ -

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

	K-9 Donations	EMA Donations	CASA Donations	Special Probation Programs	Local Health Dept Trust	Flood Homes Demolition	Mo Co Partner Water Quality
Cash and investments - beginning	\$ 211	\$ 350	\$ 1,021	\$ 5,939	\$ 50,261	\$ 52,675	\$ 14,772
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	380	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	300	-	-	-	3,663	10,925
Total receipts	-	300	-	-	380	3,663	10,925
Disbursements:							
Personal services	-	-	-	-	12,805	-	-
Supplies	54	-	-	-	2,735	-	2,978
Other services and charges	-	-	-	3,500	2,085	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	650	-	-	-	-	-
Other disbursements	-	-	-	-	33,016	-	4,890
Total disbursements	54	650	-	3,500	50,641	-	7,868
Excess (deficiency) of receipts over disbursements	(54)	(350)	-	(3,500)	(50,261)	3,663	3,057
Cash and investments - ending	\$ 157	\$ -	\$ 1,021	\$ 2,439	\$ -	\$ 56,338	\$ 17,829

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

	Work Release Intake Fee	Law Enforcement Fund	Federal Forfeited Property	Co Offender Transportation	Local Health Dept Tr	United Way	Insurance Group Trust
Cash and investments - beginning	\$ 7,125	\$ 54,788	\$ 24,953	\$ 438	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	4,225	-	-	350	16,251	-	-
Fines and forfeits	-	3,365	7,862	-	-	-	-
Other receipts	-	31,674	606	-	33,017	1,040	403,487
Total receipts	4,225	35,039	8,468	350	49,268	1,040	403,487
Disbursements:							
Personal services	-	-	-	-	10,664	-	-
Supplies	-	2,509	516	-	366	-	-
Other services and charges	-	6,110	250	-	622	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	20,965	12,127	-	-	-	-
Other disbursements	-	836	-	-	-	1,040	403,487
Total disbursements	-	30,420	12,893	-	11,652	1,040	403,487
Excess (deficiency) of receipts over disbursements	4,225	4,619	(4,425)	350	37,616	-	-
Cash and investments - ending	\$ 11,350	\$ 59,407	\$ 20,528	\$ 788	\$ 37,616	\$ -	\$ -

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

	Life Insurance	Dental & Vision	AFLAC	Vol PERF Contributions	Sur Tax	Wheel Tax	LOIT Prop Tax Oper Levies Rep
Cash and investments - beginning	\$ -	\$ -	\$ 4,133	\$ -	\$ -	\$ 2,250	\$ 198,720
Receipts:							
Taxes	-	-	-	-	-	-	2,745,213
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	704,046	121,924	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	51,858	73,910	62,669	32,971	-	-	-
Total receipts	<u>51,858</u>	<u>73,910</u>	<u>62,669</u>	<u>32,971</u>	<u>704,046</u>	<u>121,924</u>	<u>2,745,213</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	49,685	73,910	58,778	32,971	704,046	124,174	2,943,933
Total disbursements	<u>49,685</u>	<u>73,910</u>	<u>58,778</u>	<u>32,971</u>	<u>704,046</u>	<u>124,174</u>	<u>2,943,933</u>
Excess (deficiency) of receipts over disbursements	<u>2,173</u>	<u>-</u>	<u>3,891</u>	<u>-</u>	<u>-</u>	<u>(2,250)</u>	<u>(198,720)</u>
Cash and investments - ending	<u>\$ 2,173</u>	<u>\$ -</u>	<u>\$ 8,024</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	LOIT Public Safety	LOIT Stabilization	16.607 Bullet Proof Vest	93.069 Bioterror Base 11-12	14.228 CDBG-Primary	14.228 CDBG-Old Town Waverly	20.600 Operation Pullvoer
Cash and investments - beginning	\$ -	\$ 2,853,828	\$ -	\$ -	\$ (49,777)	\$ (45,203)	\$ (3,323)
Receipts:							
Taxes	-	198,720	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	3,431,516	-	5,668	-	-	-	29,659
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>3,431,516</u>	<u>198,720</u>	<u>5,668</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,659</u>
Disbursements:							
Personal services	-	-	-	11,991	-	-	13,713
Supplies	-	-	6,428	-	-	-	-
Other services and charges	-	-	-	368	589	3,403	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	42,750	-
Other disbursements	<u>3,431,516</u>	<u>1,196,413</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,431</u>
Total disbursements	<u>3,431,516</u>	<u>1,196,413</u>	<u>6,428</u>	<u>12,359</u>	<u>589</u>	<u>46,153</u>	<u>29,144</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(997,693)</u>	<u>(760)</u>	<u>(12,359)</u>	<u>(589)</u>	<u>(46,153)</u>	<u>515</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 1,856,135</u>	<u>\$ (760)</u>	<u>\$ (12,359)</u>	<u>\$ (50,366)</u>	<u>\$ (91,356)</u>	<u>\$ (2,808)</u>

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

	20.205 Brooklyn Pedest Bridge	97.039 HAZ MIT-Primary	97.039 HAZ MIT-Henderson	97.039 HAZ MIT-Old Town Waverly	16.588 STOP Viol Ag Wo 11-12	16.575 VOCA 11-12	16.588 STOP Viol Ag Wo 12-13
Cash and investments - beginning	\$ 43,792	\$ -	\$ 3,923	\$ (50,480)	\$ -	\$ -	\$ (567)
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	53,889	7,303	28	218,993	-	-	7,660
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	3,325	-	-	-	-	-
Total receipts	<u>53,889</u>	<u>10,628</u>	<u>28</u>	<u>218,993</u>	<u>-</u>	<u>-</u>	<u>7,660</u>
Disbursements:							
Personal services	-	-	-	835	6,809	6,587	7,093
Supplies	-	-	-	-	-	-	-
Other services and charges	-	7,303	28	40,066	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	58,164	-	-	128,250	-	-	-
Other disbursements	-	3,325	-	-	-	-	-
Total disbursements	<u>58,164</u>	<u>10,628</u>	<u>28</u>	<u>169,151</u>	<u>6,809</u>	<u>6,587</u>	<u>7,093</u>
Excess (deficiency) of receipts over disbursements	<u>(4,275)</u>	<u>-</u>	<u>-</u>	<u>49,842</u>	<u>(6,809)</u>	<u>(6,587)</u>	<u>567</u>
Cash and investments - ending	<u>\$ 39,517</u>	<u>\$ -</u>	<u>\$ 3,923</u>	<u>\$ (638)</u>	<u>\$ (6,809)</u>	<u>\$ (6,587)</u>	<u>\$ -</u>

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

	93.074 Bioterror Base 12-13	97.039 HAZ MIT-2010 Waverly	14.228 CDBG-2010 Waverly	16.575 VOCA 12-13	93.074 Bioterror CRI 12-13	Comm Corr Grant 11-12	Interpreter Grant
Cash and investments - beginning	\$ (6,108)	\$ (202,753)	\$ (68,216)	\$ (7,161)	\$ (2,649)	\$ 5,693	\$ 3,090
Receipts:							
Taxes	-	-	-	33,427	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	11,804	206,225	68,717	-	24,336	122,006	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>11,804</u>	<u>206,225</u>	<u>68,717</u>	<u>33,427</u>	<u>24,336</u>	<u>122,006</u>	<u>-</u>
Disbursements:							
Personal services	5,199	-	-	26,266	16,676	107,649	-
Supplies	-	-	-	-	2,229	1,976	-
Other services and charges	497	3,472	1,157	-	202	10,028	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	2,580	-	-
Other disbursements	-	-	-	-	-	5,693	-
Total disbursements	<u>5,696</u>	<u>3,472</u>	<u>1,157</u>	<u>26,266</u>	<u>21,687</u>	<u>125,346</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>6,108</u>	<u>202,753</u>	<u>67,560</u>	<u>7,161</u>	<u>2,649</u>	<u>(3,340)</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (656)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,353</u>	<u>\$ 3,090</u>

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

	Comm Corr Grant 12-13	Comm Corr Proj Income 13-14	MC Pros Fed Forfeiture	93.074 Bioterror MRC	97.039 Haz Mit-Johnson	14.228 CDBG-Johnson	93.069 Bioterror Base Bonus
Cash and investments - beginning	\$ 15,887	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	94,895	9,730	-	4,998	136,630	-	18,087
Charges for services	-	57,346	1,654	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	311	337,043	-	-	-	-	-
Total receipts	95,206	404,119	1,654	4,998	136,630	-	18,087
Disbursements:							
Personal services	81,939	30,752	-	-	-	-	6,047
Supplies	4,250	30	-	1,498	-	-	2,298
Other services and charges	18,062	22,128	-	60	1,817	606	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	3,440	134,813	44,938	9,742
Other disbursements	6,842	255	-	-	-	-	-
Total disbursements	111,093	53,165	-	4,998	136,630	45,544	18,087
Excess (deficiency) of receipts over disbursements	(15,887)	350,954	1,654	-	-	(45,544)	-
Cash and investments - ending	\$ -	\$ 350,954	\$ 1,654	\$ -	\$ -	\$ (45,544)	\$ -

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

	20.205 Landersdale Const Eng	93.069 Bioterror MRC	Naccho MRC	CTP Grant 12-13	Sale of County Owned Property	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,487,530
Receipts:						
Taxes	-	-	-	-	-	99,247,652
Licenses and permits	-	-	-	-	-	148,809
Intergovernmental	66,030	9,953	4,000	11,520	-	15,824,763
Charges for services	-	-	-	-	-	1,901,803
Fines and forfeits	-	-	-	-	-	1,025,512
Other receipts	-	-	-	-	37,209	28,304,116
Total receipts	<u>66,030</u>	<u>9,953</u>	<u>4,000</u>	<u>11,520</u>	<u>37,209</u>	<u>146,452,655</u>
Disbursements:						
Personal services	-	-	-	-	-	14,431,756
Supplies	-	7,461	-	-	-	2,016,671
Other services and charges	66,031	-	62	-	2,498	6,722,541
Debt service - principal and interest	-	-	-	-	-	840,808
Capital outlay	-	2,492	3,938	-	-	1,996,157
Other disbursements	-	-	-	11,520	34,711	122,477,584
Total disbursements	<u>66,031</u>	<u>9,953</u>	<u>4,000</u>	<u>11,520</u>	<u>37,209</u>	<u>148,485,517</u>
Excess (deficiency) of receipts over disbursements	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,032,862)</u>
Cash and investments - ending	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,454,668</u>

MORGAN 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>\$ 714,366</u>	<u>\$ 221,443</u>

MORGAN COUNTY  
SCHEDULE OF LEASES AND DEBT  
December 31, 2013

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Caterpillar Financial Services Corp	2012 Caterpillar Wheel Loader	\$ 46,954	5/4/2012	5/4/2016
Deere Credit Inc	2010 John Deere Skid Steer Loader & 2011 Bucket	5,987	11/18/2010	11/4/2014
PACCAR Financial	2 2011 Kenworths 10' Dump Trucks	45,035	2/12/2010	2/12/2014
PACCAR Financial	2 2011 Kenworths 10' Dump Trucks	45,035	2/19/2010	2/19/2014
PACCAR Financial	2 2014 Peterbilt 348 PalFleet dump body	42,501	7/8/2013	7/28/2018
PACCAR Financial	2 2014 Peterbilt 348 PalFleet dump body	42,501	7/8/2013	7/28/2018
Santander Bank	911 Central Dispatch Console System	158,020	12/1/2013	12/1/2018
Sun Trust Equip Finance	Gradall XL3100IV	<u>56,914</u>	6/17/2013	7/1/2018
Total governmental activities		<u>442,947</u>		
Total of annual lease payments		<u>\$ 442,947</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
Revenue bonds	Jail Expansion & Work Release	<u>\$ 4,820,000</u>	<u>\$ 841,820</u>
Totals		<u>\$ 4,820,000</u>	<u>\$ 841,820</u>

MORGAN 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	\$ 5,030,762
Infrastructure	46,294,514
Buildings	26,328,764
Machinery, equipment, and vehicles	8,315,567
Books and other	<u>2,778,531</u>
Total governmental activities	<u>88,748,138</u>
Total capital assets	<u>\$ 88,748,138</u>

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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 MORGAN COUNTY, INDIANA

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

We have audited Morgan 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)

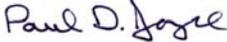
***Report on Internal Control Over Compliance***

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.

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

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

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

  
Paul D. Joyce, CPA  
State Examiner

October 27, 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.

MORGAN 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
<b><u>Department of Housing and Urban Development</u></b>				
CDBG - State-Administered CDBG Cluster				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii				
CDBG 2010 Waverly	Indiana Housing and Community Development	14.228	DR1HB-011-024	\$ 68,717
Total - CDBG - State-Administered CDBG Cluster				<u>68,717</u>
Total - Department of Housing and Urban Development				<u>68,717</u>
<b><u>Department of Justice</u></b>				
Crime Victim Assistance				
Victim Assistance 10/12-9/13	Indiana Criminal Justice Insitute	16.575	2012-VA-GX-0017	<u>33,427</u>
Violence Againt Women Formula Grants				
Stop Violence Against Women 12/13	Indiana Criminal Justice Insitute	16.588	2012-WF-AX-0035	<u>7,660</u>
Bulletproof Vest Partnership Program				
Bullet Proof Vest Partnership Program	Direct	16.607	Calendar 2013	<u>5,668</u>
Total - Department of Justice				<u>46,755</u>
<b><u>Department of Transportation</u></b>				
Highway Planning and Construction Cluster				
Highway Planning and Construction				
Brooklyn Pedestrian Bridge				
Bridge Inventory	Indiana Department of Transportation	20.205	A249-09-320650	53,889
Bridge #44		20.205	A249-09-321196	40,000
Landersdale Trail-Const Engineering		20.205	A249-12-320133A	65,205
Landersdale Trail-Hill Water		20.205	A249-13-320036	66,030
2008 Flood Emerg-Paraon Rd		20.205	A249-13-320036	1,706
2008 Flood Emerg-Robb Hill Rd		20.205	A249-13-320058	29,841
2008 Flood Emerg-Hadley Rd		20.205	A249-13-320059	60,540
2008 Flood Emerg-Blue Bluff Rd		20.205	A249-13-320060	11,106
2008 Flood Emerg-Mahalasville Rd		20.205	A249-13-320061	46,508
		20.205	A249-13-320062	<u>8,527</u>
Total - Highway Planning and Construction				<u>383,352</u>
Total - Highway Planning and Construction Cluster				<u>383,352</u>
Highway Safety Cluster				
State and Community Highway Safety				
Operation Pull Over 10/12-9/13	Indiana Criminal Justice Insitute	20.600	D3-13-7344	<u>29,659</u>
Total - Highway Safety Cluster				<u>29,659</u>
Total - Department of Transportation				<u>413,011</u>
<b><u>Department of Health and Human Services</u></b>				
Public Health Emergency Preparedness				
93.069 Bioterror Base Bonus	Indiana State Department of Health	93.069	A70-3-0532125	18,087
Bioterror MRC 5/13-8/13		93.069	A70-3-0532168	<u>9,953</u>
Total - Public Health Emergency Preparedness				<u>28,040</u>

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

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

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 Health and Human Services (continued)</u>				
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	Indiana State Department of Health			
Bioterrorism Base 8/12-6/13		93.074	A70-3-0531964	11,804
Bioterror MRC 9/12-6/13		93.074	A70-3-0532040	4,998
Bioterrorism CRI 8/12-6/13		93.074	A70-3-0532061	<u>24,336</u>
Total - Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements				<u>41,138</u>
Child Support Enforcement	Indiana Department of Child Services			
Title IV-D Reimb Prosecutor Expenditures		93.563	Calendar 2013	202,422
Title IV-D Reimb Clerk Expenditures		93.563	Calendar 2013	52,406
Indirect Cost		93.563	Calendar 2013	126,479
Title IV-D Clerk Incentive		93.563	Calendar 2013	21,225
Title IV-D Prosecutor Incentive		93.563	Calendar 2013	57,697
Title IV-D County Incentive		93.563	Calendar 2013	16,088
Title IV-D Reimb Court Expenditures		93.563	Calendar 2013	<u>5,813</u>
Total - Child Support Enforcement				<u>482,130</u>
Total - Department of Health and Human Services				<u>551,308</u>
<u>Department of Homeland Security</u>				
Hazard Mitigation Grant	Indiana Department of Homeland Security			
Hazard Mitigation Henderson		97.039	C44P-1-041A	28
Hazard Mitigation 2010 Waverly		97.039	C44P-2-274A	206,225
97.039 Haz Mitigation Johnson		97.039	C44P-2-408A	136,630
Hazard Mitigation Old Town Waverly		97.039	C44P-3-164B	218,993
Hazard Mitigation Primary		97.039	C44P-3-172B	<u>7,303</u>
Total - Hazard Mitigation Grant				<u>569,179</u>
Emergency Management Performance Grants EMPG Salaries 2012	Indiana Department of Homeland Security	97.042	C44P-3-284B	<u>20,643</u>
Total - Department of Homeland Security				<u>589,822</u>
Total federal awards expended				<u>\$ 1,669,613</u>

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

MORGAN 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
State and Community Highway Safety	20.600	<u>\$ 15,430</u>

MORGAN 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?	no
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
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?	no

Identification of Major Programs:

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

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

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

No matters are reportable.

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

No matters are reportable.

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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.



*Brenda Adams*  
*Morgan County Auditor*  
*180 S Main St, Ste 104*  
*Martinsville, IN 46151*  
*badams@morgancounty.in.gov*

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September 25, 2014

Re: SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

**FINDING 2012-2**

Original Assigned SBA Audit Report Number: B42466

Report Period: January 1, 2012 to December 31, 2012

Pass-Through Entity or Federal Grantor Agency: Indiana Department of Child Services

Contact Person Responsible for Corrective Action: Brenda Adams, Morgan Co. Auditor

Contact Phone Number: (765) 342-1001

Status of Audit Finding:

This letter is to notify you my office has established an effective internal control System over compliance requirements relating to allowable costs/cost principles.

Sincerely,

Brenda Adams  
Morgan County Auditor