

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

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



**FILED**  
12/12/2014



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Marsha A. McSherry	01-01-11 to 12-31-14
Treasurer	Sue Ann Mitchell	01-01-13 to 12-31-16
Clerk	Jason F. McSherry Ann M. Torpy	01-01-09 to 03-18-13 03-19-13 to 12-31-16
Sheriff	William R. Goshert	01-01-11 to 12-31-14
Recorder	Deborah A. Wright	01-01-11 to 12-31-14
President of the Board of County Commissioners	Ronald D. Truex Bradford Jackson	01-01-13 to 12-31-13 01-01-14 to 12-31-14
President of the County Council	Robert G. Sanders	01-01-13 to 12-31-14



## INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF KOSCIUSKO COUNTY, INDIANA

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

We have audited the accompanying financial statement of Kosciusko 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 9, 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 9, 2014



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF KOSCIUSKO 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 Kosciusko 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 9, 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***

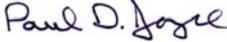
As part of obtaining reasonable assurance about whether the County's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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 2013-002.

***Kosciusko 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

October 9, 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.

KOSCIUSKO 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
County General	\$ 6,665,265	\$ 13,118,837	\$ 14,549,881	\$ 5,234,221
Sheriff Accident Report	15,737	7,058	5,893	16,902
County Edit Fund	4,789,970	3,636,486	5,280,360	3,146,096
Child Abuse Prevention	6,575	-	-	6,575
City & Town Court Costs	1,447	19,536	19,414	1,569
Clerk Document Storage Fee	80,905	29,709	24,586	86,028
Cert Share Local Option Tax	-	3,599,961	3,377,513	222,448
Interest-Congressional	11,497	127	1,125	10,499
Principal Congressional	28,129	-	-	28,129
Assessor Ed/Sales Disclosure	92,187	10,190	458	101,919
Cum Bridge	1,191,368	626,986	801,614	1,016,740
County Cum Capital Development	2,201,385	780,377	773,827	2,207,935
Cum Jail	136,451	141,180	150,000	127,631
Drug Free Communities-KCODE	4,753	61,431	61,801	4,383
Electronic Data	27,436	3,965	-	31,401
Local Emergency Planning	49,358	5,573	6,029	48,902
Recorder's Enhanced Access	7,410	-	7,410	-
County Extradition	8,250	7,145	14,589	806
Gun Permits	13,096	47,960	42,082	18,974
Gen. Drain Improvement	196,842	284,022	253,793	227,071
County Health	749,475	818,401	713,698	854,178
County ID Security Protection	6,984	9,117	4,500	11,601
Health Maintenance Grant	1,404	48,859	24,150	26,113
Local Road & Street	52,165	655,393	706,423	1,135
County Correction	-	49,610	49,610	-
Highway- MVH	1,681,623	4,812,758	5,187,443	1,306,938
Plat Book Fund	108,919	20,450	-	129,369
Rainy Day Fund	5,341,557	1,759	-	5,343,316
Cum Reassessment	1,364,542	340	1,364,882	-
Property Reassessment 2017	723,660	1,213,192	-	1,936,852
Records Record Perpetuation	99,994	160,197	164,105	96,086
Riverboat Revenue Sharing	-	458,263	458,263	-
Clerk Sheriff Pension	-	52,957	52,957	-
Surplus Tax	320,212	131,855	296,174	155,893
Surveyor Corner Perpetuation	71,996	19,252	17,424	73,824
Tax Sale Redemption	-	153,410	153,410	-
Tax Sale Surplus	886,253	401,254	578,982	708,525
Local Health Dept Trust Acct	227,631	17,408	51,130	193,909
CASA	-	13,271	13,271	-
Statewide 9-1-1	189,361	674,711	545,059	319,013
Adult Probation User Fees	372,128	192,510	270,851	293,787
Juvenile Probation User Fees	8,527	5,345	109	13,763
Drug & Alcohol User Fees	538,103	183,743	269,312	452,534
Drainage Maintenance	893,720	700,828	587,043	1,007,505
Sheriff Sale Fund	104,019	70,583	38,137	136,465
Health Clinic Administrative	240	24,673	12,540	12,373
SHOT Team Donation	14,805	8,628	7,343	16,090
Redevelopment Comm Dreyfus TIF	95,303	77,494	-	172,797
Employee Health Insurance Fund	2,447,767	3,725,461	3,184,850	2,988,378
Direct Deposit	-	7,103,896	7,103,896	-
Colonial Insurance	50	2,383,999	2,366,610	17,439
Deferred Compensation	10,847	227,347	225,352	12,842
Withholding-Federal	-	1,135,188	1,135,188	-
Withholding-Co Option Tax	-	111,007	111,007	-
Withholding-P.E.R.F.	-	284,121	284,121	-
Withholding-Sheriff Pension	-	55,853	55,853	-
Withholding-State	-	368,236	368,236	-
Garnishment	-	63,064	63,064	-
Tax Distribution	-	69,015,314	69,015,314	-
Commercial Vehicle Excise Tax	-	367,174	367,174	-
Sewage Charge Assessment Delq.	-	210,058	210,058	-
Financial Institution Fran Tax	-	366,941	366,941	-
HEA 1001-2008 Homestead Credit	2,356	-	-	2,356
Fines & Forfeitures	5,341	96,188	87,276	14,253
Clerk Of Court-Infraction	6,577	97,900	96,418	8,059
Special Death Benefit Fee	725	7,480	7,635	570
State Disclosure Of Sales	925	10,090	10,230	785
State Coroner Training & Continue Education	590	8,585	8,529	646
Mortgage Fee Fund	922	8,980	9,242	660
Homestd Property Database DLGF	1	22	23	-

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

KOSCIUSKO 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
Child Restraint Fines	-	1,401	1,251	150
Inheritance Tax	273,716	873,090	1,044,813	101,993
Education Plate Fee Dist.	94	1,369	1,425	38
County Edit Tax	-	4,380,885	4,380,885	-
Cert Share Local Option	-	10,174,257	10,174,257	-
93.563 Prosecutor PCA	202	424	532	94
Prosecutor ARRA	2,540	-	2,540	-
Clerk ARRA	42,919	-	16,226	26,693
93.563 Title IV-D Incentive	152,642	41,715	-	194,357
Prosecutor IV-D Incentive -New	212,450	64,810	145,554	131,706
Clerk IV-D Incentive (NEW)	181,390	41,715	106,744	116,361
Clerk's Trust Supplemental Annual Report	1,038,606	7,955,009	8,075,686	917,929
Clerk's ISETS Support Supplemental Annual Report	8,680	1,310,706	1,310,496	8,890
Sheriff's Inmate Meals Supplemental Annual Report	20,862	334,799	355,093	568
Sheriff's Inmate Trust Supplemental Annual Report	38,148	1,125,406	1,106,542	57,012
Work Release Inmate Trust Supplemental Annual Rep	6,319	52,492	52,175	6,636
Sheriff's Cash Book Supplemental Annual Report	-	1,691,075	1,691,075	-
Sheriff's Commissary Supplemental Annual Report	238,108	449,742	481,835	206,015
Treasurer Cash Change Supplemental Annual Report	500	-	-	500
Treasurer's Unsettled Tax Supplemental Annual Rep	1,365,469	1,644,465	1,365,469	1,644,465
Sheriff's Crime Stoppers Supplemental Annual Rep	26,233	-	1,047	25,186
Law Enforcement Data Access	16,900	45,500	-	62,400
Dog Fund Surplus	9,080	-	9,080	-
Ineligible Deduction Fund County	100,592	24,923	2,305	123,210
Promotional Fund	7,424	1,175	1,676	6,923
Innkeepers Tax	28,838	502,706	495,329	36,215
Dreyfus TIF Bond Repayment	241,657	258,653	215,000	285,310
Co Sheriff Cont Education	2,882	2,556	950	4,488
KCCRVC Commission	140,057	525,446	433,913	231,590
Law Enforcement Forfeit Sherif	83,100	7,282	11,709	78,673
Recorder Refund	305	-	-	305
Sub Division Escrow	3,750	-	-	3,750
Etna Green Sheriff Patrol Reim	1,120	10,320	11,440	-
Children's Psychiatric Residence	-	109	109	-
Co Family & Child's Fund	-	72	72	-
Withholding-Medicare	-	156,740	156,740	-
Withholding - Oasi	-	669,753	669,753	-
Weed Cutting Assessments	-	5,975	5,975	-
Public Mass Trans 18025040 FED	-	276,856	276,856	-
Public Mass Trans 18025040 STA	-	113,215	113,215	-
DUI Reimbursement	2,725	8,574	11,299	-
F.A.C.T D3-13-7545	(2,313)	39,377	37,064	-
Fire District 2 Training 10/11	100	-	-	100
VOCA	-	2,239	8,716	(6,477)
VOCA 12VA1607	(4,690)	39,577	34,887	-
Prenatal	74,983	11,744	12,639	74,088
DNR 2011	726	-	-	726
Fire District 2 11/12/13	3,013	63,697	60,414	6,296
2010 SHSP	(3,999)	93,556	89,557	-
2011 SHSP Equipment	506	637	1,143	-
2011 SHSP Admin	(4,000)	36,000	32,000	-
2011 Exercise	-	23,279	23,920	(641)
2012 EMPG Competitive	-	2,828	2,828	-
2012 TNC Grant	-	2,200	2,200	-
2012 SHSP Admin	-	16,000	20,000	(4,000)
REPP Sample Kit	-	3,000	3,000	-
Operation Pull Over PT-08-04-0	(6,537)	26,655	20,118	-
USDOJ Reimbursement Fund	-	6,982	-	6,982
TB Medical Expenses	30,000	-	-	30,000
Pandemic Fund	1,908	-	-	1,908
Court Interpreter Grant	3,244	9,075	5,494	6,825
Well Child Fund	12,885	25,314	17,689	20,510
DNR Grant 2012	56	-	56	-
Aggressive Driving Enforcement	875	-	875	-
County Transition Program	120,570	28,515	138,615	10,470
DNR Grant 2013	-	15,000	15,000	-
EMAC/MSC Activations	-	1,981	1,981	-
Turkey Creek Block Grant	-	4,000	-	4,000
<b>Totals</b>	<b>\$ 36,331,418</b>	<b>\$ 152,208,579</b>	<b>\$ 155,271,470</b>	<b>\$ 33,268,527</b>

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

KOSCIUSKO 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 may 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.

KOSCIUSKO 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 may 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.

KOSCIUSKO 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.

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.

KOSCIUSKO COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**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.

KOSCIUSKO 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. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash. The County established these funds to account for reimbursement grants. The cash deficits in these funds represent expenditures made by the County for which reimbursement had not been received by December 31, 2013.

**Note 8. Holding Corporation**

The County has entered into a capital lease with Kosciusko County Justice Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the County. The lessor has been determined to be a related party of the County. Lease payments during the year 2013 totaled \$1,895,000.

## SUPPLEMENTARY INFORMATION - UNAUDITED

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

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

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

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

	County General	Sheriff Accident Report	County Edit Fund	Child Abuse Prevention	City & Town Court Costs	Clerk Document Storage Fee	Cert Share Local Option Tax
Cash and investments - beginning	\$ 6,665,265	\$ 15,737	\$ 4,789,970	\$ 6,575	\$ 1,447	\$ 80,905	\$ -
Receipts:							
Taxes	8,244,047	-	2,724,306	-	-	-	3,599,961
Licenses and permits	38,625	-	-	-	-	-	-
Intergovernmental	1,022,112	-	-	-	-	-	-
Charges for services	1,943,794	7,058	-	-	-	-	-
Fines and forfeits	318,674	-	-	-	19,536	29,023	-
Other receipts	1,551,585	-	912,180	-	-	686	-
Total receipts	<u>13,118,837</u>	<u>7,058</u>	<u>3,636,486</u>	<u>-</u>	<u>19,536</u>	<u>29,709</u>	<u>3,599,961</u>
Disbursements:							
Personal services	8,902,201	-	-	-	-	-	3,377,513
Supplies	553,252	-	-	-	-	-	-
Other services and charges	4,867,308	-	152,000	-	-	22,855	-
Capital outlay	113,857	-	3,128,360	-	-	1,731	-
Other disbursements	113,263	5,893	2,000,000	-	19,414	-	-
Total disbursements	<u>14,549,881</u>	<u>5,893</u>	<u>5,280,360</u>	<u>-</u>	<u>19,414</u>	<u>24,586</u>	<u>3,377,513</u>
Excess (deficiency) of receipts over disbursements	<u>(1,431,044)</u>	<u>1,165</u>	<u>(1,643,874)</u>	<u>-</u>	<u>122</u>	<u>5,123</u>	<u>222,448</u>
Cash and investments - ending	<u>\$ 5,234,221</u>	<u>\$ 16,902</u>	<u>\$ 3,146,096</u>	<u>\$ 6,575</u>	<u>\$ 1,569</u>	<u>\$ 86,028</u>	<u>\$ 222,448</u>

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

	Interest-Congressional	Principal Congressional	Assessor Ed/Sales Disclosure	Cum Bridge	County Cum Capital Development	Cum Jail	Drug Free Communities-KCODE
Cash and investments - beginning	\$ 11,497	\$ 28,129	\$ 92,187	\$ 1,191,368	\$ 2,201,385	\$ 136,451	\$ 4,753
Receipts:							
Taxes	-	-	-	503,236	677,624	129,546	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	45,195	60,856	11,634	-
Charges for services	-	-	-	78,555	41,650	-	-
Fines and forfeits	-	-	10,190	-	-	-	61,431
Other receipts	127	-	-	-	247	-	-
Total receipts	127	-	10,190	626,986	780,377	141,180	61,431
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	64,973	-	-
Other services and charges	-	-	-	488,726	-	-	61,801
Capital outlay	-	-	458	312,888	708,854	150,000	-
Other disbursements	1,125	-	-	-	-	-	-
Total disbursements	1,125	-	458	801,614	773,827	150,000	61,801
Excess (deficiency) of receipts over disbursements	(998)	-	9,732	(174,628)	6,550	(8,820)	(370)
Cash and investments - ending	\$ 10,499	\$ 28,129	\$ 101,919	\$ 1,016,740	\$ 2,207,935	\$ 127,631	\$ 4,383

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

	Electronic Data	Local Emergency Planning	Recorder's Enhanced Access	County Extradition	Gun Permits	Gen. Drain Improvement	County Health
Cash and investments - beginning	\$ 27,436	\$ 49,358	\$ 7,410	\$ 8,250	\$ 13,096	\$ 196,842	\$ 749,475
Receipts:							
Taxes	-	-	-	-	-	284,022	672,642
Licenses and permits	-	-	-	-	47,960	-	-
Intergovernmental	-	-	-	-	-	-	60,408
Charges for services	3,965	-	-	7,126	-	-	84,466
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	5,573	-	19	-	-	885
Total receipts	<u>3,965</u>	<u>5,573</u>	<u>-</u>	<u>7,145</u>	<u>47,960</u>	<u>284,022</u>	<u>818,401</u>
Disbursements:							
Personal services	-	378	-	-	-	-	609,180
Supplies	-	524	-	-	39,082	-	48,153
Other services and charges	-	4,525	7,410	-	3,000	-	56,365
Capital outlay	-	602	-	-	-	-	-
Other disbursements	-	-	-	14,589	-	253,793	-
Total disbursements	<u>-</u>	<u>6,029</u>	<u>7,410</u>	<u>14,589</u>	<u>42,082</u>	<u>253,793</u>	<u>713,698</u>
Excess (deficiency) of receipts over disbursements	<u>3,965</u>	<u>(456)</u>	<u>(7,410)</u>	<u>(7,444)</u>	<u>5,878</u>	<u>30,229</u>	<u>104,703</u>
Cash and investments - ending	<u>\$ 31,401</u>	<u>\$ 48,902</u>	<u>\$ -</u>	<u>\$ 806</u>	<u>\$ 18,974</u>	<u>\$ 227,071</u>	<u>\$ 854,178</u>

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

	County ID Security Protection	Health Maintenance Grant	Local Road & Street	County Correction	Highway- MVH	Plat Book Fund	Rainy Day Fund
Cash and investments - beginning	\$ 6,984	\$ 1,404	\$ 52,165	\$ -	\$ 1,681,623	\$ 108,919	\$ 5,341,557
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	33,300	-	-
Intergovernmental	-	-	655,393	-	3,713,870	-	-
Charges for services	-	-	-	-	1,030,704	-	-
Fines and forfeits	9,094	-	-	-	-	20,450	-
Other receipts	23	48,859	-	49,610	34,884	-	1,759
Total receipts	<u>9,117</u>	<u>48,859</u>	<u>655,393</u>	<u>49,610</u>	<u>4,812,758</u>	<u>20,450</u>	<u>1,759</u>
Disbursements:							
Personal services	-	24,150	-	49,610	2,325,096	-	-
Supplies	-	-	706,423	-	1,353,693	-	-
Other services and charges	4,500	-	-	-	313,921	-	-
Capital outlay	-	-	-	-	1,194,733	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>4,500</u>	<u>24,150</u>	<u>706,423</u>	<u>49,610</u>	<u>5,187,443</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>4,617</u>	<u>24,709</u>	<u>(51,030)</u>	<u>-</u>	<u>(374,685)</u>	<u>20,450</u>	<u>1,759</u>
Cash and investments - ending	<u>\$ 11,601</u>	<u>\$ 26,113</u>	<u>\$ 1,135</u>	<u>\$ -</u>	<u>\$ 1,306,938</u>	<u>\$ 129,369</u>	<u>\$ 5,343,316</u>

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

	Cum Reassessment	Property Reassessment 2017	Records Record Perpetuation	Riverboat Revenue Sharing	Clerk Sheriff Pension	Surplus Tax	Surveyor Corner Perpetuation
Cash and investments - beginning	\$ 1,364,542	\$ 723,660	\$ 99,994	\$ -	\$ -	\$ 320,212	\$ 71,996
Receipts:							
Taxes	-	328,847	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	29,533	-	458,263	-	-	-
Charges for services	-	854,812	160,197	-	-	-	19,252
Fines and forfeits	-	-	-	-	52,957	-	-
Other receipts	340	-	-	-	-	131,855	-
Total receipts	<u>340</u>	<u>1,213,192</u>	<u>160,197</u>	<u>458,263</u>	<u>52,957</u>	<u>131,855</u>	<u>19,252</u>
Disbursements:							
Personal services	357,388	-	23,571	-	-	-	-
Supplies	1,911	-	-	-	-	-	-
Other services and charges	46,434	-	-	-	-	-	17,424
Capital outlay	104,337	-	-	-	-	-	-
Other disbursements	854,812	-	140,534	458,263	52,957	296,174	-
Total disbursements	<u>1,364,882</u>	<u>-</u>	<u>164,105</u>	<u>458,263</u>	<u>52,957</u>	<u>296,174</u>	<u>17,424</u>
Excess (deficiency) of receipts over disbursements	<u>(1,364,542)</u>	<u>1,213,192</u>	<u>(3,908)</u>	<u>-</u>	<u>-</u>	<u>(164,319)</u>	<u>1,828</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 1,936,852</u>	<u>\$ 96,086</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 155,893</u>	<u>\$ 73,824</u>

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

	Tax Sale Redemption	Tax Sale Surplus	Local Health Dept Trust Acct	CASA	Statewide 9-1-1	Adult Probation User Fees	Juvenile Probation User Fees
Cash and investments - beginning	\$ -	\$ 886,253	\$ 227,631	\$ -	\$ 189,361	\$ 372,128	\$ 8,527
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	153,410	-	-	13,271	-	750	-
Fines and forfeits	-	-	-	-	-	177,591	5,345
Other receipts	-	401,254	17,408	-	674,711	14,169	-
Total receipts	<u>153,410</u>	<u>401,254</u>	<u>17,408</u>	<u>13,271</u>	<u>674,711</u>	<u>192,510</u>	<u>5,345</u>
Disbursements:							
Personal services	-	-	51,130	-	472,729	242,000	-
Supplies	-	-	-	-	1,862	15,749	-
Other services and charges	-	-	-	-	70,468	11,687	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	153,410	578,982	-	13,271	-	1,415	109
Total disbursements	<u>153,410</u>	<u>578,982</u>	<u>51,130</u>	<u>13,271</u>	<u>545,059</u>	<u>270,851</u>	<u>109</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(177,728)</u>	<u>(33,722)</u>	<u>-</u>	<u>129,652</u>	<u>(78,341)</u>	<u>5,236</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 708,525</u>	<u>\$ 193,909</u>	<u>\$ -</u>	<u>\$ 319,013</u>	<u>\$ 293,787</u>	<u>\$ 13,763</u>

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

	Drug & Alcohol User Fees	Drainage Maintenance	Sheriff Sale Fund	Health Clinic Administrative	SHOT Team Donation	Redevelopment Comm Dreyfus TIF	Employee Health Insurance Fund
Cash and investments - beginning	\$ 538,103	\$ 893,720	\$ 104,019	\$ 240	\$ 14,805	\$ 95,303	\$ 2,447,767
Receipts:							
Taxes	-	700,828	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	39,740	-	70,583	-	3,600	37,289	3,381,274
Fines and forfeits	49,906	-	-	-	-	-	-
Other receipts	94,097	-	-	24,673	5,028	40,205	344,187
Total receipts	<u>183,743</u>	<u>700,828</u>	<u>70,583</u>	<u>24,673</u>	<u>8,628</u>	<u>77,494</u>	<u>3,725,461</u>
Disbursements:							
Personal services	95,088	-	-	-	-	-	31,800
Supplies	3,859	-	-	-	-	-	17,031
Other services and charges	141,086	-	-	12,540	-	-	58,377
Capital outlay	4,075	-	-	-	-	-	744
Other disbursements	25,204	587,043	38,137	-	7,343	-	3,076,898
Total disbursements	<u>269,312</u>	<u>587,043</u>	<u>38,137</u>	<u>12,540</u>	<u>7,343</u>	<u>-</u>	<u>3,184,850</u>
Excess (deficiency) of receipts over disbursements	<u>(85,569)</u>	<u>113,785</u>	<u>32,446</u>	<u>12,133</u>	<u>1,285</u>	<u>77,494</u>	<u>540,611</u>
Cash and investments - ending	<u>\$ 452,534</u>	<u>\$ 1,007,505</u>	<u>\$ 136,465</u>	<u>\$ 12,373</u>	<u>\$ 16,090</u>	<u>\$ 172,797</u>	<u>\$ 2,988,378</u>

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

	Direct Deposit	Colonial Insurance	Deferred Compensation	Withholding-Federal	Withholding-Co Option Tax	Withholding-P.E.R.F.	Withholding-Sheriff Pension
Cash and investments - beginning	\$ -	\$ 50	\$ 10,847	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	<u>7,103,896</u>	<u>2,383,999</u>	<u>227,347</u>	<u>1,135,188</u>	<u>111,007</u>	<u>284,121</u>	<u>55,853</u>
Total receipts	<u>7,103,896</u>	<u>2,383,999</u>	<u>227,347</u>	<u>1,135,188</u>	<u>111,007</u>	<u>284,121</u>	<u>55,853</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	<u>7,103,896</u>	<u>2,366,610</u>	<u>225,352</u>	<u>1,135,188</u>	<u>111,007</u>	<u>284,121</u>	<u>55,853</u>
Total disbursements	<u>7,103,896</u>	<u>2,366,610</u>	<u>225,352</u>	<u>1,135,188</u>	<u>111,007</u>	<u>284,121</u>	<u>55,853</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>17,389</u>	<u>1,995</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 17,439</u>	<u>\$ 12,842</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	<u>Withholding-State</u>	<u>Garnishment</u>	<u>Tax Distribution</u>	<u>Commercial Vehicle Excise Tax</u>	<u>Sewage Charge Assessment Delq.</u>	<u>Financial Institution Fran Tax</u>	<u>HEA 1001-2008 Homestead Credit</u>
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,356
Receipts:							
Taxes	-	-	61,443,305	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	7,572,009	367,174	-	-	-
Charges for services	-	-	-	-	210,058	366,941	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	368,236	63,064	-	-	-	-	-
Total receipts	<u>368,236</u>	<u>63,064</u>	<u>69,015,314</u>	<u>367,174</u>	<u>210,058</u>	<u>366,941</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	368,236	63,064	69,015,314	367,174	210,058	366,941	-
Total disbursements	<u>368,236</u>	<u>63,064</u>	<u>69,015,314</u>	<u>367,174</u>	<u>210,058</u>	<u>366,941</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,356</u>

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

	Fines & Forfeitures	Clerk Of Court-Infraction	Special Death Benefit Fee	State Disclosure Of Sales	State Coroner Training & Continue Education	Mortgage Fee Fund	Homestd Property Database DLGF
Cash and investments - beginning	\$ 5,341	\$ 6,577	\$ 725	\$ 925	\$ 590	\$ 922	\$ 1
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	10,090	8,585	8,980	-
Fines and forfeits	96,188	97,900	7,480	-	-	-	-
Other receipts	-	-	-	-	-	-	22
Total receipts	<u>96,188</u>	<u>97,900</u>	<u>7,480</u>	<u>10,090</u>	<u>8,585</u>	<u>8,980</u>	<u>22</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	87,276	96,418	7,635	10,230	8,529	9,242	23
Total disbursements	<u>87,276</u>	<u>96,418</u>	<u>7,635</u>	<u>10,230</u>	<u>8,529</u>	<u>9,242</u>	<u>23</u>
Excess (deficiency) of receipts over disbursements	<u>8,912</u>	<u>1,482</u>	<u>(155)</u>	<u>(140)</u>	<u>56</u>	<u>(262)</u>	<u>(1)</u>
Cash and investments - ending	<u>\$ 14,253</u>	<u>\$ 8,059</u>	<u>\$ 570</u>	<u>\$ 785</u>	<u>\$ 646</u>	<u>\$ 660</u>	<u>\$ -</u>

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

	Child Restraint Fines	Inheritance Tax	Education Plate Fee Dist.	County Edit Tax	Cert Share Local Option	93.563 Prosecutor PCA	Prosecutor ARRA
Cash and investments - beginning	\$ -	\$ 273,716	\$ 94	\$ -	\$ -	\$ 202	\$ 2,540
Receipts:							
Taxes	-	-	-	4,380,885	10,174,257	-	-
Licenses and permits	-	-	1,369	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	873,090	-	-	-	-	-
Fines and forfeits	1,401	-	-	-	-	-	-
Other receipts	-	-	-	-	-	424	-
Total receipts	<u>1,401</u>	<u>873,090</u>	<u>1,369</u>	<u>4,380,885</u>	<u>10,174,257</u>	<u>424</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	-	-	-	2,540
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	1,251	1,044,813	1,425	4,380,885	10,174,257	532	-
Total disbursements	<u>1,251</u>	<u>1,044,813</u>	<u>1,425</u>	<u>4,380,885</u>	<u>10,174,257</u>	<u>532</u>	<u>2,540</u>
Excess (deficiency) of receipts over disbursements	<u>150</u>	<u>(171,723)</u>	<u>(56)</u>	<u>-</u>	<u>-</u>	<u>(108)</u>	<u>(2,540)</u>
Cash and investments - ending	<u>\$ 150</u>	<u>\$ 101,993</u>	<u>\$ 38</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 94</u>	<u>\$ -</u>

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

	Clerk ARRA	93.563 Title IV-D Incentive	Prosecutor IV-D Incentive -New	Clerk IV-D Incentive (NEW)	Clerk's Trust Supplemental Annual Report	Clerk's ISETS Support Supplemental Annual Report	Sheriff's Inmate Meals Supplemental Annual Report
Cash and investments - beginning	\$ 42,919	\$ 152,642	\$ 212,450	\$ 181,390	\$ 1,038,606	\$ 8,680	\$ 20,862
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	41,715	64,810	41,715	7,955,009	1,310,706	334,799
Total receipts	-	41,715	64,810	41,715	7,955,009	1,310,706	334,799
Disbursements:							
Personal services	16,226	-	96,095	-	-	-	-
Supplies	-	-	4,390	-	-	-	-
Other services and charges	-	-	14,957	-	-	-	-
Capital outlay	-	-	22,518	-	-	-	-
Other disbursements	-	-	7,594	106,744	8,075,686	1,310,496	355,093
Total disbursements	16,226	-	145,554	106,744	8,075,686	1,310,496	355,093
Excess (deficiency) of receipts over disbursements	(16,226)	41,715	(80,744)	(65,029)	(120,677)	210	(20,294)
Cash and investments - ending	\$ 26,693	\$ 194,357	\$ 131,706	\$ 116,361	\$ 917,929	\$ 8,890	\$ 568

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

	Sheriff's Inmate Trust Supplemental Annual Report	Work Release Inmate Trust Supplemental Annual Rep	Sheriff's Cash Book Supplemental Annual Report	Sheriff's Commissary Supplemental Annual Report	Treasurer Cash Change Supplemental Annual Report	Treasurer's Unsettled Tax Supplemental Annual Rep	Sheriff's Crime Stoppers Supplemental Annual Rep
Cash and investments - beginning	\$ 38,148	\$ 6,319	\$ -	\$ 238,108	\$ 500	\$ 1,365,469	\$ 26,233
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	1,125,406	52,492	1,691,075	449,742	-	1,644,465	-
Total receipts	<u>1,125,406</u>	<u>52,492</u>	<u>1,691,075</u>	<u>449,742</u>	<u>-</u>	<u>1,644,465</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	1,106,542	52,175	1,691,075	481,835	-	1,365,469	1,047
Total disbursements	<u>1,106,542</u>	<u>52,175</u>	<u>1,691,075</u>	<u>481,835</u>	<u>-</u>	<u>1,365,469</u>	<u>1,047</u>
Excess (deficiency) of receipts over disbursements	<u>18,864</u>	<u>317</u>	<u>-</u>	<u>(32,093)</u>	<u>-</u>	<u>278,996</u>	<u>(1,047)</u>
Cash and investments - ending	<u>\$ 57,012</u>	<u>\$ 6,636</u>	<u>\$ -</u>	<u>\$ 206,015</u>	<u>\$ 500</u>	<u>\$ 1,644,465</u>	<u>\$ 25,186</u>

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

	Law Enforcement Data Access	Dog Fund Surplus	Ineligible Deduction Fund County	Promotional Fund	Innkeepers Tax	Dreyfus TIF Bond Repayment	Co Sheriff Cont Education
Cash and investments - beginning	\$ 16,900	\$ 9,080	\$ 100,592	\$ 7,424	\$ 28,838	\$ 241,657	\$ 2,882
Receipts:							
Taxes	-	-	-	-	502,706	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	9	-	258,653	-
Fines and forfeits	-	-	-	-	-	-	2,556
Other receipts	45,500	-	24,923	1,166	-	-	-
Total receipts	<u>45,500</u>	<u>-</u>	<u>24,923</u>	<u>1,175</u>	<u>502,706</u>	<u>258,653</u>	<u>2,556</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	252	-	-	-	-
Other services and charges	-	-	2,053	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	9,080	-	1,676	495,329	215,000	950
Total disbursements	<u>-</u>	<u>9,080</u>	<u>2,305</u>	<u>1,676</u>	<u>495,329</u>	<u>215,000</u>	<u>950</u>
Excess (deficiency) of receipts over disbursements	<u>45,500</u>	<u>(9,080)</u>	<u>22,618</u>	<u>(501)</u>	<u>7,377</u>	<u>43,653</u>	<u>1,606</u>
Cash and investments - ending	<u>\$ 62,400</u>	<u>\$ -</u>	<u>\$ 123,210</u>	<u>\$ 6,923</u>	<u>\$ 36,215</u>	<u>\$ 285,310</u>	<u>\$ 4,488</u>

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

	KCCRVC Commission	Law Enforcement Forfeit Sherif	Recorder Refund	Sub Division Escrow	Etna Green Sheriff Patrol Reim	Children's Psychiatric Residence	Co Family & Child's Fund
Cash and investments - beginning	\$ 140,057	\$ 83,100	\$ 305	\$ 3,750	\$ 1,120	\$ -	\$ -
Receipts:							
Taxes	495,329	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	30,000	7,282	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	117	-	-	-	10,320	109	72
Total receipts	<u>525,446</u>	<u>7,282</u>	<u>-</u>	<u>-</u>	<u>10,320</u>	<u>109</u>	<u>72</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	3,082	-	-	-	-	-
Other services and charges	433,913	6,000	-	-	-	-	-
Capital outlay	-	2,627	-	-	-	-	-
Other disbursements	-	-	-	-	11,440	109	72
Total disbursements	<u>433,913</u>	<u>11,709</u>	<u>-</u>	<u>-</u>	<u>11,440</u>	<u>109</u>	<u>72</u>
Excess (deficiency) of receipts over disbursements	<u>91,533</u>	<u>(4,427)</u>	<u>-</u>	<u>-</u>	<u>(1,120)</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 231,590</u>	<u>\$ 78,673</u>	<u>\$ 305</u>	<u>\$ 3,750</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Withholding-Medicare	Withholding - Oasi	Weed Cutting Assessments	Public Mass Trans 1802504O FED	Public Mass Trans 1802504O STA	DUI Reimbursement	F.A.C.T D3-13-7545
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,725	\$ (2,313)
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	156,740	669,753	5,975	276,856	113,215	8,574	39,377
Total receipts	<u>156,740</u>	<u>669,753</u>	<u>5,975</u>	<u>276,856</u>	<u>113,215</u>	<u>8,574</u>	<u>39,377</u>
Disbursements:							
Personal services	-	-	-	-	-	-	36,174
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	890
Capital outlay	-	-	-	-	-	-	-
Other disbursements	156,740	669,753	5,975	276,856	113,215	11,299	-
Total disbursements	<u>156,740</u>	<u>669,753</u>	<u>5,975</u>	<u>276,856</u>	<u>113,215</u>	<u>11,299</u>	<u>37,064</u>
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	(2,725)	2,313
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Fire District 2 Training 10/11	VOCA	VOCA 12VA1607	Prenatal	DNR 2011	Fire District 2 11/12/13	2010 SHSP
Cash and investments - beginning	\$ 100	\$ -	\$ (4,690)	\$ 74,983	\$ 726	\$ 3,013	\$ (3,999)
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	2,239	39,577	11,744	-	63,697	93,556
Total receipts	-	2,239	39,577	11,744	-	63,697	93,556
Disbursements:							
Personal services	-	8,716	34,887	12,520	-	1,035	-
Supplies	-	-	-	119	-	-	-
Other services and charges	-	-	-	-	-	59,379	-
Capital outlay	-	-	-	-	-	-	89,557
Other disbursements	-	-	-	-	-	-	-
Total disbursements	-	8,716	34,887	12,639	-	60,414	89,557
Excess (deficiency) of receipts over disbursements	-	(6,477)	4,690	(895)	-	3,283	3,999
Cash and investments - ending	\$ 100	\$ (6,477)	\$ -	\$ 74,088	\$ 726	\$ 6,296	\$ -

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

	2011 SHSP Equipment	2011 SHSP Admin	2011 Exercise	2012 EMPG Competitive	2012 TNC Grant	2012 SHSP Admin	REPP Sample Kit
Cash and investments - beginning	\$ 506	\$ (4,000)	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	637	36,000	23,279	2,828	2,200	16,000	3,000
Total receipts	<u>637</u>	<u>36,000</u>	<u>23,279</u>	<u>2,828</u>	<u>2,200</u>	<u>16,000</u>	<u>3,000</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	32,000	23,920	-	-	20,000	-
Other services and charges	1,143	-	-	2,828	2,200	-	3,000
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>1,143</u>	<u>32,000</u>	<u>23,920</u>	<u>2,828</u>	<u>2,200</u>	<u>20,000</u>	<u>3,000</u>
Excess (deficiency) of receipts over disbursements	<u>(506)</u>	<u>4,000</u>	<u>(641)</u>	<u>-</u>	<u>-</u>	<u>(4,000)</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (641)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,000)</u>	<u>\$ -</u>

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

	Operation Pull Over PT-08-04-0	USDOJ Reimbursement Fund	TB Medical Expenses	Pandemic Fund	Court Interpreter Grant	Well Child Fund	DNR Grant 2012
Cash and investments - beginning	\$ (6,537)	\$ -	\$ 30,000	\$ 1,908	\$ 3,244	\$ 12,885	\$ 56
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	6,982	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	26,655	-	-	-	9,075	25,314	-
Total receipts	<u>26,655</u>	<u>6,982</u>	<u>-</u>	<u>-</u>	<u>9,075</u>	<u>25,314</u>	<u>-</u>
Disbursements:							
Personal services	20,118	-	-	-	-	17,689	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	5,494	-	56
Total disbursements	<u>20,118</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,494</u>	<u>17,689</u>	<u>56</u>
Excess (deficiency) of receipts over disbursements	<u>6,537</u>	<u>6,982</u>	<u>-</u>	<u>-</u>	<u>3,581</u>	<u>7,625</u>	<u>(56)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 6,982</u>	<u>\$ 30,000</u>	<u>\$ 1,908</u>	<u>\$ 6,825</u>	<u>\$ 20,510</u>	<u>\$ -</u>

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

	Aggressive Driving Enforcement	County Transition Program	DNR Grant 2013	EMAC/MSC Activations	Turkey Creek Block Grant	Totals
Cash and investments - beginning	\$ 875	\$ 120,570	\$ -	\$ -	\$ -	\$ 36,331,418
Receipts:						
Taxes	-	-	-	-	-	94,861,541
Licenses and permits	-	-	-	-	-	121,254
Intergovernmental	-	-	-	-	-	13,996,447
Charges for services	-	-	-	-	-	9,712,166
Fines and forfeits	-	-	-	-	-	959,722
Other receipts	-	28,515	15,000	1,981	4,000	32,557,449
Total receipts	-	28,515	15,000	1,981	4,000	152,208,579
Disbursements:						
Personal services	875	-	12,250	-	-	16,820,959
Supplies	-	-	-	1,981	-	2,892,256
Other services and charges	-	-	2,750	-	-	6,869,540
Capital outlay	-	-	-	-	-	5,835,341
Other disbursements	-	138,615	-	-	-	122,853,374
Total disbursements	875	138,615	15,000	1,981	-	155,271,470
Excess (deficiency) of receipts over disbursements	(875)	(110,100)	-	-	4,000	(3,062,891)
Cash and investments - ending	\$ -	\$ 10,470	\$ -	\$ -	\$ 4,000	\$ 33,268,527

KOSCIUSKO 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>\$ 1,040,263</u>	<u>\$ 4,609,775</u>

KOSCIUSKO COUNTY  
SCHEDULE OF LEASES AND DEBT  
December 31, 2013

Lessor	Purpose	Annual Lease Payment	Lease Ending Date
Governmental activities:			
Kosciusko County Justice Building Corporation	Justice Building	\$ 1,895,000	2015
Total of annual lease payments		<u>\$ 1,895,000</u>	

Description of Debt	Ending Principal Balance	Interest Due Within One Year
Type	Purpose	
Governmental activities:		
General obligation bonds	Louis Dreyfus TIF	255,000
General obligation bonds	TruPointe TIF	53,206
Notes and loans payable	Munson Buildings	<u>103,692</u>
Total governmental activities		<u>411,898</u>
Totals		<u>\$ 411,898</u>

KOSCIUSKO 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:	
Infrastructure	\$ 51,580,802
Buildings	39,824,868
Machinery, equipment, and vehicles	<u>3,134,027</u>
Total governmental activities	<u>94,539,697</u>
Total capital assets	<u><u>\$ 94,539,697</u></u>

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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

TO: THE OFFICIALS OF KOSCIUSKO COUNTY, INDIANA

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

We have audited Kosciusko 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)

**Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2013-004. Our opinion on each major federal program is not modified with respect to these matters.

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

**Report on Internal Control Over Compliance**

Management of the County is responsible for establishing and maintaining effective internal control over compliance with 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 a material weakness.

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 a material weakness.

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

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

  
Paul D. Joyce, CPA  
State Examiner

October 9, 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.

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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>Department of Commerce</u>				
ARRA - State Broadband Data and Development Grant Program GIS Data Exchange Program - ARRA	Indiana Office of Technology	11.558	EDS# D20-3-8089	\$ 4,000
Total - Department of Commerce				4,000
<u>Department of Justice</u>				
Crime Victim Assistance	Indiana Criminal Justice Institute	16.575	2012-VA-GX-0017	18,324
Voca		16.575	2013-VA-GX-0036	2,239
Total - Department of Justice				20,563
<u>Department of Transportation</u>				
Highway Planning and Construction Cluster				
Highway Planning & Construction	Indiana Department of Transportation	20.205		
Round About			Des 0710955	44,198
Round About			Des 0902295	436,487
Round About			Des 1297353	64,230
SR-15 Bridge Replacement			B-29183	10,686
Total - Highway Planning and Construction Cluster				555,601
Formula Grants For Rural Areas KABS Federal	Indiana Department of Transportation	20.509	A249-12-320300	276,856
Highway Safety Cluster				
State and Community Highway Safety Operation Pull Over	Town of Winona Lake	20.600	PT-08-04-0	26,655
Alcohol Impaired Driving Countermeasures Incentive Grants I				
Fatal Alcohol Crash Team	Indiana Criminal Justice Institute	20.601	K8-2013-03-02-04	39,377
DUI Task Force	Town of Winona Lake	20.601	K8-2012-03-03-17	8,575
Total - Alcohol Impaired Driving Countermeasures Incentive Grants I				47,952
Total - Highway Safety Cluster				74,607
Total - Department of Transportation				907,064
<u>Department of Health and Human Services</u>				
Child Support Enforcement	Indiana Department of Child Services	93.563		
Prosecutor's Expenditures			Year 2013	181,801
Clerks Expenditures			Year 2013	10,987
Court Expenditures			Year 2013	14,510
Indirect Costs			Year 2013	68,832
Prosecutor Incentive			Year 2013	62,766
Clerk Incentive			Year 2013	41,715
Total - Child Support Enforcement				380,611
Maternal and Child Health Services Block Grant to the State Prenatal	Indiana Department of Health	93.994	1B04MC23378-01-00	11,744
Total - Department of Health and Human Services				392,355
<u>Department of Homeland Security</u>				
Boating Safety Financial Assistance DNR Grant	Indiana Department of Homeland Security	97.012	#300LE1BOATGRT14	11,016
Disaster Grants - Public Assistance (Presidentially Declared Disasters) 2013 Hurricane Sandy EMAC	Indiana Department of Homeland Security	97.036	#38512EMAC000000	1,981
Emergency Management Performance Grants	Indiana Department of Homeland Security			
2012 EMPG Competitive		97.042	C44P-3-034B	2,828
2012 EMPG-Salaries		97.042	C44P-3-274B	39,027
Total - Emergency Management Performance Grants				41,855
State Homeland Security Program (SHSP)	Indiana Department of Homeland Security			
2010 SHSP		97.073	C44P-1-071A	89,557
2011 SHSP Admin		97.073	C44P-2-242A	32,000
2011 SHSP Equipment		97.073	C44P-2-245A	1,143
2011 Exercise		97.073	C44P-2-414A	23,920
2012 TNC		97.073	C44P-3-082B	2,200
REPP Sample Kit		97.073	C44P-3-099B	3,000
2012 SHSP Admin		97.073	C44P-3-098B	16,000
Total - State Homeland Security Program (SHSP)				167,820
Total - Department of Homeland Security				222,672
Total federal awards expended				\$ 1,546,654

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

KOSCIUSKO 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	<u>\$ 276,856</u>

KOSCIUSKO COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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

Financial Statement:

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

Federal Awards:

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

Identification of Major Programs:

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

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

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

**FINDING 2013-001 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING**

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

Preparing Financial Statements: Effective internal control over financial reporting involves the 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 Deputy Auditor independently prepared the annual report without oversight, review, or approval. The financial information entered into the Annual Report was used to compile the financial statement.

KOSCIUSKO COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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

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

***FINDING 2013-002 - PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS***

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

During the audit of the SEFA, we noted the federal expenditures reported by the County were understated by \$288,183 with the following errors: Program Titles and Pass-Through Entity Identifying Numbers were not always accurate or were incomplete, and Total Federal Awards Expended included some state matching amounts. Audit adjustments were proposed, accepted by the County, and made to the SEFA presented in this report.

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

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

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

KOSCIUSKO COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

- (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 the total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.
- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

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

***FINDING 2013-003 - INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO CHILD SUPPORT ENFORCEMENT***

Federal Agency: Department of Health and Human Services

Federal Program: Child Support Enforcement

CFDA Number: 93.563

Federal Award Number and Year (or Other Identifying Number): Year 2013

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 all of the compliance requirements that have a direct and material effect to the program. This includes the following compliance requirements: Allowable Activities, Allowable Costs/Cost Principals, Cash Management, Equipment and Real Property, and Reporting. 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 program.

The County executed an agreement with Maximus Consulting, Inc., for the preparation of the monthly Court and Clerk of the Circuit Court Title IV-D expenditure reimbursement claims to the Department of Child Services (DCS) of the State of Indiana. During 2013, their services included the preparation of the Court's IV-D, and the Clerk's General fund monthly claims for reimbursement as well as the Clerk's IV-D Incentive

KOSCIUSKO COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

quarterly reporting based on information provided by the Auditor's Office. The Judge of the Court and the Clerk of the Circuit Court would sign the reimbursement claims and reports, but did not monitor the compliance requirements of the program. During 2013, the Court and the Clerk of the Circuit Court relied on Maximus for all federal compliance requirements and did not review their work.

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

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

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

The failure to establish internal controls could enable material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirements that have a direct and material effect to 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 all compliance requirements that have a direct and material effect to the program.

***FINDING 2013-004 - EQUIPMENT AND REAL PROPERTY MANAGEMENT***

Federal Agency: Department of Health and Human Services  
Federal Program: Child Support Enforcement  
CFDA Number: 93.563  
Federal Award Number and Year (or Other Identifying Number): Year 2013  
Pass-Through Entity: Indiana Department of Child Services

The Clerk of the Circuit Court did not maintain records that identify equipment and other property acquired with federal monies. A system did not exist that provided separate identification for items acquired with federal and nonfederal funds and a physical annual inventory of federally purchased equipment was not presented for audit.

As per the Clerk of the Circuit Court's Cooperative Agreement, Part III, Section 5, states: "To maintain an inventory record of equipment used in the Title IV-D program pursuant to instructions issued by the Child Support Bureau."

45 CFR 92.32 - Equipment states in part:

"(a) *Title*. Subject to the obligations and conditions set forth in this section, title to equipment acquired under a grant or subgrant will vest upon acquisition in the grantee or subgrantee respectively.

KOSCIUSKO COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

(b) *States.* A State will use, manage, and dispose of equipment acquired under a grant by the State in accordance with State laws and procedures. Other grantees and subgrantees will follow paragraphs (c) through (e) of this section.

(c) *Use.*

- (1) Equipment shall be used by the grantee or subgrantee in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds. When no longer needed for the original program or project, the equipment may be used in other activities currently or previously supported by a Federal agency.
- (2) The grantee or subgrantee shall also make equipment available for use on other projects or programs currently or previously supported by the Federal Government, providing such use will not interfere with the work on the projects or program for which it was originally acquired. First preference for other use shall be given to other programs or projects supported by the awarding agency. User fees should be considered if appropriate.
- (3) Notwithstanding the encouragement in §92.25(a) to earn program income, the grantee or subgrantee must not use equipment acquired with grant funds to provide services for a fee to compete unfairly with private companies that provide equivalent services, unless specifically permitted or contemplated by Federal statute.
- (4) When acquiring replacement equipment, the grantee or subgrantee may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property, subject to the approval of the awarding agency.

(d) *Management requirements.* Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part with grant funds, until disposition takes place will, as a minimum, meet the following requirements:

- (1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
- (2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.
- (3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft shall be investigated.
- (4) Adequate maintenance procedures must be developed to keep the property in good condition.
- (5) If the grantee or subgrantee is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return.

KOSCIUSKO COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

(e) *Disposition.* When original or replacement equipment acquired under a grant or subgrant is no longer needed for the original project or program or for other activities currently or previously supported by a Federal agency, disposition of the equipment will be made as follows:

- (1) Items of equipment with a current per-unit fair market value of less than \$5,000 may be retained, sold or otherwise disposed of with no further obligation to the awarding agency.
- (2) Items of equipment with a current per unit fair market value in excess of \$5,000 may be retained or sold and the awarding agency shall have a right to an amount calculated by multiplying the current market value or proceeds from sale by the awarding agency's share of the equipment.
- (3) In cases where a grantee or subgrantee fails to take appropriate disposition actions, the awarding agency may direct the grantee or subgrantee to take excess and disposition actions."

Failure to maintain detailed and accurate equipment and property records and to reconcile physical inventory could result in assets being lost, stolen, misappropriated, or disposed of improperly and not detected within a reasonable time.

We recommended that Clerk of the Circuit Court ensure accurate detailed capital asset records are maintained and that inventories of property and equipment are conducted at least once every two years and reconciled to the detailed capital asset ledger. Any significant differences should be investigated and the appropriate adjustments made to the records. Also, any assets acquired with federal funds must be designated as such so that they are not disposed of improperly.

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#### AUDITEE PREPARED DOCUMENTS

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

# Kosciusko County Auditor

Marsha McSherry

100 West Center Street, Rm 220

Warsaw, IN 46580

[mmcsherry@kcgov.com](mailto:mmcsherry@kcgov.com)

Phone 1-574-372-2328

FAX 1-574-372-2469

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### **FINDING 2012-003**

*Original Assigned SBA Audit Report Number:* B42673

*Report Period:* 2012

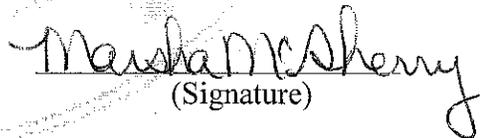
*Pass-Through Entity of Federal Grantor Agency:* Indiana Department of Child Services

*Contact Person Responsible for Corrective Action:* Marsha McSherry, County Auditor

*Contact Phone Number:* 574-372-2328

### Status of Audit Finding:

December 2, 2013 the Process Map and Internal Controls for Title IV-D were completed. The process and internal controls have been approved by the County Commissioner's. Please see attached documents for verification.

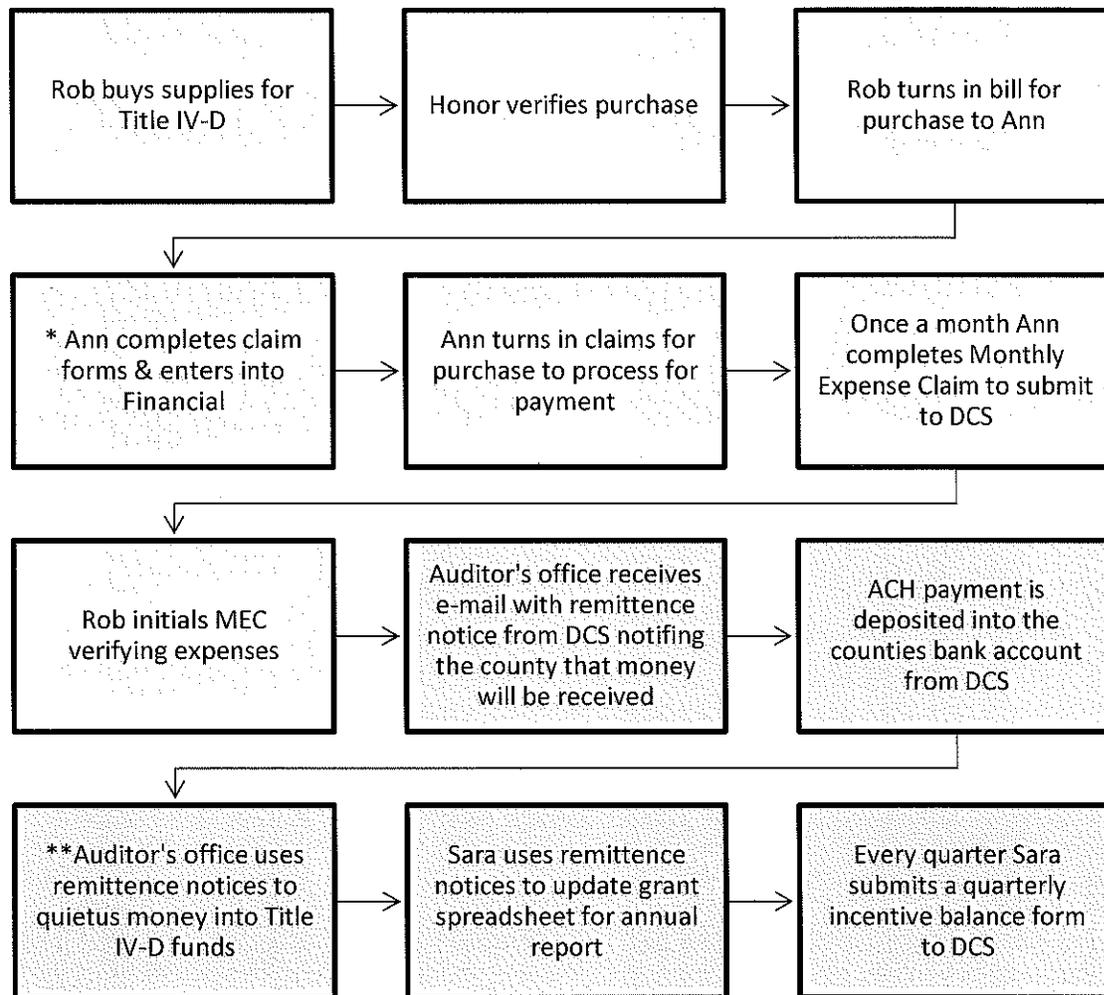
  
(Signature)

\_\_\_\_\_  
Auditor  
(Title)

\_\_\_\_\_  
July 31, 2014  
(Date)

Title IV-D Process Map

December 2, 2013



\*See Claims process map

\*\*See Quietus EFT process map

# Controls for Title IV-D

December 2, 2013

Honor verifies purchases Rob makes

- Ensures Rob's purchases are an eligible expense for Title IV-D

Ann prepares claim & enters into Financial System

- Ensures claim gets processed through the claims cycle

Ann completes Monthly Expense Claim to submit to DCS

- Ensures Prosecutor's office is asking for reimbursement

Rob initials MEC verifying expense

- Ensures expenses are eligible for reimbursement

Auditor's office receives e-mail from DCS with remittance notice

- Ensures County is notified money will be deposited into bank account

Sara submits a Quarterly Incentive Balance form to DCS

- Ensures balances between the Prosecutor's office and Auditor's balance



# Kosciusko County

Office of the Auditor  
Warsaw, Indiana 46580

**Marsha McSherry**  
Auditor

## CORRECTIVE ACTION PLAN

### ***FINDING 2013-001***

Marsha McSherry, Auditor  
Kosciusko County  
574-372-2328

#### Description of Corrective Action Plan:

Please see attached for the Annual Report Process and the Annual Report Process Internal Controls. This process was in place but not formerly presented and approved at the time of audit. At no time was any one Deputy Auditor independently preparing the financial (Annual Report) without oversight, review or approval.

Anticipated Completion Date: October 9, 2014

### ***FINDING 2013-002***

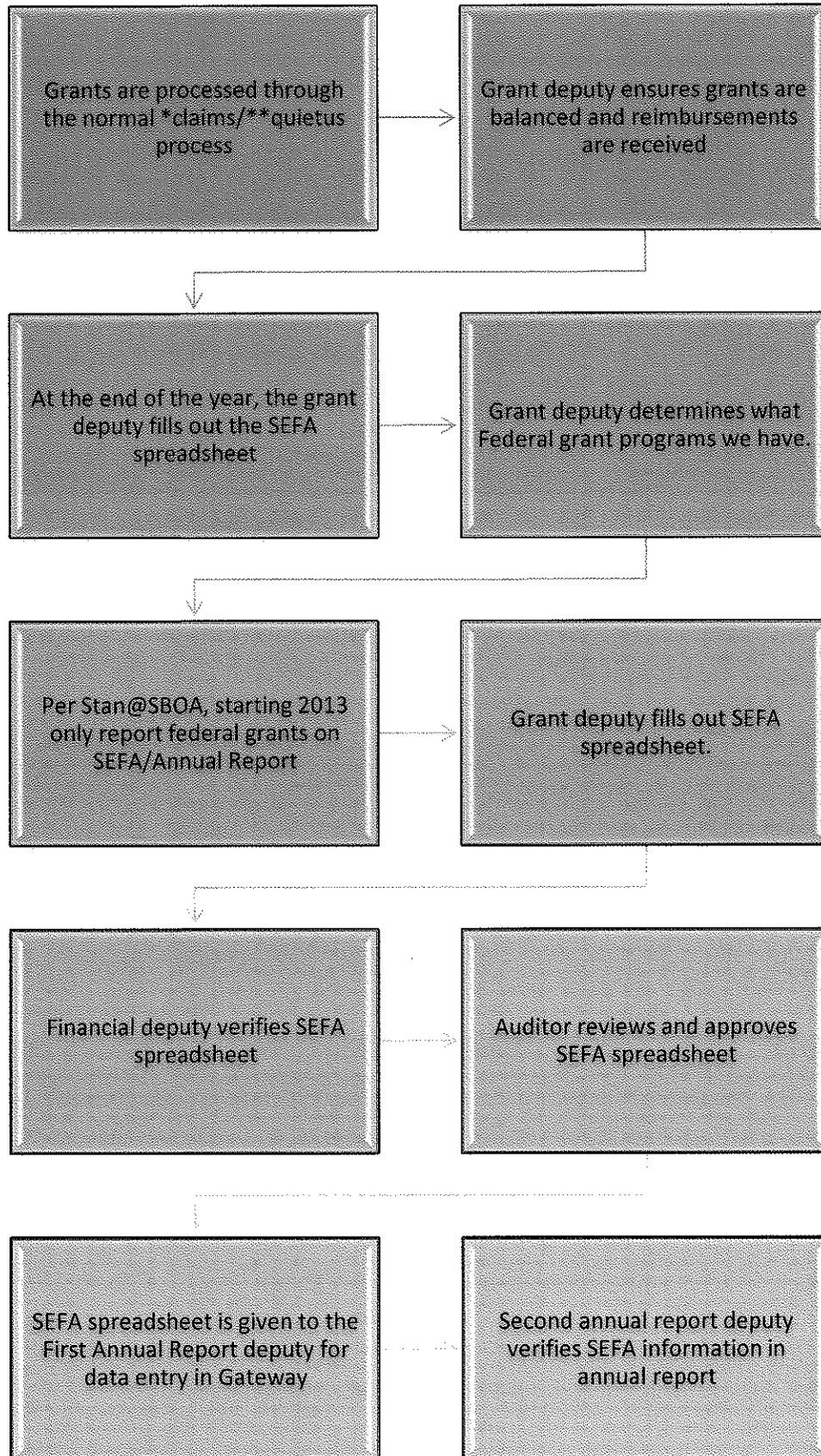
#### Description of Corrective Action Plan:

Please see attached for the SEFA Process and SEFA Internal Controls. This process was in place but not formerly presented and approved at the time of audit. In the 2013 Audit process we were informed by our SBOA Auditor to process differently that the current Auditor, so I feel that this should not be an audit comment.

Marsha McSherry  
(Signature)

Auditor  
(Title)

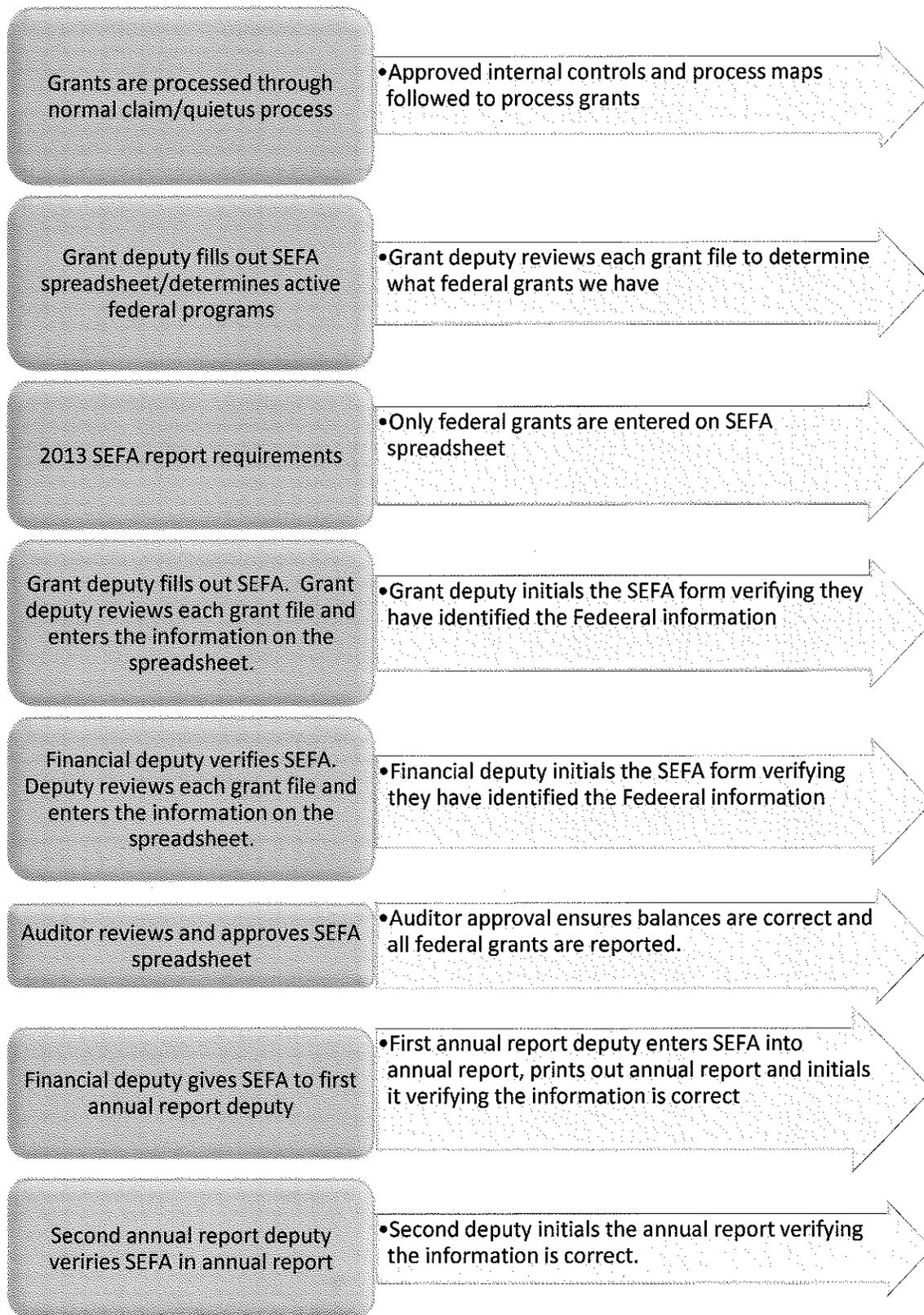
10/9/14  
(Date)



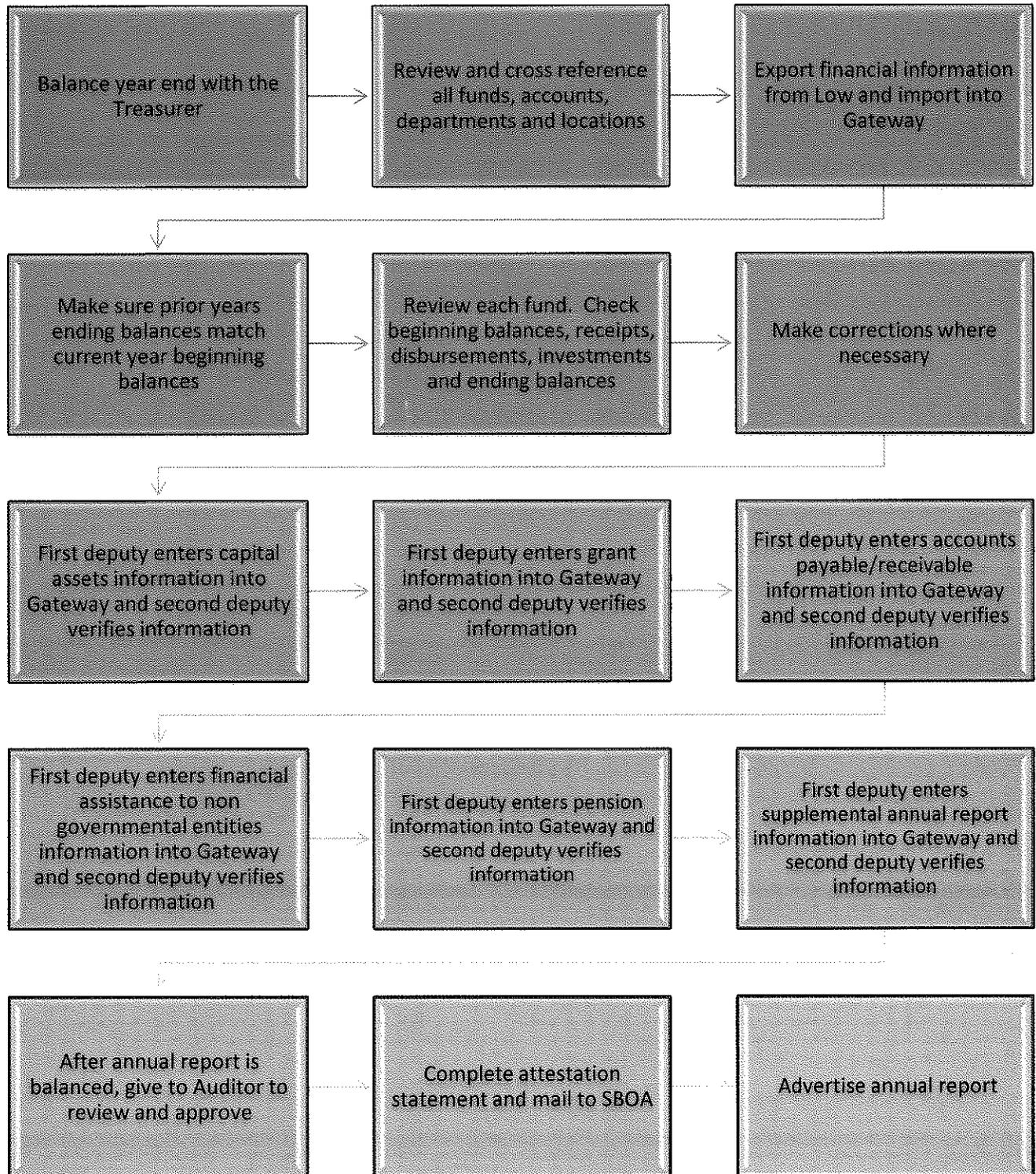
\*See Claims process

\*\*See Quietus Process

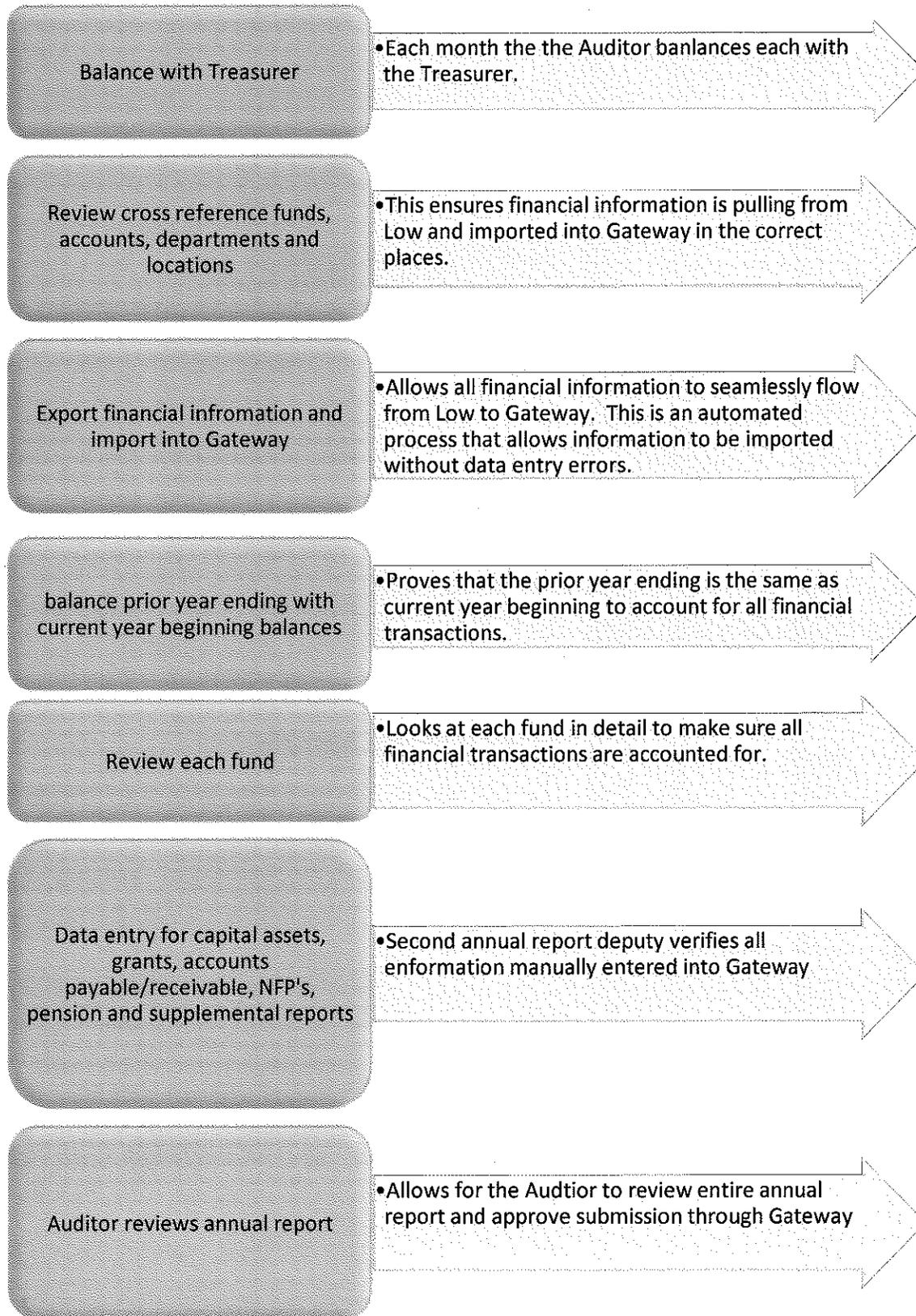
## Controls for: SEFA Process



### Annual Report Process



## Controls for: Annual Report Process





## KOSCIUSKO CIRCUIT AND SUPERIOR COURTS

***Ann Torpy, Clerk***

*Melissa Boggs, Chief Deputy*

121 N Lake St, Room: D162, Warsaw, IN 46580

Telephone: 574-372-2331 Fax: 574-372-2338

Contact Person Responsible for Corrective Action: Ann Torpy, Clerk

Contact Phone Number: 574-265-2638

### **Finding 2013-003**

We have made the following changes to our reporting process for IV-D claiming. We still continue to use Maximus as the preparer for the IV-D expenditure reimbursement claims. I have contacted the County Auditor and Maximus to request past reports that were used to complete the claim in reviewing the payroll and supply purchases reported each month in 2014. Starting with the September report, Maximus and the County Auditor will submit to the Clerk reports to verify that the data submitted on the expenditure reimbursement claim is correct. The claim will not be submitted to the Department of Family and Children until we have verified that the totals are correct.

### **Finding 2013-004**

We have gone through our support office and also past purchases(2009-2014) made with Title IV-D money to verify what inventory we still have on hand and where it is located within the Kosciusko County Clerk's office. The inventory will be updated as purchases are made or products are replaced and logged onto our IV-D inventory spreadsheet. At the end of each year, our child support deputy will verify that the equipment is where it is stated on the inventory spreadsheet or that it is no longer in use by the County Clerk's office. She will sign off on the spreadsheet and it will be kept with our IV-D expenditure reimbursement claims and quarterly reports for the year.

Anticipated Completion Date: September 2014

October 9, 2014

Ann Torpy, Clerk

KOSCIUSKO CIRCUIT COURT  
54th JUDICIAL CIRCUIT, STATE OF INDIANA  
KOSCIUSKO COUNTY JUSTICE BUILDING  
121 NORTH LAKE STREET  
WARSAW, INDIANA 46580-2749

MICHAEL W. REED  
JUDGE

Court Reporter:  
(574) 372-2403  
Court Administrators:  
(574) 372-2402

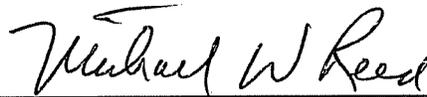
**CORRECTIVE ACTION PLAN**

FINDING 2013-003

Contact Person Responsible for Corrective Action: The Honorable Michael W. Reed.  
Contact Phone Number: (574) 372-2402

Description of Corrective Action Plan: The Kosciusko County Courts no longer use the services of Maximus Consulting, Inc., for the preparation of monthly Circuit Court Title IV-D Expenditure Reimbursement Claims to the Department of Child Services (DCS) of the State of Indiana as the Court no longer qualifies for reimbursement with respect to these expenses. Although the Agreement with Maximus Consulting, Inc. has not been terminated formally, there is simply no need to utilize their services and no future claim requests are anticipated. Should the Court qualify for these types of reimbursements in the future, and should the services of Maximus Consulting, Inc. be utilized in the future, the Court will assign a specific employee to review and verify the data submitted on the expenditure reimbursement claims to the Department of Child Services (DCS) of the State of Indiana.

Anticipated Completion Date: October 9, 2014.



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Michael W. Reed, Judge  
Kosciusko Circuit Court

October 9, 2014

#### 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/>.