

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

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



FILED
12/19/2014

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SCHEDULE OF OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|---|----------------------|----------------------|
| Auditor | Gayle Pennington | 01-01-11 to 12-31-14 |
| Treasurer | Phillip D. Weaver | 01-01-13 to 12-31-16 |
| Clerk | Richard Probst | 01-01-13 to 12-31-16 |
| Sheriff | Michael J. Kreinhop | 01-01-11 to 12-31-14 |
| Recorder | Glenn D. Wright | 01-01-11 to 12-31-14 |
| President of the Board of County Commissioners | Shane McHenry | 01-01-13 to 12-31-14 |
| President of the County Council | Dennis A. Kraus, Sr. | 01-01-13 to 12-31-14 |



STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF DEARBORN COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of Dearborn 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 September 29, 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

September 29, 2014



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

TO: THE OFFICIALS OF DEARBORN 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 Dearborn 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 September 29, 2014, wherein we noted the County followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

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

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

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


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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

September 29, 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.

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

| Fund | Cash and Investments 01-01-13 | Receipts | Disbursements | Cash and Investments 12-31-13 |
|---------------------------------------|-------------------------------------|------------|---------------|-------------------------------------|
| Sheriff Inmate Trust | \$ - | \$ 13,667 | \$ 13,667 | \$ - |
| Sheriff Commissary | 15,994 | 267,555 | 254,866 | 28,683 |
| Clerk's Trust | 1,299,633 | 8,098,027 | 8,303,598 | 1,094,062 |
| County General | 2,101,347 | 13,112,477 | 14,096,829 | 1,116,995 |
| Accident Report Fees | 14,771 | 7,922 | 20,883 | 1,810 |
| Bond Forfeiture | 1,000 | - | - | 1,000 |
| Cities & Town Court Costs | 923 | 10,474 | - | 11,397 |
| Clerk's Perpetuation | 52,971 | 33,558 | 24,817 | 61,712 |
| COIT | - | 3,429,179 | 3,225,538 | 203,641 |
| Community Corrections | 23,968 | 219,327 | 243,295 | - |
| Community Transition Prog | 7,820 | - | - | 7,820 |
| Covered Bridge | 12,350 | 1,850 | - | 14,200 |
| Cumulative Bridge | 2,388,273 | 982,188 | 1,796,553 | 1,573,908 |
| Cum Building Courthouse | 2,262,566 | 402,497 | 394,012 | 2,271,051 |
| Cum Cap Development | 1,165,466 | 337,177 | 336,247 | 1,166,396 |
| County Drug Fee Comm | 114,962 | 80,063 | 80,000 | 115,025 |
| Local Emergency Plan Comm | 37,464 | 3,617 | 6,190 | 34,891 |
| Firearms Training | 22,611 | 25,320 | 18,144 | 29,787 |
| Health Department | 26,213 | 502,651 | 430,877 | 97,987 |
| Co Identity Protection Fd | 4,777 | 4,780 | 2,925 | 6,632 |
| Levy Excess Fund | 215,939 | - | - | 215,939 |
| Local Health Maintenance | 40,841 | 64,369 | 46,966 | 58,244 |
| Local Road & Street | 543,119 | 473,568 | 375,420 | 641,267 |
| Co. Jail Misdemeanant Housing | 38,246 | 35,050 | 37,718 | 35,578 |
| County Highway | 847,284 | 2,010,519 | 1,653,335 | 1,204,468 |
| Park Bd Land Acquisition | 271,622 | 25,724 | - | 297,346 |
| Park & Recreation | 75,403 | 25,724 | - | 101,127 |
| Transfer Fees-Plat Maint | 97,692 | 11,073 | - | 108,765 |
| Rainy Day Fund | 2,785,466 | 9,201 | - | 2,794,667 |
| Cumulative Reassessment | 195,355 | - | 195,355 | - |
| 2015 Reassessment | 493,500 | 431,782 | 110,507 | 814,775 |
| Recorder's Records Perp | 48,425 | 91,510 | 27,304 | 112,631 |
| Riverboat Revenue | 800,011 | 1,128,252 | 1,523,879 | 404,384 |
| Co Sex & Violent Offender Fees | 10,930 | 3,850 | 4,112 | 10,668 |
| Public Defenders | 48,896 | - | - | 48,896 |
| Surplus Tax | 859 | 86,572 | 86,572 | 859 |
| Suveyor's Corner Perp | 51,483 | 9,430 | - | 60,913 |
| Tax Sale Fee | 46,039 | 17,360 | 12,955 | 50,444 |
| Tax Sale Redemption | - | 97,500 | 91,871 | 5,629 |
| Tax Sale Surplus | 433,194 | 400,152 | 197,958 | 635,388 |
| Vehicle Inspection | 3,130 | 1,526 | - | 4,656 |
| 93.643 Guardian Ad Litem | 47,922 | 43,805 | 31,726 | 60,001 |
| Auditor's Ineligible Deduction | 12,230 | 60,652 | 26,899 | 45,983 |
| Co. Elected Officials Training | 6,627 | 4,780 | 280 | 11,127 |
| County Offender Transportation | 988 | 563 | - | 1,551 |
| Statewide 911 | 317,096 | 743,211 | 653,648 | 406,659 |
| Adult Probation Administration | 50,922 | 60,951 | 39,641 | 72,232 |
| Cir Ct Juv Prob Admin | 5,041 | 6,641 | 9,096 | 2,586 |
| Supplemental Adult Probation Services | 258,767 | 250,046 | 277,303 | 231,510 |
| County User Fees | 298,853 | 222,584 | 197,765 | 323,672 |
| Donations | 59,545 | 35,115 | 30,390 | 64,270 |
| TIF Grants and Loans | 283,312 | 73,726 | 65,071 | 291,967 |
| Jail Bond Redemption | 27,923 | - | 27,923 | - |
| Health Insurance | 1,859,177 | 3,943,435 | 4,443,418 | 1,359,194 |
| Payroll | 2,671 | - | - | 2,671 |
| Payroll Withholding-Insurance | 11 | 279,869 | 279,869 | 11 |
| Voluntary PERF | - | 59,526 | 59,526 | - |
| IN Deferred -Great West | - | 53,902 | 53,902 | - |
| Federal Income Tax | - | 1,243,421 | 1,243,421 | - |
| FICA | - | 858,764 | 858,764 | - |
| County Option Income Tax | 7 | 72,290 | 72,297 | - |
| PERF | - | 269,807 | 269,807 | - |

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

DEARBORN 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 |
|------------------------------------|-------------------------------------|------------|---------------|-------------------------------------|
| Police Pension | - | 45,809 | 45,809 | - |
| State Income Tax | 35 | 361,109 | 361,144 | - |
| Garnishment | - | 47,763 | 47,763 | - |
| Police Pension-Clerk Fee | - | 20,043 | 20,043 | - |
| Tax Distribution | - | 41,939,888 | 41,939,888 | - |
| Commercial Vehicle Excise Tax | - | 122,020 | 122,020 | - |
| Sewer Assessment | - | 38,831 | 38,831 | - |
| Financial Institution Tax | - | 180,641 | 180,641 | - |
| Fines & Forfeitures | 432 | 5,183 | 4,815 | 800 |
| Infraction Judgements | 10,515 | 133,184 | 125,518 | 18,181 |
| Overweight Vehicle Fines | 4,509 | 80,324 | 72,438 | 12,395 |
| Special Death Benefits | 150 | 1,360 | 1,360 | 150 |
| Disclosure Fees Due State | 505 | 4,580 | 4,255 | 830 |
| Coroners Continuing Ed | 200 | 3,906 | 3,655 | 451 |
| Adult & Juvenile Compact Fee | 88 | 563 | 588 | 63 |
| Mtg Recording Fee Due St | 595 | 6,755 | 6,585 | 765 |
| Child Restraint Fees | - | 900 | 825 | 75 |
| Inheritance Tax | 251,996 | 706,936 | 954,090 | 4,842 |
| Education Plate Fee | - | 769 | 769 | - |
| Riverboat Admissions | 6,848,440 | 7,201,629 | 6,594,324 | 7,455,745 |
| ConvRec & Visitors Prom | 1,194,920 | 1,026,888 | 2,073,218 | 148,590 |
| COIT | - | 6,405,894 | 6,405,894 | - |
| 93.563 Pros ARRA Incentive | (190) | 190 | - | - |
| 93.563 Title IV-D Incentive | 46,673 | 16,600 | - | 63,273 |
| 4-D New Law 99 Prosecutor | 41,597 | 24,973 | 29,714 | 36,856 |
| 4-D Incentive | 5,906 | - | - | 5,906 |
| 4-D New Law 8'99-Clerk | 97,074 | 16,600 | 20,894 | 92,780 |
| Treasurer's Cashbook | 1,176,757 | 1,435,610 | 1,176,757 | 1,435,610 |
| Juvenile Probation Users | 16,308 | 14,895 | 7,995 | 23,208 |
| Dear Co Veterans Transpor | 36,108 | 6,240 | - | 42,348 |
| Co Hwy Projects (2232) | 32,819 | - | - | 32,819 |
| Supp Atty Fee Sup Ct #2 | 1,231 | 38,144 | 38,554 | 821 |
| Cir Ct Supp Att Fees | 112,603 | 10,107 | 6,869 | 115,841 |
| Co Ct Supp Att Fees | 41,018 | 29,271 | 17,393 | 52,896 |
| Spec Crimes/Seized Asset | 56,409 | 194,375 | 153,761 | 97,023 |
| Alcohol & Drug Program | 3,956 | 183,287 | 174,270 | 12,973 |
| Sheriff Work Release Fund | 8,185 | 18,645 | 14,353 | 12,477 |
| Jail Chemical Addiction Progra | 2,058 | - | - | 2,058 |
| Regional Sewer District Fd II | 19,526 | 47,848 | 44,196 | 23,178 |
| Cell Tower Escrow | 42,375 | - | 418 | 41,957 |
| Commissioner's Tax Sale | 407 | - | - | 407 |
| Bail & Pretrial Sup Court 1 | 132,654 | 20,314 | 34,845 | 118,123 |
| Bail & Pretrial Sup Court 2 | 45,622 | 25,355 | 42,051 | 28,926 |
| Riverboat Contingency | 788,567 | 657,318 | 513,240 | 932,645 |
| Growth & Development | 4,982,605 | 1,346,964 | 1,347,342 | 4,982,227 |
| MVHA Substitute | 2,033,411 | 1,391,129 | 1,137,665 | 2,286,875 |
| Regional Sewer Development | 1,589,088 | 31,394 | 50,847 | 1,569,635 |
| Regional Sewer District | 840,620 | - | 92,202 | 748,418 |
| Comm Corr Users Fee | 309,947 | 362,999 | 364,569 | 308,377 |
| Co Law Enforcement Cont E | 1,840 | 937 | 1,868 | 909 |
| Adult Protective Service | (38,272) | 96,219 | 99,041 | (41,094) |
| DOC Grant 2nd Year | 13 | 272,838 | 146,934 | 125,917 |
| Special Crimes Fed Forfeiture | 50,513 | 29,761 | 12,000 | 68,274 |
| Riverboat Savings | 19,295,225 | 1,147,468 | 2,782,134 | 17,660,559 |
| County Farm | 70,719 | 6,221 | - | 76,940 |
| Dearborn County Juvenile Users Fee | 42,805 | 1,676 | 914 | 43,567 |
| GIS Records Perpetuation Fund | 3,021 | 1,685 | 20 | 4,686 |
| K-9 Donations | 859 | - | - | 859 |
| Hardintown Water Project | 1,509 | - | - | 1,509 |
| Seized Assets | 292,264 | - | - | 292,264 |
| Redevlopment Commission | 455,697 | 730,711 | 737,265 | 449,143 |
| Redevlopment Commission Match | - | 800,000 | 300,000 | 500,000 |

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

DEARBORN 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 |
|---|-------------------------------------|-----------------------|-----------------------|-------------------------------------|
| HEA 1001-2008 St Hmstd Credit | 2,818 | - | - | 2,818 |
| 93.069 Public Health Coord | 1,598 | 47,536 | 47,823 | 1,311 |
| 16.804 Recovery Act Justice | (5,838) | 5,838 | - | - |
| 97.056 Maritime Transportation Operation Pullover/Seatbelt | (5,625) | 5,625 | - | - |
| 16.804 Hwy Drug Interdiction | 318 | 8,188 | 8,860 | (354) |
| 16.523 JABG Grant | (2,221) | 2,491 | 270 | - |
| 16.523 JAIBG Grant | (60) | - | - | (60) |
| 16.575 Victim Support Service | (1,127) | - | - | (1,127) |
| 10.200 PUSH Partners | (32,947) | 67,110 | 75,608 | (41,445) |
| 97.054 Cert E. M. A. | 14,174 | - | 218 | 13,956 |
| 16.592 Local Law Enforcement | 2,080 | - | - | 2,080 |
| 93.069 H1N1 Grant | (1,028) | 1,028 | - | - |
| 97.042 Emerg Mgmt Perf Grant | 439 | - | - | 439 |
| 97.056 Maritime Searchlight | - | 4,054 | 4,054 | - |
| Bio-Terrorism Grant | (1,020) | 1,058 | 38 | - |
| Court Interpreter Grant | 10,150 | - | 367 | 9,783 |
| Court Reform Grant | 5,927 | 3,300 | 825 | 8,402 |
| Petsmart Grant-Animal Con | 14,362 | - | 12,210 | 2,152 |
| LEC Inmate Education Grant | 74 | - | 74 | - |
| Project Safe Direction | 2,210 | - | - | 2,210 |
| Accident Reconstruction | 694 | 5,500 | 5,106 | 1,088 |
| Crime Scene Response Vehicle | 128 | - | - | 128 |
| Community Foundation JCAP | 133 | - | - | 133 |
| CASA Drug Testing Grant | 283 | - | 283 | - |
| In Car Camera Grant | - | 23,000 | 21,787 | 1,213 |
| Dearborn Community Foundation | 1,988 | - | - | 1,988 |
| Fire and EMS Study Grant | 19 | 3 | 22 | - |
| Soil & Water Executive | 34,800 | - | 34,800 | - |
| Paperless Document Management | 10,340 | 47,007 | 57,230 | 117 |
| 2012 Problem Solving Grant | 585 | - | - | 585 |
| Protect Your Family Campaign | - | 4,000 | 2,991 | 1,009 |
| Judicial Law Grant | - | 9,044 | 6,808 | 2,236 |
| AFIS Grant | - | 2,000 | 2,000 | - |
| Guilford Covered Bridge Grant | - | 46,183 | - | 46,183 |
| | - | 97,900 | - | 97,900 |
| Totals | \$ 60,836,801 | \$ 108,414,193 | \$ 110,887,097 | \$ 58,363,897 |

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

DEARBORN COUNTY
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

The accompanying financial statement presents the financial information for the County.

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the County.

Licenses and permits which include amounts received from businesses, occupations, or nonbusinesses that must be licensed before doing business within the government's jurisdiction or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include: peddler licenses, dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

DEARBORN COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

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

E. Disbursements

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

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

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

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

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

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

DEARBORN 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.

DEARBORN COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

DEARBORN 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. This is a result of funds being set up for reimbursable grants. The reimbursements for expenditures made by the County were not received by December 31, 2013.

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SUPPLEMENTARY INFORMATION – UNAUDITED

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

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

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

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

| | Sheriff Inmate Trust | Sheriff Commissary | Clerk's Trust | County General | Accident Report Fees | Bond Forfeiture | Cities & Town Court Costs |
|--|----------------------------|-----------------------|---------------------|---------------------|----------------------------|--------------------|---------------------------------------|
| Cash and investments - beginning | \$ - | \$ 15,994 | \$ 1,299,633 | \$ 2,101,347 | \$ 14,771 | \$ 1,000 | \$ 923 |
| Receipts: | | | | | | | |
| Taxes | - | - | - | 6,683,382 | - | - | - |
| Licenses and permits | - | - | - | 108,957 | - | - | - |
| Intergovernmental | - | - | - | 4,754,255 | - | - | - |
| Charges for services | - | - | - | 915,590 | 7,922 | - | - |
| Fines and forfeits | - | - | - | 283,077 | - | - | 10,474 |
| Other receipts | 13,667 | 267,555 | 8,098,027 | 367,216 | - | - | - |
| Total receipts | <u>13,667</u> | <u>267,555</u> | <u>8,098,027</u> | <u>13,112,477</u> | <u>7,922</u> | <u>-</u> | <u>10,474</u> |
| Disbursements: | | | | | | | |
| Personal services | - | - | - | 10,432,332 | - | - | - |
| Supplies | - | - | - | 422,830 | - | - | - |
| Other services and charges | - | - | - | 3,199,449 | 19,855 | - | - |
| Capital outlay | - | - | - | 6,341 | - | - | - |
| Other disbursements | 13,667 | 254,866 | 8,303,598 | 35,877 | 1,028 | - | - |
| Total disbursements | <u>13,667</u> | <u>254,866</u> | <u>8,303,598</u> | <u>14,096,829</u> | <u>20,883</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of receipts over disbursements | <u>-</u> | <u>12,689</u> | <u>(205,571)</u> | <u>(984,352)</u> | <u>(12,961)</u> | <u>-</u> | <u>10,474</u> |
| Cash and investments - ending | <u>\$ -</u> | <u>\$ 28,683</u> | <u>\$ 1,094,062</u> | <u>\$ 1,116,995</u> | <u>\$ 1,810</u> | <u>\$ 1,000</u> | <u>\$ 11,397</u> |

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

| | Clerk's Perpetuation | COIT | Community Corrections | Community Transition Prog | Covered Bridge | Cumulative Bridge | Cum Building Courthouse |
|--|-------------------------|-------------------|--------------------------|---------------------------------|-------------------|----------------------|-------------------------------|
| Cash and investments - beginning | \$ 52,971 | \$ - | \$ 23,968 | \$ 7,820 | \$ 12,350 | \$ 2,388,273 | \$ 2,262,566 |
| Receipts: | | | | | | | |
| Taxes | - | 3,428,319 | - | - | - | 790,048 | 374,858 |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | 1,850 | 25,191 | 2,463 |
| Charges for services | 2,308 | - | 212,282 | - | - | 129,749 | - |
| Fines and forfeits | 31,250 | - | - | - | - | - | - |
| Other receipts | - | 860 | 7,045 | - | - | 37,200 | 25,176 |
| Total receipts | <u>33,558</u> | <u>3,429,179</u> | <u>219,327</u> | <u>-</u> | <u>1,850</u> | <u>982,188</u> | <u>402,497</u> |
| Disbursements: | | | | | | | |
| Personal services | 11,307 | 2,183,306 | 195,527 | - | - | 194,080 | - |
| Supplies | - | - | 10,787 | - | - | 159,613 | 80,000 |
| Other services and charges | 13,510 | 1,042,232 | 36,981 | - | - | 1,435,735 | 314,012 |
| Capital outlay | - | - | - | - | - | 7,125 | - |
| Other disbursements | - | - | - | - | - | - | - |
| Total disbursements | <u>24,817</u> | <u>3,225,538</u> | <u>243,295</u> | <u>-</u> | <u>-</u> | <u>1,796,553</u> | <u>394,012</u> |
| Excess (deficiency) of receipts over disbursements | <u>8,741</u> | <u>203,641</u> | <u>(23,968)</u> | <u>-</u> | <u>1,850</u> | <u>(814,365)</u> | <u>8,485</u> |
| Cash and investments - ending | <u>\$ 61,712</u> | <u>\$ 203,641</u> | <u>\$ -</u> | <u>\$ 7,820</u> | <u>\$ 14,200</u> | <u>\$ 1,573,908</u> | <u>\$ 2,271,051</u> |

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

| | Cum Cap Development | County Drug Fee Comm | Local Emergency Plan Comm | Firearms Training | Health Department | Co Identity Protection Fd | Levy Excess Fund |
|--|---------------------------|-------------------------------|------------------------------------|----------------------|----------------------|------------------------------------|------------------------|
| Cash and investments - beginning | \$ 1,165,466 | \$ 114,962 | \$ 37,464 | \$ 22,611 | \$ 26,213 | \$ 4,777 | \$ 215,939 |
| Receipts: | | | | | | | |
| Taxes | 334,525 | - | - | - | 457,896 | - | - |
| Licenses and permits | - | - | - | - | 6,390 | - | - |
| Intergovernmental | 2,198 | - | 3,617 | - | 3,009 | - | - |
| Charges for services | - | - | - | 25,320 | 35,108 | 4,780 | - |
| Fines and forfeits | - | 80,063 | - | - | - | - | - |
| Other receipts | 454 | - | - | - | 248 | - | - |
| Total receipts | <u>337,177</u> | <u>80,063</u> | <u>3,617</u> | <u>25,320</u> | <u>502,651</u> | <u>4,780</u> | <u>-</u> |
| Disbursements: | | | | | | | |
| Personal services | - | - | 560 | - | 428,251 | - | - |
| Supplies | - | - | - | - | 2,626 | - | - |
| Other services and charges | 146,867 | 80,000 | 5,630 | 18,144 | - | 2,925 | - |
| Capital outlay | 189,380 | - | - | - | - | - | - |
| Other disbursements | - | - | - | - | - | - | - |
| Total disbursements | <u>336,247</u> | <u>80,000</u> | <u>6,190</u> | <u>18,144</u> | <u>430,877</u> | <u>2,925</u> | <u>-</u> |
| Excess (deficiency) of receipts over disbursements | <u>930</u> | <u>63</u> | <u>(2,573)</u> | <u>7,176</u> | <u>71,774</u> | <u>1,855</u> | <u>-</u> |
| Cash and investments - ending | <u>\$ 1,166,396</u> | <u>\$ 115,025</u> | <u>\$ 34,891</u> | <u>\$ 29,787</u> | <u>\$ 97,987</u> | <u>\$ 6,632</u> | <u>\$ 215,939</u> |

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

| | Local Health Maintenance | Local Road & Street | Co. Jail Misdemeanant Housing | County Highway | Park Bd Land Acquisition | Park & Recreation | Transfer Fees-Plat Maint |
|--|--------------------------------|------------------------------|--|---------------------|-----------------------------------|-------------------------|--------------------------------|
| Cash and investments - beginning | \$ 40,841 | \$ 543,119 | \$ 38,246 | \$ 847,284 | \$ 271,622 | \$ 75,403 | \$ 97,692 |
| Receipts: | | | | | | | |
| Taxes | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | 1,675 | - | - | - |
| Intergovernmental | 61,887 | 468,904 | 35,050 | 1,902,388 | - | - | - |
| Charges for services | - | - | - | 5,651 | - | - | 11,073 |
| Fines and forfeits | - | - | - | - | - | - | - |
| Other receipts | 2,482 | 4,664 | - | 100,805 | 25,724 | 25,724 | - |
| Total receipts | <u>64,369</u> | <u>473,568</u> | <u>35,050</u> | <u>2,010,519</u> | <u>25,724</u> | <u>25,724</u> | <u>11,073</u> |
| Disbursements: | | | | | | | |
| Personal services | 12,534 | - | - | 1,517,895 | - | - | - |
| Supplies | 5,125 | 375,420 | - | 16,878 | - | - | - |
| Other services and charges | 13,716 | - | 37,718 | 76,967 | - | - | - |
| Capital outlay | 15,591 | - | - | - | - | - | - |
| Other disbursements | - | - | - | 41,595 | - | - | - |
| Total disbursements | <u>46,966</u> | <u>375,420</u> | <u>37,718</u> | <u>1,653,335</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of receipts over disbursements | <u>17,403</u> | <u>98,148</u> | <u>(2,668)</u> | <u>357,184</u> | <u>25,724</u> | <u>25,724</u> | <u>11,073</u> |
| Cash and investments - ending | <u>\$ 58,244</u> | <u>\$ 641,267</u> | <u>\$ 35,578</u> | <u>\$ 1,204,468</u> | <u>\$ 297,346</u> | <u>\$ 101,127</u> | <u>\$ 108,765</u> |

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

| | Rainy Day Fund | Cumulative Reassessment | 2015 Reassessment | Recorder's Records Perp | Riverboat Revenue | Co Sex & Violent Offender Fees | Public Defenders |
|--|----------------------|----------------------------|----------------------|-------------------------------|----------------------|--|---------------------|
| Cash and investments - beginning | \$ 2,785,466 | \$ 195,355 | \$ 493,500 | \$ 48,425 | \$ 800,011 | \$ 10,930 | \$ 48,896 |
| Receipts: | | | | | | | |
| Taxes | - | - | 241,997 | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental | - | - | 1,590 | - | 565,935 | - | - |
| Charges for services | - | - | - | 91,510 | - | 3,850 | - |
| Fines and forfeits | - | - | - | - | - | - | - |
| Other receipts | 9,201 | - | 188,195 | - | 562,317 | - | - |
| Total receipts | <u>9,201</u> | <u>-</u> | <u>431,782</u> | <u>91,510</u> | <u>1,128,252</u> | <u>3,850</u> | <u>-</u> |
| Disbursements: | | | | | | | |
| Personal services | - | - | 6,000 | - | 162,483 | - | - |
| Supplies | - | 508 | 8,815 | - | 95,316 | - | - |
| Other services and charges | - | 6,653 | 93,984 | 27,304 | 734,513 | 4,112 | - |
| Capital outlay | - | - | 1,708 | - | 68,492 | - | - |
| Other disbursements | - | 188,194 | - | - | 463,075 | - | - |
| Total disbursements | <u>-</u> | <u>195,355</u> | <u>110,507</u> | <u>27,304</u> | <u>1,523,879</u> | <u>4,112</u> | <u>-</u> |
| Excess (deficiency) of receipts over disbursements | <u>9,201</u> | <u>(195,355)</u> | <u>321,275</u> | <u>64,206</u> | <u>(395,627)</u> | <u>(262)</u> | <u>-</u> |
| Cash and investments - ending | <u>\$ 2,794,667</u> | <u>\$ -</u> | <u>\$ 814,775</u> | <u>\$ 112,631</u> | <u>\$ 404,384</u> | <u>\$ 10,668</u> | <u>\$ 48,896</u> |

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

| | Surplus Tax | Suveyor's Corner Perp | Tax Sale Fee | Tax Sale Redemption | Tax Sale Surplus | Vehicle Inspection | 93.643 Guardian Ad Litem |
|--|----------------|-----------------------------|--------------------|---------------------------|------------------------|-----------------------|-----------------------------------|
| Cash and investments - beginning | \$ 859 | \$ 51,483 | \$ 46,039 | \$ - | \$ 433,194 | \$ 3,130 | \$ 47,922 |
| Receipts: | | | | | | | |
| Taxes | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - | 18,700 |
| Charges for services | - | 9,430 | 17,360 | 97,500 | 400,152 | 1,526 | - |
| Fines and forfeits | - | - | - | - | - | - | - |
| Other receipts | 86,572 | - | - | - | - | - | 25,105 |
| Total receipts | <u>86,572</u> | <u>9,430</u> | <u>17,360</u> | <u>97,500</u> | <u>400,152</u> | <u>1,526</u> | <u>43,805</u> |
| Disbursements: | | | | | | | |
| Personal services | - | - | - | - | - | - | 22,868 |
| Supplies | - | - | - | - | - | - | - |
| Other services and charges | 86,572 | - | 12,955 | 91,871 | 197,958 | - | 8,858 |
| Capital outlay | - | - | - | - | - | - | - |
| Other disbursements | - | - | - | - | - | - | - |
| Total disbursements | <u>86,572</u> | <u>-</u> | <u>12,955</u> | <u>91,871</u> | <u>197,958</u> | <u>-</u> | <u>31,726</u> |
| Excess (deficiency) of receipts over disbursements | <u>-</u> | <u>9,430</u> | <u>4,405</u> | <u>5,629</u> | <u>202,194</u> | <u>1,526</u> | <u>12,079</u> |
| Cash and investments - ending | <u>\$ 859</u> | <u>\$ 60,913</u> | <u>\$ 50,444</u> | <u>\$ 5,629</u> | <u>\$ 635,388</u> | <u>\$ 4,656</u> | <u>\$ 60,001</u> |

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

| | Auditor's Ineligible Deduction | Co. Elected Officials Training | County Offender Transportation | Statewide 911 | Adult Probation Administration | Cir Ct Juv Prob Admin | Supplemental Adult Probation Services |
|--|--------------------------------------|---|--------------------------------------|-------------------|--------------------------------------|-----------------------------------|--|
| Cash and investments - beginning | \$ 12,230 | \$ 6,627 | \$ 988 | \$ 317,096 | \$ 50,922 | \$ 5,041 | \$ 258,767 |
| Receipts: | | | | | | | |
| Taxes | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - | - |
| Charges for services | 60,652 | 4,780 | - | 743,211 | - | - | - |
| Fines and forfeits | - | - | 563 | - | 60,951 | 6,641 | 250,046 |
| Other receipts | - | - | - | - | - | - | - |
| Total receipts | <u>60,652</u> | <u>4,780</u> | <u>563</u> | <u>743,211</u> | <u>60,951</u> | <u>6,641</u> | <u>250,046</u> |
| Disbursements: | | | | | | | |
| Personal services | - | - | - | 508,057 | 39,641 | - | 112,585 |
| Supplies | - | - | - | - | - | - | 3,197 |
| Other services and charges | 26,899 | 280 | - | 125,977 | - | 9,096 | 9,626 |
| Capital outlay | - | - | - | 7,416 | - | - | 6,895 |
| Other disbursements | - | - | - | 12,198 | - | - | 145,000 |
| Total disbursements | <u>26,899</u> | <u>280</u> | <u>-</u> | <u>653,648</u> | <u>39,641</u> | <u>9,096</u> | <u>277,303</u> |
| Excess (deficiency) of receipts over disbursements | <u>33,753</u> | <u>4,500</u> | <u>563</u> | <u>89,563</u> | <u>21,310</u> | <u>(2,455)</u> | <u>(27,257)</u> |
| Cash and investments - ending | <u>\$ 45,983</u> | <u>\$ 11,127</u> | <u>\$ 1,551</u> | <u>\$ 406,659</u> | <u>\$ 72,232</u> | <u>\$ 2,586</u> | <u>\$ 231,510</u> |

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

| | County User Fees | Donations | TIF Grants and Loans | Jail Bond Redemption | Health Insurance | Payroll | Payroll Withholding-Insurance |
|--|------------------------|------------------|-------------------------------|----------------------------|---------------------|-----------------|----------------------------------|
| Cash and investments - beginning | \$ 298,853 | \$ 59,545 | \$ 283,312 | \$ 27,923 | \$ 1,859,177 | \$ 2,671 | \$ 11 |
| Receipts: | | | | | | | |
| Taxes | - | - | 73,726 | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - | - |
| Charges for services | 106,370 | - | - | - | - | - | - |
| Fines and forfeits | 95,319 | - | - | - | - | - | - |
| Other receipts | 20,895 | 35,115 | - | - | 3,943,435 | - | 279,869 |
| Total receipts | <u>222,584</u> | <u>35,115</u> | <u>73,726</u> | <u>-</u> | <u>3,943,435</u> | <u>-</u> | <u>279,869</u> |
| Disbursements: | | | | | | | |
| Personal services | 132,311 | 29 | - | - | - | - | - |
| Supplies | 75 | - | - | - | - | - | - |
| Other services and charges | 59,553 | 30,361 | 65,071 | - | 12,418 | - | - |
| Capital outlay | 4,889 | - | - | - | - | - | - |
| Other disbursements | 937 | - | - | 27,923 | 4,431,000 | - | 279,869 |
| Total disbursements | <u>197,765</u> | <u>30,390</u> | <u>65,071</u> | <u>27,923</u> | <u>4,443,418</u> | <u>-</u> | <u>279,869</u> |
| Excess (deficiency) of receipts over disbursements | <u>24,819</u> | <u>4,725</u> | <u>8,655</u> | <u>(27,923)</u> | <u>(499,983)</u> | <u>-</u> | <u>-</u> |
| Cash and investments - ending | <u>\$ 323,672</u> | <u>\$ 64,270</u> | <u>\$ 291,967</u> | <u>\$ -</u> | <u>\$ 1,359,194</u> | <u>\$ 2,671</u> | <u>\$ 11</u> |

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

| | Voluntary PERF | IN Deferred -Great West | Federal Income Tax | FICA | County Option Income Tax | PERF | Police Pension |
|--|-------------------|----------------------------------|--------------------------|----------------|-----------------------------------|----------------|-------------------|
| Cash and investments - beginning | \$ - | \$ - | \$ - | \$ - | \$ 7 | \$ - | \$ - |
| Receipts: | | | | | | | |
| Taxes | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - | - |
| Charges for services | - | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - | - |
| Other receipts | 59,526 | 53,902 | 1,243,421 | 858,764 | 72,290 | 269,807 | 45,809 |
| Total receipts | <u>59,526</u> | <u>53,902</u> | <u>1,243,421</u> | <u>858,764</u> | <u>72,290</u> | <u>269,807</u> | <u>45,809</u> |
| Disbursements: | | | | | | | |
| Personal services | - | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - | - |
| Other services and charges | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | - |
| Other disbursements | 59,526 | 53,902 | 1,243,421 | 858,764 | 72,297 | 269,807 | 45,809 |
| Total disbursements | <u>59,526</u> | <u>53,902</u> | <u>1,243,421</u> | <u>858,764</u> | <u>72,297</u> | <u>269,807</u> | <u>45,809</u> |
| Excess (deficiency) of receipts over disbursements | - | - | - | - | (7) | - | - |
| Cash and investments - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

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

| | State Income Tax | Garnishment | Police Pension-Clerk Fee | Tax Distribution | Commercial Vehicle Excise Tax | Sewer Assessment | Financial Institution Tax |
|--|------------------------|---------------|--------------------------------|---------------------|--|---------------------|---------------------------------|
| Cash and investments - beginning | \$ 35 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Receipts: | | | | | | | |
| Taxes | - | - | - | 41,936,395 | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental | - | - | - | 3,493 | 122,020 | - | 180,641 |
| Charges for services | - | - | - | - | - | - | - |
| Fines and forfeits | - | - | 20,043 | - | - | - | - |
| Other receipts | 361,109 | 47,763 | - | - | - | 38,831 | - |
| Total receipts | <u>361,109</u> | <u>47,763</u> | <u>20,043</u> | <u>41,939,888</u> | <u>122,020</u> | <u>38,831</u> | <u>180,641</u> |
| Disbursements: | | | | | | | |
| Personal services | - | - | 20,043 | - | - | - | - |
| Supplies | - | - | - | - | - | - | - |
| Other services and charges | - | - | - | 3,493 | 122,020 | 38,831 | 180,641 |
| Capital outlay | - | - | - | - | - | - | - |
| Other disbursements | 361,144 | 47,763 | - | 41,936,395 | - | - | - |
| Total disbursements | <u>361,144</u> | <u>47,763</u> | <u>20,043</u> | <u>41,939,888</u> | <u>122,020</u> | <u>38,831</u> | <u>180,641</u> |
| Excess (deficiency) of receipts over disbursements | <u>(35)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Cash and investments - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

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

| | Fines & Forfeitures | Infraction Judgements | Overweight Vehicle Fines | Special Death Benefits | Disclosure Fees Due State | Coroners Continuing Ed | Adult & Juvenile Compact Fee |
|--|---------------------------|--------------------------|--------------------------------|------------------------------|------------------------------------|------------------------------|--|
| Cash and investments - beginning | \$ 432 | \$ 10,515 | \$ 4,509 | \$ 150 | \$ 505 | \$ 200 | \$ 88 |
| Receipts: | | | | | | | |
| Taxes | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - | - |
| Charges for services | - | - | - | 1,360 | 4,580 | 3,906 | - |
| Fines and forfeits | 5,183 | 133,184 | 80,324 | - | - | - | 563 |
| Other receipts | - | - | - | - | - | - | - |
| Total receipts | <u>5,183</u> | <u>133,184</u> | <u>80,324</u> | <u>1,360</u> | <u>4,580</u> | <u>3,906</u> | <u>563</u> |
| Disbursements: | | | | | | | |
| Personal services | - | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - | - |
| Other services and charges | 4,815 | 125,518 | 72,438 | 1,360 | 4,235 | 3,655 | 588 |
| Capital outlay | - | - | - | - | - | - | - |
| Other disbursements | - | - | - | - | 20 | - | - |
| Total disbursements | <u>4,815</u> | <u>125,518</u> | <u>72,438</u> | <u>1,360</u> | <u>4,255</u> | <u>3,655</u> | <u>588</u> |
| Excess (deficiency) of receipts over disbursements | <u>368</u> | <u>7,666</u> | <u>7,886</u> | <u>-</u> | <u>325</u> | <u>251</u> | <u>(25)</u> |
| Cash and investments - ending | <u>\$ 800</u> | <u>\$ 18,181</u> | <u>\$ 12,395</u> | <u>\$ 150</u> | <u>\$ 830</u> | <u>\$ 451</u> | <u>\$ 63</u> |

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

| | Mtg Recording Fee Due St | Child Restraint Fees | Inheritance Tax | Education Plate Fee | Riverboat Admissions | ConvRec & Visitors Prom | COIT |
|--|--------------------------------------|----------------------------|--------------------|---------------------------|-------------------------|----------------------------------|------------------|
| Cash and investments - beginning | \$ 595 | \$ - | \$ 251,996 | \$ - | \$ 6,848,440 | \$ 1,194,920 | \$ - |
| Receipts: | | | | | | | |
| Taxes | - | - | - | - | - | 334,980 | 6,405,894 |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental | - | - | 706,936 | 769 | 6,919,141 | 691,908 | - |
| Charges for services | 6,755 | - | - | - | 276,795 | - | - |
| Fines and forfeits | - | 900 | - | - | - | - | - |
| Other receipts | - | - | - | - | 5,693 | - | - |
| Total receipts | <u>6,755</u> | <u>900</u> | <u>706,936</u> | <u>769</u> | <u>7,201,629</u> | <u>1,026,888</u> | <u>6,405,894</u> |
| Disbursements: | | | | | | | |
| Personal services | - | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - | - |
| Other services and charges | 6,585 | 825 | 954,090 | 769 | 2,719,605 | 2,073,218 | 6,405,894 |
| Capital outlay | - | - | - | - | - | - | - |
| Other disbursements | - | - | - | - | 3,874,719 | - | - |
| Total disbursements | <u>6,585</u> | <u>825</u> | <u>954,090</u> | <u>769</u> | <u>6,594,324</u> | <u>2,073,218</u> | <u>6,405,894</u> |
| Excess (deficiency) of receipts over disbursements | <u>170</u> | <u>75</u> | <u>(247,154)</u> | <u>-</u> | <u>607,305</u> | <u>(1,046,330)</u> | <u>-</u> |
| Cash and investments - ending | <u>\$ 765</u> | <u>\$ 75</u> | <u>\$ 4,842</u> | <u>\$ -</u> | <u>\$ 7,455,745</u> | <u>\$ 148,590</u> | <u>\$ -</u> |

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

| | 93.563 Pros ARRA Incentive | 93.563 Title IV-D Incentive | 4-D New Law 99 Prosecutor | 4-D Incentive | 4-D New Law 8'99-Clerk | Treasurer's Cashbook | Juvenile Probation Users |
|--|-------------------------------------|--------------------------------------|---------------------------------------|------------------|---------------------------------|-------------------------|--------------------------------|
| Cash and investments - beginning | \$ (190) | \$ 46,673 | \$ 41,597 | \$ 5,906 | \$ 97,074 | \$ 1,176,757 | \$ 16,308 |
| Receipts: | | | | | | | |
| Taxes | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental | - | 16,600 | 24,973 | - | 16,600 | - | - |
| Charges for services | - | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - | 14,895 |
| Other receipts | 190 | - | - | - | - | 1,435,610 | - |
| Total receipts | <u>190</u> | <u>16,600</u> | <u>24,973</u> | <u>-</u> | <u>16,600</u> | <u>1,435,610</u> | <u>14,895</u> |
| Disbursements: | | | | | | | |
| Personal services | - | - | 28,519 | - | - | - | 6,443 |
| Supplies | - | - | - | - | - | - | - |
| Other services and charges | - | - | 1,005 | - | 20,894 | - | 1,552 |
| Capital outlay | - | - | - | - | - | - | - |
| Other disbursements | - | - | 190 | - | - | 1,176,757 | - |
| Total disbursements | <u>-</u> | <u>-</u> | <u>29,714</u> | <u>-</u> | <u>20,894</u> | <u>1,176,757</u> | <u>7,995</u> |
| Excess (deficiency) of receipts over disbursements | <u>190</u> | <u>16,600</u> | <u>(4,741)</u> | <u>-</u> | <u>(4,294)</u> | <u>258,853</u> | <u>6,900</u> |
| Cash and investments - ending | <u>\$ -</u> | <u>\$ 63,273</u> | <u>\$ 36,856</u> | <u>\$ 5,906</u> | <u>\$ 92,780</u> | <u>\$ 1,435,610</u> | <u>\$ 23,208</u> |

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

| | Dear Co Veterans Transpor | Co Hwy Projects (2232) | Supp Atty Fee Sup Ct #2 | Cir Ct Supp Att Fees | Co Ct Supp Att Fees | Spec Crimes/Seized Asset | Alcohol & Drug Program |
|--|------------------------------------|---------------------------------|-------------------------------------|----------------------------------|---------------------------------|--------------------------------|---------------------------------|
| Cash and investments - beginning | \$ 36,108 | \$ 32,819 | \$ 1,231 | \$ 112,603 | \$ 41,018 | \$ 56,409 | \$ 3,956 |
| Receipts: | | | | | | | |
| Taxes | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - | - |
| Charges for services | 6,000 | - | - | - | - | 175,000 | - |
| Fines and forfeits | - | - | 38,144 | 10,023 | 29,271 | - | 58,287 |
| Other receipts | 240 | - | - | 84 | - | 19,375 | 125,000 |
| Total receipts | <u>6,240</u> | <u>-</u> | <u>38,144</u> | <u>10,107</u> | <u>29,271</u> | <u>194,375</u> | <u>183,287</u> |
| Disbursements: | | | | | | | |
| Personal services | - | - | - | - | - | 30,691 | 132,073 |
| Supplies | - | - | - | - | - | - | - |
| Other services and charges | - | - | 38,554 | 6,869 | 17,393 | 114,741 | 42,197 |
| Capital outlay | - | - | - | - | - | - | - |
| Other disbursements | - | - | - | - | - | 8,329 | - |
| Total disbursements | <u>-</u> | <u>-</u> | <u>38,554</u> | <u>6,869</u> | <u>17,393</u> | <u>153,761</u> | <u>174,270</u> |
| Excess (deficiency) of receipts over disbursements | <u>6,240</u> | <u>-</u> | <u>(410)</u> | <u>3,238</u> | <u>11,878</u> | <u>40,614</u> | <u>9,017</u> |
| Cash and investments - ending | <u>\$ 42,348</u> | <u>\$ 32,819</u> | <u>\$ 821</u> | <u>\$ 115,841</u> | <u>\$ 52,896</u> | <u>\$ 97,023</u> | <u>\$ 12,973</u> |

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

| | Sheriff Work Release Fund | Jail Chemical Addiction Progra | Regional Sewer District Fd II | Cell Tower Escrow | Commissioner's Tax Sale | Bail & Pretrial Sup Court 1 | Bail & Pretrial Sup Court 2 |
|--|------------------------------------|---|---|-------------------------|-------------------------------|---|---|
| Cash and investments - beginning | \$ 8,185 | \$ 2,058 | \$ 19,526 | \$ 42,375 | \$ 407 | \$ 132,654 | \$ 45,622 |
| Receipts: | | | | | | | |
| Taxes | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - | - |
| Charges for services | - | - | - | - | - | - | - |
| Fines and forfeits | 18,645 | - | - | - | - | 20,314 | 25,355 |
| Other receipts | - | - | 47,848 | - | - | - | - |
| Total receipts | <u>18,645</u> | <u>-</u> | <u>47,848</u> | <u>-</u> | <u>-</u> | <u>20,314</u> | <u>25,355</u> |
| Disbursements: | | | | | | | |
| Personal services | - | - | 25,382 | - | - | 24,771 | 25,067 |
| Supplies | - | - | 964 | - | - | 1,976 | - |
| Other services and charges | 14,353 | - | 17,850 | 418 | - | 270 | - |
| Capital outlay | - | - | - | - | - | 7,828 | 16,984 |
| Other disbursements | - | - | - | - | - | - | - |
| Total disbursements | <u>14,353</u> | <u>-</u> | <u>44,196</u> | <u>418</u> | <u>-</u> | <u>34,845</u> | <u>42,051</u> |
| Excess (deficiency) of receipts over disbursements | <u>4,292</u> | <u>-</u> | <u>3,652</u> | <u>(418)</u> | <u>-</u> | <u>(14,531)</u> | <u>(16,696)</u> |
| Cash and investments - ending | <u>\$ 12,477</u> | <u>\$ 2,058</u> | <u>\$ 23,178</u> | <u>\$ 41,957</u> | <u>\$ 407</u> | <u>\$ 118,123</u> | <u>\$ 28,926</u> |

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

| | Riverboat Contingency | Growth & Development | MVHA Substitute | Regional Sewer Development | Regional Sewer District | Comm Corr Users Fee | Co Law Enforcement Cont E |
|--|--------------------------|----------------------------|---------------------|----------------------------------|-------------------------------|------------------------------|---------------------------------------|
| Cash and investments - beginning | \$ 788,567 | \$ 4,982,605 | \$ 2,033,411 | \$ 1,589,088 | \$ 840,620 | \$ 309,947 | \$ 1,840 |
| Receipts: | | | | | | | |
| Taxes | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental | - | 125,258 | - | 31,394 | - | - | - |
| Charges for services | - | - | 3,986 | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | 360,516 | - |
| Other receipts | 657,318 | 1,221,706 | 1,387,143 | - | - | 2,483 | 937 |
| Total receipts | <u>657,318</u> | <u>1,346,964</u> | <u>1,391,129</u> | <u>31,394</u> | <u>-</u> | <u>362,999</u> | <u>937</u> |
| Disbursements: | | | | | | | |
| Personal services | - | - | - | - | - | 145,708 | - |
| Supplies | - | - | 846,697 | - | - | - | - |
| Other services and charges | - | 1,280,497 | 3,986 | 2,999 | 92,202 | 211,816 | 1,397 |
| Capital outlay | - | 66,845 | 286,982 | - | - | - | - |
| Other disbursements | 513,240 | - | - | 47,848 | - | 7,045 | 471 |
| Total disbursements | <u>513,240</u> | <u>1,347,342</u> | <u>1,137,665</u> | <u>50,847</u> | <u>92,202</u> | <u>364,569</u> | <u>1,868</u> |
| Excess (deficiency) of receipts over disbursements | <u>144,078</u> | <u>(378)</u> | <u>253,464</u> | <u>(19,453)</u> | <u>(92,202)</u> | <u>(1,570)</u> | <u>(931)</u> |
| Cash and investments - ending | <u>\$ 932,645</u> | <u>\$ 4,982,227</u> | <u>\$ 2,286,875</u> | <u>\$ 1,569,635</u> | <u>\$ 748,418</u> | <u>\$ 308,377</u> | <u>\$ 909</u> |

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

| | Adult Protective Service | DOC Grant 2nd Year | Special Crimes Fed Forfeiture | Riverboat Savings | County Farm | Dearborn County Juvenile Users Fee | GIS Records Perpetuation Fund |
|--|--------------------------------|-----------------------------|--|----------------------|------------------|--|--|
| Cash and investments - beginning | \$ (38,272) | \$ 13 | \$ 50,513 | \$ 19,295,225 | \$ 70,719 | \$ 42,805 | \$ 3,021 |
| Receipts: | | | | | | | |
| Taxes | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - | - |
| Charges for services | 96,219 | 272,813 | - | 23 | - | - | 1,665 |
| Fines and forfeits | - | - | - | - | - | 1,676 | - |
| Other receipts | - | 25 | 29,761 | 1,147,445 | 6,221 | - | 20 |
| Total receipts | <u>96,219</u> | <u>272,838</u> | <u>29,761</u> | <u>1,147,468</u> | <u>6,221</u> | <u>1,676</u> | <u>1,685</u> |
| Disbursements: | | | | | | | |
| Personal services | 93,714 | 109,628 | - | - | - | 914 | - |
| Supplies | 4,007 | 2,075 | - | - | - | - | - |
| Other services and charges | 1,320 | 35,231 | 12,000 | - | - | - | 20 |
| Capital outlay | - | - | - | 2,782,134 | - | - | - |
| Other disbursements | - | - | - | - | - | - | - |
| Total disbursements | <u>99,041</u> | <u>146,934</u> | <u>12,000</u> | <u>2,782,134</u> | <u>-</u> | <u>914</u> | <u>20</u> |
| Excess (deficiency) of receipts over disbursements | <u>(2,822)</u> | <u>125,904</u> | <u>17,761</u> | <u>(1,634,666)</u> | <u>6,221</u> | <u>762</u> | <u>1,665</u> |
| Cash and investments - ending | <u>\$ (41,094)</u> | <u>\$ 125,917</u> | <u>\$ 68,274</u> | <u>\$ 17,660,559</u> | <u>\$ 76,940</u> | <u>\$ 43,567</u> | <u>\$ 4,686</u> |

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

| | K-9 Donations | Hardintown Water Project | Seized Assets | Redevlopment Commission | Redevlopment Commission Match | HEA 1001-2008 St Hmstd Credit | 93.069 Public Health Coord |
|--|------------------|--------------------------------|------------------|----------------------------|-------------------------------------|---|-------------------------------------|
| Cash and investments - beginning | \$ 859 | \$ 1,509 | \$ 292,264 | \$ 455,697 | \$ - | \$ 2,818 | \$ 1,598 |
| Receipts: | | | | | | | |
| Taxes | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - | 47,443 |
| Charges for services | - | - | - | 700,000 | 800,000 | - | - |
| Fines and forfeits | - | - | - | - | - | - | - |
| Other receipts | - | - | - | 30,711 | - | - | 93 |
| Total receipts | - | - | - | 730,711 | 800,000 | - | 47,536 |
| Disbursements: | | | | | | | |
| Personal services | - | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - | - |
| Other services and charges | - | - | - | 737,265 | 300,000 | - | 47,823 |
| Capital outlay | - | - | - | - | - | - | - |
| Other disbursements | - | - | - | - | - | - | - |
| Total disbursements | - | - | - | 737,265 | 300,000 | - | 47,823 |
| Excess (deficiency) of receipts over disbursements | - | - | - | (6,554) | 500,000 | - | (287) |
| Cash and investments - ending | \$ 859 | \$ 1,509 | \$ 292,264 | \$ 449,143 | \$ 500,000 | \$ 2,818 | \$ 1,311 |

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

| | 16.804 Recovery Act Justice | 97.056 Maritime Transportation | Operation Pullover/Seatbelt | 16.804 Hwy Drug Interdiction | 16.523 JABG Grant | 16.523 JAIBG Grant | 16.575 Victim Support Service |
|--|--------------------------------------|--------------------------------------|--------------------------------|---------------------------------------|-------------------------|--------------------------|--|
| Cash and investments - beginning | \$ (5,838) | \$ (5,625) | \$ 318 | \$ (2,221) | \$ (60) | \$ (1,127) | \$ (32,947) |
| Receipts: | | | | | | | |
| Taxes | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental | - | 5,625 | - | - | - | - | 67,110 |
| Charges for services | - | - | 8,186 | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - | - |
| Other receipts | 5,838 | - | 2 | 2,491 | - | - | - |
| Total receipts | <u>5,838</u> | <u>5,625</u> | <u>8,188</u> | <u>2,491</u> | <u>-</u> | <u>-</u> | <u>67,110</u> |
| Disbursements: | | | | | | | |
| Personal services | - | - | 8,860 | 270 | - | - | 75,608 |
| Supplies | - | - | - | - | - | - | - |
| Other services and charges | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | - |
| Other disbursements | - | - | - | - | - | - | - |
| Total disbursements | <u>-</u> | <u>-</u> | <u>8,860</u> | <u>270</u> | <u>-</u> | <u>-</u> | <u>75,608</u> |
| Excess (deficiency) of receipts over disbursements | <u>5,838</u> | <u>5,625</u> | <u>(672)</u> | <u>2,221</u> | <u>-</u> | <u>-</u> | <u>(8,498)</u> |
| Cash and investments - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (354)</u> | <u>\$ -</u> | <u>\$ (60)</u> | <u>\$ (1,127)</u> | <u>\$ (41,445)</u> |

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

| | 10.200 PUSH Partners | 97.054 Cert E. M. A. | 16.592 Local Law Enforcement | 93.069 H1N1 Grant | 97.042 Emerg Mgmt Perf Grant | 97.056 Maritime Searchlight | Bio-Terrorism Grant |
|--|----------------------------|----------------------------------|---------------------------------------|-------------------------|--|-----------------------------------|------------------------|
| Cash and investments - beginning | \$ 14,174 | \$ 2,080 | \$ (1,028) | \$ 439 | \$ - | \$ (1,020) | \$ 10,150 |
| Receipts: | | | | | | | |
| Taxes | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | 4,054 | 1,058 | - |
| Charges for services | - | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - | - |
| Other receipts | - | - | 1,028 | - | - | - | - |
| Total receipts | - | - | 1,028 | - | 4,054 | 1,058 | - |
| Disbursements: | | | | | | | |
| Personal services | - | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - | - |
| Other services and charges | 218 | - | - | - | 4,054 | 38 | 367 |
| Capital outlay | - | - | - | - | - | - | - |
| Other disbursements | - | - | - | - | - | - | - |
| Total disbursements | 218 | - | - | - | 4,054 | 38 | 367 |
| Excess (deficiency) of receipts over disbursements | (218) | - | 1,028 | - | - | 1,020 | (367) |
| Cash and investments - ending | <u>\$ 13,956</u> | <u>\$ 2,080</u> | <u>\$ -</u> | <u>\$ 439</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 9,783</u> |

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

| | Court Interpreter Grant | Court Reform Grant | Petsmart Grant-Animal Con | LEC Inmate Education Grant | Project Safe Direction | Accident Reconstruction | Crime Scene Response Vehicle |
|--|-------------------------------|--------------------------|---------------------------------|-------------------------------------|------------------------------|----------------------------|---------------------------------------|
| Cash and investments - beginning | \$ 5,927 | \$ 14,362 | \$ 74 | \$ 2,210 | \$ 694 | \$ 128 | \$ 133 |
| Receipts: | | | | | | | |
| Taxes | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental | 3,300 | - | - | - | - | - | - |
| Charges for services | - | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - | - |
| Other receipts | - | - | - | - | 5,500 | - | - |
| Total receipts | <u>3,300</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>5,500</u> | <u>-</u> | <u>-</u> |
| Disbursements: | | | | | | | |
| Personal services | - | - | - | - | - | - | - |
| Supplies | - | - | - | - | 5,106 | - | - |
| Other services and charges | 825 | 12,210 | 74 | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | - |
| Other disbursements | - | - | - | - | - | - | - |
| Total disbursements | <u>825</u> | <u>12,210</u> | <u>74</u> | <u>-</u> | <u>5,106</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of receipts over disbursements | <u>2,475</u> | <u>(12,210)</u> | <u>(74)</u> | <u>-</u> | <u>394</u> | <u>-</u> | <u>-</u> |
| Cash and investments - ending | <u>\$ 8,402</u> | <u>\$ 2,152</u> | <u>\$ -</u> | <u>\$ 2,210</u> | <u>\$ 1,088</u> | <u>\$ 128</u> | <u>\$ 133</u> |

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

| | Community Foundation JCAP | CASA Drug Testing Grant | In Car Camera Grant | Dearborn Community Foundation | Fire and EMS Study Grant | Soil & Water Executive | Paperless Document Management |
|--|---------------------------------|----------------------------------|------------------------------|-------------------------------------|--------------------------------------|---------------------------------|-------------------------------------|
| Cash and investments - beginning | \$ 283 | \$ - | \$ 1,988 | \$ 19 | \$ 34,800 | \$ 10,340 | \$ 585 |
| Receipts: | | | | | | | |
| Taxes | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - | - |
| Charges for services | - | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - | - |
| Other receipts | - | 23,000 | - | 3 | - | 47,007 | - |
| Total receipts | - | 23,000 | - | 3 | - | 47,007 | - |
| Disbursements: | | | | | | | |
| Personal services | 283 | 3,541 | - | - | - | 57,230 | - |
| Supplies | - | - | - | - | - | - | - |
| Other services and charges | - | 18,246 | - | 19 | 34,800 | - | - |
| Capital outlay | - | - | - | - | - | - | - |
| Other disbursements | - | - | - | 3 | - | - | - |
| Total disbursements | 283 | 21,787 | - | 22 | 34,800 | 57,230 | - |
| Excess (deficiency) of receipts over disbursements | (283) | 1,213 | - | (19) | (34,800) | (10,223) | - |
| Cash and investments - ending | \$ - | \$ 1,213 | \$ 1,988 | \$ - | \$ - | \$ 117 | \$ 585 |

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

| | 2012 Problem Solving Grant | Protect Your Family Campaign | Judicial Law Grant | AFIS Grant | Guilford Covered Bridge Grant | Totals |
|--|-------------------------------------|---------------------------------------|--------------------------|------------------|--|----------------------|
| Cash and investments - beginning | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 60,836,801 |
| Receipts: | | | | | | |
| Taxes | - | - | - | - | - | 61,062,020 |
| Licenses and permits | - | - | - | - | - | 117,022 |
| Intergovernmental | 4,000 | - | - | - | - | 16,819,360 |
| Charges for services | - | - | - | - | - | 5,243,412 |
| Fines and forfeits | - | - | - | - | - | 1,635,707 |
| Other receipts | - | 9,044 | 2,000 | 46,183 | 97,900 | 23,536,672 |
| Total receipts | <u>4,000</u> | <u>9,044</u> | <u>2,000</u> | <u>46,183</u> | <u>97,900</u> | <u>108,414,193</u> |
| Disbursements: | | | | | | |
| Personal services | - | - | - | - | - | 16,748,511 |
| Supplies | - | - | - | - | - | 2,042,015 |
| Other services and charges | 2,991 | 6,808 | 2,000 | - | - | 23,851,684 |
| Capital outlay | - | - | - | - | - | 3,468,610 |
| Other disbursements | - | - | - | - | - | 64,776,277 |
| Total disbursements | <u>2,991</u> | <u>6,808</u> | <u>2,000</u> | <u>-</u> | <u>-</u> | <u>110,887,097</u> |
| Excess (deficiency) of receipts over disbursements | <u>1,009</u> | <u>2,236</u> | <u>-</u> | <u>46,183</u> | <u>97,900</u> | <u>(2,472,904)</u> |
| Cash and investments - ending | <u>\$ 1,009</u> | <u>\$ 2,236</u> | <u>\$ -</u> | <u>\$ 46,183</u> | <u>\$ 97,900</u> | <u>\$ 58,363,897</u> |

DEARBORN 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>\$ 182,553</u> | <u>\$ -</u> |

DEARBORN COUNTY
 SCHEDULE OF LEASES AND DEBT
 December 31, 2013

| Description of Debt | | Ending Principal Balance | Principal and Interest Due Within One Year |
|--------------------------|---|--------------------------------|---|
| Type | Purpose | | |
| Governmental activities: | | | |
| Notes and loans payable | To purchase new 800 Mhz radio equipment | \$ 251,917 | \$ 34,745 |
| Totals | | <u>\$ 251,917</u> | <u>\$ 34,745</u> |

DEARBORN COUNTY
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2013

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

| | Ending Balance |
|------------------------------------|-------------------|
| Governmental activities: | |
| Land | \$ 1,519,230 |
| Infrastructure | 168,059,020 |
| Buildings | 12,839,310 |
| Improvements other than buildings | 832,377 |
| Machinery, equipment, and vehicles | 4,155,027 |
| Construction in progress | 2,886,639 |
| Total governmental activities | 190,291,603 |
| Total capital assets | \$ 190,291,603 |

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

TO: THE OFFICIALS OF DEARBORN COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

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

Report on Internal Control Over Compliance


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

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2013-001 to be material weaknesses.

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

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


Paul D. Joyce, CPA
State Examiner

September 29, 2014

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTE

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

DEARBORN 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 Justice</u> | | | | |
| Crime Victim Assistance Dearborn/Ohio County Victim Support Services | IN Criminal Justice Institute | 16.575 | 2012-VA-GX-0017 | \$ 67,110 |
| Total - Department of Justice | | | | <u>67,110</u> |
| <u>Department of Transportation</u> | | | | |
| Highway Planning and Construction Cluster Highway Planning and Construction | IN Dept of Transportation | 20.205 | | |
| Road Construction of North Dearborn Road - North Dearborn Realignment | | | DES# 0500532 | 193,814 |
| Inspection of County Owned/Maintained Bridges | | | DES# 1005308 | 57,840 |
| Emergency Relief 2011 Stateline Road Emergency Repairs | | | DES# 1173542 | 5,651 |
| Emergency Relief 2011 Stateline Road Permanent Repairs | | | DES# 1382004 | 30,277 |
| County Bridge #55 Replacement - Collier Ridge Bridge | | | DES# 1005702 | 127,403 |
| Variable Message Signs on US 50 For Artimis | | | DES# 1006021 | <u>3,986</u> |
| Total - Highway Planning and Construction Cluster | | | | <u>418,971</u> |
| Total - Department of Transportation | | | | <u>418,971</u> |
| <u>Department of Health and Human Services</u> | | | | |
| Public Health Emergency Preparedness Public Health Coordinator | IN Dept of Health | 93.069 | 114-75 | <u>47,443</u> |
| Child Support Enforcement Clerk Expenditures | IN Dept of Child Services | 93.563 | 2013 | 71,570 |
| Prosecuting Attorney Expenditures | | | 2013 | 149,381 |
| Collection Incentives | | | 2013 | 50,608 |
| Indirect Costs | | | 2013 | <u>66,978</u> |
| Total - Child Support Enforcement | | | | <u>338,537</u> |
| Total - Department of Health and Human Services | | | | <u>385,980</u> |
| <u>Department of Homeland Security</u> | | | | |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters) FEMA Disaster Relief | IN Dept of Homeland Security | 97.036 | 029-UHZU2-00-PA 1997 | <u>125,258</u> |
| Emergency Management Performance Grants 2011 Emergency Management Performance Grant | IN Dept of Homeland Security | 97.042 | C44P-3-116B | 4,054 |
| Emergency Management Performance Grant | | | C44P-3-246B | <u>39,064</u> |
| Total - Emergency Management Performance Grants | | | | <u>43,118</u> |
| Port Security Grant Program Maritime Transportation Maritime Searchlight | Larry D. Allen, LLC | 97.056 | 2009-PU-T9-K016 EMW-2011-PU-K00246 | 5,625 <u>1,058</u> |
| Total - Port Security Grant Program | | | | <u>6,683</u> |
| Total - Department of Homeland Security | | | | <u>175,059</u> |
| Total federal awards expended | | | | <u>\$ 1,047,120</u> |

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

DEARBORN COUNTY
NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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.

DEARBORN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

| | |
|--|--|
| Type of auditor's report issued: | Adverse as to GAAP; Unmodified as to Regulatory Basis |
| Internal control over financial reporting: | |
| Material weaknesses identified? | no |
| Significant deficiencies identified? | none reported |
| Noncompliance material to financial statement noted? | no |

Federal Awards:

| | |
|--|---------------|
| Internal control over major programs: | |
| Material weaknesses identified? | 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 |
|----------------|--|
| 97.036 | Highway Planning and Construction Cluster Disaster Grants - Public Assistance (Presidentially Declared Disasters) |

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

| | |
|--|----|
| Auditee qualified as low-risk auditee? | no |
|--|----|

Section II - Financial Statement Findings

No matters are reportable.

DEARBORN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III - Federal Award Findings and Questioned Costs

FINDING 2013-001 - INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO DISASTER GRANTS - PUBLIC ASSISTANCE (PRESIDENTIALLY DECLARED DISASTERS)

Federal Agency: Department of Homeland Security
Federal Program: Disaster Grants - Public Assistance (Presidentially Declared Disasters)
CFDA Number: 97.036
Federal Award Number and Year (or Other Identifying Number): 029-UHZU2-00-PA 1997
Pass-Through Entity: Indiana Department of Homeland Security

Management of the County has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and some of the compliance requirements that have a direct and material effect to the program. This includes the following compliance requirements: Reporting and Special Tests and Provisions. 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.

Reporting

The Highway Supervisor prepared and submitted quarterly reports to the state without proper oversight, review, or approval of the reports.

Special Tests and Provisions

The Highway Supervisor prepared and submitted the Project Completion & Certification Report (P-4) to the state without proper oversight, review, or approval of the report.

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."

DEARBORN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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 the compliance requirements noted above that have a direct and material effect to the program.

AUDITEE PREPARED DOCUMENT

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



DEARBORN COUNTY AUDITOR

Gayle Pennington
215-B West High Street
Lawrenceburg, IN 47025
Office: 812-537-8816
Fax: 812-537-5534

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2012-002 – INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO HIGHWAY PLANNING AND CONSTRUCTION

Status of Finding:

Upon notification of deficiency a corrective action was implemented. The county engineer now sends a spreadsheet of active federal projects to the Auditor's Office for review. As soon as the claims are paid, check copies are sent to the county engineer to prepare the INDOT claim vouchers for reimbursement. A copy is then sent back to the Auditor's Office for review.

Gayle Pennington
County Auditor

Gayle Pennington
Date: July 16, 2014



DEARBORN COUNTY AUDITOR

Gayle Pennington
215-B West High Street
Lawrenceburg, IN 47025
Office: 812-537-8816
Fax: 812-537-5534

CORRECTIVE ACTION PLAN

FINDING 2013-001 – INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO DISASTER GRANTS – PUBLIC ASSISTANCE (PRESIDENTIALLY DECLARED DISASTERS)

Contact Person: Tim Greive
Title: County Highway Superintendent
Phone Number: (812) 655-9394

Status of Finding:

In the event of future emergencies the Dearborn County Highway Department will use the grant application process in place at this time to be signed by the Commissioners and Council. Any financial reports that pass through will be reviewed and initialed by the financial controller prior to submission to the state.

Shane McHenry
President - Board of County Commissioners

Date: 9/30/14

Gayle L. Pennington
County Auditor

Date: 9/29/14

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/>.