

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

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



FILED
03/06/2015

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Steve Saulter	01-01-13 to 12-31-16
County Treasurer	Cathy Smith	01-01-13 to 12-31-16
Clerk of the Circuit Court	Linda Robbins	01-01-11 to 12-31-18
County Sheriff	James Kennedy Brad Swain	01-01-11 to 12-31-14 01-01-15 to 12-31-18
County Recorder	Jim Fielder (Deceased) (Vacant) Jeff Ellington Eric Schmitz	01-01-11 to 05-24-14 05-25-14 to 06-18-14 06-19-14 to 12-31-14 01-01-15 to 12-31-18
President of the Board of County Commissioners	Iris Kiesling Patrick Stoffers	01-01-13 to 12-31-13 01-01-14 to 12-31-14
President of the County Council	Geoff McKim	01-01-13 to 12-31-14



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF MONROE COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of Monroe 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 December 18, 2014, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

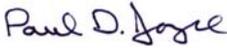
Accompanying Information

Supplementary Information

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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


Paul D. Joyce, CPA
State Examiner

December 18, 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 MONROE 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 Monroe 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 December 18, 2014, wherein we noted the County followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2013-001, 2013-002, 2013-003, 2013-004, and 2013-005 to be material weaknesses.

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

Compliance and Other Matters

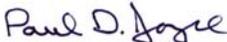
As part of obtaining reasonable assurance about whether the County's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2013-001, 2013-002, 2013-003, 2013-004, and 2013-005.

Monroe County's Response to Findings

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

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

December 18, 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.

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

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13
After Settlement Collections	\$ 1,437,256	\$ 1,099,359	\$ 1,437,256	\$ 1,099,359
Sheriff's Inmate Trust	27,783	516,672	532,673	11,782
Jail Commissary	131,708	213,830	186,755	158,783
Clerk's Trust	4,445,135	13,539,337	16,091,658	1,892,814
General	8,104,951	20,677,218	20,866,703	7,915,466
Accident Report	2,728	1,254	-	3,982
Animal Control	43,320	5,995	6,785	42,530
Aviation	397,025	771,662	756,633	412,054
Bid Deposits and Bonds Holding	351,631	312,000	98,411	565,220
Campaign Finance Enforcement - County	850	-	-	850
City and Town Court Costs	33,903	40,203	66,134	7,972
Clerk's Records Perpetuation	30,885	74,393	67,209	38,069
COIT - Special Legislation	390,035	1,274,133	1,337,727	326,441
COIT County Distributive Shares	1,500,000	9,835,943	9,109,281	2,226,662
Community Corrections	56,994	683,070	670,458	69,606
Community Transition Program	7,505	4,895	6,699	5,701
Convention Visitor and Tourism Promotion	731,402	1,596,120	1,492,663	834,859
Sales Disclosure - County Share	87,285	12,055	-	99,340
Cumulative Bridge	4,051,169	2,171,976	2,582,499	3,640,646
Cumulative Capital Development	2,202,398	2,324,643	3,272,392	1,254,649
Drug Free Community	44,818	85,970	76,429	54,359
Emergency Planning/Right To Know	42,875	22,143	40,747	24,271
Extradition	2,424	2,653	3,739	1,338
Firearms Training	86,127	38,657	40,243	84,541
Health	422,294	1,043,651	985,921	480,024
Identification Security Protection	63,889	10,728	22,368	52,249
Levy Excess	21,732	3,210	-	24,942
Local Health Maintenance	243,433	72,707	17,683	298,457
Local Road and Street	3,204,659	1,074,608	748,608	3,530,659
Medical Care for Inmates	14,586	-	-	14,586
Misdemeanant	145,140	83,427	48,543	180,024
Motor Vehicle Highway	407,243	4,580,739	4,405,289	582,693
Park Nonreverting Capital	40,453	32,895	32,784	40,564
Park Nonreverting Operating	168,271	170,458	206,440	132,289
Plat Book	24,637	27,207	-	51,844
Rainy Day	6,970,550	-	163,027	6,807,523
Reassessment - 2009	83,257	-	83,257	-
Reassessment - 2015	1,029,088	622,520	298,433	1,353,175
Recorder's Records Perpetuation	30,185	168,738	148,271	50,652
Supplemental Public Defender Services	772,193	642,972	600,545	814,620
Surplus Tax	135,655	289,796	284,503	140,948
Surveyor's Corner Perpetuation	8,756	21,275	13,826	16,205
Tax Sale Redemption	1,149	190,015	186,020	5,144
Tax Sale Surplus	949,580	1,950,120	1,580,919	1,318,781
Vehicle Inspection	9,319	1,780	858	10,241
Victim Impact Program	4,398	-	-	4,398
GAL/CASA	-	39,813	39,813	-
Auditors Ineligible Deductions	140,510	255,729	100,706	295,533
County Elected Officials Training	13,345	11,104	-	24,449
Monroe County E-911	764,723	788,310	751,099	801,934
Alternative Dispute Resolution	64,477	10,954	5,132	70,299
Convention Center Operating	63,752	482,412	487,565	58,599
Drug Buy Money	36,940	409	33,472	3,877
Sheriff Sale Administration	29,392	24,400	23,501	30,291
Court Interpreters	2,720	9,900	6,960	5,660
Donations	25,216	889	413	25,692
Richland TIF Debt Cash w/ Fiscal Agent	1,265,355	1,269,647	2,114,581	420,421
Westside TIF 2013 Sinking Cash w/ Fiscal Agent	-	1,694,761	1,639,273	55,488
Payroll Clearing	1,129,448	9,847,304	10,874,636	102,116
Payroll Withholding - Insurance	2,608,441	5,243,948	5,033,092	2,819,297
CVET Agency	-	574,230	574,230	-
Financial Institution Tax	-	610,523	610,523	-

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

MONROE 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
COIT Homestead	10,312	1,356,900	1,367,212	-
HEA 1001 State Homestead Credit	24,875	-	-	24,875
State Fines and Forfeitures	27,908	28,224	53,656	2,476
Infraction Judgements	8,349	149,409	150,032	7,726
Overweight Vehicle Fines	-	1,452	1,452	-
Special Death Benefit	670	6,635	6,740	565
Sales Disclosure - State Share	665	12,055	11,900	820
Coroners Training & Con't Education	1,628	11,315	12,159	784
Interstate Compact - State Share	313	1,548	1,650	211
Mortgage Recording Fees - State Share	1,408	15,105	15,730	783
Inheritance Tax	1,225,397	2,165,840	3,274,668	116,569
Education Plate Fees Agency	-	3,581	3,506	75
Riverboat Revenue Sharing	-	817,347	817,347	-
Innkeepers Tax Collections	-	2,118,420	2,118,420	-
COIT Distribution	-	26,736,923	26,736,923	-
93.563 ARRA Prosecutor IV-D Incentive	112,358	-	19,770	92,588
93.563 Prosecutor IV-D Incentive-Prior To Oct '99	13,119	-	-	13,119
93.563 Prosecutor IV-D Incentive-Post Oct '99	216,017	59,130	20,575	254,572
93.563 Clerk IV-D Incentive-Post Oct '99	121,355	39,299	46,760	113,894
Economic Development/Tourism	2,267	-	-	2,267
Juvenile Probation Admin-Rainy Day	164,275	-	-	164,275
Juvenile Probation Admin-Non-Reverting	1,272,633	-	125,403	1,147,230
User Fees-Cable Franchise	638,451	566,332	669,267	535,516
User Fees-Diversion-Prosecutor	67,193	425,921	458,019	35,095
User Fees-Court Alcohol/Drug	106,567	327,697	285,017	149,247
Fees-Sheriff/Law Enforcement Ed Fund	11,898	3,438	2,000	13,336
User Fees-Problem Solving Court	23,768	17,373	10,100	31,041
User Fees-Adult Probation	242,043	312,375	334,457	219,961
User Fees-Juvenile Probation	6,579	10,706	7,340	9,945
User Fees-Project Income	349,589	478,526	438,397	389,718
User Fee-Jury Pay	32,174	15,043	9,133	38,084
County User Fee/Law Ed	91,820	23,678	21,187	94,311
Local Ordinance-False Alarm Fee	4,728	650	-	5,378
Collection Fees-Personal Property	1,235	19,516	20,400	351
Monroe County Convention Center Debt	324,955	654,637	632,000	347,592
Showers Building Lease Rental	1,158,622	1,628,163	1,859,000	927,785
Aviation Construction	454,755	6,509,493	6,469,185	495,063
Aviation Building	534,008	29,290	-	563,298
Employee Morale	1,349	5,164	3,833	2,680
Monroe County Search/Recovery	10,946	7,914	3,091	15,769
Paperless Initiative	261	-	-	261
County Per Diems-YSB	713,418	132,627	287,604	558,441
Monroe County Building Pres/Blgtn Foundation	78,728	-	76,816	1,912
Monroe County Properties	510	-	-	510
Public Health Emergency Fund	20,033	-	-	20,033
County Fair	569	87,961	83,595	4,935
Convention-Visitor Capital Imprv/Maint	141,427	24,000	15,320	150,107
Crime Control	934	-	-	934
Big City/County Seat Belt Grant	5,761	-	58	5,703
Weights and Measures Ordinance Violations	12,612	50	-	12,662
Solid Waste Interlocal	22,502	-	22,502	-
Showers Building Operating	150,785	387,245	478,994	59,036
Curry Building Project Ordinance	6,161	-	-	6,161
County Offender Transportation	1,948	1,548	-	3,496
Westside Econ Dev/Richland Twp TIF	4,449,925	2,189,400	1,281,599	5,357,726
46 Corridor Econ Dev/Blgtn Twp	2,345	216,644	140,586	78,403
Fullerton Pike Econ Dev/TIF	1,378,583	624,290	32,371	1,970,502
Courthouse Rental	4,825	590	15	5,400
DLGF Hstd Pty Database Fund	3	238	240	1
Settlement	-	143,650,155	143,645,631	4,524
Wheel Tax/Surtax Combined	17,520	2,601,002	2,581,282	37,240
Ellettsville Pass Through	987	3,569	2,825	1,731

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

MONROE 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
City Pass Through (Building)	33,295	144,920	64,329	113,886
F10.553 Y.S. Fed School Program	11,086	5,220	2,968	13,338
F93.069 Bio Terrorism	7,106	30,148	30,240	7,014
F20.609 Operation Pullover	(2,916)	13,246	12,282	(1,952)
F20.509 Rural Transit	-	1,058,540	1,058,540	-
F16.585 BJA Drug Court Enhancement	(19,669)	74,988	55,319	-
F16.540 Title II Juv. Re-entry	(2,989)	2,989	3,765	(3,765)
F93.617 Hava Polling Place Grant	947	21,700	-	22,647
IGIC Addressing Grant	3,000	-	-	3,000
F93.563 County IV-D Incentive	178,306	39,299	9,862	207,743
Multi State Learning Collabor.	3,646	-	103	3,543
In Jud. Supreme Court Grant	8,371	9,020	5,905	11,486
Health Tobacco Cessation	115,402	27,131	31,629	110,904
Pilot Family Court Grant	-	10,000	9,848	152
Probation-Cares Grant 12-13	-	6,168	6,168	-
YSB Cares Grant 12-13	1,903	-	1,706	197
F93.041 Adult Protection 12-13	(21,188)	89,370	68,182	-
Juvenile Account Block	(1,393)	1,543	7,850	(7,700)
Futures Clinic	15,351	54,422	69,773	-
JAG Drug Court	(20,005)	80,843	83,574	(22,736)
Runaway and Homeless 12-15	(8,672)	113,548	120,922	(16,046)
Voca Grant 12-13	(9,373)	44,310	41,754	(6,817)
IV-D Parenting Time	(2,232)	73,093	75,196	(4,335)
SWtop Grant 12-13	(10,799)	21,525	23,117	(12,391)
DUI Task Enforcement	(593)	4,534	3,941	-
Project Safeplace 12-13	1,406	9,467	9,795	1,078
1503 YSB Grant 12-13	34,672	9,804	34,534	9,942
Donations - Probations	499	166	-	665
Donations - APS Unit 10	3,188	1,000	81	4,107
Donations - Safe Place	2,629	1,913	526	4,016
Donations - Emergency Mgt	1,815	-	-	1,815
Donations - Drug Treatment Court	20	-	-	20
Donations - Vietnam Memorial	200	-	-	200
Energy Conservation Non-Reverting	-	20,823	10,454	10,369
IN Workforce Development	-	670,736	25,587	645,149
F16.738 JAG Equip 2012 Sheriff	-	5,745	5,745	-
F97.042 EMPG 2012 Competitive	-	4,054	4,054	-
F93.074 Medical Res Corp BHPP	-	3,893	3,893	-
F93.217 Futures Clinic 2013	-	233,919	235,644	(1,725)
F97.073 2011 SHSP Races Radio	-	2,221	2,221	-
F93.008 MRC NACCHO	8,403	4,000	389	12,014
F93.041 Adult Protection Services 13-14	-	22,204	52,282	(30,078)
F20.600 Distracted Driving Enforcement	-	6,359	6,359	-
Sassafras Audobon	-	800	700	100
Sodium Reduction Grant	-	10,760	11,309	(549)
MLK Garden Grant	-	500	500	-
Local Grants to Futures Clinic	-	4,463	4,283	180
Community Foundation Grant	-	8,895	8,895	-
Bloomington Bicycle Grant	-	1,500	-	1,500
2013 GO Bond Capital Projects	-	2,000,000	-	2,000,000
Storm Water Management	1,309,954	1,177,352	897,133	1,590,173
Totals	\$ 61,020,429	\$ 287,760,909	\$ 288,622,509	\$ 60,158,829

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

MONROE 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.

MONROE 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, over-time compensation, and other such benefits are appropriated separately, such payments would also be included.

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

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

Debt service principal and interest which include fixed obligations resulting from financial transactions previously entered into by the County. It includes all expenditures for the reduction of the principal and interest of the County's general obligation indebtedness.

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

MONROE COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Utility operating expenses which include all outflows for operating the utilities.

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

F. Interfund Transfers

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

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

MONROE COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

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

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

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

MONROE COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Funding Policy and Annual Pension Cost

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

B. County Police Retirement Plan

Plan Description

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

Funding Policy

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

C. County Police Benefit Plan

Plan Description

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

Funding Policy

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

Note 7. Cash Balance Deficits

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

MONROE COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 8. Holding Corporation

The County has entered into a capital lease with Monroe County Jail, Law Enforcement, and Governmental Space Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the County. The lessor has been determined to be a related party of the County. Lease payments during the year 2013 totaled \$1,859,000.

The County has entered into a capital lease with Monroe County Convention Center Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the County. The lessor has been determined to be a related party of the County. Lease payments during the year 2013 totaled \$620,818.

Note 9. Combined Funds

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

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.

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

	After Settlement Collections	Sheriff's Inmate Trust	Jail Commissary	Clerk's Trust	General	Accident Report	Animal Control
Cash and investments - beginning	\$ 1,437,256	\$ 27,783	\$ 131,708	\$ 4,445,135	\$ 8,104,951	\$ 2,728	\$ 43,320
Receipts:							
Taxes	1,099,359	-	-	-	15,259,911	-	-
Licenses and permits	-	-	-	-	585,830	-	-
Intergovernmental	-	-	-	-	1,865,565	-	-
Charges for services	-	516,672	213,830	-	1,260,853	1,254	3,175
Fines and forfeits	-	-	-	13,539,336	452,408	-	2,820
Other receipts	-	-	-	1	1,252,651	-	-
Total receipts	<u>1,099,359</u>	<u>516,672</u>	<u>213,830</u>	<u>13,539,337</u>	<u>20,677,218</u>	<u>1,254</u>	<u>5,995</u>
Disbursements:							
Personal services	-	-	-	-	13,125,764	-	-
Supplies	-	-	-	-	479,132	-	4,476
Other services and charges	-	-	-	-	6,075,207	-	659
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	702,547	-	1,650
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	<u>1,437,256</u>	<u>532,673</u>	<u>186,755</u>	<u>16,091,658</u>	<u>484,053</u>	<u>-</u>	<u>-</u>
Total disbursements	<u>1,437,256</u>	<u>532,673</u>	<u>186,755</u>	<u>16,091,658</u>	<u>20,866,703</u>	<u>-</u>	<u>6,785</u>
Excess (deficiency) of receipts over disbursements	<u>(337,897)</u>	<u>(16,001)</u>	<u>27,075</u>	<u>(2,552,321)</u>	<u>(189,485)</u>	<u>1,254</u>	<u>(790)</u>
Cash and investments - ending	<u>\$ 1,099,359</u>	<u>\$ 11,782</u>	<u>\$ 158,783</u>	<u>\$ 1,892,814</u>	<u>\$ 7,915,466</u>	<u>\$ 3,982</u>	<u>\$ 42,530</u>

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

	Aviation	Bid Deposits and Bonds Holding	Campaign Finance Enforcement - County	City and Town Court Costs	Clerk's Records Perpetuation	COIT - Special Legislation	COIT County Distributive Shares
Cash and investments - beginning	\$ 397,025	\$ 351,631	\$ 850	\$ 33,903	\$ 30,885	\$ 390,035	\$ 1,500,000
Receipts:							
Taxes	428,116	-	-	-	-	1,273,187	9,653,910
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	34,628	-	-	-	-	-	45,533
Charges for services	-	300,000	-	-	53,864	-	133,700
Fines and forfeits	306,612	-	-	34,864	20,529	-	-
Other receipts	2,306	12,000	-	5,339	-	946	2,800
Total receipts	<u>771,662</u>	<u>312,000</u>	<u>-</u>	<u>40,203</u>	<u>74,393</u>	<u>1,274,133</u>	<u>9,835,943</u>
Disbursements:							
Personal services	420,251	-	-	-	44,746	1,212,545	8,001,266
Supplies	57,654	-	-	-	2,077	38,666	266,033
Other services and charges	247,945	98,411	-	-	2,386	86,516	841,982
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	30,783	-	-	-	18,000	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	66,134	-	-	-
Total disbursements	<u>756,633</u>	<u>98,411</u>	<u>-</u>	<u>66,134</u>	<u>67,209</u>	<u>1,337,727</u>	<u>9,109,281</u>
Excess (deficiency) of receipts over disbursements	<u>15,029</u>	<u>213,589</u>	<u>-</u>	<u>(25,931)</u>	<u>7,184</u>	<u>(63,594)</u>	<u>726,662</u>
Cash and investments - ending	<u>\$ 412,054</u>	<u>\$ 565,220</u>	<u>\$ 850</u>	<u>\$ 7,972</u>	<u>\$ 38,069</u>	<u>\$ 326,441</u>	<u>\$ 2,226,662</u>

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

	Community Corrections	Community Transition Program	Convention Visitor and Tourism Promotion	Sales Disclosure - County Share	Cumulative Bridge	Cumulative Capital Development	Drug Free Community
Cash and investments - beginning	\$ 56,994	\$ 7,505	\$ 731,402	\$ 87,285	\$ 4,051,169	\$ 2,202,398	\$ 44,818
Receipts:							
Taxes	-	-	1,596,120	-	1,361,503	2,076,060	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	682,846	4,895	-	-	281,486	168,893	-
Charges for services	-	-	-	12,055	-	-	-
Fines and forfeits	-	-	-	-	-	-	85,970
Other receipts	224	-	-	-	528,987	79,690	-
Total receipts	<u>683,070</u>	<u>4,895</u>	<u>1,596,120</u>	<u>12,055</u>	<u>2,171,976</u>	<u>2,324,643</u>	<u>85,970</u>
Disbursements:							
Personal services	614,128	-	-	-	287,579	461,981	-
Supplies	7,680	3,811	-	-	-	-	-
Other services and charges	48,650	2,888	1,492,663	-	2,294,920	-	76,429
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	2,810,411	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>670,458</u>	<u>6,699</u>	<u>1,492,663</u>	<u>-</u>	<u>2,582,499</u>	<u>3,272,392</u>	<u>76,429</u>
Excess (deficiency) of receipts over disbursements	<u>12,612</u>	<u>(1,804)</u>	<u>103,457</u>	<u>12,055</u>	<u>(410,523)</u>	<u>(947,749)</u>	<u>9,541</u>
Cash and investments - ending	<u>\$ 69,606</u>	<u>\$ 5,701</u>	<u>\$ 834,859</u>	<u>\$ 99,340</u>	<u>\$ 3,640,646</u>	<u>\$ 1,254,649</u>	<u>\$ 54,359</u>

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

	Emergency Planning/Right To Know	Extradition	Firearms Training	Health	Identification Security Protection	Levy Excess	Local Health Maintenance
Cash and investments - beginning	\$ 42,875	\$ 2,424	\$ 86,127	\$ 422,294	\$ 63,889	\$ 21,732	\$ 243,433
Receipts:							
Taxes	-	-	-	536,631	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	22,143	-	-	114,570	-	-	72,672
Charges for services	-	-	38,657	390,945	10,728	-	-
Fines and forfeits	-	2,653	-	-	-	-	-
Other receipts	-	-	-	1,505	-	3,210	35
Total receipts	<u>22,143</u>	<u>2,653</u>	<u>38,657</u>	<u>1,043,651</u>	<u>10,728</u>	<u>3,210</u>	<u>72,707</u>
Disbursements:							
Personal services	-	636	-	790,620	-	-	2,707
Supplies	-	-	-	14,177	-	-	2,802
Other services and charges	34,774	3,103	-	181,124	22,368	-	12,174
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	5,973	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	40,243	-	-	-	-
Total disbursements	<u>40,747</u>	<u>3,739</u>	<u>40,243</u>	<u>985,921</u>	<u>22,368</u>	<u>-</u>	<u>17,683</u>
Excess (deficiency) of receipts over disbursements	<u>(18,604)</u>	<u>(1,086)</u>	<u>(1,586)</u>	<u>57,730</u>	<u>(11,640)</u>	<u>3,210</u>	<u>55,024</u>
Cash and investments - ending	<u>\$ 24,271</u>	<u>\$ 1,338</u>	<u>\$ 84,541</u>	<u>\$ 480,024</u>	<u>\$ 52,249</u>	<u>\$ 24,942</u>	<u>\$ 298,457</u>

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

	Local Road and Street	Medical Care for Inmates	Misdemeanant	Motor Vehicle Highway	Park Nonreverting Capital	Park Nonreverting Operating	Plat Book
Cash and investments - beginning	\$ 3,204,659	\$ 14,586	\$ 145,140	\$ 407,243	\$ 40,453	\$ 168,271	\$ 24,637
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	676,553	-	-	4,201,363	-	-	-
Charges for services	388,530	-	83,427	319,686	32,895	170,210	27,207
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	9,525	-	-	59,690	-	248	-
Total receipts	<u>1,074,608</u>	<u>-</u>	<u>83,427</u>	<u>4,580,739</u>	<u>32,895</u>	<u>170,458</u>	<u>27,207</u>
Disbursements:							
Personal services	-	-	13,397	2,289,663	-	67,755	-
Supplies	-	-	-	1,289,524	-	55,103	-
Other services and charges	748,608	-	35,146	748,799	350	47,337	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	77,303	32,434	36,245	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>748,608</u>	<u>-</u>	<u>48,543</u>	<u>4,405,289</u>	<u>32,784</u>	<u>206,440</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>326,000</u>	<u>-</u>	<u>34,884</u>	<u>175,450</u>	<u>111</u>	<u>(35,982)</u>	<u>27,207</u>
Cash and investments - ending	<u>\$ 3,530,659</u>	<u>\$ 14,586</u>	<u>\$ 180,024</u>	<u>\$ 582,693</u>	<u>\$ 40,564</u>	<u>\$ 132,289</u>	<u>\$ 51,844</u>

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

	Rainy Day	Reassessment - 2009	Reassessment - 2015	Recorder's Records Perpetuation	Supplemental Public Defender Services	Surplus Tax	Surveyor's Corner Perpetuation
Cash and investments - beginning	\$ 6,970,550	\$ 83,257	\$ 1,029,088	\$ 30,185	\$ 772,193	\$ 135,655	\$ 8,756
Receipts:							
Taxes	-	-	498,578	-	-	283,848	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	40,360	-	-	-	-
Charges for services	-	-	-	168,738	592,699	-	21,275
Fines and forfeits	-	-	-	-	50,273	-	-
Other receipts	-	-	83,582	-	-	5,948	-
Total receipts	-	-	622,520	168,738	642,972	289,796	21,275
Disbursements:							
Personal services	-	-	328	126,407	600,545	-	8,618
Supplies	-	-	-	9,456	-	-	2,949
Other services and charges	-	-	294,806	12,408	-	-	2,259
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	163,027	-	3,299	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	83,257	-	-	-	284,503	-
Total disbursements	163,027	83,257	298,433	148,271	600,545	284,503	13,826
Excess (deficiency) of receipts over disbursements	(163,027)	(83,257)	324,087	20,467	42,427	5,293	7,449
Cash and investments - ending	\$ 6,807,523	\$ -	\$ 1,353,175	\$ 50,652	\$ 814,620	\$ 140,948	\$ 16,205

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

	Tax Sale Redemption	Tax Sale Surplus	Vehicle Inspection	Victim Impact Program	GAL/CASA	Auditors Ineligible Deductions	County Elected Officials Training
Cash and investments - beginning	\$ 1,149	\$ 949,580	\$ 9,319	\$ 4,398	\$ -	\$ 140,510	\$ 13,345
Receipts:							
Taxes	-	-	-	-	-	255,669	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	1,780	-	39,813	-	11,104
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	190,015	1,950,120	-	-	-	60	-
Total receipts	<u>190,015</u>	<u>1,950,120</u>	<u>1,780</u>	<u>-</u>	<u>39,813</u>	<u>255,729</u>	<u>11,104</u>
Disbursements:							
Personal services	-	-	-	-	-	14,407	-
Supplies	-	-	858	-	-	13,611	-
Other services and charges	-	-	-	-	39,813	72,688	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	186,020	1,580,919	-	-	-	-	-
Total disbursements	<u>186,020</u>	<u>1,580,919</u>	<u>858</u>	<u>-</u>	<u>39,813</u>	<u>100,706</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>3,995</u>	<u>369,201</u>	<u>922</u>	<u>-</u>	<u>-</u>	<u>155,023</u>	<u>11,104</u>
Cash and investments - ending	<u>\$ 5,144</u>	<u>\$ 1,318,781</u>	<u>\$ 10,241</u>	<u>\$ 4,398</u>	<u>\$ -</u>	<u>\$ 295,533</u>	<u>\$ 24,449</u>

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

	Monroe County E-911	Alternative Dispute Resolution	Convention Center Operating	Drug Buy Money	Sheriff Sale Administration	Court Interpreters	Donations
Cash and investments - beginning	\$ 764,723	\$ 64,477	\$ 63,752	\$ 36,940	\$ 29,392	\$ 2,720	\$ 25,216
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	788,310	-	482,412	409	24,400	9,900	-
Fines and forfeits	-	10,954	-	-	-	-	-
Other receipts	-	-	-	-	-	-	889
Total receipts	<u>788,310</u>	<u>10,954</u>	<u>482,412</u>	<u>409</u>	<u>24,400</u>	<u>9,900</u>	<u>889</u>
Disbursements:							
Personal services	235,370	-	-	33,472	-	-	-
Supplies	153	-	2,580	-	5,521	-	-
Other services and charges	515,576	5,132	484,985	-	4,000	6,960	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	13,980	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	413
Total disbursements	<u>751,099</u>	<u>5,132</u>	<u>487,565</u>	<u>33,472</u>	<u>23,501</u>	<u>6,960</u>	<u>413</u>
Excess (deficiency) of receipts over disbursements	<u>37,211</u>	<u>5,822</u>	<u>(5,153)</u>	<u>(33,063)</u>	<u>899</u>	<u>2,940</u>	<u>476</u>
Cash and investments - ending	<u>\$ 801,934</u>	<u>\$ 70,299</u>	<u>\$ 58,599</u>	<u>\$ 3,877</u>	<u>\$ 30,291</u>	<u>\$ 5,660</u>	<u>\$ 25,692</u>

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

	Richland TIF Debt Cash w/ Fiscal Agent	Westside TIF 2013 Sinking Cash w/ Fiscal Agent	Payroll Clearing	Payroll Withholding - Insurance	CVET Agency	Financial Institution Tax	COIT Homestead
Cash and investments - beginning	\$ 1,265,355	\$ -	\$ 1,129,448	\$ 2,608,441	\$ -	\$ -	\$ 10,312
Receipts:							
Taxes	-	-	-	-	-	-	1,356,900
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	574,230	610,523	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	1,269,647	1,694,761	9,847,304	5,243,948	-	-	-
Total receipts	<u>1,269,647</u>	<u>1,694,761</u>	<u>9,847,304</u>	<u>5,243,948</u>	<u>574,230</u>	<u>610,523</u>	<u>1,356,900</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	2,114,581	1,639,273	10,874,636	5,033,092	574,230	610,523	1,367,212
Total disbursements	<u>2,114,581</u>	<u>1,639,273</u>	<u>10,874,636</u>	<u>5,033,092</u>	<u>574,230</u>	<u>610,523</u>	<u>1,367,212</u>
Excess (deficiency) of receipts over disbursements	<u>(844,934)</u>	<u>55,488</u>	<u>(1,027,332)</u>	<u>210,856</u>	<u>-</u>	<u>-</u>	<u>(10,312)</u>
Cash and investments - ending	<u>\$ 420,421</u>	<u>\$ 55,488</u>	<u>\$ 102,116</u>	<u>\$ 2,819,297</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	HEA 1001 State Homestead Credit	State Fines and Forfeitures	Infraction Judgements	Overweight Vehicle Fines	Special Death Benefit	Sales Disclosure - State Share	Coroners Training & Con't Education
Cash and investments - beginning	\$ 24,875	\$ 27,908	\$ 8,349	\$ -	\$ 670	\$ 665	\$ 1,628
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	12,055	11,315
Fines and forfeits	-	28,224	149,409	1,452	6,635	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>28,224</u>	<u>149,409</u>	<u>1,452</u>	<u>6,635</u>	<u>12,055</u>	<u>11,315</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	53,656	150,032	1,452	6,740	11,900	12,159
Total disbursements	<u>-</u>	<u>53,656</u>	<u>150,032</u>	<u>1,452</u>	<u>6,740</u>	<u>11,900</u>	<u>12,159</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(25,432)</u>	<u>(623)</u>	<u>-</u>	<u>(105)</u>	<u>155</u>	<u>(844)</u>
Cash and investments - ending	<u>\$ 24,875</u>	<u>\$ 2,476</u>	<u>\$ 7,726</u>	<u>\$ -</u>	<u>\$ 565</u>	<u>\$ 820</u>	<u>\$ 784</u>

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

	Interstate Compact - State Share	Mortgage Recording Fees - State Share	Inheritance Tax	Education Plate Fees Agency	Riverboat Revenue Sharing	Innkeepers Tax Collections	COIT Distribution
Cash and investments - beginning	\$ 313	\$ 1,408	\$ 1,225,397	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	2,118,420	26,736,923
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	2,165,840	3,581	817,347	-	-
Charges for services	-	15,105	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	1,548	-	-	-	-	-	-
Total receipts	<u>1,548</u>	<u>15,105</u>	<u>2,165,840</u>	<u>3,581</u>	<u>817,347</u>	<u>2,118,420</u>	<u>26,736,923</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	1,650	15,730	3,274,668	3,506	817,347	2,118,420	26,736,923
Total disbursements	<u>1,650</u>	<u>15,730</u>	<u>3,274,668</u>	<u>3,506</u>	<u>817,347</u>	<u>2,118,420</u>	<u>26,736,923</u>
Excess (deficiency) of receipts over disbursements	<u>(102)</u>	<u>(625)</u>	<u>(1,108,828)</u>	<u>75</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 211</u>	<u>\$ 783</u>	<u>\$ 116,569</u>	<u>\$ 75</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	93.563 ARRA Prosecutor IV-D Incentive	93.563 Prosecutor IV-D Incentive-Prior To Oct '99	93.563 Prosecutor IV-D Incentive-Post Oct '99	93.563 Clerk IV-D Incentive-Post Oct '99	Economic Development/ Tourism	Juvenile Probation Admin-Rainy Day	Juvenile Probation Admin-Non- Reverting
Cash and investments - beginning	\$ 112,358	\$ 13,119	\$ 216,017	\$ 121,355	\$ 2,267	\$ 164,275	\$ 1,272,633
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	59,130	39,299	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	59,130	39,299	-	-	-
Disbursements:							
Personal services	-	-	13,850	43,181	-	-	-
Supplies	48	-	707	206	-	-	-
Other services and charges	18,961	-	6,018	3,373	-	-	125,403
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	761	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	19,770	-	20,575	46,760	-	-	125,403
Excess (deficiency) of receipts over disbursements	(19,770)	-	38,555	(7,461)	-	-	(125,403)
Cash and investments - ending	<u>\$ 92,588</u>	<u>\$ 13,119</u>	<u>\$ 254,572</u>	<u>\$ 113,894</u>	<u>\$ 2,267</u>	<u>\$ 164,275</u>	<u>\$ 1,147,230</u>

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

	User Fees-Cable Franchise	User Fees-Diversion- Prosecutor	User Fees-Court Alcohol/Drug	Fees-Sheriff/Law Enforcement Ed Fund	User Fees-Problem Solving Court	User Fees-Adult Probation	User Fees-Juvenile Probation
Cash and investments - beginning	\$ 638,451	\$ 67,193	\$ 106,567	\$ 11,898	\$ 23,768	\$ 242,043	\$ 6,579
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	566,332	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	3,438	-	-	-
Fines and forfeits	-	420,959	327,697	-	17,373	312,375	-
Other receipts	-	4,962	-	-	-	-	10,706
Total receipts	<u>566,332</u>	<u>425,921</u>	<u>327,697</u>	<u>3,438</u>	<u>17,373</u>	<u>312,375</u>	<u>10,706</u>
Disbursements:							
Personal services	-	423,839	261,607	-	-	322,669	3,792
Supplies	-	336	5,656	2,000	497	3,246	2,673
Other services and charges	667,142	33,686	17,754	-	9,603	8,497	875
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	2,125	158	-	-	-	45	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>669,267</u>	<u>458,019</u>	<u>285,017</u>	<u>2,000</u>	<u>10,100</u>	<u>334,457</u>	<u>7,340</u>
Excess (deficiency) of receipts over disbursements	<u>(102,935)</u>	<u>(32,098)</u>	<u>42,680</u>	<u>1,438</u>	<u>7,273</u>	<u>(22,082)</u>	<u>3,366</u>
Cash and investments - ending	<u>\$ 535,516</u>	<u>\$ 35,095</u>	<u>\$ 149,247</u>	<u>\$ 13,336</u>	<u>\$ 31,041</u>	<u>\$ 219,961</u>	<u>\$ 9,945</u>

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

	User Fees-Project Income	User Fee-Jury Pay	County User Fee/Law Ed	Local Ordinance-False Alarm Fee	Collection Fees-Personal Property	Monroe County Convention Center Debt	Showers Building Lease Rental
Cash and investments - beginning	\$ 349,589	\$ 32,174	\$ 91,820	\$ 4,728	\$ 1,235	\$ 324,955	\$ 1,158,622
Receipts:							
Taxes	-	-	-	-	-	498,300	1,506,477
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	121,686
Charges for services	-	-	-	650	-	156,337	-
Fines and forfeits	19,150	14,951	23,678	-	19,516	-	-
Other receipts	459,376	92	-	-	-	-	-
Total receipts	<u>478,526</u>	<u>15,043</u>	<u>23,678</u>	<u>650</u>	<u>19,516</u>	<u>654,637</u>	<u>1,628,163</u>
Disbursements:							
Personal services	275,767	-	-	-	1,450	-	-
Supplies	13,422	-	-	-	-	-	-
Other services and charges	148,847	9,133	21,187	-	18,950	-	-
Debt service - principal and interest	-	-	-	-	-	629,204	1,859,000
Capital outlay	361	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	2,796	-
Total disbursements	<u>438,397</u>	<u>9,133</u>	<u>21,187</u>	<u>-</u>	<u>20,400</u>	<u>632,000</u>	<u>1,859,000</u>
Excess (deficiency) of receipts over disbursements	<u>40,129</u>	<u>5,910</u>	<u>2,491</u>	<u>650</u>	<u>(884)</u>	<u>22,637</u>	<u>(230,837)</u>
Cash and investments - ending	<u>\$ 389,718</u>	<u>\$ 38,084</u>	<u>\$ 94,311</u>	<u>\$ 5,378</u>	<u>\$ 351</u>	<u>\$ 347,592</u>	<u>\$ 927,785</u>

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

	Aviation Construction	Aviation Building	Employee Morale	Monroe County Search/ Recovery	Paperless Initiative	County Per Diems-YSB	Monroe County Building Pres/Blgtn Foundation
Cash and investments - beginning	\$ 454,755	\$ 534,008	\$ 1,349	\$ 10,946	\$ 261	\$ 713,418	\$ 78,728
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	6,506,834	28,871	-	7,914	-	132,627	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	2,659	419	5,164	-	-	-	-
Total receipts	<u>6,509,493</u>	<u>29,290</u>	<u>5,164</u>	<u>7,914</u>	<u>-</u>	<u>132,627</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	-	-	287,314	-
Supplies	-	-	-	727	-	-	-
Other services and charges	-	-	-	1,981	-	290	76,816
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	6,469,185	-	-	383	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	3,833	-	-	-	-
Total disbursements	<u>6,469,185</u>	<u>-</u>	<u>3,833</u>	<u>3,091</u>	<u>-</u>	<u>287,604</u>	<u>76,816</u>
Excess (deficiency) of receipts over disbursements	<u>40,308</u>	<u>29,290</u>	<u>1,331</u>	<u>4,823</u>	<u>-</u>	<u>(154,977)</u>	<u>(76,816)</u>
Cash and investments - ending	<u>\$ 495,063</u>	<u>\$ 563,298</u>	<u>\$ 2,680</u>	<u>\$ 15,769</u>	<u>\$ 261</u>	<u>\$ 558,441</u>	<u>\$ 1,912</u>

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

	Monroe County Properties	Public Health Emergency Fund	County Fair	Convention- Visitor Capital Imprv/Maint	Crime Control	Big City/County Seat Belt Grant	Weights and Measures Ordinance Violations
Cash and investments - beginning	\$ 510	\$ 20,033	\$ 569	\$ 141,427	\$ 934	\$ 5,761	\$ 12,612
Receipts:							
Taxes	-	-	81,146	24,000	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	6,815	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	50
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	87,961	24,000	-	-	50
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	83,595	15,320	-	58	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	-	-	83,595	15,320	-	58	-
Excess (deficiency) of receipts over disbursements	-	-	4,366	8,680	-	(58)	50
Cash and investments - ending	\$ 510	\$ 20,033	\$ 4,935	\$ 150,107	\$ 934	\$ 5,703	\$ 12,662

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

	Solid Waste Interlocal	Showers Building Operating	Curry Building Project Ordinance	County Offender Transportation	Westside Econ Dev/Richland Twp TIF	46 Corridor Econ Dev/Blgtn Twp	Fullerton Pike Econ Dev/TIF
Cash and investments - beginning	\$ 22,502	\$ 150,785	\$ 6,161	\$ 1,948	\$ 4,449,925	\$ 2,345	\$ 1,378,583
Receipts:							
Taxes	-	-	-	-	2,189,400	216,644	624,290
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	387,245	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	1,548	-	-	-
Total receipts	-	387,245	-	1,548	2,189,400	216,644	624,290
Disbursements:							
Personal services	2,404	45,327	-	-	-	-	-
Supplies	-	38,359	-	-	-	-	-
Other services and charges	-	228,575	-	-	1,281,599	136,192	1,700
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	20,098	166,733	-	-	-	4,394	30,671
Total disbursements	22,502	478,994	-	-	1,281,599	140,586	32,371
Excess (deficiency) of receipts over disbursements	(22,502)	(91,749)	-	1,548	907,801	76,058	591,919
Cash and investments - ending	\$ -	\$ 59,036	\$ 6,161	\$ 3,496	\$ 5,357,726	\$ 78,403	\$ 1,970,502

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

	Courthouse Rental	DLGF Hstd Pty Database Fund	Settlement	Wheel Tax/Surtax Combined	Ellettsville Pass Through	City Pass Through (Building)	F10.553 Y.S. Fed School Program
Cash and investments - beginning	\$ 4,825	\$ 3	\$ -	\$ 17,520	\$ 987	\$ 33,295	\$ 11,086
Receipts:							
Taxes	-	-	143,650,155	-	-	-	-
Licenses and permits	-	-	-	-	3,569	144,920	-
Intergovernmental	-	-	-	2,601,002	-	-	5,220
Charges for services	590	238	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>590</u>	<u>238</u>	<u>143,650,155</u>	<u>2,601,002</u>	<u>3,569</u>	<u>144,920</u>	<u>5,220</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	2,968
Other services and charges	15	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	240	143,645,631	2,581,282	2,825	64,329	-
Total disbursements	<u>15</u>	<u>240</u>	<u>143,645,631</u>	<u>2,581,282</u>	<u>2,825</u>	<u>64,329</u>	<u>2,968</u>
Excess (deficiency) of receipts over disbursements	<u>575</u>	<u>(2)</u>	<u>4,524</u>	<u>19,720</u>	<u>744</u>	<u>80,591</u>	<u>2,252</u>
Cash and investments - ending	<u>\$ 5,400</u>	<u>\$ 1</u>	<u>\$ 4,524</u>	<u>\$ 37,240</u>	<u>\$ 1,731</u>	<u>\$ 113,886</u>	<u>\$ 13,338</u>

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

	F93.069 Bio Terrorism	F20.609 Operation Pullover	F20.509 Rural Transit	F16.585 BJA Drug Court Enhancement	F16.540 Title II Juv. Re-entry	F93.617 Hava Polling Place Grant	IGIC Addressing Grant
Cash and investments - beginning	\$ 7,106	\$ (2,916)	\$ -	\$ (19,669)	\$ (2,989)	\$ 947	\$ 3,000
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	30,148	13,229	1,058,540	74,988	2,989	21,700	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	17	-	-	-	-	-
Total receipts	<u>30,148</u>	<u>13,246</u>	<u>1,058,540</u>	<u>74,988</u>	<u>2,989</u>	<u>21,700</u>	<u>-</u>
Disbursements:							
Personal services	7,034	12,282	-	54,231	-	-	-
Supplies	3,964	-	-	-	-	-	-
Other services and charges	19,242	-	1,058,540	1,088	3,765	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>30,240</u>	<u>12,282</u>	<u>1,058,540</u>	<u>55,319</u>	<u>3,765</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(92)</u>	<u>964</u>	<u>-</u>	<u>19,669</u>	<u>(776)</u>	<u>21,700</u>	<u>-</u>
Cash and investments - ending	<u>\$ 7,014</u>	<u>\$ (1,952)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,765)</u>	<u>\$ 22,647</u>	<u>\$ 3,000</u>

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

	F93.563 County IV-D Incentive	Multi State Learning Collabor.	In Jud. Supreme Court Grant	Health Tobacco Cessation	Pilot Family Court Grant	Probation-Cares Grant 12-13	YSB Cares Grant 12-13
Cash and investments - beginning	\$ 178,306	\$ 3,646	\$ 8,371	\$ 115,402	\$ -	\$ -	\$ 1,903
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	39,299	-	9,020	27,131	10,000	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	6,168	-
Total receipts	<u>39,299</u>	<u>-</u>	<u>9,020</u>	<u>27,131</u>	<u>10,000</u>	<u>6,168</u>	<u>-</u>
Disbursements:							
Personal services	640	-	-	28,254	-	-	-
Supplies	58	-	1,975	1,384	105	-	1,456
Other services and charges	6,644	103	3,930	1,991	9,743	6,168	250
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	2,520	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>9,862</u>	<u>103</u>	<u>5,905</u>	<u>31,629</u>	<u>9,848</u>	<u>6,168</u>	<u>1,706</u>
Excess (deficiency) of receipts over disbursements	<u>29,437</u>	<u>(103)</u>	<u>3,115</u>	<u>(4,498)</u>	<u>152</u>	<u>-</u>	<u>(1,706)</u>
Cash and investments - ending	<u>\$ 207,743</u>	<u>\$ 3,543</u>	<u>\$ 11,486</u>	<u>\$ 110,904</u>	<u>\$ 152</u>	<u>\$ -</u>	<u>\$ 197</u>

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

	F93.041 Adult Protection 12-13	Juvenile Account Block	Futures Clinic	JAG Drug Court	Runaway and Homeless 12-15	Voca Grant 12-13
Cash and investments - beginning	\$ (21,188)	\$ (1,393)	\$ 15,351	\$ (20,005)	\$ (8,672)	\$ (9,373)
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	89,370	1,543	53,690	80,843	113,150	44,310
Charges for services	-	-	563	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	169	-	398	-
Total receipts	<u>89,370</u>	<u>1,543</u>	<u>54,422</u>	<u>80,843</u>	<u>113,548</u>	<u>44,310</u>
Disbursements:						
Personal services	60,478	-	15,858	83,574	107,263	41,754
Supplies	100	-	12,352	-	-	-
Other services and charges	7,604	7,850	1,780	-	13,659	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	39,783	-	-	-
Total disbursements	<u>68,182</u>	<u>7,850</u>	<u>69,773</u>	<u>83,574</u>	<u>120,922</u>	<u>41,754</u>
Excess (deficiency) of receipts over disbursements	<u>21,188</u>	<u>(6,307)</u>	<u>(15,351)</u>	<u>(2,731)</u>	<u>(7,374)</u>	<u>2,556</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ (7,700)</u>	<u>\$ -</u>	<u>\$ (22,736)</u>	<u>\$ (16,046)</u>	<u>\$ (6,817)</u>

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

	IV-D Parenting Time	SWtop Grant 12-13	DUI Task Enforcement	Project Safeplace 12-13	1503 YSB Grant 12-13	Donations - Probations
Cash and investments - beginning	\$ (2,232)	\$ (10,799)	\$ (593)	\$ 1,406	\$ 34,672	\$ 499
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	73,093	21,525	4,427	8,967	9,804	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	107	500	-	166
Total receipts	<u>73,093</u>	<u>21,525</u>	<u>4,534</u>	<u>9,467</u>	<u>9,804</u>	<u>166</u>
Disbursements:						
Personal services	16,383	23,117	3,941	-	31,232	-
Supplies	1,598	-	-	2,333	-	-
Other services and charges	55,811	-	-	7,462	3,302	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	1,404	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>75,196</u>	<u>23,117</u>	<u>3,941</u>	<u>9,795</u>	<u>34,534</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(2,103)</u>	<u>(1,592)</u>	<u>593</u>	<u>(328)</u>	<u>(24,730)</u>	<u>166</u>
Cash and investments - ending	<u>\$ (4,335)</u>	<u>\$ (12,391)</u>	<u>\$ -</u>	<u>\$ 1,078</u>	<u>\$ 9,942</u>	<u>\$ 665</u>

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

	Donations - APS Unit 10	Donations - Safe Place	Donations - Emergency Mgt	Donations - Drug Treatment Court	Donations - Vietnam Memorial	Energy Conservation Non-Reverting
Cash and investments - beginning	\$ 3,188	\$ 2,629	\$ 1,815	\$ 20	\$ 200	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	1,000	1,913	-	-	-	20,823
Total receipts	1,000	1,913	-	-	-	20,823
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	81	-	-	-	-	10,454
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	526	-	-	-	-
Total disbursements	81	526	-	-	-	10,454
Excess (deficiency) of receipts over disbursements	919	1,387	-	-	-	10,369
Cash and investments - ending	\$ 4,107	\$ 4,016	\$ 1,815	\$ 20	\$ 200	\$ 10,369

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

	IN Workforce Development	F16.738 JAG Equip 2012 Sheriff	F97.042 EMPG 2012 Competive	F93.074 Medical Res Corp BHPP	F93.217 Futures Clinic 2013	F97.073 2011 SHSP Races Radio
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	5,745	4,054	3,893	173,826	2,221
Charges for services	-	-	-	-	18,816	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	670,736	-	-	-	41,277	-
Total receipts	670,736	5,745	4,054	3,893	233,919	2,221
Disbursements:						
Personal services	-	-	-	-	137,465	-
Supplies	-	-	-	3,893	54,833	-
Other services and charges	-	-	4,054	-	43,346	2,221
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	5,745	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	25,587	-	-	-	-	-
Total disbursements	25,587	5,745	4,054	3,893	235,644	2,221
Excess (deficiency) of receipts over disbursements	645,149	-	-	-	(1,725)	-
Cash and investments - ending	\$ 645,149	\$ -	\$ -	\$ -	\$ (1,725)	\$ -

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

	F93.008 MRC NACCHO	F93.041 Adult Protection Services 13-14	F20.600 Distracted Driving Enforcement	Sassafras Audobon	Sodium Reduction Grant	MLK Garden Grant
Cash and investments - beginning	\$ 8,403	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	4,000	22,204	6,359	-	10,760	500
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	800	-	-
Total receipts	<u>4,000</u>	<u>22,204</u>	<u>6,359</u>	<u>800</u>	<u>10,760</u>	<u>500</u>
Disbursements:						
Personal services	-	50,491	6,235	-	3,695	-
Supplies	-	100	-	700	307	500
Other services and charges	389	1,691	-	-	7,307	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	124	-	-	-
Total disbursements	<u>389</u>	<u>52,282</u>	<u>6,359</u>	<u>700</u>	<u>11,309</u>	<u>500</u>
Excess (deficiency) of receipts over disbursements	<u>3,611</u>	<u>(30,078)</u>	<u>-</u>	<u>100</u>	<u>(549)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 12,014</u>	<u>\$ (30,078)</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ (549)</u>	<u>\$ -</u>

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

	Local Grants to Futures Clinic	Community Foundation Grant	Bloomington Bicycle Grant	2013 GO Bond Capital Projects	Storm Water Management	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 1,309,954	\$ 61,020,429
Receipts:						
Taxes	-	-	-	-	1,177,315	214,502,862
Licenses and permits	-	-	-	-	-	1,300,651
Intergovernmental	3,123	8,895	-	-	-	17,249,526
Charges for services	-	-	-	-	-	13,381,126
Fines and forfeits	-	-	-	-	-	15,847,888
Other receipts	1,340	-	1,500	2,000,000	37	25,478,856
Total receipts	<u>4,463</u>	<u>8,895</u>	<u>1,500</u>	<u>2,000,000</u>	<u>1,177,352</u>	<u>287,760,909</u>
Disbursements:						
Personal services	-	-	-	-	216,520	30,933,832
Supplies	-	-	-	-	-	2,412,766
Other services and charges	4,283	8,895	-	-	-	18,748,289
Debt service - principal and interest	-	-	-	-	-	2,488,204
Capital outlay	-	-	-	-	101,478	10,479,817
Utility operating expenses	-	-	-	-	63,574	63,574
Other disbursements	-	-	-	-	515,561	223,496,027
Total disbursements	<u>4,283</u>	<u>8,895</u>	<u>-</u>	<u>-</u>	<u>897,133</u>	<u>288,622,509</u>
Excess (deficiency) of receipts over disbursements	<u>180</u>	<u>-</u>	<u>1,500</u>	<u>2,000,000</u>	<u>280,219</u>	<u>(861,600)</u>
Cash and investments - ending	<u>\$ 180</u>	<u>\$ -</u>	<u>\$ 1,500</u>	<u>\$ 2,000,000</u>	<u>\$ 1,590,173</u>	<u>\$ 60,158,829</u>

MONROE COUNTY
SCHEDULE OF LEASES AND DEBT
December 31, 2013

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
A T and T	E-911 Equipment	\$ 257,268	10/1/2006	9/1/2016
Capital One	Vehicles (Highway)	37,349	8/30/2012	8/30/2014
Caterpillar	Backhoe Equipment (Highway)	14,023	2/12/2012	2/10/2017
GABC Leasing	Dump Trucks (Highway)	36,329	11/8/2013	11/8/2017
John Deere	Tractor (Parks and Rec)	14,275	4/30/2012	4/30/2015
PNC	Vactor Equipment (Stormwater)	41,883	8/24/2012	8/24/2016
TFC	Street Sweeper (Stormwater)	37,989	10/26/2012	10/26/2016
Monroe County Convention Center Building Corporation	Convention Center Land Purchases	620,818	1/1/2011	1/1/2021
Monroe County Jail, Law Enforcement, and Governmental Space Building Corporation	Purchase of Showers Building/Courthouse Renovations	<u>1,859,000</u>	5/23/2011	1/20/2017
Total of annual lease payments		<u>\$ 2,918,934</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	Westside Economic Development Area Bonds of 2007	\$ 4,110,000	\$ 344,338
General obligation bonds	Westside Economic Development Area Bonds of 2013	1,700,000	187,761
General obligation bonds	County Capital Projects	<u>2,000,000</u>	<u>988,875</u>
Totals		<u>\$ 7,810,000</u>	<u>\$ 1,520,974</u>

MONROE COUNTY
SCHEDULE OF CAPITAL ASSETS
December 31, 2013

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 6,626,559
Infrastructure	497,629,839
Buildings	70,356,758
Machinery, equipment, and vehicles	11,442,322
Books and other	<u>170,000</u>
Total capital assets	<u>\$ 586,225,478</u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

TO: THE OFFICIALS OF MONROE COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited Monroe 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.

Basis for Adverse Opinion on Formula Grants for Rural Areas

As described in items 2013-012 and 2013-013 in the accompanying Schedule of Findings and Questioned Costs, the County did not comply with requirements regarding Subrecipient Monitoring and Equipment and Real Property Management that are applicable to its Formula Grants for Rural Areas. Compliance with such requirements is necessary, in our opinion, for the County to comply with requirements applicable to that program.

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

Basis for Qualified Opinion on Airport Improvement Program

As described in item 2013-007 in the accompanying Schedule of Findings and Questioned Costs, the County did not comply with requirements regarding Equipment and Real Property Management that are applicable to its Airport Improvement Program. Compliance with such requirements is necessary, in our opinion, for the County to comply with requirements applicable to that program.

Adverse Opinion on Formula Grants for Rural Areas

In our opinion, because of the significance of the noncompliance described in the *Basis for Adverse Opinion on Formula Grants for Rural Areas* paragraph, the County did not comply in all material respects, with the requirements referred to above that could have a direct and material effect on Formula Grants for Rural Areas for the year ended December 31, 2013.

Qualified Opinion on Airport Improvement Program

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Airport Improvement Program* paragraph, 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 Airport Improvement Program for the year ended December 31, 2013.

Unmodified Opinion on Each of the Other Major Federal Programs

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 other major federal programs identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the year ended December 31, 2013.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2013-010 and 2013-011. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

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

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

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2013-006, 2013-007, 2013-008, 2013-009, 2013-012, and 2013-013 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

December 18, 2014

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

MONROE 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>U.S. Department of Agriculture</u>				
Child Nutrition Cluster				
School Breakfast Program	Indiana Department of Education	10.553	Calendar Year 2013	\$ 1,719
YSB				
National School Lunch Program	Indiana Department of Education	10.555	Calendar Year 2013	3,102
YSB				
Total - Child Nutrition Cluster				4,821
Child and Adult Care Food Program	Indiana Department of Education	10.558	Calendar Year 2013	400
YSB				
Total - U.S. Department of Agriculture				5,221
<u>U.S. Department of Justice</u>				
JAG Program Cluster				
Edward Byrne Memorial Justice Assistance Grant Program	Indiana Criminal Justice Institute			
Sheriff		16.738	09DJ-119	5,745
Courts - Probation		16.738	11-DJ-027	20,005
Courts - Probation		16.738	D3-13-7651	60,838
Total - JAG Program Cluster				86,588
Juvenile Accountability Block Grants	Indiana Criminal Justice Institute			
Courts - Probation		16.523	10-JB-015	1,543
Juvenile Justice and Delinquency Prevention - Allocation to States	Indiana Criminal Justice Institute			
Courts - Probation		16.540	11-JF-013	2,989
Crime Victim Assistance	Indiana Criminal Justice Institute			
Prosecutor		16.575	12VA1461	44,310
Drug Court Discretionary Grant Program	Indiana Judicial Center			
Courts-Probation		16.585	10-DC-003	74,988
ARRA - Violence Against Women Formula Grants	Indiana Criminal Justice Institute			
Prosecutor		16.588	09STR35	4,312
Violence Against Women Formula Grants	Indiana Criminal Justice Institute			
Prosecutor		16.588	12STPR0018	21,525
Total - U.S. Department of Justice				236,255
<u>U.S. Department of Transportation</u>				
Highway Planning and Construction Cluster	Indiana Department of Transportation			
Highway Planning and Construction		20.205	DES 1173326	31,280
		20.205	DES 9953008	48,818
		20.205	DES 0901932	13,854
		20.205	DES 9953008	11,154
		20.205	DES 0301007	8,080
		20.205	DES 0800768	22,300
		20.205	DES 0800768	43,979
		20.205	DES 0800768	2,341
		20.205	DES 1172115	99,000
		20.205	DES 1297633	289,530
Total - Highway Planning and Construction Cluster				570,336
Highway Safety Cluster				
State and Community Highway Safety	City of Bloomington			
Sheriff		20.600	1464	13,229
Sheriff		20.600	1464	6,359
Total - State and Community Highway Safety				19,588
Alcohol Impaired Driving Countermeasures Incentive Grants I	City of Bloomington			
Sheriff		20.601	1496	4,399
Total - Highway Safety Cluster				23,987

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

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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. Department of Transportation (continued)</u>				
Airport Improvement Program	Direct Grant			
Airport		20.106	3-18-0006-028	61,667
Airport		20.106	3-18-0006-029	<u>6,302,319</u>
Total - Airport Improvement Program				<u>6,363,986</u>
Formula Grants For Rural Areas	Indiana Department of Transportation			
Commissioners		20.509	A249-12-320309A	228,914
		20.509	A249-13-320293	<u>506,688</u>
Total - Formula Grants for Rural Areas				<u>735,602</u>
Interagency Hazardous Materials Public Sector Training and Planning Grants Emergency Mgmt	Indiana Department of Homeland Security			
		20.703	C44P-3-086B	<u>17,315</u>
Total - U.S. Department of Transportation				<u>7,711,226</u>
<u>U.S. Department of Health and Human Services</u>				
Family Planning - Services	Indiana Family Health Council			
Health		93.217	SHSP-A-050511-36	54,574
Health		93.217	SPHP-A-050511-36	53,690
Health		93.217	SHSP-A-050511-36	<u>87,995</u>
Total - Family Planning - Services				<u>196,259</u>
TANF Cluster				
Temporary Assistance for Needy Families	Indiana Family Health Council			
Health		93.558	MCH 386-3	<u>31,260</u>
Medical Reserve Corps Small Grant Program	Indiana Department of Health			
Health		93.008	5MRCSG101005-02	<u>4,000</u>
Social Services Block Grant	Indiana Family and Social Services			
Prosecutor		93.667	53-11-99-2740-01	<u>8,000</u>
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	Indiana Family Health Council			
Health		93.074	1U90TP000521-01	3,893
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	Indiana Department of Health			
Health		93.074	A70-3-0531962	<u>30,148</u>
Total - Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements				<u>34,041</u>
Child Support Enforcement	Indiana Department of Child Services			
Prosecutor		93.563	1304IN4005	571,800
Clerk		93.563	1304IN4005	34,262
Court		93.563	1304IN4005	135,418
County - Incentive Payments		93.563	1304IN4005	9,862
Prosecutor - Incentive Payments		93.563	1304IN4005	20,575
Clerk - Incentive Payments		93.563	1304IN4005	46,760
Indirect Costs		93.563	1304IN4005	<u>154,418</u>
Total - Child Support Enforcement				<u>973,095</u>
ARRA - Child Support Enforcement	Indiana Department of Child Services			
Prosecutor - Incentive Payments		93.563	1304IN4005	<u>19,770</u>
Child Support Enforcement Demonstrations and Special Projects	Direct Grant			
Courts - Probation		93.601	90F1011701	18,595
Courts - Probation		93.601	90F10117-02-00	<u>54,498</u>
Total - Child Support Enforcement Demonstration and Special Projects				<u>73,093</u>
Basic Center Grant	Direct Grant			
YSB		93.623	90CY645801	<u>113,150</u>

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

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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. Department of Health and Human Services (continued)</u>				
Preventive Health Services - Sexually Transmitted Diseases Control Grants Health	Indiana Department of Health	93.977	5H25PS001360-05	71,172
Total - U.S. Department of Health and Human Services				<u>1,523,840</u>
<u>U.S. Department of Homeland Security</u>				
Emergency Management Performance Grants Emergency Management Emergency Management	Indiana Department of Homeland Security	97.042 97.042	C44P-3-035B C44P-3-282B	4,054 <u>39,016</u>
Total - Emergency Management Performance Grants				<u>43,070</u>
State Homeland Security Program Emergency Management	Indiana Department of Homeland Security	97.073	C44P-3-110B	<u>2,221</u>
Total - U.S. Department of Homeland Security				<u>45,291</u>
Total federal awards expended				<u>\$ 9,521,833</u>

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

MONROE COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

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

Note 2. Subrecipients

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

Program Title	Federal CFDA Number	2013
Formula Grants for Rural Areas	20.509	<u>\$ 735,602</u>

MONROE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unmodified as to the Highway Planning and Construction Cluster and Child Support Enforcement; Qualified as to Airport Improvement Program; Adverse as to Formula Grants For Rural Areas
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
20.106	Highway Planning and Construction Cluster
20.509	Airport Improvement Program
93.563	Formula Grants For Rural Areas
	Child Support Enforcement

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

Auditee qualified as low-risk auditee?	no
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MONROE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section II - Financial Statement Findings

FINDING 2013-001 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING - COUNTY AUDITOR

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

1. *Reporting:* Effective internal controls over financial reporting involves the identification and analysis of the risks of material misstatements to the County's audited financial statement and then determining how those identified risks should be managed. The County has not identified risks to the preparation of a reliable financial statement and, as a result, has failed to design effective controls over the preparation of the financial statement to prevent, or detect and correct, material misstatements, including notes to the financial statement. We found no documented review or approval of the County's Annual Financial Report in the Gateway system. The County's Annual Financial Report is used to compile their financial statement. The following are some of the material errors we found in relation to the preparation of the financial statement:
 - The Westside TIF 2013 Sinking Cash w/ Fiscal Agent fund that was not included on the County's financial statement.
 - An investment in the Reassessment - 2015 fund was not included on the County's financial statement, but was accounted for on the County Treasurer's Cash Book.

Audit adjustments were proposed, accepted by the County, and made to the financial statement presented in this report.

2. *Financial Transactions:*
 - *Payroll*
 - *Lack of Segregation of Duties:* One employee processes payroll and is responsible for calculating and making all employee and employer benefit payments. No documented review or approval of these transactions occurs by any other County employee.
 - No review or approval was conducted on changes made to the payroll amounts due to an employee changing deductions.
 - No independent verification for ensuring that the payroll system reports agreed to the amounts that were processed for direct deposits.
 - No independent verification for ensuring amounts being paid to the employees agreed to the salary ordinance, leave balances were correctly recorded, time sheets were signed, and payroll claim vouchers signed by the official or department head.
 - No review and/or analysis of the Payroll Clearing fund to ensure that the various subaccounts that make up this fund were posted properly and that the balances, if any, were correct and owed for unpaid and/or outstanding obligations.

MONROE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- No controls were in place to ensure that pension payments were posted correctly to the County Auditor's financial ledger.
- No controls were in place to ensure that compensatory time is being handled correctly per the County's personnel policy.
- *Financial Activities:* We observed that payroll withholding and benefits, as well as, tax settlement transactions included a lot of erroneous postings that needed to be voided and reposted.
- *Accounts Payable:* Accounts payable checks were distributed by the County Auditor's staff to the department that initiated the disbursement for mailing to the vendors. No controls were in place to ensure misappropriation did not occur as a result of this process.

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

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

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

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

***FINDING 2013-002 - INTERNAL CONTROLS OVER THE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS***

The County has not designed a proper system of internal controls, which would include segregation of duties, related to the preparation of the Schedule of Expenditures of Federal Awards (SEFA). An employee of the County Auditor's Office independently prepares the grant worksheet for the SEFA to include in the financial report without an oversight, review, or approval process. A lack of segregation of duties within an internal control system could allow material misstatements of the SEFA to remain undetected. A proper system of internal controls would include segregation of duties by having proper oversight, review, or approval process and would allow the County to properly complete the SEFA.

During the audit of the SEFA, we noted the following errors:

- Some state grants were included.
- Some grants included federal and state funds.

MONROE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- One grant reported the incorrect breakdown between the state and federal share.
- Some grants were reported as reimbursement grants instead of advance funded grants.
- Grants were reported as being pass-through grants instead of direct grants.
- Some federal and state agencies were incorrect.
- CFDA numbers were incorrect.
- Program names were either incorrect or not reported.
- Grants with activity in different fiscal or calendar years were not always properly reported.

Audit adjustments were proposed, accepted by the County, and made to the SEFA presented in the report.

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

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

OMB Circular A-133, Subpart C, section .300 states in part: "The auditee shall: . . . (d) Prepare appropriate financial statements, including the schedule of expenditures of Federal Awards in accordance with section .310."

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

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

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.

MONROE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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

FINDING 2013-003 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING - COUNTY TREASURER

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

Cash Reconcilements: From May 2013 to December 2013, no bank reconcilements of the bank statement balances to the balances reported in the County Treasurer's Daily Balance of Cash and Depositories ("Cash Book") were prepared. During the audit, we prepared a combined bank reconciliation as of December 31, 2013, that indicated a cash necessary to balance of \$194,716. The County Treasurer's reconciliation for December 31, 2013, incorrectly reported some outstanding bank account reconciling items including an electronic fund deposit of \$708,755 that was actually a transfer between bank accounts.

Cash Book: The amounts posted to the County Treasurer's Daily Balance of Cash and Depositories through mid-June 2013, did not always agree to the collections for that day's business. The Cash Book was not kept daily from June 2013 to October 2013. The following deficiencies were observed:

- The Cash Book reported property tax collections of \$20,852,006 on May 10, 2013, and \$17,702,898 on November 12, 2013. These amounts represented taxpayer tax payments considered to be made timely, but not yet processed as of May 10 and November 12, 2013. These transactions were backdated rather than being posted on the actual processing date.
- Credit card transactions were not timely posted to the property tax system or the Cash Book.
- No evidence of verification that the property tax software reports and the Cash Book balances agreed.
- Adjustments and/or corrections were usually made without any supporting documentation, or with review and/or approval.
- There were no controls over access to the Cash Book which is an Excel spreadsheet.

MONROE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- There were not sufficient controls over the settlement receipting and disbursing process. There was no supporting documentation to reconcile the amounts posted to the Cash Book back to the County Auditor's Quietus Worksheet for both quietus amounts and disbursement amounts, to ensure that all amounts had been properly posted.

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

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

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

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

FINDING 2013-004 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING - COUNTY TREASURER EXCISE

We noted several deficiencies in the internal control system over the County Treasurer's excise transactions. We believe the following deficiencies constitute material weaknesses:

- The semiannual excise distribution amounts were not balanced to the Cash Book excise tax balances reported, nor were the Cash Book excise tax balances on hand actually balanced to the subsidiary ledger. In addition, the excise tax amounts certified by the County Treasurer on the Treasurer's Certificate of Collections (49TC) form were not traceable to the County Cash Book. No supporting documentation was provided as to how these amounts were determined and/or the specific date they were presented in the Cash Book.
- Deposits of \$4,416,576 that related to the December 2013 semiannual license excise tax settlement were not deposited for over 30 days. Deposits should be made in a timely manner.

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

MONROE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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

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

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

Indiana Code 5-13-6-1(c) states in part: ". . . all local officers . . . who collect public funds of their respective political subdivisions, shall deposit funds not later than the business day following the receipt of funds on business days of the depository in the depository or depositories selected by the . . . local boards of finance . . ."

***FINDING 2013-005 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS
AND REPORTING - CLERK OF THE CIRCUIT COURT***

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

- Trust funds that were moved to interest bearing bank accounts were not accounted for in the Clerk of the Circuit Court's Cash Book. As a result, the Clerk of the Circuit Court's cash and investment balances as of December 31, 2013, were understated by \$190,322. Audit adjustments were proposed, approved by management of the County, and made to the financial statement included in this report.
- Controls over bank reconcilements were not sufficient. The Clerk of the Circuit Court's Office did not retain the detailed reconcilements for each bank account.
- There was a lack of segregation of duties in that the bookkeeper can issue receipts, void receipts, balance the day's business in the financial software, make adjustments, count the daily collections from the cashiers, make up bank deposits, issue checks, and reconcile the bank accounts.

The clerk is required to prepare in quadruplicate a monthly financial report. The report is prepared after the books are closed as of the last day of each month and in accordance with the requirements of IC 33-32-3-6. Form No. 46CR is to be used.

The report is made from the Clerk's Cash Book and Daily Balance Record, Form No. 46, and bank statements furnished by the designated depositories showing balances as of the last day of each month. (Accounting and Uniform Compliance Guidelines Manual for Clerks of the Circuit Courts of Indiana, Chapter 4)

MONROE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Clerks of the Circuit Courts of Indiana, Chapter 13)

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

Controls over the receipting, disbursing, recording and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Clerks of the Circuit Courts of Indiana, Chapter 13)

Section III - Federal Award Findings and Questioned Costs

FINDING 2013-006 - INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO AIRPORT IMPROVEMENT PROGRAM

Federal Agency: U.S. Department of Transportation

Federal Program: Airport Improvement Program

CFDA Number: 20.106

Federal Award Number and Year (or Other Identifying Number): 3-18-0006-028, 3-18-0006-029

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: Cash Management; Davis-Bacon Act; Matching, Level of Effort, Earmarking; Period of Availability of Federal Funds; Procurement and Suspension and Debarment; Reporting; and Special Tests and Provisions.

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

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

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

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

MONROE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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

**FINDING 2013-007 - EQUIPMENT AND REAL PROPERTY
MANAGEMENT - AIRPORT IMPROVEMENT PROGRAM**

Federal Agency: U.S. Department of Transportation

Federal Program: Airport Improvement Program

CFDA Number: 20.106

Federal Award Number and Year (or Other Identifying Number): 3-18-0006-28, 3-18-0006-029

The County did not establish an effective internal control system, which would include segregation of duties, related to the grant agreement and the Equipment and Real Property Management compliance requirement. The failure to establish an effective internal control system places the County at risk of non-compliance 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 of capital asset records, inventories of capital assets, and approvals over the activities of the program.

The County does not have adequate property records that identify equipment, improvements to property, and real property acquired with federal grant funds. A physical inventory was not conducted every two years as required by federal guidelines.

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."

49 CFR 18.32(d) states in part:

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

- (1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
- (2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years."

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.

MONROE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

We recommended that the County design and properly monitor procedures that would ensure accurate detailed property records are maintained and that inventories of property and equipment are conducted at least once every two years and reconciled to the detailed property records. Any significant differences should be investigated and the appropriate adjustments made to the property records. Also, any equipment and real property acquired with federal funds must be designated as such so that they are not disposed of improperly.

FINDING 2013-008 - INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO HIGHWAY PLANNING AND CONSTRUCTION

Federal Agency: U.S. Department of Transportation
Federal Program: Highway Planning and Construction
CFDA Number: 20.205

Federal Award Number and Year (or Other Identifying Number): DES 1173326, DES 0901932,
DES 9953008, DES 0301007,
DES 0800768, DES 1172115,
DES 1297633

Pass-Through Entity: Indiana Department of Transportation

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: Cash Management; Matching, Level of Effort, Earmarking; Period of Availability of Federal Funds; Procurement and Suspension and Debarment; Reporting; and Special Tests and Provisions.

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

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

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

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

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

MONROE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2013-009 - INTERNAL CONTROLS AND COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO CHILD SUPPORT ENFORCEMENT

Federal Agency: U.S. Department of Health and Human Services
Federal Program: Child Support Enforcement
CFDA Number: 93.563
Federal Award Number and Year (or Other Identifying Number): 1304IN4005
Pass-Through Entity: Indiana Department of Child Services

The County has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and some of the compliance requirements that have a direct and material effect to the program. This includes the following compliance requirements: Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Cash Management; and Reporting.

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

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

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

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

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

FINDING 2013-010 - ALLOWABLE COSTS/COST PRINCIPLES NONCOMPLIANCE RELATING TO CHILD SUPPORT ENFORCEMENT - CLERK

Federal Agency: U.S. Department of Health and Human Services
Federal Program: Child Support Enforcement
CFDA Number: 93.563
Federal Award Number and Year: 1304IN4005
Pass-Through Entity: Indiana Department of Child Services

MONROE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The Clerk of the Circuit Court's Office paid an employee's entire gross pay and related benefits out of the Clerk of the Circuit Court's IV-D Incentive fund through October 2013. This individual's salary and related benefits attributable to the IV-D program were also claimed on their IV-D monthly reimbursement report. The Clerk of the Circuit Court's Office hired a consultant to assist them with making corrections, and the consultant prepared revised monthly reimbursement reports from June 2011 through June 2013. The consultant identified \$31,978 in salaries and benefits paid from the IV-D Incentive fund that was not attributable to the IV-D program.

Questioned costs were identified as \$31,978.

45 CFR 305.35 states in part:

"(a) A State must expend the full amount of incentive payments received under this part to supplement, and not supplant, other funds used by the State to carry out IV-D program activities or funds for other activities approved by the Secretary which may contribute to improving the effectiveness or efficiency of the State's IV-D program, including cost-effective contracts with local agencies, whether or not the expenditures for the activity are eligible for reimbursement under this part.

(b) In those States in which incentive payments are passed through to political subdivisions or localities, such payments must be used in accordance with this section."

OMB Circular A-87, Attachment B, section (8)(h) states in part:

"(4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see subsection (6)) or other substitute system has been approved by the cognizant Federal agency."

The County did not comply with compliance requirements that have a direct and material effect on the program. The failure to comply with federal guidelines could result in the loss of future federal funding.

We recommended that the County develop procedures to ensure only allowed costs are charged to the program.

***FINDING 2013-011 - ALLOWABLE COSTS/COST PRINCIPLES NONCOMPLIANCE
RELATING TO CHILD SUPPORT ENFORCEMENT***

Federal Agency: U.S. Department of Health and Human Services
Federal Program: Child Support Enforcement
CFDA Number: 93.563
Federal Award Number and Year: 1304IN4005
Pass-Through Entity: Indiana Department of Child Services

The County was required to maintain time and effort reports on all full and part-time employees paid from the grant. There were no reports being maintained by the County Prosecutor's Office, which would comply with these regulations. The IV-D Court did maintain records; however, the employees did not actually sign the forms. Following the 2012 audit, the IV-D Court employees did retroactively sign the forms for 2013.

MONROE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The County Prosecutor and IV-D Court Offices reported insurance benefit payments for their IV-D employees, based on a percentage of each employee's gross pay. Annually, County officials gather information and perform calculations to determine an estimated amount to charge the various County funds as a percentage of employees' gross pay for insurance benefit purposes. No written policy concerning this practice had been approved by the County.

OMB Circular A-87, Attachment B, section (8)(h) states in part:

- "(3) Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first-hand knowledge of the work performed by the employee.
- (4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see subsection (6)) or other substitute system has been approved by the cognizant Federal agency."

OMB Circular A-87, Attachment B, item 8(d)(5) states in part:

"The cost of fringe benefits in the form of employer contributions or expenses for social security; employee life, health, unemployment, and workers compensation insurance (except as indicated in section 22, Insurance and indemnification); pension plan costs . . . are allowable, provided such benefits are granted under established written policies."

The County did not comply with compliance requirements that have a direct and material effect on the program. The failure to comply with federal guidelines could result in the loss of future federal funding.

We recommended that the County properly maintain time and effort reports paid by the program. We also recommended that the County establish a written policy concerning how insurance benefits will be charged to County funds.

FINDING 2013-012 - INTERNAL CONTROLS AND NONCOMPLIANCE OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO FORMULA GRANTS FOR RURAL AREAS

Federal Agency: U.S. Department of Transportation
Federal Program: Formula Grants for Rural Areas
CFDA Number: 20.509
Federal Award Number and Year (or Other Identifying Number): A249-12-320309, A249-13-320293
Pass-Through Entity: Indiana Department of Transportation

The County has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the following compliance requirements: Allowable Costs/Cost Principles, Cash Management, Procurement and Suspension and Debarment, Reporting, and Subrecipient Monitoring. 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.

MONROE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

In addition to the lack of internal control noted above, we identified material noncompliance related to Subrecipient Monitoring. We found that the County had not planned for the Subrecipient Monitoring responsibilities. The County did not have written plans that described how and by whom all of its pass-through responsibilities would be met. As a result, proper Subrecipient Monitoring was not conducted by the County. We also found that the County did not provide the CFDA title and number and the federal award name and number to its subrecipient.

The County did not perform on-site visits or receive sufficient information that would ensure that the subrecipient was properly following the guidelines of the grant agreement or the compliance requirements.

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

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

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

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

- (1) Identify Federal awards made by informing each subrecipient of CFDA title and number, award name and number, award year, if the award is R&D, and name of Federal agency. When some of this information is not available, the pass-through entity shall provide the best information available to describe the Federal award.
- (2) Advise subrecipients of requirements imposed on them by Federal laws, regulations, and the provisions of contracts or grant agreements as well as any supplemental requirements imposed by the pass-through entity.
- (3) Monitor the activities of subrecipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.
- (4) Ensure that subrecipients expending \$300,000 (*\$500,000 for fiscal years ending after December 31, 2003*) or more in Federal awards during the subrecipient's fiscal year have met the audit requirements of this part for that fiscal year.
- (5) Issue a management decision on audit findings within six months after receipt of the subrecipient's audit report and ensure that the subrecipient takes appropriate and timely corrective action.
- (6) Consider whether subrecipient audits necessitate adjustment of the pass-through entity's own records.
- (7) Require each subrecipient to permit the pass-through entity and auditors to have access to the records and financial statements as necessary for the pass-through entity to comply with this part."

MONROE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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

We recommended that the County establish procedures to ensure compliance with the requirements that have a direct and material effect on the program.

***FINDING 2013-013 - INTERNAL CONTROLS AND COMPLIANCE OVER EQUIPMENT
AND REAL PROPERTY RELATING TO FORMULA GRANTS FOR RURAL AREAS***

Federal Agency: U.S. Department of Transportation

Federal Program: Formula Grants for Rural Areas

CFDA Number: 20.509

Federal Award Number and Year (or Other Identifying Number): A249-12-320309A, A249-13-320293

Pass-Through Entity: Indiana Department of Transportation

The County does not have adequate property records that identify equipment acquired with federal grant funds. Revised property records were presented for audit; however, those records were obtained from the subrecipient. No physical inventory or reconciling the physical inventory to the original acquisition records had been done. There was no identification of the equipment as being purchased with federal grant funds.

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."

49 CFR 18.32(d) states:

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

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

MONROE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

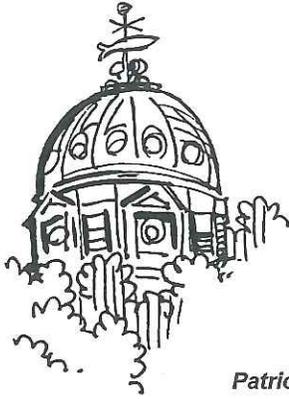
Noncompliance of the grant agreement or the compliance requirements that have a direct and material effect to the program could result in the loss of federal funds to the County.

We recommended that the County establish controls, including segregation of duties, and procedures related to the grant agreement, and Equipment and Real Property Management compliance requirements to ensure compliance with related requirements.

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AUDITEE PREPARED DOCUMENTS

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



OFFICE OF
MONROE COUNTY COMMISSIONERS
 100 West Kirkwood Avenue
 The Courthouse Room 322
 BLOOMINGTON, INDIANA 47404

Telephone 812-349-2550
 Facsimile 812-349-7320

Patrick Stoffers, President

Iris F. Kiesling, Vice President

Julie L. Thomas, Member

March 21, 2014

Summary Schedule of Prior Audit Findings

Finding 2012-5 INTERNAL CONTROLS

Federal Agency: Department of Transportation
 Federal Program: Federal Grant for Other than Urbanized Areas
 CFDA Number: 20.509
 Federal Award Number: 180028, 180029
 Pass-Through Entity: Indiana Department of Transportation
 Auditee Contact Person: Angie Chalfant
 Contact Person Title: Commissioners Administrator
 Contact Phone Number: 812.349.2550

The purpose of this communication is to provide an update regarding the corrective action plan for Monroe County's Federal Grant for Other than Urbanized Areas. As the corrective action stated:

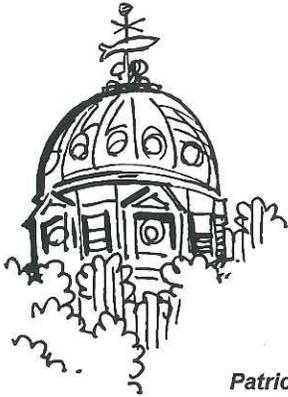
Corrective Action: Effective Immediately, the Auditor and Commissioners office will establish Internal Controls to be in compliance with the Federal Laws. The County will develop written plans that describe the responsibilities of the recipient. Plans will include, segregation of duties and internal controls that provide reasonable assurance that the County is managing federal awards in compliance with laws, regulations and the provisions of contract or grant agreement that could have a material effect on each of its Federal programs.

On November 15th, 2013 the Monroe County Board of Commissioners adopted Ordinance 2013-32. This ordinance adopts and establishes the Monroe County Grants Management Policy and Procedures Manual as an internal control regarding the application for, and the administration of grants, donation, gifts, and awards by officials, departments, and employees of Monroe County, Indiana, government. On October 4th, the Commissioner entered a separate pass-through agreement with Rural Transit. Rural transit will begin reporting financials and processes to the County in April of 2014 on a monthly basis. **These corrective actions are completed and will be ongoing.**

Sincerely,

Angie Chalfant
 Monroe County Commissioner Administrator

Steve Saulter
 Monroe County Auditor



OFFICE OF
MONROE COUNTY COMMISSIONERS
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Patrick Stoffers, President

Iris F. Kiesling, Vice President

Julie L. Thomas, Member

March 21, 2014

Summary Schedule of Prior Audit Findings

Finding 2012-6 INTERNAL CONTORLS OVER EQUIPMENT & REAL PROPERTY

Federal Agency: Department of Transportation, Department of Energy
Federal Program: Federal Grant for Other than Urbanized Areas, State Energy Program
CFDA Number: 20.509, 81.041
Federal Award Number: 180028, 180029, A302-12-CCC-004
Pass-Through Entity: Indiana Department of Transportation
Auditee Contact Person: Angie Chalfant
Contact Person Title: Commissioners Administrator
Contact Phone Number: 812.349.2550

The purpose of this communication is to provide an update regarding the corrective action plan for Monroe County's Federal Grant for Other than Urbanized Areas and State Energy Program. As the corrective action stated:

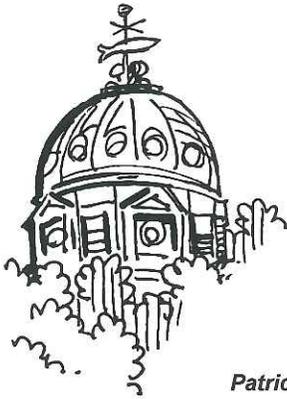
Corrective Action: Effective Immediately, the Auditor and Commissioners office will establish Internal Controls to be in compliance with the Federal Laws. The Auditor's office will update its capital assets records on an annual basis. The Commissioners will add a section on reporting standards in the County's grants policy and procedure manual.

On November 15th, 2013 the Monroe County Board of Commissioners adopted Ordinance 2013-32. This ordinance adopted and establishes the Monroe County Grants Management Policy and Procedures Manual as an internal control regarding the application for, and the administration of grants, donation, gifts, and awards by officials, departments, and employees of Monroe County, Indiana, government. In addition, immediately following the finding the Auditors office updated the list immediately, will continue to monitor and record purchases. Lastly, the Grants Administrator added a data field identifying capital purchases in the grants management software for tracking. **These corrective actions are completed and tracking will remain ongoing.**

Sincerely,

Angie Chalfant
Monroe County Commissioner Administrator

Steve Saulter
Monroe County Auditor



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Patrick Stoffers, President

Iris F. Kiesling, Vice President

Julie L. Thomas, Member

March 21, 2014

Summary Schedule of Prior Audit Findings

Finding 2012-7 INTERNAL CONTROLS & COMPLIANCE OVER ALLOWABLE COST/COST PRINCIPLELS AND REPORTING

Federal Agency: Department of Energy
Federal Program: State Energy Program
CFDA Number: 81.041
Federal Award Number: A302-12-CCC-004
Pass-Through Entity: Indiana Department of Energy
Auditee Contact Person: Angie Chalfant
Contact Person Title: Commissioners Administrator
Contact Phone Number: 812.349.2550

The purpose of this communication is to provide an update regarding the corrective action plan for Monroe County's State Energy Program. As the corrective action stated:

Corrective Action: Effective Immediately, the Auditor and Commissioners office will establish Internal Controls to be in compliance with the Federal Laws. The Auditor's office will make changes to the County's claim forms: add a 'grant' identifier section and a program manager signature approval line. The Commissioners office will implement a grant policies and procedure manual. In addition the Auditor and Commissioners office will plan to follow the OMB Circular A-133. If advised differently from grantor, the preparer of the report will request the changes in writing and include with reporting.

On November 15th, 2013 the Monroe County Board of Commissioners adopted Ordinance 2013-32. This ordinance adopts and establishes the Monroe County Grants Management Policy and Procedures Manual as an internal control regarding the application for, and the administration of grants, donation, gifts, and awards by officials, departments, and employees of Monroe County, Indiana, government. Immediately following our finding, the Auditors office created, approved, and implemented the county's claim form to include a 'grant' identifier section and a program manager signature approval line. In addition, the Grants Administrator is reminding departments, on an ongoing basis, to write verbal communications down. **These actions are completed and will remain ongoing.**

Sincerely,

Angie Chalfant
Monroe County Commissioner Administrator

Steve Saulter

Monroe Circuit Court Office of Court Services

The Justice Building
301 North College Avenue
Bloomington, Indiana 47404-3865
(812)349-2615
Fax (812)349-2791

Bonnie Austin
Court Administrator

Lisa Abraham
Deputy Court Administrator

Michelle Pritchard
Public Service Coordinator

Bernice Luck
Financial Coordinator

Lorie Robinson
Case Management Coordinator

Michelle Pritchard
Court Program Coordinator

March 24, 2014

Summary Schedule of Prior Audit Findings

FINDING 2012-8 INTERNAL CONTROLS AND COMPLIANCE OVER CHILD SUPPORT ENFORCEMENT

Federal Agency: Department of Health and Human Services
Federal Program: Child Support Enforcement
CFDA Number: 93.563
Federal Award Number and Year (or other Identifying Number): Calendar Year 2012
Pass-Through Agency: Indiana Department of Child Services
Auditee Contact Person: Lorie Robinson
Contact Person Title: Monroe Circuit Court Office of Court Administration
Contact Phone Number: 812-349-2057

The purpose of this communication is to provide an update regarding the corrective action plan for Monroe County's Child Support Enforcement – Title IV-D Court Cooperative Agreement.

Corrective Action: Effective immediately, the IV-D Court and the Court Administration office will establish Internal Controls to be in compliance with the Federal Laws. The Court Administrator or Deputy Court Administrator will review all quarterly claims submitted by the Preparer of the Report. The Auditor's Monthly Budget Status Report will be used to verify correct expenditures are claimed on the report for the Indiana Department of Child Services using the Cash Basis reporting method as described in the March 3, 2012 update, "Cash vs. Accrual Basis Clarification for Reporting of Monthly Expenditure Reimbursement Claims and Quarterly Incentive Expenditure Reports".

Immediately following our finding the IV-D Court and the Court Administration Office began using the Auditor's Monthly Budget Status Report and a new spreadsheet to establish Internal Controls and verify correct expenditures are claimed each month using the Cash Basis reporting method. A current time study was also suggested by DCS and is set to begin March 31, 2014. An internal audit was also conducted to insure expenditures were not over claimed from two years prior to this finding; the result was acceptable to DCS.

Sincerely,



Lorie Robinson
Office of Court Administration

Monroe County Clerk of Circuit Courts
Linda K. Robbins, Clerk
301 N. College, Ste. 201
Bloomington, IN 47404

Summary Schedule of Prior Audit Findings

2012-8

Federal Agency: Department of Health and Human Services
Federal Program: Child Support Enforcement
CFDA Number: 93,563
Federal Award Number: Calendar Year 2012
Pass-Through Entity: Indiana Department of Child Services
Auditee Contact Person: Linda K. Robbins
Contact Person Title: Monroe County Clerk
Contact Phone Number: 812.349.2614

The purpose of this communication is to provide an update regarding the corrective action plan for Monroe County's Clerk of Courts.

Corrective Action: Effective immediately, the Clerk will establish internal controls to be in compliance with the Federal Laws. The Financial Manager will review all quarterly claims submitted by the Preparer of the Report. The Auditor's monthly Budget Status Report will be used to verify correct expenditures are claimed on the report for the Indiana Department of Child Services using the Cash Basis reporting method as described in the March 3, 2012 update, "Cash vs. Accrual Basis Clarification for the reporting of Monthly Expenditure Reimbursement Claims and Quarterly Incentive Expenditure Reports.

The Clerk will work with the Indiana Department of Child Services to determine what adjustments will need to be made in the monthly reimbursement reports for the IV-D fund.

As stated in the above finding and corrective action, the Monroe County Clerk immediately began an audit of Child Support IV-D claims, and submitted corrections to the state of Indiana Department of Child Services in September, 2012. All refunds and overpayments have been identified. Immediately following the Audit, all financial reports are reviewed by Financial Manager and Clerk of Courts.

Sincerely,





Chris Gaal
Prosecuting Attorney

Charlotte T. Zietlow Justice Center
301 North College Avenue
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Bloomington, IN 47404

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FAX 812-349-2725
www.monroeprosecutor.us

March 19, 2014

Summary Schedule of Prior Audit Findings

Finding 2012-8, Internal Controls and Compliance over Child Support Enforcement

Federal Agency: Department of Health and Human Services
Federal Program: Child Support Enforcement
CFDA Number: 93.563
Federal Award Number: Unknown
Pass-Through Entity: Indiana Department of Child Services
Auditee Contact Person: Beth Hamlin
Contact Person Title: Executive Director, Monroe County Prosecutor's Office
Contact Phone Number: (812)349-2064

The purpose of this communication is to provide an update regarding the corrective action plan for Monroe County Prosecutor's Child Support Enforcement. As the corrective action suggested that our office work in conjunction with the Auditor's office on this issue, on January 29, 2014, Beth Hamlin sent an email to Steve Saulter, Monroe County Auditor. The purpose of this email was to discern whether Mr. Saulter had contacted anyone at DCS regarding the appropriateness of the 2/3rds reimbursement being requested on all health insurance fringe for every employee, regardless of whether or not the employee was participating in the county health insurance. To date Ms. Hamlin has not received a response nor has she followed up with Mr. Saulter or anyone at DCS regarding this matter. Beth Hamlin will contact Mr. Saulter again immediately and based on Mr. Saulter's feedback Ms. Hamlin will either contact DCS herself regarding this matter, or follow Mr. Saulter's lead if he has received guidance from the State. **While, this issue has not yet been corrected at this time it is in progress.**

A handwritten signature in cursive script that reads "Chris Gaal".

Chris Gaal
Monroe County Prosecuting Attorney

3/27/14
Date

Monroe Circuit Court

Office of Court Services

The Justice Building
301 North College Avenue
Bloomington, Indiana 47404-3865
(812)349-2615
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Court Administrator

Lisa Abraham
Deputy Court Administrator

Michelle Pritchard
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Bernice Luck
Financial Coordinator

Lorie Robinson
Case Management Coordinator

Michelle Pritchard
Court Program Coordinator

March 24, 2014

Summary Schedule of Prior Audit Findings

FINDING 2012-9 ALLOWABLE COSTS/COST PRINCIPLES

Federal Agency: Department of Health and Human Services
Federal Program: Child Support Enforcement
CFDA Number: 93.563
Federal Award Number and Year (or Other Identifying Number): Calendar Year 2012
Pass-Through Entity: Indiana Department of Child Services
Auditee Contact Person: Lorie Robinson
Contact Person Title: Monroe Circuit Court Office of Court Administration
Contact Phone Number: 812-349-2057

The purpose of this communication is to provide an update regarding the corrective action plan for Monroe County's Child Support Enforcement – Title IV-D Court Cooperative Agreement.

Corrective Action: Effective immediately, the IV-D Court and the Court Administration office will establish Internal Controls to be in compliance with the Federal Laws. The county is required to maintain time and effort reports on all full and part-time employees whose salaries are reimbursed by the grant. The IV-D Court uses the Department of Child Services recommended report titled "Record of Monthly Time, State Form 45272 (3-92)/DFC Form 918" from the IV-D Expense Reporting and Reimbursement Guide. This form provides a space for employees to enter allowable hours worked each day during the month and a place to sign at the bottom to certify the reported hours represent only Title IV-D work and are true and correct. The Preparer of the Report will verify each employee's signature on the monthly report and retain the original document or a scanned copy.

Immediately following our finding the IV-D Court and the Court Administration Office required all the employees whose salaries are reimbursed by the grant to personally sign the 'Record of Monthly Time, State Form 45272 (3-92)/DFC Form 918' instead of using electronic signatures. The original document or a scanned copy is being retained in the Office of Court Administration.

Sincerely,



Lorie Robinson
Office of Court Administration



Chris Gaal
Prosecuting Attorney

Charlotte T. Zietlow Justice Center
301 North College Avenue
Room 211
Bloomington, IN 47404

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March 19, 2014

Summary Schedule of Prior Audit Findings
Finding 2012-9, Internal Controls and Compliance over Child Support Enforcement

Federal Agency: Department of Health and Human Services

Federal Program: Child Support Enforcement

CFDA Number: 93.563

Federal Award Number:

Pass-Through Entity:

Auditee Contact Person: Beth Hamlin

Contact Person Title: Executive Director, Monroe County Prosecutor's Office

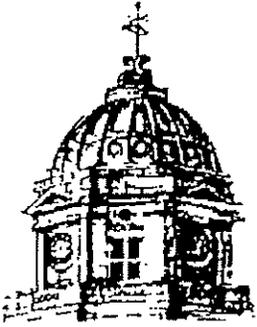
Contact Phone Number: (812)349-2064

The purpose of this communication is to provide an update regarding the corrective action plan for Monroe County Prosecutor's Child Support Enforcement Division. Shortly after being made aware of the need for State Form 445272/DFC Form 918, Beth Hamlin and Cindy Pope discussed the need for this form to be completed (despite information we had received from the Child Support Division at the State). It was decided that Cindy would scan all timesheets and begin again using the form mentioned above. As of March 19, 2014, the form was not being used; however, effective immediately Ms. Pope has gone back and completed the required forms out as requested and will continue to complete the forms monthly.

Chris Gaal
Monroe County Prosecuting Attorney

3-25-14

Date



STEVE SAULTER
Monroe County Auditor

100 W Kirkwood Avenue, Room 209
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Office (812) 349-2510
Fax (812) 349-2280

CORRECTIVE ACTION PLAN

December 11, 2014

RE: Section II Findings

Finding 2013-1: Internal Controls Over Financial Transactions and Reporting

The County will implement procedures to ensure segregation of duties concerning payroll functions. The County will also implement procedures to ensure safeguarding controls over cash and all other information as needed.

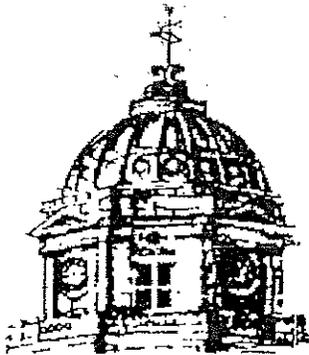
The segregation of duties concerning payroll will be implemented beginning January 2015. Procedures concerning cash will be implemented at the end of 2014. The procedures concerning accounts payable distribution was implemented in January 2014.

Finding 2013-2: Internal Controls Over the Schedule of Federal Awards

The County will implement a proper system of internal controls to prevent or detect and correct errors on the Schedule of Expenditures of Federal Awards (SEFA)

This procedure will be implemented at the end of 2014 in conjunction with the preparation of the 2014 Annual Report.

Steve Saulter
Monroe County Auditor



CATHERINE C. SMITH
Monroe County Treasurer

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December 12, 2014

MEMORANDUM FOR RECORD

Treasurer's Office Corrective Action Plan
December 2014
(for Audit Year 2013)

In order to establish, implement and sustain sufficient internal control over financial transactions by creating a plan of corrective action to address 2013 State Board of Account audit issues, please find:

**Finding 2013-003 Internal Controls over Financial Transactions and Reporting –
County Treasurer**

Finding Stated: Material weaknesses in Cash Reconcilements and Cash Book transactions.

Corrective Action: Address inadequate staffing levels including man-hours, preparation, and training by working with our Council Liaison to acquire more human resources, properly trained and with the appropriate skill set. This will be accomplished by seeking position upgrades, additional hours, and retooling our procedures for the increase of E-Commerce. Additionally, once in place procedures will be written to address processes including cashbook posting, corrections, bank balancing and settlement.

To catch up with unreconciled months from 2013, the accounting firm of Hartmann and Williams will be assisting with the reclamation process of these tasks and help us identify procedures and produce written operational procedures moving forward.

Additional Corrective Action: The electronic control of the cashbook has been restored to restrict access to only those responsible employees.

**Finding 2013-004 Internal Controls over Financial Transactions and Reporting -
County Treasurer Excise**

Finding Stated: The semi-annual excise distribution amounts were not balanced to the Cash Book excise Tax balances reported, nor were the Cash Book excise tax balances on hand actually balanced to the subsidiary ledger (BMV Ledger). In addition, the excise tax amounts certified by the Treasurer on the Treasurer's Certificate of Collections (49TC) form were not traceable to the Treasurer's Cash Book. No supporting documentation was provided as to how these amounts were determined and/or the specific date they were presented in the Cash Book.

The County Treasurer is to be provided with County Form 24-ET. This document is required to accurately balance and allocate various Excise Tax prior to biannual Tax Settlements. This is part of the monthly balancing procedure between the Auditor's Office (Allocation) and the Treasurer's Office (Collection). This had not happened prior to 2014 for several years. Beginning with Spring Settlement 2014, the Treasurer began receiving (from the current County Auditor) the required documentation necessary to accurately balance Excise and is working with the Auditor to determine the ownership of the substantial residual funds still residing in the county's safekeeping. It is my plan to continue balancing our Excise receipts to the Form 24-ET that the County Auditor provides and distribute all residual funds to their proper intended recipients.

Finding Stated: Deposits of \$4,416,576 that related to the December 2013 semi-annual license excise tax settlement were not deposited for over 30 days. Deposits should be made in a timely manner.

The County Auditor produced this check on his own and it was NOT requested by me as stated in the Confidential Draft. When he presented me with the check, the required documentation did not accompany the funds, so I did not sign the check and gave the check immediately back to him. He then asked me to hold it in my safe until the proper excise paperwork could be produced. I do not and will not sign checks that do not have the required backup documentation and have asked him to not produce checks without my request. These funds sit on the Treasurer's cashbook and will be moved by quietus in the future and not by writing a check.

Respectfully,



**Catherine C. Smith,
Monroe County Treasurer**

Corrective Action Plan

Finding 2013-005 Internal Controls over Financial Transactions and Reporting, Clerk of the Circuit Court

Deficiency: Trust funds that were moved to interest bearing bank accounts were not account for the Clerk's cash book. As a result, the Clerk's cash and investment balances as of December 31, 2013 were understated by \$ 190,322. Audit adjustments were proposed, approved by County officials, and the appropriate adjustments were made to the County's financial statement.

Corrective Action: Effective December 1, 2014 the Clerk's office has received approval to manually add the adjustment to the Financial Report, as the Summary provided by our Court Management System (Odyssey) does not allow for separate accounting functions to be included with the financial side of the program. Monroe County is a rare entity that sets up financial records for interest bearing accounts for cases filed in the Clerk's office.

Deficiency: Controls over bank reconcilements were not sufficient. The Clerk's office did not retain the detailed reconcilements for each bank account

Corrective Action: For finding 2013-005 the Clerk's office agrees to retain the detailed reconcilements for each bank account.

Contact information:

Chuck Huang

chuang@co.monroe.in.us 812-349-2613

Deficiency: There was a lack of segregation of duties in that the bookkeeper can issue receipts, void receipts, balance the day's business in the financial software, make adjustments, count the daily collections from the cashiers, make up the bank deposits, issue checks, and reconcile the bank accounts.

Corrective Action: Upon further discussion, it was determined that although the individual in question is authorized to complete these transactions, she is limited from completing any one transaction from beginning to end. For example, she may count the daily collections from the cashiers, but the bank deposit is then completed by another employee. All activities have a "second set of eyes" in order to prevent the risk of invalid transactions. Another example is: One deputy Clerk receives and enters a new case. Even though the Clerk is able to take payments, the customer is referred to a secondary transaction line to take payments. We believe that with the number of limited individuals in the office, the scope of work required to complete the job, and internal controls, we provide reasonable assurance regarding the reliability of our financial operations.

Contact information: Chuck Huang

chuang@co.monroe.in.us 812-349-2613



Finding 2013-006 Internal Controls over Compliance Requirements that have a direct and material effect to Airport Improvement Program.

Federal Agency: U.S. Department of Transportation

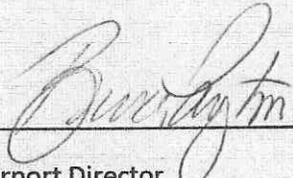
Federal Program: Airport Improvement Program

CFDA Number: 20.106

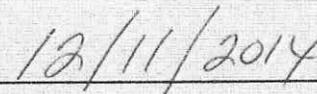
Federal Award Number and Year (or other identifying Number):

3-18-0006-28; 3-18-0006-29; 2013

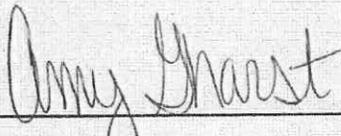
Corrective Action: Effective immediately, the Airport Director and Airport Administrative Assistant will establish Internal Controls so that we may remain in compliance with Federal Laws. Monroe County Airport has already began the process toward developing a plan to segregate duties related to the grant agreements and all compliance requirements that have a direct and material effect to the program listed above.



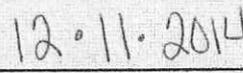
Airport Director



Date



Airport Administrative Assistant



Date

Monroe County Airport
972 South Kirby Road
Bloomington, Indiana 47401
bmj@bluemarble.net
812-825-5406 phone
812-825-6306 fax



Finding 2013-007: Equipment and Real Property Management – Airport Improvement Program

Federal Agency: U.S. Department of Transportation

Federal Program: Airport Improvement Program

CFDA Number: 20.106

Federal Award Number and Year (or other identifying Number):

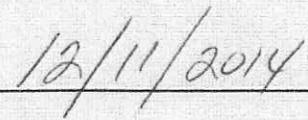
3-18-0006-28, 3-18-0006-29 2013

Corrective Action:

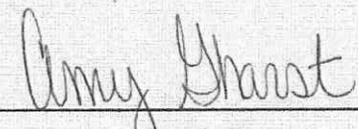
Effective immediately, the Airport Director and Airport Administrative Assistant will update our internal controls concerning the review and maintenance of capital asset records that identify equipment, improvements to property and real property acquired with federal grant funds.



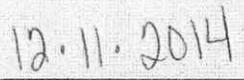
Airport Director



Date



Airport Administrative Assistant



Date

Monroe County Airport
972 South Kirby Road
Bloomington, Indiana 47401
bmj@bluemarble.net
812-825-5406 phone
812-825-6306 fax

Finding 2013-008 - Internal Controls and Compliance Requirements that have a direct and material effect to Highway Planning and Construction

Federal Agency: US Department of Transportation

Federal Program: Highway Planning and Construction

CFDA Number: 20.205

Federal Award Number and Year: DES 1173326, DES 9953008, DES 0901932, DES 9953008, DES 0301007, DES 0800768, DES 080768, DES 1172115, DES 1297633

Pass Through Agency: Indiana Department of Transportation

Corrective Action: Effective immediately, an internal control system, including segregation of duties, has been designed to operate effectively so as to provide reasonable assurance that material noncompliance with the grant agreement, or a type of compliance requirement of a federal program will be prevented, detected and corrected, in a timely manner. Proper oversight, reviews and approvals have and will continue to take place as well as a separation of functions over certain activities related to the program.

Therefore, the Monroe County Highway Department has established controls, including segregation of duties, related to the grant agreement and all compliance requirements that have a direct and material effect on the program.

Bill Williams
Monroe County Public Works Director/ Highway Engineer
Monroe County Highway Department
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Email: BWilliams@co.monroe.in.us

Monroe Circuit Court

Office of Court Services

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Bonnie Austin
Court Administrator

Lisa Abraham
Deputy Court Administrator

Lisa Wesemann
Public Service Coordinator

Bernice Luck
Financial Coordinator

Lorie Robinson
Case Management Coordinator

Michelle Pritchard
Court Programs Coordinator

December 2, 2014

Corrective Action Plan for:

FINDING 2013-009 INTERNAL CONTROLS AND COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO CHILD SUPPORT ENFORCEMENT

Federal Agency: Department of Health and Human Services
Federal Program: Child Support Enforcement
CFDA Number: 93.563
Federal Award Number and Year (or Other Identifying Number): 1304IN4005
Pass-Through Entity: Indiana Department of Child Services

Corrective Action: Effective immediately, and retroactively to the beginning of 2014, the IV-D Court and the Court Administration office will establish Internal Controls, including segregation of duties, related to the grant agreement and all compliance requirements that have a direct and material effect to the program. Court Administration is required to have more than one individual oversee, review and approve or certify separate functions related to the Title IV-D program. The spreadsheet used to calculate allowable costs will be verified with the financial reports generated by the Auditor. The Monthly Expense Claim and Quarterly Incentive Reports will be signed and certified by someone other than the individual preparing them.

Lorie Robinson Date 12-4-2014
(Preparer of Report for IDCS)

Bonnie Austin Date 12-4-2014
(Court Administrator or Deputy Court Administrator)



Chris Gaal
Prosecuting Attorney

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December 3, 2014

Finding 2013-009 - INTERNAL CONTROLS AND COMPLIANCE REQUIREMENTS THAT
HAVE A DIRECT AND MATERIAL EFFECT TO CHILD SUPPORT ENFORCEMENT

Federal Agency: Department of Health and Human Services
Federal Program: Child Support Enforcement
CFDA Number: 93.563
Federal Award Number: 1304IN4005
Pass-Through Entity: Indiana Department of Child Services
Auditee Contact Person: Beth Hamlin
Contact Person Title: Executive Director, Monroe County Prosecutor's Office
Contact Phone Number: (812)349-2064

Corrective Action: During 2013 some internal controls were enacted in an effort to improve compliance with federal laws. Controls now in place include 1) an additional signature page for all claims submitted against child support grant dollars. By adding this second review and signature by the Grant Manager (Executive Director), the Office Manager is no longer solely responsible for the approval of claims. Before 1/1/15, language will be added to these forms by the Auditor's office specifying and acknowledging what is intended by the Grant Manager's signature. 2) requests for reimbursement from the IN DCS are now completed online and a two step review process has been instituted. The Office Manager enters the financial information into the system; the Executive Director reviews the financial information for appropriateness and correctness and authorizes the request via signature.

A handwritten signature in cursive script that reads "Chris Gaal".

Chris Gaal
Monroe County Prosecuting Attorney

12-4-2014

Date

Corrective Action Plan

FINDING 2013-009 - INTERNAL CONTROLS AND COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO CHILD SUPPORT ENFORCEMENT

FINDING 2013-010 - ALLOWABLE COSTS/COST PRINCIPLES NON-COMPLIANCE RELATIVE TO CHILD SUPPORT ENFORCEMENT CLERK

Federal Agency: Department of Health and Human Services
Federal Program: Child Support Enforcement
CFDA Number: 93.563
Federal Award Number and Year: 1304IN4005
Pass Through Agency: Indiana Department of Child Services

Corrective Action: Effective 2013 the Monroe County Clerk requested the services of a consultant Title IV-D company to review our program, find cases of underreporting and over-reporting expenses, and recommend corrective action.

Our office reimbursed the State of Indiana the amount in question for over-reporting in October, 2014. Amounts underreported identified in the 2012 SBOA Audit was also corrected within the last quarter of 2013.

Effective immediately, an internal control system, including segregation of duties, has been designed to operate effectively so as to provide reasonable assurance that material noncompliance with the grant agreement, or a type of compliance requirement of a federal program will be prevented, detected and corrected in a timely manner. Proper oversight, reviews and approvals have and will continue to take place as well as a separation of functions over certain activities related to the program.

Therefore, the Monroe County Clerk's office has established controls, including segregation of duties, related to the grant agreement and all compliance requirements that have a direct and material effect on the program.

Contact information:
Rebecca Waldrip
rwaldrip@co.monroe.in.us 812-349-2820

**Chris Gaal
Prosecuting Attorney**

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December 3, 2014

Finding 2013-011, ALLOWABLE COSTS/COST PRINCIPLES NONCOMPLIANCE
RELATING TO CHILD SUPPORT ENFORCEMENT

Federal Agency: Department of Health and Human Services
Federal Program: Child Support Enforcement
CFDA Number: 93.563
Federal Award Number: 1304IN4005
Pass-Through Entity: Indiana Department of Child Services
Auditee Contact Person: Beth Hamlin
Contact Person Title: Executive Director, Monroe County Prosecutor's Office
Contact Phone Number: (812)349-2064

Corrective Action: Shortly after being made aware of the need for State Form 445272/DFC Form 918, Beth Hamlin and Cindy Pope discussed the need for this form to be completed. It was decided that Ms. Pope would scan all timesheets and resume use of the form mentioned above. Effective March 14, 2014 Ms. Pope had retroactively completed the required forms as requested and has continued/will continue to complete the forms monthly.

Corrective Action: Pursuant to the 2012 finding relevant to this matter, confirmation was received from Department of Child Services (Jeff Miller, Field Audit Supervisor) that the manner by which health insurance costs were attributed was acceptable to DCS. With regard to the 2013 audit finding, there currently is no written county policy concerning this practice; however, the discussion for creating such a policy has begun. A policy with regard to calculations of benefit percentages, regardless of whether or not the employee elects the benefit, is expected to be created during 2015.

A handwritten signature in cursive script, appearing to read "Chris Gaal".

Chris Gaal
Monroe County Prosecuting Attorney

Date

12-4-2014

Monroe Circuit Court

Office of Court Services

The Justice Building
301 North College Avenue
Bloomington, Indiana 47404-3865
(812)349-2615
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Financial Coordinator

Lorie Robinson
Case Management Coordinator

Michelle Pritchard
Court Programs Coordinator

December 2, 2014

Corrective Action Plan for:

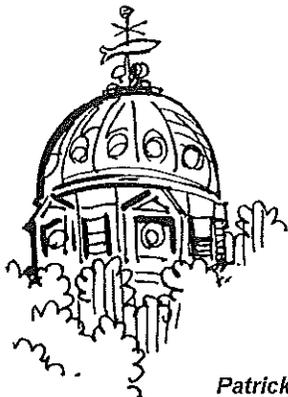
FINDING 2013-011 . ALLOWABLE COSTS/COST PRINCIPLES NONCOMPLIANCE RELATING TO CHILD SUPPORT ENFORCEMENT

Federal Agency: Department of Health and Human Services
Federal Program: Child Support Enforcement
CFDA Number: 93.563
Federal Award Number and Year (or Other Identifying Number): 1304IN4005
Pass-Through Entity: Indiana Department of Child Services

Corrective Action: Effective immediately, and retroactively to the beginning of 2013, the IV-D Court and the Court Administration office will comply with allowable costs requirements that have a direct and material effect on the program. The county is required to maintain time and effort reports on all full and part-time employees whose salaries are reimbursed by the grant. The IV-D Court uses the Department of Child Services recommended report titled "Record of Monthly Time, State Form 45272 (3-92)/DFC Form 918" from the IV-D Expense Reporting and Reimbursement Guide. This form provides a space for employees to enter allowable hours worked each day during the month and a place to sign at the bottom to certify the reported hours represent only Title IV-D work and are true and correct. The Preparer of the Report will verify each employee's signature on the monthly report and retain the original document or a scanned copy. Additionally, the reporting of insurance benefits for IV-D employees based on a percentage of each employee's gross pay is the accepted method used by the County for charging various County funds for insurance benefits. Court Administration will request a written policy approved by the County for such.

Lorie Robinson Date 12-4-2014
(Preparer of Report for IDCS)

Bonnie Austin Date 12-4-2014
(Court Administrator or Deputy Court Administrator)



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Patrick Stoffers, President

Iris Kiesling, Vice President

Julie L. Thomas, Member

December 9, 2014

FINDING 2013-012 INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT MATERIAL EFFECT TO FORMULA GRANTS FOR RURAL AREAS

Federal Agency: U.S. Departments of Transportation

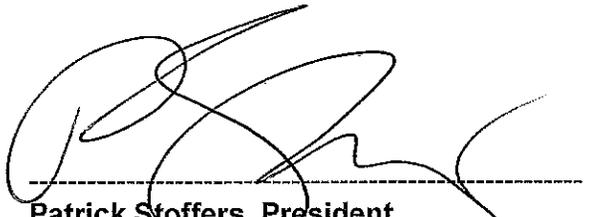
Federal Program: Formula Grants for Rural Areas

CFDS Number: 20.509

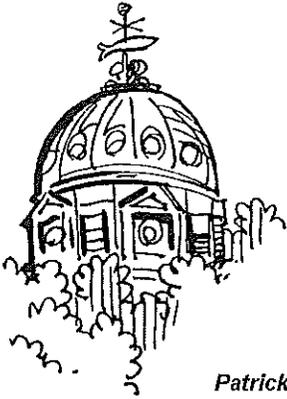
Federal Award Number and Year (or Other Identifying Number) A249-12-320309A; A249-13-320293

Pass-Through Entity: Indiana Department of Transportation

Corrective Action Plan: Effective immediately and will not be apparent until 2015 (as there is insufficient time to apply in 2014), the Monroe County Board of Commissioners have initiated an internal control system, including segregation of duties in the oversight of the Section 5311 Federal Rural and Small Urban Transit Assistance program at Area 10 Agency on Aging/ Rural Transit.



Patrick Stoffers, President
Monroe County Board of Commissioners



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Patrick Stoffers, President

Iris Kiesling, Vice President

Julie L. Thomas, Member

December 9, 2014

FINDING 2013-013 INTERNAL CONTROLS AND COMPLIANCE OVER EQUIPMENT AND REAL PROPERTY RELATING TO FORMULA GRANTS FOR RURAL AREAS

Federal Agency: U.S. Departments of Transportation

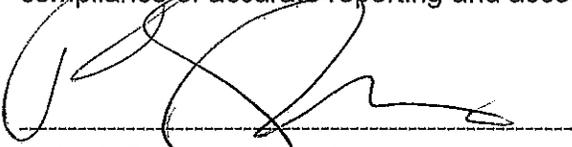
Federal Program: Formula Grants for Rural Areas

CFDS Number: 20.509

Federal Award Number and Year (or Other Identifying Number) A249-12-320309A; A249-13-320293

Pass-Through Entity: Indiana Department of Transportation

Corrective Action Plan: Effective immediately and reportable in 2015 (as there is insufficient time to apply in 2014), the Monroe County Board of Commissioners will establish controls to ensure the compliance of accurate reporting and accounting of equipment and real property as per 49 CFR 18.32



Patrick Stoffers, President
Monroe County Board of Commissioners

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/>.