

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF  
WABASH COUNTY, INDIANA  
January 1, 2012 to December 31, 2012



**FILED**  
09/12/2013



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Independent Auditor's Report .....	3-5
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 .....	6-7
Financial Statement:	
Statement of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis .....	10-11
Notes to Financial Statement .....	12-16
Supplementary Information - Unaudited:	
Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis .....	18-37
Schedule of Payables and Receivables .....	38
Schedule of Leases and Debt .....	39
Schedule of Capital Assets.....	40
Other Reports.....	41
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance.....	44-45
Schedule of Expenditures of Federal Awards .....	48-49
Notes to Schedule of Expenditures of Federal Awards.....	50
Schedule of Findings and Questioned Costs .....	51-53
Auditee Prepared Schedule:	
Corrective Action Plan.....	54
Exit Conference.....	55

### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Jane E. Ridgeway Linda L. Conrad	01-01-09 to 12-31-12 01-01-13 to 12-31-16
Treasurer	Sharon K. Shaw	01-01-09 to 12-31-16
Clerk	Elaine J. Martin	01-01-11 to 12-31-14
Sheriff	Robert E. Land	01-01-11 to 12-31-14
Recorder	Lori J. Draper	01-01-11 to 12-31-14
President of the Board of County Commissioners	Brian K. Hauptert Barry J. Eppley	01-01-12 to 12-31-12 01-01-13 to 12-31-13
President of the County Council	James K. Kaltenmark	01-01-12 to 12-31-13



## INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF WABASH COUNTY, INDIANA

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

We have audited the accompanying financial statement of Wabash County (County), which comprises the financial position and results of operations for the year ended December 31, 2012, 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, 2012.

***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, 2012, 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 August 26, 2013, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

***Accompanying Information***

*Supplementary Information*

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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

*Other Information*

Included in the financial statement are the receipts and disbursements activity from emergency telephone system fees (IC 36-8-16), enhanced wireless emergency telephone fees (IC 36-8-16.5), and statewide 911 services fees (IC 36-8-16.7). In accordance with Indiana Code 36-8-16-14, Indiana Code 36-8-16.5-41, and Indiana Code 36-8-16.7-38, these fees have been subject to an annual audit performed by the Indiana State Board of Accounts and, in our opinion, are fairly stated, in all material respects, in relation to the financial statement taken as a whole.



Bruce Hartman  
State Examiner

August 26, 2013



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

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 WABASH 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 Wabash County (County), which comprises the financial position and results of operations for the year ended December 31, 2012, and the related notes to the financial statement, and have issued our report thereon dated August 26, 2013, 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 item 2012-1 to be material weaknesses.

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

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the County's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2012-1.

***Wabash 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.



Bruce Hartman  
State Examiner

August 26, 2013

(This page intentionally left blank.)

## FINANCIAL STATEMENT

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.

WABASH COUNTY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For The Year Ended December 31, 2012

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12
Sheriff's Inmate Trust Cashbook	\$ 1,159	\$ 167,108	\$ 166,553	\$ 1,714
Clerk's Trust/Non-Support Cashbook	560,546	3,137,402	3,319,394	378,554
Sheriff's Cashbook	325	700,768	700,768	325
General	3,143,908	8,780,202	9,258,341	2,665,769
Accident Report	5,027	2,826	3,900	3,953
Wabash County CEDIT	1,130,503	823,207	687,751	1,265,959
City and Town Court Costs	9,203	11,139	4,668	15,674
Clerk's Records Perpetuation	36,721	26,126	31,413	31,434
Community Corrections - Home Detention	28,764	341,501	336,705	33,560
Community Transition Program	114,680	32,674	61,251	86,103
County Sales Disclosure Fee	4,966	3,255	3,500	4,721
Covered Bridge	15,599	3,700	3,537	15,762
Cumulative Bridge	3,184,291	589,500	291,918	3,481,873
Cumulative Capital Development	804,743	254,036	219,190	839,589
County Drug Free Community	30,207	23,501	24,152	29,556
Emergency Planning/Right To Know	10,766	7,024	6,151	11,639
Enhanced Access	-	300	150	150
Extradition	1,612	-	-	1,612
Firearms Training	6,039	8,655	12,384	2,310
General Drain Improvement	26,687	344,369	184,816	186,240
Health	59,993	442,313	382,704	119,602
Recorder Security Protection Fees	37,845	2,909	11,057	29,697
Levy Excess	72,248	27,997	-	100,245
Local Health Maintenance	178,569	112,472	97,850	193,191
Local Road and Street	2,020,045	292,437	739,150	1,573,332
County Misdemeanant	34,614	25,122	8,979	50,757
Highway	808,370	1,922,171	1,850,235	880,306
Auditors Plat Book Collections	20,573	8,388	13,739	15,222
Rainy Day	952,059	796,518	276,521	1,472,056
Reassessment 2009	141,743	214	138,569	3,388
Reassessment 2015	117,008	118,175	-	235,183
Recorder's Records Perpetuation	137,593	51,010	96,976	91,627
Riverboat Distribution County Revenue	-	84,955	-	84,955
Wabash County Sheriff Pension	1,835	29,295	29,409	1,721
Solid Waste Administrative Fees	4,782	8,538	2,670	10,650
Supplemental Public Defender Service	91,694	36,355	15,532	112,517
Surplus Tax	4,089	13,914	13,487	4,516
Surveyor Corner Perpetuation	64,331	6,330	12,130	58,531
Tax Sale Redemption	1,250	34,466	34,466	1,250
Surplus Tax Sale	140,084	11,356	79,073	72,367
Health Grant	54,406	20,550	18,757	56,199
Unsafe Premises	-	18,641	45	18,596
CASA Program	-	26,613	26,613	-
Auditors Ineligible Deductions	599	-	-	599
County Elected Officials Training	-	3,641	716	2,925
Statewide 9-1-1	316,721	626,898	771,309	172,310
Adult Probation Administrative	-	5,267	-	5,267
Juvenile Probation Administrative	-	410	-	410
Adult Probation Services	525,942	78,019	27,764	576,197
Juvenile Probation Service	123,383	21,398	35,254	109,527
County User Fees	466,500	167,929	149,162	485,267
Drainage Maintenance	589,266	130,490	175,418	544,338
Historical Museum	3,470	-	-	3,470
Children First Collections	500	-	-	500
Crime Control	550	-	550	-
K-9 Donation	-	10,405	10,405	-
Law Enforcement Continuing Education	32,092	18,453	11,619	38,926
TIF Districts	1,515,989	1,027,468	2,214,197	329,260
Self-Funded Insurance	1,020,746	1,301,238	1,029,978	1,292,006
Payroll Clearing	83,124	4,405,559	4,488,683	-
Payroll Donations - United Way	-	525	-	525
Payroll AFLAC Life	-	55,089	43,641	11,448
Payroll Voluntary PERF	-	14,149	14,149	-
Payroll Child Support Payment	-	6,735	6,735	-
Payroll IN Def Comp Plan	-	38,062	38,062	-
Payroll Federal Withholding	-	223,177	223,177	-
Payroll Medicare (FICA)	-	140,989	140,989	-
Payroll CAGIT	-	64,993	64,993	-
Payroll State Gross Income Tax	-	83,642	83,642	-
Payroll Wage Garnishment	-	8,842	8,842	-

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

WABASH COUNTY  
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12
Tax Distribution Funds	-	18,663,012	18,663,012	-
LOIT Operating Levy	911,239	2,820,808	3,732,047	-
LOIT Operating Levy Stabilization	3,519,821	-	427,532	3,092,289
Commercial Vehicle Excise Tax	-	205,668	205,668	-
Weed Lien Collections	-	4,341	4,341	-
Sewage Lien Collections	-	22,467	22,467	-
Financial Institution Tax	-	94,422	94,422	-
CEDIT Homestead Credit	23,474	1,498,993	1,084,795	437,672
HEA 1001 State Homestead Credit	(466)	-	-	(466)
LOIT Homestead Credit	10,678	-	-	10,678
LOIT PTRC Tax Credits	81,226	3,589,915	2,606,085	1,065,056
LOIT Qualified Residential PTRC	45,497	2,393,275	1,728,812	709,960
State Fines and Forfeitures	629	6,293	6,507	415
Infraction Judgments	2,426	45,471	44,863	3,034
Special Death Benefit Fees	200	2,235	2,350	85
State Sales Disclosure Fee	375	3,145	3,165	355
Coroner Continuing Education	287	2,986	3,018	255
Adult Offender/Interstate Compact	-	520	458	62
Recorder Mortgage Recording Fees	255	3,615	3,530	340
State Share Sex Offender Registry	16	274	278	12
Car Seat Safety	28	-	-	28
Pro Bono Legal Services	-	262	-	262
Inheritance Tax	410,036	1,656,046	1,867,647	198,435
Education Plate Fees	56	544	600	-
Riverboat Wagering Tax	-	194,826	194,826	-
Convention And Tourism Agency	-	121,380	121,380	-
CAGIT Certified Shares	-	6,499,796	6,499,796	-
County Economic Development Income Tax	-	1,499,012	1,499,012	-
Prosecutor PCA Fees	280	1,953	1,575	658
Clerk ARRA	9,781	-	2,395	7,386
Title IV-D Incentive - General	21,620	18,807	1,754	38,673
Prosecutor IV-D Incentive	146,600	27,098	25,820	147,878
Clerk IV-D Incentive - Prior	-	27,095	-	27,095
Clerk IV-D Incentive	68,615	18,012	50,989	35,638
Treasurer's Cashbook	357,710	220,091	356,960	220,841
Sheriff's Commissary Cashbook	31,927	158,808	154,796	35,939
Probation Cashbook	6,046	94,247	93,605	6,688
Grossnickle Drain Local Match	-	548,133	255,201	292,932
Grossnickle Project Retainage	-	31,466	-	31,466
LEPC Special Projects	321	1,500	1,464	357
Soil and Water Conservation Payroll	131	694	780	45
Commissary Payroll	563	29,475	30,037	1
Emergency Management Volunteer Support	2,489	4,027	3,199	3,317
Commissioners Tax Certificate Sale	63,836	16,042	14,896	64,982
Community Corrections Project Income Home Detention	93,283	110,377	113,914	89,746
Payroll Health Insurance Section 125	-	304,966	229,702	75,264
SWETA - St Welfare Excise Tax	-	1,126,025	1,126,025	-
Solid Waste Fee Collections	-	276,057	276,057	-
Common School	-	445	-	445
Criminal Justice - Federal	376	-	376	-
GIS Data Exchange Program	-	2,000	-	2,000
Grossnickle Drain Grant	-	181,523	181,523	-
Bulletproof Vest Grant	-	3,141	3,141	-
Child Restraint Grant	-	1,744	-	1,744
Wabash Transit/Council on Aging	-	309,931	309,931	-
Operation Pullover Grant	1,908	8,869	9,350	1,427
Health Bioterrorism Grant	-	9,329	9,329	-
H1N1 Influenza Grant	(11)	11	-	-
Health Immunization Program Grant	14	-	-	14
SPHI Health Grant	-	7,000	3,379	3,621
EMA HLS Equipment Grant	-	8,270	8,149	121
EMA Homeland Security Grants	8,270	4,720	12,990	-
EMA IDES 2010 Grant	1,540	13,008	14,534	14
Local Health Coordinator	886	-	886	-
Jail Inmate GED Program Grant	-	4,000	1,715	2,285
Community Corrections Local Grant	-	2,300	1,025	1,275
<b>Totals</b>	<b>\$ 24,559,721</b>	<b>\$ 70,681,880</b>	<b>\$ 70,815,897</b>	<b>\$ 24,425,704</b>

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

WABASH 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 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. Receipts are recorded when received and disbursements are recorded when paid.

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.

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

WABASH COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

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

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

*E. Disbursements*

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

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

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

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

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

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

*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.

WABASH COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*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 board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

**Note 3. Property Taxes**

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

**Note 4. Deposits and Investments**

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

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

**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.

WABASH COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

*Funding Policy and Annual Pension Cost*

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

*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.

WABASH COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*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. Restatement of County Offices**

Certain funds that were included on the prior year financial statement have been omitted from the current year financial statement to more accurately reflect the financial activity of the County. These funds account for receipts and disbursements of County offices that are also eventually accounted for in the County's general ledger and financial statements.

**Note 8. Cash Balance Deficits**

The financial statement contains the HEA 1001 State Homestead Credit Fund which has a \$466 deficit cash balance at December 31, 2012. It will be replenished by withholding money from taxing units upon final settlement for December 2013 taxes payable in 2014.

**Note 9. Combined Funds**

Funds titled Emergency Telephone System - Landline and E911 Wireless were reported individually in the prior financial statement but were combined into one fund titled Statewide 9-1-1 for the current financial statement. Funds titled TIF District #1 - Poet/Chester, TIF District #2 - Liberty/Lafontaine, TIF District #3 - Ford Meter Box, TIF District #5 Miami/Market Street, and TIF #6 - Cinergy Metronet were reported individually in the prior financial statement but were combined into one fund titled TIF Districts for the current financial statement. Funds titled Alcohol and Drug Services, Diversion User Fees, Jury Pay, and Drug Court were reported individually in the prior financial statement but were combined into one fund titled County User Fees for the current financial statement. Funds titled Law Enforcement Continuing Education, Sheriff's Continuing Education, False Alarm Fees Collection, and County Share Sex Offender Registry were reported individually in the prior financial statement but were combined into one fund titled Law Enforcement Continuing Education for the current 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.

WABASH COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012

	Sheriff's Inmate Trust Cashbook	Clerk's Trust/ Non-Support Cashbook	Sheriff's Cashbook	General	Accident Report	Wabash County CEDIT	City and Town Court Costs
Cash and investments - beginning	\$ 1,159	\$ 560,546	\$ 325	\$ 3,143,908	\$ 5,027	\$ 1,130,503	\$ 9,203
Receipts:							
Taxes	-	-	-	6,500,000	-	-	-
Intergovernmental	-	-	-	1,553,336	-	723,207	-
Charges for services	-	-	-	362,682	1,401	100,000	-
Fines and forfeits	-	-	-	70,208	-	-	-
Other receipts	167,108	3,137,402	700,768	293,976	1,425	-	11,139
Total receipts	167,108	3,137,402	700,768	8,780,202	2,826	823,207	11,139
Disbursements:							
Personal services	-	-	-	5,225,814	-	-	-
Supplies	-	-	-	403,629	-	-	-
Other services and charges	-	-	-	2,771,040	-	478,228	-
Capital outlay	-	-	-	92,133	-	209,523	-
Other disbursements	166,553	3,319,394	700,768	765,725	3,900	-	4,668
Total disbursements	166,553	3,319,394	700,768	9,258,341	3,900	687,751	4,668
Excess (deficiency) of receipts over disbursements	555	(181,992)	-	(478,139)	(1,074)	135,456	6,471
Cash and investments - ending	\$ 1,714	\$ 378,554	\$ 325	\$ 2,665,769	\$ 3,953	\$ 1,265,959	\$ 15,674

WABASH COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Clerk's Records Perpetuation	Community Corrections - Home Detention	Community Transition Program	County Sales Disclosure Fee	Covered Bridge	Cumulative Bridge	Cumulative Capital Development
Cash and investments - beginning	\$ 36,721	\$ 28,764	\$ 114,680	\$ 4,966	\$ 15,599	\$ 3,184,291	\$ 804,743
Receipts:							
Taxes	-	-	-	-	-	316,160	225,996
Intergovernmental	-	102,951	32,674	-	-	32,943	23,548
Charges for services	8,584	-	-	1,785	-	228,144	-
Fines and forfeits	3,381	-	-	-	-	-	-
Other receipts	14,161	238,550	-	1,470	3,700	12,253	4,492
Total receipts	<u>26,126</u>	<u>341,501</u>	<u>32,674</u>	<u>3,255</u>	<u>3,700</u>	<u>589,500</u>	<u>254,036</u>
Disbursements:							
Personal services	14,522	133,882	-	-	-	-	-
Supplies	155	6,842	-	-	-	-	-
Other services and charges	3,291	38,505	-	-	3,486	241,795	34,048
Capital outlay	13,445	-	-	-	-	50,123	185,142
Other disbursements	-	157,476	61,251	3,500	51	-	-
Total disbursements	<u>31,413</u>	<u>336,705</u>	<u>61,251</u>	<u>3,500</u>	<u>3,537</u>	<u>291,918</u>	<u>219,190</u>
Excess (deficiency) of receipts over disbursements	<u>(5,287)</u>	<u>4,796</u>	<u>(28,577)</u>	<u>(245)</u>	<u>163</u>	<u>297,582</u>	<u>34,846</u>
Cash and investments - ending	<u>\$ 31,434</u>	<u>\$ 33,560</u>	<u>\$ 86,103</u>	<u>\$ 4,721</u>	<u>\$ 15,762</u>	<u>\$ 3,481,873</u>	<u>\$ 839,589</u>

WABASH COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	County Drug Free Community	Emergency Planning/ Right To Know	Enhanced Access	Extradition	Firearms Training	General Drain Improvement	Health
Cash and investments - beginning	\$ 30,207	\$ 10,766	\$ -	\$ 1,612	\$ 6,039	\$ 26,687	\$ 59,993
Receipts:							
Taxes	-	-	-	-	-	15,981	268,151
Intergovernmental	-	-	-	-	-	-	27,940
Charges for services	12,365	-	300	-	3,745	-	25,985
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	11,136	7,024	-	-	4,910	328,388	120,237
Total receipts	<u>23,501</u>	<u>7,024</u>	<u>300</u>	<u>-</u>	<u>8,655</u>	<u>344,369</u>	<u>442,313</u>
Disbursements:							
Personal services	-	-	-	-	-	-	257,726
Supplies	-	439	-	-	-	-	5,965
Other services and charges	24,152	5,395	150	-	-	-	18,583
Capital outlay	-	-	-	-	-	-	430
Other disbursements	-	317	-	-	12,384	184,816	100,000
Total disbursements	<u>24,152</u>	<u>6,151</u>	<u>150</u>	<u>-</u>	<u>12,384</u>	<u>184,816</u>	<u>382,704</u>
Excess (deficiency) of receipts over disbursements	<u>(651)</u>	<u>873</u>	<u>150</u>	<u>-</u>	<u>(3,729)</u>	<u>159,553</u>	<u>59,609</u>
Cash and investments - ending	<u>\$ 29,556</u>	<u>\$ 11,639</u>	<u>\$ 150</u>	<u>\$ 1,612</u>	<u>\$ 2,310</u>	<u>\$ 186,240</u>	<u>\$ 119,602</u>

WABASH COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Recorder Security Protection Fees	Levy Excess	Local Health Maintenance	Local Road and Street	County Misdemeanant	Highway	Auditors Plat Book Collections
Cash and investments - beginning	\$ 37,845	\$ 72,248	\$ 178,569	\$ 2,020,045	\$ 34,614	\$ 808,370	\$ 20,573
Receipts:							
Taxes	-	-	-	-	-	920	-
Intergovernmental	-	-	16,336	285,736	25,122	1,914,185	-
Charges for services	1,620	-	48,194	-	-	3,721	4,470
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	1,289	27,997	47,942	6,701	-	3,345	3,918
Total receipts	2,909	27,997	112,472	292,437	25,122	1,922,171	8,388
Disbursements:							
Personal services	-	-	20,587	-	-	1,137,560	12,909
Supplies	-	-	1,495	739,150	-	491,438	-
Other services and charges	2,810	-	75,768	-	-	184,148	400
Capital outlay	8,247	-	-	-	-	34,603	430
Other disbursements	-	-	-	-	8,979	2,486	-
Total disbursements	11,057	-	97,850	739,150	8,979	1,850,235	13,739
Excess (deficiency) of receipts over disbursements	(8,148)	27,997	14,622	(446,713)	16,143	71,936	(5,351)
Cash and investments - ending	\$ 29,697	\$ 100,245	\$ 193,191	\$ 1,573,332	\$ 50,757	\$ 880,306	\$ 15,222

WABASH COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Rainy Day	Reassessment 2009	Reassessment 2015	Recorder's Records Perpetuation	Riverboat Distribution County Revenue	Wabash County Sheriff Pension	Solid Waste Administrative Fees
Cash and investments - beginning	\$ 952,059	\$ 141,743	\$ 117,008	\$ 137,593	\$ -	\$ 1,835	\$ 4,782
Receipts:							
Taxes	-	-	106,558	-	-	-	-
Intergovernmental	-	-	11,103	-	84,955	-	-
Charges for services	-	-	-	28,467	-	386	553
Fines and forfeits	-	-	-	-	-	14,095	-
Other receipts	796,518	214	514	22,543	-	14,814	7,985
Total receipts	796,518	214	118,175	51,010	84,955	29,295	8,538
Disbursements:							
Personal services	176,521	1,032	-	73,393	-	29,409	-
Supplies	-	-	-	1,361	-	-	-
Other services and charges	-	137,537	-	13,975	-	-	-
Capital outlay	-	-	-	8,247	-	-	2,670
Other disbursements	100,000	-	-	-	-	-	-
Total disbursements	276,521	138,569	-	96,976	-	29,409	2,670
Excess (deficiency) of receipts over disbursements	519,997	(138,355)	118,175	(45,966)	84,955	(114)	5,868
Cash and investments - ending	\$ 1,472,056	\$ 3,388	\$ 235,183	\$ 91,627	\$ 84,955	\$ 1,721	\$ 10,650

WABASH COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Supplemental Public Defender Service	Surplus Tax	Surveyor Corner Perpetuation	Tax Sale Redemption	Surplus Tax Sale	Health Grant	Unsafe Premises
Cash and investments - beginning	\$ 91,694	\$ 4,089	\$ 64,331	\$ 1,250	\$ 140,084	\$ 54,406	\$ -
Receipts:							
Taxes	-	-	-	-	11,356	-	-
Intergovernmental	-	-	-	-	-	-	8,987
Charges for services	15,187	-	3,285	-	-	-	9,071
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	21,168	13,914	3,045	34,466	-	20,550	583
Total receipts	<u>36,355</u>	<u>13,914</u>	<u>6,330</u>	<u>34,466</u>	<u>11,356</u>	<u>20,550</u>	<u>18,641</u>
Disbursements:							
Personal services	-	-	-	-	-	106	-
Supplies	-	-	-	-	-	295	-
Other services and charges	-	-	12,130	-	-	15,000	-
Capital outlay	-	-	-	-	-	3,356	-
Other disbursements	15,532	13,487	-	34,466	79,073	-	45
Total disbursements	<u>15,532</u>	<u>13,487</u>	<u>12,130</u>	<u>34,466</u>	<u>79,073</u>	<u>18,757</u>	<u>45</u>
Excess (deficiency) of receipts over disbursements	<u>20,823</u>	<u>427</u>	<u>(5,800)</u>	<u>-</u>	<u>(67,717)</u>	<u>1,793</u>	<u>18,596</u>
Cash and investments - ending	<u>\$ 112,517</u>	<u>\$ 4,516</u>	<u>\$ 58,531</u>	<u>\$ 1,250</u>	<u>\$ 72,367</u>	<u>\$ 56,199</u>	<u>\$ 18,596</u>

WABASH COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	CASA Program	Auditors Ineligible Deductions	County Elected Officials Training	Statewide 9-1-1	Adult Probation Administrative	Juvenile Probation Administrative	Adult Probation Services
Cash and investments - beginning	\$ -	\$ 599	\$ -	\$ 316,721	\$ -	\$ -	\$ 525,942
Receipts:							
Taxes	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	26,613	-	1,620	233,429	5,267	410	28,331
Fines and forfeits	-	-	-	-	-	-	19,434
Other receipts	-	-	2,021	393,469	-	-	30,254
Total receipts	<u>26,613</u>	<u>-</u>	<u>3,641</u>	<u>626,898</u>	<u>5,267</u>	<u>410</u>	<u>78,019</u>
Disbursements:							
Personal services	-	-	-	-	-	-	1,405
Supplies	-	-	-	-	-	-	93
Other services and charges	-	-	491	445,777	-	-	26,266
Capital outlay	-	-	-	110,614	-	-	-
Other disbursements	26,613	-	225	214,918	-	-	-
Total disbursements	<u>26,613</u>	<u>-</u>	<u>716</u>	<u>771,309</u>	<u>-</u>	<u>-</u>	<u>27,764</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>2,925</u>	<u>(144,411)</u>	<u>5,267</u>	<u>410</u>	<u>50,255</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 599</u>	<u>\$ 2,925</u>	<u>\$ 172,310</u>	<u>\$ 5,267</u>	<u>\$ 410</u>	<u>\$ 576,197</u>

WABASH COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Juvenile Probation Service	County User Fees	Drainage Maintenance	Historical Museum	Children First Collections	Crime Control	K-9 Donation
Cash and investments - beginning	\$ 123,383	\$ 466,500	\$ 589,266	\$ 3,470	\$ 500	\$ 550	\$ -
Receipts:							
Taxes	-	-	47,962	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	6,831	14,749	-	-	-	-	-
Fines and forfeits	798	46,664	-	-	-	-	-
Other receipts	13,769	106,516	82,528	-	-	-	10,405
Total receipts	21,398	167,929	130,490	-	-	-	10,405
Disbursements:							
Personal services	34,580	88,937	-	-	-	-	-
Supplies	674	1,375	-	-	-	-	-
Other services and charges	-	28,356	-	-	-	-	-
Capital outlay	-	24,585	-	-	-	-	-
Other disbursements	-	5,909	175,418	-	-	550	10,405
Total disbursements	35,254	149,162	175,418	-	-	550	10,405
Excess (deficiency) of receipts over disbursements	(13,856)	18,767	(44,928)	-	-	(550)	-
Cash and investments - ending	\$ 109,527	\$ 485,267	\$ 544,338	\$ 3,470	\$ 500	\$ -	\$ -

WABASH COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Law Enforcement Continuing Education	TIF Districts	Self-Funded Insurance	Payroll Clearing	Payroll Donations - United Way	Payroll AFLAC Life	Payroll Voluntary PERF
Cash and investments - beginning	\$ 32,092	\$ 1,515,989	\$ 1,020,746	\$ 83,124	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	723,682	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	4,954	-	-	-	-	-	-
Fines and forfeits	7,278	-	-	-	-	-	-
Other receipts	6,221	303,786	1,301,238	4,405,559	525	55,089	14,149
Total receipts	18,453	1,027,468	1,301,238	4,405,559	525	55,089	14,149
Disbursements:							
Personal services	-	-	584,786	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	6,218	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	5,401	2,214,197	445,192	4,488,683	-	43,641	14,149
Total disbursements	11,619	2,214,197	1,029,978	4,488,683	-	43,641	14,149
Excess (deficiency) of receipts over disbursements	6,834	(1,186,729)	271,260	(83,124)	525	11,448	-
Cash and investments - ending	\$ 38,926	\$ 329,260	\$ 1,292,006	\$ -	\$ 525	\$ 11,448	\$ -

WABASH COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Payroll Child Support Payment	Payroll IN Def Comp Plan	Payroll Federal Withholding	Payroll Medicare (FICA)	Payroll CAGIT	Payroll State Gross Income Tax	Payroll Wage Garnishment
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	6,735	38,062	223,177	140,989	64,993	83,642	8,842
Total receipts	6,735	38,062	223,177	140,989	64,993	83,642	8,842
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	6,735	38,062	223,177	140,989	64,993	83,642	8,842
Total disbursements	6,735	38,062	223,177	140,989	64,993	83,642	8,842
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

WABASH COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Tax Distribution Funds	LOIT Operating Levy	LOIT Operating Levy Stabilization	Commercial Vehicle Excise Tax	Weed Lien Collections	Sewage Lien Collections	Financial Institution Tax
Cash and investments - beginning	\$ -	\$ 911,239	\$ 3,519,821	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	17,166,743	873,975	-	-	4,341	12,942	-
Intergovernmental	1,496,269	174,795	-	102,828	-	-	47,211
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	1,772,038	-	102,840	-	9,525	47,211
Total receipts	<u>18,663,012</u>	<u>2,820,808</u>	<u>-</u>	<u>205,668</u>	<u>4,341</u>	<u>22,467</u>	<u>94,422</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	18,663,012	3,732,047	427,532	205,668	4,341	22,467	94,422
Total disbursements	<u>18,663,012</u>	<u>3,732,047</u>	<u>427,532</u>	<u>205,668</u>	<u>4,341</u>	<u>22,467</u>	<u>94,422</u>
Excess (deficiency) of receipts over disbursements	-	(911,239)	(427,532)	-	-	-	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,092,289</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WABASH COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	CEDIT Homestead Credit	HEA 1001 State Homestead Credit	LOIT Homestead Credit	LOIT PTRC Tax Credits	LOIT Qualified Residential PTRC	State Fines and Forfeitures	Infraction Judgments
Cash and investments - beginning	\$ 23,474	\$ (466)	\$ 10,678	\$ 81,226	\$ 45,497	\$ 629	\$ 2,426
Receipts:							
Taxes	656,975	-	-	1,573,154	349,590	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	2,908	26,844
Other receipts	842,018	-	-	2,016,761	2,043,685	3,385	18,627
Total receipts	<u>1,498,993</u>	<u>-</u>	<u>-</u>	<u>3,589,915</u>	<u>2,393,275</u>	<u>6,293</u>	<u>45,471</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	1,084,795	-	-	2,606,085	1,728,812	6,507	44,863
Total disbursements	<u>1,084,795</u>	<u>-</u>	<u>-</u>	<u>2,606,085</u>	<u>1,728,812</u>	<u>6,507</u>	<u>44,863</u>
Excess (deficiency) of receipts over disbursements	<u>414,198</u>	<u>-</u>	<u>-</u>	<u>983,830</u>	<u>664,463</u>	<u>(214)</u>	<u>608</u>
Cash and investments - ending	<u>\$ 437,672</u>	<u>\$ (466)</u>	<u>\$ 10,678</u>	<u>\$ 1,065,056</u>	<u>\$ 709,960</u>	<u>\$ 415</u>	<u>\$ 3,034</u>

WABASH COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Special Death Benefit Fees	State Sales Disclosure Fee	Coroner Continuing Education	Adult Offender/ Interstate Compact	Recorder Mortgage Recording Fees	State Share Sex Offender Registry	Car Seat Safety
Cash and investments - beginning	\$ 200	\$ 375	\$ 287	\$ -	\$ 255	\$ 16	\$ 28
Receipts:							
Taxes	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	1,070	1,675	1,623	125	2,010	108	-
Fines and forfeits	-	-	-	63	-	-	-
Other receipts	1,165	1,470	1,363	332	1,605	166	-
Total receipts	2,235	3,145	2,986	520	3,615	274	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	2,350	3,165	3,018	458	3,530	278	-
Total disbursements	2,350	3,165	3,018	458	3,530	278	-
Excess (deficiency) of receipts over disbursements	(115)	(20)	(32)	62	85	(4)	-
Cash and investments - ending	\$ 85	\$ 355	\$ 255	\$ 62	\$ 340	\$ 12	\$ 28

WABASH COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Pro Bono Legal Services	Inheritance Tax	Education Plate Fees	Riverboat Wagering Tax	Convention And Tourism Agency	CAGIT Certified Shares	County Economic Development Income Tax
Cash and investments - beginning	\$ -	\$ 410,036	\$ 56	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	72,748	1,966,442	-
Intergovernmental	-	449,622	-	194,826	-	655,481	656,975
Charges for services	145	-	375	-	-	-	-
Fines and forfeits	117	-	-	-	-	-	-
Other receipts	-	1,206,424	169	-	48,632	3,877,873	842,037
Total receipts	<u>262</u>	<u>1,656,046</u>	<u>544</u>	<u>194,826</u>	<u>121,380</u>	<u>6,499,796</u>	<u>1,499,012</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	1,867,647	600	194,826	121,380	6,499,796	1,499,012
Total disbursements	<u>-</u>	<u>1,867,647</u>	<u>600</u>	<u>194,826</u>	<u>121,380</u>	<u>6,499,796</u>	<u>1,499,012</u>
Excess (deficiency) of receipts over disbursements	<u>262</u>	<u>(211,601)</u>	<u>(56)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 262</u>	<u>\$ 198,435</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WABASH COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Prosecutor PCA Fees	Clerk ARRA	Title IV-D Incentive - General	Prosecutor IV-D Incentive	Clerk IV-D Incentive-Prior	Clerk IV-D Incentive	Treasurer's Cashbook
Cash and investments - beginning	\$ 280	\$ 9,781	\$ 21,620	\$ 146,600	\$ -	\$ 68,615	\$ 357,710
Receipts:							
Taxes	-	-	-	-	-	-	-
Intergovernmental	-	-	3,544	5,331	-	7,088	-
Charges for services	-	-	10,924	-	-	-	-
Fines and forfeits	-	-	-	16,436	-	10,924	-
Other receipts	1,953	-	4,339	5,331	27,095	-	220,091
Total receipts	<u>1,953</u>	<u>-</u>	<u>18,807</u>	<u>27,098</u>	<u>27,095</u>	<u>18,012</u>	<u>220,091</u>
Disbursements:							
Personal services	-	-	-	-	-	22,966	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	860	-	-	-	-
Other disbursements	1,575	2,395	894	25,820	-	28,023	356,960
Total disbursements	<u>1,575</u>	<u>2,395</u>	<u>1,754</u>	<u>25,820</u>	<u>-</u>	<u>50,989</u>	<u>356,960</u>
Excess (deficiency) of receipts over disbursements	<u>378</u>	<u>(2,395)</u>	<u>17,053</u>	<u>1,278</u>	<u>27,095</u>	<u>(32,977)</u>	<u>(136,869)</u>
Cash and investments - ending	<u>\$ 658</u>	<u>\$ 7,386</u>	<u>\$ 38,673</u>	<u>\$ 147,878</u>	<u>\$ 27,095</u>	<u>\$ 35,638</u>	<u>\$ 220,841</u>

WABASH COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Sheriff's Commissary Cashbook	Probation Cashbook	Grossnickle Drain Local Match	Grossnickle Project Retainage	LEPC Special Projects	Soil and Water Conservation Payroll	Commissary Payroll
Cash and investments - beginning	\$ 31,927	\$ 6,046	\$ -	\$ -	\$ 321	\$ 131	\$ 563
Receipts:							
Taxes	-	-	190,000	-	-	-	-
Intergovernmental	-	-	-	26,619	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	<u>158,808</u>	<u>94,247</u>	<u>358,133</u>	<u>4,847</u>	<u>1,500</u>	<u>694</u>	<u>29,475</u>
Total receipts	<u>158,808</u>	<u>94,247</u>	<u>548,133</u>	<u>31,466</u>	<u>1,500</u>	<u>694</u>	<u>29,475</u>
Disbursements:							
Personal services	-	-	-	-	-	780	17,068
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	123,631	-	-	-	-
Capital outlay	-	-	112,960	-	-	-	-
Other disbursements	<u>154,796</u>	<u>93,605</u>	<u>18,610</u>	<u>-</u>	<u>1,464</u>	<u>-</u>	<u>12,969</u>
Total disbursements	<u>154,796</u>	<u>93,605</u>	<u>255,201</u>	<u>-</u>	<u>1,464</u>	<u>780</u>	<u>30,037</u>
Excess (deficiency) of receipts over disbursements	<u>4,012</u>	<u>642</u>	<u>292,932</u>	<u>31,466</u>	<u>36</u>	<u>(86)</u>	<u>(562)</u>
Cash and investments - ending	<u>\$ 35,939</u>	<u>\$ 6,688</u>	<u>\$ 292,932</u>	<u>\$ 31,466</u>	<u>\$ 357</u>	<u>\$ 45</u>	<u>\$ 1</u>

WABASH COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Emergency Management Volunteer Support	Commissioners Tax Certificate Sale	Community Corrections Project Income Home Detention	Payroll Health Insurance Section 125	SWETA - St Welfare Excise Tax	Solid Waste Fee Collections	Common School
Cash and investments - beginning	\$ 2,489	\$ 63,836	\$ 93,283	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	17,878	-
Intergovernmental	-	-	-	-	553,827	-	-
Charges for services	-	-	110,377	-	-	-	445
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	4,027	16,042	-	304,966	572,198	258,179	-
Total receipts	4,027	16,042	110,377	304,966	1,126,025	276,057	445
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	3,199	14,896	113,914	229,702	1,126,025	276,057	-
Total disbursements	3,199	14,896	113,914	229,702	1,126,025	276,057	-
Excess (deficiency) of receipts over disbursements	828	1,146	(3,537)	75,264	-	-	445
Cash and investments - ending	<u>\$ 3,317</u>	<u>\$ 64,982</u>	<u>\$ 89,746</u>	<u>\$ 75,264</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 445</u>

WABASH COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Criminal Justice - Federal	GIS Data Exchange Program	Grossnickle Drain Grant	Bulletproof Vest Grant	Child Restraint Grant	Wabash Transit/Council on Aging
Cash and investments - beginning	\$ 376	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental	-	2,000	181,523	3,141	-	70,510
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	1,744	239,421
Total receipts	<u>-</u>	<u>2,000</u>	<u>181,523</u>	<u>3,141</u>	<u>1,744</u>	<u>309,931</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	181,523	-	-	-
Other disbursements	376	-	-	3,141	-	309,931
Total disbursements	<u>376</u>	<u>-</u>	<u>181,523</u>	<u>3,141</u>	<u>-</u>	<u>309,931</u>
Excess (deficiency) of receipts over disbursements	<u>(376)</u>	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>1,744</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 2,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,744</u>	<u>\$ -</u>

WABASH COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Operation Pullover Grant	Health Bioterrorism Grant	H1N1 Influenza Grant	Health Immunization Program Grant	SPHI Health Grant	EMA HLS Equipment Grant
Cash and investments - beginning	\$ 1,908	\$ -	\$ (11)	\$ 14	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental	581	-	-	-	7,000	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	8,288	9,329	11	-	-	8,270
Total receipts	<u>8,869</u>	<u>9,329</u>	<u>11</u>	<u>-</u>	<u>7,000</u>	<u>8,270</u>
Disbursements:						
Personal services	9,350	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	9,084	-	-	-	8,149
Capital outlay	-	245	-	-	3,379	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>9,350</u>	<u>9,329</u>	<u>-</u>	<u>-</u>	<u>3,379</u>	<u>8,149</u>
Excess (deficiency) of receipts over disbursements	<u>(481)</u>	<u>-</u>	<u>11</u>	<u>-</u>	<u>3,621</u>	<u>121</u>
Cash and investments - ending	<u>\$ 1,427</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14</u>	<u>\$ 3,621</u>	<u>\$ 121</u>

WABASH COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	EMA Homeland Security Grants	EMA IDES 2010 Grant	Local Health Coordinator	Jail Inmate GED Program Grant	Community Corrections Local Grant	Totals
Cash and investments - beginning	\$ 8,270	\$ 1,540	\$ 886	\$ -	\$ -	\$ 24,559,721
Receipts:						
Taxes	-	-	-	-	-	31,101,554
Intergovernmental	1,099	13,008	-	-	-	9,496,301
Charges for services	-	-	-	-	-	1,311,026
Fines and forfeits	-	-	-	-	-	219,150
Other receipts	3,621	-	-	4,000	2,300	28,553,849
Total receipts	4,720	13,008	-	4,000	2,300	70,681,880
Disbursements:						
Personal services	-	-	-	-	-	7,843,333
Supplies	-	-	-	-	-	1,652,911
Other services and charges	-	-	-	-	-	4,708,413
Capital outlay	-	-	-	-	-	1,042,515
Other disbursements	12,990	14,534	886	1,715	1,025	55,568,725
Total disbursements	12,990	14,534	886	1,715	1,025	70,815,897
Excess (deficiency) of receipts over disbursements	(8,270)	(1,526)	(886)	2,285	1,275	(134,017)
Cash and investments - ending	\$ -	\$ 14	\$ -	\$ 2,285	\$ 1,275	\$ 24,425,704

WABASH COUNTY  
SCHEDULE OF PAYABLES AND RECEIVABLES  
December 31, 2012

<u>Government</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 476,660</u>	<u>\$ 221,044</u>

WABASH COUNTY  
 SCHEDULE OF LEASES AND DEBT  
 December 31, 2012

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Crossroads Bank	Sheriff Dept. Vehicles	\$ 24,679	06-06-12	12-06-14
Crossroads Bank	Emerg. Mgmt. Vehicle	8,237	03-01-12	12-01-15
Crossroads Bank	Master Equipment Lease Purchase Central Dispatch	106,408	10-26-10	11-01-15
Fleetwood Leasing	Sheriff Telephone System	<u>5,316</u>	06-23-09	06-23-13
Total of annual lease payments		<u>\$ 144,640</u>		

WABASH COUNTY  
 SCHEDULE OF CAPITAL ASSETS  
 December 31, 2012

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

	Ending Balance
Governmental activities:	
Land	\$ 169,541
Infrastructure	60,688,945
Buildings	6,672,667
Machinery, equipment, and vehicles	4,975,009
Total capital assets	\$ 72,506,162

WABASH COUNTY  
OTHER REPORTS

The annual report presented herein was prepared in addition to the other official reports prepared for the individual County offices listed below:

County Auditor  
County Sheriff

(This page intentionally left blank.)

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

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

TO: THE OFFICIALS OF WABASH COUNTY, INDIANA

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

We have audited Wabash 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, 2012. The County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

***Opinion on Each Major Federal Program***

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2012-2. Our opinion on each major federal program is not modified with respect to these matters.

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

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 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 type of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2012-2 that we consider to be significant deficiencies.

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.



Bruce Hartman  
State Examiner

August 26, 2013

(This page intentionally left blank.)

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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.

WABASH COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Year Ended December 31, 2012

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>Department of Housing and Urban Development</u>				
CDBG - State-Administered CDBG Cluster Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii Grossnickle Drain Reconstruction Project	Indiana Office of Community and Rural Affairs	14.228	A192-12-CF-11-215	\$ 181,523
Total - Department of Housing and Urban Development				<u>181,523</u>
<u>Department of Justice</u>				
Bulletproof Vest Partnership Program	Direct Grant	16.607	2011 BVP	<u>3,141</u>
Crime Victim Assistance	Indiana Criminal Justice Institute	16.575	2010-VA-GX-0100 2011-VA-GX-0039	<u>2,918</u> <u>10,778</u>
Total for program				<u>13,696</u>
Total - Department of Justice				<u>16,837</u>
<u>Department of Transportation</u>				
Highway Planning and Construction Cluster Highway Planning and Construction	Indiana Department of Transportation	20.205	Bridge 24 Bridge 61 Bridge 645 Inspection	54,042 40,482 63,502 <u>70,118</u>
Total - Highway Planning and Construction Cluster				<u>228,144</u>
Transit Services Programs Cluster				
New Freedom Program Living Well in Wabash County - Wabash County Transit 5317	Indiana Department of Transportation	20.521	A249-11-320244 A249-12-320343	16,017 <u>47,175</u>
Total - Transit Services Programs Cluster				<u>63,192</u>
Highway Safety Cluster				
State and Community Highway Safety	Indiana Criminal Justice Institute	20.600	OP 12-04-02-28 OP 13- FY 2013 D3-13-7224	3,896 581 <u>4,392</u>
Total for program				<u>8,869</u>

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

WABASH COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Year Ended December 31, 2012  
(Continued)

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>Department of Transportation (continued)</u>				
Highway Safety Cluster (continued)				
Alcohol Impaired Driving Countermeasures Incentive Grants I	Indiana Criminal Justice Institute	20.601	D3-12-7105	1,744
Total - Highway Safety Cluster				10,613
Formula Grants for Other Than Urbanized Areas	Indiana Department of Transportation	20.509		
Living Well in Wabash County - Wabash County Transit 5311			A249-11-320282(a) A249-12-320321	42,400 133,741
Total for program				176,141
Interagency Hazardous Materials Public Sector Training and Planning Grants	Indiana Department of Homeland Security	20.703	C44P-2-169A	1,525
Total - Department of Transportation				479,615
<u>Department of Health and Human Services</u>				
Public Health Emergency Preparedness	Indiana State Department of Health	93.069	A70-2-0531799	9,329
PPHF 2012 National Public Health Improvement Initiative	Indiana State Department of Health	93.507	A70-2-079683	3,380
Child Support Enforcement	Indiana Department of Child Services	93.563	FY 2012	265,313
Total - Department of Health and Human Services				278,022
<u>Department of Homeland Security</u>				
Emergency Management Performance Grants	Indiana Department of Homeland Security	97.042	C44P-2-390A C44P-2-135A C44P-3-048B	28,311 3,621 1,099
Total for program				33,031
Homeland Security Grant Program	Indiana Department of Homeland Security	97.067	C44P-1-028A	13,008
Total - Department of Homeland Security				46,039
Total federal awards expended				<u>\$ 1,002,036</u>

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

WABASH 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 Wabash County (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, 2012:

Program Title	Federal CFDA Number	2012
Formula Grants for Other Than Urbanized Areas	20.509	\$ 176,141
New Freedom Program	20.521	<u>63,192</u>
Total		<u>\$ 239,333</u>

WABASH 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?	no
Significant deficiencies identified?	yes
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
20.509	CDBG - State-Administered CDBG Cluster Highway Planning and Construction Cluster Formula Grants for Other Than Urbanized Areas

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

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

**Section II – Financial Statement Findings**

**FINDING 2012-1 - INTERNAL CONTROLS OVER PREPARATION OF SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

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

WABASH COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

During the audit of the SEFA, we noted the following errors: (a) inclusion of funds from state and local sources, (b) federal expenditure amounts of individual awards being reported incorrectly, (c) expenditures for some grant awards were omitted from the SEFA, (d) information such as grantor agency, program title, pass-through entity, Catalog of Federal Domestic Assistance (CFDA) number, and pass-through identifying number were either incorrectly reported or omitted for some grant awards. Audit adjustments were proposed, accepted by the County, and made to the SEFA presented in this report. These adjustments resulted in a presentation of the SEFA that is materially correct in relation to the financial statement.

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

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

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 I the Department of Health and Human Services.
- (2) For Federal awards received as a sub-recipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide the total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to sub-recipients from each Federal program.

WABASH COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

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

**FINDING 2012-2 - INTERNAL CONTROL/CASH MANAGEMENT -  
NONCOMPLIANCE REIMBURSABLE GRANT**

Federal Agency: Department of Transportation

Federal Program: Highway Planning and Construction

CFDA Number: 20.205

Federal Award Number and Year (or Other Identifying Number): Bridge 24, Bridge 61, Bridge 645,  
Inspection

Pass-Through Entity: Indiana Department of Transportation

The Highway Planning and Construction Grant is administered on a reimbursement basis. The County submitted several funding requests for the Highway Planning and Construction Grant in 2012. Of the requests for reimbursements tested, the County submitted reimbursement requests prior to paying the vendors for work completed. In discussing this matter with the Highway Superintendent, it was determined that there were no established controls over the reimbursement process.

49 CFR 18.21 (d) states:

"Reimbursement shall be the preferred method when the requirements in paragraph (c) of this section are not met. Grantees and subgrantees may also be paid by reimbursement for any construction grant. Except as otherwise specified in regulation, Federal agencies shall not use the percentage of completion method to pay construction grants. The grantee or subgrantee may use that method to pay its construction contractor, and if it does, the awarding agency's payments to the grantee or subgrantee will be based on the grantee's or subgrantee's actual rate of disbursement."

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."

Failure to adhere to this requirement could cause the County to be deemed ineligible to receive federal awards in the future.

We recommended that the County design and properly monitor internal control procedures that would ensure federal funds received on a reimbursement basis are supported by actual expenditures made prior to the reimbursement request.

## WABASH COUNTY AUDITOR

---

**Linda L Conrad**

One West Hill Street, Suite 103

Wabash, IN 46992

Phone: (260) 563-0661 Ext. 222 Fax : (260) 563-7910 E-mail: [auditor@wabashcounty.IN.gov](mailto:auditor@wabashcounty.IN.gov)

### CORRECTIVE ACTION PLAN

July 24, 2013

#### FINDINGS 2012-II, INTERNAL CONTROLS OVER SEFA

The management of Wabash County has reviewed the Financial Statement Finding related to their audit for the year 2012 and we offer the following corrective actions. Lack of Internal Control for Schedule of Expenditures of Federal Awards (SEFA): The Auditor's Office will Review their procedures and establish an ongoing work paper to account for all the Federal money received and expended throughout the calendar year by CFDA number, program number, and fund number. This will better track any Federal money received or expended for the SEFA schedule.

#### FINDINGS 2012-III, INTERNAL CONTROL/CASH MANAGEMENT – NONCOMPLIANCE REIMBURSABLE GRANT

Wabash County has been awarded a U.S. Department of Transportation grant. To be compliant with the terms of these grants, it is essential that we follow the terms of the grant for reimbursement. In order to meet grant conditions, the County will insure that the reimbursement requests are submitted after the County has paid the expenses. In addition, the County will insure that the reimbursement requests are dated with the correct date, the date the actual claim has been paid.

The Highway has been made aware of this finding, and will immediately begin to use the correct dates on the reimbursement requests.



Linda L Conrad

Wabash County Auditor

WABASH COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on August 26, 2013, with Linda L. Conrad, Auditor; Jane E. Ridgeway, former Auditor; Barry J. Eppley, President of the Board of County Commissioners; and James K. Kaltenmark, President of the County Council.