

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

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



FILED
09/30/2013

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	John Fetters	01-01-11 to 12-31-14
Treasurer	Holly Albright	01-01-09 to 12-31-16
Clerk	Martha Grimm	01-01-09 to 12-31-16
Sheriff	Donald Lauer	01-01-11 to 12-31-14
Recorder	Jacqueline Rowan Katie Firestone	01-01-09 to 12-31-12 01-01-13 to 12-31-16
President of the Board of County Commissioners	Donald Grogg	01-01-12 to 12-31-13
President of the County Council	Benjamin Smaltz Alan Middleton	01-01-12 to 12-31-12 01-01-13 to 12-31-13



INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF DEKALB COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of DeKalb 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 September 23, 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 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

September 23, 2013



STATE OF INDIANA
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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 DEKALB 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 DeKalb 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 September 23, 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 items 2012-1 and 2012-2 to be material weaknesses.

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

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)

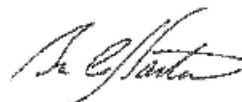
determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2012-1.

DeKalb 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

September 23, 2013

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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.

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

Fund	Cash and Investments		Cash and Investments	
	01-01-12	Receipts	Disbursements	12-31-12
After Settlement Collections	\$ 931,388	\$ 915,536	\$ 931,388	\$ 915,536
Sheriff Inmate Trust	1,479	110,857	110,761	1,575
Jail Commissary	68,358	96,380	72,775	91,963
Clerk's Trust	126,067	3,750,419	3,354,058	522,428
County Home Resident's Trust	10,409	151,976	156,191	6,194
General	2,249,241	12,455,160	14,452,646	251,755
Accident Account Report	7,067	6,599	4,339	9,327
Aviation	103,247	2,850	106,097	-
County EDIT Capital Improvement Plan	2,249,131	1,082,431	809,213	2,522,349
PTRC/HSC/CEDIT Homestead Special	50,380	1,959,819	1,628,799	381,400
City/Town Court Cost	4,700	9,145	10,781	3,064
Clerk Perpetuation	34,089	12,194	4,405	41,878
County Home (Memorial)	240	-	-	240
Surplus Dog	-	555	-	555
Sales Disclosures	93,680	5,180	-	98,860
Covered Bridge Maintenance	27,352	1,850	-	29,202
Cumulative Bridge	478,916	494,640	535,134	438,422
Cumulative Capital Development	1,796,430	498,440	515,413	1,779,457
Cumulative Jail	920	-	-	920
Drug Free Community	10,208	26,223	7,645	28,786
Ambulance Replacement	55,289	55,341	86,540	24,090
LEPC Right to Know	19,493	17,821	16,660	20,654
E-911/Central Dispatch	618,273	169,695	787,968	-
Extradition	7,846	1,061	-	8,907
Handgun Application	23,085	14,204	16,453	20,836
General Drain	1,218,978	117,261	110,791	1,225,448
Health	173,631	299,762	256,379	217,014
County Id Security Prot/Redacting	18,696	3,610	2,036	20,270
Levy Excess	29,321	-	29,321	-
Health Maintenance	62,528	32,672	28,502	66,698
Local Road and Street	760,411	426,962	331,390	855,983
Medical Care for Inmates	19,141	1,220	-	20,361
County Misdemeanor Fund	51,407	26,433	8,163	69,677
Highway	267,127	2,022,164	1,600,811	688,480
Plat Book Fee	88,050	14,250	11,695	90,605
Rainy Day	678,507	1,051,149	1,212,834	516,822
Reappraisal 2009	268,399	512,834	530,545	250,688
Re-Assessment 2015	260,477	480,661	-	741,138
Recorder Perpetuation	62,211	55,091	30,155	87,147
Sheriff Pension Trust Fund	24,628	68,037	86,756	5,909
Supplemental Public Defender	6,673	322	523	6,472
Surplus Tax	82,046	79,138	50,365	110,819
Surveyor Corner Perpetuation	10,534	7,920	10,675	7,779
Tax Sale Redemption	6,855	104,647	109,726	1,776
Tax Sale Surplus	205,875	357,119	174,699	388,295
2011 IN LHD Trust Acct Dist	85,688	28,559	69,025	45,222
Wireless 911 and Equal Shares	460,998	68,246	529,244	-
Auditor's Ineligible Deduction	-	3,713	-	3,713
County Elected Officials Training	1,753	3,610	-	5,363
County Offender Transportation	200	250	-	450

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

DEKALB 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
Statewide 911	-	1,437,873	270,081	1,167,792
Adult Administrative Fee	23,318	25,601	23,318	25,601
Juvenile Administrative Fee	935	1,220	935	1,220
Supplemental Adult Probation	292,283	102,566	102,869	291,980
Supplemental Juvenile Probation	21,939	4,769	6,910	19,798
Alternative Dispute Resolution	4,014	4,260	14,055	(5,781)
User Fee	195,639	21,984	4,728	212,895
Drain Maintenance	2,330,577	1,390,057	880,819	2,839,815
K-9 Unit	66	3,620	155	3,531
Sheriff Donation (Drug)	1,975	1,123	1,123	1,975
Dekalb County CDBG Revolving Loan	60,016	11,000	-	71,016
Self Insurance	(843,870)	292,508	142	(551,504)
Life Insurance	(30)	34,242	34,242	(30)
Child Support	-	41,314	41,314	-
Deferred Compensation	-	41,488	41,488	-
Federal Taxes	-	790,895	790,895	-
FICA	-	428,990	428,990	-
Local Tax	13,126	109,796	114,585	8,337
PERF	179	205,749	205,749	179
Roth (Sheriff/Jail)	-	6,936	6,936	-
State Tax	31,024	262,802	273,913	19,913
Garnishment	-	14,642	14,642	-
Police Retirement	62	26,891	26,891	62
Commercial Vehicle Excise Tax	447	186,688	186,218	917
Financial Institution Tax	45	169,301	169,301	45
HEA 1001-2008 State HSC	(230)	-	134	(364)
Homestead Credit Rebate	12,269	-	-	12,269
State Fines and Forfeitures	6,621	43,754	44,977	5,398
Infraction Judgements	31,405	152,327	173,460	10,272
Overweight Vehicle Fines	-	8,422	6,369	2,053
Special Death Benefit Fee	750	3,685	4,135	300
State Sales Disclosure	715	5,180	5,270	625
Coroner Continuing Education	851	3,190	3,542	499
Interstate Compact Fee	63	250	313	-
Mortgage Fee-State	1,243	4,688	5,456	475
DLGF HMST Property Database	-	3	-	3
Inheritance Tax	204,834	1,108,678	1,128,957	184,555
Education Plate Fee	525	563	600	488
Riverboat Gambling	403,128	250,126	237,262	415,992
County Innkeeper's Tax	-	266,098	266,098	-
Property Tax Replacement-CAGIT	-	7,750,008	7,750,008	-
CEDIT	-	1,959,831	1,959,831	-
93.563 Prosecutor PCA	1,577	1,215	766	2,026
93.563 Prosecutor IV-D ARRA	17,219	-	300	16,919
93.563 Clerk IV-D Incentive ARRA	410	-	-	410
93.563 Title IV-D Incentive Co	57,783	22,577	4,512	75,848
93.563 Pros IV-D Incentive	51,240	34,944	10,860	75,324
93.563 Clerk IV-D Incentive	91,150	22,577	11,805	101,922
Probation Restitution Fee	820	30,891	30,891	820
Dental Administrative Fee	-	3,000	3,652	(652)

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

DEKALB 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
Aviation Lease Rental	1,404	2,947	4,351	-
Settlement Fund	767,364	38,264,700	37,957,608	1,074,456
Debt Service-Central Communications	-	190,493	195,261	(4,768)
Flood Mitigation/Holiday Lakes	169,221	12,741	134,129	47,833
Pretrial Diversion	163,491	61,086	55,815	168,762
Watercraft Fees	2,960	-	-	2,960
Central Communications Building Project	723,337	123	950,862	(227,402)
Law Enforcement Assistance	616	-	-	616
Shop With A Cop (Sheriff)	-	3,360	-	3,360
Jail Lease Rental	9,378	-	-	9,378
Late Surrender Fees	73,050	-	-	73,050
Community Corrections 2011	25,734	97,969	120,851	2,852
Community Transitional 2011	30,219	13,365	3,239	40,345
Community Corrections State Grant	-	125,960	82,285	43,675
Sheriff Response Team	5,557	-	3,425	2,132
Community Transitional 2012	-	6,720	4,166	2,554
Certificate Sale	11,385	90,071	46,950	54,506
Home Detention/Project Income	-	155,460	82,981	72,479
Redevelopment Comm/SDI TIF	1,235,714	-	138,500	1,097,214
Project Income 2011	114,039	62,741	39,556	137,224
Sheriff Continuing Education	9,645	10,321	1,903	18,063
HSA - Health Insurance Accrued	-	154,694	154,487	207
Health Insurance Accrued	(20,613)	147,652	147,541	(20,502)
American Family	175	90,353	90,415	113
COBRA Insurance	2,650	7,299	2,100	7,849
Anthem BC/BS	-	526,710	215,912	310,798
PHP Health Insurance	(206,645)	1,364,316	1,157,671	-
PHP Dental Insurance	(92,343)	194,259	110,930	(9,014)
HRA Claims	-	32,000	33,025	(1,025)
Payroll Withholding-HSA Annuity	(75)	51,009	50,979	(45)
Credit Union	-	110,339	110,339	-
United Way	-	728	728	-
YMCA	-	79	79	-
IN Sheriff 457(B)	-	6,700	6,700	-
Emergency Disaster	1,029	-	-	1,029
93.069 Public Health Bio-Terrorism	2,815	-	-	2,815
83.534 State Homeland Security Grant	805	919	4,495	(2,771)
Fire District #3	79	52,241	30,074	22,246
20.601 Operation Pullover	83	7,845	7,845	83
66.818 Brownfield Assessment Grant	4,603	9,272	6,272	7,603
State Homeland Security Grant 2	1,286	1,742	945	2,083
20.509 DART Program Grant	-	238,407	238,407	-
Dare Equipment	54,966	60,000	1,648	113,318
Dekalb Local Plan Grant	5,763	-	-	5,763
USDA Infrastructure Grant	2,300	-	-	2,300
Sheriff Inmate GED Classes	7,040	7,775	5,930	8,885
Access Indiana Grant	1,389	-	-	1,389
Superior Court Dekko Grant	500	-	-	500
Historical Guide Publication	95	-	-	95
Totals	<u>\$ 19,934,556</u>	<u>\$ 87,054,724</u>	<u>\$ 86,278,802</u>	<u>\$ 20,710,478</u>

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

DEKALB 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.

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.

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,

DEKALB COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the County.

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

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

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

E. Disbursements

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

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

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

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

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

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

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.

DEKALB COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

F. Interfund Transfers

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

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

Note 4. Deposits and Investments

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

DEKALB COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

Indiana Public Retirement System
1 North 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.

DEKALB COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

B. County Police Retirement Plan

Plan Description

The County Police Retirement Plan is a single-employer defined benefit pension plan. With the approval of the County's fiscal body, the plan is administered by the sheriff's department and an appointed trustee as authorized by state statute (IC 36-8-10-12) for full-time police officers.

The plan provides retirement, death, and disability benefits to plan members and beneficiaries. Funds designated for payments related to this plan are accounted for in a pension trust fund. The activity of this trust fund has not been reflected in the financial statement. The trustee issues a publicly available financial report that includes financial statements and required supplementary information of the plan. The report may be obtained by contacting the county sheriff.

Funding Policy

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

C. County Police Benefit Plan

Plan Description

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

Funding Policy

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

Note 7. 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.

DEKALB COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 8. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of grant funds receiving reimbursement for expenditures made by the County that were not received by December 31, 2012, and payroll and construction funds being overspent.

Note 9. Holding Corporation

The County has entered into a capital lease with DeKalb County Dispatch 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 2012 totaled \$889,000.

SUPPLEMENTARY INFORMATION – UNAUDITED

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

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

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

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

	After Settlement Collections	Sheriff Inmate Trust	Jail Commissary	Clerk's Trust	County Home Resident's Trust	General	Accident Account Report	Aviation
Cash and investments - beginning	\$ 931,388	\$ 1,479	\$ 68,358	\$ 126,067	\$ 10,409	\$ 2,249,241	\$ 7,067	\$ 103,247
Receipts:								
Taxes	915,536	-	-	-	-	9,203,429	-	-
Licenses and permits	-	-	-	-	-	67,645	-	-
Intergovernmental	-	-	-	-	-	446,073	-	-
Charges for services	-	-	-	-	-	1,260,460	-	-
Fines and forfeits	-	-	-	-	-	203,396	-	-
Other receipts	-	110,857	96,380	3,750,419	151,976	1,274,157	6,599	2,850
Total receipts	<u>915,536</u>	<u>110,857</u>	<u>96,380</u>	<u>3,750,419</u>	<u>151,976</u>	<u>12,455,160</u>	<u>6,599</u>	<u>2,850</u>
Disbursements:								
Personal services	-	-	-	-	-	8,990,121	-	-
Supplies	-	-	-	-	-	579,589	-	-
Other services and charges	-	-	-	-	-	2,717,096	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	134,376	-	-
Other disbursements	931,388	110,761	72,775	3,354,058	156,191	2,031,464	4,339	106,097
Total disbursements	<u>931,388</u>	<u>110,761</u>	<u>72,775</u>	<u>3,354,058</u>	<u>156,191</u>	<u>14,452,646</u>	<u>4,339</u>	<u>106,097</u>
Excess (deficiency) of receipts over disbursements	<u>(15,852)</u>	<u>96</u>	<u>23,605</u>	<u>396,361</u>	<u>(4,215)</u>	<u>(1,997,486)</u>	<u>2,260</u>	<u>(103,247)</u>
Cash and investments - ending	<u>\$ 915,536</u>	<u>\$ 1,575</u>	<u>\$ 91,963</u>	<u>\$ 522,428</u>	<u>\$ 6,194</u>	<u>\$ 251,755</u>	<u>\$ 9,327</u>	<u>\$ -</u>

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

	County EDIT Capital Improvement Plan	PTRC/HSC/CEDIT Homestead Special	City/Town Court Cost	Clerk Perpetuation	County Home (Memorial)	Surplus Dog	Sales Disclosures	Covered Bridge Maintenance
Cash and investments - beginning	\$ 2,249,131	\$ 50,380	\$ 4,700	\$ 34,089	\$ 240	\$ -	\$ 93,680	\$ 27,352
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Other receipts	1,082,431	1,959,819	9,145	12,194	-	555	5,180	1,850
Total receipts	1,082,431	1,959,819	9,145	12,194	-	555	5,180	1,850
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Other disbursements	809,213	1,628,799	10,781	4,405	-	-	-	-
Total disbursements	809,213	1,628,799	10,781	4,405	-	-	-	-
Excess (deficiency) of receipts over disbursements	273,218	331,020	(1,636)	7,789	-	555	5,180	1,850
Cash and investments - ending	\$ 2,522,349	\$ 381,400	\$ 3,064	\$ 41,878	\$ 240	\$ 555	\$ 98,860	\$ 29,202

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

	Cumulative Bridge	Cumulative Capital Development	Cumulative Jail	Drug Free Community	Ambulance Replacement	LEPC Right to Know	E-911/ Central Dispatch	Extradition
Cash and investments - beginning	\$ 478,916	\$ 1,796,430	\$ 920	\$ 10,208	\$ 55,289	\$ 19,493	\$ 618,273	\$ 7,846
Receipts:								
Taxes	403,504	409,680	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	30,641	31,110	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Other receipts	60,495	57,650	-	26,223	55,341	17,821	169,695	1,061
Total receipts	494,640	498,440	-	26,223	55,341	17,821	169,695	1,061
Disbursements:								
Personal services	116,225	-	-	-	-	-	129,399	-
Supplies	74,995	-	-	-	-	459	81	-
Other services and charges	343,914	-	-	-	-	5,547	368	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	6,515	-	-
Other disbursements	-	515,413	-	7,645	86,540	4,139	658,120	-
Total disbursements	535,134	515,413	-	7,645	86,540	16,660	787,968	-
Excess (deficiency) of receipts over disbursements	(40,494)	(16,973)	-	18,578	(31,199)	1,161	(618,273)	1,061
Cash and investments - ending	\$ 438,422	\$ 1,779,457	\$ 920	\$ 28,786	\$ 24,090	\$ 20,654	\$ -	\$ 8,907

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

	Handgun Application	General Drain	Health	County Id Security Prot/Redacting	Levy Excess	Health Maintenance	Local Road and Street
Cash and investments - beginning	\$ 23,085	\$ 1,218,978	\$ 173,631	\$ 18,696	\$ 29,321	\$ 62,528	\$ 760,411
Receipts:							
Taxes	-	-	253,219	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	19,229	-	-	-	312,924
Charges for services	-	-	25,502	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	14,204	117,261	1,812	3,610	-	32,672	114,038
Total receipts	14,204	117,261	299,762	3,610	-	32,672	426,962
Disbursements:							
Personal services	-	-	238,354	-	-	12,506	-
Supplies	-	-	6,803	-	-	15,996	-
Other services and charges	-	-	11,222	-	-	-	197,510
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	133,880
Other disbursements	16,453	110,791	-	2,036	29,321	-	-
Total disbursements	16,453	110,791	256,379	2,036	29,321	28,502	331,390
Excess (deficiency) of receipts over disbursements	(2,249)	6,470	43,383	1,574	(29,321)	4,170	95,572
Cash and investments - ending	\$ 20,836	\$ 1,225,448	\$ 217,014	\$ 20,270	\$ -	\$ 66,698	\$ 855,983

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

	Medical Care for Inmates	County Misdemeanant	Highway	Plat Book Fee	Rainy Day	Reappraisal 2009	Re-Assessment 2015
Cash and investments - beginning	\$ 19,141	\$ 51,407	\$ 267,127	\$ 88,050	\$ 678,507	\$ 268,399	\$ 260,477
Receipts:							
Taxes	-	-	-	-	-	-	446,737
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	1,887,498	-	-	-	33,924
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	1,220	26,433	134,666	14,250	1,051,149	512,834	-
Total receipts	1,220	26,433	2,022,164	14,250	1,051,149	512,834	480,661
Disbursements:							
Personal services	-	-	992,419	-	-	144,517	-
Supplies	-	-	462,697	-	-	840	-
Other services and charges	-	-	145,695	-	-	385,188	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	8,163	-	11,695	1,212,834	-	-
Total disbursements	-	8,163	1,600,811	11,695	1,212,834	530,545	-
Excess (deficiency) of receipts over disbursements	1,220	18,270	421,353	2,555	(161,685)	(17,711)	480,661
Cash and investments - ending	\$ 20,361	\$ 69,677	\$ 688,480	\$ 90,605	\$ 516,822	\$ 250,688	\$ 741,138

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

	Recorder Perpetuation	Sheriff Pension Trust Fund	Supplemental Public Defender	Surplus Tax	Surveyor Corner Perpetuation	Tax Sale Redemption	Tax Sale Surplus
Cash and investments - beginning	\$ 62,211	\$ 24,628	\$ 6,673	\$ 82,046	\$ 10,534	\$ 6,855	\$ 205,875
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	55,091	68,037	322	79,138	7,920	104,647	357,119
Total receipts	<u>55,091</u>	<u>68,037</u>	<u>322</u>	<u>79,138</u>	<u>7,920</u>	<u>104,647</u>	<u>357,119</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	30,155	86,756	523	50,365	10,675	109,726	174,699
Total disbursements	<u>30,155</u>	<u>86,756</u>	<u>523</u>	<u>50,365</u>	<u>10,675</u>	<u>109,726</u>	<u>174,699</u>
Excess (deficiency) of receipts over disbursements	<u>24,936</u>	<u>(18,719)</u>	<u>(201)</u>	<u>28,773</u>	<u>(2,755)</u>	<u>(5,079)</u>	<u>182,420</u>
Cash and investments - ending	<u>\$ 87,147</u>	<u>\$ 5,909</u>	<u>\$ 6,472</u>	<u>\$ 110,819</u>	<u>\$ 7,779</u>	<u>\$ 1,776</u>	<u>\$ 388,295</u>

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

	2011 IN LHD Trust Acct Dist	Wireless 911 and Equal Shares	Auditor's Ineligible Deduction	County Elected Officials Training	County Offender Transportation	Statewide 911	Adult Administrative Fee
Cash and investments - beginning	\$ 85,688	\$ 460,998	\$ -	\$ 1,753	\$ 200	\$ -	\$ 23,318
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	68,246	-	-	-	17,033	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	28,559	-	3,713	3,610	250	1,420,840	25,601
Total receipts	28,559	68,246	3,713	3,610	250	1,437,873	25,601
Disbursements:							
Personal services	-	-	-	-	-	232,670	-
Supplies	28,016	-	-	-	-	281	-
Other services and charges	4,132	-	-	-	-	35,221	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	36,877	-	-	-	-	-	-
Other disbursements	-	529,244	-	-	-	1,909	23,318
Total disbursements	69,025	529,244	-	-	-	270,081	23,318
Excess (deficiency) of receipts over disbursements	(40,466)	(460,998)	3,713	3,610	250	1,167,792	2,283
Cash and investments - ending	\$ 45,222	\$ -	\$ 3,713	\$ 5,363	\$ 450	\$ 1,167,792	\$ 25,601

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

	Juvenile Administrative Fee	Supplemental Adult Probation	Supplemental Juvenile Probation	Alternative Dispute Resolution	User Fee	Drain Maintenance	K-9 Unit
Cash and investments - beginning	\$ 935	\$ 292,283	\$ 21,939	\$ 4,014	\$ 195,639	\$ 2,330,577	\$ 66
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	<u>1,220</u>	<u>102,566</u>	<u>4,769</u>	<u>4,260</u>	<u>21,984</u>	<u>1,390,057</u>	<u>3,620</u>
Total receipts	<u>1,220</u>	<u>102,566</u>	<u>4,769</u>	<u>4,260</u>	<u>21,984</u>	<u>1,390,057</u>	<u>3,620</u>
Disbursements:							
Personal services	-	98,618	5,688	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	4,001	1,222	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	250	-	-	-	-	-
Other disbursements	<u>935</u>	<u>-</u>	<u>-</u>	<u>14,055</u>	<u>4,728</u>	<u>880,819</u>	<u>155</u>
Total disbursements	<u>935</u>	<u>102,869</u>	<u>6,910</u>	<u>14,055</u>	<u>4,728</u>	<u>880,819</u>	<u>155</u>
Excess (deficiency) of receipts over disbursements	<u>285</u>	<u>(303)</u>	<u>(2,141)</u>	<u>(9,795)</u>	<u>17,256</u>	<u>509,238</u>	<u>3,465</u>
Cash and investments - ending	<u>\$ 1,220</u>	<u>\$ 291,980</u>	<u>\$ 19,798</u>	<u>\$ (5,781)</u>	<u>\$ 212,895</u>	<u>\$ 2,839,815</u>	<u>\$ 3,531</u>

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

	Sheriff Donation (Drug)	DeKalb County CDBG Revolving Loan	Self Insurance	Life Insurance	Child Support	Deferred Compensation	Federal Taxes
Cash and investments - beginning	\$ 1,975	\$ 60,016	\$ (843,870)	\$ (30)	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	<u>1,123</u>	<u>11,000</u>	<u>292,508</u>	<u>34,242</u>	<u>41,314</u>	<u>41,488</u>	<u>790,895</u>
Total receipts	<u>1,123</u>	<u>11,000</u>	<u>292,508</u>	<u>34,242</u>	<u>41,314</u>	<u>41,488</u>	<u>790,895</u>
Disbursements:							
Personal services	-	-	-	34,242	41,314	41,438	790,895
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	<u>1,123</u>	<u>-</u>	<u>142</u>	<u>-</u>	<u>-</u>	<u>50</u>	<u>-</u>
Total disbursements	<u>1,123</u>	<u>-</u>	<u>142</u>	<u>34,242</u>	<u>41,314</u>	<u>41,488</u>	<u>790,895</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>11,000</u>	<u>292,366</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 1,975</u>	<u>\$ 71,016</u>	<u>\$ (551,504)</u>	<u>\$ (30)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	FICA	Local Tax	PERF	Roth (Sheriff/Jail)	State Tax	Garnishment	Police Retirement
Cash and investments - beginning	\$ -	\$ 13,126	\$ 179	\$ -	\$ 31,024	\$ -	\$ 62
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	428,990	109,796	205,749	6,936	262,802	14,642	26,891
Total receipts	428,990	109,796	205,749	6,936	262,802	14,642	26,891
Disbursements:							
Personal services	428,990	114,585	205,749	6,936	273,913	14,642	26,891
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	428,990	114,585	205,749	6,936	273,913	14,642	26,891
Excess (deficiency) of receipts over disbursements	-	(4,789)	-	-	(11,111)	-	-
Cash and investments - ending	\$ -	\$ 8,337	\$ 179	\$ -	\$ 19,913	\$ -	\$ 62

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

	Commercial Vehicle Excise Tax	Financial Institution Tax	HEA 1001-2008 State HSC	Homestead Credit Rebate	State Fines and Forfeitures	Infraction Judgements	Overweight Vehicle Fines
Cash and investments - beginning	\$ 447	\$ 45	\$ (230)	\$ 12,269	\$ 6,621	\$ 31,405	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	186,688	169,301	-	-	43,754	152,327	8,422
Total receipts	<u>186,688</u>	<u>169,301</u>	<u>-</u>	<u>-</u>	<u>43,754</u>	<u>152,327</u>	<u>8,422</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	186,218	169,301	134	-	44,977	173,460	6,369
Total disbursements	<u>186,218</u>	<u>169,301</u>	<u>134</u>	<u>-</u>	<u>44,977</u>	<u>173,460</u>	<u>6,369</u>
Excess (deficiency) of receipts over disbursements	<u>470</u>	<u>-</u>	<u>(134)</u>	<u>-</u>	<u>(1,223)</u>	<u>(21,133)</u>	<u>2,053</u>
Cash and investments - ending	<u>\$ 917</u>	<u>\$ 45</u>	<u>\$ (364)</u>	<u>\$ 12,269</u>	<u>\$ 5,398</u>	<u>\$ 10,272</u>	<u>\$ 2,053</u>

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

	Special Death Benefit Fee	State Sales Disclosure	Coroner Continuing Education	Interstate Compact Fee	Mortgage Fee-State	DLGF HMST Property Database	Inheritance Tax
Cash and investments - beginning	\$ 750	\$ 715	\$ 851	\$ 63	\$ 1,243	\$ -	\$ 204,834
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	<u>3,685</u>	<u>5,180</u>	<u>3,190</u>	<u>250</u>	<u>4,688</u>	<u>3</u>	<u>1,108,678</u>
Total receipts	<u>3,685</u>	<u>5,180</u>	<u>3,190</u>	<u>250</u>	<u>4,688</u>	<u>3</u>	<u>1,108,678</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	<u>4,135</u>	<u>5,270</u>	<u>3,542</u>	<u>313</u>	<u>5,456</u>	<u>-</u>	<u>1,128,957</u>
Total disbursements	<u>4,135</u>	<u>5,270</u>	<u>3,542</u>	<u>313</u>	<u>5,456</u>	<u>-</u>	<u>1,128,957</u>
Excess (deficiency) of receipts over disbursements	<u>(450)</u>	<u>(90)</u>	<u>(352)</u>	<u>(63)</u>	<u>(768)</u>	<u>3</u>	<u>(20,279)</u>
Cash and investments - ending	<u>\$ 300</u>	<u>\$ 625</u>	<u>\$ 499</u>	<u>\$ -</u>	<u>\$ 475</u>	<u>\$ 3</u>	<u>\$ 184,555</u>

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

	Education Plate Fee	Riverboat Gambling	County Innkeeper's Tax	Property Tax Replacement-CAGIT	CEDIT	93.563 Prosecutor PCA	93.563 Prosecutor IV-D ARRA
Cash and investments - beginning	\$ 525	\$ 403,128	\$ -	\$ -	\$ -	\$ 1,577	\$ 17,219
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	<u>563</u>	<u>250,126</u>	<u>266,098</u>	<u>7,750,008</u>	<u>1,959,831</u>	<u>1,215</u>	<u>-</u>
Total receipts	<u>563</u>	<u>250,126</u>	<u>266,098</u>	<u>7,750,008</u>	<u>1,959,831</u>	<u>1,215</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	<u>600</u>	<u>237,262</u>	<u>266,098</u>	<u>7,750,008</u>	<u>1,959,831</u>	<u>766</u>	<u>300</u>
Total disbursements	<u>600</u>	<u>237,262</u>	<u>266,098</u>	<u>7,750,008</u>	<u>1,959,831</u>	<u>766</u>	<u>300</u>
Excess (deficiency) of receipts over disbursements	<u>(37)</u>	<u>12,864</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>449</u>	<u>(300)</u>
Cash and investments - ending	<u>\$ 488</u>	<u>\$ 415,992</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,026</u>	<u>\$ 16,919</u>

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

	93.563 Clerk IV-D Incentive ARRA	93.563 Title IV-D Incentive Co	93.563 Pros IV-D Incentive	93.563 Clerk IV-D Incentive	Probation Restitution Fee	Dental Administrative Fee	Aviation Lease Rental
Cash and investments - beginning	\$ 410	\$ 57,783	\$ 51,240	\$ 91,150	\$ 820	\$ -	\$ 1,404
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	22,577	34,944	22,577	30,891	3,000	2,947
Total receipts	-	22,577	34,944	22,577	30,891	3,000	2,947
Disbursements:							
Personal services	-	-	9,377	5	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	4,512	1,483	11,800	30,891	3,652	4,351
Total disbursements	-	4,512	10,860	11,805	30,891	3,652	4,351
Excess (deficiency) of receipts over disbursements	-	18,065	24,084	10,772	-	(652)	(1,404)
Cash and investments - ending	\$ 410	\$ 75,848	\$ 75,324	\$ 101,922	\$ 820	\$ (652)	\$ -

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

	Settlement Fund	Debt Service-Central Communications	Flood Mitigation/Holiday Lakes	Pretrial Diversion	Watercraft Fees	Central Communications Building Project	Law Enforcement Assistance
Cash and investments - beginning	\$ 767,364	\$ -	\$ 169,221	\$ 163,491	\$ 2,960	\$ 723,337	\$ 616
Receipts:							
Taxes	38,264,700	177,048	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	13,445	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	12,741	61,086	-	123	-
Total receipts	38,264,700	190,493	12,741	61,086	-	123	-
Disbursements:							
Personal services	-	-	-	49,067	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	195,261	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	37,957,608	-	134,129	6,748	-	950,862	-
Total disbursements	37,957,608	195,261	134,129	55,815	-	950,862	-
Excess (deficiency) of receipts over disbursements	307,092	(4,768)	(121,388)	5,271	-	(950,739)	-
Cash and investments - ending	<u>\$ 1,074,456</u>	<u>\$ (4,768)</u>	<u>\$ 47,833</u>	<u>\$ 168,762</u>	<u>\$ 2,960</u>	<u>\$ (227,402)</u>	<u>\$ 616</u>

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

	Shop With A Cop (Sheriff)	Jail Lease Rental	Late Surrender Fees	Community Corrections 2011	Community Transitional 2011	Community Corrections State Grant	Sheriff Response Team
Cash and investments - beginning	\$ -	\$ 9,378	\$ 73,050	\$ 25,734	\$ 30,219	\$ -	\$ 5,557
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	3,360	-	-	97,969	13,365	125,960	-
Total receipts	3,360	-	-	97,969	13,365	125,960	-
Disbursements:							
Personal services	-	-	-	94,582	3,239	64,222	-
Supplies	-	-	-	9,282	-	4,922	-
Other services and charges	-	-	-	16,987	-	13,141	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	3,425
Total disbursements	-	-	-	120,851	3,239	82,285	3,425
Excess (deficiency) of receipts over disbursements	3,360	-	-	(22,882)	10,126	43,675	(3,425)
Cash and investments - ending	\$ 3,360	\$ 9,378	\$ 73,050	\$ 2,852	\$ 40,345	\$ 43,675	\$ 2,132

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

	Community Transitional 2012	Certificate Sale	Home Detention/Project Income	Redevelopment Comm/SDI TIF	Project Income 2011	Sheriff Continuing Education	HSA - Health Insurance Accrued
Cash and investments - beginning	\$ -	\$ 11,385	\$ -	\$ 1,235,714	\$ 114,039	\$ 9,645	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	6,720	90,071	155,460	-	62,741	10,321	154,694
Total receipts	<u>6,720</u>	<u>90,071</u>	<u>155,460</u>	<u>-</u>	<u>62,741</u>	<u>10,321</u>	<u>154,694</u>
Disbursements:							
Personal services	4,067	-	68,415	-	17,243	-	154,487
Supplies	-	-	376	-	1,093	-	-
Other services and charges	99	-	13,057	7,500	21,145	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	1,099	-	-	-	-
Other disbursements	-	46,950	34	131,000	75	1,903	-
Total disbursements	<u>4,166</u>	<u>46,950</u>	<u>82,981</u>	<u>138,500</u>	<u>39,556</u>	<u>1,903</u>	<u>154,487</u>
Excess (deficiency) of receipts over disbursements	<u>2,554</u>	<u>43,121</u>	<u>72,479</u>	<u>(138,500)</u>	<u>23,185</u>	<u>8,418</u>	<u>207</u>
Cash and investments - ending	<u>\$ 2,554</u>	<u>\$ 54,506</u>	<u>\$ 72,479</u>	<u>\$ 1,097,214</u>	<u>\$ 137,224</u>	<u>\$ 18,063</u>	<u>\$ 207</u>

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

	Health Insurance Accrued	American Family	COBRA Insurance	Anthem BC/BS	PHP Health Insurance	PHP Dental Insurance	HRA Claims
Cash and investments - beginning	\$ (20,613)	\$ 175	\$ 2,650	\$ -	\$ (206,645)	\$ (92,343)	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	<u>147,652</u>	<u>90,353</u>	<u>7,299</u>	<u>526,710</u>	<u>1,364,316</u>	<u>194,259</u>	<u>32,000</u>
Total receipts	<u>147,652</u>	<u>90,353</u>	<u>7,299</u>	<u>526,710</u>	<u>1,364,316</u>	<u>194,259</u>	<u>32,000</u>
Disbursements:							
Personal services	147,541	90,332	-	215,912	-	1,494	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	<u>-</u>	<u>83</u>	<u>2,100</u>	<u>-</u>	<u>1,157,671</u>	<u>109,436</u>	<u>33,025</u>
Total disbursements	<u>147,541</u>	<u>90,415</u>	<u>2,100</u>	<u>215,912</u>	<u>1,157,671</u>	<u>110,930</u>	<u>33,025</u>
Excess (deficiency) of receipts over disbursements	<u>111</u>	<u>(62)</u>	<u>5,199</u>	<u>310,798</u>	<u>206,645</u>	<u>83,329</u>	<u>(1,025)</u>
Cash and investments - ending	<u>\$ (20,502)</u>	<u>\$ 113</u>	<u>\$ 7,849</u>	<u>\$ 310,798</u>	<u>\$ -</u>	<u>\$ (9,014)</u>	<u>\$ (1,025)</u>

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

	Payroll Withholding-HSA Annuity	Credit Union	United Way	YMCA	IN Sheriff 457(B)	Emergency Disaster	93.069 Public Health Bio-Terrorism
Cash and investments - beginning	\$ (75)	\$ -	\$ -	\$ -	\$ -	\$ 1,029	\$ 2,815
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	51,009	110,339	728	79	6,700	-	-
Total receipts	51,009	110,339	728	79	6,700	-	-
Disbursements:							
Personal services	50,979	110,339	728	79	6,700	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	50,979	110,339	728	79	6,700	-	-
Excess (deficiency) of receipts over disbursements	30	-	-	-	-	-	-
Cash and investments - ending	\$ (45)	\$ -	\$ -	\$ -	\$ -	\$ 1,029	\$ 2,815

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

	83.534 State Homeland Security Grant	Fire District #3	20.601 Operation Pullover	66.818 Brownfield Assessment Grant	State Homeland Security Grant 2	20.509 DART Program Grant	Dare Equipment
Cash and investments - beginning	\$ 805	\$ 79	\$ 83	\$ 4,603	\$ 1,286	\$ -	\$ 54,966
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	919	52,241	7,845	9,272	1,742	238,407	60,000
Total receipts	<u>919</u>	<u>52,241</u>	<u>7,845</u>	<u>9,272</u>	<u>1,742</u>	<u>238,407</u>	<u>60,000</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	4,495	30,074	7,845	6,272	945	238,407	1,648
Total disbursements	<u>4,495</u>	<u>30,074</u>	<u>7,845</u>	<u>6,272</u>	<u>945</u>	<u>238,407</u>	<u>1,648</u>
Excess (deficiency) of receipts over disbursements	<u>(3,576)</u>	<u>22,167</u>	<u>-</u>	<u>3,000</u>	<u>797</u>	<u>-</u>	<u>58,352</u>
Cash and investments - ending	<u>\$ (2,771)</u>	<u>\$ 22,246</u>	<u>\$ 83</u>	<u>\$ 7,603</u>	<u>\$ 2,083</u>	<u>\$ -</u>	<u>\$ 113,318</u>

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

	Dekalb Local Plan Grant	USDA Infrastructure Grant	Sheriff Inmate GED Classes	Access Indiana Grant	Superior Court Dekko Grant	Historical Guide Publication	Totals
Cash and investments - beginning	\$ 5,763	\$ 2,300	\$ 7,040	\$ 1,389	\$ 500	\$ 95	\$ 19,934,556
Receipts:							
Taxes	-	-	-	-	-	-	50,073,853
Licenses and permits	-	-	-	-	-	-	67,645
Intergovernmental	-	-	-	-	-	-	2,774,844
Charges for services	-	-	-	-	-	-	1,371,241
Fines and forfeits	-	-	-	-	-	-	203,396
Other receipts	-	-	7,775	-	-	-	32,563,745
Total receipts	-	-	7,775	-	-	-	87,054,724
Disbursements:							
Personal services	-	-	-	-	-	-	14,028,920
Supplies	-	-	-	-	-	-	1,185,430
Other services and charges	-	-	-	-	-	-	3,923,045
Debt service - principal and interest	-	-	-	-	-	-	195,261
Capital outlay	-	-	-	-	-	-	312,997
Other disbursements	-	-	5,930	-	-	-	66,633,149
Total disbursements	-	-	5,930	-	-	-	86,278,802
Excess (deficiency) of receipts over disbursements	-	-	1,845	-	-	-	775,922
Cash and investments - ending	<u>\$ 5,763</u>	<u>\$ 2,300</u>	<u>\$ 8,885</u>	<u>\$ 1,389</u>	<u>\$ 500</u>	<u>\$ 95</u>	<u>\$ 20,710,478</u>

DEKALB COUNTY
SCHEDULE OF LEASES AND DEBT
December 31, 2012

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Farmer's State Bank	Ambulance Replacement	\$ 37,143	08-24-09	07-24-13
DeKalb County Dispatch Center Building Corporation	Central Communications Center	<u>894,000</u>	01-15-12	01-15-19
Total of annual lease payments		<u>\$ 931,143</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	Central Communications Building Project	\$ 2,465,000	\$ 192,955
Totals		<u>\$ 2,465,000</u>	<u>\$ 192,955</u>

DEKALB 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.

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 909,840
Infrastructure	85,598,074
Buildings	15,042,283
Improvements other than buildings	107,356
Machinery, equipment, and vehicles	6,311,061
Books and other	<u>1,236,492</u>
Total governmental activities	<u>109,205,106</u>
Total capital assets	<u><u>\$ 109,205,106</u></u>

DEKALB COUNTY
OTHER REPORT

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

County Auditor

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

TO: THE OFFICIALS OF DEKALB COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited DeKalb 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.

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

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



Bruce Hartman
State Examiner

September 23, 2013

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

DEKALB 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 Commerce</u>				
ARRA - State Broadband Data and Development Grant Program, Recovery Act State Broadband Data and Development Program	Indiana Office of Technology	11.558		\$ 2,000
Total - Department of Commerce				<u>2,000</u>
<u>Department of Transportation</u>				
Highway Planning and Construction Cluster Highway Planning and Construction DeKalb Co CR 11A West DeKalb Co Bridge #134 Sign Inventory	Indiana Department of Transportation	20.205	DES 0501174 DES 1173242 DES 1173483	26,422 58,601 <u>45,000</u>
Total - Highway Planning and Construction Cluster				<u>130,023</u>
Highway Safety Cluster Alcohol Impaired Driving Countermeasures Incentive Grant I Operation Pullover	Town of Hudson	20.601		<u>7,928</u>
Total - Highway Safety Cluster				<u>7,928</u>
Formula Grants for Rural Areas Council on Aging - DART	Indiana Department of Transportation	20.509	A249-12-320288A	<u>146,570</u>
Interagency Hazardous Materials Public Sector Training and Planning Grants Hazardous Materials Emergency Preparedness	Indiana Department of Homeland Security	20.703	C44P-2-217A	<u>5,336</u>
Total - Department of Transportation				<u>289,857</u>
<u>Environmental Protection Agency</u>				
Brownfields Assessment and Cleanup Cooperative Agreements Brownfield Assessment Grant	Direct	66.818	BF-00E00378-0	<u>9,272</u>
Total - Environmental Protection Agency				<u>9,272</u>
<u>Department of Health and Human Services</u>				
Child Support Enforcement	Indiana Department of Child Services	93.563	FY 2012	<u>269,186</u>
Total - Department of Health and Human Services				<u>269,186</u>
<u>Department of Homeland Security</u>				
Hazard Mitigation Grant (HMGP) Holiday Lakes Flood Mitigation	Indiana Department of Homeland Security	97.039	C44P-2-024A	<u>156,664</u>
Emergency Management Performance Grants	Indiana Department of Homeland Security	97.042	C44P-2-085A C44P-2-324A	3,623 <u>34,413</u>
Total - Emergency Management Performance Grants				<u>38,036</u>
Homeland Security Grant Program Homeland Security	Indiana Department of Homeland Security	97.067	C44P-1-277A	<u>36,201</u>
Total - Department of Homeland Security				<u>230,901</u>
Total federal awards expended				<u>\$ 801,216</u>

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

DEKALB 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 DeKalb 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 Rural Areas	20.509	\$ 146,570

DEKALB 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?	none reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
20.509	Formula Grants for Rural Areas
93.563	Child Support Enforcement

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 FINANCIAL TRANSACTIONS AND REPORTING - 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.

DEKALB COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

During the audit of the SEFA, we noted the following errors: incorrect CFDA numbers and program names, incorrect pass-through agencies, and incorrect amounts for receipts and disbursements. 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 in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide 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."

DEKALB COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

***FINDING 2012-2 - INTERNAL CONTROLS OVER FINANCIAL
TRANSACTIONS AND REPORTING - PAYROLL PROCESSING***

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

1. Lack of Segregation of Duties: Control activities should be selected and developed at various levels of the County to reduce risks to the achievement of financial reporting objectives. The County has not separated incompatible activities related to payroll and related liabilities. The failure to establish these controls could enable material misstatements or irregularities to remain undetected. The County's payroll processing is handled primarily by one payroll staff person in the County Auditor's office. The payroll staff person inputs the information from the departments' payroll vouchers into the computerized payroll system, issues the payments for employee benefits and related payroll expenses, and reconciles the direct deposit listing to a detailed employee list.
2. Monitoring of Controls: Effective internal control over financial reporting requires the Board of County Commissioners and County Auditor to monitor and assess the quality of the County's system of internal control. The Board of County Commissioners and the County Auditor have not performed either an ongoing or separate evaluation of their system of internal controls. The failure to exercise their oversight responsibility place the County at risk that controls may not be designed or operating effectively to provide reasonable assurance that controls will prevent or detect material misstatements in a timely manner. Additionally, the County has no process to identify or communicate corrective actions to improve controls.

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)

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

DeKalb County Auditor's Office

John W. Fetters, Auditor
100 South Main Street
Auburn, IN 46706
260-925-2362

CORRECTIVE ACTION PLAN

September 23, 2013

Internal Controls over Payroll Processing:

Susan Parker generates payroll for the departments, enters time sheets and prints gross attendance worksheets, checks and verifies these departments that enter their own timesheets, separates payroll for Commissioners to approve, runs Pretrial run to verify amounts vs. what will be printed out on checks and after checks are printed, separate and have ready to hand out to departments. Linda Means double checks all of Susan's Work and will sign her approval of this work.

Susan checks Linda's deduction report and will sign this report after she checks this work and has agreed with it.

Internal Checking of Annual Financial Report:

After Jeanne Smith is finished doing the Annual Financial Report, the County Auditor will review the report and have Jeanne make corrections if need be and then sign off upon agreement. Then the County Commissioners will review the report and have a place to sign when they are in agreement with this report.


John W. Fetters, DeKalb County Auditor

DEKALB COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 23, 2013, with John Fetters, Auditor, and Donald Grogg, President of the Board of County Commissioners.