

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

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



**FILED**  
10/25/2013



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Robert J. Wichlinski	01-01-11 to 12-31-14
Treasurer	Michael Bucko	01-01-11 to 12-31-14
Clerk	Karen Martin	01-01-11 to 12-31-14
Sheriff	David Lain	01-01-11 to 12-31-14
Recorder	Jon C. Miller	01-01-11 to 12-31-14
President of the Board of County Commissioners	John A. Evans	01-01-12 to 12-31-13
President of the County Council	Daniel Whitten Jeremy Rivas Bob Poparad	01-01-12 to 12-31-12 01-01-13 to 03-10-13 03-11-13 to 12-31-13



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF PORTER COUNTY, INDIANA

***Report on the Financial Statement***

We have audited the accompanying financial statement of Porter 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 28, 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 28, 2013



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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 PORTER 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 Porter 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 28, 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 2012-01, 2012-02, and 2012-3 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions

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)

was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2012-01 and 2012-02.

***Porter 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 28, 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.

PORTER 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
General	\$ 6,407,501	\$ 47,642,264	\$ 51,977,567	\$ 2,072,198
Statewide E-911	-	991,308	765,942	225,366
Highway	2,027,599	3,476,777	4,130,820	1,373,556
Local Road And Street	108,150	963,166	562,317	508,999
Accident Report	4,588	10,116	5,000	9,704
Firearm Permits	25,333	41,851	45,438	21,746
Health	1,580,845	1,371,959	1,523,091	1,429,713
Anti-Abuse Fund	238,188	120,830	116,495	242,523
Juvenile Detention Mental Health	7	-	-	7
Emergency Medical Services/Ambulance	321,455	37,500	55,938	303,017
Plan Commission	395,230	421,244	599,542	216,932
Animal Shelter Support	1,125	-	-	1,125
Clerk's Records Perpetuation	47,896	59,564	53,230	54,230
Enhanced Access	89,662	31,026	38,858	81,830
Prosecutor Deferral	258,775	418,590	326,191	351,174
Unsafe Building	34,833	-	-	34,833
Emergency Telephone System	124,417	471,983	596,400	-
Drug Free Community	35,930	132,677	137,647	30,960
Drainage Maintenance	2,123,736	430,993	489,459	2,065,270
Local Emergency Planning	15,864	-	9,632	6,232
Park Operating	94,465	185,442	199,861	80,046
Sunset Hill Farm	4,787	-	-	4,787
Prosecutor Title IV-D #1	53	-	-	53
County Extradition	5,581	378	350	5,609
Juvenile Probation User Fee	91,991	82,092	67,400	106,683
Adult Probation User Fees	290,743	586,564	706,227	171,080
Recorder's Records Perpetuation	206,818	296,313	283,720	219,411
Calumet Covered Bridge	15,500	1,850	12,500	4,850
Local/State Health Maint. Grant	102,544	71,721	53,183	121,082
Pretrial Diversion	72,124	61,561	54,806	78,879
Court Appointed Special Advocate	2,863	17,162	17,162	2,863
Co. Offender Training	1,250	2,625	-	3,875
Clerk Title IV-D #1	109	-	-	109
Jury Pay	117,963	34,905	30,926	121,942
Tax Sale Fees	24,895	49,770	46,270	28,395
Rainy Day	3,473,622	1,201,543	1,735,288	2,939,877
Medical Co-Pay	-	9,528	950	8,578
Hazardous Materials	74,344	27,136	20,506	80,974
Tobacco Settlement	97,828	62,719	64,451	96,096
Health Department Immunization	247	-	-	247
Forfeited Property	53,124	21,574	33,456	41,242
E-911 Wireless	-	234,178	234,178	-
Prosecutor Title IV-D #2	156,407	91,404	62,182	185,629
Clerks New IV-D	176,955	60,756	11,701	226,010
CEDIT Project #31	178,226	1,141	114,467	64,900
Portage Reassessment	369,271	369,664	367,505	371,430
Election Officials Training	6,016	17,268	-	23,284
Cumulative Capital Development	4,313,859	1,706,526	2,129,917	3,890,468
Park Nonreverting Capital	27,046	-	-	27,046
Lake Eliza Grant	-	36,200	36,200	-
Cumulative Bridge	2,196,167	640,789	1,106,752	1,730,204
CEDIT Project #37	250,000	-	240,238	9,762
Drain Reconstruction	161,515	115,252	171,839	104,928
Congressional School Principal	25,066	-	-	25,066
JDAI Title II Grant	(4,796)	36,497	31,701	-
City And Town Court Costs	36,660	64,935	31,081	70,514
Congressional School Interest	26,665	-	-	26,665
Tax Sale Surplus	5,579,377	3,895,279	5,174,958	4,299,698
Tax Sale Redemption	30,761	1,445,695	1,445,097	31,359
Overweight Vehicle Fines	37,639	289,328	317,823	9,144
Infractions	56,526	631,194	639,832	47,888
Inheritance Tax	1,186,518	4,719,722	4,552,161	1,354,079
Special Death Benefit	701	12,349	12,305	745
Education Plate Fees Agency	-	5,456	5,456	-
CEDIT Agency	-	23,352,468	23,352,468	-
Porter County Tourism	-	1,198,669	1,198,669	-
Financial Institution Tax	-	279,721	279,721	-
Sheriff's Pension	-	109,447	109,447	-
Child Restraint Violations Fines	174	2,870	2,694	350
CVET Agency	-	1,262,493	1,262,493	-
Riverboat Distribution	-	973,555	973,555	-
Hea 1001 State Homestead Credit	45,720	1,898	-	47,618
CEDIT Project #38	-	150,000	33,240	116,760
CEDIT Project #35	5,116	-	-	5,116
CEDIT Project #36	304,155	-	292,471	11,684
DLGF Homestead Fund	17	354	350	21
Tax Collections	2,156,355	288,382,078	289,674,626	863,807
Auditor Non-Reverting	1,166,998	358,148	718,308	806,838
Rainy Day #2	1,740,000	187,325	209,701	1,717,624
Dunes/Kankakee Grant	83,917	39,340	-	123,257

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

PORTER 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
Co. Transfer Juvenile	250	375	-	625
Coroner Non-Reverting	1,200	-	-	1,200
Coastal Grant	3,675	-	-	3,675
All Funds Account	32,088	11,549	-	43,637
Treasurer Supplemental	4,091,878	3,194,392	4,091,878	3,194,392
Health Donation	7,266	871	2,169	5,968
Crumb Rub Grant	146	-	-	146
Park Grant	9,230	6	-	9,236
Auditor's Plat Book Perpetuation	35,966	32,756	35,461	33,261
Pcados Donation	55	-	-	55
Animal Donation	5,490	40,278	4,158	41,610
Gal/Casa Donation	1,292	2	-	1,294
Indiana Court Improvement Project	3,348	2,112	-	5,460
Sheriff's Block Grant	300	-	-	300
Doc. Juvenile Basic Training Grant	-	224,132	224,132	-
Calumet Trail Grant	195,685	-	17,604	178,081
Family Court Grant	1,996	-	514	1,482
Health Performance Grant	5,189	-	-	5,189
Early Intervention	1,114	-	-	1,114
Court Interpreter Grant	2,802	7,350	6,104	4,048
PACT	22,818	366,535	354,589	34,764
Cable Franchise	632,738	546,135	313,322	865,551
SHSP Homeland Security Grant	(55,249)	328,418	273,169	-
Riverboat Revenue Sharing	216,609	405,711	586,050	36,270
County Corrections	98,565	95,745	105,527	88,783
Medical Reserve Core Grant	-	126,365	-	126,365
Stop Grant Prosecutor	(5,569)	30,121	29,981	(5,429)
SCAAP Grant	747	1,732	719	1,760
Sheriff Dea Proceeds Federal Grant	162,158	5,831	101,563	66,426
Bioterrorism Response Grant	11,476	55,075	63,400	3,151
lcji Grant	94	-	-	94
Domestic Violence Grant CFDA 16.575	(10,968)	76,564	88,102	(22,506)
Health Dist.#1 Cri Grant	1	-	-	1
State Grant #13	20,002	7,125	11,775	15,352
Coroner's Cont.Education	2,101	16,090	18,191	-
Public Defender	296,088	68,179	65,693	298,574
Pc Sheriff Civil Fees	18,959	211,400	30,282	200,077
Sales Disclosure #2	32,032	14,385	-	46,417
Sheriff Donation	2,392	3,913	1,619	4,686
Cal Trail Donations	19,324	-	1,956	17,368
Juvenile Detention Donations	50	-	-	50
Adult Probation Transition	32,288	3,532	-	35,820
Adult Probation #3	160,937	38,586	-	199,523
Juvenile Probation Admin Fees	51,192	27,561	29,487	49,266
Dunn's Bridge Park	1,498	-	-	1,498
Reassessment	117,354	46	91,916	25,484
Pro Law Continued Ed	10,451	-	-	10,451
Sheriff's Continued Education #2	8,963	8,440	7,959	9,444
Prosecutor Check Deferral Fund	21,018	4,663	10,345	15,336
CEDIT 21	234,623	-	115,040	119,583
Adult Home Detention	55,867	-	-	55,867
Adult Offender Interstate Comp.Fees	63	2,625	2,500	188
Victims Assistance	10,500	-	-	10,500
Surveyors Perpetuation	14,142	27,840	35,603	6,379
CEDIT 22	16,886	-	-	16,886
Vehicle Inspection	3,250	2,205	-	5,455
CEDIT 23	254,590	300,000	311,798	242,792
Kankakee River	5,069	-	-	5,069
Wildlife	13,210	3,738	-	16,948
PC Expo Center	33,874	399,893	385,877	47,890
Memorial Opera House	7,942	303,684	277,834	33,792
Prosecutor ARRA	19,541	-	-	19,541
Video Tape Fees-Sheriff	2,628	50	123	2,555
Photo Duplicate	8,420	3,185	542	11,063
Storm Water Drain Management	115,787	20,000	10,464	125,323
Inmate Processing Fee	16,197	89,151	93,144	12,204
Housing Of Federal Prisoners	432,758	298,332	521,438	209,652
Community Emergency Response	555	-	-	555
Federal Jail Commissioners	639,800	213,279	304,066	549,013
Pcadrf	53,209	16,240	15,891	53,558
Home Detention Use Fees	16,803	-	-	16,803
Jdc Service Fee	193,927	76,973	137,835	133,065
Citizens Corp.	2,000	-	-	2,000
School Probation	2,702	28,000	15,785	14,917
Project Care	2,636	-	-	2,636
Qwest Prof.	24	-	-	24
Security Protection Fund	158,962	17,267	77,913	98,316

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

PORTER 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
Promote And Market Porter Co	-	150,000	75,000	75,000
Sex/Violent Offender County	17,286	6,582	3,581	20,287
Animal Shelter #2	63,540	63,131	77,909	48,762
Drug Court/Testing	3,272	7,126	2,882	7,516
OWI Fatal Drug/Alcohol Testing	10,941	-	10,030	911
Mortgage Fees Fund-State Share	1,830	20,448	20,408	1,870
Hospital Interest	9,438,980	2,805,287	1,068,417	11,175,850
Hospital Proceeds Sale Fund	160,594,442	-	1,212,206	159,382,236
Vending Machine Fund	5,559	-	3,077	2,482
Garage	4,757	4,601	314	9,044
CEDIT Unallocated Fund	4,471,697	11,867,250	11,955,000	4,383,947
Museum/Opera House/Animal	20,491	-	505	19,986
Building Maintenance	598,044	600,000	271,509	926,535
Electronic Map Generation Fund	7,098	209	-	7,307
General IV-D Incentive	125,628	60,755	82,239	104,144
Sheriff Drug Unit	13,340	60,000	66,645	6,695
CFDA 14.253	(2,315)	-	-	(2,315)
State's 2008 & Prior Tax Deliq.	-	406	406	-
Paul C Zona Sr Wildlife Donate	66,085	25,000	28,875	62,210
Settlement Holding Fund	13,074	-	-	13,074
CEDIT #1	142,254	1,100,000	793,360	448,894
CEDIT Project #2 Capital Improvemen	1,431,242	723,120	1,269,958	884,404
CEDIT Project #4 Parks	187,879	325,000	139,178	373,701
Clerk ARRA Fund	2,036	-	-	2,036
CEDIT #9 Doc Imaging Project	28,407	100,000	47,161	81,246
CEDIT Project #19	514,767	301,584	159,228	657,123
Public Safety Technology	11,889	282,833	185,275	109,447
Family Court Donations	29,223	10,000	17,266	21,957
Jdai Grant	(5,457)	4,111	23,581	(24,927)
CEDIT #29	887,076	-	56,419	830,657
CEDIT #34	64,801	-	64,801	-
Suicide Grant	354	-	-	354
Energy Grant	13,121	-	13,121	-
Juvenile Svc.Center Bond	345,133	9,015	317,763	36,385
Court House Bond	3,188	1	-	3,189
Jail Lease Rent	1,429,808	1,570,319	2,949,700	50,427
Major Moves Interest	194,765	51,616	-	246,381
Juvenile Housing Debt	60,737	1,505,787	1,239,168	327,356
Major Moves Borrowing	1,183,197	1,150,000	1,649,889	683,308
Fairground Bond Fund	1,010	-	-	1,010
CEDIT #30 Dunes/Kankakee	85,192	-	42,392	42,800
Major Moves Pc Investment Fund	11,810,060	-	1,150,000	10,660,060
South County Highway Garage	3,276	-	-	3,276
Employee Benefit Fund	5,514	10,853,297	10,842,293	16,518
Additional Judgement Excise Tax	206	-	-	206
Payroll	149,885	7,226,809	7,374,021	2,673
Excess Taxes	1,302,525	1,156,396	1,222,270	1,236,651
Escrow National Lakeshore	(631)	631	-	-
National Park Taxes	-	19,646	-	19,646
County User Fee	588,923	351,239	290,064	650,098
Refunds	13,498	-	1	13,497
Fines And Forfeitures	9,820	57,899	65,020	2,699
RDA Distribution Fund	157,815	11,678,394	8,832,767	3,003,442
Sex & Violent Offender Fees	34	733	739	28
Hwy Performance Bond	50,000	-	-	50,000
Hospital Liability Fund	1,095,658	52,462	313,457	834,663
Judge Due Law Fund	260	-	-	260
Child Advocacy Fund	7,189	623	-	7,812
Excise Tax Distribution	1,723,043	19,952,384	20,841,964	833,463
Sales Disclosure Fund	1,030	14,385	13,915	1,500
Solid Waste Fees	168,020	984,428	1,152,448	-
Special Assessments Fund	-	441,729	441,729	-
Excise Tax State Portion	-	6,682,344	6,682,344	-
State Portion HSC/PTRC Settlement	-	126,314	126,314	-
Clerk Supplemental Car-1 Totals	5,139,703	19,216,810	18,472,071	5,884,442
PC Tourism Supplemental Car-1 Total	592,333	1,259,815	1,220,447	631,701
Sheriff Civil Inmate Trust and Awards Banquet Supplemental	(24,208)	5,276,484	5,120,100	132,176
Sheriff Commissary Supple. Car-1	60,624	255,799	216,505	99,918
Sales Tax-Agency	1,846	15,057	14,795	2,108
Surplus Paid Before Settlement	79	3,415	3,494	-
Tax Sale Wire Surplus	-	709,000	709,000	-
<b>Totals</b>	<b>\$ 252,388,893</b>	<b>\$ 506,905,441</b>	<b>\$ 517,380,298</b>	<b>\$ 241,914,036</b>

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

PORTER 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, 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,

PORTER 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 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.

PORTER COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*F. Interfund Transfers*

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

*G. Fund Accounting*

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

**Note 2. Budgets**

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

**Note 3. Property Taxes**

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

**Note 4. Deposits and Investments**

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

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

PORTER COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 5. Risk Management**

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

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

**Note 6. Pension Plans**

*A. Public Employees' Retirement Fund*

*Plan Description*

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

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

Indiana Public Retirement System  
1 North 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.

PORTER COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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 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 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 statement.

**Note 8. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash. This is a result of funds being set up for reimbursable grants. The reimbursements for expenditures made by the County were not received by December 31, 2012.

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## SUPPLEMENTARY INFORMATION – UNAUDITED

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

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

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

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

	General	Statewide E-911	Highway	Local Road And Street	Accident Report	Firearm Permits	Health
Cash and investments - beginning	\$ 6,407,501	\$ -	\$ 2,027,599	\$ 108,150	\$ 4,588	\$ 25,333	\$ 1,580,845
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	8,755	-	110,630	-	-	41,851	-
Intergovernmental	619,154	-	3,273,497	963,031	-	-	-
Charges for services	743,530	888,359	308	-	10,116	-	289,980
Fines and forfeits	837,884	-	-	-	-	-	-
Other receipts	45,432,941	102,949	92,342	135	-	-	1,081,979
Total receipts	47,642,264	991,308	3,476,777	963,166	10,116	41,851	1,371,959
Disbursements:							
Personal services	27,628,612	765,942	2,954,799	-	-	-	1,351,901
Supplies	1,219,940	-	397,690	500,626	5,000	40,492	15,397
Other services and charges	5,320,537	-	682,451	61,691	-	4,946	155,046
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	112,499	-	95,880	-	-	-	-
Other disbursements	17,695,979	-	-	-	-	-	747
Total disbursements	51,977,567	765,942	4,130,820	562,317	5,000	45,438	1,523,091
Excess (deficiency) of receipts over disbursements	(4,335,303)	225,366	(654,043)	400,849	5,116	(3,587)	(151,132)
Cash and investments - ending	\$ 2,072,198	\$ 225,366	\$ 1,373,556	\$ 508,999	\$ 9,704	\$ 21,746	\$ 1,429,713

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

	Anti-Abuse Fund	Juvenile Detention Mental Health	Emergency Medical Services/Ambulance	Plan Commission	Animal Shelter Support	Clerk's Records Perpetuation	Enhanced Access
Cash and investments - beginning	\$ 238,188	\$ 7	\$ 321,455	\$ 395,230	\$ 1,125	\$ 47,896	\$ 89,662
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	421,057	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	94,841	-	-	-	-	-	31,026
Fines and forfeits	25,989	-	-	-	-	59,564	-
Other receipts	-	-	37,500	187	-	-	-
Total receipts	<u>120,830</u>	<u>-</u>	<u>37,500</u>	<u>421,244</u>	<u>-</u>	<u>59,564</u>	<u>31,026</u>
Disbursements:							
Personal services	99,216	-	-	509,291	-	31,248	-
Supplies	17,279	-	-	1,915	-	17,178	38,758
Other services and charges	-	-	55,938	87,689	-	4,804	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	422	-	-	-
Other disbursements	-	-	-	225	-	-	100
Total disbursements	<u>116,495</u>	<u>-</u>	<u>55,938</u>	<u>599,542</u>	<u>-</u>	<u>53,230</u>	<u>38,858</u>
Excess (deficiency) of receipts over disbursements	<u>4,335</u>	<u>-</u>	<u>(18,438)</u>	<u>(178,298)</u>	<u>-</u>	<u>6,334</u>	<u>(7,832)</u>
Cash and investments - ending	<u>\$ 242,523</u>	<u>\$ 7</u>	<u>\$ 303,017</u>	<u>\$ 216,932</u>	<u>\$ 1,125</u>	<u>\$ 54,230</u>	<u>\$ 81,830</u>

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

	Prosecutor Deferral	Unsafe Building	Emergency Telephone System	Drug Free Community	Drainage Maintenance	Local Emergency Planning	Park Operating
Cash and investments - beginning	\$ 258,775	\$ 34,833	\$ 124,417	\$ 35,930	\$ 2,123,736	\$ 15,864	\$ 94,465
Receipts:							
Taxes	-	-	-	-	230,780	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	471,702	-	41,750	-	149,337
Fines and forfeits	418,590	-	-	132,677	-	-	-
Other receipts	-	-	281	-	158,463	-	36,105
Total receipts	<u>418,590</u>	<u>-</u>	<u>471,983</u>	<u>132,677</u>	<u>430,993</u>	<u>-</u>	<u>185,442</u>
Disbursements:							
Personal services	292,587	-	503,900	-	323	1,341	64,583
Supplies	4,994	-	1,169	-	-	3,678	17,846
Other services and charges	26,533	-	-	-	382,479	4,613	113,901
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	2,077	-	-	-	-	-	-
Other disbursements	-	-	91,331	137,647	106,657	-	3,531
Total disbursements	<u>326,191</u>	<u>-</u>	<u>596,400</u>	<u>137,647</u>	<u>489,459</u>	<u>9,632</u>	<u>199,861</u>
Excess (deficiency) of receipts over disbursements	<u>92,399</u>	<u>-</u>	<u>(124,417)</u>	<u>(4,970)</u>	<u>(58,466)</u>	<u>(9,632)</u>	<u>(14,419)</u>
Cash and investments - ending	<u>\$ 351,174</u>	<u>\$ 34,833</u>	<u>\$ -</u>	<u>\$ 30,960</u>	<u>\$ 2,065,270</u>	<u>\$ 6,232</u>	<u>\$ 80,046</u>

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

	Sunset Hill Farm	Prosecutor Title IV-D #1	County Extradition	Juvenile Probation User Fee	Adult Probation User Fees	Recorder's Records Perpetuation	Calumet Covered Bridge
Cash and investments - beginning	\$ 4,787	\$ 53	\$ 5,581	\$ 91,991	\$ 290,743	\$ 206,818	\$ 15,500
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	586,243	296,313	-
Fines and forfeits	-	-	378	82,092	321	-	-
Other receipts	-	-	-	-	-	-	1,850
Total receipts	-	-	378	82,092	586,564	296,313	1,850
Disbursements:							
Personal services	-	-	-	11,230	669,301	212,943	-
Supplies	-	-	-	5,378	6,397	52,837	-
Other services and charges	-	-	350	50,792	30,529	17,940	12,500
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	-	-	350	67,400	706,227	283,720	12,500
Excess (deficiency) of receipts over disbursements	-	-	28	14,692	(119,663)	12,593	(10,650)
Cash and investments - ending	\$ 4,787	\$ 53	\$ 5,609	\$ 106,683	\$ 171,080	\$ 219,411	\$ 4,850

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

	Local/State Health Maint. Grant	Pretrial Diversion	Court Appointed Special Advocate	Co. Offender Training	Clerk Title IV-D #1	Jury Pay	Tax Sale Fees
Cash and investments - beginning	\$ 102,544	\$ 72,124	\$ 2,863	\$ 1,250	\$ 109	\$ 117,963	\$ 24,895
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	71,647	-	17,162	-	-	-	-
Charges for services	-	-	-	2,625	-	-	-
Fines and forfeits	-	61,561	-	-	-	-	-
Other receipts	74	-	-	-	-	34,905	49,770
Total receipts	<u>71,721</u>	<u>61,561</u>	<u>17,162</u>	<u>2,625</u>	<u>-</u>	<u>34,905</u>	<u>49,770</u>
Disbursements:							
Personal services	19,991	54,066	-	-	-	30,926	-
Supplies	440	740	-	-	-	-	-
Other services and charges	32,752	-	-	-	-	-	46,270
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	17,162	-	-	-	-
Total disbursements	<u>53,183</u>	<u>54,806</u>	<u>17,162</u>	<u>-</u>	<u>-</u>	<u>30,926</u>	<u>46,270</u>
Excess (deficiency) of receipts over disbursements	<u>18,538</u>	<u>6,755</u>	<u>-</u>	<u>2,625</u>	<u>-</u>	<u>3,979</u>	<u>3,500</u>
Cash and investments - ending	<u>\$ 121,082</u>	<u>\$ 78,879</u>	<u>\$ 2,863</u>	<u>\$ 3,875</u>	<u>\$ 109</u>	<u>\$ 121,942</u>	<u>\$ 28,395</u>

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

	Rainy Day	Medical Co-Pay	Hazardous Materials	Tobacco Settlement	Health Department Immunization	Forfeited Property	E-911 Wireless
Cash and investments - beginning	\$ 3,473,622	\$ -	\$ 74,344	\$ 97,828	\$ 247	\$ 53,124	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	62,719	-	-	-
Charges for services	-	9,528	27,090	-	-	-	234,178
Fines and forfeits	-	-	-	-	-	21,574	-
Other receipts	1,201,543	-	46	-	-	-	-
Total receipts	<u>1,201,543</u>	<u>9,528</u>	<u>27,136</u>	<u>62,719</u>	<u>-</u>	<u>21,574</u>	<u>234,178</u>
Disbursements:							
Personal services	1,306,532	-	-	54,870	-	-	222,686
Supplies	76,395	-	1,674	656	-	-	-
Other services and charges	352,361	950	18,832	8,925	-	9,500	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	23,956	-
Other disbursements	-	-	-	-	-	-	11,492
Total disbursements	<u>1,735,288</u>	<u>950</u>	<u>20,506</u>	<u>64,451</u>	<u>-</u>	<u>33,456</u>	<u>234,178</u>
Excess (deficiency) of receipts over disbursements	<u>(533,745)</u>	<u>8,578</u>	<u>6,630</u>	<u>(1,732)</u>	<u>-</u>	<u>(11,882)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 2,939,877</u>	<u>\$ 8,578</u>	<u>\$ 80,974</u>	<u>\$ 96,096</u>	<u>\$ 247</u>	<u>\$ 41,242</u>	<u>\$ -</u>

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

	Prosecutor Title IV-D #2	Clerks New IV-D	CEDIT Project #31	Portage Reassessment	Election Officials Training	Cumulative Capital Development	Park Nonreverting Capital
Cash and investments - beginning	\$ 156,407	\$ 176,955	\$ 178,226	\$ 369,271	\$ 6,016	\$ 4,313,859	\$ 27,046
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	91,404	60,756	-	-	-	-	-
Charges for services	-	-	-	-	17,268	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	1,141	369,664	-	1,706,526	-
Total receipts	<u>91,404</u>	<u>60,756</u>	<u>1,141</u>	<u>369,664</u>	<u>17,268</u>	<u>1,706,526</u>	<u>-</u>
Disbursements:							
Personal services	60,036	-	-	301,650	-	-	-
Supplies	865	4,412	12,707	1,561	-	347,251	-
Other services and charges	369	7,289	101,760	64,294	-	1,312,726	-
Debt service - principal and interest	-	-	-	-	-	60,000	-
Capital outlay	912	-	-	-	-	409,940	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>62,182</u>	<u>11,701</u>	<u>114,467</u>	<u>367,505</u>	<u>-</u>	<u>2,129,917</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>29,222</u>	<u>49,055</u>	<u>(113,326)</u>	<u>2,159</u>	<u>17,268</u>	<u>(423,391)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 185,629</u>	<u>\$ 226,010</u>	<u>\$ 64,900</u>	<u>\$ 371,430</u>	<u>\$ 23,284</u>	<u>\$ 3,890,468</u>	<u>\$ 27,046</u>

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

	Lake Eliza Grant	Cumulative Bridge	CEDIT Project #37	Drain Reconstruction	Congressional School Principal	JDAI Title II Grant	City And Town Court Costs
Cash and investments - beginning	\$ -	\$ 2,196,167	\$ 250,000	\$ 161,515	\$ 25,066	\$ (4,796)	\$ 36,660
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	36,200	-	-	-	-	36,497	-
Charges for services	-	181,713	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	459,076	-	115,252	-	-	64,935
Total receipts	<u>36,200</u>	<u>640,789</u>	<u>-</u>	<u>115,252</u>	<u>-</u>	<u>36,497</u>	<u>64,935</u>
Disbursements:							
Personal services	-	37,549	-	-	-	-	-
Supplies	-	274,927	21,215	-	-	1,397	-
Other services and charges	36,200	744,657	219,023	171,839	-	30,304	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	26,074	-	-	-	-	-
Other disbursements	-	23,545	-	-	-	-	31,081
Total disbursements	<u>36,200</u>	<u>1,106,752</u>	<u>240,238</u>	<u>171,839</u>	<u>-</u>	<u>31,701</u>	<u>31,081</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(465,963)</u>	<u>(240,238)</u>	<u>(56,587)</u>	<u>-</u>	<u>4,796</u>	<u>33,854</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 1,730,204</u>	<u>\$ 9,762</u>	<u>\$ 104,928</u>	<u>\$ 25,066</u>	<u>\$ -</u>	<u>\$ 70,514</u>

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

	Congressional School Interest	Tax Sale Surplus	Tax Sale Redemption	Overweight Vehicle Fines	Infractions	Inheritance Tax	Special Death Benefit
Cash and investments - beginning	\$ 26,665	\$ 5,579,377	\$ 30,761	\$ 37,639	\$ 56,526	\$ 1,186,518	\$ 701
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	4,719,722	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	289,328	557,518	-	-
Other receipts	-	3,895,279	1,445,695	-	73,676	-	12,349
Total receipts	-	3,895,279	1,445,695	289,328	631,194	4,719,722	12,349
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	5,174,958	1,445,097	317,823	639,832	4,552,161	12,305
Total disbursements	-	5,174,958	1,445,097	317,823	639,832	4,552,161	12,305
Excess (deficiency) of receipts over disbursements	-	(1,279,679)	598	(28,495)	(8,638)	167,561	44
Cash and investments - ending	\$ 26,665	\$ 4,299,698	\$ 31,359	\$ 9,144	\$ 47,888	\$ 1,354,079	\$ 745

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

	Education Plate Fees Agency	CEDIT Agency	Porter County Tourism	Financial Institution Tax	Sheriffs Pension	Child Restraint Violations Fines	CVET Agency
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 174	\$ -
Receipts:							
Taxes	-	23,352,468	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	279,721	-	-	1,262,493
Charges for services	-	-	-	-	8,300	-	-
Fines and forfeits	-	-	-	-	101,147	-	-
Other receipts	5,456	-	1,198,669	-	-	2,870	-
Total receipts	<u>5,456</u>	<u>23,352,468</u>	<u>1,198,669</u>	<u>279,721</u>	<u>109,447</u>	<u>2,870</u>	<u>1,262,493</u>
Disbursements:							
Personal services	-	-	-	-	109,447	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	5,456	23,352,468	1,198,669	279,721	-	2,694	1,262,493
Total disbursements	<u>5,456</u>	<u>23,352,468</u>	<u>1,198,669</u>	<u>279,721</u>	<u>109,447</u>	<u>2,694</u>	<u>1,262,493</u>
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	176	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 350</u>	<u>\$ -</u>

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

	Riverboat Distribution	Hea 1001 State Homestead Credit	CEDIT Project #38	CEDIT Project #35	CEDIT Project #36	DLGF Homestead Fund	Tax Collections
Cash and investments - beginning	\$ -	\$ 45,720	\$ -	\$ 5,116	\$ 304,155	\$ 17	\$ 2,156,355
Receipts:							
Taxes	-	-	-	-	-	-	185,556,302
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	973,555	-	-	-	-	-	-
Charges for services	-	-	-	-	-	338	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	1,898	150,000	-	-	16	102,825,776
Total receipts	973,555	1,898	150,000	-	-	354	288,382,078
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	33,240	-	292,471	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	973,555	-	-	-	-	350	289,674,626
Total disbursements	973,555	-	33,240	-	292,471	350	289,674,626
Excess (deficiency) of receipts over disbursements	-	1,898	116,760	-	(292,471)	4	(1,292,548)
Cash and investments - ending	\$ -	\$ 47,618	\$ 116,760	\$ 5,116	\$ 11,684	\$ 21	\$ 863,807

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

	Auditor Non-Reverting	Rainy Day #2	Dunes/Kankakee Grant	Co. Transfer Juvenile	Coroner Non-Reverting	Coastal Grant	All Funds Account
Cash and investments - beginning	\$ 1,166,998	\$ 1,740,000	\$ 83,917	\$ 250	\$ 1,200	\$ 3,675	\$ 32,088
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	39,340	-	-	-	-
Charges for services	324,284	-	-	375	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	33,864	187,325	-	-	-	-	11,549
Total receipts	<u>358,148</u>	<u>187,325</u>	<u>39,340</u>	<u>375</u>	<u>-</u>	<u>-</u>	<u>11,549</u>
Disbursements:							
Personal services	23,212	-	-	-	-	-	-
Supplies	44,556	-	-	-	-	-	-
Other services and charges	626,956	209,701	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	919	-	-	-	-	-	-
Other disbursements	22,665	-	-	-	-	-	-
Total disbursements	<u>718,308</u>	<u>209,701</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(360,160)</u>	<u>(22,376)</u>	<u>39,340</u>	<u>375</u>	<u>-</u>	<u>-</u>	<u>11,549</u>
Cash and investments - ending	<u>\$ 806,838</u>	<u>\$ 1,717,624</u>	<u>\$ 123,257</u>	<u>\$ 625</u>	<u>\$ 1,200</u>	<u>\$ 3,675</u>	<u>\$ 43,637</u>

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

	Treasurer Supplemental	Health Donation	Crumb Rub Grant	Park Grant	Auditor's Plat Book Perpetuation	Pcados Donation	Animal Donation
Cash and investments - beginning	\$ 4,091,878	\$ 7,266	\$ 146	\$ 9,230	\$ 35,966	\$ 55	\$ 5,490
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	6	-	-	-
Charges for services	-	-	-	-	32,756	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	<u>3,194,392</u>	<u>871</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,278</u>
Total receipts	<u>3,194,392</u>	<u>871</u>	<u>-</u>	<u>6</u>	<u>32,756</u>	<u>-</u>	<u>40,278</u>
Disbursements:							
Personal services	-	-	-	-	183	-	-
Supplies	-	30	-	-	2,087	-	-
Other services and charges	-	2,139	-	-	33,191	-	4,158
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	<u>4,091,878</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total disbursements	<u>4,091,878</u>	<u>2,169</u>	<u>-</u>	<u>-</u>	<u>35,461</u>	<u>-</u>	<u>4,158</u>
Excess (deficiency) of receipts over disbursements	<u>(897,486)</u>	<u>(1,298)</u>	<u>-</u>	<u>6</u>	<u>(2,705)</u>	<u>-</u>	<u>36,120</u>
Cash and investments - ending	<u>\$ 3,194,392</u>	<u>\$ 5,968</u>	<u>\$ 146</u>	<u>\$ 9,236</u>	<u>\$ 33,261</u>	<u>\$ 55</u>	<u>\$ 41,610</u>

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

	Gal/Casa Donation	Indiana Court Improvement Project	Sheriff's Block Grant	Doc Juvenile Basic Training Grant	Calumet Trail Grant	Family Court Grant	Health Performance Grant
Cash and investments - beginning	\$ 1,292	\$ 3,348	\$ 300	\$ -	\$ 195,685	\$ 1,996	\$ 5,189
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	<u>2</u>	<u>2,112</u>	<u>-</u>	<u>224,132</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total receipts	<u>2</u>	<u>2,112</u>	<u>-</u>	<u>224,132</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	17,604	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>224,132</u>	<u>-</u>	<u>514</u>	<u>-</u>
Total disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>224,132</u>	<u>17,604</u>	<u>514</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>2</u>	<u>2,112</u>	<u>-</u>	<u>-</u>	<u>(17,604)</u>	<u>(514)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 1,294</u>	<u>\$ 5,460</u>	<u>\$ 300</u>	<u>\$ -</u>	<u>\$ 178,081</u>	<u>\$ 1,482</u>	<u>\$ 5,189</u>

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

	Early Intervention	Court Interpreter Grant	PACT	Cable Franchise	SHSP Homeland Security Grant	Riverboat Revenue Sharing	County Corrections
Cash and investments - beginning	\$ 1,114	\$ 2,802	\$ 22,818	\$ 632,738	\$ (55,249)	\$ 216,609	\$ 98,565
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	546,135	-	-	-
Intergovernmental	-	7,350	-	-	327,725	-	-
Charges for services	-	-	-	-	-	-	95,745
Fines and forfeits	-	-	11,946	-	-	-	-
Other receipts	-	-	354,589	-	693	405,711	-
Total receipts	-	7,350	366,535	546,135	328,418	405,711	95,745
Disbursements:							
Personal services	-	-	-	-	-	383,550	-
Supplies	-	-	-	-	-	-	83,811
Other services and charges	-	6,104	-	313,322	272,647	-	21,716
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	354,589	-	522	202,500	-
Total disbursements	-	6,104	354,589	313,322	273,169	586,050	105,527
Excess (deficiency) of receipts over disbursements	-	1,246	11,946	232,813	55,249	(180,339)	(9,782)
Cash and investments - ending	\$ 1,114	\$ 4,048	\$ 34,764	\$ 865,551	\$ -	\$ 36,270	\$ 88,783

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

	Medical Reserve Core Grant	Stop Grant Prosecutor	SCAAP Grant	Sheriff Dea Proceeds Federal Grant	Bioterrorism Response Grant	lcji Grant	Domestic Violence Grant CFDA 16.575
Cash and investments - beginning	\$ -	\$ (5,569)	\$ 747	\$ 162,158	\$ 11,476	\$ 94	\$ (10,968)
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	30,121	1,732	-	55,075	-	76,564
Charges for services	126,365	-	-	5,831	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>126,365</u>	<u>30,121</u>	<u>1,732</u>	<u>5,831</u>	<u>55,075</u>	<u>-</u>	<u>76,564</u>
Disbursements:							
Personal services	-	29,981	-	-	-	-	87,620
Supplies	-	-	-	10,741	-	-	-
Other services and charges	-	-	719	-	63,400	-	482
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	90,822	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>29,981</u>	<u>719</u>	<u>101,563</u>	<u>63,400</u>	<u>-</u>	<u>88,102</u>
Excess (deficiency) of receipts over disbursements	<u>126,365</u>	<u>140</u>	<u>1,013</u>	<u>(95,732)</u>	<u>(8,325)</u>	<u>-</u>	<u>(11,538)</u>
Cash and investments - ending	<u>\$ 126,365</u>	<u>\$ (5,429)</u>	<u>\$ 1,760</u>	<u>\$ 66,426</u>	<u>\$ 3,151</u>	<u>\$ 94</u>	<u>\$ (22,506)</u>

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

	Health Dist.#1 Cri Grant	State Grant #13	Coroner's Cont.Education	Public Defender	Pc Sheriff Civil Fees	Sales Disclosure #2	Sheriff Donation
Cash and investments - beginning	\$ 1	\$ 20,002	\$ 2,101	\$ 296,088	\$ 18,959	\$ 32,032	\$ 2,392
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	7,125	-	-	-	-	-
Charges for services	-	-	16,090	38,586	-	14,385	-
Fines and forfeits	-	-	-	29,593	211,400	-	-
Other receipts	-	-	-	-	-	-	3,913
Total receipts	-	7,125	16,090	68,179	211,400	14,385	3,913
Disbursements:							
Personal services	-	1,775	-	-	28,312	-	-
Supplies	-	-	-	23,750	-	-	1,369
Other services and charges	-	10,000	-	41,943	1,970	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	18,191	-	-	-	250
Total disbursements	-	11,775	18,191	65,693	30,282	-	1,619
Excess (deficiency) of receipts over disbursements	-	(4,650)	(2,101)	2,486	181,118	14,385	2,294
Cash and investments - ending	\$ 1	\$ 15,352	\$ -	\$ 298,574	\$ 200,077	\$ 46,417	\$ 4,686

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

	Cal Trail Donations	Juvenile Detention Donations	Adult Probation Transition	Adult Probation #3	Juvenile Probation Admin Fees	Dunn's Bridge Park	Reassessment
Cash and investments - beginning	\$ 19,324	\$ 50	\$ 32,288	\$ 160,937	\$ 51,192	\$ 1,498	\$ 117,354
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	38,586	-	-	-
Fines and forfeits	-	-	3,532	-	27,561	-	-
Other receipts	-	-	-	-	-	-	46
Total receipts	-	-	3,532	38,586	27,561	-	46
Disbursements:							
Personal services	-	-	-	-	29,487	-	31,988
Supplies	-	-	-	-	-	-	1,994
Other services and charges	1,956	-	-	-	-	-	57,934
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	1,956	-	-	-	29,487	-	91,916
Excess (deficiency) of receipts over disbursements	(1,956)	-	3,532	38,586	(1,926)	-	(91,870)
Cash and investments - ending	\$ 17,368	\$ 50	\$ 35,820	\$ 199,523	\$ 49,266	\$ 1,498	\$ 25,484

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

	Pro Law Continued Ed	Sheriff's Continued Education #2	Prosecutor Check Deferral Fund	CEDIT 21	Adult Home Detention	Adult Offender Interstate Comp.Fees	Victims Assistance
Cash and investments - beginning	\$ 10,451	\$ 8,963	\$ 21,018	\$ 234,623	\$ 55,867	\$ 63	\$ 10,500
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	1,454	4,663	-	-	2,625	-
Fines and forfeits	-	6,986	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	8,440	4,663	-	-	2,625	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	5,000	-	-	-	-
Other services and charges	-	7,959	345	115,040	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	5,000	-	-	-	-
Other disbursements	-	-	-	-	-	2,500	-
Total disbursements	-	7,959	10,345	115,040	-	2,500	-
Excess (deficiency) of receipts over disbursements	-	481	(5,682)	(115,040)	-	125	-
Cash and investments - ending	<u>\$ 10,451</u>	<u>\$ 9,444</u>	<u>\$ 15,336</u>	<u>\$ 119,583</u>	<u>\$ 55,867</u>	<u>\$ 188</u>	<u>\$ 10,500</u>

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

	Surveyors Perpetuation	CEDIT 22	Vehicle Inspection	CEDIT 23	Kankakee River	Wildlife	PC Expo Center
Cash and investments - beginning	\$ 14,142	\$ 16,886	\$ 3,250	\$ 254,590	\$ 5,069	\$ 13,210	\$ 33,874
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	27,840	-	2,205	-	-	-	398,527
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	300,000	-	3,738	1,366
Total receipts	<u>27,840</u>	<u>-</u>	<u>2,205</u>	<u>300,000</u>	<u>-</u>	<u>3,738</u>	<u>399,893</u>
Disbursements:							
Personal services	22,154	-	-	-	-	-	221,612
Supplies	8,657	-	-	-	-	-	64,452
Other services and charges	4,792	-	-	311,798	-	-	99,813
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>35,603</u>	<u>-</u>	<u>-</u>	<u>311,798</u>	<u>-</u>	<u>-</u>	<u>385,877</u>
Excess (deficiency) of receipts over disbursements	<u>(7,763)</u>	<u>-</u>	<u>2,205</u>	<u>(11,798)</u>	<u>-</u>	<u>3,738</u>	<u>14,016</u>
Cash and investments - ending	<u>\$ 6,379</u>	<u>\$ 16,886</u>	<u>\$ 5,455</u>	<u>\$ 242,792</u>	<u>\$ 5,069</u>	<u>\$ 16,948</u>	<u>\$ 47,890</u>

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

	Memorial Opera House	Prosecutor ARRA	Video Tape Fees-Sheriff	Photo Duplicate	Storm Water Drain Management	Inmate Processing Fee	Housing Of Federal Prisoners
Cash and investments - beginning	\$ 7,942	\$ 19,541	\$ 2,628	\$ 8,420	\$ 115,787	\$ 16,197	\$ 432,758
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	303,466	-	50	3,185	-	-	298,332
Fines and forfeits	-	-	-	-	-	87,703	-
Other receipts	218	-	-	-	20,000	1,448	-
Total receipts	<u>303,684</u>	<u>-</u>	<u>50</u>	<u>3,185</u>	<u>20,000</u>	<u>89,151</u>	<u>298,332</u>
Disbursements:							
Personal services	203,622	-	-	-	-	-	25,944
Supplies	5,209	-	123	542	-	3,561	416,188
Other services and charges	63,932	-	-	-	10,464	89,583	79,306
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	5,071	-	-	-	-	-	-
Total disbursements	<u>277,834</u>	<u>-</u>	<u>123</u>	<u>542</u>	<u>10,464</u>	<u>93,144</u>	<u>521,438</u>
Excess (deficiency) of receipts over disbursements	<u>25,850</u>	<u>-</u>	<u>(73)</u>	<u>2,643</u>	<u>9,536</u>	<u>(3,993)</u>	<u>(223,106)</u>
Cash and investments - ending	<u>\$ 33,792</u>	<u>\$ 19,541</u>	<u>\$ 2,555</u>	<u>\$ 11,063</u>	<u>\$ 125,323</u>	<u>\$ 12,204</u>	<u>\$ 209,652</u>

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

	Community Emergency Response	Federal Jail Commissioners	Pcadr	Home Detention Use Fees	Jdc Service Fee	Citizens Corp.	School Probation
Cash and investments - beginning	\$ 555	\$ 639,800	\$ 53,209	\$ 16,803	\$ 193,927	\$ 2,000	\$ 2,702
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	209,899	-	-	-	-	28,000
Fines and forfeits	-	-	16,240	-	76,973	-	-
Other receipts	-	3,380	-	-	-	-	-
Total receipts	-	213,279	16,240	-	76,973	-	28,000
Disbursements:							
Personal services	-	-	14,292	-	137,835	-	15,785
Supplies	-	-	-	-	-	-	-
Other services and charges	-	304,066	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	1,599	-	-	-	-
Total disbursements	-	304,066	15,891	-	137,835	-	15,785
Excess (deficiency) of receipts over disbursements	-	(90,787)	349	-	(60,862)	-	12,215
Cash and investments - ending	\$ 555	\$ 549,013	\$ 53,558	\$ 16,803	\$ 133,065	\$ 2,000	\$ 14,917

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

	Project Care	Qwest Prof.	Security Protection Fund	Promote And Market Porter Co	Sex/Violent Offender County	Animal Shelter #2	Drug Court/Testing
Cash and investments - beginning	\$ 2,636	\$ 24	\$ 158,962	\$ -	\$ 17,286	\$ 63,540	\$ 3,272
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	17,267	-	6,582	63,131	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	150,000	-	-	7,126
Total receipts	-	-	17,267	150,000	6,582	63,131	7,126
Disbursements:							
Personal services	-	-	-	-	1,314	7,449	-
Supplies	-	-	-	-	1,440	8,516	2,882
Other services and charges	-	-	77,913	75,000	827	61,944	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	-	-	77,913	75,000	3,581	77,909	2,882
Excess (deficiency) of receipts over disbursements	-	-	(60,646)	75,000	3,001	(14,778)	4,244
Cash and investments - ending	\$ 2,636	\$ 24	\$ 98,316	\$ 75,000	\$ 20,287	\$ 48,762	\$ 7,516

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

	OWI Fatal Drug/Alcohol Testing	Mortgage Fees Fund-State Share	Hospital Interest	Hospital Proceeds Sale Fund	Vending Machine Fund	Garage	CEDIT Unallocated Fund
Cash and investments - beginning	\$ 10,941	\$ 1,830	\$ 9,438,980	\$ 160,594,442	\$ 5,559	\$ 4,757	\$ 4,471,697
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	20,448	-	-	-	4,601	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	2,805,287	-	-	-	11,867,250
Total receipts	-	20,448	2,805,287	-	-	4,601	11,867,250
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	3,077	314	-
Other services and charges	10,030	-	788,416	1,212,206	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	20,408	280,001	-	-	-	11,955,000
Total disbursements	10,030	20,408	1,068,417	1,212,206	3,077	314	11,955,000
Excess (deficiency) of receipts over disbursements	(10,030)	40	1,736,870	(1,212,206)	(3,077)	4,287	(87,750)
Cash and investments - ending	\$ 911	\$ 1,870	\$ 11,175,850	\$ 159,382,236	\$ 2,482	\$ 9,044	\$ 4,383,947

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

	Museum/Opera House/Animal	Building Maintenance	Electronic Map Generation Fund	General IV-D Incentive	Sheriff Drug Unit	CFDA 14.253	State's 2008 & Prior Tax Deliq.
Cash and investments - beginning	\$ 20,491	\$ 598,044	\$ 7,098	\$ 125,628	\$ 13,340	\$ (2,315)	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	60,755	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	600,000	209	-	60,000	-	406
Total receipts	-	600,000	209	60,755	60,000	-	406
Disbursements:							
Personal services	-	-	-	-	66,645	-	-
Supplies	-	-	-	73,239	-	-	-
Other services and charges	505	271,509	-	9,000	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	406
Total disbursements	505	271,509	-	82,239	66,645	-	406
Excess (deficiency) of receipts over disbursements	(505)	328,491	209	(21,484)	(6,645)	-	-
Cash and investments - ending	\$ 19,986	\$ 926,535	\$ 7,307	\$ 104,144	\$ 6,695	\$ (2,315)	\$ -

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

	Paul C Zona Sr Wildlife Donate	Settlement Holding Fund	CEDIT #1	CEDIT Project #2 Capital Improvement	CEDIT Project #4 Parks	Clerk ARRA Fund	CEDIT #9 Doc Imaging Project
Cash and investments - beginning	\$ 66,085	\$ 13,074	\$ 142,254	\$ 1,431,242	\$ 187,879	\$ 2,036	\$ 28,407
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	25,000	-	1,100,000	723,120	325,000	-	100,000
Total receipts	25,000	-	1,100,000	723,120	325,000	-	100,000
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	28,875	-	730,061	1,256,958	114,178	-	47,161
Debt service - principal and interest	-	-	63,299	-	-	-	-
Capital outlay	-	-	-	13,000	-	-	-
Other disbursements	-	-	-	-	25,000	-	-
Total disbursements	28,875	-	793,360	1,269,958	139,178	-	47,161
Excess (deficiency) of receipts over disbursements	(3,875)	-	306,640	(546,838)	185,822	-	52,839
Cash and investments - ending	\$ 62,210	\$ 13,074	\$ 448,894	\$ 884,404	\$ 373,701	\$ 2,036	\$ 81,246

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

	CEDIT Project #19	Public Safety Technology	Family Court Donations	Jdai Grant	CEDIT #29	CEDIT #34	Suicide Grant
Cash and investments - beginning	\$ 514,767	\$ 11,889	\$ 29,223	\$ (5,457)	\$ 887,076	\$ 64,801	\$ 354
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	4,111	-	-	-
Charges for services	-	282,833	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	301,584	-	10,000	-	-	-	-
Total receipts	<u>301,584</u>	<u>282,833</u>	<u>10,000</u>	<u>4,111</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:							
Personal services	-	-	1,556	-	-	-	-
Supplies	86,591	29,037	-	880	-	-	-
Other services and charges	72,637	154,558	15,710	22,701	56,419	64,801	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	1,680	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>159,228</u>	<u>185,275</u>	<u>17,266</u>	<u>23,581</u>	<u>56,419</u>	<u>64,801</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>142,356</u>	<u>97,558</u>	<u>(7,266)</u>	<u>(19,470)</u>	<u>(56,419)</u>	<u>(64,801)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 657,123</u>	<u>\$ 109,447</u>	<u>\$ 21,957</u>	<u>\$ (24,927)</u>	<u>\$ 830,657</u>	<u>\$ -</u>	<u>\$ 354</u>

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

	Energy Grant	Juvenile Svc.Center Bond	Court House Bond	Jail Lease Rent	Major Moves Interest	Juvenile Housing Debt	Major Moves Borrowing
Cash and investments - beginning	\$ 13,121	\$ 345,133	\$ 3,188	\$ 1,429,808	\$ 194,765	\$ 60,737	\$ 1,183,197
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	1	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	9,015	-	1,570,319	51,616	1,505,787	1,150,000
Total receipts	-	9,015	1	1,570,319	51,616	1,505,787	1,150,000
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	1,649,889
Other services and charges	-	-	-	3,700	-	-	-
Debt service - principal and interest	-	317,763	-	2,946,000	-	1,239,168	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	13,121	-	-	-	-	-	-
Total disbursements	13,121	317,763	-	2,949,700	-	1,239,168	1,649,889
Excess (deficiency) of receipts over disbursements	(13,121)	(308,748)	1	(1,379,381)	51,616	266,619	(499,889)
Cash and investments - ending	\$ -	\$ 36,385	\$ 3,189	\$ 50,427	\$ 246,381	\$ 327,356	\$ 683,308

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

	Fairground Bond Fund	CEDIT #30 Dunes/Kankakee	Major Moves Pc Investment Fund	South County Highway Garage	Employee Benefit Fund	Additional Judgement Excise Tax	Payroll
Cash and investments - beginning	\$ 1,010	\$ 85,192	\$ 11,810,060	\$ 3,276	\$ 5,514	\$ 206	\$ 149,885
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	10,853,297	-	7,226,809
Total receipts	-	-	-	-	10,853,297	-	7,226,809
Disbursements:							
Personal services	-	-	-	-	-	-	3,089,553
Supplies	-	-	-	-	-	-	-
Other services and charges	-	42,392	-	-	-	-	674,149
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	1,150,000	-	10,842,293	-	3,610,319
Total disbursements	-	42,392	1,150,000	-	10,842,293	-	7,374,021
Excess (deficiency) of receipts over disbursements	-	(42,392)	(1,150,000)	-	11,004	-	(147,212)
Cash and investments - ending	<u>\$ 1,010</u>	<u>\$ 42,800</u>	<u>\$ 10,660,060</u>	<u>\$ 3,276</u>	<u>\$ 16,518</u>	<u>\$ 206</u>	<u>\$ 2,673</u>

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

	Excess Taxes	Escrow National Lakeshore	National Park Taxes	County User Fee	Refunds	Fines And Forfeitures	RDA Distribution Fund
Cash and investments - beginning	\$ 1,302,525	\$ (631)	\$ -	\$ 588,923	\$ 13,498	\$ 9,820	\$ 157,815
Receipts:							
Taxes	281,370	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	19,646	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	875,026	631	-	351,239	-	57,899	11,678,394
Total receipts	<u>1,156,396</u>	<u>631</u>	<u>19,646</u>	<u>351,239</u>	<u>-</u>	<u>57,899</u>	<u>11,678,394</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	1,222,270	-	-	290,064	1	65,020	8,832,767
Total disbursements	<u>1,222,270</u>	<u>-</u>	<u>-</u>	<u>290,064</u>	<u>1</u>	<u>65,020</u>	<u>8,832,767</u>
Excess (deficiency) of receipts over disbursements	<u>(65,874)</u>	<u>631</u>	<u>19,646</u>	<u>61,175</u>	<u>(1)</u>	<u>(7,121)</u>	<u>2,845,627</u>
Cash and investments - ending	<u>\$ 1,236,651</u>	<u>\$ -</u>	<u>\$ 19,646</u>	<u>\$ 650,098</u>	<u>\$ 13,497</u>	<u>\$ 2,699</u>	<u>\$ 3,003,442</u>

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

	Sex & Violent Offender Fees	Hwy Performance Bond	Hospital Liability Fund	Judge Due Law Fund	Child Advocacy Fund	Excise Tax Distribution	Sales Disclosure Fund
Cash and investments - beginning	\$ 34	\$ 50,000	\$ 1,095,658	\$ 260	\$ 7,189	\$ 1,723,043	\$ 1,030
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	733	-	51,187	-	-	-	14,385
Fines and forfeits	-	-	-	-	623	-	-
Other receipts	-	-	1,275	-	-	19,952,384	-
Total receipts	<u>733</u>	<u>-</u>	<u>52,462</u>	<u>-</u>	<u>623</u>	<u>19,952,384</u>	<u>14,385</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	312,182	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	739	-	1,275	-	-	20,841,964	13,915
Total disbursements	<u>739</u>	<u>-</u>	<u>313,457</u>	<u>-</u>	<u>-</u>	<u>20,841,964</u>	<u>13,915</u>
Excess (deficiency) of receipts over disbursements	<u>(6)</u>	<u>-</u>	<u>(260,995)</u>	<u>-</u>	<u>623</u>	<u>(889,580)</u>	<u>470</u>
Cash and investments - ending	<u>\$ 28</u>	<u>\$ 50,000</u>	<u>\$ 834,663</u>	<u>\$ 260</u>	<u>\$ 7,812</u>	<u>\$ 833,463</u>	<u>\$ 1,500</u>

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

	Solid Waste Fees	Special Assessments Fund	Excise Tax State Portion	State Portion HSC/PTRC Settlement	Clerk Supplemental Car-1 Totals	PC Tourism Supplemental Car-1 Total
Cash and investments - beginning	\$ 168,020	\$ -	\$ -	\$ -	\$ 5,139,703	\$ 592,333
Receipts:						
Taxes	-	-	-	50,184	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	209,818	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	<u>984,428</u>	<u>231,911</u>	<u>6,682,344</u>	<u>76,130</u>	<u>19,216,810</u>	<u>1,259,815</u>
Total receipts	<u>984,428</u>	<u>441,729</u>	<u>6,682,344</u>	<u>126,314</u>	<u>19,216,810</u>	<u>1,259,815</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	<u>1,152,448</u>	<u>441,729</u>	<u>6,682,344</u>	<u>126,314</u>	<u>18,472,071</u>	<u>1,220,447</u>
Total disbursements	<u>1,152,448</u>	<u>441,729</u>	<u>6,682,344</u>	<u>126,314</u>	<u>18,472,071</u>	<u>1,220,447</u>
Excess (deficiency) of receipts over disbursements	<u>(168,020)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>744,739</u>	<u>39,368</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,884,442</u>	<u>\$ 631,701</u>

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

	Sheriff Civil Inmate Trust and Awards Banquet	Sheriff Commissary Supple. Car-1	Sales Tax-Agency	Surplus Paid Before Settlement	Tax Sale Wire Surplus	Totals
Cash and investments - beginning	\$ (24,208)	\$ 60,624	\$ 1,846	\$ 79	\$ -	\$ 252,388,893
Receipts:						
Taxes	-	-	15,057	-	-	209,486,161
Licenses and permits	-	-	-	-	-	1,128,428
Intergovernmental	-	-	-	-	-	13,097,109
Charges for services	-	-	-	-	-	6,728,779
Fines and forfeits	-	-	-	-	-	3,061,180
Other receipts	<u>5,276,484</u>	<u>255,799</u>	<u>-</u>	<u>3,415</u>	<u>709,000</u>	<u>273,403,784</u>
Total receipts	<u>5,276,484</u>	<u>255,799</u>	<u>15,057</u>	<u>3,415</u>	<u>709,000</u>	<u>506,905,441</u>
Disbursements:						
Personal services	-	-	-	-	-	41,718,839
Supplies	-	-	-	-	-	5,618,749
Other services and charges	-	-	-	-	-	19,373,373
Debt service - principal and interest	-	-	-	-	-	4,626,230
Capital outlay	-	-	-	-	-	783,181
Other disbursements	<u>5,120,100</u>	<u>216,505</u>	<u>14,795</u>	<u>3,494</u>	<u>709,000</u>	<u>445,259,926</u>
Total disbursements	<u>5,120,100</u>	<u>216,505</u>	<u>14,795</u>	<u>3,494</u>	<u>709,000</u>	<u>517,380,298</u>
Excess (deficiency) of receipts over disbursements	<u>156,384</u>	<u>39,294</u>	<u>262</u>	<u>(79)</u>	<u>-</u>	<u>(10,474,857)</u>
Cash and investments - ending	<u>\$ 132,176</u>	<u>\$ 99,918</u>	<u>\$ 2,108</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 241,914,036</u>

PORTER COUNTY  
SCHEDULE OF PAYABLES AND RECEIVABLES  
December 31, 2012

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 1,443,031</u>	<u>\$ 273,296</u>

PORTER COUNTY  
SCHEDULE OF LEASES AND DEBT  
December 31, 2012

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Bank of NY	Porter County Jail Building	\$ 2,946,000	07-03-01	01-03-24
Bank of NY	Juvenile Center Building	<u>317,763</u>	01-05-98	06-30-12
Total governmental activities		<u>3,263,763</u>		
Total of annual lease payments		<u>\$ 3,263,763</u>		

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
General obligation bonds	Juvenile Detention Center Fund 294	\$ 2,080,000	\$ 1,582,729
Totals		<u>\$ 2,080,000</u>	<u>\$ 1,582,729</u>

PORTER 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	\$ 2,979,539
Infrastructure	120,447,790
Buildings	70,370,212
Machinery, equipment, and vehicles	15,249,601
Total governmental activities	209,047,142
Total capital assets	\$ 209,047,142

PORTER COUNTY  
OTHER REPORTS

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

Clerk of the Circuit Court  
County Sheriff

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

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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 PORTER COUNTY, INDIANA

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

We have audited Porter 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.

***Basis for Qualified Opinion on Child Support Enforcement and State Homeland Security Program (SHSP)***

As described in items 2012-5, 2012-8, 2012-09, and 2012-10 in the accompanying Schedule of Findings and Questioned Costs, the County did not comply with requirements regarding Allowable Activities; Allowable Costs; Equipment and Real Property Management; Procurement, Suspension, and Debarment; and Reporting that are applicable to its Child Support Enforcement, and State Homeland Security Program (SHSP). Compliance with such requirements is necessary, in our opinion, for the County to comply with requirements applicable to that program.

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

***Qualified Opinion on Child Support Enforcement and State Homeland Security Program (SHSP)***

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion* paragraph, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on Child Support Enforcement and State Homeland Security Program (SHSP) 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 items 2012-06 and 2012-07. Our opinion on each major federal program is not modified with respect to these matters.

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

***Report on Internal Control Over Compliance***

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

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2012-04, 2012-07, 2012-09, and 2012-10 to be material weaknesses.

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

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 28, 2013

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

PORTER 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 Agriculture</u>				
Child Nutrition Cluster	Pass-Through Indiana Department of Education			
School Breakfast Program		10.553		\$ 7,497
National School Lunch Program		10.555		<u>11,538</u>
Total - Child Nutrition Cluster				<u>19,035</u>
Child and Adult Care Food Program	Pass-Through Indiana Department of Education	10.558		<u>2,028</u>
Total - Department of Agriculture				<u>21,063</u>
<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 Lake Eliza Planning Grant PL-07-014	Pass-Through Indiana Office of Community and Rural Affairs	14.228	B-07-DC-18-0001	<u>36,200</u>
<u>Department of Interior</u>				
Payments in Lieu of Taxes	Direct grant	15.226		<u>19,646</u>
<u>Department of Justice</u>				
Juvenile Justice and Delinquency Prevention - Allocation to States	Pass-Through Indiana Criminal Justice Institute	16.540	JDAI Title II Grant 10-JF-018	13,616
		16.540	JDAI Title II Grant 11-JF-014	<u>22,881</u>
Total - Juvenile Justice and Delinquency Prevention - Allocation to States				<u>36,497</u>
Victims of Child Abuse	Pass-Through Supreme Court of Indiana	16.547	CASA	<u>17,162</u>
Crime Victim Assistance	Pass-Through Indiana Criminal Justice Institute	16.575	11VAPR162	<u>76,564</u>
ARRA - Violence Against Women Formula Grants	Pass-Through Indiana Criminal Justice Institute	16.588	11STPR061	20,902
		16.588	12STPR020	<u>9,218</u>
Total - ARRA - Violence Against Women Formula Grants				<u>30,120</u>
State Criminal Alien Assistance Program	Direct Grant	16.606	2012-AP-BX-0142	<u>719</u>
<u>JAG Program Cluster</u>				
Edward Byrne Memorial Justice Assistance Grant Program				
Juvenile Detention Alternative Initiative Grant	Pass-Through Indiana Criminal Justice Institute	16.738	11-DJ-039	<u>4,111</u>
Total - JAG Program Cluster				<u>4,111</u>
Equitable Sharing Program	Direct Grant	16.922	Federal Forfeitures - County Sheriff Seized Property - Prosecutor	5,831
		16.922		<u>21,575</u>
Total - Equitable Sharing Program				<u>27,406</u>
Total - Department of Justice				<u>192,579</u>

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

PORTER 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</u>				
Highway Planning and Construction Cluster				
Highway Planning and Construction	Pass-Through Indiana Department of Transportation	20.205	DES 800775	93,705
		20.205	DES 0710052	12,601
		20.205	DES 0710051	4,452
		20.205	DES 1005672	37,702
		20.205	DES 1005141	<u>31,375</u>
Total - Highway Planning and Construction				<u>179,835</u>
Recreational Trails Program	Pass-Through Indiana Department of Transportation	20.219	DES 1005387	<u>39,340</u>
Total - Department of Transportation				<u>219,175</u>
<u>Department of Health and Human Services</u>				
Centers for Disease Control and Prevention-Investigations and Technical Assistance Bioterrorism Preparedness and Response	Pass-Through Indiana Department of Health	93.283	163-70	11,000
		93.283	163-71	<u>44,075</u>
Total - Centers for Disease Control and Prevention-Investigations and Technical Assistance				<u>55,075</u>
Child Support Enforcement	Pass-Through Indiana Department of Child Services	93.563	IV-D Program	648,124
		93.563	General IV-D Incentive	60,755
		93.563	Clerk IV-D	60,755
		93.563	Prosecutor IV-D	<u>91,403</u>
Total - Child Support Enforcement				<u>861,037</u>
Total - Department of Health and Human Services				<u>916,112</u>
<u>Department of Homeland Security</u>				
Emergency Management Performance Grants	Pass-Through Indiana Department of Homeland Security	97.042	C44P-2-118A	3,408
			C44P-2-369A	<u>36,011</u>
Total - Emergency Management Performance Grants				<u>39,419</u>
State Homeland Security Program (SHSP)	Pass-Through Indiana Department of Homeland Security	97.073	C44P-0-246A	17,356
			C44P-1-058A	9,510
			C44P-1-253A	102,655
			C44P-1-073A	158,101
			C44P-1-286A	28,000
			C44P-2-250A	<u>8,695</u>
Total - State Homeland Security Program (SHSP)				<u>324,317</u>
Total - Department of Homeland Security				<u>363,736</u>
Total federal awards expended				<u>\$ 1,768,511</u>

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

PORTER COUNTY  
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

***Basis of Presentation***

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Porter 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.

PORTER COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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

Financial Statement:

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

Federal Awards:

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

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
93.563	Child Support Enforcement
97.073	State Homeland Security Program (SHSP)

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 2012-01 - MATERIAL ERRORS AND LACK OF INTERNAL CONTROLS OVER SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

The County did not have a proper system of internal controls 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 controls in place that operates effectively, material misstatements of the SEFA could remain undetected.

PORTER COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

We noted the following errors contained in the County's SEFA presented for audit:

1. The SEFA was overstated by \$939,551. This consisted of the following errors:

a. The SEFA included federal grants that were overstated. The overstatements consisted of the following federal grants by CFDA number, program, and amount overstated:

CFDA Number	Grant	Amount of Overstatement
16.575	Crime Victim Assistane	\$ 11,538
16.738	Edward Byrne Memorial Justice Assistance Grant Program	19,470
16.922	Equitable Sharing Program	74,157
93.283	Centers for Disease Control and Prevention - Investigations and Technical Assistance	<u>8,325</u>
Total		<u>\$ 113,490</u>

b. The SEFA also included state grants, local grants, and donations that are not federal grants, they were as follows:

Type of Non-Federal Funding	Amount
State grant for public health emergency preparedness, medical reserve core (MRC)	\$ 126,365
State or local grant for child abuse prevention	11,775
State grant for local health maintenance	53,182
State grant for community corrections	354,589
State grant for family court	513
State grant for court interpreters	6,104
Local grant for drug and alcohol testing	10,030
State or local grant for Calumet Trail	17,604
Donation for family court	17,266
State or local grant for drug court testing	2,882
State grant for department of corrections juvenile basic training	224,132
Sheriff donation fund	<u>1,619</u>
Total	<u>\$ 826,061</u>

2. The SEFA was understated by \$999,386. This consisted of the following errors:

a. The SEFA included federal grants that were understated. The understatements consisted of the following federal grants by CFDA number, program, and amount understated:

PORTER COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

CFDA Number	Grant	Amount of Understatement
15.226	Payments in Lieu of Taxes	\$ 19,646
16.540	Juvenile Justice and Delinquency Prevention Allocation to States	4,796
16.588	Violence Against Women Formula Grants	139
20.219	Recreational Trails Program	39,340
93.563	Child Support Enforcement	644,000
97.042	Emergency Management Performance Grants	36,011
97.073	State Homeland Security Program (SHSP)	54,556
Total		<u>\$ 798,488</u>

b. The SEFA did not include the following federal grants:

CFDA Number	Grant	Amount of Understatement
10.553	School Breakfast Program	\$ 7,497
10.555	National School Lunch Program	11,538
10.558	Child and Adult Care Food Program	2,028
20.205	Highway Planning and Construction	179,835
Total		<u>\$ 200,898</u>

3. The federal grantor agency or pass through entity was not properly reported for the following grants:

- a. The pass through entity or direct grant was not properly reported for Child Support Enforcement - Prosecutor IVD (CFDA 93.563).
- b. The federal grantor agency and the pass through entity were not reported for the Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii (CFDA 14.228).
- c. The identification of being a direct grant was not properly reported for payments in Lieu of Taxes (CFDA 15.226).

4. The CFDA number was incorrectly reported for the following grants:

Correct CFDA Number	Grant
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii
16.540	Juvenile Justice and Delinquency Prevention Allocation to States
16.588	ARRA - Violence Against Women Formula Grants
16.738	Edward Byrne Memorial Justice Assistance Grant Program
16.922	Equitable Sharing Program

PORTER COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

The combination of these errors is a material weakness in the internal controls in place over the SEFA and its preparation.

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.

Each County department is responsible for overseeing the grants it received. Department staff, responsible for the administration and reporting of federal awards, did not provide accurate information for the preparation of the SEFA to the County Auditor's office.

The County Auditor's office is responsible for preparing the SEFA, based upon the grant information obtained from the financial accounting records and other information provided by each department. A review of the County Auditor's files determined that grant award letters, grant applications, grant budgets, financial reports and other grant documents are not provided by the various departments. These documents are necessary for the County Auditor's office to obtain required information for the SEFA, such as CFDA titles and numbers, and to assist in identifying federal grants.

The various County Departments are unaware or lack the understanding of the importance of sharing and providing the information for the SEFA. The lack of submission of grant documents and accurate information by the various departments to the County Auditor's office weakens internal controls over grant reporting and hinders the ability of the County Auditor's office to accurately prepare the SEFA.

Additionally, the completed SEFA (prepared by the County Auditor's office) was not reviewed by someone other than the individual that prepared it.

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 in part:

"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:

PORTER COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision of 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. . . ."

Circular A-133, subpart .300 Auditee Responsibilities, states in part:

"The auditee shall: (a) Identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the Federal agency, and name of the pass-through entity. (b) Maintain internal control over Federal programs that provides reasonable assurance . . ."

Failure to develop internal controls over reporting could jeopardize future federal funding and report its financial information inaccurately.

We recommended that County officials establish controls to allow the County to adequately identify grant transactions and balances to allow for adequate reporting of federal expenditures in accordance with Circular A-133 requirements.

***FINDING 2012-2 - MATERIAL ERRORS ON FINANCIAL STATEMENT AND LACK OF INTERNAL CONTROLS OVER FINANCIAL STATEMENT PREPARATION***

The County did not have a proper working system of internal controls in place to prevent or detect and correct errors in the preparation of the Financial Statement. The County should have proper controls in place over the preparation of the Financial Statement to ensure accurate and reliable reporting of the County's financial activity. Without a proper working and effective system of internal controls in place, material misstatements of the Financial Statement could remain undetected. We believe this deficiency in the internal control system constitutes a material weakness.

In addition, adequate internal control requires sufficient supervision and oversight by management and the governing bodies to ensure complete and accurate financial reporting.

The County Auditor is responsible for preparing the Annual Financial Report (AFR) and electronically submitting it to the Indiana State Board of Accounts. The financial information submitted generates the financial statement to be audited. Our audit found the following errors in the financial information submitted by the County Auditor:

1. The beginning balances were not properly reported for two funds and two funds had their beginning balances listed twice. These errors totaled \$4,258,327.
  - a. The Park Operating Fund was reported twice, with beginning balances of \$4,787 and \$94,465 (correct balance).

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(Continued)

- b. The Sunset Hill Farm Fund was reported twice, with beginning balances of \$94,466 and \$4,787 (correct balance).
  - c. The Treasurer Supplemental Fund was reported with a beginning balance of zero when the ending balance in 2011 was \$4,091,878.
  - d. The Opera House Supplemental Fund was reported with a beginning balance of \$66,921 when the ending balance in 2011 was \$275.
2. Receipts totaling \$318,514,540 were reported twice in the financial statement in the following five funds maintained in the County Auditor's records:
- a. The General Fund – \$6,330 in other receipts
  - b. The Rainy Day Fund – \$963 in other receipts
  - c. The Cumulative Bridge Fund – \$4,172 in other receipts
  - d. The Excise Tax Distribution Fund – \$19,952,383 in other receipts
  - e. The Tax Collections Fund had \$99,516,898 reported three times, for a rounded total of \$298,550,693 reported as other receipts.
3. The County Auditor under reported receipts of \$39,547 and over reported disbursements of \$41,008 for Sheriff Civil and Inmate Trust and Banquet Awards Supplemental Fund. This resulted in the reported cash balance being understated by \$80,555 as of December 31, 2012.
4. The County Auditor over reported receipts of \$1,473 and over reported disbursements of \$6,369 for the Sheriff Commissary Supple. CAR-1. This resulted in the reported cash balance being under stated by \$4,897 as of December 31, 2012.
5. The County Auditor did not include the financial activity of the Treasurer Supplemental Fund in the financial statement. Receipts of \$3,194,392 and disbursements of \$4,091,878 were not included. This resulted in an understatement of the cash balance as of December 31, 2012, by \$3,194,392.
6. The County Auditor over reported receipts for the PC Tourism Supplemental CAR-1 Total Fund by \$2,712,591, due to including some receipts twice. The reported disbursements were overstated by \$82,833 due to errors made by Tourism in providing the information to the County Auditor. This resulted in the reported cash balance being overstated by \$2,629,758 as of December 31, 2012.
7. The County Auditor over reported receipts for the Clerk Supplemental CAR-1 Totals Fund by \$17,360,499, due to including some receipts twice. The reported disbursements were understated by \$394,617 due to errors made by Clerk in providing the information to the County Auditor. This resulted in the reported cash balance as of December 31, 2012 being overstated by \$17,755,116.

Audit adjustments were proposed, accepted by the County, and made to the Financial Statement presented in this report. These adjustments resulted in a presentation of the Financial Statement that is materially correct.

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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)

We recommended that the County officials establish and maintain controls to allow the County to ensure complete, accurate and reliable reporting of the County's financial activities.

***FINDING 2012-03 - INTERNAL CONTROLS OVER PAYROLL DISBURSEMENTS***

Each department of the County is responsible for entering certain information, such as dates and hours worked, and/or type of leave taken, for each payroll period into the payroll computer software program. When the information is received electronically by the County Auditor, payroll amounts are computed, and payroll earnings forecasts are generated for each department. The payroll earnings forecasts list each employee, and the amount of pay they are to receive, as well as the total payroll for that department.

To ensure payroll amounts are authorized and documented, the County has initiated the following controls:

Each department head is responsible for reviewing the payroll earnings forecast, as they are required to sign and date the payroll earnings forecast. Each department head or their designee signs stating the following, in part: ". . . hereby certify that I have examined the time record of each employee listed . . . that each employee has performed the services for which the salary or compensation is paid; . . . that the compensation listed opposite the name of each employee upon either statutory or regulatory authority and is justly due each such employee; . . . that this payroll totaling \$XX is correct and has by me been approved." The signed forecasts are then to be returned to the County Auditor's office, where an employee has been designated to verify amounts from the forecasts agree to amounts recorded on the final payroll register (a payroll software generated report).

A checklist has been developed for the employee in the County Auditor's office responsible for verifying the forecasts. The checklist is designed to ensure that each department complies with the County's procedures relating to payroll, such as the earnings forecast has been returned, and that it was appropriately signed by the department head.

We tested these controls to determine if they were working effectively. We noted the following deviations from the County's procedures and policies:

1. The payroll forecasts are not always returned to the County Auditor's office.
2. The payroll registers for the Treasurer, Surveyor, Election Board and Voter's Registration departments, as well as some other departments, included employees as receiving compensation, but some of those employees were not included on the payroll earnings forecasts.

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(Continued)

3. Compensation for some employees per the payroll registers did not always agree to the compensation for these same employees on the payroll earnings forecasts.
4. Employees responsible for verifying this information explained that when errors were noted, mostly omissions of employees, they would look up the payroll earnings forecast on the system to verify agreement. This circumvented the control to ensure the department head had certified the dollar amounts to be paid.

Based upon our testing, controls have not been established to ensure that all departments are returning the signed payroll earnings forecasts, all employees paid are included on the forecasts, and that amounts posted to the general ledger agree to amounts authorized per the forecasts. Also, there is not a system in place to notify a department if errors are found when verifying the amounts per the forecasts to the payroll registers.

Finally, effective controls have not been established to ensure that amounts posted to the ledger agree to amounts per the payroll earnings forecasts and/or the payroll register, or that amounts posted per the general ledger can be reconciled to federal and state compensation and withholding reports. The controls, as tested, were ineffective in ensuring amounts posted to the general ledger agreed to amounts included on the payroll earnings forecasts.

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)

We recommended that County officials review controls to ensure that payroll amounts, as processed through the computerized payroll accounting system, agree to amounts recorded in the general ledger and subsequently reported in the financial statement. We also recommended County officials review controls over payroll authorization and documentation.

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

***FINDING 2012-04 - INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO CHILD SUPPORT ENFORCEMENT***

Federal Agency: Department of Health and Human Services  
Federal Program: Child Support Enforcement  
CFDA Number: 93.563  
Federal Award Number and Year (or Other Identifying Number): FY 12  
Pass-Through Entity: Indiana Department of Child Services

Management of Porter County (County) has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and all of the compliance requirements that have a direct and material effect to the program. This includes the following compliance requirements: Allowable Activities; Allowable Costs; Cash Management; Matching; Period of Availability;

PORTER COUNTY  
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(Continued)

Procurement, Suspension and Debarment, and Reporting compliance requirements that could have a direct and material effect on the program. The failure to establish an effective internal control system places the County at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the grant.

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

*County Prosecutor*

The County Prosecutor has designated a Deputy Prosecutor to be responsible for the Child Support Enforcement program disbursements, monitoring period of availability, and the preparation of the Claims for Reimbursement. This individual has not been provided with a copy of the Cooperative Agreement, which specifies what the allowable activities are under the grant, and the grant period. This agreement also provides guidance in determining allowable costs and the proper documentation needed to support allowable costs.

The Deputy Prosecutor receives a copy of the annual budget, as adopted by the County Council, for the Child Support Services Program. Compensation and related benefits represents the majority of the overall budget for the Child Support Services Program. The payroll earnings forecasts are prepared by a designated employee in the County Prosecutor's office who enters the payroll data into the County's payroll software system. This same employee signs the County Prosecutor's name as having certified the time records have been examined, the services have been performed, and the payroll is correct and approved. The payroll earnings forecasts serve as supporting documentation for the amounts recorded in the County Auditor's ledger of disbursements (ledger), as well as providing a listing of each employee being paid from the Child Support Services program. Amounts claimed for reimbursement for compensation and benefits are based upon amounts posted to the ledgers. The Deputy Prosecutor's access to the County Auditor's ledger is restricted to compensation and benefits. The Deputy Prosecutor has not been provided with copies of the payroll earnings forecasts (forecasts) to ensure that only employees designated per the budget have been paid from the Child Support Enforcement funds and that the total dollar amounts agree to what is recorded in the ledger and subsequently claimed for reimbursement for compensation and benefits.

Other disbursements claimed for reimbursement are based strictly upon supporting documents (invoices and tally sheets), as the Deputy Prosecutor has not been provided complete access to the ledgers to ensure amounts per the supporting documents have been properly recorded in the County Auditor's ledger of disbursements. Some of these amounts include postage, rent, training, etc. No one other than the Deputy Prosecutor, who assists with the preparation of the Claim for Reimbursement, reviews the Claim for Reimbursement prior to submission, so there are no assurances that all disbursements being claimed for reimbursement have been properly posted in the County Auditor's ledger of disbursements.

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(Continued)

*County Clerk*

Within the County Clerk's Office, the employees responsible for disbursing Child Support Enforcement program funds, and preparing the claims for reimbursement have not been provided with a copy of the County Clerk's Cooperative Agreement. The Cooperative Agreement specifies what the allowable activities are under the grant and the grant period. This agreement also provides guidance in determining allowable costs and the proper documentation needed to support allowable costs.

*County*

Furthermore, the County has a policy which addresses purchasing rules and policies. Individuals responsible for purchasing supplies, furniture, and equipment within the Prosecutor's and Clerk's offices have not been accessing the policy, which is available electronically. Also, no one within the County has been reviewing disbursements to ensure compliance with the purchasing policy adopted by the County's governing board. Policies, procedures, and controls have not been addressed to assure that federal funds have not been disbursed to parties who have been suspended or debarred from doing business with the federal government.

The County contracts with a consultant to prepare a cost allocation plan. Based on the cost allocation plan, the County is reimbursed for certain indirect costs. The cost allocation plan is based upon amounts reported by the County in a prior year's financial statement. The County has not established verifiable controls and procedures for ensuring the cost allocation plan is accurate, by at a minimum ensuring amounts included in the cost allocation plan from the prior year's financial statement agree.

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

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

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

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

***FINDING 2012-05 - COMPLIANCE RELATED TO CHILD SUPPORT ENFORCEMENT - ALLOWABLE ACTIVITIES AND COSTS***

Federal Agency: Department of Health and Human Services  
Federal Program: Child Support Enforcement  
CFDA Number: 93.563  
Federal Award Number and Year (or Other Identifying Number): FY 12  
Pass-Through Entity: Indiana Department of Child Services

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(Continued)

*County Clerk*

On February 18, 2011, the County Clerk signed a Cooperative Agreement with Child Support Bureau (CSB), a division of the Indiana Department of Child Services, which covered the period from January 1, 2011 to December 31, 2012. The intent of the agreement is to provide mutual assistance and procedures in the area of child support enforcement and collection and to ensure compliance with support agreements and court orders for child support in Title IV-D cases.

Under the terms of the agreement, the County is reimbursed for their direct costs related to performing duties under the Title IV-D Program. The County Clerk's Cooperative Agreement-states the following regarding direct costs: "(6) To reimburse the county for its direct costs incurred by the Clerk's office in performing its duties under the Title IV-D Program. Reimbursement will be made only upon the receipt of properly completed and accurate claim forms provided by the CSB and submitted in accordance with III (6) of this Agreement. Reimbursement shall be at the rate of sixty-six percent (66%) of the approved claimed amount . . ."

Per the Cooperative Agreement signed by the County Clerk, under Section III "Duties and Responsibilities of the Clerk" item 8, states: "To provide accurate accountability for the expenditure of federal funds by maintaining monthly time records on funded staff and documentation of other expenditures to distinguish IV-D from non-IV-D activities. This shall be done on forms prescribed and provided by the CSB."

The County Clerk prepared claims for reimbursement on forms provided by the CSB. For the payroll amounts, percentages were entered to document time spent by each employee based upon estimates as determined at the beginning of the year by the County Clerk. Actual records of hours worked on IV-D and non-IV-D activities were not maintained as required by the Cooperative Agreement and federal guidelines. Only two employees spend 100 percent of their time related to Title IV-D activities. For other employees who work on both IV-D activities and non-IV-D activities, time records were not maintained to support the hours spent on IV-D activities in accordance with federal guidelines. The amounts claimed in 2012 for employees whose workload is divided between IV-D and non-IV D activities totaled \$52,696.32. The federal matching share at 66 percent that was reimbursed was \$34,779.57. We considered this amount to be questioned costs since documentation was not maintained identifying hours spent on IV-D related activities.

*County Prosecutor*

On January 12, 2012, the County Prosecutor signed a Cooperative Agreement with the Child Support Bureau (CSB), a division of the Indiana Department of Child Services, which covers the period from January 1, 2012 through December 31, 2013. The intent of the agreement is to provide mutual assistance and procedures for establishing paternity, for securing financial support for minor children, and for ensuring compliance, where possible, with agreements and court orders for child and spousal support in Title IV-D cases.

Under the terms of the agreement, the County is reimbursed for their direct costs related to performing duties under the Title IV-D Program. The Prosecutor's Cooperative Agreement, it states the following regarding direct costs: "The parties agree that reimbursement for the Prosecuting Attorney's activities performed under this agreement is subject to and conditioned upon the availability of federal child support funds for such services pursuant to 45 CFR Part 304, at the applicable federal rate, which is variable and subject to change by an Act of Congress." The current applicable federal reimbursement or matching rate as of the date of execution of this Agreement is sixty-six percent (66%)."

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The County Prosecutor has designated a Deputy Prosecutor to oversee the activities of the Child Support Enforcement Office. Neither the County Prosecutor, nor the Deputy, sign semiannual employee certifications in support of the days or hours worked as required by federal guidelines. Currently, an employee of the County Prosecutor's Office who enters the payroll information bi-weekly into the County's Payroll system signs a record of hours worked, but this employee does not have direct knowledge of the days or hours worked by employees of the Child Support Enforcement Office.

*Incentive Funds*

The County also receives "incentive funds." "Incentive funds" refers to federal performance-based incentive funding earned by the States that are required to be shared with the counties. As stated in the Cooperative Agreement signed by the Prosecutor: "to federal and Indiana law, incentive funds are required to be reinvested into the Title IV-D program and must be used to supplement and not take the place of other program funds. The Prosecuting Attorney shall ensure that all incentive payments under his/her control are expended in accordance with federal and state law."

Indiana Code 31-25-4-23 states in part:

"(a) . . . The incentive payments shall be made by the Title IV-D agency directly to the county and deposited in the county treasury for distribution on a quarterly basis and in the following manner:

- (1) Twenty-two and two-tenths percent (22.2%) of the incentive payments shall be distributed to the Title IV-D incentive fund established in accordance with section 23.5 of this chapter by each county that receives payments under this subdivision.
- (2) Thirty-three and four-tenths percent (33.4%) of the incentive payments shall be distributed to the operating budget of the prosecuting attorney.
- (3) Twenty-two and two-tenths percent (22.2%) of the incentive payments shall be distributed to the operating budget of the circuit court clerk. . . .

(c) The amount that a county receives and the terms under which the incentive payment is paid must be in accordance with relevant federal statutes and the federal regulations promulgated under the statutes. However, amounts received as incentive payments may not, without the approval of the county fiscal body, be used to increase or supplement the salary of an elected official. The amounts received as incentive payments must be used to supplement, rather than take the place of, other funds used for Title IV-D program activities.

(d) The Title IV-D agency shall retain twenty-two and two-tenths percent (22.2 percent) of the incentive payments described in subsection (a)."

The County Auditor paid \$8,645.00 from the County Prosecutor incentive funds to the Porter County Employee Benefit Plan. No documentation was attached to the claim to support the payment, officials indicated the amount was based upon the amount budgeted in that fund for medical insurance.

A total of \$82,238.94 was spent from the Title IV-D incentive funds. Of that amount, disbursements totaling \$74,815.06 were tested for allowable activities and allowable costs. The County spent \$65,815.06 of the \$74,815.06 to purchase furniture and equipment for a new Title IV-D Court, which is an unallowable activity or cost of the Child Support Enforcement funds.

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Amounts paid from incentive funds totaling \$74,460.06 which consists of the undocumented payment of \$8,645 for health insurance, and the \$65,815.06 for office furniture and equipment for the new Title IV-D Court are considered questioned costs.

OMB Circular A-87, Attachment B, Item 8 states in part: "8. Compensation for personal services.

a. General. Compensation for personnel services includes all remuneration, paid currently or accrued, for services rendered during the period of performance under Federal awards, including but not necessarily limited to wages, salaries, and fringe benefits. The costs of such compensation are allowable to the extent that they satisfy the specific requirements of this and other appendices under 2 CFR Part 225, and that the total compensation for individual employees:

- (1) Is reasonable for the services rendered and conforms to the established policy of the governmental unit consistently applied to both Federal and non-Federal activities;
- (2) Follows an appointment made in accordance with a governmental unit's laws and rules and meets merit system or other requirements required by Federal law, where applicable; and
- (3) Is determined and supported as provided in subsection h.

b. Reasonableness. Compensation for employees engaged in work on Federal awards will be considered reasonable to the extent that it is consistent with that paid for similar work in other activities of the governmental unit. In cases where the kinds of employees required for Federal awards are not found in the other activities of the governmental unit, compensation will be considered reasonable to the extent that it is comparable to that paid for similar work in the labor market in which the employing government competes for the kind of employees involved. Compensation surveys providing data representative of the labor market involved will be an acceptable basis for evaluating reasonableness. . . .

d. Fringe benefits.

- (1) Fringe benefits are allowances and services provided by employers to their employees as compensation in addition to regular salaries and wages. Fringe benefits include, but are not limited to, the costs of leave, employee insurance, pensions, and unemployment benefit plans. Except as provided elsewhere in these principles, the costs of fringe benefits are allowable to the extent that the benefits are reasonable and are required by law, governmental unit-employee agreement, or an established policy of the governmental unit.
- (2) The cost of fringe benefits in the form of regular compensation paid to employees during periods of authorized absences from the job, such as for annual leave, sick leave, holidays, court leave, military leave, and other similar benefits, are allowable if: They are provided under established written leave policies; the costs are equitably allocated to all related activities, including Federal awards; and, the accounting basis (cash or accrual) selected for costing each type of leave is consistently followed by the governmental unit. . . .

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(Continued)

(5) The cost of fringe benefits in the form of employer contributions or expenses for social security; employee life, health, unemployment, and worker's compensation insurance (except as indicated in section 22, Insurance and indemnification); pension plan costs (see subsection e.); and other similar benefits are allowable, provided such benefits are granted under established written policies. Such benefits, whether treated as indirect costs or as direct costs, shall be allocated to Federal awards and all other activities in a manner consistent with the pattern of benefits attributable to the individuals or group(s) of employees whose salaries and wages are chargeable to such Federal awards and other activities. . . .

h. Support of salaries and wages. These standards regarding time distribution are in addition to the standards for payroll documentation. . . .

(1) Charges to Federal awards for salaries and wages, whether treated as direct or indirect costs, will be based on payrolls documented in accordance with generally accepted practice of the governmental unit and approved by a responsible official(s) of the governmental unit. . . .

(2) No further documentation is required for the salaries and wages of employees who work in a single indirect cost activity.

(3) Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having firsthand knowledge of the work performed by the employee.

(4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection 8.h.(5) unless a statistical sampling system (see subsection 8.h.(6)) or other substitute system has been approved by the cognizant Federal agency. Such documentary support will be required where employees work on:

(a) More than one Federal award,

(b) A Federal award and a non-Federal award,

(c) An indirect cost activity and a direct cost activity,

(d) Two or more indirect activities which are allocated using different allocation bases, or

(e) An unallowable activity and a direct or indirect cost activity.

(5) Personnel activity reports or equivalent documentation must meet the following standards:

(a) They must reflect an after-the-fact distribution of the actual activity of each employee,

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(Continued)

- (b) They must account for the total activity for which each employee is compensated,
- (c) They must be prepared at least monthly and must coincide with one or more pay periods, and
- (d) They must be signed by the employee.
- (e) Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to Federal awards but may be used for interim accounting purposes, provided that:
  - (i) The governmental unit's system for establishing the estimates produces reasonable approximations of the activity actually performed;
  - (ii) At least quarterly, comparisons of actual costs to budgeted distributions based on the monthly activity reports are made. Costs charged to Federal awards to reflect adjustments made as a result of the activity actually performed may be recorded annually if the quarterly comparisons show the differences between budgeted and actual costs are less than ten percent; and
  - (iii) The budget estimates or other distribution percentages are revised at least quarterly, if necessary, to reflect changed circumstances.
- (6) Substitute systems for allocating salaries and wages to Federal awards may be used in place of activity reports. These systems are subject to approval if required by the cognizant agency. Such systems may include, but are not limited to, random moment sampling, case counts, or other quantifiable measures of employee effort."

45 CFR Section 304.21 states in part:

"(a) *General.* Subject to the conditions and limitations specified in this part, Federal financial participation (FFP) at the applicable matching rate is available in the costs of cooperative agreements with appropriate courts and law enforcement officials in accordance with the requirements of § 302.34 of this chapter. *Law enforcement officials* means district attorneys, attorneys general, and similar public attorneys and prosecutors and their staff. When performed under written agreement, costs of the following activities are subject to reimbursement:

- (1) The activities, including administration of such activities, specified in § 304.20(b)(2) through (8) of this chapter;
- (2) Reasonable and essential short term training of court and law enforcement staff assigned on a full or part time basis to support enforcement functions under the cooperative agreement.

(b) *Limitations.* Federal financial participation is not available in:

- (1) Service of process and court filing fees unless the court or law enforcement agency would normally be required to pay the cost of such fees;

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(Continued)

- (2) Costs of compensation (salary and fringe benefits) of judges;
- (3) Costs of travel and training related to the judicial determination process incurred by judges;
- (4) Office-related costs, such as space, equipment, furnishings and supplies, incurred by judges;
- (5) Compensation (salary and fringe benefits), travel and training, and office-related costs incurred by administrative and support staffs of judges;
- (6) Costs of cooperative arrangements that do not meet the requirements of § 303.107 of this chapter."

45 CFR 304.23 states in part:

"Federal financial participation at the applicable matching rate is not available for: . . .

(c) Construction and major renovations."

Failure to comply with federal guidelines regarding allowable activities, and determination and documentation of allowable and unallowable costs puts the County at risk of losing future federal funding.

We recommended that County officials follow state and local policies regarding compensation and benefits paid to all employees. Also, we recommended that the policies and procedures for documenting compensation paid be in conformity with federal requirements over allowable costs. Officials also need to review federal compliance guidelines for documenting and determining allowable and unallowable costs and activities of the Child Support Enforcement program.

***FINDING 2012-06 - COMPLIANCE RELATED TO CHILD SUPPORT ENFORCEMENT - PROCUREMENT***

Federal Agency: Department of Health and Human Services

Federal Program: Child Support Enforcement

CFDA Number: 93.563

Federal Award Number and Year (or Other Identifying Number): FY 12

Pass-Through Entity: Indiana Department of Child Services

Furniture was purchased from the Child Support Enforcement (Title IV-D) funds for the new Child Support Enforcement Court. The furniture purchased totaled \$28,550.55. Neither competitive sealed bids nor requests for proposals were used as required by State statutes and County policy. Two written quotes were obtained, one at a cost of \$26,868.52 and the other at a cost of \$28,550.55.

The person responsible for obtaining the quotes was not aware of the County's purchasing rules and policies.

Indiana Code 5-22-8-2 states:

"(a) This section applies only if the purchasing agent expects the purchase to be less than fifty thousand dollars (\$50,000).

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(Continued)

(b) A purchasing agent may make a purchase under small purchase policies established by the purchasing agency or under rules adopted by the governmental body."

The County, under Chapter 3.084 of the Porter County Municipal Code, has adopted "Purchasing Rules and Policies". Under 3.084.030 - Purchasing rules and policies for purchases between \$25,000 and \$75,000 states in part, "the purchase is exempt from the competitive bidding process required by the Act. The purchasing agency determines that the use of competitive sealed bidding under those circumstances is not practicable or not advantageous to the government body. Under those circumstances, the purchasing agent may use the request for proposal process under Indiana Code 5-22-9 instead of competitive sealed bidding under Indiana Code 5-22-7.

No such register was prepared, as quotes were obtained as opposed to requests for proposals. Furthermore, per a review of the minutes of the Board of County Commissioners, the quotes obtained were not discussed or approved at a public meeting. Per the person responsible for obtaining the quotes, it was indicated that the vendor selection was based upon ease of workability.

Indiana Code 5-22-9-5 states in part:

"(a) A register of proposals must be:

- (1) prepared; and
- (2) open for public inspection after contract award.

(b) The register of proposals must contain the following:

- (1) A copy of the request for proposals.
- (2) A list of all persons to whom copies of the request for proposals were given.
- (3) A list of all proposals received, which must include all of the following:
  - (A) The names and addresses of all offerors.
  - (B) The dollar amount of each offer.
  - (C) The name of the successful offeror and the dollar amount of that offeror's offer.
- (4) The basis on which the award was made. . . ."

45 CFR § 92.36 (b) states: "*Procurement standards.* (1) Grantees and subgrantees will use their own procurement procedures which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this section."

By not following procurement procedures adopted by the County, the County risks its ability to receive future federal funding.

We recommended that County officials follow policies and procedures established by the County's Purchasing Rules and Policies Code, which are in accordance with state statutes and conform to applicable Federal laws.

PORTER COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

**FINDING 2012-07 - INTERNAL CONTROLS AND COMPLIANCE RELATED  
TO CHILD SUPPORT ENFORCEMENT - EQUIPMENT MANAGEMENT**

Federal Agency: Department of Health and Human Services  
Federal Program: Child Support Enforcement  
CFDA Number: 93.563  
Federal Award Number and Year (or Other Identifying Number): FY 12  
Pass-Through Entity: Indiana Department of Child Services

The County has a capitalization policy which establishes the dollar threshold for recording equipment inventory at \$10,000. Per the Porter County Municipal Code 3.66.030 regarding assets below the capitalization threshold, it states in part, "The Porter County Board of Commissioners also wishes to express the day-to-day stewardship of property (above and in selected instances below the capitalization threshold of \$10,000) is the expressed responsibility for the head of the operating department utilizing the property. . . . Further, these assets below the capitalization threshold, but considered sensitive may include, but not limited to, . . . computers, printers, fax machines. . . . These minor but sensitive items shall be inventoried and controlled at the department level by the head of the operating department. Stated inventory shall be conducted annually."

The County has not established controls which would allow for compliance with the federal guidelines regarding equipment management, as well as with their own policy. No one has been designated by the County to oversee compliance with County policies and procedures. As such, no one at the County is requesting the lists of equipment being maintained by the departments for review and assurance that such equipment lists are being maintained, and that they are in compliance with the guidelines established by Porter County Municipal Code 3.66.030.

Because such controls have not been established, the County did not maintain equipment records for purchases of electronic equipment for the IV-D Court. Each computer purchased cost \$5,049, for which two computers were purchased totaling \$10,098. Additional electronic equipment was purchased, but these items, individually did not exceed the federal threshold of \$5,000.

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."

45 CFR § 92.32 states in part:

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

- (1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.

PORTER COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

- (2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.
- (3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft shall be investigated.
- (4) Adequate maintenance procedures must be developed to keep the property in good condition.
- (5) If the grantee or subgrantee is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return."

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

We recommended that County officials establish controls to ensure the maintaining of equipment records, which will comply with federal compliance guidelines over equipment management.

***FINDING 2012-08-COMPLIANCE RELATED TO CHILD SUPPORT ENFORCEMENT - REPORTING***

Federal Agency: Department of Health and Human Services  
Federal Program: Child Support Enforcement  
CFDA Number: 93.563  
Federal Award Number and Year (or Other Identifying Number): FY 12  
Pass-Through Entity: Indiana Department of Child Services

The Prosecutor and Clerk are required to prepare "Monthly Expense Claims for Title IV-D. These monthly expense claims report direct expenses of the Title IV-D expenditures, which are subsequently reimbursed at the federal matching rate of 66 percent. Quarterly Incentive Expenditure Reports for Title IV-D are required to report on a quarterly basis the incentive funds spent by the County on Title IV-D activities.

*Prosecutor's IV-D*

The expenses claimed for reimbursement for "personal services" expenses were not supported by payroll records for both the monthly expense claims, and the quarterly incentive expenditure reports. Officials indicated the amounts reported were from the monthly disbursements posted to the County Auditor's ledgers.

For the monthly expense claims, for the months of January, February, and March of 2012 the payroll expenses were over reported by \$2,276, \$15,851 and \$4,822, respectively, based upon amounts posted to the ledgers. Furthermore, for the month of March, an adjustment was made to the personal services to report medical and life insurance for the employees, which is paid quarterly by the County. This adjustment was not supported by a vendor invoice. This was the only instance where the Prosecutor included medical and life insurance benefits on a claim for reimbursement.

The "other services and charges" expenses, which include telephone expenses, were not supported by an invoice, instead, the amounts reported, which were the same each month, are based upon verbal communications from the County's Technology Department.

PORTER COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Clerk IV-D*

The monthly expense claims prepared by the Clerk were based on spreadsheets calculating pay and benefits and not on actual expenditures as recorded in the County Auditor's ledgers. The rates used to calculate the insurance costs (health and life) were based on 2011 rates and not on the 2012 rates. Also, the Clerk omitted reporting postage charges in "other services and charges" in January, February, and March 2012.

After reviewing all four quarterly incentive reports, only the first quarterly report had supporting documentation attached. The second, third and fourth quarterly reports did not have supporting documentation for the expenses reported. The second quarter omitted a small amount of expenditures paid during the month of April, while the third quarter report included duplicate expenditures of \$4,348.20 (reported for June and July).

By failing to report expenditures that are adequately supported, the County risks losing future federal funding.

45 CFR 92.20 states in part:

"(b) The financial management systems of other grantees and subgrantees must meet the following standards:

- (1) Financial reporting. Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant.
- (2) Accounting records. Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income."

We recommended that the County officials prepare accurate and complete reports in accordance with the federal guidelines.

***FINDING 2012-09 - INTERNAL CONTROLS AND COMPLIANCE RELATED TO STATE  
HOMELAND SECURITY PROGRAM GRANTS – EQUIPMENT MANAGEMENT***

Federal Agency: Department of Homeland Security

Federal Program: State Homeland Security Program (SHSP)

CFDA Number: 97.073

Federal Award Number and Year (or Other Identifying Number): C44P-0-246A, C44P-1-058A,  
C44P-1-253A, C44P-1-073A,  
C44P-1-286A, C44P-2-250A

Pass-Through Entity: Indiana Department of Homeland Security

The State Homeland Security Program (SHSP) provides federal funds to assist with building facilities to prevent, deter, respond to, and recover from incidents of terrorism at the State and local levels through planning, equipment, training, and exercise activities.

PORTER COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

The County purchased equipment to fulfill the needs of the County and four other surrounding Counties as authorized in various grant agreements. However, controls were not established to ensure that Porter County was maintaining capital asset records in accordance with federal guidelines for equipment management.

The County purchased equipment totaling \$195,036 from the SHSP grant funds. The County maintains a detailed listing of capital assets. It included one purchase of \$56,981 from the SHSP grant funds, but the listing did not include the serial number or other identification number, the source of the equipment, or who held title, which is necessary in order to comply with federal guidelines.

The County's Emergency Management Agency (EMA) Department also is to account for the equipment purchased with the SHSP grant funds. The pass through entity, Indiana Department of Homeland Security, requires that the equipment purchases from the SHSP grant be detailed in their iGMS system (Indiana Grants Management System). The EMA Department did not maintain the detailed listing of capital assets purchased with SHSP funds on the iGMS system.

The EMA Department also did not establish procedures for ensuring that a physical inventory is taken at least every two years, or procedures for monitoring changes to the equipment condition or location. The County and its EMA Department did not develop a system for ensuring the County maintained adequate equipment records.

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

Because controls were not properly established, the County did not comply with federal compliance requirements applicable to equipment and real property management. This noncompliance is considered to be material noncompliance.

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."

44 CFR § 13.32 states in part:

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

- (1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
- (2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.
- (3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft shall be investigated.

PORTER COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

- (4) Adequate maintenance procedures must be developed to keep the property in good condition.
- (5) If the grantee or subgrantee is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return."

We recommended that County officials establish controls to ensure the County is maintaining equipment records, which will comply with federal compliance guidelines over equipment and real property management.

***FINDING 2012-10 - INTERNAL CONTROLS AND COMPLIANCE RELATED TO STATE HOMELAND SECURITY PROGRAM GRANTS – PROCUREMENT AND SUSPENSION AND DEBARMENT***

Federal Agency: Department of Homeland Security  
Federal Program: State Homeland Security Program (SHSP)  
CFDA Number: 97.073  
Federal Award Number and Year (or Other Identifying Number): C44P-0-246A, C44P-1-058A, C44P-1-253A, C44P-1-073A, C44P-1-286A, C44P-2-250A  
Pass-Through Entity: Indiana Department of Homeland Security

The State Homeland Security Program (SHSP) provides federal funds to assist with building facilities to prevent, deter, respond to, and recover from incidents of terrorism at the State and local levels through planning, equipment, training, and exercise activities.

The County does not have policies or procedures in place to ensure that contracts paid either in full or partially with federal funds will not be awarded or paid to vendors that are suspended or debarred from participation in federal programs.

The County has established procurement procedures that apply to both federal and non-federal purchases. These procurement procedures however, either: (a) were not followed or (b) documentation to support that the procedures were followed was not available for audit. The County paid a total of \$118,619 to three vendors from the SHSP grant funds. These purchases fell under the policy to obtain quotes from three vendors and retain the documentation for audit, because the purchases were between \$25,000 and \$75,000. Documentation was not available for audit to prove that three quotes were obtained for each of the three purchases or an explanation of why the purchase was exempt from the policy.

The failure to establish and properly implement internal controls could enable material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirements that have a direct and material effect to the program could result in the withholding of future payments, suspension or termination of the current award, or withholding of future awards to the County.

As part of the grant agreement, the County was required to comply with the applicable administrative requirements found in 44 CFR Part 13. Because controls were not properly established and implemented, the County did not comply with federal compliance requirements applicable to procurement and suspension and debarment. This noncompliance is considered to be material noncompliance.

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."

PORTER COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

44 CFR § 13.35 states:

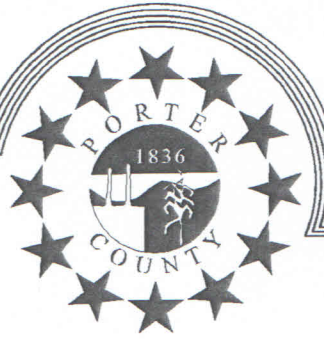
"Subawards to debarred and suspended parties. Grantees and subgrantees must not make any award or permit any award (subgrant or contract) at any tier to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, "Debarment and Suspension"."

44 CFR §13.36 (b) (1) states: "Grantees and subgrantees will use their own procurement procedures which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this section."

Porter County Code Title 3 Revenue and Finance Chapter 3.084.030 Purchasing Rules and Policies states for purchases between \$25,000 and \$75,000: "If the purchasing agent expects the purchase to be at least twenty-five thousand dollars (\$25,000.00) and not more than seventy-five thousand dollars (\$75,000.00), the purchase is exempt from the competitive bidding process required by the Act. The purchasing agency determines that the use of competitive sealed bidding under those circumstances is not practicable or not advantageous to the government body. Under those circumstances, the purchasing agent may use the request for proposal process under Indiana Code 5-22-9 instead of competitive sealed bidding under Indiana Code 5-22-7."

We recommended that the County officials design and implement procedures to prevent the potential payment of federal funds to a suspended or debarred vendor.

We recommended that the County officials review and properly implement procedures to ensure that all County procurement transactions adhere to the appropriate applicable local, state, and federal laws.



## **2013 Corrective Action Plan to Remedy Errors on the SEFA Report**

(responding to SBOA finding 2012-1)

Implementation Date: IMMEDIATELY

Completion Date: February 1, 2014

- 1.) Reports will be compiled on a quarterly basis (vs. annual basis) and reconciled with required Federal on-line reporting.
- 2.) Auditor requests for financial information from the grant administrator(s) will be refined to assure accurate response.
- 3.) A workshop will be convened to assure:
  - a. grant administrators understand the relationship between them and the Auditor,
  - b. grant administrators understand their reporting requirements.
- 4.) The annual report will represent the progressive compilation of quarterly reports. The totals will be entered into the system by one Deputy Auditor, verified by a separate Deputy Auditor, and approved by the County Auditor.

## **2013 Corrective Action Plan to Remedy Errors on the Financial Statements**

(responding to SBOA finding 2012-2)

Implementation Date: IMMEDIATELY

Completion Date: February 1, 2014

- 1.) A staff workshop will be convened to review the errors noted by the SBOA to assure the Deputy Auditors understand the proper means by which to extract the necessary data from the financial system to complete the report and the means by which to enter the data into the Gateway system.
- 2.) Totals will be entered into Gateway by one Deputy Auditor, verified by a separate Deputy Auditor, and approved by the County Auditor.

## 2013 Corrective Action Plan to Remedy Payroll Disbursement Procedures


(responding to SBOA finding 2012-3)

Implementation Date: September 1, 2013

Completion Date: December 31, 2013

- 1.) A series of workshops will be convened to instruct department personnel responsible for administering payroll in the importance of reviewing and assuring the accuracy of the reports supporting their bi-weekly payroll. Attendees will also be given instruction in the means by which to make the calculations necessary to accurately complete the reports using the County's financial system.
- 2.) The County Auditor will review and reconcile payroll submission and report inaccuracies and deficiencies to both the department payroll administrator and the County Board of Commissioners.
- 3.) The County of Board of Commissioners will be encouraged to consider investment in a real-time time & attendance system in an effort to eliminate antiquated time cards.

Respectfully Submitted, this 27<sup>th</sup> of August 2013 by:



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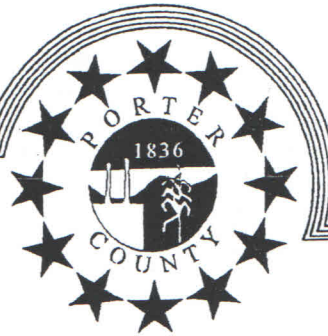
Robert J. Wichlinski, Auditor  
Porter County, Indiana

Inquiries regarding the corrective procedures set forth above should be directed to:

Robert J. Wichlinski, Auditor  
Porter County, Indiana  
155 Indiana Avenue, Suite 204  
Valparaiso, IN 46383  
[auditor@porterco.org](mailto:auditor@porterco.org)  
219.465.3350

# COUNTY - PORTER

**KAREN M. MARTIN**  
CLERK OF THE CIRCUIT COURT



PORTER COUNTY  
CLERK'S OFFICE  
COURTHOUSE  
16 LINCOLNWAY • SUITE 209  
VALPARAISO, INDIANA 46383

TELEPHONE:  
(219) 465-3450

August 20, 2013

FAX: (317)232-4711

State Board of Accounts  
302 West Washington St  
Room E418  
Indianapolis, IN 46204

## OFFICIAL RESPONSE TO FINDINGS AND QUESTIONED COST WITH A CORRECTIVE PLAN OF ACTION

Please be advised that this is my official response regarding the findings and questioned costs

### FINDING 2012-04

Due to the creation of the new IV-D court in January of 2013, the Co-operative Agreement was located at the Courthouse. A copy of the agreement has been forwarded to the appropriate party.

### FINDING 2012-05

The records that were kept were not as detailed as the SBOA had requested but the Clerk's office documented time that was relative to the IV-D area. We have discussed the procedure and individuals will keep more detailed account of time records for the IV-D area as agreed during the exit interview.

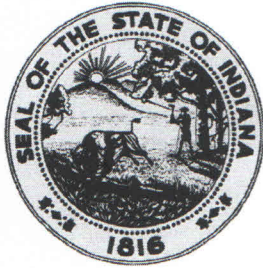
### FINDINGS 2012-08

The supporting documentation was based on information received. The Clerk and Prosecutor are requesting a meeting with the Auditor to verify and clarify amounts.

Sincerely,

KAREN M. MARTIN

Clerk of the Circuit Court



**PORTER COUNTY PROSECUTING ATTORNEY  
OFFICE OF CHILD SUPPORT ENFORCEMENT**

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15 N. FRANKLIN - SUITE 100  
VALPARAISO, IN 46383  
PHONE: 219-465-3405 ~ FAX: 219-465-3689  
EMAIL: [CHILDSUPPORT@PORTERCO.ORG](mailto:CHILDSUPPORT@PORTERCO.ORG)  
WEBSITE: [WWW.PORTERCO.ORG](http://WWW.PORTERCO.ORG)

**FINDING 2012-04- INTERNAL CONTORLS OVER COMPLIANCE REQUIREMENTS  
THAT HAVE A DIRECT AND MATERIAL EFFECT TO CHILD SUPPORT  
ENFORCEMENT**

Federal Agency: US Department of Health and Human Services  
Federal Program: Child Support Enforcement CFDA Number: 93-563  
Federal Award Number and Year (or Other Identifying Number): FY12  
Pass-Through Entity: Indiana Department of Child Services

With regard to the IVD Prosecutor portion of finding 2012-04:

1. IVD Director has obtained a copy of the current cooperative agreement and keeps same in her office.
2. IVD Director currently has access to the auditor system which displays compensation, benefits, office supplies, postage, training, etc. expenditures. IVD Director compares the auditor information with IVD office invoices and attaches same to reimbursement forms. IVD Director will begin indicating by initial that they have reviewed same for September 2013 reimbursements.
3. IVD Director has obtained copy of the county policy which addresses purchasing rules and policies and will refer to same for any future purchases.

**FINDING 2012-05- COMPLIANCE RELATED TO CHILD SUPPORT ENFORCEMENT-  
ALLOWABLE ACTIVITIES AND COSTS**

Federal Agency: US Department of Health and Human Services  
Federal Program: Child Support Enforcement CFDA Number: 93-563  
Federal Award Number and Year (or Other Identifying Number): FY12  
Pass-Through Entity: Indiana Department of Child Services

With regard to the IVD Prosecutor portion of finding 2012-05:

1. IVD Director, who has direct control over IVD employees, will review and sign payroll on a bi-weekly basis starting with the next payroll period, August 22, 2013.
2. With regard to the \$8645.00 transferred from the prosecutor incentive account to

the Porter County Employee Benefit Plan, once monies have left prosecutor accounts, they are considered to be reimbursable expenses. IVD Director has no knowledge of the way that those amounts are determined.

3. With regard to the \$65,815.06 spent on office furniture and equipment. This finding relates to the creation of the new IVD Court which is under the direction of the Porter County Circuit Court. The Porter County Circuit Court has a current cooperative agreement with the State with regard to IVD, which covered 2012. Please see attached. The Court also signed all claims with regard to this issue. The IVD Director is not in control of those expenses.

However, please see attached Policy Interpretation Questions PIQ-05-03.

### **FINDING 2012-06- INTERNAL CONTROLS AND COMPLIANCE RELATED TO CHILD SUPPORT ENFORCEMENT PROCUREMENT**

Federal Agency: US Department of Health and Human Services  
Federal Program: Child Support Enforcement CFDA Number: 93-563  
Federal Award Number and Year (or Other Identifying Number): FY12  
Pass-Through Entity: Indiana Department of Child Services

This finding relates to the creation of the IVD Court under the direction of the Porter County Circuit Court.

### **FINDING 2012-07- INTERNAL CONTROLS AND COMPLIANCE RELATED TO CHILD SUPPORT ENFORCEMENT PROCUREMENT**

Federal Agency: US Department of Health and Human Services  
Federal Program: Child Support Enforcement CFDA Number: 93-563  
Federal Award Number and Year (or Other Identifying Number): FY12  
Pass-Through Entity: Indiana Department of Child Services

This finding relates to the creation of the IVD Court under the direction of the Porter County Circuit Court.

### **FINDING 2012-08- COMPLIANCE RELATED TO REPORTING CHILD SUPPORT ENFORCEMENT**

Federal Agency: US Department of Health and Human Services  
Federal Program: Child Support Enforcement CFDA Number: 93-563  
Federal Award Number and Year (or Other Identifying Number): FY12  
Pass-Through Entity: Indiana Department of Child Services

1. The IVD Director will meet with the auditor to discuss a procedure for determining

and claiming medical benefits. This time frame for this is unknown but is expected to be complete by October 2013.

Very Truly Yours,

A handwritten signature in cursive script that reads "LABernacki Stafford". The signature is written in dark ink and is positioned above the typed name.

Laura A. Bernacki Stafford  
Deputy Prosecuting Attorney  
Director, Porter County Child Support Office

County: PORTER  
Calendar Years 2011-2012  
Federal Child Support Enforcement Program Grant CFDA # 93.563

COOPERATIVE AGREEMENT FOR FEDERAL FINANCIAL  
PARTICIPATION FOR TITLE IV-D COURTS HEARING IV-D CASES

I.  
Purpose

This Cooperative Agreement is entered into between the Porter Circuit Court hereinafter referred to as "Court", and the Child Support Bureau of the Department of Child Services (hereinafter referred to as "CSB"). The intent of this Cooperative Agreement is to provide for mutual assistance and procedures for securing financial support for minor children and insuring compliance with support agreements and court orders for child support in Title IV-D cases. Title IV-D cases are those in which applicants for Temporary Aid For Needy Families (TANF) formerly Aid to Families with Dependent Children (AFDC), "Medicaid Only", or Title IV-E foster care, have assigned their rights to support and/or their right to collect support to the State of Indiana or any other state's IV-D agency. Title IV-D cases also include non-TANF/AFDC participants who have paid the one-time twenty five dollar (\$25.00) fee for IV-D services.

This Cooperative Agreement is made pursuant to the requirements of Public Law 93-647, as amended (Title IV-D of the Federal Social Security Act, 42 U.S.C. 651, et seq.) and Acts of 1976, P.L. 47, Sec. 1, as amended (IC 31-25-4-1, et. seq.), which require the state, and therefore the parties hereto, to assist in establishing paternity of children born out-of-wedlock, determining the parent's abilities to support their children, and securing and enforcing support orders in Title IV-D cases, as appropriate. The parties mutually agree to carry out the provisions of these laws and any regulations promulgated or to be promulgated thereunder (45 CFR 301, et seq. and 465 IAC 1-1-1, et seq.) and by reasonable procedures established or to be established by the state or federal government to assist in implementing such laws and regulations.

The purpose of this Cooperative Agreement is to insure optimum results from Court efforts in IV-D cases and to provide for the securing of Federal Financial Participation (FFP) for these efforts.

II.  
Duties and Responsibilities of the  
CSB

The CSB shall have the following duties and responsibilities:

- (1) To advise all applicants and recipients of Temporary Assistance for Needy Families (TANF) that they are required to cooperate with all attempts to obtain support for their dependent children.
- (2) To insure that all Title IV-D support cases in the judicial circuit are promptly referred to the prosecuting attorney.

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<sup>1</sup> | Title IV-D Court Cooperative Agreement

- (3) To provide instructions and/or informational materials, when needed, related to the operation of the IV-D program.
- (4) To assist the Court in obtaining cooperation from other jurisdictions in the area of child support enforcement.
- (5) To provide all necessary forms for reporting action to the CSB.
- (6) To reimburse the county for its direct costs incurred by the Court in performing its duties under the Title IV-D Program. Reimbursement will be made only upon the receipt of properly completed and accurate claim forms provided by CSB and submitted in accordance with III (12) of this Agreement. Reimbursement shall be at sixty-six percent (66%) of the approved claimed amount, up to the approved budget allocation.
- (7) To provide the Court with accounting and statistical information and reports needed to carry out its duties to be performed under this Agreement.
- (8) To insure that all functions of the Cooperative Agreement are being carried out properly, efficiently and effectively as set out in 45 CFR 302.12.

### **III. Duties and Responsibilities of the Court**

The Court shall have the following duties and responsibilities:

- (1) To cooperate, as appropriate, with the local IV-D enforcement agent and the local office of the Department of Child Services Child Welfare office (hereinafter referred to as County Office) in securing support orders for all IV-D cases referred to the Court.
- (2) To cooperate, as appropriate, with the local IV-D enforcement agent and the County Office in enforcing or modifying existing support orders for all IV-D cases referred to the Court.
- (3) To cooperate, as appropriate, with the local IV-D enforcement agent and the County Office in establishing paternity and an order of support for all IV-D cases referred to the Court.
- (4) To devote the amount of staff time to items 1-3 above as agreed upon with the CSB and reflected in the Budget in Appendix I.
- (5) To insure that the Clerk of the Court shall collect, process, and distribute all current, delinquent or arrearage support payments made on behalf of Title IV-D cases in conformity with applicable state law and State Board of Account's rules and instructions, including but not limited to IC 31-16-19-1, and IC 31-16-19-2, IC 31-16-10-1 through IC 31-16-10-3, IC 31-25-4-24, and IC 31-25-4-25.

(6) To submit, on a monthly basis, an expenditure report and reimbursement claim for services rendered pursuant to this Agreement, as set forth in the Administrative Claiming Guide, including attachments and appendices, for the previous month for which reimbursement is allowable. Reports and claims shall be submitted in accordance with the fiscal policy and procedures of the CSB. A file copy of the monthly report and claim shall be retained in the Court's files along with copies of any and all supporting documentation.

(7) To maintain records on all IV-D cases in such a manner as to be accessible for program review or audit by statutorily authorized federal and state officials and the authorized representatives of the CSB.

(8) To provide accurate accountability for the expenditure of federal funds by maintaining the monthly time records on funded staff and documentation of other expenditures to distinguish IV-D from non-IV-D activities. This shall be done on forms prescribed and provided by the CSB.

(9) To maintain documentation for claims including, but not limited to, payroll records, banking records, accounting records and purchase orders that are sufficient to document claims for reimbursement under this Agreement; and to further make such aforesaid documents available to federal and state authorities for program review or audit. If a review or audit results in an audit exception or cost disallowance, the CSB shall have the right to withhold payment of current allowable claims or to request cash repayment. If an audit exception or cost disallowance occurs, the Court shall submit a proposed corrective action plan to the CSB. If the proposed corrective action is unsatisfactory, the CSB may prescribe alternative action.

(10) To comply with all applicable federal and state statutes and regulations. In case of dispute, CSB is the authority for the interpretation of any such material.

(11) To submit all claims to the CSB within sixty (60) calendar days after the date costs are incurred. All final claims must be submitted to CSB within sixty (60) calendar days after the expiration of this Agreement or the CSB may deny payments.

#### IV. Reimbursement

(1) The parties agree that reimbursement for the activities performed under this Agreement is subject to and conditioned upon the availability of federal Child Support funds for such services. If the federal funds are reduced during the term of this Agreement, CSB is under no obligation to pay for services rendered, except to the extent that federal funds are available. If the funds cease to be available entirely, CSB is under no obligation to pay for services. Financial penalties and audit disallowances assessed against the state may be passed on to a responsible county if the penalty is a result of noncompliance with this Agreement.

(2) Reimbursement of allowable direct costs incurred shall not exceed the amount timely and properly claimed on Monthly Expense Claim Form (Administrative Claiming Guide, Attachment B) or other

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<sup>3</sup> | Title IV-D Court Cooperative Agreement

prescribed forms pursuant to CSB policy and procedure. In addition, the CSB will reimburse the county for the Clerk's reallocated administrative IV-D costs (indirect costs) as provided in a State approved county indirect cost allocation plan. All reimbursements shall be made by the CSB to the auditor of the county originally paying such amount.

(3) No claims for payment will be accepted for any monthly period unless a fully executed Cooperative Agreement is on file with the Child Support Bureau or unless a mutually agreed upon extension is in effect. In no event shall reimbursement be made without the Court's certification that expenditures claimed for reimbursement are reasonable, appropriate, and directly related to IV-D cases.

(4) The Court agrees to cooperate with monitoring conducted by the Indiana State Board of Accounts or DCS/CSB and agrees to comply with all applicable provisions of the Office of Management and Budget Circulars A-133 (Audits of States, Local Governments, and Non-Profit Organizations), which can be accessed at the following link:

<http://www.whitehouse.gov/omb/rewrite/circulars/a133/a133.html>. The Court is responsible for ensuring that any audits or management letters regarding Title IV-D funds are forwarded to CSB in accordance with the federal Single Audit Act.

#### V.

#### Confidentiality

The Court and CSB agree that information concerning participants in the Title IV-D program and absent parents shall be confidential in accordance with all relevant state and federal law and regulations providing for safeguarding information. Relevant state and federal statutes and regulations include, but are not limited to IC 31-25-4-21, 465 IAC 1-1-4, 42 U.S.C. § 654 (26), and 45 CFR 303.70(d)(2). The information received by the Court in the execution of the Title IV-D Program shall be used exclusively for the purpose of that program.

#### VI.

#### Extension or Cancellation of Cooperative Agreement

This Agreement may be extended after its expiration by mutual agreement of the parties.

Either party to this Agreement may cancel the Agreement without cause prior to its expiration date by giving the other party advance notice of its intent to cancel. Notice shall be in writing and forwarded to the other party at least sixty (60) days prior to the cancellation date. The notice shall contain the effective date of the cancellation.

#### VII.

#### Term of the Agreement

The Court and CSB agree that this Cooperative Agreement shall extend from January 1, 2011 to December 31, 2012. The parties further agree that this Agreement is subject to amendment as

necessary to conform with any and all changes in federal or state laws and regulations which govern the administration of the Title IV-D Program, including changes in the governmental funding of the Program.

IN WITNESS WHEREOF, the undersigned have duly executed this Agreement.

FOR THE CIRCUIT COURT OF  
PORTER COUNTY

FOR THE INDIANA  
DEPARTMENT OF CHILD SERVICES

Mary R Harper  
(SIGNATURE)

Cynthia E Longest

Cynthia E. Longest  
Deputy Director

Mary R. Harper

Print or Type Name

Date: 5/11/11

Date: 5-19-2011

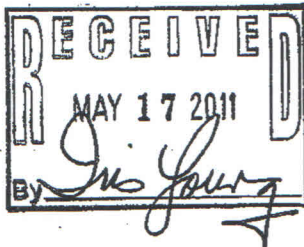
Email address: astrong@porterco.org

Address: 16 E. Lincolnway St.

3rd Floor Courthouse

City Valparaiso

Zip Code: 46383



# OFFICE OF CHILD SUPPORT ENFORCEMENT

An Office of the Administration for Children & Families

<http://www.acf.hhs.gov/programs/css/resource/ffp-costs-of-personnel-carrying-out-expedited-administrative-processes>

< BACK TO SEARCH

## FFP Costs of Carrying Out Expedited Administrative Processes under Section 466(a)(2) of the Act

PIQ-05-03

July 13, 2005

Information About: State/Local Child Support Agencies

Topics: Funding, Federal Financial Participation (FFP)

Types: Policy, Policy Interpretation Questions (PIQ)

Tags: Administrative/Judicial Processes

### POLICY INTERPRETATION QUESTIONS

PIQ-05-03

**DATE:** July 13, 2005

**TO:** State Agencies Administering Child Support Enforcement Plans under Title IV-D of the Social Security Act and Other Interested Parties

**FROM:** David H. Siegel

Acting Commissioner

Office of Child Support Enforcement

**SUBJECT:** Federal Funding Participation (FFP) for Costs of Personnel Carrying Out Expedited Administrative Processes in the Executive Branch under Section 466(a)(2) of the Social Security Act (the Act).

**Question 1:** A State has asked whether FFP is available for the costs of Executive Branch presiding officers, magistrates, Administrative Law Judges, etc., used in performing expedited administrative procedures for establishing paternity and for establishing, modifying, and enforcing support obligations.

**Response 1:** Yes. Section 466(a)(2) of the Act requires States to have in effect and to use expedited administrative procedures to establish paternity, and for establishing, modifying, and enforcing support obligations. The requirements for expedited administrative processes are provided in 45 CFR 303.101.

Since the Statute requires the IV-D agency to establish and use expedited administrative procedures in order to have an approved State plan, the administrative costs are reimbursable under the plan. Accordingly, the costs of presiding officers used to carry out these required administrative processes are subject to FFP. FFP is available for these administrative presiding officers, regardless of whether they issue recommended or final decisions and regardless of the administrative decision maker's title (e.g., Presiding Officer, Hearing Officer, Magistrate, or Administrative Law Judge).

**Question 2:** Do the regulations at 45 CFR 304.21 apply to Executive Branch personnel used in carrying out expedited administrative procedures required under Section 466(a)(2) of the Act?

**Response 2:** No. By virtue of its express terms, that regulation applies only to the costs of cooperative agreements with courts and law enforcement officials.

Inquiries should be directed to the appropriate ACF Regional Offices

cc: ACF Regional Administrators

Regional Program Managers



1995 South State Road 2  
Valparaiso, IN 46385  
219-465-3593  
Russell Shirley, Director  
Mike Weber, Deputy Director  
Tom Clements, Project Manager

August 20<sup>th</sup>, 2013

Barbara Williams  
Auditor in Charge  
District 4  
Indiana State Board of Accounts

Finding 2012-09

Contact Person: Russell Shirley, Director Porter County EMA

Corrective Action Planned:

1. Schedule Equipment Inventory on a yearly basis.
2. Acquire missing serial numbers, and inventory control numbers.
3. Establish inventory control system.

Anticipated completion date: December 31<sup>st</sup>, 2013

A handwritten signature in black ink that reads "Russell Shirley".

Russell Shirley  
Director,  
Porter County  
Emergency Management



1995 South State Road 2  
Valparaiso, IN 46385  
219-465-3593  
Russell Shirley, Director  
Mike Weber, Deputy Director  
Tom Clements, Project Manager

August 20<sup>th</sup>, 2013

Barbara Williams  
Auditor in Charge  
District 4  
Indiana State Board of Accounts

Finding 2012-10

Contact Person: Russell Shirley, Director Porter County EMA

Corrective Action Planned:

1. Obtain 3 quotes for all expenditures in excess of \$5,000.
2. Maintain individual files for all expenditures, including the quotes that are rejected.

Anticipated completion date: Immediately.

A handwritten signature in cursive script that reads "Russell Shirley".

Russell Shirley  
Director,  
Porter County  
Emergency Management

PORTER COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on August 28, 2013, with Robert J. Wichlinski, Auditor; Michael Bucko, Treasurer; John A. Evans, President of the Board of County Commissioners; Bob Poparad, President of the County Council; Elizabeth A. Knight, County Attorney; Matthew Baker, Chief Deputy County Treasurer; and Vicki B. Urbanik, Budget and Finance Specialist for the County Council.