

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

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



**FILED**  
01/23/2015



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## SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Jennifer R. McGuire (Vacant) Vicky L. Schrader (Interim) Jana L. Schinbeckler	01-01-11 to 08-19-14 08-20-14 to 08-21-14 08-22-14 to 09-03-14 09-04-14 to 12-31-14
Treasurer	Laurell E. Hodges	01-01-13 to 12-31-16
Clerk	Deborah S. Beers	01-01-11 to 12-31-14
Sheriff	Mark E. Hodges	01-01-11 to 12-31-14
Recorder	April Whetstone	01-01-11 to 12-31-14
President of the Board of County Commissioners	George Schrumpf	01-01-13 to 12-31-14
President of the County Council	Thomas Western	01-01-13 to 12-31-14



**STATE OF INDIANA**  
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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF WHITLEY COUNTY, INDIANA

***Report on the Financial Statement***

We have audited the accompanying financial statement of Whitley County (County), which comprises the financial position and results of operations for the year ended December 31, 2013, and the related notes to the financial statement.

***Management's Responsibility for the Financial Statement***

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As discussed in Note 1 of the financial statement, the County prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the County for the year ended December 31, 2013.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the County for the year ended December 31, 2013, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated September 23, 2014, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

***Accompanying Information***

*Supplementary Information*

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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

  
Paul D. Joyce, CPA  
State Examiner

September 23, 2014



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

TO: THE OFFICIALS OF WHITLEY 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 Whitley County (County), which comprises the financial position and results of operations for the year ended December 31, 2013, and the related notes to the financial statement, and have issued our report thereon dated September 23, 2014, wherein we noted the County followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

***Internal Control Over Financial Reporting***

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

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

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

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

***Compliance and Other Matters***

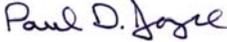
As part of obtaining reasonable assurance about whether the County's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect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

***Whitley County's Response to Findings***

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

***Purpose of This Report***

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

  
Paul D. Joyce, CPA  
State Examiner

September 23, 2014

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## FINANCIAL STATEMENT AND ACCOMPANYING NOTES

The financial statement and accompanying notes were approved by management of the County. The financial statement and notes are presented as intended by the County.

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

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13
After Settlement Collections	\$ 318,870	\$ 806,940	\$ 318,870	\$ 806,940
Sheriff's Inmate Trust	42,609	188,836	200,290	31,155
Prosecutor's Check Deception Program	765	50,534	51,079	220
Sheriff's Commissary	35,796	184,358	179,077	41,077
Clerk's Trust	383,062	4,078,616	4,156,835	304,843
Sheriff's Cashbook	8,997	1,269,555	1,264,609	13,943
County General	3,224,134	5,515,760	6,429,213	2,310,681
Accident Reports	5,928	3,309	5,777	3,460
CAGIT County Certified Funds	-	3,267,882	2,577,945	689,937
Campaign Finance	50	25	-	75
County Economic Development Income	822,635	806,175	1,046,499	582,311
City and Town Court Cost	7,343	12,752	19,081	1,014
Project Income	4,405	864,202	826,170	42,437
Community Transition Program	5,568	3,012	6,138	2,442
Sales Disclosure	35,693	4,225	2,914	37,004
Cumulative Bridge	809,664	512,897	659,287	663,274
Cumulative Capital Development	124,906	273,217	240,946	157,177
County Drug Free Community	44,115	57,906	41,071	60,950
Emergency Planning and Right to Know	3,420	3,664	3,250	3,834
Firearms Training	36,940	15,958	12,598	40,300
General Drain Improvement	181,746	104,537	98,591	187,692
County Health	192,542	356,555	277,087	272,010
Identification Security Protection	6,164	3,331	9,288	207
Levy Excess	111,459	-	111,459	-
Local Health Maintenance	14,512	33,139	27,047	20,604
Local Road and Street	153,779	334,298	346,835	141,242
Medical Care for Inmates	552	7,026	709	6,869
County Misdemeanant	34,162	20,747	38,937	15,972
Highway	446,328	2,436,237	2,449,656	432,909
Rainy Day	549,209	25,849	316,021	259,037
Property Reassessment	984,326	1,132	147,012	838,446
Reassessment 2015	268,615	131,943	-	400,558
Recorder's Record Perpetuation	77,641	55,005	86,048	46,598
Adult Offender Interstate	62	1,730	2,075	(283)
Surplus Tax	72,440	50,046	72,099	50,387
Surveyor's Cornerstone Perpetuation	51,581	7,455	5,137	53,899
Tax Sale Redemption	13,405	31,041	27,389	17,057
Tax Sale Surplus	167,256	276,044	97,493	345,807
Tobacco Settlement	34,546	13,139	8,532	39,153
Unsafe Building	4,430	-	-	4,430
Guardian Ad Litem	357	70	-	427
Guardian Ad Litem/CASA	-	17,493	17,493	-
Motor Vehicle Registration Penalty	8	-	8	-
Auditor's Ineligible Deductions	16,463	125,011	20,214	121,260
Elected Official Training	4,334	3,330	2,976	4,688
Whitley County Statewide 911	283,112	395,526	530,135	148,503
Supplemental Adult Probation Services	53,438	81,725	91,737	43,426
Supplemental Juvenile Probation Services	17,100	11,356	7,486	20,970
Law Enforcement Continuing Education	2,232	3,434	5,222	444
Drainage Maintenance	2,285,191	291,885	345,358	2,231,718
Sheriff's K-9 Donation	541	1,530	889	1,182
EMS Donations	187	-	-	187
Document Storage Fees	51,160	18,509	23,048	46,621
Rail Connect Park TIF	-	1,223	-	1,223
Redevelopment Commission	2,839,141	2,790,413	2,707,169	2,922,385
Ambulance Lease	-	32,144	32,144	-
Payroll	60,999	2,014,080	2,014,279	60,800
Sheriff Pension Holding	16,216	15,288	30,528	976
Tax Distribution Clearing	-	28,853,321	28,858,255	(4,934)
Wheel Tax Distributions	-	114,833	114,833	-
Surtax Distributions	-	337,334	337,334	-
CVET	-	325,129	325,129	-

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

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

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13
Financial Institution	-	215,214	215,214	-
CEDIT Homestead Credit	50,420	213,163	256,830	6,753
HEA 1001-2008 State Homestead Credit	(1,421)	-	2,847	(4,268)
Fines and Forfeitures	9,537	62,988	61,632	10,893
Infraction Judgments/Seatbelts Violations	7,429	108,950	108,008	8,371
Overweight Vehicles	-	2,522	1,172	1,350
Special Death Benefit	185	2,680	2,675	190
State Sales Disclosures	365	4,225	4,275	315
Coroner's Continuing Education	176	2,655	2,679	152
Mortgage Fees	418	4,365	4,470	313
Child Restraint Violations	50	625	650	25
Inheritance Tax	156,605	98,680	255,258	27
Education Plate Fees	-	394	394	-
Riverboat Sharing	-	197,219	197,219	-
CAGIT Certified Shares	-	4,854,677	4,854,677	-
EDIT Distribution	-	1,295,827	1,295,827	-
Prosecutor's Restitution	14,740	113,282	117,888	10,134
Prosecuting Attorney	3,742	12,043	11,388	4,397
Clerk ARRA	6,501	-	6,316	185
93.563 Title IV-D Incentive	76,994	19,339	69,699	26,634
Court Incentive	-	29,764	15,479	14,285
Prosecutor Incentive	76,410	29,103	24,430	81,083
Clerk Incentive	68,600	19,339	14,056	73,883
lotron Union TIF Amended	-	5,344	-	5,344
Law Enforcement Continuing Education - All	25,511	12,526	11,645	26,392
Sheriff's Donation	5,079	-	981	4,098
Immunization Clinic	19,869	47,319	48,456	18,732
Government Center Lease	539,241	214,039	524,000	229,280
Alcohol and Drug Services	(4,492)	129,242	118,669	6,081
Pre-Trial Diversion	204,716	24,639	-	229,355
County User Fee Infraction	152,626	67,812	90,142	130,296
Supplemental Public Defender Services	58,378	2,985	32,203	29,160
Community Corrections Project Income	74,349	871,780	862,740	83,389
Self Insurance- Whitley County	48,969	1,351,257	1,288,740	111,486
Jury Pay	32,327	7,925	8,295	31,957
Solid Waste District	-	593,704	593,704	-
Fuel Facility	78,582	785,004	769,015	94,571
Personal Property Tax Recovery	554	-	-	554
Vaxcare	2,304	1,692	238	3,758
Employee Disability	4,412	-	1,936	2,476
CAGIT PTRC	-	1,618,226	1,618,226	-
CFDA 93.507 Health Infrastructure	14,505	16,000	1,695	28,810
CFDA #14.228 CDBG	-	55,000	55,000	-
Asset Forfeiture and Money Laundering	-	6,520	-	6,520
CFDA #16.575 IN Criminal Justice	(1,663)	16,169	14,506	-
CFDA #10.557 WIC Grant	314	89,309	89,559	64
Drug Enforcement Grant	18,759	17,075	26,275	9,559
CFDA #16.543 IN Internet Crime vs. Children	(6,120)	7,400	2,049	(769)
EMPG Grant	(3,668)	26,009	22,341	-
Emergency Management/Certified Grant	26	-	-	26
CFDA #16.800 IN Internet Crime	(768)	2,058	1,290	-
Senior Citizen Transportation Grant	-	226,081	226,081	-
Data Exchange	1,000	-	1,000	-
HAVA Grant	2,000	5,986	3,635	4,351
Community Corrections Grant	7,191	464,981	461,774	10,398
TGF II	20,681	10,340	20,680	10,341
Youth Improvement Center	1,014	-	1,014	-
Bioterrorism Preparedness	1,094	26,571	26,573	1,092
800 mhz Rebanding	(244)	244	-	-
<b>Totals</b>	<b>\$ 16,677,431</b>	<b>\$ 71,233,002</b>	<b>\$ 72,072,846</b>	<b>\$ 15,837,587</b>

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

WHITLEY COUNTY  
NOTES TO FINANCIAL STATEMENT

**Note 1. Summary of Significant Accounting Policies**

*A. Reporting Entity*

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

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

*B. Basis of Accounting*

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

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

*C. Cash and Investments*

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

*D. Receipts*

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

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

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

WHITLEY COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

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

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

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

*E. Disbursements*

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

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

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

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

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

WHITLEY COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

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

*F. Interfund Transfers*

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

*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.

WHITLEY COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 4. Deposits and Investments**

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

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

**Note 5. Risk Management**

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

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

**Note 6. Pension Plans**

*A. Public Employees' Retirement Fund*

*Plan Description*

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

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

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

WHITLEY COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*Funding Policy and Annual Pension Cost*

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

**B. County Police Retirement Plan**

*Plan Description*

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

*Funding Policy*

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

**C. County Police Benefit Plan**

*Plan Description*

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

*Funding Policy*

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

**Note 7. Cash Balance Deficits**

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

WHITLEY COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 8. Holding Corporation**

The County has entered into a capital lease with Whitley County Holding Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the County. The lessor has been determined to be a related party of the County. Lease payments during the year 2013 totaled \$524,000.

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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.

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

	After Settlement Collections	Sheriff's Inmate Trust	Prosecutor's Check Deception Program	Sheriff's Commissary	Clerk's Trust	Sheriff's Cashbook	County General
Cash and investments - beginning	\$ 318,870	\$ 42,609	\$ 765	\$ 35,796	\$ 383,062	\$ 8,997	\$ 3,224,134
Receipts:							
Taxes	-	-	-	-	-	-	3,822,250
Licenses and permits	-	-	-	-	-	-	89,747
Intergovernmental	-	-	-	-	-	-	575,572
Charges for services	-	188,836	-	184,358	-	1,269,555	467,586
Fines and forfeits	-	-	50,534	-	4,078,616	-	205,532
Other receipts	806,940	-	-	-	-	-	355,073
Total receipts	<u>806,940</u>	<u>188,836</u>	<u>50,534</u>	<u>184,358</u>	<u>4,078,616</u>	<u>1,269,555</u>	<u>5,515,760</u>
Disbursements:							
Personal services	-	-	-	-	-	-	4,344,252
Supplies	-	-	-	-	-	-	304,437
Other services and charges	-	-	-	-	-	-	1,751,648
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	5,055
Other disbursements	318,870	200,290	51,079	179,077	4,156,835	1,264,609	23,821
Total disbursements	<u>318,870</u>	<u>200,290</u>	<u>51,079</u>	<u>179,077</u>	<u>4,156,835</u>	<u>1,264,609</u>	<u>6,429,213</u>
Excess (deficiency) of receipts over disbursements	<u>488,070</u>	<u>(11,454)</u>	<u>(545)</u>	<u>5,281</u>	<u>(78,219)</u>	<u>4,946</u>	<u>(913,453)</u>
Cash and investments - ending	<u>\$ 806,940</u>	<u>\$ 31,155</u>	<u>\$ 220</u>	<u>\$ 41,077</u>	<u>\$ 304,843</u>	<u>\$ 13,943</u>	<u>\$ 2,310,681</u>

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

	Accident Reports	CAGIT County Certified Funds	Campaign Finance	County Economic Development Income	City and Town Court Cost	Project Income	Community Transition Program
Cash and investments - beginning	\$ 5,928	\$ -	\$ 50	\$ 822,635	\$ 7,343	\$ 4,405	\$ 5,568
Receipts:							
Taxes	-	3,228,619	-	806,175	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	490	10,049	-	-	-	-	3,012
Fines and forfeits	-	-	-	-	-	685,811	-
Other receipts	2,819	29,214	25	-	12,752	178,391	-
Total receipts	<u>3,309</u>	<u>3,267,882</u>	<u>25</u>	<u>806,175</u>	<u>12,752</u>	<u>864,202</u>	<u>3,012</u>
Disbursements:							
Personal services	-	-	-	-	-	282,052	-
Supplies	-	171,268	-	-	-	162,730	1,148
Other services and charges	-	884,403	-	-	-	140,632	4,990
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	1,013,676	-	374	-
Other disbursements	5,777	1,522,274	-	32,823	19,081	240,382	-
Total disbursements	<u>5,777</u>	<u>2,577,945</u>	<u>-</u>	<u>1,046,499</u>	<u>19,081</u>	<u>826,170</u>	<u>6,138</u>
Excess (deficiency) of receipts over disbursements	<u>(2,468)</u>	<u>689,937</u>	<u>25</u>	<u>(240,324)</u>	<u>(6,329)</u>	<u>38,032</u>	<u>(3,126)</u>
Cash and investments - ending	<u>\$ 3,460</u>	<u>\$ 689,937</u>	<u>\$ 75</u>	<u>\$ 582,311</u>	<u>\$ 1,014</u>	<u>\$ 42,437</u>	<u>\$ 2,442</u>

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

	Sales Disclosure	Cumulative Bridge	Cumulative Capital Development	County Drug Free Community	Emergency Planning and Right to Know	Firearms Training	General Drain Improvement
Cash and investments - beginning	\$ 35,693	\$ 809,664	\$ 124,906	\$ 44,115	\$ 3,420	\$ 36,940	\$ 181,746
Receipts:							
Taxes	-	444,631	222,971	-	-	-	32,756
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	52,352	26,253	-	-	-	-
Charges for services	-	-	-	57,762	-	-	-
Fines and forfeits	-	14,502	-	-	-	-	-
Other receipts	4,225	1,412	23,993	144	3,664	15,958	71,781
Total receipts	4,225	512,897	273,217	57,906	3,664	15,958	104,537
Disbursements:							
Personal services	-	-	-	6,000	-	-	-
Supplies	-	-	16,580	-	-	-	-
Other services and charges	2,914	659,287	136,358	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	87,844	-	-	-	-
Other disbursements	-	-	164	35,071	3,250	12,598	98,591
Total disbursements	2,914	659,287	240,946	41,071	3,250	12,598	98,591
Excess (deficiency) of receipts over disbursements	1,311	(146,390)	32,271	16,835	414	3,360	5,946
Cash and investments - ending	\$ 37,004	\$ 663,274	\$ 157,177	\$ 60,950	\$ 3,834	\$ 40,300	\$ 187,692

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

	County Health	Identification Security Protection	Levy Excess	Local Health Maintenance	Local Road and Street	Medical Care for Inmates	County Misdemeanant
Cash and investments - beginning	\$ 192,542	\$ 6,164	\$ 111,459	\$ 14,512	\$ 153,779	\$ 552	\$ 34,162
Receipts:							
Taxes	279,370	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	32,894	-	-	-	334,298	-	-
Charges for services	-	3,331	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	44,291	-	-	33,139	-	7,026	20,747
Total receipts	<u>356,555</u>	<u>3,331</u>	<u>-</u>	<u>33,139</u>	<u>334,298</u>	<u>7,026</u>	<u>20,747</u>
Disbursements:							
Personal services	185,907	-	-	11,504	-	-	-
Supplies	232	-	-	1,219	346,835	-	-
Other services and charges	5,846	9,288	-	300	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	85,102	-	111,459	14,024	-	709	38,937
Total disbursements	<u>277,087</u>	<u>9,288</u>	<u>111,459</u>	<u>27,047</u>	<u>346,835</u>	<u>709</u>	<u>38,937</u>
Excess (deficiency) of receipts over disbursements	<u>79,468</u>	<u>(5,957)</u>	<u>(111,459)</u>	<u>6,092</u>	<u>(12,537)</u>	<u>6,317</u>	<u>(18,190)</u>
Cash and investments - ending	<u>\$ 272,010</u>	<u>\$ 207</u>	<u>\$ -</u>	<u>\$ 20,604</u>	<u>\$ 141,242</u>	<u>\$ 6,869</u>	<u>\$ 15,972</u>

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

	Highway	Rainy Day	Property Reassessment	Reassessment 2015	Recorder's Record Perpetuation	Adult Offender Interstate	Surplus Tax
Cash and investments - beginning	\$ 446,328	\$ 549,209	\$ 984,326	\$ 268,615	\$ 77,641	\$ 62	\$ 72,440
Receipts:							
Taxes	-	-	-	118,044	-	-	50,046
Licenses and permits	3,430	-	-	-	-	-	-
Intergovernmental	2,371,962	-	-	13,899	-	-	-
Charges for services	-	-	-	-	55,005	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	60,845	25,849	1,132	-	-	1,730	-
Total receipts	<u>2,436,237</u>	<u>25,849</u>	<u>1,132</u>	<u>131,943</u>	<u>55,005</u>	<u>1,730</u>	<u>50,046</u>
Disbursements:							
Personal services	818,437	28,018	33,901	-	-	-	-
Supplies	1,081,753	-	658	-	-	-	-
Other services and charges	159,371	-	106,100	-	-	656	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	25,000	-	-	-	-	-	-
Other disbursements	365,095	288,003	6,353	-	86,048	1,419	72,099
Total disbursements	<u>2,449,656</u>	<u>316,021</u>	<u>147,012</u>	<u>-</u>	<u>86,048</u>	<u>2,075</u>	<u>72,099</u>
Excess (deficiency) of receipts over disbursements	<u>(13,419)</u>	<u>(290,172)</u>	<u>(145,880)</u>	<u>131,943</u>	<u>(31,043)</u>	<u>(345)</u>	<u>(22,053)</u>
Cash and investments - ending	<u>\$ 432,909</u>	<u>\$ 259,037</u>	<u>\$ 838,446</u>	<u>\$ 400,558</u>	<u>\$ 46,598</u>	<u>\$ (283)</u>	<u>\$ 50,387</u>

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

	Surveyor's Cornerstone Perpetuation	Tax Sale Redemption	Tax Sale Surplus	Tobacco Settlement	Unsafe Building	Guardian Ad Litem	Guardian Ad Litem/CASA
Cash and investments - beginning	\$ 51,581	\$ 13,405	\$ 167,256	\$ 34,546	\$ 4,430	\$ 357	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	7,455	31,041	276,044	13,139	-	70	17,493
Total receipts	<u>7,455</u>	<u>31,041</u>	<u>276,044</u>	<u>13,139</u>	<u>-</u>	<u>70</u>	<u>17,493</u>
Disbursements:							
Personal services	-	-	-	1,438	-	-	-
Supplies	-	-	-	2,461	-	-	-
Other services and charges	5,137	-	-	4,095	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	27,389	97,493	538	-	-	17,493
Total disbursements	<u>5,137</u>	<u>27,389</u>	<u>97,493</u>	<u>8,532</u>	<u>-</u>	<u>-</u>	<u>17,493</u>
Excess (deficiency) of receipts over disbursements	<u>2,318</u>	<u>3,652</u>	<u>178,551</u>	<u>4,607</u>	<u>-</u>	<u>70</u>	<u>-</u>
Cash and investments - ending	<u>\$ 53,899</u>	<u>\$ 17,057</u>	<u>\$ 345,807</u>	<u>\$ 39,153</u>	<u>\$ 4,430</u>	<u>\$ 427</u>	<u>\$ -</u>

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

	Motor Vehicle Registration Penalty	Auditor's Ineligible Deductions	Elected Official Training	Whitley County Statewide 911	Supplemental Adult Probation Services	Supplemental Juvenile Probation Services	Law Enforcement Continuing Education
Cash and investments - beginning	\$ 8	\$ 16,463	\$ 4,334	\$ 283,112	\$ 53,438	\$ 17,100	\$ 2,232
Receipts:							
Taxes	-	79,773	-	-	16,556	2,678	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	3,330	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	45,238	-	395,526	65,169	8,678	3,434
Total receipts	-	125,011	3,330	395,526	81,725	11,356	3,434
Disbursements:							
Personal services	-	4,491	-	255,222	22,756	2,075	-
Supplies	-	-	-	-	1,465	-	-
Other services and charges	-	-	972	274,913	65,101	5,411	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	8	15,723	2,004	-	2,415	-	5,222
Total disbursements	8	20,214	2,976	530,135	91,737	7,486	5,222
Excess (deficiency) of receipts over disbursements	(8)	104,797	354	(134,609)	(10,012)	3,870	(1,788)
Cash and investments - ending	\$ -	\$ 121,260	\$ 4,688	\$ 148,503	\$ 43,426	\$ 20,970	\$ 444

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

	Drainage Maintenance	Sheriff's K-9 Donation	EMS Donations	Document Storage Fees	Rail Connect Park TIF	Redevelopment Commission	Ambulance Lease
Cash and investments - beginning	\$ 2,285,191	\$ 541	\$ 187	\$ 51,160	\$ -	\$ 2,839,141	\$ -
Receipts:							
Taxes	261,711	-	-	-	1,223	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	30,174	1,530	-	18,509	-	2,790,413	32,144
Total receipts	<u>291,885</u>	<u>1,530</u>	<u>-</u>	<u>18,509</u>	<u>1,223</u>	<u>2,790,413</u>	<u>32,144</u>
Disbursements:							
Personal services	-	-	-	5,538	-	1,050	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	354,327	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	1,889,489	-
Other disbursements	345,358	889	-	17,510	-	462,303	32,144
Total disbursements	<u>345,358</u>	<u>889</u>	<u>-</u>	<u>23,048</u>	<u>-</u>	<u>2,707,169</u>	<u>32,144</u>
Excess (deficiency) of receipts over disbursements	<u>(53,473)</u>	<u>641</u>	<u>-</u>	<u>(4,539)</u>	<u>1,223</u>	<u>83,244</u>	<u>-</u>
Cash and investments - ending	<u>\$ 2,231,718</u>	<u>\$ 1,182</u>	<u>\$ 187</u>	<u>\$ 46,621</u>	<u>\$ 1,223</u>	<u>\$ 2,922,385</u>	<u>\$ -</u>

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

	Payroll	Sheriff Pension Holding	Tax Distribution Clearing	Wheel Tax Distributions	Surtax Distributions	CVET	Financial Institution
Cash and investments - beginning	\$ 60,999	\$ 16,216	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	79,041	-	25,528,317	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	3,267,616	114,833	337,334	325,129	215,214
Charges for services	-	-	39,123	-	-	-	-
Fines and forfeits	-	15,288	-	-	-	-	-
Other receipts	1,935,039	-	18,265	-	-	-	-
Total receipts	<u>2,014,080</u>	<u>15,288</u>	<u>28,853,321</u>	<u>114,833</u>	<u>337,334</u>	<u>325,129</u>	<u>215,214</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	30,528	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	2,014,279	-	28,858,255	114,833	337,334	325,129	215,214
Total disbursements	<u>2,014,279</u>	<u>30,528</u>	<u>28,858,255</u>	<u>114,833</u>	<u>337,334</u>	<u>325,129</u>	<u>215,214</u>
Excess (deficiency) of receipts over disbursements	<u>(199)</u>	<u>(15,240)</u>	<u>(4,934)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 60,800</u>	<u>\$ 976</u>	<u>\$ (4,934)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	CEDIT Homestead Credit	HEA 1001-2008 State Homestead Credit	Fines and Forfeitures	Infraction Judgments/ Seatbelt Violations	Overweight Vehicles	Special Death Benefit	State Sales Disclosures
Cash and investments - beginning	\$ 50,420	\$ (1,421)	\$ 9,537	\$ 7,429	\$ -	\$ 185	\$ 365
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	213,163	-	62,988	108,950	2,522	2,680	4,225
Total receipts	<u>213,163</u>	<u>-</u>	<u>62,988</u>	<u>108,950</u>	<u>2,522</u>	<u>2,680</u>	<u>4,225</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	256,830	2,847	61,632	108,008	1,172	2,675	4,275
Total disbursements	<u>256,830</u>	<u>2,847</u>	<u>61,632</u>	<u>108,008</u>	<u>1,172</u>	<u>2,675</u>	<u>4,275</u>
Excess (deficiency) of receipts over disbursements	<u>(43,667)</u>	<u>(2,847)</u>	<u>1,356</u>	<u>942</u>	<u>1,350</u>	<u>5</u>	<u>(50)</u>
Cash and investments - ending	<u>\$ 6,753</u>	<u>\$ (4,268)</u>	<u>\$ 10,893</u>	<u>\$ 8,371</u>	<u>\$ 1,350</u>	<u>\$ 190</u>	<u>\$ 315</u>

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

	Coroner's Continuing Education	Mortgage Fees	Child Restraint Violations	Inheritance Tax	Education Plate Fees	Riverboat Sharing	CAGIT Certified Shares
Cash and investments - beginning	\$ 176	\$ 418	\$ 50	\$ 156,605	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	4,854,677
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	197,219	-
Charges for services	-	4,365	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	2,655	-	625	98,680	394	-	-
Total receipts	<u>2,655</u>	<u>4,365</u>	<u>625</u>	<u>98,680</u>	<u>394</u>	<u>197,219</u>	<u>4,854,677</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	2,679	4,470	650	255,258	394	197,219	4,854,677
Total disbursements	<u>2,679</u>	<u>4,470</u>	<u>650</u>	<u>255,258</u>	<u>394</u>	<u>197,219</u>	<u>4,854,677</u>
Excess (deficiency) of receipts over disbursements	<u>(24)</u>	<u>(105)</u>	<u>(25)</u>	<u>(156,578)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 152</u>	<u>\$ 313</u>	<u>\$ 25</u>	<u>\$ 27</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	EDIT Distribution	Prosecutor's Restitution	Prosecuting Attorney	Clerk ARRA	93.563 Title IV-D Incentive	Court Incentive	Prosecutor Incentive
Cash and investments - beginning	\$ -	\$ 14,740	\$ 3,742	\$ 6,501	\$ 76,994	\$ -	\$ 76,410
Receipts:							
Taxes	1,295,827	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	19,339	-	-
Fines and forfeits	-	113,282	12,043	-	-	-	-
Other receipts	-	-	-	-	-	29,764	29,103
Total receipts	<u>1,295,827</u>	<u>113,282</u>	<u>12,043</u>	<u>-</u>	<u>19,339</u>	<u>29,764</u>	<u>29,103</u>
Disbursements:							
Personal services	-	-	-	-	27,936	11,879	8,511
Supplies	-	-	-	-	2,440	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	<u>1,295,827</u>	<u>117,888</u>	<u>11,388</u>	<u>6,316</u>	<u>39,323</u>	<u>3,600</u>	<u>15,919</u>
Total disbursements	<u>1,295,827</u>	<u>117,888</u>	<u>11,388</u>	<u>6,316</u>	<u>69,699</u>	<u>15,479</u>	<u>24,430</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(4,606)</u>	<u>655</u>	<u>(6,316)</u>	<u>(50,360)</u>	<u>14,285</u>	<u>4,673</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 10,134</u>	<u>\$ 4,397</u>	<u>\$ 185</u>	<u>\$ 26,634</u>	<u>\$ 14,285</u>	<u>\$ 81,083</u>

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

	Clerk Incentive	Iotron Union TIF Amended	Law Enforcement Continuing Education - All	Sheriff's Donation	Immunization Clinic	Government Center Lease	Alcohol and Drug Services
Cash and investments - beginning	\$ 68,600	\$ -	\$ 25,511	\$ 5,079	\$ 19,869	\$ 539,241	\$ (4,492)
Receipts:							
Taxes	-	5,344	-	-	-	191,493	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	22,546	-
Charges for services	-	-	-	-	47,319	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	19,339	-	12,526	-	-	-	129,242
Total receipts	<u>19,339</u>	<u>5,344</u>	<u>12,526</u>	<u>-</u>	<u>47,319</u>	<u>214,039</u>	<u>129,242</u>
Disbursements:							
Personal services	9,439	-	-	-	-	-	115,606
Supplies	-	-	-	963	-	-	3,063
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	524,000	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	4,617	-	11,645	18	48,456	-	-
Total disbursements	<u>14,056</u>	<u>-</u>	<u>11,645</u>	<u>981</u>	<u>48,456</u>	<u>524,000</u>	<u>118,669</u>
Excess (deficiency) of receipts over disbursements	<u>5,283</u>	<u>5,344</u>	<u>881</u>	<u>(981)</u>	<u>(1,137)</u>	<u>(309,961)</u>	<u>10,573</u>
Cash and investments - ending	<u>\$ 73,883</u>	<u>\$ 5,344</u>	<u>\$ 26,392</u>	<u>\$ 4,098</u>	<u>\$ 18,732</u>	<u>\$ 229,280</u>	<u>\$ 6,081</u>

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

	Pre-Trial Diversion	County User Fee Infraction	Supplemental Public Defender Services	Community Corrections Project Income	Self Insurance- Whitley County	Jury Pay	Solid Waste District
Cash and investments - beginning	\$ 204,716	\$ 152,626	\$ 58,378	\$ 74,349	\$ 48,969	\$ 32,327	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	593,704
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	871,780	-	-	-
Other receipts	24,639	67,812	2,985	-	1,351,257	7,925	-
Total receipts	<u>24,639</u>	<u>67,812</u>	<u>2,985</u>	<u>871,780</u>	<u>1,351,257</u>	<u>7,925</u>	<u>593,704</u>
Disbursements:							
Personal services	-	8,509	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	64	-	-	-	8,295	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	81,569	32,203	862,740	1,288,740	-	593,704
Total disbursements	<u>-</u>	<u>90,142</u>	<u>32,203</u>	<u>862,740</u>	<u>1,288,740</u>	<u>8,295</u>	<u>593,704</u>
Excess (deficiency) of receipts over disbursements	<u>24,639</u>	<u>(22,330)</u>	<u>(29,218)</u>	<u>9,040</u>	<u>62,517</u>	<u>(370)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 229,355</u>	<u>\$ 130,296</u>	<u>\$ 29,160</u>	<u>\$ 83,389</u>	<u>\$ 111,486</u>	<u>\$ 31,957</u>	<u>\$ -</u>

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

	Fuel Facility	Personal Property Tax Recovery	Vaxcare	Employee Disability	CAGIT PTRC	CFDA 93.507 Health Infrastructure
Cash and investments - beginning	\$ 78,582	\$ 554	\$ 2,304	\$ 4,412	\$ -	\$ 14,505
Receipts:						
Taxes	-	-	-	-	1,618,226	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	785,004	-	1,692	-	-	16,000
Total receipts	785,004	-	1,692	-	1,618,226	16,000
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	769,015	-	-	-	-	-
Other services and charges	-	-	-	1,936	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	238	-	1,618,226	1,695
Total disbursements	769,015	-	238	1,936	1,618,226	1,695
Excess (deficiency) of receipts over disbursements	15,989	-	1,454	(1,936)	-	14,305
Cash and investments - ending	\$ 94,571	\$ 554	\$ 3,758	\$ 2,476	\$ -	\$ 28,810

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

	CFDA #14.228 CDBG	Asset Forfeiture and Money Laundering	CFDA #16.575 IN Criminal Justice	CFDA #10.557 WIC Grant	Drug Enforcement Grant	CFDA #16.543 IN Internet Crime vs. Children
Cash and investments - beginning	\$ -	\$ -	\$ (1,663)	\$ 314	\$ 18,759	\$ (6,120)
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	55,000	6,520	16,169	89,309	17,075	7,400
Total receipts	55,000	6,520	16,169	89,309	17,075	7,400
Disbursements:						
Personal services	-	-	-	77,827	-	-
Supplies	-	-	-	2,912	-	-
Other services and charges	-	-	-	2,675	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	55,000	-	14,506	6,145	26,275	2,049
Total disbursements	55,000	-	14,506	89,559	26,275	2,049
Excess (deficiency) of receipts over disbursements	-	6,520	1,663	(250)	(9,200)	5,351
Cash and investments - ending	\$ -	\$ 6,520	\$ -	\$ 64	\$ 9,559	\$ (769)

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

	EMPG Grant	Emergency Management/ Certified Grant	CFDA #16.800 IN Internet Crime	Senior Citizen Transportation Grant	Data Exchange	HAVA Grant
Cash and investments - beginning	\$ (3,668)	\$ 26	\$ (768)	\$ -	\$ 1,000	\$ 2,000
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	26,009	-	2,058	226,081	-	5,986
Total receipts	26,009	-	2,058	226,081	-	5,986
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	22,341	-	1,290	226,081	1,000	3,635
Total disbursements	22,341	-	1,290	226,081	1,000	3,635
Excess (deficiency) of receipts over disbursements	3,668	-	768	-	(1,000)	2,351
Cash and investments - ending	\$ -	\$ 26	\$ -	\$ -	\$ -	\$ 4,351

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

	Community Corrections Grant	TGF II	Youth Improvement Center	Bioterrorism Preparedness	800 mhz Rebanding	Totals
Cash and investments - beginning	\$ 7,191	\$ 20,681	\$ 1,014	\$ 1,094	\$ (244)	\$ 16,677,431
Receipts:						
Taxes	-	-	-	-	-	43,533,432
Licenses and permits	-	-	-	-	-	93,177
Intergovernmental	-	-	-	-	-	7,887,121
Charges for services	-	-	-	-	-	2,353,460
Fines and forfeits	-	-	-	-	-	6,047,388
Other receipts	464,981	10,340	-	26,571	244	11,318,424
Total receipts	464,981	10,340	-	26,571	244	71,233,002
Disbursements:						
Personal services	460,034	20,680	-	-	-	6,743,062
Supplies	-	-	-	-	-	2,869,179
Other services and charges	-	-	-	-	-	4,615,247
Debt service - principal and interest	-	-	-	-	-	524,000
Capital outlay	-	-	-	-	-	3,021,438
Other disbursements	1,740	-	1,014	26,573	-	54,299,920
Total disbursements	461,774	20,680	1,014	26,573	-	72,072,846
Excess (deficiency) of receipts over disbursements	3,207	(10,340)	(1,014)	(2)	244	(839,844)
Cash and investments - ending	\$ 10,398	\$ 10,341	\$ -	\$ 1,092	\$ -	\$ 15,837,587

WHITLEY COUNTY  
SCHEDULE OF LEASES AND DEBT  
December 31, 2013

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Whitley County Holding Corporation	Government Building	\$ 524,000	07-15-12	01-15-24
Star Financial Bank	Ambulance	32,144	08-01-10	02-01-15
RPM Machinery, LLC	Backhoe	<u>30,064</u>	06-28-13	01-01-15
Total of annual lease payments		<u>\$ 586,208</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
Bond anticipation notes	Redevelopment Projects	<u>\$ 2,237,920</u>	<u>\$ 83,292</u>

WHITLEY COUNTY  
SCHEDULE OF CAPITAL ASSETS  
December 31, 2013

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 147,016
Infrastructure	31,922,505
Buildings	10,975,925
Improvements other than buildings	129,180
Machinery, equipment, and vehicles	<u>4,745,027</u>
Total capital assets	<u>\$ 47,919,653</u>

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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

TO: THE OFFICIALS OF WHITLEY COUNTY, INDIANA

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

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

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

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

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

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

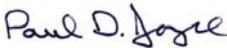
***Report on Internal Control Over Compliance***

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

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

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

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

  
Paul D. Joyce, CPA  
State Examiner

September 23, 2014

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

WHITLEY COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2013

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>Department of Agriculture</u>				
Special Supplemental Nutrition Program for Women, Infants, and Children WIC Program	Indiana Department of Health	10.557	WIC 192-1 WIC 192-2 WIC 192-3	\$ 6,067 78,204 5,038
Total - Department of Agriculture				<u>89,309</u>
<u>Department of Commerce</u>				
State Broadband Data and Development Grant Program GIS Reimbursement	Indiana Office of Technology	11.558	D20-2-7851	<u>2,000</u>
Total - Department of Commerce				<u>2,000</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	Indiana Office of Community and Rural Affairs	14.228	ID-11-001	<u>55,000</u>
Total - Department of Housing and Urban Development				<u>55,000</u>
<u>Department of Justice</u>				
Missing Children's Assistance	Indiana State Police	16.543	2011-MC-CX-K005	7,400
Crime Victim Assistance IN Criminal Justice	Indiana Criminal Justice Institute	16.575	2010-VA-GX-0100	16,169
Recovery Act - Internet Crimes Against Children Task Force Program (ICAC) IN Internet Crime	Indiana State Police	16.800	2009-SN-B9-K051	<u>2,040</u>
Total - Department of Justice				<u>25,609</u>
<u>Department of Transportation</u>				
Highway Planning and Construction Cluster Highway Planning and Construction Bridge Inspections	Indiana Department of Transportation	20.205	FY 2013	<u>40</u>
Formula Grants for Rural Areas Senior Citizen Transportation	Indiana Department of Transportation	20.509	A249-12-320326 A249-13-320336 A249-12-320570	20,611 106,506 <u>41,955</u>
ARRA - Formula Grants for Rural Areas, Recovery Act				<u>169,072</u>
Total - Formula Grants for Rural Areas				<u>169,072</u>
Total - Department of Transportation				<u>169,112</u>
<u>Department of Health and Human Services</u>				
Public Health Emergency Preparedness Bioterrorism Preparedness	Indiana Department of Health	93.069	BPRS 192-75	<u>11,951</u>
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	Indiana Department of Health	93.074	1U90TP000521-01	<u>14,622</u>
PPHF 2012 National Public Health Improvement Initiative Health Infrastructure	Indiana Department of Health	93.507	5U58CD001308-02	<u>1,695</u>
Child Support Enforcement Title IV-D Incentive Court Incentive Prosecutor Incentive Clerk Incentive Child Support Enforcement Prosecutor, Clerk, Court & Indirect Document Storage	Indiana Department of Child Services	93.563	FY 2013	39,936 15,479 24,430 14,057 303,605 <u>863</u>
Total - Child Support Enforcement				<u>398,370</u>
Voting Access for Individuals with Disabilities - Grants to States HAVA Grant	Indiana Secretary of State	93.617	FY 2013	<u>2,915</u>
Total - Department of Health and Human Services				<u>429,553</u>
<u>Department of Homeland Security</u>				
Emergency Management Performance Grants EMPG Grant Emergency Management Salary Reimbursement	Indiana Department of Homeland Security	97.042	C44P-3-040B C44P-3-319B	4,054 <u>21,955</u>
Total - Department of Homeland Security				<u>26,009</u>
Total federal awards expended				<u>\$ 796,592</u>

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

WHITLEY COUNTY  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1. Basis of Presentation**

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

**Note 2. Subrecipients**

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

Program Title	Federal CFDA Number	2013
Formula Grants for Rural Areas	20.509	<u>\$ 169,072</u>

WHITLEY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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

Financial Statement:

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

Federal Awards:

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

Identification of Major Programs:

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

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

Auditee qualified as low-risk auditee?	no
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**Section II - Financial Statement Findings**

**FINDING 2013-001 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING - DISBURSEMENTS**

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

1. Lack of Segregation of Duties: Control activities should be selected and developed at various levels of the County to reduce risks to the achievement of financial reporting objectives. The County has not separated incompatible activities related to disbursements.

WHITLEY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

The failure to establish these controls could enable material misstatements or irregularities to remain undetected. We found numerous claims paid without supporting documentation that would verify the claims were for County related business.

2. **Monitoring of Controls:** Effective internal control over financial reporting of disbursements requires the Board of County Commissioners or their designee to monitor and assess the quality of the County's system of internal control. The Board of County Commissioners or their designee have not performed either an ongoing or separate evaluation of their system of internal controls. The failure to exercise their oversight responsibility places the County at risk that controls may not be designed or operating effectively to provide reasonable assurance that controls will prevent or detect material misstatements in a timely manner.

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)

Indiana Code 5-11-10-1.6(c) states in part:

"The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

- (1) there is a fully itemized invoice or bill for the claim;
- (2) the invoice or bill is approved by the officer or person receiving the goods and services;
- (3) the invoice or bill is filed with the governmental entity's fiscal officer;
- (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and
- (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim."

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

No matters are reportable.

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AUDITEE PREPARED DOCUMENT

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

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**Whitley County Auditor**

*Jana L. Schinbeckler*

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220 W. Van Buren St, Suite 207 | Columbia City, Indiana 46725 | Phone: 260.248.3176

wcauditor@whitleygov.com

September 23, 2014

***FINDING 2013-001***

Corrective Action Plan

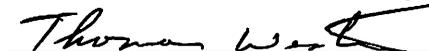
Responsible Party: Jana L. Schinbeckler, Auditor

Anticipated Completion Date: (1) September 23, 2014 (2) Month End September 2014

1. **Lack of Segregation of Duties:** In review of segregation of duties for disbursements made from the office we will now be ensuring that each claim will be filled out by the coordinating department and then turned into the Auditor's office. The department heads will sign the claims that are turned into the office. We will also mandate that there will be documentation to go with the claim each time. If there is not, we will ask for supporting documentation and obtain it from the department. We will confirm that each claim is County related business as well.
2. **Monitoring of Controls:** In review of the internal controls over financial reporting of disbursements, the Board of Commissioners will now be signing each individual claim to verify that they have reviewed the claims against the County. They will ensure that each claim is County business related and confirm that there is documentation with each claim. The County Auditor will the review and sign the claim as well.

  
Jana L. Schinbeckler  
Auditor

  
George Schrupf  
Commissioner Chairman

  
Thomas Western  
Council Chairman

#### OTHER REPORTS

In addition to this report, two supplemental reports have been issued for the County. Those reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.