

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF  
NOBLE 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	Jacqueline L. Knafel	01-01-11 to 12-31-14
Treasurer	Michele J. Bricker	01-01-13 to 12-31-16
Clerk	Michelle L. Mawhorter	01-01-13 to 12-31-16
Sheriff	Douglas A. Harp	01-01-11 to 12-31-14
Recorder	Candy B. Myers	01-01-13 to 12-31-14
President of the Board of County Commissioners	Gary D. Leatherman	01-01-13 to 12-31-14
President of the County Council	Donald A. Moore Wayne F. Clouse	01-01-13 to 01-13-13 01-14-13 to 12-31-14



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

TO: THE OFFICIALS OF NOBLE COUNTY, INDIANA

***Report on the Financial Statement***

We have audited the accompanying financial statement of Noble 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 November 24, 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

November 24, 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 NOBLE 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 Noble 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 November 24, 2014, wherein we noted the County followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

***Internal Control Over Financial Reporting***

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

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

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



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

***Compliance and Other Matters***


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

***Noble 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

November 24, 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.

NOBLE 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
General	\$ 2,967,729	\$ 8,828,857	\$ 8,975,268	\$ 2,821,318
Sheriff's Accident Report	12,682	4,524	9,248	7,958
Bond Forfeitures	-	1,901	-	1,901
CAGIT Certified Shares	-	2,611,570	2,484,610	126,960
CEDIT	1,796,448	1,048,844	1,022,243	1,823,049
HEA 1001 State HSC Distribution	(2,896)	12	-	(2,884)
Municipal Court Cost	-	13,803	13,803	-
Clerk's Record Perpetuation	33,887	21,013	11,265	43,635
Community Corrections Grant	-	182,574	71,098	111,476
Special Operations Group	8,642	13,265	13,291	8,616
Sales Disclosure	29,462	5,051	4,400	30,113
Cumulative Capital Development - Bridges	3,235,356	575,320	815,062	2,995,614
Cumulative Building Courthouse	109,908	108,056	22,431	195,533
Drug Free Community	46,178	46,381	44,000	48,559
Emergency Planning-SARA	28,959	5,820	5,799	28,980
Extradition	62,333	4,647	8,396	58,584
Firearms Training	50,196	24,358	21,379	53,175
General Drain Improvements	140,389	343,739	163,350	320,778
Health Department	130,554	295,500	303,990	122,064
Security Protection	3,698	3,913	-	7,611
Excess Levy	87,162	-	-	87,162
Health Maintenance	75,884	33,481	14,381	94,984
Local Road and Street	310,875	538,661	737,014	112,522
County Misdemeanants	62,713	28,545	10,823	80,435
Highway	625,721	2,991,488	2,928,406	688,803
Rainy Day	912,085	145	15,000	897,230
Reassessment	75,671	340	76,011	-
Reassessment 2015	294,337	190,286	63,687	420,936
Recorders Perpetuation	135,595	63,854	58,632	140,817
River Boat Revenue Sharing	-	281,599	281,599	-
Sex Offender Fees - State 10%	6	283	94	195
Sheriff Service Fee	31,778	24,255	-	56,033
Public Defender Fees	169,554	14,203	4,788	178,969
Surplus Tax	33,034	108,337	52,386	88,985
Surveyor's Perpetuation	17,803	8,896	525	26,174
Online Certificate Sale	19,702	-	2,434	17,268
Tax Sale Redemption	220	165,826	140,047	25,999
Tax Sale Surplus	367,098	415,392	406,621	375,869
Tobacco "Master" Settlement	87,739	12,625	14,165	86,199
Victim Witness	53,736	41,841	38,327	57,250
Guardian Ad Litem/CASA	63,385	42,559	34,484	71,460
Elected Officials Training	-	9,647	-	9,647
County - Transportation	1,188	755	-	1,943
Statewide 9-1-1	390,057	587,164	523,163	454,058
Storm/Erosion	8,380	3,772	-	12,152
Adult Probation	1,282,690	472,523	497,609	1,257,604
Juvenile Probation	72,875	10,534	7,655	75,754
Transfer Fee - County	109,085	45,688	27,785	126,988
Work Crew - Drainage	78,949	128,400	97,334	110,015
Drain Maintenance	1,884,022	1,153,361	769,837	2,267,546
Sheriff Sale Fees	29,105	21,271	17,044	33,332
Federal Drug Task Force	27	1,009	-	1,036
DUI Grant - Ligonier and Kendallville	(2,254)	17,550	15,780	(484)
K-9 Donation	713	-	145	568
Demand Notice Fees 27%	-	263	36	227
Health Clinic Donations	7,602	3,159	349	10,412
Civil Service Fee	82,062	19,820	88,312	13,570
Debt Service - Jail	201,932	395,595	399,500	198,027
Self Funding Insurance	154,704	1,810,062	1,943,551	21,215
Landfill/Post Closure Trust	172	-	-	172
Payroll	-	5,841,268	5,841,268	-
INPRS - PERF	1	98,647	98,647	1
Pro-Claim Plus	-	352,517	352,517	-
Withholding (Sheriff Benefit)	-	679,017	679,017	-
Deferred Compensation	-	55,475	55,475	-
Federal Withholdings	-	777,631	777,631	-
Flex Checks	3,840	920	1,932	2,828
Withholdings (County Tax)	-	111,760	111,760	-
Withholdings (Perf)	-	209,785	209,785	-
Pension Trust County Police	86,275	1,901	44,664	43,512
State Withholdings	-	264,128	264,128	-
Garnished Wages	-	21,850	21,850	-
Settlement	(26)	44,901,101	44,897,864	3,211
CAGIT	-	7,521,894	7,521,894	-
Noble County Wheel and Surtax	-	615,991	615,991	-

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

NOBLE 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
Commercial Vehicle Excise Tax	-	185,600	185,600	-
Financial Tax	-	164,537	164,537	-
VaxCare	1,689	1,843	16	3,516
Fines and Forfeitures	22,603	138,092	145,200	15,495
Infraction Judgment	3,550	48,920	22,901	29,569
Death Benefit	260	4,300	1,955	2,605
Disclosure/Treasurer of State	475	5,045	2,305	3,215
Coroner Continuing Education	115	3,744	1,769	2,090
Inner State Compact Application Fee-County	38	575	38	575
State Mortgage Fee	436	4,515	2,388	2,563
DLGF Homestead Property Database	-	16,888	3,174	13,714
Child Restraint Violations	-	2,276	525	1,751
Inheritance Tax	52,780	152,425	203,289	1,916
Education Plate Fee	94	619	675	38
Innkeeper Tax	2,174	110,379	99,416	13,137
CEDIT Money for Distribution	-	1,890,100	1,890,100	-
CEDIT Homestead	41,596	-	-	41,596
Deer Lake Control	2,628	-	-	2,628
CFDA# 93.563 Prosecutor PCA	4,526	496	-	5,022
ARRA Funding for Prosecutor	27,538	-	1,991	25,547
Clerk's ARRA Funding	12,942	-	12,033	909
CFDA# 93.563 Title IV-D Incentive	130,911	26,386	29,930	127,367
Prosecutor IV-D	26	-	-	26
Prosecutor New IV-D	171,928	58,447	19,350	211,025
Clerk IV-D	1	-	1	-
Clerk New IV-D	140,807	38,851	56,942	122,716
Prosecutor's Equitable Sharing	6,249	-	-	6,249
Drug Confiscated	10,526	504	-	11,030
Sex Offender Fees - County 90%	3,442	2,551	360	5,633
WE CARE Clinic	7,238	11,101	5,908	12,431
Riverboat Money-County Portion	305,139	154,715	133,992	325,862
Juvenile Debt	6,624	-	6,624	-
Work Release Maintenance	36,361	6,790	476	42,675
Adult Vaccines	7,373	11,957	11,355	7,975
Certificate Sale	4,614	-	-	4,614
Certificate Surplus	9,068	-	-	9,068
Intrastate Transfer Fee County	38	649	38	649
CEDIT Homestead for Settlement	282,858	1,890,100	2,125,874	47,084
CFDA# 93.243 Federal Joint Grant	26,512	38,295	62,487	2,320
CFDA# 16.804 Recovery Act JAG	219	-	219	-
CFDA# 16.585 Fed Joint Grant Part 2	10,046	136,033	138,269	7,810
Homeland Security	2,557	-	-	2,557
OPO Equipment Grant	1,333	-	-	1,333
Race and Gender Interpreter	3,994	3,300	1,923	5,371
Prosecutor Stop Grant CFDA #16.588	2,656	26,200	26,200	2,656
Operating Grant Council on Aging	-	374,610	374,610	-
Dangerous Aggressive Driving	(553)	375	-	(178)
Court Services PRI Drug Free	-	1,902	1,902	-
Taser Grant	-	1,103	1,103	-
2009 Polling Place Grant	594	-	-	594
CFDA# 97.042 EMPG Comp Grant	-	4,289	4,305	(16)
Coroner Education Grant	1,748	-	-	1,748
Family Drug Court	4,346	-	263	4,083
Child Seat Safety Program	2,015	536	887	1,664
CFDA# 16.606 SCAAP	8,036	2,182	480	9,738
CFDA# 20.601 Operation Pull-Over	(3,632)	24,915	20,135	1,148
Bio-Terrorist	4,815	24,189	24,574	4,430
Photogrammetry Grant	119	-	119	-
Rural Demonstration Grant	90	-	-	90
Dangerous Driving	375	-	375	-
Data Sharing Agreement Grant	2,000	-	-	2,000
Parks and Recreation Grant	10,000	-	5,735	4,265
County Treasurer's After Settlement Collections	1,068,188	1,098,663	1,068,188	1,098,663
County Sheriff Cashbook	3,438	471,364	474,802	-
Commissary	64,459	95,380	100,196	59,643
Inmate Trust	19,606	592,090	592,842	18,854
County Clerk's Trust	387,502	2,434,578	2,655,216	166,864
Totals	\$ 19,386,132	\$ 95,498,631	\$ 95,435,172	\$ 19,449,591

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

NOBLE 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.

NOBLE 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.

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.

NOBLE 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.



NOBLE COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

**Note 5. Risk Management**

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

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

**Note 6. Pension Plans**

*A. Public Employees' Retirement Fund*

*Plan Description*

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is 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

*Funding Policy and Annual Pension Cost*

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

NOBLE COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*B. County Police Retirement Plan*

*Plan Description*

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

*Funding Policy*

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

*C. County Police Benefit Plan*

*Plan Description*

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

*Funding Policy*

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

**Note 7. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash. This is a result of grant fund expenditures made by the County that were not reimbursed as of December 31, 2013.

**Note 8. Holding Corporation**

The County has entered into a capital lease with Noble County Jail Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the County. The lessor has been determined to be a related party of the County. Lease payments during the year 2013 totaled \$399,500.

## 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.

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

	General	Sheriff's Accident Report	Bond Forfeitures	CAGIT Certified Shares	CEDIT	HEA 1001 State HSC Distribution	Municipal Court Cost
Cash and investments - beginning	\$ 2,967,729	\$ 12,682	\$ -	\$ -	\$ 1,796,448	\$ (2,896)	\$ -
Receipts:							
Taxes	6,745,164	-	-	-	-	12	-
Licenses and permits	48,487	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	1,440,697	-	-	2,515,154	-	-	-
Fines and forfeits	201,782	-	-	-	-	-	-
Other receipts	392,727	4,524	1,901	96,416	1,048,844	-	13,803
Total receipts	<u>8,828,857</u>	<u>4,524</u>	<u>1,901</u>	<u>2,611,570</u>	<u>1,048,844</u>	<u>12</u>	<u>13,803</u>
Disbursements:							
Personal services	6,571,006	-	-	2,171,133	-	-	-
Supplies	465,661	-	-	35,805	-	-	-
Other services and charges	1,625,840	-	-	277,672	-	-	-
Capital outlay	168,752	-	-	-	1,022,243	-	-
Other disbursements	144,009	9,248	-	-	-	-	13,803
Total disbursements	<u>8,975,268</u>	<u>9,248</u>	<u>-</u>	<u>2,484,610</u>	<u>1,022,243</u>	<u>-</u>	<u>13,803</u>
Excess (deficiency) of receipts over disbursements	<u>(146,411)</u>	<u>(4,724)</u>	<u>1,901</u>	<u>126,960</u>	<u>26,601</u>	<u>12</u>	<u>-</u>
Cash and investments - ending	<u>\$ 2,821,318</u>	<u>\$ 7,958</u>	<u>\$ 1,901</u>	<u>\$ 126,960</u>	<u>\$ 1,823,049</u>	<u>\$ (2,884)</u>	<u>\$ -</u>

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

	Clerk's Record Perpetuation	Community Corrections Grant	Special Operations Group	Sales Disclosure	Cumulative Capital Development - Bridges	Cumulative Building Courthouse	Drug Free Community
Cash and investments - beginning	\$ 33,887	\$ -	\$ 8,642	\$ 29,462	\$ 3,235,356	\$ 109,908	\$ 46,178
Receipts:							
Taxes	-	-	-	-	528,601	107,715	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	5,051	42,392	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	21,013	182,574	13,265	-	4,327	341	46,381
Total receipts	<u>21,013</u>	<u>182,574</u>	<u>13,265</u>	<u>5,051</u>	<u>575,320</u>	<u>108,056</u>	<u>46,381</u>
Disbursements:							
Personal services	-	67,673	-	-	-	-	-
Supplies	2,480	-	-	-	-	-	-
Other services and charges	1,334	-	-	-	278,765	-	44,000
Capital outlay	-	3,425	-	-	536,297	22,431	-
Other disbursements	7,451	-	13,291	4,400	-	-	-
Total disbursements	<u>11,265</u>	<u>71,098</u>	<u>13,291</u>	<u>4,400</u>	<u>815,062</u>	<u>22,431</u>	<u>44,000</u>
Excess (deficiency) of receipts over disbursements	<u>9,748</u>	<u>111,476</u>	<u>(26)</u>	<u>651</u>	<u>(239,742)</u>	<u>85,625</u>	<u>2,381</u>
Cash and investments - ending	<u>\$ 43,635</u>	<u>\$ 111,476</u>	<u>\$ 8,616</u>	<u>\$ 30,113</u>	<u>\$ 2,995,614</u>	<u>\$ 195,533</u>	<u>\$ 48,559</u>

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

	Emergency Planning-SARA	Extradition	Firearms Training	General Drain Improvements	Health Department	Security Protection	Excess Levy
Cash and investments - beginning	\$ 28,959	\$ 62,333	\$ 50,196	\$ 140,389	\$ 130,554	\$ 3,698	\$ 87,162
Receipts:							
Taxes	-	-	-	-	233,382	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	42,859	3,913	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	5,820	4,647	24,358	343,739	19,259	-	-
Total receipts	<u>5,820</u>	<u>4,647</u>	<u>24,358</u>	<u>343,739</u>	<u>295,500</u>	<u>3,913</u>	<u>-</u>
Disbursements:							
Personal services	2,142	-	-	-	283,825	-	-
Supplies	19	-	-	-	6,664	-	-
Other services and charges	3,638	8,396	-	-	12,666	-	-
Capital outlay	-	-	-	-	835	-	-
Other disbursements	-	-	21,379	163,350	-	-	-
Total disbursements	<u>5,799</u>	<u>8,396</u>	<u>21,379</u>	<u>163,350</u>	<u>303,990</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>21</u>	<u>(3,749)</u>	<u>2,979</u>	<u>180,389</u>	<u>(8,490)</u>	<u>3,913</u>	<u>-</u>
Cash and investments - ending	<u>\$ 28,980</u>	<u>\$ 58,584</u>	<u>\$ 53,175</u>	<u>\$ 320,778</u>	<u>\$ 122,064</u>	<u>\$ 7,611</u>	<u>\$ 87,162</u>

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

	Health Maintenance	Local Road and Street	County Misdemeanants	Highway	Rainy Day	Reassessment	Reassessment 2015
Cash and investments - beginning	\$ 75,884	\$ 310,875	\$ 62,713	\$ 625,721	\$ 912,085	\$ 75,671	\$ 294,337
Receipts:							
Taxes	-	-	-	2,023	-	-	143,619
Licenses and permits	-	-	-	3,461	-	-	-
Intergovernmental	-	496,094	-	2,432,963	-	-	-
Charges for services	-	2,200	-	501,189	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	33,481	40,367	28,545	51,852	145	340	46,667
Total receipts	<u>33,481</u>	<u>538,661</u>	<u>28,545</u>	<u>2,991,488</u>	<u>145</u>	<u>340</u>	<u>190,286</u>
Disbursements:							
Personal services	9,048	-	6,195	1,012,730	-	-	5,502
Supplies	3,613	-	-	889,296	-	-	-
Other services and charges	1,720	-	4,628	1,012,850	-	-	58,185
Capital outlay	-	737,014	-	13,530	-	-	-
Other disbursements	-	-	-	-	15,000	76,011	-
Total disbursements	<u>14,381</u>	<u>737,014</u>	<u>10,823</u>	<u>2,928,406</u>	<u>15,000</u>	<u>76,011</u>	<u>63,687</u>
Excess (deficiency) of receipts over disbursements	<u>19,100</u>	<u>(198,353)</u>	<u>17,722</u>	<u>63,082</u>	<u>(14,855)</u>	<u>(75,671)</u>	<u>126,599</u>
Cash and investments - ending	<u>\$ 94,984</u>	<u>\$ 112,522</u>	<u>\$ 80,435</u>	<u>\$ 688,803</u>	<u>\$ 897,230</u>	<u>\$ -</u>	<u>\$ 420,936</u>

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

	Recorders Perpetuation	River Boat Revenue Sharing	Sex Offender Fees - State 10%	Sheriff Service Fee	Public Defender Fees	Surplus Tax	Surveyor's Perpetuation
Cash and investments - beginning	\$ 135,595	\$ -	\$ 6	\$ 31,778	\$ 169,554	\$ 33,034	\$ 17,803
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	63,513	-	-	-	-	-	8,896
Fines and forfeits	-	-	-	-	14,203	-	-
Other receipts	341	281,599	283	24,255	-	108,337	-
Total receipts	<u>63,854</u>	<u>281,599</u>	<u>283</u>	<u>24,255</u>	<u>14,203</u>	<u>108,337</u>	<u>8,896</u>
Disbursements:							
Personal services	17	-	-	-	1,888	-	-
Supplies	-	-	-	-	-	-	525
Other services and charges	-	-	-	-	2,900	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	58,615	281,599	94	-	-	52,386	-
Total disbursements	<u>58,632</u>	<u>281,599</u>	<u>94</u>	<u>-</u>	<u>4,788</u>	<u>52,386</u>	<u>525</u>
Excess (deficiency) of receipts over disbursements	<u>5,222</u>	<u>-</u>	<u>189</u>	<u>24,255</u>	<u>9,415</u>	<u>55,951</u>	<u>8,371</u>
Cash and investments - ending	<u>\$ 140,817</u>	<u>\$ -</u>	<u>\$ 195</u>	<u>\$ 56,033</u>	<u>\$ 178,969</u>	<u>\$ 88,985</u>	<u>\$ 26,174</u>



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

	Online Certificate Sale	Tax Sale Redemption	Tax Sale Surplus	Tobacco "Master" Settlement	Victim Witness	Guardian Ad Litem/CASA	Elected Officials Training
Cash and investments - beginning	\$ 19,702	\$ 220	\$ 367,098	\$ 87,739	\$ 53,736	\$ 63,385	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	3,477
Fines and forfeits	-	-	-	-	41,841	-	-
Other receipts	-	165,826	415,392	12,625	-	42,559	6,170
Total receipts	-	165,826	415,392	12,625	41,841	42,559	9,647
Disbursements:							
Personal services	-	-	-	-	38,177	-	-
Supplies	-	-	-	8,446	-	-	-
Other services and charges	-	-	-	-	-	34,484	-
Capital outlay	-	-	-	5,719	-	-	-
Other disbursements	2,434	140,047	406,621	-	150	-	-
Total disbursements	2,434	140,047	406,621	14,165	38,327	34,484	-
Excess (deficiency) of receipts over disbursements	(2,434)	25,779	8,771	(1,540)	3,514	8,075	9,647
Cash and investments - ending	\$ 17,268	\$ 25,999	\$ 375,869	\$ 86,199	\$ 57,250	\$ 71,460	\$ 9,647

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

	County - Transportation	Statewide 9-1-1	Storm/Erosion	Adult Probation	Juvenile Probation	Transfer Fee - County	Work Crew - Drainage
Cash and investments - beginning	\$ 1,188	\$ 390,057	\$ 8,380	\$ 1,282,690	\$ 72,875	\$ 109,085	\$ 78,949
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	18,880	-
Fines and forfeits	-	-	-	285,218	10,534	-	-
Other receipts	755	587,164	3,772	187,305	-	26,808	128,400
Total receipts	755	587,164	3,772	472,523	10,534	45,688	128,400
Disbursements:							
Personal services	-	363,408	-	239,078	7,655	4,016	-
Supplies	-	-	-	85,858	-	-	16,879
Other services and charges	-	158,666	-	135,935	-	10,450	73,838
Capital outlay	-	1,089	-	18,040	-	-	6,617
Other disbursements	-	-	-	18,698	-	13,319	-
Total disbursements	-	523,163	-	497,609	7,655	27,785	97,334
Excess (deficiency) of receipts over disbursements	755	64,001	3,772	(25,086)	2,879	17,903	31,066
Cash and investments - ending	\$ 1,943	\$ 454,058	\$ 12,152	\$ 1,257,604	\$ 75,754	\$ 126,988	\$ 110,015

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

	Drain Maintenance	Sheriff Sale Fees	Federal Drug Task Force	DUI Grant - Ligonier and Kendallville	K-9 Donation	Demand Notice Fees 27%	Health Clinic Donations
Cash and investments - beginning	\$ 1,884,022	\$ 29,105	\$ 27	\$ (2,254)	\$ 713	\$ -	\$ 7,602
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	14	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	1,153,347	21,271	1,009	17,550	-	263	3,159
Total receipts	1,153,361	21,271	1,009	17,550	-	263	3,159
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	769,837	17,044	-	15,780	145	36	349
Total disbursements	769,837	17,044	-	15,780	145	36	349
Excess (deficiency) of receipts over disbursements	383,524	4,227	1,009	1,770	(145)	227	2,810
Cash and investments - ending	\$ 2,267,546	\$ 33,332	\$ 1,036	\$ (484)	\$ 568	\$ 227	\$ 10,412

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

	Civil Service Fee	Debt Service - Jail	Self Funding Insurance	Landfill/Post Closure Trust	Payroll	INPRS - PERF	Pro-Claim Plus
Cash and investments - beginning	\$ 82,062	\$ 201,932	\$ 154,704	\$ 172	\$ -	\$ 1	\$ -
Receipts:							
Taxes	-	388,971	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	98,607	352,252
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	19,820	6,624	1,810,062	-	5,841,268	40	265
Total receipts	19,820	395,595	1,810,062	-	5,841,268	98,647	352,517
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	399,500	-	-	-	-	-
Other disbursements	88,312	-	1,943,551	-	5,841,268	98,647	352,517
Total disbursements	88,312	399,500	1,943,551	-	5,841,268	98,647	352,517
Excess (deficiency) of receipts over disbursements	(68,492)	(3,905)	(133,489)	-	-	-	-
Cash and investments - ending	\$ 13,570	\$ 198,027	\$ 21,215	\$ 172	\$ -	\$ 1	\$ -

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

	Withholding (Sheriff Benefit)	Deferred Compensation	Federal Withholdings	Flex Checks	Withholdings (County Tax)	Withholdings (Perf)	Pension Trust County Police
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 3,840	\$ -	\$ -	\$ 86,275
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	679,017	55,475	777,631	-	111,760	209,660	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	920	-	125	1,901
Total receipts	<u>679,017</u>	<u>55,475</u>	<u>777,631</u>	<u>920</u>	<u>111,760</u>	<u>209,785</u>	<u>1,901</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	679,017	55,475	777,631	1,932	111,760	209,785	44,664
Total disbursements	<u>679,017</u>	<u>55,475</u>	<u>777,631</u>	<u>1,932</u>	<u>111,760</u>	<u>209,785</u>	<u>44,664</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,012)</u>	<u>-</u>	<u>-</u>	<u>(42,763)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,828</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,512</u>

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

	State Withholdings	Garnished Wages	Settlement	CAGIT	Noble County Wheel and Surtax	Commercial Vehicle Excise Tax	Financial Tax
Cash and investments - beginning	\$ -	\$ -	\$ (26)	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	264,128	21,850	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	44,901,101	7,521,894	615,991	185,600	164,537
Total receipts	<u>264,128</u>	<u>21,850</u>	<u>44,901,101</u>	<u>7,521,894</u>	<u>615,991</u>	<u>185,600</u>	<u>164,537</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	264,128	21,850	44,897,864	7,521,894	615,991	185,600	164,537
Total disbursements	<u>264,128</u>	<u>21,850</u>	<u>44,897,864</u>	<u>7,521,894</u>	<u>615,991</u>	<u>185,600</u>	<u>164,537</u>
Excess (deficiency) of receipts over disbursements	-	-	3,237	-	-	-	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,211</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	VaxCare	Fines and Forfeitures	Infraction Judgment	Death Benefit	Disclosure/ Treasurer of State	Coroner Continuing Education	Inner State Compact Application Fee-County
Cash and investments - beginning	\$ 1,689	\$ 22,603	\$ 3,550	\$ 260	\$ 475	\$ 115	\$ 38
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	5,045	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	1,843	138,092	48,920	4,300	-	3,744	575
Total receipts	<u>1,843</u>	<u>138,092</u>	<u>48,920</u>	<u>4,300</u>	<u>5,045</u>	<u>3,744</u>	<u>575</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	16	145,200	22,901	1,955	2,305	1,769	38
Total disbursements	<u>16</u>	<u>145,200</u>	<u>22,901</u>	<u>1,955</u>	<u>2,305</u>	<u>1,769</u>	<u>38</u>
Excess (deficiency) of receipts over disbursements	<u>1,827</u>	<u>(7,108)</u>	<u>26,019</u>	<u>2,345</u>	<u>2,740</u>	<u>1,975</u>	<u>537</u>
Cash and investments - ending	<u>\$ 3,516</u>	<u>\$ 15,495</u>	<u>\$ 29,569</u>	<u>\$ 2,605</u>	<u>\$ 3,215</u>	<u>\$ 2,090</u>	<u>\$ 575</u>

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

	State Mortgage Fee	DLGF Homestead Property Database	Child Restraint Violations	Inheritance Tax	Education Plate Fee	Innkeeper Tax	CEDIT Money for Distribution
Cash and investments - beginning	\$ 436	\$ -	\$ -	\$ 52,780	\$ 94	\$ 2,174	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	4,515	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	16,888	2,276	152,425	619	110,379	1,890,100
Total receipts	<u>4,515</u>	<u>16,888</u>	<u>2,276</u>	<u>152,425</u>	<u>619</u>	<u>110,379</u>	<u>1,890,100</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	2,388	3,174	525	203,289	675	99,416	1,890,100
Total disbursements	<u>2,388</u>	<u>3,174</u>	<u>525</u>	<u>203,289</u>	<u>675</u>	<u>99,416</u>	<u>1,890,100</u>
Excess (deficiency) of receipts over disbursements	<u>2,127</u>	<u>13,714</u>	<u>1,751</u>	<u>(50,864)</u>	<u>(56)</u>	<u>10,963</u>	<u>-</u>
Cash and investments - ending	<u>\$ 2,563</u>	<u>\$ 13,714</u>	<u>\$ 1,751</u>	<u>\$ 1,916</u>	<u>\$ 38</u>	<u>\$ 13,137</u>	<u>\$ -</u>



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

	CEDIT Homestead	Deer Lake Control	CFDA# 93.563 Prosecutor PCA	ARRA Funding for Prosecutor	Clerk's ARRA Funding	CFDA# 93.563 Title IV-D Incentive	Prosecutor IV-D
Cash and investments - beginning	\$ 41,596	\$ 2,628	\$ 4,526	\$ 27,538	\$ 12,942	\$ 130,911	\$ 26
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	496	-	-	26,386	-
Total receipts	-	-	496	-	-	26,386	-
Disbursements:							
Personal services	-	-	-	-	-	29,930	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	1,991	12,033	-	-
Total disbursements	-	-	-	1,991	12,033	29,930	-
Excess (deficiency) of receipts over disbursements	-	-	496	(1,991)	(12,033)	(3,544)	-
Cash and investments - ending	\$ 41,596	\$ 2,628	\$ 5,022	\$ 25,547	\$ 909	\$ 127,367	\$ 26

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

	Prosecutor New IV-D	Clerk IV-D	Clerk New IV-D	Prosecutor's Equitable Sharing	Drug Confiscated	Sex Offender Fees - County 90%	WE CARE Clinic
Cash and investments - beginning	\$ 171,928	\$ 1	\$ 140,807	\$ 6,249	\$ 10,526	\$ 3,442	\$ 7,238
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	58,447	-	38,851	-	504	2,551	11,101
Total receipts	58,447	-	38,851	-	504	2,551	11,101
Disbursements:							
Personal services	-	-	11	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	19,350	1	56,931	-	-	360	5,908
Total disbursements	19,350	1	56,942	-	-	360	5,908
Excess (deficiency) of receipts over disbursements	39,097	(1)	(18,091)	-	504	2,191	5,193
Cash and investments - ending	\$ 211,025	\$ -	\$ 122,716	\$ 6,249	\$ 11,030	\$ 5,633	\$ 12,431

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

	Riverboat Money-County Portion	Juvenile Debt	Work Release Maintenance	Adult Vaccines	Certificate Sale	Certificate Surplus	Intrastate Transfer Fee County
Cash and investments - beginning	\$ 305,139	\$ 6,624	\$ 36,361	\$ 7,373	\$ 4,614	\$ 9,068	\$ 38
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	154,715	-	6,790	11,957	-	-	649
Total receipts	<u>154,715</u>	<u>-</u>	<u>6,790</u>	<u>11,957</u>	<u>-</u>	<u>-</u>	<u>649</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	476	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	133,992	6,624	-	11,355	-	-	38
Total disbursements	<u>133,992</u>	<u>6,624</u>	<u>476</u>	<u>11,355</u>	<u>-</u>	<u>-</u>	<u>38</u>
Excess (deficiency) of receipts over disbursements	<u>20,723</u>	<u>(6,624)</u>	<u>6,314</u>	<u>602</u>	<u>-</u>	<u>-</u>	<u>611</u>
Cash and investments - ending	<u>\$ 325,862</u>	<u>\$ -</u>	<u>\$ 42,675</u>	<u>\$ 7,975</u>	<u>\$ 4,614</u>	<u>\$ 9,068</u>	<u>\$ 649</u>

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

	CEDIT Homestead for Settlement	CFDA# 93.243 Federal Joint Grant	CFDA# 16.804 Recovery Act JAG	CFDA# 16.585 Fed Joint Grant Part 2	Homeland Security	OPO Equipment Grant	Race and Gender Interpreter
Cash and investments - beginning	\$ 282,858	\$ 26,512	\$ 219	\$ 10,046	\$ 2,557	\$ 1,333	\$ 3,994
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	1,890,100	38,295	-	136,033	-	-	3,300
Total receipts	<u>1,890,100</u>	<u>38,295</u>	<u>-</u>	<u>136,033</u>	<u>-</u>	<u>-</u>	<u>3,300</u>
Disbursements:							
Personal services	-	39,438	-	6,497	-	-	-
Supplies	-	11,057	-	17,803	-	-	-
Other services and charges	-	11,992	-	111,696	-	-	-
Capital outlay	-	-	-	2,209	-	-	-
Other disbursements	2,125,874	-	219	64	-	-	1,923
Total disbursements	<u>2,125,874</u>	<u>62,487</u>	<u>219</u>	<u>138,269</u>	<u>-</u>	<u>-</u>	<u>1,923</u>
Excess (deficiency) of receipts over disbursements	<u>(235,774)</u>	<u>(24,192)</u>	<u>(219)</u>	<u>(2,236)</u>	<u>-</u>	<u>-</u>	<u>1,377</u>
Cash and investments - ending	<u>\$ 47,084</u>	<u>\$ 2,320</u>	<u>\$ -</u>	<u>\$ 7,810</u>	<u>\$ 2,557</u>	<u>\$ 1,333</u>	<u>\$ 5,371</u>

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

	Prosecutor Stop Grant CFDA #16.588	Operating Grant Council on Aging	Dangerous Aggressive Driving	Court Services PRI Drug Free	Taser Grant	2009 Polling Place Grant
Cash and investments - beginning	\$ 2,656	\$ -	\$ (553)	\$ -	\$ -	\$ 594
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	26,200	374,610	375	1,902	1,103	-
Total receipts	<u>26,200</u>	<u>374,610</u>	<u>375</u>	<u>1,902</u>	<u>1,103</u>	<u>-</u>
Disbursements:						
Personal services	26,200	-	-	57	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	374,610	-	1,845	1,103	-
Total disbursements	<u>26,200</u>	<u>374,610</u>	<u>-</u>	<u>1,902</u>	<u>1,103</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>375</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 2,656</u>	<u>\$ -</u>	<u>\$ (178)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 594</u>

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

	CFDA# 97.042 EMPG Comp Grant	Coroner Education Grant	Family Drug Court	Child Seat Safety Program	CFDA# 16.606 SCAAP	CFDA# 20.601 Operation Pull-Over
Cash and investments - beginning	\$ -	\$ 1,748	\$ 4,346	\$ 2,015	\$ 8,036	\$ (3,632)
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	4,289	-	-	536	2,182	24,915
Total receipts	4,289	-	-	536	2,182	24,915
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	4,305	-	263	887	480	20,135
Total disbursements	4,305	-	263	887	480	20,135
Excess (deficiency) of receipts over disbursements	(16)	-	(263)	(351)	1,702	4,780
Cash and investments - ending	\$ (16)	\$ 1,748	\$ 4,083	\$ 1,664	\$ 9,738	\$ 1,148

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

	Bio-Terrorist	Photogrammetry Grant	Rural Demonstration Grant	Dangerous Driving	Data Sharing Agreement Grant	Parks and Recreation Grant
Cash and investments - beginning	\$ 4,815	\$ 119	\$ 90	\$ 375	\$ 2,000	\$ 10,000
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	24,189	-	-	-	-	-
Total receipts	24,189	-	-	-	-	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	24,574	119	-	375	-	5,735
Total disbursements	24,574	119	-	375	-	5,735
Excess (deficiency) of receipts over disbursements	(385)	(119)	-	(375)	-	(5,735)
Cash and investments - ending	\$ 4,430	\$ -	\$ 90	\$ -	\$ 2,000	\$ 4,265

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

	County Treasurer's After Settlement Collections	County Sheriff Cashbook	Commissary	Inmate Trust	County Clerk's Trust	Totals
Cash and investments - beginning	\$ 1,068,188	\$ 3,438	\$ 64,459	\$ 19,606	\$ 387,502	\$ 19,386,132
Receipts:						
Taxes	-	-	-	-	-	8,149,487
Licenses and permits	-	-	-	-	-	51,948
Intergovernmental	-	-	-	-	-	2,929,057
Charges for services	-	-	-	-	-	7,228,175
Fines and forfeits	-	-	-	-	-	553,578
Other receipts	1,098,663	471,364	95,380	592,090	2,434,578	76,586,386
Total receipts	<u>1,098,663</u>	<u>471,364</u>	<u>95,380</u>	<u>592,090</u>	<u>2,434,578</u>	<u>95,498,631</u>
Disbursements:						
Personal services	-	-	-	-	-	10,885,626
Supplies	-	-	-	-	-	1,544,582
Other services and charges	-	-	-	-	-	3,869,655
Capital outlay	-	-	-	-	-	2,937,701
Other disbursements	1,068,188	474,802	100,196	592,842	2,655,216	76,197,608
Total disbursements	<u>1,068,188</u>	<u>474,802</u>	<u>100,196</u>	<u>592,842</u>	<u>2,655,216</u>	<u>95,435,172</u>
Excess (deficiency) of receipts over disbursements	<u>30,475</u>	<u>(3,438)</u>	<u>(4,816)</u>	<u>(752)</u>	<u>(220,638)</u>	<u>63,459</u>
Cash and investments - ending	<u>\$ 1,098,663</u>	<u>\$ -</u>	<u>\$ 59,643</u>	<u>\$ 18,854</u>	<u>\$ 166,864</u>	<u>\$ 19,449,591</u>



NOBLE COUNTY  
 SCHEDULE OF LEASES AND DEBT  
 December 31, 2013

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities: Noble County Jail Building Corporation	Jail	\$ 399,000	01-01-05	02-01-16
Total of annual lease payments		<u>\$ 399,000</u>		

NOBLE 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.

	Ending Balance
Governmental activities:	
Land	\$ 144,968
Infrastructure	143,936,456
Buildings	15,465,289
Machinery, equipment, and vehicles	7,369,306
Construction in progress	193,017
Total capital assets	\$ 167,109,036

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

TO: THE OFFICIALS OF NOBLE COUNTY, INDIANA

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

We have audited Noble 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

November 24, 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.

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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF JUSTICE</u>				
Drug Court Discretionary Grant Program	Direct Grant	16.585	2010-DC-BX-0072	\$ 94,501
Violence Against Women Formula Grants	Indiana Criminal Justice Institute	16.588	11STPR072 13ST1919	15,283 <u>2,183</u>
Total - Violence Against Women Formula Grants				<u>17,466</u>
State Criminal Alien Assistance Program	Indiana Bureau of Justice Assistance	16.606	FY 2012	<u>480</u>
Total - Department of Justice				<u>112,447</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
Highway Planning and Construction Cluster Highway Planning and Construction	Indiana Department of Transportation	20.205	Des #1005624 Des #901268	40,800 <u>1,592</u>
Total - Highway Planning and Construction Cluster				<u>42,392</u>
Highway Safety Cluster State and Community Highway Safety	Indiana Criminal Justice Institute	20.600	1433 2484	20,295 <u>4,620</u>
Total - State and Community Highway Safety				<u>24,915</u>
Alcohol Impaired Driving Countermeasures Incentive Grants I	Indiana Criminal Justice Institute	20.601	1212 2347	16,140 <u>1,410</u>
Total - Alcohol Impaired Driving Countermeasures Incentive Grants I				<u>17,550</u>
Total - Highway Safety Cluster				<u>42,465</u>
Formula Grants for Rural Areas	Indiana Department of Transportation	20.509	Operating Grant 2013	<u>192,474</u>
ARRA - Formula Grants for Rural Areas, Recovery Act	Indiana Department of Transportation	20.509	EDS #A249-12-320563	<u>41,955</u>
Total - Department of Transportation				<u>319,286</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	Direct Grant	93.243	5H79TI023390-03	<u>62,486</u>
Public Health Emergency Preparedness	Indiana Department of Health	93.069	BPRS 156-75	<u>8,502</u>
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	Indiana Department of Health	93.074	BPRS 156-70	<u>15,686</u>
Child Support Enforcement	Indiana Department of Child Services	93.563	FY 2013	<u>357,639</u>
Total - Department of Health and Human Services				<u>444,313</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
Emergency Management Performance Grants	Indiana Department of Homeland Security	97.042	EDS #C44P-3-059B EDS #C44P-3-286B	4,045 <u>18,750</u>
Total - Department of Homeland Security				<u>22,795</u>
Total federal awards expended				<u>\$ 898,841</u>

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



NOBLE 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	\$ 234,429
State and Community Highway Safety	20.600	12,140
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	8,160

NOBLE 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. The failure to establish these controls could enable material misstatements or irregularities to remain undetected. The County's claim processing is handled primarily by one staff person

NOBLE COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

within the County Auditor's Office. The claims processing staff person audits the claims, issues the payments for claims, and posts the payments to the various funds. We found numerous claims paid without proper supporting documentation.

2. **Monitoring of Controls:** Effective internal control over financial reporting 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 place the County at risk that controls may not be designed or operating effectively to provide reasonable assurance that controls will prevent, or detect and correct, material misstatements in a timely manner. Additionally, the County has no process to identify or communicate corrective actions to improve controls.

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

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14) (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

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

"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."

***FINDING 2013-002 - INTERNAL CONTROLS OVER FINANCIAL  
TRANSACTIONS AND REPORTING - PAYROLL PROCESSING***

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

NOBLE COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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

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

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14) (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

***FINDING 2013-003 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING - PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA)***

We noted a deficiency in the internal control system of the County related to financial transactions and reporting. We believe the following deficiency constitutes a material weakness:

Preparation of the Schedule of Expenditures of Federal Awards (SEFA): The County Auditor did not properly report the federal awards expended for each grant reported on the SEFA. Effective internal control over financial reporting involves the identification of all federal awards received throughout the County, analysis of the risks of material misstatement to the County's SEFA, and determining how those identified risks should be managed. The County Auditor should establish procedures for identifying the source of awards that are received by the County, and if the source was the federal government, the award should be listed on the SEFA. The failure to establish controls resulted in a SEFA with numerous errors. Audit adjustments totaling \$507,360 were proposed, accepted by the County, and made to the SEFA presented in this report.

NOBLE COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14) (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

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

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

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

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide the total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.
- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

***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.

# NOBLE COUNTY AUDITOR

Jacqueline L. Knafel

Room 220 - Courthouse  
101 N. Orange Street  
Albion, Indiana 46701

Phone 260-636-2658  
Fax: 260-636-4001  
jknafel@nobleco.org

## Corrective Action Plan

Finding 2013 -1 Finding 2013 -2 Internal Controls over Financial Transactions & Reporting –  
Disbursements and Payroll Processing

### Auditee Contact Person(s)

Jacqueline L. Knafel [jknafel@nobleco.org](mailto:jknafel@nobleco.org) 260-636-2658

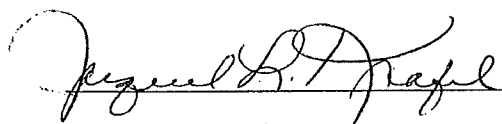
### Corrective Action:

Currently each department has in place a person responsible for reviewing claims and payroll. This is then to be reviewed by the department head or elected official who then signs the claims and payroll form provided.

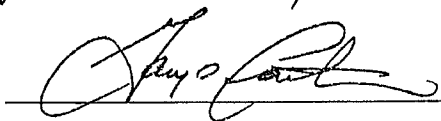
This information is then sent to the Auditor's office for review by the Claims Administrator and payroll clerk. Any questionable issue by the claims administrator and payroll clerk are currently reviewed by the Auditor. After their review, a report is generated for review by the Noble County Commissioners. Claims are taken into their meetings and pulled for further review by them as requested.

To further execute another layer of review, ALL claims and payroll are reviewed by the Noble County Auditor and initialed after review by the Auditor or another deputy assigned to that responsibility. In addition to this we have added a form which contains the number of pages of the report, the amount of the reported claims or payroll and signatures of all reviewing employees. All claims are reviewed by the commissioners at which time the Claims deputy is present with all claims for individual review upon request by the commissioners.

Dated this 20<sup>th</sup> day of November, 2014



\_\_\_\_\_  
Jacqueline L. Knafel, Noble County Auditor



\_\_\_\_\_  
Gary Leatherman, Noble County Commissioner President



# NOBLE COUNTY AUDITOR

Jacqueline L. Knafel

Room 220 - Courthouse  
101 N. Orange Street  
Albion, Indiana 46701

Phone 260-636-2658  
Fax: 260-636-4001  
jknafel@nobleco.org

## Corrective Action Plan

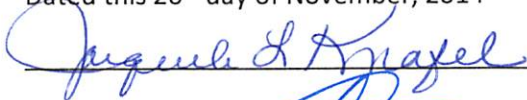
Finding 2014-003 Internal Controls over Financial Transactions and Report - preparation of the Schedule of Federal Awards

Auditee Contact Person: Jacqueline L. Knafel [jknafel@nobleco.org](mailto:jknafel@nobleco.org) 260-636-2658

### Corrective Action:

Currently the same requirements for Federal Awards are the same as any other financial reporting. The department receiving the federal award is to have a copy of the grant, award letter and any other information received from the awarding agency in the Noble County Auditors office. The department of which the grant is given is to be completely aware and knowledgeable of the proper purchases allowed under the grant. Claims are processed in the same manner of all other claims in Noble County. Monthly balancing is in place with the specific department and the Auditor's office to insure proper monthly reporting to the Grant agencies are correct. The same layers of review are in place as reported in the Disbursements and Payroll.

Dated this 20<sup>th</sup> day of November, 2014



\_\_\_\_\_  
Jacqueline L. Knafel, Noble County Auditor



\_\_\_\_\_  
President

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Gary Leatherman, Noble County Commissioner

#### OTHER REPORT

In addition to this report, a Supplemental Compliance Report has been issued for the County. That report can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.