

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF  
DECATUR COUNTY, INDIANA  
January 1, 2014 to December 31, 2014



**FILED**  
05/20/2016



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## SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Tami D. Wenning (Vacant) Christy Smiley (Interim) Janet S. Chadwell	01-01-12 to 07-01-14 07-02-14 to 07-06-14 07-07-14 to 08-07-14 08-08-14 to 12-31-16
County Treasurer	Mary Vail	01-01-13 to 12-31-16
Clerk of the Circuit Court	Janet S. Chadwell Adina A. Roberts	01-01-11 to 08-07-14 08-08-14 to 12-31-18
County Sheriff	Gregory D. Allen	01-01-11 to 12-31-18
County Recorder	Denise Zeigler	01-01-11 to 12-31-18
President of the Board of County Commissioners	Jerome Buening John Richards	01-01-14 to 12-31-14 01-01-15 to 12-31-16
President of the County Council	Ernest J. Gauck	01-01-14 to 12-31-16



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

TO: THE OFFICIALS OF DECATUR COUNTY, INDIANA

**Report on the Financial Statement**

We have audited the accompanying financial statement of Decatur County (County), which comprises the financial position and results of operations for the year ended December 31, 2014, and the related notes to the financial statement as listed in the Table of Contents.

***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, 2014.

***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, 2014, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

***Other Matters***

*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.


*Other Information*

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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

In accordance with *Government Auditing Standards*, we have also issued a report dated February 23, 2016, 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.

  
Paul D. Joyce, CPA  
State Examiner

February 23, 2016



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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 DECATUR 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 Decatur County (County), which comprises the financial position and results of operations for the year ended December 31, 2014, and the related notes to the financial statement, and have issued our report thereon dated February 23, 2016, 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 2014-001 and 2014-002 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**

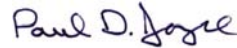
As part of obtaining reasonable assurance about whether the County's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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 2014-001.

**Decatur 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

February 23, 2016

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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.

DECATUR COUNTY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended December 31, 2014

Fund	Cash and Investments 01-01-14	Receipts	Disbursements	Cash and Investments 12-31-14
County General	\$ 1,749,235	\$ 5,009,194	\$ 5,851,238	\$ 907,191
Police-Accident Report	2,719	3,222	722	5,219
PTRC (CAGIT)	28,495	3,932,323	3,952,714	8,104
Certified Shares (CAGIT)	106,246	1,803,804	1,913,564	(3,514)
Co Cedit (Debt Service Fund)	2,160,637	817,343	1,875,338	1,102,642
Child Advocacy	370	30	-	400
City & Town Court Costs	4,094	7,855	8,015	3,934
Clerks Record Perpetuation	13,626	14,240	15,797	12,069
Congressional School Interest	16,163	-	-	16,163
Convention And Visitors Bureau	198,074	181,441	144,710	234,805
Inmates Phone Fund	57,080	21,364	12,054	66,390
County Sales Disclosure	14,138	2,950	-	17,088
Covered Bridge Fund	17,520	1,850	-	19,370
Cumulative Bridge	2,676,699	1,186,184	1,292,907	2,569,976
Cum Cap Development Fund	410,411	235,519	139,434	506,496
Drug Free Community	35,440	33,596	24,125	44,911
Emergency Planning & Right To Know	5,785	8,000	1,519	12,266
E 911 Landline	(116,298)	116,298	-	-
Enhanced Access	872	-	-	872
County Extradition	2,400	-	-	2,400
Police Firearms Training	19,635	6,930	5,772	20,793
Health	391,013	200,143	347,516	243,640
Identification Security Protection	25,987	915	10,290	16,612
Excess Levy	18,790	-	-	18,790
Local Road and Street	289,446	838,784	621,612	506,618
County Misdemeanant	305,635	78,793	122,839	261,589
Highway	1,756,093	2,190,282	1,806,248	2,140,127
Park Capital Nonreverting	3,675	-	-	3,675
Park Activity	35,065	57,768	59,904	32,929
Plat Book Maintenance	31,413	22,063	3,200	50,276
Rainy Day Fund (Excess Edit)	1,578,646	-	317,042	1,261,604
Reassessment	296,847	178,132	178,371	296,608
Reassessment 2015	172,512	-	-	172,512
Recorder's Records Perpetuation	128,316	32,243	27,768	132,791
Sex/Violent Offender Regis Fee	10,239	2,976	712	12,503
Supplemental Public Defender	29,029	152,138	157,304	23,863
Surplus Tax	114,240	39,136	64,408	88,968
Surveyor's Corner Perpetuation	44,393	5,565	2,150	47,808
Tax Sale Certificate	9,885	-	-	9,885
Tax Sale Redemption	42,688	26,396	31,503	37,581
Surplus Tax Sale	316,386	141,267	144,070	313,583
E 911 Wireless	703,068	-	703,068	-
Guardian Ad Lim Court	(34)	18,160	18,160	(34)
County Officials Training Fund	2,956	2,037	2,163	2,830
Park And Recreation	256,669	462,992	557,330	162,331
Statewide 911	-	1,040,480	382,301	658,179
Probation Administration Fund	63,575	19,654	51,392	31,837
Juvenile Prob User Fees	13,206	7,281	3,898	16,589
School Resource Officer	-	33,333	27,144	6,189
Local Health Maintenance Fund	100,353	33,139	16,310	117,182
Sheriff Donation	10,822	2,627	3,327	10,122
Excess Revenue Sub Account	1,927,810	1,611,933	381,196	3,158,547
Hospital Bond	1,498,805	594,412	357,000	1,736,217
Special Non-Revert Health Ins	(308,401)	2,427,573	2,112,272	6,900
Payroll	(51,635)	4,981,569	5,118,011	(188,077)
Police Pension	95,652	11,022	29,107	77,567
State Settlement	-	29,125,024	29,125,025	(1)
County Wheel Tax	19,484	117,464	136,948	-
Commercial Vehicle Excise	6	184,775	184,781	-
Financial Institution Tax	-	41,066	41,066	-
State Fines And Forfeitures	2,239	13,440	14,515	1,164
Infraction Judgements	1,185	25,118	23,965	2,338
Special Death Benefits	155	1,980	1,885	250
State Sales Disclosure	240	2,980	2,670	550

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

DECATUR COUNTY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended December 31, 2014  
(Continued)

Fund	Cash and Investments 01-01-14	Receipts	Disbursements	Cash and Investments 12-31-14
Coroners Training Fund	154	2,140	1,982	312
State Mortgage Fee Fund	238	2,433	2,248	423
State Sex/Violent Offender	2	69	68	3
Child Restraint Fees	-	100	100	-
Inheritance Tax	44,977	46,083	43,123	47,937
Education Plate Fees	694	4,294	4,181	807
Riverboat Wagering Tax Sharing	73,907	152,482	152,482	73,907
CAGIT County Certified Shares	91,737	1,240,505	1,332,278	(36)
Edit(Tax Distribution Fund)	134,648	1,237,766	1,358,870	13,544
93.563 Prosecutor's ARRA	291	-	291	-
Title IV-D Incentive	105,025	13,986	5,985	113,026
Clerk Incentive	71,794	13,986	6,043	79,737
Deferral/Diversion	92,832	11,130	38,034	65,928
Westport Cover Bridge Donation	41,622	-	-	41,622
Sardinia Septic Donations	10,000	-	-	10,000
Comm Emergency Response Team	3,094	-	67	3,027
Congressional School Principal	20,741	-	-	20,741
Clerk	350,683	2,400,981	2,203,640	548,024
Inmate Trust Fund	7,898	148,255	151,601	4,552
Inmate Food Account	8,841	135,592	111,287	33,146
Treasurer	568,311	827,216	568,311	827,216
Commissary	30,358	23,472	40,865	12,965
Law Enforcement Cont Ed	47,873	5,548	3,029	50,392
Jury Pay Fund	99,771	2,968	2,165	100,574
Marijuana Eradication Program	20,324	8,013	9,000	19,337
Probation User Fee	85,784	99,700	99,709	85,775
Animal Shelter Donations	6,167	39,243	35,392	10,018
20.600 Operation Pull Over	9,122	10,985	4,790	15,317
K-9 Donation	94	120	-	214
Park Gifts & Grants	4,135	26,593	21,500	9,228
TIF Board Sub Account	1,280,149	2,421,517	3,146,667	554,999
Decatur County Project Account	633,630	-	299,240	334,390
Federal Adoptive Forfeiture	291	-	-	291
Co Sheriff Law Enforcement	16,116	-	-	16,116
Airport Improvement Fund	34,295	-	-	34,295
Riverboat Wagering Co Share	511,013	69,879	-	580,892
Home Detention	98,395	188,804	140,734	146,465
Community Service	64,345	25,878	40,584	49,639
Sheriff Drug Testing	2,486	-	68	2,418
Corrections Drug Testing	10,263	8,145	4,987	13,421
Check Enforcement Fund	13,289	669	-	13,958
Community Transitional Program	11,500	21,425	-	32,925
Decatur Co Redev TIF Bond Proceeds	7,720	15,000	1,961	20,759
Cedit Hsc	10,575	391,751	394,733	7,593
HEA 1001-2008 State Hmstd Cr	2,232	-	-	2,232
Indiana Local Health Dept Trust	39,997	18,257	41	58,213
93.069 Public Health Prep	-	-	19,786	(19,786)
Bioterrorism Prepared Grant	67,844	-	-	67,844
Drug Free Grant	(3,896)	109,650	102,370	3,384
90.401 Hava Title III	103,028	-	-	103,028
Hava Section 102	180	-	-	180
14.228 Letts Fire Station	32,930	38,353	71,283	-
Prosecutor Incentive	78,286	21,040	15,429	83,897
Child Safety Grant	1,067	-	-	1,067
Family Court Counselor	(48,549)	21,512	48,110	(75,147)
Decatur Co Pedestrian Trail	55,944	-	35,113	20,831
Community Corrections Grant	-	14,338	6,593	7,745
EMPG Competitive	-	-	15,043	(15,043)
2011 District Grant	-	32,916	32,916	-
2013 District Equipment	-	-	49,917	(49,917)
2013 District Admin	-	-	19,698	(19,698)
2013 District M & A	-	-	1,536	(1,536)
SHSP Project Grant	-	-	4,136	(4,136)
Totals	\$ 22,294,041	\$ 67,959,597	\$ 69,074,366	\$ 21,179,272

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

DECATUR 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 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 licenses, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

DECATUR 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.

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

*E. Disbursements*

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

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

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

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

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

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

DECATUR COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*F. Interfund Transfers*

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

*G. Fund Accounting*

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

**Note 2. Budgets**

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

**Note 3. Property Taxes**

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

**Note 4. Deposits and Investments**

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

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



DECATUR COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 5. Risk Management**

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

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

**Note 6. Pension Plans**

*A. Public Employees' Retirement Fund*

*Plan Description*

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

DECATUR 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 in part a result of funds being set up for reimbursable grants. The reimbursements for expenditures made by the County were not received by December 31, 2014. The remaining funds with deficits in cash were the result of posting errors that were not detected and corrected prior to December 31, 2014, including (1) Disbursements for January 2, 2015, payroll expenses, posted to the Payroll fund December 31, 2014; (2) 93.069 Public Health Prep grant funds receipted into the wrong fund; and (3) transfers not posted to reimburse Family Court Counselor salary and benefits from local funds.

#### OTHER INFORMATION - UNAUDITED

The County's Annual Financial 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 Financial 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 other information presented was approved by management of the County. It is presented as intended by the County.

DECATUR COUNTY  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2014

	County General	Police-Accident Report	PTRC (CAGIT)	Certified Shares (CAGIT)	Co Cedit (Debt Service Fund)	Child Advocacy	City & Town Court Costs	Clerks Record Perpetuation
Cash and investments - beginning	\$ 1,749,235	\$ 2,719	\$ 28,495	\$ 106,246	\$ 2,160,637	\$ 370	\$ 4,094	\$ 13,626
Receipts:								
Taxes	4,010,823	-	3,932,323	1,803,804	-	-	-	-
Licenses and permits	393,852	-	-	-	-	-	-	-
Intergovernmental	206,812	-	-	-	-	-	-	-
Charges for services	152,487	-	-	-	-	-	-	-
Other receipts	245,220	3,222	-	-	817,343	30	7,855	14,240
Total receipts	5,009,194	3,222	3,932,323	1,803,804	817,343	30	7,855	14,240
Disbursements:								
Personal services	3,623,278	-	-	1,782,459	-	-	-	11,018
Supplies	413,293	-	-	-	-	-	-	2,245
Other services and charges	1,352,179	-	-	131,105	338,929	-	-	2,500
Capital outlay	389,024	-	-	-	-	-	-	-
Other disbursements	73,464	722	3,952,714	-	1,536,409	-	8,015	34
Total disbursements	5,851,238	722	3,952,714	1,913,564	1,875,338	-	8,015	15,797
Excess (deficiency) of receipts over disbursements	(842,044)	2,500	(20,391)	(109,760)	(1,057,995)	30	(160)	(1,557)
Cash and investments - ending	\$ 907,191	\$ 5,219	\$ 8,104	\$ (3,514)	\$ 1,102,642	\$ 400	\$ 3,934	\$ 12,069

DECATUR COUNTY  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2014  
(Continued)

	Congressional School Interest	Convention and Visitors Bureau	Inmates Phone Fund	County Sales Disclosure	Covered Bridge Fund	Cumulative Bridge	Cum Cap Development Fund	Drug Free Community
Cash and investments - beginning	\$ 16,163	\$ 198,074	\$ 57,080	\$ 14,138	\$ 17,520	\$ 2,676,699	\$ 410,411	\$ 35,440
Receipts:								
Taxes	-	181,441	-	-	-	656,036	217,802	-
Licenses and permits	-	-	-	-	-	53,365	-	-
Intergovernmental	-	-	-	-	-	-	17,717	-
Charges for services	-	-	-	-	-	169,324	-	-
Other receipts	-	-	21,364	2,950	1,850	307,459	-	33,596
Total receipts	-	181,441	21,364	2,950	1,850	1,186,184	235,519	33,596
Disbursements:								
Personal services	-	1,144	-	-	-	-	-	6,514
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	143,566	-	-	-	839,423	23,792	17,611
Capital outlay	-	-	-	-	-	453,484	115,642	-
Other disbursements	-	-	12,054	-	-	-	-	-
Total disbursements	-	144,710	12,054	-	-	1,292,907	139,434	24,125
Excess (deficiency) of receipts over disbursements	-	36,731	9,310	2,950	1,850	(106,723)	96,085	9,471
Cash and investments - ending	\$ 16,163	\$ 234,805	\$ 66,390	\$ 17,088	\$ 19,370	\$ 2,569,976	\$ 506,496	\$ 44,911

DECATUR COUNTY  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2014  
(Continued)

	Emergency Planning & Right To Know	E 911 Landline	Enhanced Access	County Extradition	Police Firearms Training	Health	Identification Security Protection	Excess Levy
Cash and investments - beginning	\$ 5,785	\$ (116,298)	\$ 872	\$ 2,400	\$ 19,635	\$ 391,013	\$ 25,987	\$ 18,790
Receipts:								
Taxes	-	-	-	-	-	148,141	-	-
Licenses and permits	-	-	-	-	-	12,061	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	4,540	-	-
Other receipts	8,000	116,298	-	-	6,930	35,401	915	-
Total receipts	8,000	116,298	-	-	6,930	200,143	915	-
Disbursements:								
Personal services	-	-	-	-	-	314,013	-	-
Supplies	-	-	-	-	-	6,769	-	-
Other services and charges	1,519	-	-	-	-	24,549	-	-
Capital outlay	-	-	-	-	-	2,185	-	-
Other disbursements	-	-	-	-	5,772	-	10,290	-
Total disbursements	1,519	-	-	-	5,772	347,516	10,290	-
Excess (deficiency) of receipts over disbursements	6,481	116,298	-	-	1,158	(147,373)	(9,375)	-
Cash and investments - ending	\$ 12,266	\$ -	\$ 872	\$ 2,400	\$ 20,793	\$ 243,640	\$ 16,612	\$ 18,790

DECATUR COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2014  
 (Continued)

	Local Road and Street	County Misdemeanant	Highway	Park Capital Nonreverting	Park Activity	Plat Book Maintenance	Rainy Day Fund (Excess Edit)	Reassessment
Cash and investments - beginning	\$ 289,446	\$ 305,635	\$ 1,756,093	\$ 3,675	\$ 35,065	\$ 31,413	\$ 1,578,646	\$ 296,847
Receipts:								
Taxes	-	-	-	-	-	-	-	162,599
Licenses and permits	-	-	435	-	-	-	-	13,235
Intergovernmental	838,782	-	2,143,578	-	-	-	-	-
Charges for services	-	14,614	-	-	43,875	-	-	-
Other receipts	2	64,179	46,269	-	13,893	22,063	-	2,298
Total receipts	838,784	78,793	2,190,282	-	57,768	22,063	-	178,132
Disbursements:								
Personal services	-	-	1,289,542	-	-	-	-	16,509
Supplies	467,657	35,000	236,097	-	7,469	-	-	855
Other services and charges	153,955	-	185,709	-	52,435	-	-	161,007
Capital outlay	-	-	94,900	-	-	-	-	-
Other disbursements	-	87,839	-	-	-	3,200	317,042	-
Total disbursements	621,612	122,839	1,806,248	-	59,904	3,200	317,042	178,371
Excess (deficiency) of receipts over disbursements	217,172	(44,046)	384,034	-	(2,136)	18,863	(317,042)	(239)
Cash and investments - ending	\$ 506,618	\$ 261,589	\$ 2,140,127	\$ 3,675	\$ 32,929	\$ 50,276	\$ 1,261,604	\$ 296,608

DECATUR COUNTY  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2014  
(Continued)

	Reassessment 2015	Recorder's Records Perpetuation	Sex/Violent Offender Regis Fee	Supplemental Public Defender	Surplus Tax	Surveyor's Corner Perpetuation	Tax Sale Certificate	Tax Sale Redemption
Cash and investments - beginning	\$ 172,512	\$ 128,316	\$ 10,239	\$ 29,029	\$ 114,240	\$ 44,393	\$ 9,885	\$ 42,688
Receipts:								
Taxes	-	-	-	-	30,882	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Other receipts	-	32,243	2,976	152,138	8,254	5,565	-	26,396
Total receipts	-	32,243	2,976	152,138	39,136	5,565	-	26,396
Disbursements:								
Personal services	-	-	214	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Other disbursements	-	27,768	498	157,304	64,408	2,150	-	31,503
Total disbursements	-	27,768	712	157,304	64,408	2,150	-	31,503
Excess (deficiency) of receipts over disbursements	-	4,475	2,264	(5,166)	(25,272)	3,415	-	(5,107)
Cash and investments - ending	\$ 172,512	\$ 132,791	\$ 12,503	\$ 23,863	\$ 88,968	\$ 47,808	\$ 9,885	\$ 37,581



DECATUR COUNTY  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2014  
(Continued)

	Surplus Tax Sale	E 911 Wireless	Guardian Ad Lim Court	County Officials Training Fund	Park And Recreation	Statewide 911	Probation Administration Fund	Juvenile Prob User Fees
Cash and investments - beginning	\$ 316,386	\$ 703,068	\$ (34)	\$ 2,956	\$ 256,669	\$ -	\$ 63,575	\$ 13,206
Receipts:								
Taxes	-	-	-	-	412,326	-	-	-
Licenses and permits	-	-	-	-	16,080	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	30,701	337,412	-	7,281
Other receipts	141,267	-	18,160	2,037	3,885	703,068	19,654	-
Total receipts	141,267	-	18,160	2,037	462,992	1,040,480	19,654	7,281
Disbursements:								
Personal services	-	-	-	-	351,495	145,026	-	21
Supplies	-	-	-	-	38,480	-	-	2,466
Other services and charges	-	-	-	-	127,403	120,977	-	420
Capital outlay	-	-	-	-	36,552	-	-	991
Other disbursements	144,070	703,068	18,160	2,163	3,400	116,298	51,392	-
Total disbursements	144,070	703,068	18,160	2,163	557,330	382,301	51,392	3,898
Excess (deficiency) of receipts over disbursements	(2,803)	(703,068)	-	(126)	(94,338)	658,179	(31,738)	3,383
Cash and investments - ending	\$ 313,583	\$ -	\$ (34)	\$ 2,830	\$ 162,331	\$ 658,179	\$ 31,837	\$ 16,589

DECATUR COUNTY  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2014  
(Continued)

	School Resource Officer	Local Health Maintenance Fund	Sheriff Donation	Excess Revenue Sub Account	Hospital Bond	Special Non-Revert Health Ins	Payroll	Police Pension
Cash and investments - beginning	\$ -	\$ 100,353	\$ 10,822	\$ 1,927,810	\$ 1,498,805	\$ (308,401)	\$ (51,635)	\$ 95,652
Receipts:								
Taxes	-	-	-	-	550,546	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	43,866	-	1,112,343	-
Charges for services	-	-	-	-	-	11,303	3,633,591	-
Other receipts	33,333	33,139	2,627	1,611,933	-	2,416,270	235,635	11,022
Total receipts	33,333	33,139	2,627	1,611,933	594,412	2,427,573	4,981,569	11,022
Disbursements:								
Personal services	27,144	-	-	-	-	-	5,118,011	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	16,310	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Other disbursements	-	-	3,327	381,196	357,000	2,112,272	-	29,107
Total disbursements	27,144	16,310	3,327	381,196	357,000	2,112,272	5,118,011	29,107
Excess (deficiency) of receipts over disbursements	6,189	16,829	(700)	1,230,737	237,412	315,301	(136,442)	(18,085)
Cash and investments - ending	\$ 6,189	\$ 117,182	\$ 10,122	\$ 3,158,547	\$ 1,736,217	\$ 6,900	\$ (188,077)	\$ 77,567

DECATUR COUNTY  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2014  
(Continued)

	State Settlement	County Wheel Tax	Commercial Vehicle Excise	Financial Institution Tax	State Fines And Forfeitures	Infraction Judgements	Special Death Benefits	State Sales Disclosure
Cash and investments - beginning	\$ -	\$ 19,484	\$ 6	\$ -	\$ 2,239	\$ 1,185	\$ 155	\$ 240
Receipts:								
Taxes	26,447,084	-	-	-	-	-	-	-
Licenses and permits	2,677,940	-	-	-	-	-	-	-
Intergovernmental	-	117,464	184,775	41,066	-	-	-	-
Charges for services	-	-	-	-	345	-	-	-
Other receipts	-	-	-	-	13,095	25,118	1,980	2,980
Total receipts	29,125,024	117,464	184,775	41,066	13,440	25,118	1,980	2,980
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Other disbursements	29,125,025	136,948	184,781	41,066	14,515	23,965	1,885	2,670
Total disbursements	29,125,025	136,948	184,781	41,066	14,515	23,965	1,885	2,670
Excess (deficiency) of receipts over disbursements	(1)	(19,484)	(6)	-	(1,075)	1,153	95	310
Cash and investments - ending	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,164</u>	<u>\$ 2,338</u>	<u>\$ 250</u>	<u>\$ 550</u>

DECATUR COUNTY  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2014  
(Continued)

	Coroners Training Fund	State Mortgage Fee Fund	State Sex/Violent Offender	Child Restraint Fees	Inheritance Tax	Education Plate Fees	Riverboat Wagering Tax Sharing	CAGIT County Certified Shares
Cash and investments - beginning	\$ 154	\$ 238	\$ 2	\$ -	\$ 44,977	\$ 694	\$ 73,907	\$ 91,737
Receipts:								
Taxes	-	-	-	-	-	-	-	911,824
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	46,083	-	152,482	303,941
Charges for services	-	-	-	-	-	-	-	-
Other receipts	2,140	2,433	69	100	-	4,294	-	24,740
Total receipts	2,140	2,433	69	100	46,083	4,294	152,482	1,240,505
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Other disbursements	1,982	2,248	68	100	43,123	4,181	152,482	1,332,278
Total disbursements	1,982	2,248	68	100	43,123	4,181	152,482	1,332,278
Excess (deficiency) of receipts over disbursements	158	185	1	-	2,960	113	-	(91,773)
Cash and investments - ending	\$ 312	\$ 423	\$ 3	\$ -	\$ 47,937	\$ 807	\$ 73,907	\$ (36)

DECATUR COUNTY  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2014  
(Continued)

	Edit(Tax Distribution Fund)	93.563 Prosecutor's ARRA	Title IV-D Incentive	Clerk Incentive	Deferral/ Diversion	Westport Cover Bridge Donation	Sardinia Septic Donations	Comm Emergency Response Team
Cash and investments - beginning	\$ 134,648	\$ 291	\$ 105,025	\$ 71,794	\$ 92,832	\$ 41,622	\$ 10,000	\$ 3,094
Receipts:								
Taxes	1,237,766	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Other receipts	-	-	13,986	13,986	11,130	-	-	-
Total receipts	1,237,766	-	13,986	13,986	11,130	-	-	-
Disbursements:								
Personal services	-	-	55	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Other disbursements	1,358,870	291	5,930	6,043	38,034	-	-	67
Total disbursements	1,358,870	291	5,985	6,043	38,034	-	-	67
Excess (deficiency) of receipts over disbursements	(121,104)	(291)	8,001	7,943	(26,904)	-	-	(67)
Cash and investments - ending	\$ 13,544	\$ -	\$ 113,026	\$ 79,737	\$ 65,928	\$ 41,622	\$ 10,000	\$ 3,027

DECATUR COUNTY  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2014  
(Continued)

	Congressional School Principal	Clerk	Inmate Trust Fund	Inmate Food Account	Treasurer	Commissary	Law Enforcement Cont Ed	Jury Pay Fund
Cash and investments - beginning	\$ 20,741	\$ 350,683	\$ 7,898	\$ 8,841	\$ 568,311	\$ 30,358	\$ 47,873	\$ 99,771
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Other receipts	-	2,400,981	148,255	135,592	827,216	23,472	5,548	2,968
Total receipts	-	2,400,981	148,255	135,592	827,216	23,472	5,548	2,968
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Other disbursements	-	2,203,640	151,601	111,287	568,311	40,865	3,029	2,165
Total disbursements	-	2,203,640	151,601	111,287	568,311	40,865	3,029	2,165
Excess (deficiency) of receipts over disbursements	-	197,341	(3,346)	24,305	258,905	(17,393)	2,519	803
Cash and investments - ending	\$ 20,741	\$ 548,024	\$ 4,552	\$ 33,146	\$ 827,216	\$ 12,965	\$ 50,392	\$ 100,574

DECATUR COUNTY  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2014  
(Continued)

	Marijuana Eradication Program	Probation User Fee	Animal Shelter Donations	20.600 Operation Pull Over	K-9 Donation	Park Gifts & Grants	TIF Board Sub Account	Decatur County Project Account
Cash and investments - beginning	\$ 20,324	\$ 85,784	\$ 6,167	\$ 9,122	\$ 94	\$ 4,135	\$ 1,280,149	\$ 633,630
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	99,700	-	-	-	-	-	-
Other receipts	8,013	-	39,243	10,985	120	26,593	2,421,517	-
Total receipts	8,013	99,700	39,243	10,985	120	26,593	2,421,517	-
Disbursements:								
Personal services	-	79,214	-	-	-	-	-	-
Supplies	-	2,219	-	-	-	-	-	-
Other services and charges	-	852	-	-	-	-	-	-
Capital outlay	-	2,351	-	-	-	-	-	-
Other disbursements	9,000	15,073	35,392	4,790	-	21,500	3,146,667	299,240
Total disbursements	9,000	99,709	35,392	4,790	-	21,500	3,146,667	299,240
Excess (deficiency) of receipts over disbursements	(987)	(9)	3,851	6,195	120	5,093	(725,150)	(299,240)
Cash and investments - ending	\$ 19,337	\$ 85,775	\$ 10,018	\$ 15,317	\$ 214	\$ 9,228	\$ 554,999	\$ 334,390

DECATUR COUNTY  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2014  
(Continued)

	Federal Adoptive Forfeiture	Co Sheriff Law Enforcement	Airport Improvement Fund	Riverboat Wagering Co Share	Home Detention	Community Service	Sheriff Drug Testing	Corrections Drug Testing
Cash and investments - beginning	\$ 291	\$ 16,116	\$ 34,295	\$ 511,013	\$ 98,395	\$ 64,345	\$ 2,486	\$ 10,263
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	69,879	-	-	-	-
Charges for services	-	-	-	-	168,758	25,878	-	-
Other receipts	-	-	-	-	20,046	-	-	8,145
Total receipts	-	-	-	69,879	188,804	25,878	-	8,145
Disbursements:								
Personal services	-	-	-	-	95,455	-	-	-
Supplies	-	-	-	-	1,612	-	-	-
Other services and charges	-	-	-	-	42,555	-	-	-
Capital outlay	-	-	-	-	1,112	-	-	-
Other disbursements	-	-	-	-	-	40,584	68	4,987
Total disbursements	-	-	-	-	140,734	40,584	68	4,987
Excess (deficiency) of receipts over disbursements	-	-	-	69,879	48,070	(14,706)	(68)	3,158
Cash and investments - ending	<u>\$ 291</u>	<u>\$ 16,116</u>	<u>\$ 34,295</u>	<u>\$ 580,892</u>	<u>\$ 146,465</u>	<u>\$ 49,639</u>	<u>\$ 2,418</u>	<u>\$ 13,421</u>



DECATUR COUNTY  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2014  
(Continued)

	Check Enforcement Fund	Community Transitional Program	Decatur Co Redev TIF Bond Proceeds	Cedit Hsc	HEA 1001-2008 State Hmstd Cr	Indiana Local Health Dept Trust	93.069 Public Health Prep	Bioterrorism Prepared Grant
Cash and investments - beginning	\$ 13,289	\$ 11,500	\$ 7,720	\$ 10,575	\$ 2,232	\$ 39,997	\$ -	\$ 67,844
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Other receipts	669	21,425	15,000	391,751	-	18,257	-	-
Total receipts	669	21,425	15,000	391,751	-	18,257	-	-
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	41	-	-
Capital outlay	-	-	-	-	-	-	-	-
Other disbursements	-	-	1,961	394,733	-	-	19,786	-
Total disbursements	-	-	1,961	394,733	-	41	19,786	-
Excess (deficiency) of receipts over disbursements	669	21,425	13,039	(2,982)	-	18,216	(19,786)	-
Cash and investments - ending	\$ 13,958	\$ 32,925	\$ 20,759	\$ 7,593	\$ 2,232	\$ 58,213	\$ (19,786)	\$ 67,844

DECATUR COUNTY  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2014  
(Continued)

	Drug Free Grant	90.401 Hava Title III	Hava Section 102	14.228 Letts Fire Station	Prosecutor Incentive	Child Safety Grant	Family Court Counselor	Decatur Co Pedestrian Trail
Cash and investments - beginning	\$ (3,896)	\$ 103,028	\$ 180	\$ 32,930	\$ 78,286	\$ 1,067	\$ (48,549)	\$ 55,944
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	21,040	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Other receipts	109,650	-	-	38,353	-	-	21,512	-
Total receipts	109,650	-	-	38,353	21,040	-	21,512	-
Disbursements:								
Personal services	69,440	-	-	-	-	-	45,711	-
Supplies	-	-	-	-	-	-	1,519	-
Other services and charges	32,930	-	-	-	-	-	880	-
Capital outlay	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	71,283	15,429	-	-	35,113
Total disbursements	102,370	-	-	71,283	15,429	-	48,110	35,113
Excess (deficiency) of receipts over disbursements	7,280	-	-	(32,930)	5,611	-	(26,598)	(35,113)
Cash and investments - ending	\$ 3,384	\$ 103,028	\$ 180	\$ -	\$ 83,897	\$ 1,067	\$ (75,147)	\$ 20,831

DECATUR COUNTY  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2014  
(Continued)

	Community Corrections Grant	EMPG Competitive	2011 District Grant	2013 District Equipment	2013 District Admin	2013 District M & A	SHSP Project Grant	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,294,041
Receipts:								
Taxes	-	-	-	-	-	-	-	40,703,397
Licenses and permits	-	-	-	-	-	-	-	3,166,968
Intergovernmental	-	-	-	-	-	-	-	5,299,828
Charges for services	-	-	-	-	-	-	-	4,699,809
Other receipts	14,338	-	32,916	-	-	-	-	14,089,595
Total receipts	14,338	-	32,916	-	-	-	-	67,959,597
Disbursements:								
Personal services	-	-	-	-	-	-	-	12,976,263
Supplies	-	-	-	-	-	-	-	1,215,681
Other services and charges	-	-	-	-	-	-	-	3,770,647
Capital outlay	-	-	-	-	-	-	-	1,096,241
Other disbursements	6,593	15,043	32,916	49,917	19,698	1,536	4,136	50,015,534
Total disbursements	6,593	15,043	32,916	49,917	19,698	1,536	4,136	69,074,366
Excess (deficiency) of receipts over disbursements	7,745	(15,043)	-	(49,917)	(19,698)	(1,536)	(4,136)	(1,114,769)
Cash and investments - ending	<u>\$ 7,745</u>	<u>\$ (15,043)</u>	<u>\$ -</u>	<u>\$ (49,917)</u>	<u>\$ (19,698)</u>	<u>\$ (1,536)</u>	<u>\$ (4,136)</u>	<u>\$ 21,179,272</u>

DECATUR COUNTY  
 SCHEDULE OF PAYABLES AND RECEIVABLES  
 December 31, 2014

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ 295,314	\$ -

DECATUR COUNTY  
SCHEDULE OF LEASES AND DEBT  
December 31, 2014

Description of Debt		Ending	Principal and
Type	Purpose	Principal	Interest Due
		Balance	Within One
			Year
Governmental activities:			
General obligation bonds	Decatur County Hospital Association	\$ 1,736,218	\$ 1,031,575
Revenue bonds	Honda TIF	<u>19,686,854</u>	<u>1,205,000</u>
Totals		<u>\$ 21,423,072</u>	<u>\$ 2,236,575</u>

DECATUR COUNTY  
SCHEDULE OF CAPITAL ASSETS  
December 31, 2014

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	\$ 969,669
Infrastructure	24,928,684
Buildings	11,471,034
Improvements other than buildings	2,224,200
Machinery, equipment, and vehicles	<u>10,401,429</u>
Total capital assets	<u>\$ 49,995,016</u>

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

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Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

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

TO: THE OFFICIALS OF DECATUR COUNTY, INDIANA

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

We have audited Decatur 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, 2014. 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, 2014.



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

**Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2014-003. Our opinion on each major federal program is not modified with respect to these matters.

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

**Report on Internal Control Over Compliance**


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

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2014-003 to be material weaknesses.

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

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

  
Paul D. Joyce, CPA  
State Examiner

February 23, 2016

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#### SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTE

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

DECATUR COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2014

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>Department of Housing and Urban Development</u>				
CDBG - State-Administered CDBG Cluster				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii Letts Fire Station	Indiana Office of Community and Rural Affairs	14.228	CF-12-124	\$ 38,353
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii Housing Rehabilitation	Indiana Housing and Community Development Authority	14.228	HUD-011-031	5,123
Total - CDBG - State-Administered CDBG Cluster				43,476
Total - Department of Housing and Urban Development				43,476
<u>Department of Transportation</u>				
Highway Planning and Construction Cluster				
Highway Planning and Construction	Indiana Department of Transportation	20.205		
Bridge 25 Replacement			Des 0500907	2,867
Bridge 2 Replacement			Des 1005700	29,767
Bridge 18			Des 9384930	33,235
Bridge 19 Replacement			Des 9884850	17,772
Bridge Inspections			Des 1297656	91,440
Total - Highway Planning and Construction				175,081
Total - Highway Planning and Construction Cluster				175,081
Highway Safety Cluster				
State and Community Highway Safety Operation Pullover	Indiana Criminal Justice Institute	20.600	2014	10,985
Total - Highway Safety Cluster				10,985
Total - Department of Transportation				186,066
<u>Department of Health and Human Services</u>				
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements Public Health Preparedness	Indiana Department of Health	93.074	BPRS 115-70	15,000
Drug-Free Communities Support Program Grants Decatur County Community Action Coalition	Direct Grant	93.276	5H79SP013007-08	109,650
Child Support Enforcement	Indiana Department of Child Services	93.563		
Clerks Incentive			2014	6,043
Prosecutor Incentive			2014	15,429
Title IV-D Incentive			2014	5,985
Prosecutor Expenditure			2014	117,188
Clerk Expenditure			2014	12,886
Indirect Costs			2014	33,883
Total - Child Support Enforcement				191,414
ARRA - Child Support Enforcement Prosecutor ARRA	Indiana Department of Child Services	93.563	2014	291
Total - Department of Health and Human Services				316,355
<u>Department of Homeland Security</u>				
Emergency Management Performance Grants	Indiana Department of Homeland Security	97.042		
EMPG Competitive			C44P-4-353B	5,180
Emergency Management Salary Reimbursement			C44P-5-017B	9,918
Total - Emergency Management Performance Grants				15,098
Homeland Security Grant Program 2011 District Grant	Indiana Department of Homeland Security	97.067	C44P-4-449B	32,916
Total - Department of Homeland Security				48,014
Total federal awards expended				\$ 593,911

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

DECATUR COUNTY  
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

***Basis of Presentation***

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

DECATUR COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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

Financial Statement:

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

Federal Awards:

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

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
93.563	Highway Planning and Construction Cluster Child Support Enforcement

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

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

**Section II - Financial Statement Findings**

**FINDING 2014-001 - PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

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

DECATUR COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

During the audit of the SEFA, we noted the following errors: the Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii program (CFDA 14.228) was overstated by \$27,807; the Highway Planning and Construction program (CFDA 20.205) was understated by \$175,081; the Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements program (CFDA 93.074) was understated by \$15,000; the Drug-Free Communities Support Program Grants program (CFDA 93.276) was overstated by \$33,596; the Child Support Enforcement program (CFDA 93.563) was understated by \$142,402; and the Emergency Management Performance Grants program (CFDA 97.042) was understated by \$15,098. Audit adjustments were proposed, accepted by the County, and made to the SEFA presented in this report.

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)

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

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

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

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.

DECATUR COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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

***FINDING 2014-002 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING***

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

1. Preparation of the County's Annual Financial Report: Effective internal control over financial reporting involves the identification and analysis of the risks of material misstatements to the County's audited financial statement and then determining how those identified risks should be managed. The County has not identified risks to the preparation of a reliable financial statement, including notes to the financial statement, and as a result, has failed to design effective internal controls over the preparation of the financial statement to prevent, or detect and correct, material misstatements. One employee in the County Auditor's Office uploaded the County's financial activity from the County's software directly into the Gateway system, a financial reporting system established by the State of Indiana to allow governmental units to file Annual Financial Reports. There was no review or approval of the information by another individual prior to the submission. The Annual Financial Report was used to prepare the financial statement presented in this report. Control activities should be in place to reduce the risks of errors in financial reporting.
2. Payroll Disbursements: The County Auditor's Office has not separated incompatible activities related to payroll and payroll related liabilities. Payroll claims were not approved by the Board of County Commissioners. The failure to establish these controls could enable material misstatements or irregularities to remain undetected.

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) (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

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

***FINDING 2014-003 - ALLOWABLE COSTS/COST PRINCIPLES***

Federal Agency: Department of Health and Human Services  
Federal Program: Child Support Enforcement, ARRA - Child Support Enforcement  
CFDA Number: 93.563  
Federal Award Number and Year (or Other Identifying Number): 2014  
Pass-Through Entity: Indiana Department of Child Services



DECATUR COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

Management of the County has not established an effective internal control system over compliance requirements relating to Allowable Costs/Cost Principles. The failure to establish an effective internal control system places the County at risk of noncompliance with the grant agreement and the compliance requirements.

The County was required to maintain periodic certifications for all full-time and part-time employees paid from the grant. There were no periodic certifications maintained by the County Prosecuting Attorney's Office for full-time or part-time employees paid from the grant during the audit period.

OMB Circular A-87, Attachment B, item 8h(3), states:

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

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

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

Noncompliance with the grant agreement or the Allowable Costs/Cost Principles compliance requirements could result in the loss of federal funds to the County.

We recommended that the County's management establish controls to ensure compliance with Allowable Costs/Cost Principles compliance requirements.

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#### AUDITEE PREPARED DOCUMENTS

The subsequent documents were provided by management of the County. The documents are presented as intended by the County.



**Janet S. Chadwell**  
**Decatur County Auditor**

150 Courthouse Square, Suite 133, Greensburg, Indiana 47240

Phone - 812-663-2570

Fax - 812-663-2242

[auditor@decaturcounty.in.gov](mailto:auditor@decaturcounty.in.gov)

**Summary Schedule of Prior Audit Findings**

**Finding Number 2013-003**

**Original SBA Audit Report Number**      **B45161**

**Fiscal Year**      **2013**

**Auditee Contact Person**      **Janet S Chadwell**

**Title of Contact Person**      **Decatur County Auditor**

**Phone Number**      **812-663-2570**

**Status of Finding**      **Grant was closed out as of August 29, 2013; so any**

**future grants will be monitored/audited in compliance with laws, regulations and the provisions of the contracts or grant agreements. Our office will have procedures in place to monitor/review the activities of the grant administrators.**

*Janet S Chadwell*  
*July 28, 2015*



**Janet S. Chadwell**  
**Decatur County Auditor**

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**Summary Schedule of Prior Audit Findings**

**Finding Number 2013-004**

**Original SBA Audit Report Number**     **B45161**

**Fiscal Year**     **2013**

**Auditee Contact Person**     **Janet S Chadwell**

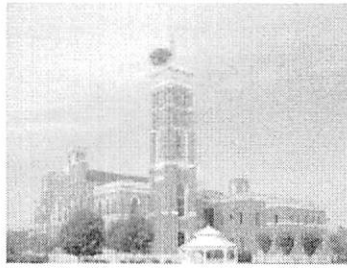
**Title of Contact Person**     **Decatur County Auditor**

**Phone Number**     **812-663-2570**

**Status of Finding**     **Grant was closed out as of August 29, 2013; so any**

**future grants will be monitored/audited in compliance with laws, regulations and the provisions of the contracts or grant agreements. Our office will have procedures in place to monitor/review the activities of the grant administrators.**

*Janet S Chadwell*  
*July 28, 2015*



***Janet S. Chadwell***  
***Decatur County Auditor***

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**CORRECTIVE ACTION PLAN**

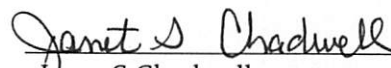
**FINDING 2014-001- PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Contact Person Responsible for Corrective Action: Janet S Chadwell  
Contact Phone Number: (812) 663-2570


**Description of Corrective Action Plan:**

Decatur County will utilize available personnel to oversee the schedule of expenditures in all grants to address the issues brought to our attention by the State Board of Accounts.

Anticipated Completion Date: We began working with departments receiving Federal Awards in February, 2015 and it's a 'work in progress'. Hoping to have completed by March, 2016.

  
Janet S Chadwell

\_\_\_\_\_  
Decatur County Auditor

  
\_\_\_\_\_  
Date



**Janet S. Chadwell**  
**Decatur County Auditor**

150 Courthouse Square, Suite 133, Greensburg, Indiana 47240

Phone - 812-663-2570

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**CORRECTIVE ACTION PLAN**

**FINDING 2014-002- INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING**


Contact Person Responsible for Corrective Action: Janet S Chadwell

Contact Phone Number: (812) 663-2570

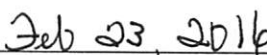
**Description of Corrective Action Plan:**

Decatur County will utilize available personnel to share the financial duties as a 'checks and balances' to address the issues brought to our attention by the State Board of Accounts.

Anticipated Completion Date: As soon as we were made aware of these deficiencies, controls were put in place, October, 2014.

  
Janet S Chadwell

\_\_\_\_\_  
Decatur County Auditor

  
Date

**Prosecuting Attorney**  
Nathan W. Harter IV, Atty. No. 31337-16  
**Deputy Prosecutors**  
Doug Brown, Chief Deputy, Atty. No. 15709-73  
Brian Clark, Atty. No. 23532-49  
Wendy Burford, Atty. No. 31915-16

**Chief of Staff**  
Sara Volk



**Office of the Prosecuting Attorney**  
69th Judicial Circuit  
2nd Floor, Courthouse  
**Mailing Address:**  
150 Courthouse Square, Suite 229  
Greensburg, Indiana 47240  
(812) 663-8505  
Fax (812) 663-7428  
prosecutor@decaturcounty.in.gov

February 2, 2016

### **CORRECTIVE ACTION PLAN**

#### ***FINDING 2014-003 - ALLOWABLE COSTS/COST PRINCIPLES***

Contact Person Responsible for Corrective Action: Nathan W. Harter, IV  
Contact Phone Number: (812) 663-8505

#### **Description of Corrective Action Plan:**

The Decatur County Child Support Division Office Administrator shall prepare a Semi-Annual IV-D Time and Effort Certification ("Certification") that details the name and employment status for each employee within the Decatur County Child Support Division. A copy of Finding 2014-003 and copies of the Certifications for calendar year 2015 are attached to this Corrective Action Plan and incorporated by reference.

#### **Anticipated Completion Date:**

The Decatur County Child Support Division Office Administrator implemented the aforementioned Corrective Action Plan effective January 1, 2015. The Certification shall be ongoing and shall occur semi-annually.

Nathan W. Harter IV,  
Prosecuting Attorney  
69th Judicial Circuit

2-2-16

DATE

NWH (wlb)  
Enclosure (3)



### ***FINDING 2014-003 - ALLOWABLE COSTS/COST PRINCIPLES***

Federal Agency: Department of Health and Human Services

Federal Program: Child Support Enforcement, ARRA - Child Support Enforcement

CFDA Number: 93.563

Federal Award Number and Year (or Other Identifying Number): 2014

Pass-Through Entity: Indiana Department of Child Services

Management of the County has not established an effective internal control system over compliance requirements relating to Allowable Costs/Cost Principles. The failure to establish an effective internal control system places the County at risk of noncompliance with the grant agreement and the compliance requirements.

The County was required to maintain periodic certifications for all full-time and part-time employees paid from the grant. There were no periodic certifications maintained by the County Prosecuting Attorney's Office for full-time or part-time employees paid from the grant during the audit period.

OMB Circular A-87, Attachment B, item 8h(3), states:

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

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

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

Noncompliance with the grant agreement or the Allowable Costs/Cost Principles compliance requirements could result in the loss of federal funds to the County.

We recommended that the County's management establish controls to ensure compliance with Allowable Costs/Cost Principles compliance requirements.



County Prosecutor's/IV-D Court's  
Semi-Annual IV-D Time and Effort Certification  
Multiple Staff

COUNTY: DECATUR COUNTY OFFICE: PROSECUTOR

*Partnership with Child Welfare  
to ensure child safety*

I, Nathan W. Harter IV, certify that 100% of the below listed employees' time from  
(Supervisory Official)

January 2015 to June 2015 was spent on  
(Beginning Date ex. Month/Date/Year) (Ending Date ex. Month/Date/Year)

Title IV-D duties and responsibilities.  
(Federal Funding Source)

Shelley Kroll, Administrator

Employee Name, Job Title

Lisa Osche, Admn. Assist

Employee Name, Job Title

Debra Young

Employee Name, Job Title

Wendy Buford, Deputy Prosecutor

Employee Name, Job Title

Employee Name, Job Title

Employee Name, Job Title

Employee Name, Job Title

Employee Name, Job Title

Employee Name, Job Title

Employee Name, Job Title

Employee Name, Job Title

Employee Name, Job Title

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Employee Name, Job Title

Employee Name, Job Title

Employee Name, Job Title

Employee Name, Job Title

Employee Name, Job Title

Employee Name, Job Title

Nathan W. Harter IV

Supervisor Signature

Elected Prosecutor

Supervisor Title

June 30, 2015  
Date



*Protecting our children,  
promoting good future*

County Prosecutor's/IV-D Court's  
Semi-Annual IV-D Time and Effort Certification  
Multiple Staff

COUNTY: DECATUR COUNTY OFFICE: PROSECUTOR

I, Nathan W. Harter IV, certify that 100% of the below listed employees' time from  
(Supervisory Official)

July 2015 to December 2015 was spent on  
(Beginning Date ex. Month/Date/Year) (Ending Date ex. Month/Date/Year)

Title IV-D duties and responsibilities.  
(Federal Funding Source)

Wendy Busford - IV-D Prosecutor

Employee Name, Job Title

Employee Name, Job Title

Shelley Kidd Admin.

Employee Name, Job Title

Employee Name, Job Title

Lisa Reese Admin. Assistant

Employee Name, Job Title

Employee Name, Job Title

Delores Young

Employee Name, Job Title

Employee Name, Job Title

Employee Name, Job Title

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Employee Name, Job Title

Employee Name, Job Title

Employee Name, Job Title

Employee Name, Job Title

Nathan W. Harter IV

Supervisor Signature

January 4, 2016  
Date

Elected Prosecutor

Supervisor Title

#### OTHER REPORTS

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