

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF
HARRISON 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	Karen S. Engleman	01-01-11 to 12-31-18
County Treasurer	Carol A. Hauswald Debra Dones	01-01-11 to 12-31-14 01-01-15 to 12-31-18
Clerk of the Circuit Court	Sally A. Whitis	01-01-13 to 12-31-16
County Sheriff	Rodney Seelye	01-01-11 to 12-31-18
County Recorder	Barbara Best	01-01-13 to 12-31-16
President of the Board of County Commissioners	Kenny Saulman	01-01-14 to 12-31-16
President of the County Council	Gary Davis	01-01-14 to 01-31-16



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF HARRISON COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of Harrison 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, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the financial statement. It has not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on it.

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 29, 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
Paul D. Joyce, CPA
State Examiner

February 29, 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 HARRISON 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 Harrison 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 29, 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 2014-002.

Harrison 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
Paul D. Joyce, CPA
State Examiner

February 29, 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.

HARRISON 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	
After Settlement Collections	\$ 870,690	\$ 944,387	\$ 870,690	\$ 944,387		
Sheriff's Inmate Trust	43,338	187,718	208,355	22,701		
Jail Commissary	72,077	281,761	296,691	57,147		
Clerk's Trust	672,637	2,217,885	2,277,782	612,740		
County General	1,190,867	10,692,405	10,429,388	1,453,884		
Accident Report	5,411	1,565	1,406	5,570		
CAGIT - County Certified Shares	239,087	2,825,416	2,822,298	242,205		
Campaign Finance Enforcement - County	2,375	2,673	-	5,048		
CEDIT - County Share	1,798,936	1,781,954	1,798,935	1,781,955		
County Child Advocacy Fund	100	-	-	100		
Clerk's Records Perpetuation	19,270	4,893	-	24,163		
Community Corrections Program	1,266	5,787	6,017	1,036		
Controlled Substance Excise Tax	17	-	-	17		
Sales Disclosure - County Share	20,173	4,816	1,326	23,663		
Cumulative Bridge	1,538,596	626,807	691,334	1,474,069		
Cumulative Capital Development	469,128	296,509	335,840	429,797		
Cumulative Courthouse	1,557,652	232,536	71,500	1,718,688		
Community Drug Free	27,638	16,309	19,370	24,577		
Electronic Map Generation	4,129	1,235	-	5,364		
Emergency Medical Services	449,367	339,039	534,158	254,248		
Emergency Planning/Right to Know	11,457	3,396	-	14,853		
Recorder Enhanced Access	5,356	5,646	-	11,002		
Extradition and Sheriff Assistance	89,352	7,964	16,622	80,694		
Firearms Training	66,562	26,284	56,985	35,861		
Health	154,934	939,396	761,489	332,841		
Identification Security Protection	3,219	3,106	4,318	2,007		
Levy Excess	-	1,003	-	1,003		
Local Health Maintenance	136,537	33,139	32,870	136,806		
Local Road and Street	1,357,936	450,842	417,776	1,391,002		
Misdemeanant Fund	39,326	49,680	21,526	67,480		
Motor Vehicle Highway	1,022,688	3,126,305	2,632,916	1,516,077		
Park Nonreverting	20,000	-	-	20,000		
Park Nonreverting Timber	425	-	-	425		
Plat Book	18,240	8,690	15,289	11,641		
Rainy Day	679	-	-	679		
Reassessment - 2009	2,919	741	2,920	740		
Reassessment - 2015	810,149	280,093	227,226	863,016		
Recorder's Records Perpetuation	328,948	58,641	17,646	369,943		
Riverboat - County Share	29,517,553	18,420,322	19,008,098	28,929,777		
Sex and Violent Offender Administration	4,025	2,677	1,307	5,395		
Sheriff Pension Trust	4,884	18,271	16,744	6,411		
Supplemental Public Defender Services	878	8,372	-	9,250		
Surplus Tax	106,489	45,140	97,661	53,968		
Surveyor Corner Perpetuation	34,156	7,595	5,245	36,506		
Tax Sale Redemption	3,410	69,625	72,807	228		
Tax Sale Surplus	358,315	370,505	454,027	274,793		
Local Health Department Trust Account	117,768	22,628	46,873	93,523		
Auditor Ineligible Deduction	85,731	15,230	18,972	81,989		
County Elected Officials Training	6,433	3,106	-	9,539		
Park and Recreation	531,348	912,523	888,521	555,350		
County Offender Transportation Fund	52	-	-	52		
Statewide 911	685,222	278,524	295,972	667,774		
Juvenile Probation User Fees (Circuit)	51,932	9,480	983	60,429		
Probation User Fees (Superior)	40,017	108,847	130,266	18,598		
Pretrial Diversion	147,229	93,315	76,111	164,433		
Humane Society	11,347	-	-	11,347		

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

HARRISON 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
K-9 Fund	54	-	-	54
Payroll Clearing	58,726	7,619	66,345	-
Payroll Withholding - Child Support	-	45,975	45,975	-
Payroll Withholding - Pebisco	-	32,405	32,405	-
Payroll Withholding - Federal	-	784,671	784,671	-
Payroll Withholding - FICA & Medicare	-	623,966	623,966	-
Payroll Withholding - Local Tax	6,055	84,123	90,178	-
Payroll Withholding - Property Tax	-	3,876	3,876	-
Payroll Withholding - Sheriff Pension	-	44,264	44,264	-
Payroll Withholding - State	20,841	281,641	302,482	-
Settlement	-	24,512,581	24,512,581	-
CVET Agency	-	134,415	134,415	-
Weed Lien Collections	-	1,184	1,184	-
Sewage Collections	-	4,541	4,541	-
Financial Institution Tax	-	181,051	181,051	-
HEA 1001-2008 State Homestead	1,003	-	1,003	-
State Fines and Forfeitures	1,984	15,497	14,829	2,652
Infraction Judgements	3,562	14,455	13,324	4,693
Overweight Vehicles Fine	177	2,965	1,653	1,489
Special Death Benefits	525	2,315	2,090	750
Sales Disclosure-State Share	780	4,385	4,040	1,125
Coroners Training and Continuing Education	378	3,772	3,310	840
Interstate Compact - State Share	308	12,055	11,952	411
Mortgage Recording Fee - State	953	3,460	3,173	1,240
DLGF Homestead Property Database	-	901	901	-
Sex and Violent Offender Administration - State	20	268	243	45
Child Restraint Violations	100	400	475	25
Inheritance Tax	32,548	8,501	38,750	2,299
Education Plate	-	563	563	-
Riverboat Ordinance 98-12	226,732	21,810,216	22,036,948	-
Innkeeper Tax Collections	129,071	890,658	859,000	160,729
CAGIT Distribution	-	5,777,139	5,777,139	-
CEDIT Distribution	-	1,935,178	1,935,178	-
City/Town Ordinance Violations	3,758	6,232	6,096	3,894
93.563 ARRA Prosecutor IV-D Incentive	1,349	-	473	876
93.563 ARRA Clerk IV-D Incentive	14,718	-	8,114	6,604
93.563 Title IV-D Incentive	97,573	10,030	-	107,603
93.563 Prosecutor IV-D Prior Oct '99	-	2,006	2,006	-
93.563 Prosecutor IV-D Post Oct '99	31,397	15,094	16,482	30,009
93.563 Clerk IV-D Prior Oct '99	10,836	-	-	10,836
93.563 Clerk IV-D Post Oct '99	12,076	10,030	1,350	20,756
County Law Enforcement Continuing Education	4,170	1,141	1,498	3,813
Adult PUF (Circuit Court)	106	-	-	106
Park Board Donations	4,813	25	1,633	3,205
Animal Control Donations	10,589	8,679	8,106	11,162
Casa Donations	300	-	-	300
Land Conservation Donation	763	-	-	763
Veterans Affairs Donations	6,404	323	-	6,727
Animal Control Fines and Fees	18,064	8,435	4,176	22,323

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

HARRISON 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
Family Health Center	1,232	2,422	-	3,654
Retainage - Government Facility Project	2,690	-	2,690	-
Retainage - Justice Center Renovation	42,948	333	43,281	-
Coroner Accident Report Fund	250	-	-	250
Casa User Fees	3,690	300	-	3,990
Work Release	74,753	8,578	21,664	61,667
Parks Endowment Fund	9,284	99,648	108,932	-
Prosecutor Asset Forfeiture	3,583	-	3,297	286
MCH Fees and Reimbursement Ordinance 2012-2	19,929	16,921	14,091	22,759
Sheriff Asset Forfeiture	66,941	56,089	71,488	51,542
Payroll- Donation United Way	39	485	524	-
Payroll- Insurance Aflac	121	102,612	103,243	(510)
Payroll- Insurance Humana	10,591	339,742	360,161	(9,828)
Payroll- Insurance Boston Mutual	2,673	32,501	32,781	2,393
Payroll- Insurance Colonial	11	975	986	-
Payroll- Insurance Guardian	-	62	62	-
Payroll- Insurance Liberty National	637	7,375	8,074	(62)
Payroll- Insurance Pre-paid Legal	168	1,507	1,557	118
Payroll- Insurance TransAmerica	(64)	29,802	29,732	6
Payroll- Humana Voluntary	-	21,005	21,059	(54)
Payroll- PERF Voluntary Post-tax	-	5,399	5,399	-
Payroll- PERF Voluntary Pre-tax	-	7,327	7,327	-
Payroll- Chase Insurance Withholding	-	2,400	2,400	-
Ema Planning Grant	7,492	-	-	7,492
03-jb-026 Juvenile Justice Grant	11	-	-	11
EMA HS CFDA	1,097	-	-	1,097
DUI Task Force Enforcement	882	-	-	882
Hayswood Nature Reserve 2009 f-291	3,339	-	-	3,339
Clerk Non-Reverting Sec. 101	27,697	14	7,401	20,310
EMPG- GENERATOR	-	3,040	3,040	-
2013 5311 Transportation Grant	-	126,605	126,605	-
FY14 Title V Block Grant	-	11,813	11,813	-
FY15 Title V Block Grant	-	-	773	(773)
Title V Infant Mortality	-	75	75	-
HCII Grants and Donations	14,812	-	-	14,812
Probation Diversion/Community Drug Free	3,868	-	-	3,868
Casa (in State) Grant Fund	60,219	7,745	8,034	59,930
Government Facilities Plan	138,597	-	46,010	92,587
Corydon Deferral Fee	-	110	-	110
Lanesville Deferral Fee	-	110	-	110
Premiere Garnishment	-	200	200	-
Ordinance Fund Violation Lien	-	7,660	7,660	-
2013 EMPG- C44P-4-443B	-	5,113	5,113	-
2013 SHSP- C44P-4-066B	-	3,040	3,040	-
2014 5311 Transportation Grant	-	396,068	396,068	-
2013 EMPG C44P-5-032B- Salary	-	21,528	21,528	-
5311 ARRA - Tier IV	-	67,660	67,660	-
 Totals	 \$ 45,956,493	 \$ 104,518,080	 \$ 104,812,467	 \$ 45,662,106

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

**HARRISON 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.

**HARRISON 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 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.

HARRISON 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.

HARRISON 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.

HARRISON 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 expenditures made by the County for some grant funds not being received by December 31, 2014, and insurance reimbursements not collected until after payment by County.

Note 8. Combined Funds

Funds related to Clerk's Trust and Clerk's Child Support were reported individually in the prior financial statement but were combined into one fund (Clerk's Trust) in the current financial statement.

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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.

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

	After Settlement Collections	Sheriff's Inmate Trust	Jail Commissary	Clerk's Trust	County General	Accident Report	CAGIT - County Certified Shares
Cash and investments - beginning	\$ 870,690	\$ 43,338	\$ 72,077	\$ 672,637	\$ 1,190,867	\$ 5,411	\$ 239,087
Receipts:							
Taxes	944,387	-	-	-	4,663,602	-	2,825,296
Licenses and permits	-	-	-	-	35,935	-	-
Intergovernmental	-	-	-	-	1,253,829	-	-
Charges for services	-	187,718	281,761	-	213,343	1,565	120
Fines and forfeits	-	-	-	2,217,885	110,999	-	-
Other receipts	-	-	-	-	4,414,697	-	-
Total receipts	944,387	187,718	281,761	2,217,885	10,692,405	1,565	2,825,416
Disbursements:							
Personal services	-	-	-	-	6,060,943	-	2,168,724
Supplies	-	-	-	-	302,062	1,406	367,738
Other services and charges	-	-	-	-	2,535,937	-	285,221
Capital outlay	-	-	-	-	6,417	-	368
Other disbursements	870,690	208,355	296,691	2,277,782	1,524,029	-	247
Total disbursements	870,690	208,355	296,691	2,277,782	10,429,388	1,406	2,822,298
Excess (deficiency) of receipts over disbursements	73,697	(20,637)	(14,930)	(59,897)	263,017	159	3,118
Cash and investments - ending	\$ 944,387	\$ 22,701	\$ 57,147	\$ 612,740	\$ 1,453,884	\$ 5,570	\$ 242,205

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

	Campaign Finance Enforcement - County	CREDIT - County Share	County Child Advocacy Fund	Clerk's Records Perpetuation	Community Corrections Program	Controlled Substance Excise Tax	Sales Disclosure - County Share
Cash and investments - beginning	\$ 2,375	\$ 1,798,936	\$ 100	\$ 19,270	\$ 1,266	\$ 17	\$ 20,173
Receipts:							
Taxes	-	1,781,954	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	4,385
Fines and forfeits	2,673	-	-	4,893	5,787	-	-
Other receipts	-	-	-	-	-	-	431
Total receipts	2,673	1,781,954	-	4,893	5,787	-	4,816
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	6,017	-	-
Capital outlay	-	-	-	-	-	-	900
Other disbursements	-	1,798,935	-	-	-	-	426
Total disbursements	-	1,798,935	-	-	6,017	-	1,326
Excess (deficiency) of receipts over disbursements	2,673	(16,981)	-	4,893	(230)	-	3,490
Cash and investments - ending	\$ 5,048	\$ 1,781,955	\$ 100	\$ 24,163	\$ 1,036	\$ 17	\$ 23,663

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

	Cumulative Bridge	Cumulative Capital Development	Cumulative Courthouse	Community Drug Free	Electronic Map Generation	Emergency Medical Services	Emergency Planning/Right to Know
Cash and investments - beginning	\$ 1,538,596	\$ 469,128	\$ 1,557,652	\$ 27,638	\$ 4,129	\$ 449,367	\$ 11,457
Receipts:							
Taxes	534,036	251,223	203,084	-	-	296,353	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	76,921	36,185	29,252	-	-	42,686	3,396
Charges for services	-	-	-	-	1,235	-	-
Fines and forfeits	-	-	-	16,309	-	-	-
Other receipts	15,850	9,101	200	-	-	-	-
Total receipts	626,807	296,509	232,536	16,309	1,235	339,039	3,396
Disbursements:							
Personal services	130,559	-	-	-	-	-	-
Supplies	21,775	-	22,520	-	-	-	-
Other services and charges	539,000	335,840	48,980	19,370	-	534,158	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	691,334	335,840	71,500	19,370	-	534,158	-
Excess (deficiency) of receipts over disbursements	(64,527)	(39,331)	161,036	(3,061)	1,235	(195,119)	3,396
Cash and investments - ending	\$ 1,474,069	\$ 429,797	\$ 1,718,688	\$ 24,577	\$ 5,364	\$ 254,248	\$ 14,853

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

	Recorder Enhanced Access	Extradition and Sheriff Assistance	Firearms Training	Health	Identification Security Protection	Levy Excess	Local Health Maintenance
Cash and investments - beginning	\$ 5,356	\$ 89,352	\$ 66,562	\$ 154,934	\$ 3,219	\$ -	\$ 136,537
Receipts:							
Taxes	-	-	-	525,010	-	1,003	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	75,621	-	-	33,139
Charges for services	5,646	-	25,346	-	3,106	-	-
Fines and forfeits	-	7,964	-	38,573	-	-	-
Other receipts	-	-	938	300,192	-	-	-
Total receipts	5,646	7,964	26,284	939,396	3,106	1,003	33,139
Disbursements:							
Personal services	-	-	-	697,949	-	-	20,024
Supplies	-	-	56,516	6,745	-	-	-
Other services and charges	-	16,622	-	56,645	4,318	-	8,642
Capital outlay	-	-	469	-	-	-	-
Other disbursements	-	-	-	150	-	-	4,204
Total disbursements	-	16,622	56,985	761,489	4,318	-	32,870
Excess (deficiency) of receipts over disbursements	5,646	(8,658)	(30,701)	177,907	(1,212)	1,003	269
Cash and investments - ending	\$ 11,002	\$ 80,694	\$ 35,861	\$ 332,841	\$ 2,007	\$ 1,003	\$ 136,806

HARRISON 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	Misdemeanant Fund	Motor Vehicle Highway	Park Nonreverting	Park Nonreverting Timber	Plat Book	Rainy Day
Cash and investments - beginning	\$ 1,357,936	\$ 39,326	\$ 1,022,688	\$ 20,000	\$ 425	\$ 18,240	\$ 679
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	436,777	-	3,119,696	-	-	-	-
Charges for services	-	49,680	-	-	-	8,655	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	14,065	-	6,609	-	-	35	-
Total receipts	450,842	49,680	3,126,305	-	-	8,690	-
Disbursements:							
Personal services	-	-	2,069,222	-	-	15,254	-
Supplies	417,776	-	192,142	-	-	-	-
Other services and charges	-	-	363,005	-	-	-	-
Capital outlay	-	21,526	5,283	-	-	-	-
Other disbursements	-	-	3,264	-	-	35	-
Total disbursements	417,776	21,526	2,632,916	-	-	15,289	-
Excess (deficiency) of receipts over disbursements	33,066	28,154	493,389	-	-	(6,599)	-
Cash and investments - ending	\$ 1,391,002	\$ 67,480	\$ 1,516,077	\$ 20,000	\$ 425	\$ 11,641	\$ 679

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

	Reassessment - 2009	Reassessment - 2015	Recorder's Records Perpetuation	Riverboat - County Share	Sex and Violent Offender Administration	Sheriff Pension Trust	Supplemental Public Defender Services
Cash and investments - beginning	\$ 2,919	\$ 810,149	\$ 328,948	\$ 29,517,553	\$ 4,025	\$ 4,884	\$ 878
Receipts:							
Taxes	-	240,692	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	741	33,927	-	-	-	-	-
Charges for services	-	-	56,731	4,985	2,677	-	-
Fines and forfeits	-	-	-	-	-	18,271	8,372
Other receipts	-	5,474	1,910	18,415,337	-	-	-
Total receipts	741	280,093	58,641	18,420,322	2,677	18,271	8,372
Disbursements:							
Personal services	-	43,570	-	937,767	-	16,744	-
Supplies	-	-	-	3,331,720	571	-	-
Other services and charges	-	183,656	-	11,933,950	399	-	-
Capital outlay	-	-	-	2,795,966	337	-	-
Other disbursements	2,920	-	17,646	8,695	-	-	-
Total disbursements	2,920	227,226	17,646	19,008,098	1,307	16,744	-
Excess (deficiency) of receipts over disbursements	(2,179)	52,867	40,995	(587,776)	1,370	1,527	8,372
Cash and investments - ending	\$ 740	\$ 863,016	\$ 369,943	\$ 28,929,777	\$ 5,395	\$ 6,411	\$ 9,250

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

	<u>Surplus Tax</u>	<u>Surveyor Corner Perpetuation</u>	<u>Tax Sale Redemption</u>	<u>Tax Sale Surplus</u>	<u>Local Health Department Trust Account</u>	<u>Auditor Ineligible Deduction</u>	<u>County Elected Officials Training</u>
Cash and investments - beginning	\$ 106,489	\$ 34,156	\$ 3,410	\$ 358,315	\$ 117,768	\$ 85,731	\$ 6,433
Receipts:							
Taxes	44,965	-	-	370,505	-	11,484	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	22,628	-	-
Charges for services	-	7,595	-	-	-	-	3,106
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	175	-	69,625	-	-	3,746	-
Total receipts	45,140	7,595	69,625	370,505	22,628	15,230	3,106
Disbursements:							
Personal services	-	-	-	-	13,726	-	-
Supplies	-	245	-	-	413	-	-
Other services and charges	97,661	5,000	41	-	5,630	15,472	-
Capital outlay	-	-	-	-	-	2,967	-
Other disbursements	-	-	72,766	454,027	27,104	533	-
Total disbursements	97,661	5,245	72,807	454,027	46,873	18,972	-
Excess (deficiency) of receipts over disbursements	(52,521)	2,350	(3,182)	(83,522)	(24,245)	(3,742)	3,106
Cash and investments - ending	\$ 53,968	\$ 36,506	\$ 228	\$ 274,793	\$ 93,523	\$ 81,989	\$ 9,539

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

	Park and Recreation	County Offender Transportation Fund	Statewide 911	Juvenile Probation User Fees (Circuit)	Probation User Fees (Superior)	Pretrial Diversion	Humane Society
Cash and investments - beginning	\$ 531,348	\$ 52	\$ 685,222	\$ 51,932	\$ 40,017	\$ 147,229	\$ 11,347
Receipts:							
Taxes	279,805	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	40,302	-	278,524	-	-	-	-
Charges for services	291,005	-	-	-	-	-	-
Fines and forfeits	-	-	-	9,440	107,532	92,971	-
Other receipts	301,411	-	-	40	1,315	344	-
Total receipts	912,523	-	278,524	9,480	108,847	93,315	-
Disbursements:							
Personal services	590,795	-	212,470	-	23,503	17,394	-
Supplies	114,964	-	-	-	9,705	2,838	-
Other services and charges	163,808	-	82,929	953	94,130	55,769	-
Capital outlay	-	-	-	-	2,048	-	-
Other disbursements	18,954	-	573	30	880	110	-
Total disbursements	888,521	-	295,972	983	130,266	76,111	-
Excess (deficiency) of receipts over disbursements	24,002	-	(17,448)	8,497	(21,419)	17,204	-
Cash and investments - ending	\$ 555,350	\$ 52	\$ 667,774	\$ 60,429	\$ 18,598	\$ 164,433	\$ 11,347

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

	K-9 Fund	Payroll Clearing	Payroll Withholding - Child Support	Payroll Withholding - Pebisco	Payroll Withholding - Federal	Payroll Withholding - FICA & Medicare	Payroll Withholding - Local Tax
Cash and investments - beginning	\$ 54	\$ 58,726	\$ -	\$ -	\$ -	\$ -	\$ 6,055
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	7,619	45,975	32,405	784,671	623,966	84,123
Total receipts	-	7,619	45,975	32,405	784,671	623,966	84,123
Disbursements:							
Personal services	-	694	45,975	32,405	784,671	623,966	90,178
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	65,651	-	-	-	-	-
Total disbursements	-	66,345	45,975	32,405	784,671	623,966	90,178
Excess (deficiency) of receipts over disbursements	-	(58,726)	-	-	-	-	(6,055)
Cash and investments - ending	\$ 54	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

	Payroll Withholding - Property Tax	Payroll Withholding - Sheriff Pension	Payroll Withholding - State	Settlement	CVET Agency	Weed Lien Collections	Sewage Collections
Cash and investments - beginning	\$ -	\$ -	\$ 20,841	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	3,876	-	-	20,536,756	-	1,184	4,541
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	3,975,825	134,415	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	44,264	281,641	-	-	-	-
Total receipts	3,876	44,264	281,641	24,512,581	134,415	1,184	4,541
Disbursements:							
Personal services	3,876	44,264	302,482	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	24,512,581	134,415	1,184	4,541
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	3,876	44,264	302,482	24,512,581	134,415	1,184	4,541
Excess (deficiency) of receipts over disbursements	-	-	(20,841)	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

	Financial Institution Tax	HEA 1001-2008 State Homestead	State Fines and Forfeitures	Infraction Judgements	Overweight Vehicles Fine	Special Death Benefits	Sales Disclosure - State Share
Cash and investments - beginning	\$ -	\$ 1,003	\$ 1,984	\$ 3,562	\$ 177	\$ 525	\$ 780
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	181,051	-	-	-	-	-	-
Charges for services	-	-	-	-	-	1,040	3,468
Fines and forfeits	-	-	15,497	14,455	2,788	1,275	-
Other receipts	-	-	-	-	177	-	917
Total receipts	181,051	-	15,497	14,455	2,965	2,315	4,385
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	181,051	1,003	14,829	13,324	1,653	2,090	4,040
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	181,051	1,003	14,829	13,324	1,653	2,090	4,040
Excess (deficiency) of receipts over disbursements	-	(1,003)	668	1,131	1,312	225	345
Cash and investments - ending	\$ -	\$ -	\$ 2,652	\$ 4,693	\$ 1,489	\$ 750	\$ 1,125

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

	Coroners Training and Continuing Education	Interstate Compact - State Share	Mortgage Recording Fee - State	DLGF Homestead Property Database	Sex and Violent Offender Administration - State	Child Restraint Violations	Inheritance Tax
Cash and investments - beginning	\$ 378	\$ 308	\$ 953	\$ -	\$ 20	\$ 100	\$ 32,548
Receipts:							
Taxes	-	-	-	368	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	3,772	-	3,460	-	268	-	8,501
Fines and forfeits	-	12,055	-	-	-	400	-
Other receipts	-	-	-	533	-	-	-
Total receipts	3,772	12,055	3,460	901	268	400	8,501
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	3,310	11,952	3,173	901	243	475	38,750
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	3,310	11,952	3,173	901	243	475	38,750
Excess (deficiency) of receipts over disbursements	462	103	287	-	25	(75)	(30,249)
Cash and investments - ending	\$ 840	\$ 411	\$ 1,240	\$ -	\$ 45	\$ 25	\$ 2,299

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

	Education Plate	Riverboat Ordinance 98-12	Innkeeper Tax Collections	CAGIT Distribution	CEDIT Distribution	City/Town Ordinance Violations	93,563 ARRA Prosecutor IV-D Incentive
Cash and investments - beginning	\$ -	\$ 226,732	\$ 129,071	\$ -	\$ -	\$ 3,758	\$ 1,349
Receipts:							
Taxes	-	21,810,216	890,658	5,777,139	1,935,178	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	563	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	6,232	-
Other receipts	-	-	-	-	-	-	-
Total receipts	563	21,810,216	890,658	5,777,139	1,935,178	6,232	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	563	-	859,000	5,777,139	1,935,178	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	22,036,948	-	-	-	6,096	473
Total disbursements	563	22,036,948	859,000	5,777,139	1,935,178	6,096	473
Excess (deficiency) of receipts over disbursements	-	(226,732)	31,658	-	-	136	(473)
Cash and investments - ending	\$ -	\$ -	\$ 160,729	\$ -	\$ -	\$ 3,894	\$ 876

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

	93.563 ARRA Clerk IV-D Incentive	93.563 Title IV-D Incentive	93.563 Prosecutor IV-D Prior Oct '99	93.563 Prosecutor IV-D Post Oct '99	93.563 Clerk IV-D Prior Oct '99	93.563 Clerk IV-D Post Oct '99	County Law Enforcement Continuing Education
Cash and investments - beginning	\$ 14,718	\$ 97,573	\$ -	\$ 31,397	\$ 10,836	\$ 12,076	\$ 4,170
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	1,141
Other receipts	-	10,030	2,006	15,094	-	10,030	-
Total receipts	-	10,030	2,006	15,094	-	10,030	1,141
Disbursements:							
Personal services	-	-	-	14,486	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	1,498
Capital outlay	-	-	-	-	-	-	-
Other disbursements	8,114	-	2,006	1,996	-	1,350	-
Total disbursements	8,114	-	2,006	16,482	-	1,350	1,498
Excess (deficiency) of receipts over disbursements	(8,114)	10,030	-	(1,388)	-	8,680	(357)
Cash and investments - ending	\$ 6,604	\$ 107,603	\$ -	\$ 30,009	\$ 10,836	\$ 20,756	\$ 3,813

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

	Adult PUF (Circuit Court)	Park Board Donations	Animal Control Donations	Casa Donations	Land Conservation Donation	Veterans Affairs Donations	Animal Control Fines and Fees
Cash and investments - beginning	\$ 106	\$ 4,813	\$ 10,589	\$ 300	\$ 763	\$ 6,404	\$ 18,064
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	8,435
Other receipts	-	25	8,679	-	-	323	-
Total receipts	-	25	8,679	-	-	323	8,435
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	243	-	-	-	-	228
Other services and charges	-	1,390	7,981	-	-	-	2,848
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	125	-	-	-	1,100
Total disbursements	-	1,633	8,106	-	-	-	4,176
Excess (deficiency) of receipts over disbursements	-	(1,608)	573	-	-	323	4,259
Cash and investments - ending	\$ 106	\$ 3,205	\$ 11,162	\$ 300	\$ 763	\$ 6,727	\$ 22,323

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

	Family Health Center	Retainage - Government Facility Project	Retainage - Justice Center Renovation	Coroner Accident Report Fund	Casa User Fees	Work Release	Parks Endowment Fund
Cash and investments - beginning	\$ 1,232	\$ 2,690	\$ 42,948	\$ 250	\$ 3,690	\$ 74,753	\$ 9,284
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	2,422	-	-	-	-	8,578	-
Fines and forfeits	-	-	-	-	300	-	-
Other receipts	-	-	333	-	-	-	99,648
Total receipts	2,422	-	333	-	300	8,578	99,648
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	5,064	957
Other services and charges	-	2,690	43,281	-	-	11,784	4,983
Capital outlay	-	-	-	-	-	4,816	98,638
Other disbursements	-	-	-	-	-	-	4,354
Total disbursements	-	2,690	43,281	-	-	21,664	108,932
Excess (deficiency) of receipts over disbursements	2,422	(2,690)	(42,948)	-	300	(13,086)	(9,284)
Cash and investments - ending	\$ 3,654	\$ -	\$ -	\$ 250	\$ 3,990	\$ 61,667	\$ -

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

	Prosecutor Asset Forfeiture	MCH Fees and Reimbursement Ordinance 2012-2	Sheriff Asset Forfeiture	Payroll- Donation United Way	Payroll- Insurance Aflac	Payroll- Insurance Humana	Payroll- Insurance Boston Mutual
Cash and investments - beginning	\$ 3,583	\$ 19,929	\$ 66,941	\$ 39	\$ 121	\$ 10,591	\$ 2,673
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	55,414	-	-	-	-
Fines and forfeits	-	16,582	-	-	-	-	-
Other receipts	-	339	675	485	102,612	339,742	32,501
Total receipts	-	16,921	56,089	485	102,612	339,742	32,501
Disbursements:							
Personal services	-	-	15,289	524	103,243	360,161	32,781
Supplies	-	6,222	-	-	-	-	-
Other services and charges	3,297	7,869	52,700	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	3,499	-	-	-	-
Total disbursements	3,297	14,091	71,488	524	103,243	360,161	32,781
Excess (deficiency) of receipts over disbursements	(3,297)	2,830	(15,399)	(39)	(631)	(20,419)	(280)
Cash and investments - ending	\$ 286	\$ 22,759	\$ 51,542	\$ -	\$ (510)	\$ (9,828)	\$ 2,393

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

	Payroll- Insurance Colonial	Payroll- Insurance Guardian	Payroll- Insurance Liberty National	Payroll- Insurance Pre-paid Legal	Payroll- Insurance TransAmerica	Payroll- Humana Voluntary	Payroll- PERF Voluntary Post-tax
Cash and investments - beginning	\$ 11	\$ -	\$ 637	\$ 168	\$ (64)	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	975	62	7,375	1,507	29,802	21,005	5,399
Total receipts	975	62	7,375	1,507	29,802	21,005	5,399
Disbursements:							
Personal services	986	62	8,074	1,557	29,732	21,059	5,399
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	986	62	8,074	1,557	29,732	21,059	5,399
Excess (deficiency) of receipts over disbursements	(11)	-	(699)	(50)	70	(54)	-
Cash and investments - ending	\$ -	\$ -	\$ (62)	\$ 118	\$ 6	\$ (54)	\$ -

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

	Payroll- PERF Voluntary Pre-tax	Payroll- Chase Insurance Withholding	Ema Planning Grant	03-jb-026 Juvenile Justice Grant	EMA HS CFDA	DUI Task Force Enforcement	Hayswood Nature Reserve 2009 f-291
Cash and investments - beginning	\$ -	\$ -	\$ 7,492	\$ 11	\$ 1,097	\$ 882	\$ 3,339
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	7,327	2,400	-	-	-	-	-
Total receipts	7,327	2,400	-	-	-	-	-
Disbursements:							
Personal services	7,327	2,400	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	7,327	2,400	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ 7,492	\$ 11	\$ 1,097	\$ 882	\$ 3,339

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

	Clerk Non-Reverting Sec. 101	EMPG- GENERATOR	2013 5311 Transportation Grant	FY14 Title V Block Grant	FY15 Title V Block Grant	Title V Infant Mortality	HCII Grants and Donations
Cash and investments - beginning	\$ 27,697	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,812
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	3,040	126,605	11,813	-	75	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	14	-	-	-	-	-	-
Total receipts	14	3,040	126,605	11,813	-	75	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	4,620	115	75	-
Other services and charges	-	-	126,605	7,193	658	-	-
Capital outlay	7,401	-	-	-	-	-	-
Other disbursements	-	3,040	-	-	-	-	-
Total disbursements	7,401	3,040	126,605	11,813	773	75	-
Excess (deficiency) of receipts over disbursements	(7,387)	-	-	-	(773)	-	-
Cash and investments - ending	\$ 20,310	\$ -	\$ -	\$ -	\$ (773)	\$ -	\$ 14,812

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

	Probation Diversion/ Community Drug Free	Casa (in State) Grant Fund	Government Facilities Plan	Corydon Deferral Fee	Lanesville Deferral Fee	Premiere Garnishment	Ordinance Fund Violation Lien
Cash and investments - beginning	\$ 3,868	\$ 60,219	\$ 138,597	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	7,745	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	110	110	-	7,660
Other receipts	-	-	-	-	-	200	-
Total receipts	-	7,745	-	110	110	200	7,660
Disbursements:							
Personal services	-	-	-	-	-	200	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	8,034	46,010	-	-	-	7,660
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	-	8,034	46,010	-	-	200	7,660
Excess (deficiency) of receipts over disbursements	-	(289)	(46,010)	110	110	-	-
Cash and investments - ending	\$ 3,868	\$ 59,930	\$ 92,587	\$ 110	\$ 110	\$ -	\$ -

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

	2013 EMPG- C44P-4-443B	2013 SHSP- C44P-4-066B	2014 5311 Transportation Grant	2013 EMPG C44P-5-032B- Salary	5311 ARRA - Tier IV	Totals
Cash and investments - beginning	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ 45,956,493
Receipts:						
Taxes	-	-	-	-	-	63,933,315
Licenses and permits	-	-	-	-	-	35,935
Intergovernmental	5,113	-	396,068	21,528	67,660	10,414,562
Charges for services	-	-	-	-	-	1,236,145
Fines and forfeits	-	-	-	-	-	2,728,709
Other receipts	-	3,040	-	-	-	26,169,414
Total receipts	5,113	3,040	396,068	21,528	67,660	104,518,080
Disbursements:						
Personal services	-	-	-	-	-	15,550,435
Supplies	-	-	-	-	-	4,866,660
Other services and charges	-	-	396,068	-	67,660	51,694,757
Capital outlay	5,113	3,040	-	-	-	2,955,289
Other disbursements	-	-	-	21,528	-	29,745,326
Total disbursements	5,113	3,040	396,068	21,528	67,660	104,812,467
Excess (deficiency) of receipts over disbursements	_____ -	_____ -	_____ -	_____ -	_____ -	(294,387)
Cash and investments - ending	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ 45,662,106

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

TO: THE OFFICIALS OF HARRISON COUNTY, INDIANA

Report on Compliance for the Major Federal Program

We have audited Harrison 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 its major federal program for the year ended December 31, 2014. The County's major federal program is 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 the County's major federal program 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 the major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on the 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 its major federal program for the year ended December 31, 2014.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE 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 the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the 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
Paul D. Joyce, CPA
State Examiner

February 29, 2016

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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.

HARRISON 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
Department of Justice				
Equitable Sharing Program	Direct Grant	16.922		
Prosecutor Asset Forfeiture			2014	\$ 3,297
Sheriff Asset Forfeiture			2014	<u>67,989</u>
Total - Equitable Sharing Program				<u>71,286</u>
Total - Department of Justice				<u>71,286</u>
Department of Transportation				
Formula Grants for Rural Areas	Indiana Department of Transportation	20.509		
2013 5311 Transportation Grant			EDS #A249-13-320322	82,748
2014 5311 Transportation Grant			EDS #A249-14-320411	<u>254,892</u>
Total - 5311 Transportation Grant				<u>337,640</u>
ARRA - Formula Grants for Rural Areas	Indiana Department of Transportation	20.509		
5311 ARRA Tier IV Transportation			EDS #A249-14-320480	67,660
Total - Department of Transportation				<u>405,300</u>
General Services Administration				
Election Reform Payments	Indiana Secretary of State	39.011		
Clerk Non-Reverting Section 101			2014	<u>7,401</u>
Total - General Services Administration				<u>7,401</u>
Department of Health and Human Services				
Child Support Enforcement	Indiana Department of Child Services	93.563		
Prosecutor Incentive			2014	16,482
Clerk Incentive			2014	1,350
Child Support Court Costs			2014	13,506
Child Support Clerk			2014	54,119
Child Support Prosecutor			2014	134,366
Child Support Indirect Costs			2014	<u>56,587</u>
Total - Child Support Enforcement				<u>276,410</u>
ARRA - Child Support Enforcement	Indiana Department of Child Services	93.563		
ARRA Prosecutor IV-D Incentive			2014	473
ARRA Clerk-IV-D Incentive			2014	<u>8,114</u>
Total - ARRA - Child Support Enforcement				<u>8,587</u>
Total - Child Support Enforcement				<u>284,997</u>
Maternal and Child Health Services Block Grant to the States	Indiana State Department of Health	93.994		
Title V - MCH Block Grant FY 14			EDS #A70-4-069705	11,813
			EDS #A70-4-069744	<u>75</u>
Total - Maternal and Child Health Services				
Block Grant to the States				<u>11,888</u>
Total - Department of Health and Human Services				<u>296,885</u>
Department of Homeland Security				
Emergency Management Performance Grants	Indiana Department of Homeland Security	97.042		
2013 EMPG Competitive Grant			EDS #C44P-4-443B	5,113
2013 EMPG - Salary			EDS #C44P-5-032B	<u>21,528</u>
Total - Emergency Management Performance Grants				<u>26,641</u>
State Homeland Security Program (SHSP)	Indiana Department of Homeland Security	97.073		
2013 SHSP			EDS #C44P-4-066B	3,040
Total - Department of Homeland Security				<u>29,681</u>
Total federal awards expended				<u>\$ 810,553</u>

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

HARRISON 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, 2014:

Program Title	Federal CFDA Number	2014
Formula Grants for Rural Areas	20.509	\$ 337,640
ARRA - Formula Grants for Rural Areas	20.509	67,660

HARRISON 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 program:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major program:	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 Program:

CFDA Number	Name of Federal Program or Cluster
20.509	Formula Grants for Rural Areas

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 Auditor prepares the SEFA and no evidence was presented that there was any oversight, review, approval, or other compensating control to verify the accuracy of the information and amounts. 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.

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.

**HARRISON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)**

Controls over the receiving, 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)

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

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

The County has control procedures in place for disbursements that includes the County Auditor reviewing the supporting documentation prior to certifying the accounts payable voucher. Once the accounts payable vouchers have been certified by the County Auditor they are presented to the applicable individual or Board for approval to pay. In some instances, funds were disbursed without proper certification or authorization. The County Auditor signed the majority of disbursements on the accounts payable voucher certifying the expense. Judges sign accounts payable vouchers for court expenses, and the Park Board and Board of County Commissioners sign claim dockets authorizing other disbursements. Certain disbursements that were not required by state law to have the Commissioner's signatures prior to payment and were paid between Board meetings were not always subsequently certified by the County Auditor and authorized by the Board of County Commissioners. These disbursements included surplus tax, refunds, education plate fees, tax distributions, and payroll vendor disbursements.

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 receiving, 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 states in part:

"(b) As used in this section, 'claim' means a bill or an invoice submitted to a governmental entity for goods and services.

(c) 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;

HARRISON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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

Section III - Federal Award Findings and Questioned Costs

No matters are reportable.

AUDITEE PREPARED DOCUMENTS

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

HARRISON COUNTY AUDITOR

245 ATWOOD STREET • STE. 211

CORYDON, INDIANA 47112

(812) 738-8241

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2013-003

Original Assigned SBA Audit Report Number: 2013-003

Report Period: January 1, 2013 through December 31, 2013

Pass-Through Entity or Federal Grantor Agency:

Contact Person Responsible for Corrective Action: Karen Engleman, Harrison County Auditor

Contact Phone Number: 812-738-8241

Status of Audit Finding:

The Harrison County Board of Commissioners enacted procedures and started a system of internal controls over verification that vendors have not been suspended or excluded from doing business with the federal government.

At the October 20, 2014 Harrison County Board of Commissioners' meeting, the Commissioners delegated the County Auditor to establish segregation of duties related to grant agreements and all compliance requirements applicable to suspension and debarment that have a direct and material effect to the program. The Auditor is currently checking the System for Award Management, or SAM, to verify that the vendor is not on the suspension and debarment list before any grant is approved.

Karen Engleman
(Signature)

County Auditor
(Title)

1/21/16
(Date)

KAREN S. ENGLEMAN, AUDITOR

HARRISON COUNTY AUDITOR
245 ATWOOD STREET • STE. 211
CORYDON, INDIANA 47112
(812) 738-8241

CORRECTIVE ACTION PLAN

FINDING 2014-001

Contact Person Responsible for Corrective Action: Karen Engleman, Harrison County Auditor
Contact Phone Number: 812-738-8241

Description of Corrective Action Plan:

Beginning October 8, 2014, the Harrison County Auditor's Office enacted procedures and started a system of internal controls to prevent or detect errors on the schedule of expenditures of Federal Awards.

The Auditor's Office now goes to www.cfda.gov to ensure that we are using the correct CFDA# and the correct Federal Program Title/Project Name on all grants. The County Auditor's Office also now ensures that the vendors have not been suspended or excluded from doing business with the federal government.

The accounts receivable deputy in the Auditor's Office receives a copy of all grants so she knows where to quietus the funds when they are received. The accounts payable deputy also receives a copy of all grants so she can audit the accounts payable vouchers to ensure funds are being disbursed in keeping with the terms of the grant agreement. If there is any question, the Auditor's Office contacts the department submitting the accounts payable voucher and if the situation is not resolved, the accounts payable voucher is submitted to the County Commissioners as a flagged claim so they are made aware of any problem before approving that accounts voucher.

We ensure that all federal payments are included on our grant spreadsheet so none are missed through the use of a spreadsheet that is updated each time state and/or federal funds are received.

The Harrison County Auditor and the accounts receivable deputy met with the State Board of Accounts Field Examiner in 2014 for some additional grant training to ensure we were separating the federal, state and local allocations correctly for purposes of reporting on the SEFA and for reporting the correct amount of federal awards to sub-recipients.

Karen S. Engleman
Karen S. Engleman

County Auditor
(Title)

2-19-16
(Date)

KAREN S. ENGLEMAN, AUDITOR

HARRISON COUNTY AUDITOR
245 ATWOOD STREET • STE. 211
CORYDON, INDIANA 47112
(812) 738-8241

CORRECTIVE ACTION PLAN

FINDING 2014-2

Contact Person Responsible for Corrective Action: Karen Engleman, Harrison County Auditor
Contact Person Responsible for Corrective Action: Kenny Saulman, President County Commissioners

Contact Phone Number: 812-738-8241

Status of Audit Finding:

The Harrison County Board of Commissioners and the Harrison County Auditor's Office enacted procedures and started a system of internal controls over financial transactions and reporting.

Beginning September 15, 2014, the Auditor's Office began the practice of submitting an additional accounts payable voucher to the Board of Commissioners, which includes all warrants written after the prior Commissioner meeting accounts payable docket and prior to the current Commissioner meeting accounts payable docket. A balancing sheet presented to the Board of Commissioners at each meeting verifies that all warrants written by the Harrison County Auditor's Office are presented to the County Board of Commissioners or the Harrison County Park Board for approval.

Beginning October 8, 2014, the accounts payable clerk became responsible for auditing the employee and employer benefit documentation completed by the payroll clerk. The payroll clerk continues to process the county payroll and calculate the employee and employer benefit payments and the County Auditor ensures the accuracy of and signs the payroll vouchers. The accounts payable clerk reviews the employee benefits documentation for accuracy and after verifying the information is correct, issues checks to the appropriate vendor(s).

Karen S. Engleman
Karen S. Engleman
County Auditor
(Title)
Kenny Saulman
Kenny Saulman
Commissioner
(Title)
2-19-16
(Date)

KAREN S. ENGLEMAN, AUDITOR

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/>.