

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

FEDERAL SINGLE AUDIT REPORT

OF

ALLEN COUNTY, INDIANA

January 1, 2015 to December 31, 2015



FILED
10/26/2016

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Tera K. Klutz	01-01-15 to 12-31-18
County Treasurer	Susan L. Orth	01-01-13 to 12-31-16
Clerk of the Circuit Court	Lisbeth A. Borgmann	01-01-15 to 12-31-18
County Sheriff	David J. Gladioux	01-01-15 to 12-31-18
County Recorder	Anita A. Mather	01-01-15 to 12-31-18
County Prosecuting Attorney	Karen E. Richards	01-01-15 to 12-31-18
Circuit Court Judge	Honorable Thomas J. Felts	01-01-15 to 12-31-20
President of the Board of County Commissioners	F. Nelson Peters	01-01-15 to 12-31-16
President of the County Council	Thomas A. Harris Roy A. Buskirk	01-01-15 to 12-31-15 01-01-16 to 12-31-16



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

Telephone: (317) 232-2513
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Web Site: www.in.gov/sboa

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

TO: THE OFFICIALS OF ALLEN COUNTY, INDIANA

We have audited, in accordance with the 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 statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Allen County (County), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated August 25, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, 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 opinions on the financial statements, 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.

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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

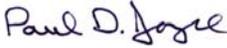
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

August 25, 2016



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM; ON INTERNAL CONTROL OVER COMPLIANCE; AND ON THE SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY UNIFORM GUIDANCE

TO: THE OFFICIALS OF ALLEN COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited Allen County's (County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2015. 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 Federal statutes, regulations and the terms and conditions of its Federal awards 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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, 2015.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM; ON INTERNAL CONTROL OVER COMPLIANCE; AND ON THE SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY UNIFORM GUIDANCE
(Continued)

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the 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 an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 a 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.

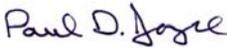
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance

We have audited the financial statements of governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated August 25, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. 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 statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying

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(Continued)

accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, 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 basic financial statements as a whole.


Paul D. Joyce, CPA
State Examiner

August 25, 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 prepared by management of the County. The schedule and notes are presented as intended by the County.

ALLEN COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2015

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	Pass-Through To Subrecipient	Total Federal Awards Expended
Department of Agriculture					
Child Nutrition Cluster	Indiana Department of Education				
School Breakfast Program		10.553	FY 2015	\$ -	\$ 58,441
National School Lunch Program		10.555	FY 2015	-	104,592
Total - Child Nutrition Cluster				-	163,033
Total - Department of Agriculture				-	163,033
Department of Justice					
State Criminal Alien Assistance Program	Direct Grant	16.606			
Criminal Alien Assist Grant			2015-AP-BX-0568	-	6,107
Bulletproof Vest Partnership Program	Direct Grant	16.607	109918	-	842
Juvenile Accountability Block Grants	Indiana Criminal Justice Institute	16.523			
JAIBG Grant			3760-1a	-	4,622
Violence Against Women Formula Grants	Indiana Criminal Justice Institute	16.588			
Domestic Violence			2014-WF-AX-0005	-	18,422
Edward Byrne Memorial Justice Assistance Grant Program	Indiana Criminal Justice Institute	16.738			
Air Service Pilot Fund			2014-DJ-BX-1191	-	136,780
Sheriff Drug Task Force			2013-DJ-BX-0039	-	7,618
Indiana Enforcement Assistance Grant	City of Fort Wayne		2015-DJ-BX-0562	-	30,907
Total - Edward Byrne Memorial Justice Assistance Grant Program				-	175,305
Total - Department of Justice				-	205,298
Department of Transportation					
Highway Planning and Construction Cluster	Indiana Department of Transportation				
Highway Planning and Construction		20.205	15804457 FY 2014	-	132,538
NIRCC			15809170 FY 2014	-	8,083
NIRCC			15810638 FY 2014	-	47,757
NIRCC			15804457 FY 2015	-	590,893
NIRCC			15809170 FY 2015	-	1,941
NIRCC			15809173 FY 2015	-	8,573
NIRCC			15810638 FY 2015	-	13,108
NIRCC			12813192 FY 2015	-	50,875
NIRCC			16800647 FY 2015	-	168,667
NIRCC			16803029 FY 2015	-	9,500
NIRCC			16802949 FY 2015	-	21,976
NIRCC			16802753 FY 2015	-	15,209
Construction Engineering			Des. 400582	-	33,968
Preliminary Engineering			Des. 400582	-	126,300
Construction Engineering			Des. 400583	-	241,084
Preliminary Engineering			Des. 400583	-	38,444
Construction Engineering			Des. 400584	-	76,914
Right of Way			Des. 400584	-	1,180
Construction Engineering			Des. 500982	-	18,821
Construction Engineering			Des. 710075	-	16,279
Construction Engineering			Des. 710077	-	10,655
Right of Way			Des. 902238	-	2,514
Preliminary Engineering			Des. 1005320	-	13,710
Right of Way			Des. 1005320	-	6,408
Construction Engineering			Des. 1005320	-	84,725
Preliminary Engineering			Des. 1297238	-	80,750
Construction Engineering			Des. 1297753	-	75
Preliminary Engineering			Des. 1382100	-	63,507
Right of Way			Des. 1382493	-	20,347
Preliminary Engineering			Des. 1382497	-	44,854
Preliminary Engineering			Des. 1382818	-	132,341
Right of Way			Des. 1592356	-	84,961
Total - Highway Planning and Construction Cluster				-	2,166,957

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

ALLEN COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2015
(Continued)

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through To Subrecipient	Total Federal Awards Expended
<u>Department of Transportation (continued)</u>					
Highway Safety Cluster					
State and Community Highway Safety	City of Fort Wayne	20.600	D3-15-8902	-	41,981
			D3-15-9953	-	2,175
Total - State and Community Highway Safety				-	44,156
Alcohol Impaired Driving Countermeasures Incentive Grants I	City of Fort Wayne	20.601	D3-15-8999	-	608
Total - Highway Safety Cluster				-	44,764
Total - Department of Transportation				-	2,211,721
<u>Department of the Treasury</u>					
Equitable Sharing Program	Direct Grant	21.000			
Asset Seizure - Sheriff			FY 2015	-	70,476
Total - Department of the Treasury				-	70,476
<u>Environmental Protection Agency</u>					
State Indoor Radon Grants	Indiana Department of Health	66.032			
			A70-5-154012	-	3,000
Total - Environmental Protection Agency				-	3,000
<u>Department of Health and Human Services</u>					
Immunization Cooperative Agreements	Indiana Department of Health	93.268			
			A70-5-073158	-	242,904
			A70-5-073152(IP)	-	44,419
Total - Immunization Cooperative Agreements				-	287,323
Child Support Enforcement	Indiana Department of Child Services	93.563			
Child Support Enforcement			FY 2015	-	2,655,324
Refugee and Entrant Assistance-State Administered Programs	Indiana Family and Social Services Administration	93.566			
Refugee Health Screens			F1-4-02-14-R5-1004	-	54,691
State Court Improvement Program	Indiana Supreme Court	93.586			
Court Improvement			Allen-CIP-2014BT	-	18,760
HIV Prevention Activities-Health Department Based	Indiana Department of Health	93.940			
HIV/AIDS Program			A70-5-112385	-	31,800
Total - Department of Health and Human Services				-	3,047,898
<u>Department of Homeland Security</u>					
Emergency Management Performance Grants	Indiana Department of Homeland Security	97.042			
			C44P-5-695B	-	90,645
			C44P-5-430B	-	15,000
			C44P-6-010B	-	20,000
			C44P-5-458B	-	8,485
Total - Emergency Management Performance Grants				-	134,130
State Homeland Security Program (SHSP)		97.073	C44P-5-567B	-	2,597
Total - Department of Homeland Security				-	136,727
Total federal awards expended				\$ -	\$ 5,838,153

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

ALLEN COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the County under programs of the federal government for the year ended December 31, 2015. The information in the SEFA is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the County, it is not intended to and does not present the financial position of the County.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-133, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received. The County has elected not to use the 10-percent de minimus indirect cost rate allowed under the Uniform Guidance.

ALLEN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Noncompliance material to financial statements noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	no

Identification of Major Programs and type of auditor's report issued on compliance for each:

CFDA Number	Name of Federal Program or Cluster	Opinion Issued
93.268	Immunization Cooperative Agreement	Unmodified
93.563	Child Support Enforcement	Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

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

No matters are reportable.

Section III - Federal Award Findings and Questioned Costs

No matters are reportable.

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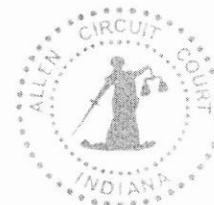
AUDITEE-PREPARED SCHEDULE

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

Allen County Circuit Court

Thirty-Eighth Judicial Circuit

Allen County Courthouse
715 South Calhoun Street Room 300
Fort Wayne, IN 46802-1897
Telephone: 260.449.7602
Fax: 260.449.7652



THOMAS J. FELTS

Judge

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-001

Fiscal year in which the finding initially occurred: 2014
Pass-Through Entity or Federal Grantor Agency: Indiana Department of Child Services
Contact Person Responsible for Corrective Action: Terri Berry
Contact Phone Number: 260-449-4003

Status of Audit Finding:

The Allen Circuit IV-D Court has complied with the Correction Action Plan by having IV-D employees complete a Semi-Annual IV-D Time and Effort Certification.

Director of Court Services
Allen County Circuit Court
August 9, 2016

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)



OFFICE OF THE PROSECUTING ATTORNEY
38TH JUDICIAL CIRCUIT

KAREN E. RICHARDS
PROSECUTING ATTORNEY

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-001

Fiscal year in which the finding initially occurred: 2014

Pass-through entity, if pass-through or Federal Grantor Agency, if direct: Indiana Dept. of Child Services

Contact Person Responsible for Corrective Action: Kristine E. Myers

Contact Phone Number: 260-449-7550

Since the audit of 2014 our office has implemented effective internal controls to maintain time and effort reports on the entire child support staff. Every January 1st and July 1st, all part-time and full-time child support IV-D employees in our office are evaluated to establish proper percentages that correspond with their time worked in the IV-D division.

Most of the support staff is 100% child support. There are a handful of employees that have responsibilities in both the child support and criminal divisions of the office. Twice a year we establish a percentage for these dual employees based on the number of child support employees to the total number of employees. That percentage is then used to claim these employees' hours each month. We also have a few employees that can be more difficult to calculate. If this occurs, the employee will complete time sheets for a referenced period. We then formulate a percentage of time worked for IV-D and use this for the monthly claim.

Again these certifications are done twice each year and signed by the employee or the supervisory official that has firsthand knowledge of the work performed by the employee.

Michael J. McAlexander
Chief Deputy Prosecutor
August 11, 2016

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/>.