

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF  
CLAY COUNTY, INDIANA  
January 1, 2015 to December 31, 2015



**FILED**  
10/27/2016



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Jennifer M. Flater	01-01-15 to 12-31-18
County Treasurer	Samuel Glover Debra James (interim) Debra James	01-01-15 to 02-05-15 02-06-15 to 02-20-15 02-21-15 to 12-31-18
Clerk of the Circuit Court	Victoria J. Wheeler	01-01-13 to 12-31-16
County Sheriff	Paul Harden	01-01-15 to 12-31-18
County Recorder	Joseph Dierdorf	01-01-13 to 12-31-16
President of the County Council	Larry J. Moss	01-01-15 to 12-31-16
President of the Board of County Commissioners	Tony Fenwick (Vacant) Paul R. Sindors	01-01-15 to 08-28-15 08-29-15 to 12-31-15 01-01-16 to 12-31-16



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

TO: THE OFFICIALS OF CLAY COUNTY, INDIANA

**Report on the Financial Statement**

We have audited the accompanying financial statement of Clay County (County), which comprises the financial position and results of operations for the year ended December 31, 2015, 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 (Indiana Code 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, 2015.

***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, 2015, 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 Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

*Other Information*

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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

In accordance with *Government Auditing Standards*, we have also issued a report dated September 12, 2016, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

  
Paul D. Joyce, CPA  
State Examiner

September 12, 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 CLAY 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 Clay County (County), which comprises the financial position and results of operations for the year ended December 31, 2015, and the related notes to the financial statement, and have issued our report thereon dated September 12, 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.

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 County's financial statement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or 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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2015-001 that we consider 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**

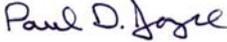
As part of obtaining reasonable assurance about whether the County's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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 2015-001.

**Clay County's Response to Findings**

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

**Purpose of This Report**

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

  
Paul D. Joyce, CPA  
State Examiner

September 12, 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.

CLAY COUNTY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended December 31, 2015

Fund	Cash and Investments 01-01-15	Receipts	Disbursements	Cash and Investments 12-31-15
AFTER SETTLEMENT COLLECTIONS	\$ 495,813	\$ 550,011	\$ 495,813	\$ 550,011
SHERIFF'S INMATE TRUST	12,845	299,109	309,845	2,109
JAIL COMMISSARY	24,225	161,031	83,053	102,203
CLERKS TRUST ACCT	303,613	1,513,030	1,480,942	335,701
SHERIFF'S CASHBOOK-HARRIS	8,255	44,949	18	53,186
RECORDERS CASH DRAWER	25	-	-	25
County General	1,372,817	6,307,464	5,667,579	2,012,702
Accident Report	4,186	630	-	4,816
Aviation	53,998	36,704	47,922	42,780
Jail Cagit	1,244,832	1,112,166	804,411	1,552,587
CAGIT CERTIFIED SHARES	535,849	1,785,009	1,730,420	590,438
Campaign Fin Enforcement	860	1,075	-	1,935
Clerk's Perpetuation	78,602	22,296	33,281	67,617
Comm Corr Home Detention	245,936	211,478	247,678	209,736
Comm Transition Program	24,515	7,775	24,889	7,401
County Sales Disclosure	38,019	3,210	35	41,194
Cumulative Bridge	1,054,530	238,857	525,209	768,178
Cumulative Capital Dev	462,339	88,650	65,043	485,946
Co Drug Free Comm	26,862	24,872	23,612	28,122
REDEVELOPMENT COMM FEES	31,719	17,737	15,017	34,439
Local Emer Plan Comm	14,054	3,733	500	17,287
Firearms Training	10,619	13,039	13,322	10,336
General Drain Improvement	18,163	-	-	18,163
Health	175,560	217,828	235,343	158,045
SOCIAL SECURITY REDACTION	49,251	2,017	4,114	47,154
LEVY EXCESS FUND	118,128	-	-	118,128
Health Maintenance	97,273	33,139	23,946	106,466
Local Road & Street	82,879	245,078	229,984	97,973
COUNTY PUBLIC SAFETY LOIT	420,497	719,175	931,388	208,284
COUNTY MISDEMEANANT FUND	19,173	17,439	-	36,612
MOTOR VEHICLE HIGHWAY	704,407	3,165,069	3,121,103	748,373
OMITTED PROPERTY AUDITS	32,214	81,550	91,520	22,244
Plat Book	85,650	8,885	9,384	85,151
Rainy Day	1,353,282	500,499	500,000	1,353,781
Recorder Rcds Perpet	138,888	39,014	36,243	141,659
COUNTY RIVERBOAT	77,515	91,323	80,000	88,838
SHERIFFS SEX OFFENDER FEES	19,088	2,255	-	21,343
Public Defender	51,539	15,432	23,833	43,138
Overpayments-Prop Tax	35,219	22,843	40,401	17,661
Surveyors Cornerstone	19,774	6,010	-	25,784
Tax Sale Redemption	19	53,919	53,919	19
Tax Sale Surplus	377,106	1,091,533	140,071	1,328,568
LHD TRUST ACCOUNT	47,427	18,712	17,284	48,855
Guardian Ad Litem / CASA	5,510	4,098	5,539	4,069
HAVA TITLE III REIMB	40,000	-	-	40,000
INELIGIBLE DEDUCTIONS FUND	165,227	13,305	22,933	155,599
CO ELECTED OFFICIAL TRAINING	6,627	2,017	-	8,644
Park & Recreation	11,328	-	-	11,328
COUNTY OFFENDER TRANSPORTATION	750	188	-	938
STATEWIDE 911	161,486	419,480	463,259	117,707
REASSESSMENT	933,360	103,495	298,412	738,443
Adult Prob Admin Fee	73,084	21,350	13,940	80,494
Juvenile Prob Admin Fee	4,531	2,117	1,070	5,578
Probation Supplement	2,793	188	-	2,981
Drainage Maintenance	39,600	94,274	88,764	45,110
SHERIFF SALE FEE FUND	13,622	19,834	9,554	23,902
JAIL TRAINING & EQUIP	27,790	6,695	70	34,415
Debt Service Reserve IVC	45,000	-	-	45,000
BR CTY NO CEN ECON DISTR	354,570	129,277	149,955	333,892
EMPLOYEE HEALTH INSURANCE FUND	246,327	1,011,400	1,064,740	192,987
Redevelopmt Dist Cap Fund	47,818	-	-	47,818
Payroll Clearing Fund	9,603	5,111,383	5,116,752	4,234
FICA Withholding	1	-	-	1
State Settlement	-	18,506,620	18,506,620	-
LOIT PUBLIC SAFETY	-	1,111,832	1,111,832	-
WHEEL TAX/SURTAX COMBINED	-	797,794	797,794	-
CVET Distribution	-	172,785	172,785	-
WEED CUTTING ASSESSMENTS	-	6,330	6,330	-
Sewage Collections	-	11,269	11,269	-
Financial Institution Tax	-	196,293	196,293	-
Fines & Forfeitures	1,707	9,765	9,401	2,071
Infraction Judgements	450	12,220	11,130	1,540

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

CLAY COUNTY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended December 31, 2015  
(Continued)

Fund	Cash and Investments 01-01-15	Receipts	Disbursements	Cash and Investments 12-31-15
Overweight Vehicles	-	2,441	2,161	280
SPECIAL DEATH BENEFIT (OFFICER)	85	1,475	1,360	200
Sales Disclosure Form	260	3,315	3,025	550
Coroners Cont Education	116	3,140	3,022	234
Mortgage Fee	127	2,014	1,810	331
DLGF HOMESTEAD PROPERTY DATABA	12	10	12	10
SEX & VIOLENT OFFEND ADMIN	12	251	250	13
Inheritance Tax	2,113	54,817	56,930	-
Education Plate Fee	19	375	394	-
Riverboat Revenue Sharing	-	159,294	159,294	-
Cagit Settlement	-	4,446,991	4,446,991	-
CLAY CITY TRAFFIC FINES	3,836	7,997	8,260	3,573
93.563 ARRA PROS IV-D INCENTIV	10,542	-	-	10,542
93.563 ARRA CLERK IV-D INCENTI	61	-	-	61
93.563 TITLE IV-D INCENTIVE	107,978	12,045	3,240	116,783
93.563 PROSECUTOR IV-D INCENTI	38,540	18,175	27,637	29,078
93.563 CLERK IV-D INCENTIVE	7,145	34,194	16,362	24,977
TREASURER CASH CHANGE FUND	700	-	-	700
SHERIFFS CAR SEAT FUND	700	1,158	1,834	24
SHERIFF CASH BOOK- FFB	48,971	288,897	327,007	10,861
SUPPORT ACCOUNT (RNB)	2,236	382,394	381,705	2,925
DARZINIKAS ACCT (SPEC JDMNT) RNB	818	-	-	818
CASH ON HAND	300	-	-	300
16.575 Victims Assist FY 2015 (3month interim)	(3,846)	4,322	476	-
Jury Pay	598,506	181,697	160,108	620,095
CLAY CITY LICENSE BRANCH	876	-	-	876
AVIATION ROTARY FUEL FUND	2,688	8,019	7,525	3,182
Pub Hlth Emerg Prep Coor	2,992	-	-	2,992
Drug Forfeiture Fund	8,864	5,587	4,000	10,451
FED EQUIT SHARING-PROSECUTOR	124	-	-	124
FED EQUIT SHARING-SHERIFF	11,021	54,370	44,642	20,749
Aerial Map	5,019	6	-	5,025
Hepatitis B Vaccine	3,928	-	-	3,928
Title Check Fees	5,322	765	-	6,087
Prosc Check Collection	646	254	-	900
FARM SALE FUND	106,700	54	-	106,754
TAX SALE REDEMPTION COMM CERT	1,265	-	-	1,265
COMM CERTIFICATE SALE	9,159	15,675	16,955	7,879
UNDERGROUND FUEL TANK DEDUCT	-	30,000	-	30,000
LOIT RESIDENTIAL PTRC	85,908	3,334,271	3,350,974	69,205
10.557 WIC FY 2014	1	8,109	29,770	(21,660)
16.607 BULLETPROOF VEST GRANT	126	-	-	126
TITLE III VOT MACH REIMB	120,584	-	-	120,584
16.738 ICJI-ACE SHERIFFS OT	1	-	-	1
97.073 2014 HL SEC SUB-GRANT	-	20,000	20,000	-
10.557 WIC FY 2015	(10,053)	119,130	109,077	-
93.074 BIO T & EMER PREP	-	12,669	9,679	2,990
16.588 ICJI STOP FY 2013	(8,107)	18,429	10,321	1
16.575 VICTIM ASSIST FY 2015	-	12,512	12,512	-
16.588 ICJI STOP FY 2014	1	-	9,073	(9,072)
16.575 VICTIM ASSIST FY 2014	(256)	256	5,100	(5,100)
20.601 OPER PULLOVER FY 2013	80	4,263	4,263	80
20.601 OPER PULLOVER FY 2014	28	-	-	28
10.557 PEER COUNCELOR FY 15	(370)	4,070	3,645	55
97.042 HL SEC C44P-3-242B	-	17,750	17,750	-
10.557 PEER COUNCELOR FY 14	-	-	763	(763)
97.067 HL SEC C44P-4-558B	-	14,887	14,887	-
97.067 HL SEC C44P-4-557B	(6,323)	32,430	26,107	-
93.074 BIOT HOSP PREP PROGRAM	(3,677)	12,864	9,187	-
20.205 BRIDGE INSPECTION 14-18	-	98,528	104,265	(5,737)
97.042 HL SEC C44P-5-468B	-	8,485	8,485	-
97.073 HL SEC C44P-5-689B	-	32,422	32,422	-
97.042 CFDA C44P-6-011B	-	18,200	18,200	-
HMLAND FNDATION GRT PSF1-1-008	1	-	-	1
Comm Corr Grant FY 2014	-	62,474	72,591	(10,117)
WALMART LAW ENF & COMM SVC	37	-	-	37
TRIAL COURT INTERPRETER GRANT	4,075	-	620	3,455
COMM CORR GRANT 2015	(28,848)	48,590	19,064	678
Totals	<u>\$ 13,289,792</u>	<u>\$ 56,138,625</u>	<u>\$ 54,729,319</u>	<u>\$ 14,699,098</u>

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

CLAY 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 tax, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeeper's 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.

Intergovernmental receipts, which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of these types of receipts include, but are not limited to, the following: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distributions received from the state, local road and street distributions 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.

CLAY COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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 including, but 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, which 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, the following: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

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

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

*F. Interfund Transfers*

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

CLAY COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*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, the following: federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

CLAY 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.

*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.

CLAY COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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 as a result of various funds being set up for reimbursable grants and the reimbursement for expenditures made by the County from these funds not being received by December 31, 2015.

**Note 8. Holding Corporation**

The County has entered into a capital lease with Clay County Indiana Building Corporation (the lessor). The lessor was organized as a non-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the county. The lessor has been determined to be a related-party of the County. Lease payments during 2015 totaled \$803,000.

CLAY COUNTY  
 NOTES TO FINANCIAL STATEMENT  
 (Continued)

**Note 9. Restatements**

The December 31, 2014 balance of the Support Account (RND) fund was understated \$664. As a result, the County increased (restated) the January 1, 2015 balance of this fund for \$664 to correctly report the beginning fund balance.

Fund	Balance as of December 31, 2014	Prior Period Adjustment	Balance as of January 1, 2015
Support Account (RNB)	\$ 1,572	\$ 664	\$ 2,236

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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 County's Annual Financial Report 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.

CLAY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015

	AFTER SETTLEMENT COLLECTIONS	SHERIFF'S INMATE TRUST	JAIL COMMISSARY	CLERKS TRUST ACCT	SHERIFF'S CASHBOOK-HARRIS	RECORDERS CASH DRAWER	County General	Accident Report
Cash and investments - beginning	\$ 495,813	\$ 12,845	\$ 24,225	\$ 303,613	\$ 8,255	\$ 25	\$ 1,372,817	\$ 4,186
Receipts:								
Taxes	-	-	-	-	-	-	3,422,615	-
Intergovernmental receipts	-	-	-	-	-	-	396,073	-
Charges for services	-	-	-	-	-	-	1,754,068	-
Fines and forfeits	-	-	-	-	-	-	157,179	-
Other receipts	550,011	299,109	161,031	1,513,030	44,949	-	577,529	630
Total receipts	550,011	299,109	161,031	1,513,030	44,949	-	6,307,464	630
Disbursements:								
Personal services	-	-	-	-	-	-	2,737,026	-
Supplies	-	-	-	-	-	-	224,481	-
Other services and charges	-	-	-	-	-	-	1,940,389	-
Capital outlay	-	-	-	-	-	-	210,220	-
Other disbursements	495,813	309,845	83,053	1,480,942	18	-	555,463	-
Total disbursements	495,813	309,845	83,053	1,480,942	18	-	5,667,579	-
Excess (deficiency) of receipts over disbursements	54,198	(10,736)	77,978	32,088	44,931	-	639,885	630
Cash and investments - ending	\$ 550,011	\$ 2,109	\$ 102,203	\$ 335,701	\$ 53,186	\$ 25	\$ 2,012,702	\$ 4,816

CLAY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	Aviation	Jail Cagit	CAGIT CERTIFIED SHARES	Campaign Fin Enforcement	Clerk's Perpetuation	Comm Corr Home Detention	Comm Transition Program
Cash and investments - beginning	\$ 53,998	\$ 1,244,832	\$ 535,849	\$ 860	\$ 78,602	\$ 245,936	\$ 24,515
Receipts:							
Taxes	23,967	1,111,424	1,763,478	-	-	-	-
Intergovernmental receipts	3,108	-	-	-	-	-	7,775
Charges for services	7,755	-	21,480	-	1,647	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	1,874	742	51	1,075	20,649	211,478	-
Total receipts	<u>36,704</u>	<u>1,112,166</u>	<u>1,785,009</u>	<u>1,075</u>	<u>22,296</u>	<u>211,478</u>	<u>7,775</u>
Disbursements:							
Personal services	-	1,411	1,730,420	-	-	131,512	21,169
Supplies	888	-	-	-	-	35,854	3,720
Other services and charges	33,414	803,000	-	-	33,281	44,614	-
Capital outlay	13,000	-	-	-	-	35,698	-
Other disbursements	620	-	-	-	-	-	-
Total disbursements	<u>47,922</u>	<u>804,411</u>	<u>1,730,420</u>	<u>-</u>	<u>33,281</u>	<u>247,678</u>	<u>24,889</u>
Excess (deficiency) of receipts over disbursements	<u>(11,218)</u>	<u>307,755</u>	<u>54,589</u>	<u>1,075</u>	<u>(10,985)</u>	<u>(36,200)</u>	<u>(17,114)</u>
Cash and investments - ending	<u>\$ 42,780</u>	<u>\$ 1,552,587</u>	<u>\$ 590,438</u>	<u>\$ 1,935</u>	<u>\$ 67,617</u>	<u>\$ 209,736</u>	<u>\$ 7,401</u>

CLAY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	County Sales Disclosure	Cumulative Bridge	Cumulative Capital Dev	Co Drug Free Comm	REDEVELOPMENT COMM FEES	Local Emer Plan Comm	Firearms Training
Cash and investments - beginning	\$ 38,019	\$ 1,054,530	\$ 462,339	\$ 26,862	\$ 31,719	\$ 14,054	\$ 10,619
Receipts:							
Taxes	-	208,994	78,612	-	-	-	-
Intergovernmental receipts	-	26,683	10,038	-	-	3,733	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	3,210	3,180	-	24,872	17,737	-	13,039
Total receipts	3,210	238,857	88,650	24,872	17,737	3,733	13,039
Disbursements:							
Personal services	-	-	-	3,153	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	28,266	-	20,459	-	-	-
Capital outlay	-	496,943	65,043	-	-	-	-
Other disbursements	35	-	-	-	15,017	500	13,322
Total disbursements	35	525,209	65,043	23,612	15,017	500	13,322
Excess (deficiency) of receipts over disbursements	3,175	(286,352)	23,607	1,260	2,720	3,233	(283)
Cash and investments - ending	\$ 41,194	\$ 768,178	\$ 485,946	\$ 28,122	\$ 34,439	\$ 17,287	\$ 10,336

CLAY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	General Drain Improvement	Health	SOCIAL SECURITY REDACTION	LEVY EXCESS FUND	Health Maintenance	Local Road & Street	COUNTY PUBLIC SAFETY LOIT
Cash and investments - beginning	\$ 18,163	\$ 175,560	\$ 49,251	\$ 118,128	\$ 97,273	\$ 82,879	\$ 420,497
Receipts:							
Taxes	-	172,564	-	-	-	-	709,353
Intergovernmental receipts	-	22,409	-	-	33,139	245,022	-
Charges for services	-	-	-	-	-	-	9,091
Fines and forfeits	-	-	-	-	-	-	731
Other receipts	-	22,855	2,017	-	-	56	-
Total receipts	-	217,828	2,017	-	33,139	245,078	719,175
Disbursements:							
Personal services	-	208,287	-	-	21,902	-	537,982
Supplies	-	9,919	-	-	83	229,984	87,615
Other services and charges	-	17,137	4,114	-	1,961	-	215,791
Capital outlay	-	-	-	-	-	-	90,000
Other disbursements	-	-	-	-	-	-	-
Total disbursements	-	235,343	4,114	-	23,946	229,984	931,388
Excess (deficiency) of receipts over disbursements	-	(17,515)	(2,097)	-	9,193	15,094	(212,213)
Cash and investments - ending	\$ 18,163	\$ 158,045	\$ 47,154	\$ 118,128	\$ 106,466	\$ 97,973	\$ 208,284

CLAY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	COUNTY MISDEMEANANT FUND	MOTOR VEHICLE HIGHWAY	OMITTED PROPERTY AUDITS	Plat Book	Rainy Day	Recorder Rcds Perpet	COUNTY RIVERBOAT
Cash and investments - beginning	\$ 19,173	\$ 704,407	\$ 32,214	\$ 85,650	\$ 1,353,282	\$ 138,888	\$ 77,515
Receipts:							
Taxes	-	-	-	-	-	-	-
Intergovernmental receipts	-	3,041,225	-	-	-	-	91,323
Charges for services	-	2,882	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	17,439	120,962	81,550	8,885	500,499	39,014	-
Total receipts	17,439	3,165,069	81,550	8,885	500,499	39,014	91,323
Disbursements:							
Personal services	-	1,121,322	-	-	-	-	41,336
Supplies	-	1,368,002	-	-	-	-	-
Other services and charges	-	349,498	-	9,384	-	-	38,664
Capital outlay	-	282,281	-	-	-	-	-
Other disbursements	-	-	91,520	-	500,000	36,243	-
Total disbursements	-	3,121,103	91,520	9,384	500,000	36,243	80,000
Excess (deficiency) of receipts over disbursements	17,439	43,966	(9,970)	(499)	499	2,771	11,323
Cash and investments - ending	\$ 36,612	\$ 748,373	\$ 22,244	\$ 85,151	\$ 1,353,781	\$ 141,659	\$ 88,838

CLAY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	SHERIFFS SEX OFFENDER FEES	Public Defender	Overpayments-Prop Tax	Surveyors Cornerstone	Tax Sale Redemption	Tax Sale Surplus	LHD TRUST ACCOUNT
Cash and investments - beginning	\$ 19,088	\$ 51,539	\$ 35,219	\$ 19,774	\$ 19	\$ 377,106	\$ 47,427
Receipts:							
Taxes	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	2,255	15,432	22,843	6,010	53,919	1,091,533	18,712
Total receipts	2,255	15,432	22,843	6,010	53,919	1,091,533	18,712
Disbursements:							
Personal services	-	23,833	-	-	-	-	6,453
Supplies	-	-	-	-	-	-	6,756
Other services and charges	-	-	-	-	-	-	4,075
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	40,401	-	53,919	140,071	-
Total disbursements	-	23,833	40,401	-	53,919	140,071	17,284
Excess (deficiency) of receipts over disbursements	2,255	(8,401)	(17,558)	6,010	-	951,462	1,428
Cash and investments - ending	\$ 21,343	\$ 43,138	\$ 17,661	\$ 25,784	\$ 19	\$ 1,328,568	\$ 48,855

CLAY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	Guardian Ad Litem / CASA	HAVA TITLE III REIMB	INELIGIBLE DEDUCTIONS FUND	CO ELECTED OFFICIAL TRAINING	Park & Recreation	COUNTY OFFENDER TRANSPORTATION	STATEWIDE 911
Cash and investments - beginning	\$ 5,510	\$ 40,000	\$ 165,227	\$ 6,627	\$ 11,328	\$ 750	\$ 161,486
Receipts:							
Taxes	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	4,098	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	13,305	2,017	-	188	419,480
Total receipts	4,098	-	13,305	2,017	-	188	419,480
Disbursements:							
Personal services	-	-	13,804	-	-	-	393,034
Supplies	-	-	804	-	-	-	4,984
Other services and charges	-	-	5,642	-	-	-	65,241
Capital outlay	-	-	2,683	-	-	-	-
Other disbursements	5,539	-	-	-	-	-	-
Total disbursements	5,539	-	22,933	-	-	-	463,259
Excess (deficiency) of receipts over disbursements	(1,441)	-	(9,628)	2,017	-	188	(43,779)
Cash and investments - ending	\$ 4,069	\$ 40,000	\$ 155,599	\$ 8,644	\$ 11,328	\$ 938	\$ 117,707

CLAY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	REASSESSMENT	Adult Prob Admin Fee	Juvenile Prob Admin Fee	Probation Supplement	Drainage Maintenance	SHERIFF SALE FEE FUND	JAIL TRAINING & EQUIP
Cash and investments - beginning	\$ 933,360	\$ 73,084	\$ 4,531	\$ 2,793	\$ 39,600	\$ 13,622	\$ 27,790
Receipts:							
Taxes	91,075	-	-	-	-	-	-
Intergovernmental receipts	11,658	-	-	-	-	-	-
Charges for services	115	-	-	-	-	19,834	6,545
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	647	21,350	2,117	188	94,274	-	150
Total receipts	<u>103,495</u>	<u>21,350</u>	<u>2,117</u>	<u>188</u>	<u>94,274</u>	<u>19,834</u>	<u>6,695</u>
Disbursements:							
Personal services	140,169	13,940	1,070	-	-	-	-
Supplies	5,475	-	-	-	-	-	-
Other services and charges	152,768	-	-	-	-	9,000	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	88,764	554	70
Total disbursements	<u>298,412</u>	<u>13,940</u>	<u>1,070</u>	<u>-</u>	<u>88,764</u>	<u>9,554</u>	<u>70</u>
Excess (deficiency) of receipts over disbursements	<u>(194,917)</u>	<u>7,410</u>	<u>1,047</u>	<u>188</u>	<u>5,510</u>	<u>10,280</u>	<u>6,625</u>
Cash and investments - ending	<u>\$ 738,443</u>	<u>\$ 80,494</u>	<u>\$ 5,578</u>	<u>\$ 2,981</u>	<u>\$ 45,110</u>	<u>\$ 23,902</u>	<u>\$ 34,415</u>

CLAY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	Debt Service Reserve IVC	BR CTY NO CEN ECON DISTR	EMPLOYEE HEALTH INSURANCE FUND	Redevelopmt Dist Cap Fund	Payroll Clearing Fund	FICA Withholding	State Settlement
Cash and investments - beginning	\$ 45,000	\$ 354,570	\$ 246,327	\$ 47,818	\$ 9,603	\$ 1	\$ -
Receipts:							
Taxes	-	129,277	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	1,011,400	-	5,111,383	-	18,506,620
Total receipts	-	129,277	1,011,400	-	5,111,383	-	18,506,620
Disbursements:							
Personal services	-	14,851	1,064,740	-	3,602,635	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	135,104	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	1,514,117	-	18,506,620
Total disbursements	-	149,955	1,064,740	-	5,116,752	-	18,506,620
Excess (deficiency) of receipts over disbursements	-	(20,678)	(53,340)	-	(5,369)	-	-
Cash and investments - ending	\$ 45,000	\$ 333,892	\$ 192,987	\$ 47,818	\$ 4,234	\$ 1	\$ -

CLAY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	LOIT PUBLIC SAFETY	WHEEL TAX/SURTAX COMBINED	CVET Distribution	WEED CUTTING ASSESSMENTS	Sewage Collections	Financial Institution Tax	Fines & Forfeitures
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,707
Receipts:							
Taxes	1,111,832	-	-	-	-	-	-
Intergovernmental receipts	-	797,794	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	172,785	6,330	11,269	196,293	9,765
Total receipts	<u>1,111,832</u>	<u>797,794</u>	<u>172,785</u>	<u>6,330</u>	<u>11,269</u>	<u>196,293</u>	<u>9,765</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	1,111,832	797,794	172,785	6,330	11,269	196,293	9,401
Total disbursements	<u>1,111,832</u>	<u>797,794</u>	<u>172,785</u>	<u>6,330</u>	<u>11,269</u>	<u>196,293</u>	<u>9,401</u>
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	364
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,071</u>

CLAY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	Infraction Judgements	Overweight Vehicles	SPECIAL DEATH BENEFIT (OFFICER)	Sales Disclosure Form	Coroners Cont Education	Mortgage Fee	DLGF HOMESTEAD PROPERTY DATABA
Cash and investments - beginning	\$ 450	\$ -	\$ 85	\$ 260	\$ 116	\$ 127	\$ 12
Receipts:							
Taxes	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	12,220	2,441	1,475	3,315	3,140	2,014	10
Total receipts	12,220	2,441	1,475	3,315	3,140	2,014	10
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	11,130	2,161	1,360	3,025	3,022	1,810	12
Total disbursements	11,130	2,161	1,360	3,025	3,022	1,810	12
Excess (deficiency) of receipts over disbursements	1,090	280	115	290	118	204	(2)
Cash and investments - ending	\$ 1,540	\$ 280	\$ 200	\$ 550	\$ 234	\$ 331	\$ 10

CLAY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	SEX & VIOLENT OFFEND ADMIN	Inheritance Tax	Education Plate Fee	Riverboat Revenue Sharing	Cagit Settlement	CLAY CITY TRAFFIC FINES	93.563 ARRA PROS IV-D INCENTIV
Cash and investments - beginning	\$ 12	\$ 2,113	\$ 19	\$ -	\$ -	\$ 3,836	\$ 10,542
Receipts:							
Taxes	-	-	-	-	4,446,991	-	-
Intergovernmental receipts	-	-	-	159,294	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	251	54,817	375	-	-	7,997	-
Total receipts	251	54,817	375	159,294	4,446,991	7,997	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	250	56,930	394	159,294	4,446,991	8,260	-
Total disbursements	250	56,930	394	159,294	4,446,991	8,260	-
Excess (deficiency) of receipts over disbursements	1	(2,113)	(19)	-	-	(263)	-
Cash and investments - ending	\$ 13	\$ -	\$ -	\$ -	\$ -	\$ 3,573	\$ 10,542

CLAY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	93.563 ARRA CLERK IV-D INCENTI	93.563 TITLE IV-D INCENTIVE	93.563 PROSECUTOR IV-D INCENTI	93.563 CLERK IV-D INCENTIVE	TREASURER CASH CHANGE FUND	SHERIFFS CAR SEAT FUND	SHERIFF CASH BOOK- FFB
Cash and investments - beginning	\$ 61	\$ 107,978	\$ 38,540	\$ 7,145	\$ 700	\$ 700	\$ 48,971
Receipts:							
Taxes	-	-	-	-	-	-	-
Intergovernmental receipts	-	12,045	18,120	12,045	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	55	22,149	-	1,158	288,897
Total receipts	-	12,045	18,175	34,194	-	1,158	288,897
Disbursements:							
Personal services	-	-	16,683	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	3,240	10,954	16,362	-	1,834	327,007
Total disbursements	-	3,240	27,637	16,362	-	1,834	327,007
Excess (deficiency) of receipts over disbursements	-	8,805	(9,462)	17,832	-	(676)	(38,110)
Cash and investments - ending	\$ 61	\$ 116,783	\$ 29,078	\$ 24,977	\$ 700	\$ 24	\$ 10,861

CLAY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	SUPPORT ACCOUNT (RNB)	DARZINIKAS ACCT (SPEC JDMNT) RNB	CASH ON HAND	16.575 Victims Assist FY 2015 (3month interim)	Jury Pay	CLAY CITY LICENSE BRANCH	AVIATION ROTARY FUEL FUND
Cash and investments - beginning	\$ 2,236	\$ 818	\$ 300	\$ (3,846)	\$ 598,506	\$ 876	\$ 2,688
Receipts:							
Taxes	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	382,394	-	-	4,322	181,697	-	8,019
Total receipts	382,394	-	-	4,322	181,697	-	8,019
Disbursements:							
Personal services	-	-	-	-	132,558	-	-
Supplies	-	-	-	-	6,246	-	-
Other services and charges	-	-	-	-	11,230	-	7,525
Capital outlay	-	-	-	-	4,274	-	-
Other disbursements	381,705	-	-	476	5,800	-	-
Total disbursements	381,705	-	-	476	160,108	-	7,525
Excess (deficiency) of receipts over disbursements	689	-	-	3,846	21,589	-	494
Cash and investments - ending	\$ 2,925	\$ 818	\$ 300	\$ -	\$ 620,095	\$ 876	\$ 3,182

CLAY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	Pub Hlth Emerg Prep Coor	Drug Forfeiture Fund	FED EQUIT SHARING- PROSECUTOR	FED EQUIT SHARING- SHERIFF	Aerial Map	Hepatitis B Vaccine	Title Check Fees
Cash and investments - beginning	\$ 2,992	\$ 8,864	\$ 124	\$ 11,021	\$ 5,019	\$ 3,928	\$ 5,322
Receipts:							
Taxes	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	5,587	-	54,370	6	-	765
Total receipts	-	5,587	-	54,370	6	-	765
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	4,000	-	-	-	-	-
Capital outlay	-	-	-	44,642	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	-	4,000	-	44,642	-	-	-
Excess (deficiency) of receipts over disbursements	-	1,587	-	9,728	6	-	765
Cash and investments - ending	\$ 2,992	\$ 10,451	\$ 124	\$ 20,749	\$ 5,025	\$ 3,928	\$ 6,087

CLAY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	Prosc Check Collection	FARM SALE FUND	TAX SALE REDEMPTION COMM CERT	COMM CERTIFICATE SALE	UNDERGROUND FUEL TANK DEDUCT	LOIT RESIDENTIAL PTRC	10.557 WIC FY 2014
Cash and investments - beginning	\$ 646	\$ 106,700	\$ 1,265	\$ 9,159	\$ -	\$ 85,908	\$ 1
Receipts:							
Taxes	-	-	-	-	-	3,334,271	-
Intergovernmental receipts	-	-	-	-	-	-	8,109
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	254	54	-	15,675	30,000	-	-
Total receipts	254	54	-	15,675	30,000	3,334,271	8,109
Disbursements:							
Personal services	-	-	-	-	-	-	26,414
Supplies	-	-	-	-	-	-	2,850
Other services and charges	-	-	-	4,401	-	-	506
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	12,554	-	3,350,974	-
Total disbursements	-	-	-	16,955	-	3,350,974	29,770
Excess (deficiency) of receipts over disbursements	254	54	-	(1,280)	30,000	(16,703)	(21,661)
Cash and investments - ending	\$ 900	\$ 106,754	\$ 1,265	\$ 7,879	\$ 30,000	\$ 69,205	\$ (21,660)

CLAY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	16.607 BULLETPROOF VEST GRANT	TITLE III VOT MACH REIMB	16.738 ICJI-ACE SHERIFFS OT	97.073 2014 HL SEC SUB-GRANT	10.557 WIC FY 2015	93.074 BIO T & EMER PREP	16.588 ICJI STOP FY 2013
Cash and investments - beginning	\$ 126	\$ 120,584	\$ 1	\$ -	\$ (10,053)	\$ -	\$ (8,107)
Receipts:							
Taxes	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	20,000	119,130	12,669	18,429
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	-	20,000	119,130	12,669	18,429
Disbursements:							
Personal services	-	-	-	-	95,892	9,216	10,065
Supplies	-	-	-	-	11,514	-	-
Other services and charges	-	-	-	20,000	1,671	463	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	256
Total disbursements	-	-	-	20,000	109,077	9,679	10,321
Excess (deficiency) of receipts over disbursements	-	-	-	-	10,053	2,990	8,108
Cash and investments - ending	\$ 126	\$ 120,584	\$ 1	\$ -	\$ -	\$ 2,990	\$ 1

CLAY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	16.575 VICTIM ASSIST FY 2015	16.588 ICJI STOP FY 2014	16.575 VICTIM ASSIST FY 2014	20.601 OPER PULLOVER FY 2013	20.601 OPER PULLOVER FY 2014	10.557 PEER COUNCELOR FY 15	97.042 HL SEC C44P-3-242B
Cash and investments - beginning	\$ -	\$ 1	\$ (256)	\$ 80	\$ 28	\$ (370)	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Intergovernmental receipts	12,512	-	256	4,263	-	4,070	17,750
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>12,512</u>	<u>-</u>	<u>256</u>	<u>4,263</u>	<u>-</u>	<u>4,070</u>	<u>17,750</u>
Disbursements:							
Personal services	12,512	9,073	5,100	4,263	-	3,315	-
Supplies	-	-	-	-	-	96	-
Other services and charges	-	-	-	-	-	234	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	17,750
Total disbursements	<u>12,512</u>	<u>9,073</u>	<u>5,100</u>	<u>4,263</u>	<u>-</u>	<u>3,645</u>	<u>17,750</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(9,073)</u>	<u>(4,844)</u>	<u>-</u>	<u>-</u>	<u>425</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ (9,072)</u>	<u>\$ (5,100)</u>	<u>\$ 80</u>	<u>\$ 28</u>	<u>\$ 55</u>	<u>\$ -</u>

CLAY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	10.557 PEER COUNCELOR FY 14	97.067 HL SEC C44P-4-558B	97.067 HL SEC C44P-4-557B	93.074 BIOT HOSP PREP PROGRAM	20.205 BRIDGE INSPECTION 14-18	97.042 HL SEC C44P-5-468B	97.073 HL SEC C44P-5-689B
Cash and investments - beginning	\$ -	\$ -	\$ (6,323)	\$ (3,677)	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Intergovernmental receipts	-	14,887	32,430	12,864	98,528	8,485	32,422
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>14,887</u>	<u>32,430</u>	<u>12,864</u>	<u>98,528</u>	<u>8,485</u>	<u>32,422</u>
Disbursements:							
Personal services	742	-	-	9,187	-	-	-
Supplies	21	-	-	-	-	-	-
Other services and charges	-	14,187	26,107	-	-	8,485	32,422
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	700	-	-	104,265	-	-
Total disbursements	<u>763</u>	<u>14,887</u>	<u>26,107</u>	<u>9,187</u>	<u>104,265</u>	<u>8,485</u>	<u>32,422</u>
Excess (deficiency) of receipts over disbursements	<u>(763)</u>	<u>-</u>	<u>6,323</u>	<u>3,677</u>	<u>(5,737)</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ (763)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,737)</u>	<u>\$ -</u>	<u>\$ -</u>

CLAY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	97.042 CFDA C44P-6-011B	HMLAND FNDATION GRT PSF1-1-008	Comm Corr Grant FY 2014	WALMART LAW ENF & COMM SVC	TRIAL COURT INTERPRETER GRANT	COMM CORR GRANT 2015	Totals
Cash and investments - beginning	\$ -	\$ 1	\$ -	\$ 37	\$ 4,075	\$ (28,848)	\$ 13,289,792
Receipts:							
Taxes	-	-	-	-	-	-	16,604,453
Intergovernmental receipts	18,200	-	62,474	-	-	48,590	5,437,552
Charges for services	-	-	-	-	-	-	1,827,515
Fines and forfeits	-	-	-	-	-	-	157,910
Other receipts	-	-	-	-	-	-	32,111,195
Total receipts	<u>18,200</u>	<u>-</u>	<u>62,474</u>	<u>-</u>	<u>-</u>	<u>48,590</u>	<u>56,138,625</u>
Disbursements:							
Personal services	-	-	43,974	-	-	13,806	12,222,849
Supplies	-	-	3,854	-	-	1,918	2,005,064
Other services and charges	18,200	-	24,763	-	-	3,340	4,089,336
Capital outlay	-	-	-	-	-	-	1,244,784
Other disbursements	-	-	-	-	620	-	35,167,286
Total disbursements	<u>18,200</u>	<u>-</u>	<u>72,591</u>	<u>-</u>	<u>620</u>	<u>19,064</u>	<u>54,729,319</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>(10,117)</u>	<u>-</u>	<u>(620)</u>	<u>29,526</u>	<u>1,409,306</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ (10,117)</u>	<u>\$ 37</u>	<u>\$ 3,455</u>	<u>\$ 678</u>	<u>\$ 14,699,098</u>

CLAY COUNTY  
SCHEDULE OF PAYABLES AND RECEIVABLES  
December 31, 2015

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 371,989</u>	<u>\$ 773,164</u>

CLAY COUNTY  
SCHEDULE OF LEASES AND DEBT  
December 31, 2015

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Clay County Indiana Building Corporation	Jail Construction	\$ 796,000	7/15/2012	7/15/2027
Total Government Activities		<u>796,000</u>		
Total of Annual Lease Payment		<u>\$ 796,000</u>		

Description of Debt		Ending Principal Balance	Principal & Interest Due Within One Year
Type	Purpose		
Governmental Activities: General Obligation Bonds	2001 IVC-TIF	\$ 280,000	\$ 53,390
Totals		<u>\$ 280,000</u>	<u>\$ 53,390</u>

CLAY COUNTY  
 SCHEDULE OF CAPITAL ASSETS  
 December 31, 2015

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

	Ending Balance
Governmental activities:	
Land	\$ 114,960
Buildings	12,862,810
Improvements other than buildings	795,411
Machinery, equipment, and vehicles	4,439,866
Construction in progress	326,025
Total governmental activities	18,539,072
Total capital assets	\$ 18,539,072

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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

TO: THE OFFICIALS OF CLAY COUNTY, INDIANA

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

We have audited Clay 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 AND ON INTERNAL CONTROL OVER COMPLIANCE  
(Continued)

**Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2015-002. Our opinion on each major federal program is not modified with respect to these matters.

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

**Report on Internal Control over Compliance**

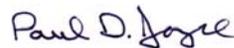
Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2015-002, that we consider to be material weaknesses.

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

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

  
Paul D. Joyce, CPA  
State Examiner

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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.

CLAY 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
<b>Department of Agriculture</b>					
Special Supplemental Nutrition Program for Women, Infants, and Children	Indiana State Department of Health	10.557			
WIC FY 2015			A70-5-070632	\$ -	\$ 119,130
WIC FY 2016			A70-6-014322	-	8,109
Peer Counselor FY 2015			A70-5-070632	-	4,071
Total - Special Supplemental Nutrition Program for Women, Infants, and Children				-	131,310
Total - Department of Agriculture				-	131,310
<b>Department of Justice</b>					
Crime Victim Assistance	Indiana Criminal Justice Institute	16.575			
Victims Assistance FY 2015 (3 month interim grant)			13VA2377	-	4,322
Victims Assistance FY 2015			13VA2377	-	12,512
Victims Assistance FY 2016			13VA2377	-	256
Total - Crime Victim Assistance				-	17,090
Violence Against Women Formula Grants Stop Grant FY 2015	Indiana Criminal Justice Institute	16.588			
			14ST2947	-	18,429
Total - Violence Against Women Formula Grants				-	18,429
Equitable Sharing Program Federal Equitable Sharing - Sheriff	Direct Award	16.922			
			FY 2015	-	44,642
Total - Equitable Sharing Program				-	44,642
Total - Department of Justice				-	80,161
<b>Department of Transportation</b>					
Highway Planning and Construction Cluster Highway Planning and Construction Bridge Inspection 2014-2017	Indiana Department of Transportation	20.205			
			A249-14-320623	-	98,528
Total - Highway Planning and Construction Cluster				-	98,528
Highway Safety Cluster Alcohol Impaired Driving Countermeasures Incentive Grants I OPO FY 2015	Indiana Department of Transportation	20.601			
			D3-14-8256	-	4,262
Total - Highway Safety Cluster				-	4,262
Total - Department of Transportation				-	102,790
<b>Department of Health and Human Services</b>					
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements Health Preparedness/Bioterrorism	Indiana State Department of Health	93.074			
			A70-5-0532428	-	25,533
Total - Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements				-	25,533
Child Support Enforcement	Indiana Department of Child Services	93.563			
Co General IV-D Incentive			FY 2015	-	3,240
Co General IV-D Indirect Costs			FY 2015	-	43,093
Clerk IV-D Incentive			FY 2015	-	16,362
Clerk IV-D Expenditures			FY 2015	-	56,795
Prosecutor IV-D Incentive			FY 2015	-	27,637
Prosecutor IV-D Expenditures			FY 2015	-	141,832
Total - Child Support Enforcement				-	288,959
Total - Department of Health and Human Services				-	314,492
<b>Department of Homeland Security</b>					
Emergency Management Performance Grants	Indiana Department of Homeland Security	97.042			
HL Sec C44P-3-242B			C449-3-242B	-	17,750
HL Sec C44P-5-468B			C44P-3-242B	-	8,485
HL Sec C44P-6-011B			C44P-6-011B	-	18,200
Total - Emergency Management Performance Grants				-	44,435
Homeland Security Grant Program	Indiana Department of Homeland Security	97.067			
HL Sec C44P-4-557B			C44P-4-557B	-	32,430
HL Sec C44P-4-558B			C44P-4-558B	-	14,887
HL Sec C44P-5-573B			C44P-5-573B	-	20,000
HL Sec C44P-5-689B			C44P-5-689B	-	32,422
Total - Homeland Security Grant Program				-	99,739
Total - Department of Homeland Security				-	144,174
Total federal awards expended				\$ -	\$ 772,927

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

CLAY 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 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 cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, 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.

CLAY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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

Financial Statement:

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

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	yes

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

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>	<u>Opinion Issued</u>
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	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**

**FINDING 2015-001 - PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

*Condition*

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 following material errors were noted on the SEFA in relation to the Child Support Enforcement program:

1. Federal incentive awards were received by the County in advance of spending; however, they were reported by the County as reimbursements for expenditures.
2. Child Support expenditures made from the County General fund for the Clerk IV-D activity and the reimbursement from the awarding agency were omitted from the SEFA.

CLAY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

3. The County was reimbursed for Child Support Enforcement program's Prosecutor IV-D Expenditures partially by the federal government and partially by the State of Indiana. The County included the state reimbursement received on the SEFA.

The errors resulted in Child Support Enforcement program expenditures reported on the SEFA being understated by \$27,388. Audit adjustments were proposed, accepted by the County, and made to the SEFA.

*Criteria*

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

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

2 CFR 200.508 states in part: "The auditee must: . . . (b) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with § 200.510 Financial statements. . . ."

2 CFR 200.510(b) states:

*"Schedule of expenditures of Federal awards.* The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502 Basis for determining Federal awards expended. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

- (1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available. For a cluster of programs also provide the total for the cluster.
- (4) Include the total amount provided to subrecipients from each Federal program.

CLAY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

- (5) For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.
- (6) Include notes that describe that significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in § 200.414 Indirect (F&A) costs."

*Cause*

Management of the County had not established a system of internal control that would have ensured accurate and complete reporting of federal expenditures on the SEFA.

*Effect*

Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA could have remained undetected and the SEFA contained the errors identified in the *Condition*.

*View of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is a part of this report.

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

**FINDING 2015-002 - ALLOWABLE COSTS/COST PRINCIPLES**

Federal Agency: Department of Health and Human Services  
Federal Program: Child Support Enforcement  
CFDA Number: 93.563  
Federal Award Number and Year (or Other Identifying Number): FY 2015  
Pass-through Entity: Indiana Department of Child Services

*Condition*

The County had not established an effective internal control system, which would have included segregation of duties, related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement that had a direct and material effect on the Child Support Enforcement program.

Several employees in the Clerk of the Circuit Court's office worked on several cost objectives each pay period, including the Child Support Enforcement program. The staff in the Clerk of the Circuit Court's office kept track of the total time they worked each pay period; however, the amount that they were paid from Child Support Enforcement funds was based on the Salary Ordinance for their position, which was an estimated amount and not an after-the-fact actual activity of the employee each pay period.

*Context*

Proper supporting documentation for compensation expense was not prepared during the entire audit period.

CLAY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal awards in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

2 CFR 200.430(i) states in part:

"*Standards for Documentation of Personnel Expenses* (1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must: . . . .

(vii) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.

(viii) Budget estimates (i.e., estimates determined before the services are performed) alone do not qualify as support for charges to Federal awards, but may be used for interim accounting purposes, provided that:

(A) The system for establishing the estimates produces reasonable approximations of the activity actually performed;

(B) Significant changes in the corresponding work activity (as defined by the non-Federal entity's written policies) are identified and entered into the records in a timely manner. Short term (such as one or two months) fluctuation between workload categories need not be considered as long as the distribution of salaries and wages is reasonable over the longer term; and

(C) The non-Federal entity's system of internal controls includes processes to review after-the-fact interim charges made to a Federal awards based on budget estimates. All necessary adjustment must be made such that the final amount charged to the Federal award is accurate, allowable, and properly allocated. . . ."

*Cause*

The County had not established a system of internal controls to provide reasonable assurance that the costs associated with personal services charged to the federal award were in accordance with the compliance requirement stated above.

CLAY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Effect*

The failure to establish effective internal controls enabled material noncompliance to go undetected. Noncompliance of the grant agreement and the compliance requirement could have resulted in the loss of federal funds to the County.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the County's management establish controls, including segregation of duties, related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement. We also recommended that the County maintain proper supporting documentation for compensation.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

#### AUDITEE-PREPARED DOCUMENTS

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



JENNIFER M FLATER  
AUDITOR OF CLAY COUNTY  
609 EAST NATIONAL AVE  
ROOM 105  
BRAZIL IN 47834  
812-448-9097

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

September 12, 2016

**FINDING 2014-001**

Fiscal year in which the finding initially occurred: 2014  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct:  
Contact Person Responsible for Corrective Action: Jennifer M Flater  
Contact Phone Number: 812-448-9097

Status of Audit Finding:

We are working on better procedures to implement the corrective action plan presented in the SBOA 2014 audit report.

  
\_\_\_\_\_  
(Signature)

Auditor  
\_\_\_\_\_  
(Title)

9-12-16  
\_\_\_\_\_  
(Date)



JENNIFER M FLATER  
AUDITOR OF CLAY COUNTY  
609 EAST NATIONAL AVE  
ROOM 105  
BRAZIL IN 47834  
812-448-9097

CORRECTIVE ACTION PLAN

September 12, 2016

**FINDING 2015-001**

Contact Person Responsible for Corrective Action: Jennifer M Flater  
Contact Phone Number: 812-448-9097

**Section II – Financial Statement Finding**

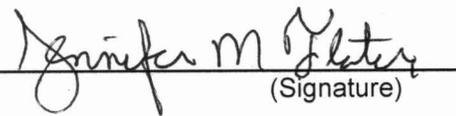
**Finding 2015-001 – PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Views of Responsible Official:  
We concur with the finding.

Description of Corrective Action Plan:  
We will decipher if federal incentive awards are advance of spending or reimbursement for expenditures before posting to our financial system.

We will set up a spreadsheet and list all grants in two columns one being Federal and one being State to ensure the proper grants received by Clay County are reported on the SEFA.

Anticipated Completion Date: September 12, 2016

  
(Signature)

Auditor

9-12-16

Victoria J. Wheeler  
Clerk / Jury Administrator  
Courthouse  
609 East National, Room 213  
Brazil, Indiana 47834



## Clay Circuit / Superior Court

email: vickie@claycountyin.gov

Telephone 812-448-9025  
Fax 812-446-9602

### CORRECTIVE ACTION PLAN

#### **FINDING 2015-002**

Contact Person Responsible for Corrective Action: Victoria J Wheeler  
Contact Phone Number: 812-448-9025

Views of Responsible Official: We concur with the finding.

#### Description of Corrective Action Plan:

Using a consulting service, a system of tracking daily activity has been developed. All Child Support employees will record the hours spent on various activities daily on a spread sheet. This spread sheet will be used to calculate payroll and then put on file for audit.

Anticipated Completion Date: June 1, 2016 this plan was implemented.

Victoria J Wheeler  
(Signature)

Clerk  
(Title)

9-12-2016  
(Date)

#### 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/>.