

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

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



FILED
03/15/2017

*Reissued June 14, 2018,
to correct the Schedule of
Expenditures of Federal
Awards, related reports,
and Federal Findings*

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Patricia A. French	01-01-11 to 12-31-18
County Treasurer	Byron G. Bundy	01-01-11 to 12-31-18
Clerk of the Circuit Court	Debra Walker	01-01-11 to 12-31-18
County Sheriff	Bruce (Butch) Baker Richard McCorkle	01-01-11 to 12-31-14 01-01-15 to 12-31-18
County Recorder	Susan Hufford Linda Winchester	01-01-11 to 12-31-14 01-01-15 to 12-31-18
President of the Board of County Commissioners	Joseph E. Yanos Bruce (Butch) Baker	01-01-13 to 12-31-16 01-01-17 to 12-31-18
President of the County Council	Nathan S. LaMar	01-01-13 to 12-31-18



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF HENRY COUNTY, INDIANA

Report on the Financial Statement

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

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 of the financial statement, the County prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the County for the year ended December 31, 2014.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the County for the year ended December 31, 2014, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the County's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.


Other Information

Our audit was conducted for the purpose of forming an opinion on the County's financial statement. The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis, Schedule of Payables, 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 January 25, 2017, except for the Schedule of Expenditures of Federal Awards as to which the date is June 14, 2018, 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

January 25, 2017, except for the Schedule of Expenditures
of Federal Awards as to which the date is June 14, 2018



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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 HENRY 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 Henry County (County), which comprises the financial position and results of operations for the year ended December 31, 2014, and the related notes to the financial statement, and have issued our report thereon dated January 25, 2017, except for the Schedule of Expenditures of Federal Awards as to which the date is June 14, 2018, wherein we noted the County followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2014-001 and 2014-002 to be material weaknesses.

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

Compliance and Other Matters


As part of obtaining reasonable assurance about whether the County's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2014-001 and 2014-002.

Henry 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

January 25, 2017, except for the Schedule of Expenditures
of Federal Awards as to which the date is June 14, 2018

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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.

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

Fund	Cash and Investments 01-01-14	Receipts	Disbursements	Cash and Investments 12-31-14
Sheriff's Inmate Trust	\$ 14,553	\$ 700,060	\$ 704,153	\$ 10,460
Jail Commissary	22,435	171,991	166,520	27,906
Clerk's Trust	603,607	4,079,193	4,077,810	604,990
Sheriff's Cashbook	127	674,957	674,957	127
General	335,657	8,596,163	8,931,600	220
Accident Report	379	4,147	3,186	1,340
Child Advocacy	2,085	-	-	2,085
City and Town Court Costs	38,657	14,735	-	53,392
Clerk's Records Perpetuation	17,639	16,891	17,320	17,210
Community Corrections	11,110	131,950	143,060	-
Community Transition Program	46,003	22,370	15,211	53,162
Congressional School Interest	20,060	-	17,552	2,508
Congressional School Principal	21,969	-	-	21,969
Sales Disclosure- County Share	4,347	5,835	5,016	5,166
Cumulative Bridge	774,749	369,714	521,751	622,712
Cumulative Capital Development	4,616	247,456	245,412	6,660
Drug Free Community	54,426	62,605	57,602	59,429
Electronic Map Generation	596	585	-	1,181
Emergency Planning/ Right To Know	13,130	4,411	1,167	16,374
Emergency Telephone System	101,474	481,805	558,533	24,746
Firearms Training	7,729	21,260	20,053	8,936
Food and Beverage Tax	-	474,303	474,303	-
General Drain Improvement	93,663	110,768	78,815	125,616
Health	27,139	443,710	465,515	5,334
Identification Security Protection	51,328	3,584	-	54,912
Local Health Maintenance	106,457	88,030	125,497	68,990
Local Road and Street	292,300	414,127	400,396	306,031
Medical Care for Inmates	5,703	3,718	-	9,421
Misdemeanant	16,757	34,448	24,013	27,192
Motor Vehicle Highway	900,717	3,169,348	3,086,340	983,725
Park Nonreverting Operating	2,499	175,600	170,962	7,137
Plat Book	40,735	14,636	122	55,249
Rainy Day	302,644	263	99,388	203,519
Reassessment- 2015	60,957	202,829	261,703	2,083
Recorder's Records Perpetuation	121,697	70,709	43,950	148,456
Sex and Violent Offender Administration	5,282	4,713	2,952	7,043
Supplemental Public Defender Services	1,884	9,610	10,690	804
Surplus Tax	134,094	194,735	84,499	244,330
Surveyor's Corner Perpetuation	57,070	10,451	21,625	45,896
Tax Sale Redemption	12,553	161,820	156,993	17,380
Tax Sale Surplus	649,461	413,700	539,357	523,804
Local Health Department Trust Account	2,764	29,572	24,266	8,070
Vehicle Inspection	422	922	1,213	131
GAL/ CASA	11,655	60,905	48,915	23,645
County Elected Officials Training	8,804	3,584	150	12,238
County Offender Transportation Fund	2,085	750	-	2,835
Adult Probation Administrative	20,998	129,136	138,331	11,803
Juvenile Probation Administrative	5,403	14,836	18,955	1,284
Supplemental Juvenile Probation Services	30,971	-	-	30,971
County User Fee	7,960	12,824	16,383	4,401
Drainage Maintenance	640,103	488,171	212,366	915,908
Drug Task Force	108,634	57,539	63,197	102,976
Collection Agency Fees	204	117	117	204
Donations	26,755	38,012	51,597	13,170
TIF Capital Projects	-	1,208,420	1,208,420	-
Debt Service	438,514	1,566,440	1,379,000	625,954
Self- Insurance	440,269	3,319,233	3,409,831	349,671

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

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

Fund	Cash and Investments 01-01-14	Receipts	Disbursements	Cash and Investments 12-31-14
Payroll Clearing	11,408	4,492,293	4,491,222	12,479
Settlement	-	28,883,124	28,883,124	-
Wheel Tax/ Surtax Combined	91,130	932,725	840,677	183,178
Wheel Tax	220	115,656	115,736	140
Surtax	-	1,101,592	1,101,426	166
CVET Agency	-	181,582	181,582	-
Financial Institution Tax	-	274,049	274,049	-
CEDIT Homestead Credit	30,347	1,993,992	1,997,810	26,529
HEA 1001 State Homestead Credit	23,321	-	23,321	-
Homestead Credit Rebate	665	-	-	665
State Fines and Forfeitures	1,925	13,044	12,640	2,329
Infraction Judgements	4,885	63,067	63,677	4,275
Overweight Vehicle Fines	574	4,956	5,460	70
Special Death Benefit	420	4,395	4,125	690
Sales Disclosure- State Share	400	5,835	5,640	595
Coroners Training & Con't Education	337	5,104	4,441	1,000
Mortgage Recording Fees- State Share	-	3,316	3,058	258
Child Restraint Violations Fines	-	776	726	50
Inheritance Tax	7,935	40,572	24,122	24,385
Education Plate Fees Agency	-	563	544	19
Innkeepers Tax Collections	10,284	39,678	48,087	1,875
COIT Distribution	-	7,971,080	7,971,080	-
93.563 Prosecutor PCA	3,487	7,046	4,228	6,305
93.563 ARRA Prosecutor IV-D Incentive	13,589	-	-	13,589
93.563 ARRA Clerk IV-D Incentive	66,933	-	36,624	30,309
93.563 Title IV-D Incentive	14,980	20,494	31,846	3,628
93.563 Prosecutor IV-D Incentive- Prior To Oct '99	7,291	-	2,467	4,824
93.563 Prosecutor IV-D Incentive- Post Oct '99	167,104	30,837	7,437	190,504
93.563 Clerk IV-D Incentive- Prior To Oct '99	35,728	-	-	35,728
93.563 Clerk IV-D Incentive- Post Oct '99	12,747	20,494	20,384	12,857
Juvenile Programs- Probation	5,379	-	-	5,379
Henry County Youth League	2,000	-	-	2,000
Levy Excess	1	5,188	-	5,189
Comm Corrections- User Fee	628,321	290,276	363,430	555,167
Pre-Trial Diversion	107,405	36,531	57,354	86,582
Supplemental/ CC II	11,419	9,395	11,344	9,470
Jury Pay Fund	24,235	7,111	13,675	17,671
Co Law Enf Cont Education	441	2,524	2,625	340
D.A.R.E. Fund	2,552	16,047	11,387	7,212
Health Dept Donations	7	-	-	7
Park Commemorative Fund	152	1,106	306	952
Ema Donation Fund	1,295	19,219	14,106	6,408
Ivy Tech Donation Fund	518	1,500	-	2,018
Health Dept Enforcement Fund	2,863	850	-	3,713
Treasurer Technology Fund	967	2,100	300	2,767
Food & Beverage- First Merchants	1,311,313	480,889	295,360	1,496,842
Community Correction- 0600	2	174,411	143,611	30,802
Pace Forfeiture Fund	542,137	148,512	500,842	189,807
Sheriff Critical Care	310,596	1,573,516	1,628,403	255,709
Haz-Mat Fund	981	-	301	680
DUI Impact Fund	26,045	7,118	3,885	29,278
National Road Heritage Trail	524	-	-	524
Court Alcohol & Drug Program	3,354	32,258	33,180	2,432
Common School Trust Fund	1,064	-	-	1,064
Golf Course Non-Reverting	483,994	-	-	483,994
Alter Dispute Resolution	27,737	4,958	10,640	22,055
Medicare Supplemental Retirement	2,905	55,994	56,257	2,642
Retirement- Under 65	739	26,829	26,478	1,090

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

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

Fund	Cash and Investments 01-01-14	Receipts	Disbursements	Cash and Investments 12-31-14
Drug Force Forfeiture	44,691	2,625	11,365	35,951
Bio-Terrorism Grant	9,054	21,500	30,268	286
H1N1 Vaccine Grant	2,901	-	-	2,901
Airport Project Grant	5,000	172,973	165,381	12,592
Rural Correctional Grant	710	-	-	710
LEP Sub-Grant	69	-	-	69
EMA Fire Training/ Infrastructure	9	-	-	9
EMA-LET GIS/07 Grant	354	30	180	204
EMA Enhancement Grant	4,188	-	-	4,188
NACCHO Health Grant	1,575	3,500	1,565	3,510
Haz-Mat Response Team Grant	105	-	-	105
Young Women Prg/Just Us	2,650	-	1,292	1,358
Family Court Project Fund	11,816	-	7,385	4,431
Family Court Grant	866	-	-	866
Park Community Foundation Grant	-	14,000	-	14,000
EMA/ Community Foundation Grant	1,200	-	-	1,200
Health Dept Grant Fund	15	-	-	15
Treasurer	835,504	41,498,989	41,046,931	1,287,562
Redevelopment Capital Projects	874,430	1,576,983	1,043,020	1,408,393
Redevelopment Debt Service	538,627	358,181	284,153	612,655
Henry Co Redevelopment Commission	58,409	223,883	113,119	169,173
County Option Income Tax Fund	259,345	4,029,540	4,190,978	97,907
CC II Supplemental PD	4,275	8,699	8,730	4,244
Planning Enforcement Fund	22,300	-	11,689	10,611
Wilbur Wright Trails	7,638	41,582	47,235	1,985
Airport Leased Ground	7,215	16,921	7,576	16,560
Probation Interstate Fee Fund	63	750	813	-
Riverboat Gambling- Rev Share	-	293,009	293,009	-
Henry Co E-911 Wireless Fund	-	3,500	-	3,500
Auditor Ineligible Deduction	-	6,304	-	6,304
E-911 City Reimbursement Fund	-	240,600	86,284	154,316
Surveyor Drainage Fee Fund	-	6,450	3,803	2,647
Homestead Ineligible- State	-	6	6	-
HCCC JAG Grant/ Substance Abuse	-	23,243	32,693	(9,450)
EMA Competitive Grant	-	5,204	5,204	-
EMA/ Amateur Radio Grant	-	1,553	1,553	-
EMA Hazardous Materials Grant	-	2,250	2,250	-
JDAI Grant Fund	-	82,297	20,979	61,318
Campaign Finance Enforcement Fund	-	750	-	750
SEMA	13,433	-	-	13,433
Totals	<u>\$ 13,434,927</u>	<u>\$ 126,275,615</u>	<u>\$ 125,527,242</u>	<u>\$ 14,183,300</u>

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

HENRY 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. Amounts received from 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.

Licenses and permits. Amounts received from businesses, occupations, or nonbusinesses that must be licensed before doing business within the government's jurisdiction, or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include the following: peddler licenses, animal licenses, auctioneer licenses, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

HENRY COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Intergovernmental receipts. Amounts received from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of intergovernmental 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.

Charges for services. Amounts received for services including, but not limited to, the following: planning commission charges, building department charges, copies of public records, copy machines 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. Amounts received 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. 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. Amounts disbursed for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, over-time compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies. Amounts disbursed for 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, but are not limited to, the following: office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges. Amounts disbursed for services including, but not limited to, the following: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Capital outlay. Amounts disbursed for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Other disbursements. Amounts disbursed for various other purposes including, but 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.

HENRY COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

F. Interfund Transfers

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

G. Fund Accounting

Separate funds are established, maintained, and reported by the County. Each fund is used to account for amounts 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 amounts 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.

HENRY COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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.

HENRY COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

B. County Police Retirement Plan

Plan Description

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

Funding Policy

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

C. County Police Benefit Plan

Plan Description

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

Funding Policy

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

Note 7. Cash Balance Deficit

The financial statement contains a fund with deficit in cash. This is a result of the fund being set up for reimbursable grant. The reimbursement for expenditures made by the County was not received by December 31, 2014.

HENRY COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 8. *Holding Corporation*

The County has entered into a capital lease with the Henry County Government Center Building Corporation (the lessor). The lessor was organized as a for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the County. The lessor has been determined to be a related-party of the County. Lease payments during the year 2014 totaled \$1,379,000.

Note 9. *Other Postemployment Benefits*

The County provides to eligible retirees and their spouses the following benefit: health insurance. This benefit pose a liability to the County for this year and in future years. Information regarding the benefit can be obtained by contacting the County.

OTHER INFORMATION - UNAUDITED

The County's Annual Financial Report information can be found on the Indiana Gateway for Government Units 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.

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

	Sheriff's Inmate Trust	Jail Commissary	Clerk's Trust	Sheriff's Cashbook	General	Accident Report	Child Advocacy	City and Town Court Costs
Cash and investments - beginning	\$ 14,553	\$ 22,435	\$ 603,607	\$ 127	\$ 335,657	\$ 379	\$ 2,085	\$ 38,657
Receipts:								
Taxes	-	-	-	-	6,122,676	-	-	-
Licenses and permits	-	-	-	-	221,364	-	-	-
Intergovernmental receipts	-	-	4,500	-	1,292,503	-	-	-
Charges for services	-	-	-	-	374,693	4,147	-	-
Fines and forfeits	-	-	-	-	247,658	-	-	14,735
Other receipts	700,060	171,991	4,074,693	674,957	337,269	-	-	-
Total receipts	<u>700,060</u>	<u>171,991</u>	<u>4,079,193</u>	<u>674,957</u>	<u>8,596,163</u>	<u>4,147</u>	<u>-</u>	<u>14,735</u>
Disbursements:								
Personal services	-	-	-	-	7,210,668	-	-	-
Supplies	-	-	-	-	251,470	-	-	-
Other services and charges	-	-	-	-	1,355,681	-	-	-
Capital outlay	-	-	-	-	80,581	-	-	-
Other disbursements	704,153	166,520	4,077,810	674,957	33,200	3,186	-	-
Total disbursements	<u>704,153</u>	<u>166,520</u>	<u>4,077,810</u>	<u>674,957</u>	<u>8,931,600</u>	<u>3,186</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(4,093)</u>	<u>5,471</u>	<u>1,383</u>	<u>-</u>	<u>(335,437)</u>	<u>961</u>	<u>-</u>	<u>14,735</u>
Cash and investments - ending	<u>\$ 10,460</u>	<u>\$ 27,906</u>	<u>\$ 604,990</u>	<u>\$ 127</u>	<u>\$ 220</u>	<u>\$ 1,340</u>	<u>\$ 2,085</u>	<u>\$ 53,392</u>

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

	Clerk's Records Perpetuation	Community Corrections	Community Transition Program	Congressional School Interest	Congressional School Principal	Sales Disclosure- County Share	Cumulative Bridge	Cumulative Capital Development
Cash and investments - beginning	\$ 17,639	\$ 11,110	\$ 46,003	\$ 20,060	\$ 21,969	\$ 4,347	\$ 774,749	\$ 4,616
Receipts:								
Taxes	-	-	-	-	-	-	293,505	198,083
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental receipts	1,112	131,950	22,370	-	-	-	75,940	21,934
Charges for services	-	-	-	-	-	5,835	-	-
Fines and forfeits	15,779	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	269	27,439
Total receipts	16,891	131,950	22,370	-	-	5,835	369,714	247,456
Disbursements:								
Personal services	-	88,099	14,882	-	-	-	58,980	-
Supplies	-	7,525	-	-	-	-	-	-
Other services and charges	17,320	47,436	-	-	-	5,016	-	245,412
Capital outlay	-	-	-	17,552	-	-	462,771	-
Other disbursements	-	-	329	-	-	-	-	-
Total disbursements	17,320	143,060	15,211	17,552	-	5,016	521,751	245,412
Excess (deficiency) of receipts over disbursements	(429)	(11,110)	7,159	(17,552)	-	819	(152,037)	2,044
Cash and investments - ending	\$ 17,210	\$ -	\$ 53,162	\$ 2,508	\$ 21,969	\$ 5,166	\$ 622,712	\$ 6,660

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

	Drug Free Community	Electronic Map Generation	Emergency Planning/ Right To Know	Emergency Telephone System	Firearms Training	Food and Beverage Tax	General Drain Improvement
Cash and investments - beginning	\$ 54,426	\$ 596	\$ 13,130	\$ 101,474	\$ 7,729	\$ -	\$ 93,663
Receipts:							
Taxes	-	-	-	-	-	474,303	110,768
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	4,411	-	-	-	-
Charges for services	-	585	-	481,805	21,260	-	-
Fines and forfeits	62,605	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>62,605</u>	<u>585</u>	<u>4,411</u>	<u>481,805</u>	<u>21,260</u>	<u>474,303</u>	<u>110,768</u>
Disbursements:							
Personal services	-	-	-	425,560	-	-	-
Supplies	-	-	51	-	-	-	-
Other services and charges	-	-	446	122,472	-	-	-
Capital outlay	-	-	670	3,866	-	-	-
Other disbursements	57,602	-	-	6,635	20,053	474,303	78,815
Total disbursements	<u>57,602</u>	<u>-</u>	<u>1,167</u>	<u>558,533</u>	<u>20,053</u>	<u>474,303</u>	<u>78,815</u>
Excess (deficiency) of receipts over disbursements	<u>5,003</u>	<u>585</u>	<u>3,244</u>	<u>(76,728)</u>	<u>1,207</u>	<u>-</u>	<u>31,953</u>
Cash and investments - ending	<u>\$ 59,429</u>	<u>\$ 1,181</u>	<u>\$ 16,374</u>	<u>\$ 24,746</u>	<u>\$ 8,936</u>	<u>\$ -</u>	<u>\$ 125,616</u>

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

	Health	Identification Security Protection	Local Health Maintenance	Local Road and Street	Medical Care for Inmates	Misdemeanant	Motor Vehicle Highway
Cash and investments - beginning	\$ 27,139	\$ 51,328	\$ 106,457	\$ 292,300	\$ 5,703	\$ 16,757	\$ 900,717
Receipts:							
Taxes	328,075	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	36,319	-	33,139	414,127	-	34,378	3,028,309
Charges for services	77,890	3,584	54,065	-	3,718	-	450
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	1,426	-	826	-	-	70	140,589
Total receipts	<u>443,710</u>	<u>3,584</u>	<u>88,030</u>	<u>414,127</u>	<u>3,718</u>	<u>34,448</u>	<u>3,169,348</u>
Disbursements:							
Personal services	465,515	-	49,211	-	-	-	1,521,905
Supplies	-	-	28,168	-	-	-	1,095,011
Other services and charges	-	-	28,618	-	-	24,013	197,205
Capital outlay	-	-	19,500	400,396	-	-	272,219
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>465,515</u>	<u>-</u>	<u>125,497</u>	<u>400,396</u>	<u>-</u>	<u>24,013</u>	<u>3,086,340</u>
Excess (deficiency) of receipts over disbursements	<u>(21,805)</u>	<u>3,584</u>	<u>(37,467)</u>	<u>13,731</u>	<u>3,718</u>	<u>10,435</u>	<u>83,008</u>
Cash and investments - ending	<u>\$ 5,334</u>	<u>\$ 54,912</u>	<u>\$ 68,990</u>	<u>\$ 306,031</u>	<u>\$ 9,421</u>	<u>\$ 27,192</u>	<u>\$ 983,725</u>

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

	Park Nonreverting Operating	Plat Book	Rainy Day	Reassessment- 2015	Recorder's Records Perpetuation	Sex and Violent Offender Administration	Supplemental Public Defender Services
Cash and investments - beginning	\$ 2,499	\$ 40,735	\$ 302,644	\$ 60,957	\$ 121,697	\$ 5,282	\$ 1,884
Receipts:							
Taxes	123,623	-	-	180,028	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	13,673	-	263	19,940	-	-	-
Charges for services	37,037	14,636	-	-	70,709	-	-
Fines and forfeits	-	-	-	-	-	4,713	9,610
Other receipts	1,267	-	-	2,861	-	-	-
Total receipts	175,600	14,636	263	202,829	70,709	4,713	9,610
Disbursements:							
Personal services	166,801	-	-	16,641	-	-	-
Supplies	3,159	-	-	4,464	-	-	-
Other services and charges	1,002	122	5,990	177,348	43,950	2,952	10,690
Capital outlay	-	-	-	63,250	-	-	-
Other disbursements	-	-	93,398	-	-	-	-
Total disbursements	170,962	122	99,388	261,703	43,950	2,952	10,690
Excess (deficiency) of receipts over disbursements	4,638	14,514	(99,125)	(58,874)	26,759	1,761	(1,080)
Cash and investments - ending	\$ 7,137	\$ 55,249	\$ 203,519	\$ 2,083	\$ 148,456	\$ 7,043	\$ 804

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

	Surplus Tax	Surveyor's Corner Perpetuation	Tax Sale Redemption	Tax Sale Surplus	Local Health Department Trust Account	Vehicle Inspection	GAL/ CASA
Cash and investments - beginning	\$ 134,094	\$ 57,070	\$ 12,553	\$ 649,461	\$ 2,764	\$ 422	\$ 11,655
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	25,867	-	20,830
Charges for services	-	10,451	-	-	3,705	922	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	194,735	-	161,820	413,700	-	-	40,075
Total receipts	<u>194,735</u>	<u>10,451</u>	<u>161,820</u>	<u>413,700</u>	<u>29,572</u>	<u>922</u>	<u>60,905</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	84,499	21,625	156,993	539,357	24,266	1,213	48,915
Total disbursements	<u>84,499</u>	<u>21,625</u>	<u>156,993</u>	<u>539,357</u>	<u>24,266</u>	<u>1,213</u>	<u>48,915</u>
Excess (deficiency) of receipts over disbursements	<u>110,236</u>	<u>(11,174)</u>	<u>4,827</u>	<u>(125,657)</u>	<u>5,306</u>	<u>(291)</u>	<u>11,990</u>
Cash and investments - ending	<u>\$ 244,330</u>	<u>\$ 45,896</u>	<u>\$ 17,380</u>	<u>\$ 523,804</u>	<u>\$ 8,070</u>	<u>\$ 131</u>	<u>\$ 23,645</u>

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

	County Elected Officials Training	County Offender Transportation Fund	Adult Probation Administrative	Juvenile Probation Administrative	Supplemental Juvenile Probation Services	County User Fee	Drainage Maintenance
Cash and investments - beginning	\$ 8,804	\$ 2,085	\$ 20,998	\$ 5,403	\$ 30,971	\$ 7,960	\$ 640,103
Receipts:							
Taxes	-	-	-	-	-	-	488,171
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	3,584	-	-	-	-	-	-
Fines and forfeits	-	750	109,597	10,461	-	12,824	-
Other receipts	-	-	19,539	4,375	-	-	-
Total receipts	<u>3,584</u>	<u>750</u>	<u>129,136</u>	<u>14,836</u>	<u>-</u>	<u>12,824</u>	<u>488,171</u>
Disbursements:							
Personal services	-	-	-	18,955	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	212,366
Other disbursements	150	-	138,331	-	-	16,383	-
Total disbursements	<u>150</u>	<u>-</u>	<u>138,331</u>	<u>18,955</u>	<u>-</u>	<u>16,383</u>	<u>212,366</u>
Excess (deficiency) of receipts over disbursements	<u>3,434</u>	<u>750</u>	<u>(9,195)</u>	<u>(4,119)</u>	<u>-</u>	<u>(3,559)</u>	<u>275,805</u>
Cash and investments - ending	<u>\$ 12,238</u>	<u>\$ 2,835</u>	<u>\$ 11,803</u>	<u>\$ 1,284</u>	<u>\$ 30,971</u>	<u>\$ 4,401</u>	<u>\$ 915,908</u>

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

	Drug Task Force	Collection Agency Fees	Donations	TIF Capital Projects	Debt Service	Self- Insurance	Payroll Clearing
Cash and investments - beginning	\$ 108,634	\$ 204	\$ 26,755	\$ -	\$ 438,514	\$ 440,269	\$ 11,408
Receipts:							
Taxes	-	-	-	1,208,420	1,428,855	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	1,316	-	-	-	137,585	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	56,223	117	38,012	-	-	3,319,233	4,492,293
Total receipts	57,539	117	38,012	1,208,420	1,566,440	3,319,233	4,492,293
Disbursements:							
Personal services	-	-	-	-	-	3,409,831	4,491,222
Supplies	-	-	-	-	-	-	-
Other services and charges	63,197	-	51,597	-	-	-	-
Capital outlay	-	-	-	-	1,379,000	-	-
Other disbursements	-	117	-	1,208,420	-	-	-
Total disbursements	63,197	117	51,597	1,208,420	1,379,000	3,409,831	4,491,222
Excess (deficiency) of receipts over disbursements	(5,658)	-	(13,585)	-	187,440	(90,598)	1,071
Cash and investments - ending	\$ 102,976	\$ 204	\$ 13,170	\$ -	\$ 625,954	\$ 349,671	\$ 12,479

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

	Settlement	Wheel Tax/ Surtax Combined	Wheel Tax	Surtax	CVET Agency	Financial Institution Tax	CEDIT Homestead Credit
Cash and investments - beginning	\$ -	\$ 91,130	\$ 220	\$ -	\$ -	\$ -	\$ 30,347
Receipts:							
Taxes	28,883,124	932,725	115,656	1,101,592	-	-	1,993,992
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	181,582	274,049	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	28,883,124	932,725	115,656	1,101,592	181,582	274,049	1,993,992
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	840,677	-	-	-	-	-
Other disbursements	28,883,124	-	115,736	1,101,426	181,582	274,049	1,997,810
Total disbursements	28,883,124	840,677	115,736	1,101,426	181,582	274,049	1,997,810
Excess (deficiency) of receipts over disbursements	-	92,048	(80)	166	-	-	(3,818)
Cash and investments - ending	\$ -	\$ 183,178	\$ 140	\$ 166	\$ -	\$ -	\$ 26,529

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

	HEA 1001 State Homestead Credit	Homestead Credit Rebate	State Fines and Forfeitures	Infraction Judgements	Overweight Vehicle Fines	Special Death Benefit	Sales Disclosure- State Share
Cash and investments - beginning	\$ 23,321	\$ 665	\$ 1,925	\$ 4,885	\$ 574	\$ 420	\$ 400
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	4,395	5,835
Fines and forfeits	-	-	13,044	63,067	4,956	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	13,044	63,067	4,956	4,395	5,835
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	23,321	-	12,640	63,677	5,460	4,125	5,640
Total disbursements	23,321	-	12,640	63,677	5,460	4,125	5,640
Excess (deficiency) of receipts over disbursements	(23,321)	-	404	(610)	(504)	270	195
Cash and investments - ending	\$ -	\$ 665	\$ 2,329	\$ 4,275	\$ 70	\$ 690	\$ 595

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

	Coroners Training & Con't Education	Mortgage Recording Fees- State Share	Child Restraint Violations Fines	Inheritance Tax	Education Plate Fees Agency	Innkeepers Tax Collections	COIT Distribution
Cash and investments - beginning	\$ 337	\$ -	\$ -	\$ 7,935	\$ -	\$ 10,284	\$ -
Receipts:							
Taxes	-	-	-	40,572	-	39,678	7,971,080
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	5,104	3,316	-	-	-	-	-
Fines and forfeits	-	-	776	-	-	-	-
Other receipts	-	-	-	-	563	-	-
Total receipts	<u>5,104</u>	<u>3,316</u>	<u>776</u>	<u>40,572</u>	<u>563</u>	<u>39,678</u>	<u>7,971,080</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	4,441	3,058	726	24,122	544	48,087	7,971,080
Total disbursements	<u>4,441</u>	<u>3,058</u>	<u>726</u>	<u>24,122</u>	<u>544</u>	<u>48,087</u>	<u>7,971,080</u>
Excess (deficiency) of receipts over disbursements	<u>663</u>	<u>258</u>	<u>50</u>	<u>16,450</u>	<u>19</u>	<u>(8,409)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 1,000</u>	<u>\$ 258</u>	<u>\$ 50</u>	<u>\$ 24,385</u>	<u>\$ 19</u>	<u>\$ 1,875</u>	<u>\$ -</u>

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

	93.563 Prosecutor PCA	93.563 ARRA Prosecutor IV-D Incentive	93.563 ARRA Clerk IV-D Incentive	93.563 Title IV-D Incentive	93.563 Prosecutor IV-D Incentive- Prior To Oct '99	93.563 Prosecutor IV-D Incentive- Post Oct '99	93.563 Clerk IV-D Incentive- Prior To Oct '99
Cash and investments - beginning	\$ 3,487	\$ 13,589	\$ 66,933	\$ 14,980	\$ 7,291	\$ 167,104	\$ 35,728
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	7,046	-	-	20,494	-	30,837	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>7,046</u>	<u>-</u>	<u>-</u>	<u>20,494</u>	<u>-</u>	<u>30,837</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	4,228	-	36,624	31,846	2,467	7,437	-
Total disbursements	<u>4,228</u>	<u>-</u>	<u>36,624</u>	<u>31,846</u>	<u>2,467</u>	<u>7,437</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>2,818</u>	<u>-</u>	<u>(36,624)</u>	<u>(11,352)</u>	<u>(2,467)</u>	<u>23,400</u>	<u>-</u>
Cash and investments - ending	<u>\$ 6,305</u>	<u>\$ 13,589</u>	<u>\$ 30,309</u>	<u>\$ 3,628</u>	<u>\$ 4,824</u>	<u>\$ 190,504</u>	<u>\$ 35,728</u>

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

	93.563 Clerk IV-D Incentive- Post Oct '99	Juvenile Programs- Probation	Henry County Youth League	Levy Excess	Comm Corrections- User Fee	Pre-Trial Diversion	Supplemental/ CC II
Cash and investments - beginning	\$ 12,747	\$ 5,379	\$ 2,000	\$ 1	\$ 628,321	\$ 107,405	\$ 11,419
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	20,494	-	-	-	-	-	-
Charges for services	-	-	-	-	289,261	-	-
Fines and forfeits	-	-	-	-	-	36,531	9,344
Other receipts	-	-	-	5,188	1,015	-	51
Total receipts	<u>20,494</u>	<u>-</u>	<u>-</u>	<u>5,188</u>	<u>290,276</u>	<u>36,531</u>	<u>9,395</u>
Disbursements:							
Personal services	-	-	-	-	201,082	23,696	-
Supplies	-	-	-	-	13,684	5,000	-
Other services and charges	-	-	-	-	114,472	6,262	-
Capital outlay	-	-	-	-	31,828	2,049	-
Other disbursements	20,384	-	-	-	2,364	20,347	11,344
Total disbursements	<u>20,384</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>363,430</u>	<u>57,354</u>	<u>11,344</u>
Excess (deficiency) of receipts over disbursements	<u>110</u>	<u>-</u>	<u>-</u>	<u>5,188</u>	<u>(73,154)</u>	<u>(20,823)</u>	<u>(1,949)</u>
Cash and investments - ending	<u>\$ 12,857</u>	<u>\$ 5,379</u>	<u>\$ 2,000</u>	<u>\$ 5,189</u>	<u>\$ 555,167</u>	<u>\$ 86,582</u>	<u>\$ 9,470</u>

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

	Jury Pay Fund	Co Law Enf Cont Education	D.A.R.E. Fund	Health Dept Donations	Park Commemorative Fund	Ema Donation Fund	Ivy Tech Donation Fund
Cash and investments - beginning	\$ 24,235	\$ 441	\$ 2,552	\$ 7	\$ 152	\$ 1,295	\$ 518
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	2,524	11,016	-	-	-	-
Fines and forfeits	6,967	-	-	-	-	-	-
Other receipts	144	-	5,031	-	1,106	19,219	1,500
Total receipts	<u>7,111</u>	<u>2,524</u>	<u>16,047</u>	<u>-</u>	<u>1,106</u>	<u>19,219</u>	<u>1,500</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	13,675	2,625	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	11,387	-	306	14,106	-
Total disbursements	<u>13,675</u>	<u>2,625</u>	<u>11,387</u>	<u>-</u>	<u>306</u>	<u>14,106</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(6,564)</u>	<u>(101)</u>	<u>4,660</u>	<u>-</u>	<u>800</u>	<u>5,113</u>	<u>1,500</u>
Cash and investments - ending	<u>\$ 17,671</u>	<u>\$ 340</u>	<u>\$ 7,212</u>	<u>\$ 7</u>	<u>\$ 952</u>	<u>\$ 6,408</u>	<u>\$ 2,018</u>

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

	Health Dept Enforcement Fund	Treasurer Technology Fund	Food & Beverage- First Merchants	Community Correction- 0600	Pace Forfeiture Fund	Sheriff Critical Care	Haz-Mat Fund
Cash and investments - beginning	\$ 2,863	\$ 967	\$ 1,311,313	\$ 2	\$ 542,137	\$ 310,596	\$ 981
Receipts:							
Taxes	-	-	480,867	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	174,411	-	-	-
Charges for services	-	2,100	-	-	-	1,572,348	-
Fines and forfeits	850	-	-	-	148,512	-	-
Other receipts	-	-	22	-	-	1,168	-
Total receipts	<u>850</u>	<u>2,100</u>	<u>480,889</u>	<u>174,411</u>	<u>148,512</u>	<u>1,573,516</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	134,609	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	4,000	-	-	-
Capital outlay	-	-	-	5,000	-	-	-
Other disbursements	-	300	295,360	2	500,842	1,628,403	301
Total disbursements	<u>-</u>	<u>300</u>	<u>295,360</u>	<u>143,611</u>	<u>500,842</u>	<u>1,628,403</u>	<u>301</u>
Excess (deficiency) of receipts over disbursements	<u>850</u>	<u>1,800</u>	<u>185,529</u>	<u>30,800</u>	<u>(352,330)</u>	<u>(54,887)</u>	<u>(301)</u>
Cash and investments - ending	<u>\$ 3,713</u>	<u>\$ 2,767</u>	<u>\$ 1,496,842</u>	<u>\$ 30,802</u>	<u>\$ 189,807</u>	<u>\$ 255,709</u>	<u>\$ 680</u>

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

	DUI Impact Fund	National Road Heritage Trail	Court Alcohol & Drug Program	Common School Trust Fund	Golf Course Non-Reverting	Alter Dispute Resolution	Medicare Supplemental Retirement
Cash and investments - beginning	\$ 26,045	\$ 524	\$ 3,354	\$ 1,064	\$ 483,994	\$ 27,737	\$ 2,905
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	6,858	-	32,258	-	-	4,958	-
Other receipts	260	-	-	-	-	-	55,994
Total receipts	<u>7,118</u>	<u>-</u>	<u>32,258</u>	<u>-</u>	<u>-</u>	<u>4,958</u>	<u>55,994</u>
Disbursements:							
Personal services	-	-	-	-	-	-	56,257
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	3,885	-	33,180	-	-	10,640	-
Total disbursements	<u>3,885</u>	<u>-</u>	<u>33,180</u>	<u>-</u>	<u>-</u>	<u>10,640</u>	<u>56,257</u>
Excess (deficiency) of receipts over disbursements	<u>3,233</u>	<u>-</u>	<u>(922)</u>	<u>-</u>	<u>-</u>	<u>(5,682)</u>	<u>(263)</u>
Cash and investments - ending	<u>\$ 29,278</u>	<u>\$ 524</u>	<u>\$ 2,432</u>	<u>\$ 1,064</u>	<u>\$ 483,994</u>	<u>\$ 22,055</u>	<u>\$ 2,642</u>

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

	Retirement- Under 65	Drug Force Forfeiture	Bio-Terrorism Grant	H1N1 Vaccine Grant	Airport Project Grant	Rural Correctional Grant	LEP Sub-Grant
Cash and investments - beginning	\$ 739	\$ 44,691	\$ 9,054	\$ 2,901	\$ 5,000	\$ 710	\$ 69
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	21,500	-	162,604	-	-
Charges for services	-	2,625	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	26,829	-	-	-	10,369	-	-
Total receipts	<u>26,829</u>	<u>2,625</u>	<u>21,500</u>	<u>-</u>	<u>172,973</u>	<u>-</u>	<u>-</u>
Disbursements:							
Personal services	26,478	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	11,365	30,268	-	165,381	-	-
Total disbursements	<u>26,478</u>	<u>11,365</u>	<u>30,268</u>	<u>-</u>	<u>165,381</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>351</u>	<u>(8,740)</u>	<u>(8,768)</u>	<u>-</u>	<u>7,592</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 1,090</u>	<u>\$ 35,951</u>	<u>\$ 286</u>	<u>\$ 2,901</u>	<u>\$ 12,592</u>	<u>\$ 710</u>	<u>\$ 69</u>

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

	EMA Fire Training/ Infrastructure	EMA-LET GIS/07 Grant	EMA Enhancement Grant	NACCHO Health Grant	Haz-Mat Response Team Grant	Young Women Prg/Just Us	Family Court Project Fund
Cash and investments - beginning	\$ 9	\$ 354	\$ 4,188	\$ 1,575	\$ 105	\$ 2,650	\$ 11,816
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	3,500	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	30	-	-	-	-	-
Total receipts	-	30	-	3,500	-	-	-
Disbursements:							
Personal services	-	-	-	-	-	1,292	5,336
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	180	-	1,565	-	-	2,049
Total disbursements	-	180	-	1,565	-	1,292	7,385
Excess (deficiency) of receipts over disbursements	-	(150)	-	1,935	-	(1,292)	(7,385)
Cash and investments - ending	\$ 9	\$ 204	\$ 4,188	\$ 3,510	\$ 105	\$ 1,358	\$ 4,431

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

	Family Court Grant	Park Community Foundation Grant	EMA/ Community Foundation Grant	Health Dept Grant Fund	Treasurer	Redevelopment Capital Projects	Redevelopment Debt Service
Cash and investments - beginning	\$ 866	\$ -	\$ 1,200	\$ 15	\$ 835,504	\$ 874,430	\$ 538,627
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	14,000	-	-	41,498,989	1,576,983	358,181
Total receipts	-	14,000	-	-	41,498,989	1,576,983	358,181
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	41,046,931	1,043,020	284,153
Total disbursements	-	-	-	-	41,046,931	1,043,020	284,153
Excess (deficiency) of receipts over disbursements	-	14,000	-	-	452,058	533,963	74,028
Cash and investments - ending	<u>\$ 866</u>	<u>\$ 14,000</u>	<u>\$ 1,200</u>	<u>\$ 15</u>	<u>\$ 1,287,562</u>	<u>\$ 1,408,393</u>	<u>\$ 612,655</u>

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

	Henry Co Redevelopment Commission	County Option Income Tax Fund	CC II Supplemental PD	Planning Enforcement Fund	Wilbur Wright Trails	Airport Leased Ground	Probation Interstate Fee Fund
Cash and investments - beginning	\$ 58,409	\$ 259,345	\$ 4,275	\$ 22,300	\$ 7,638	\$ 7,215	\$ 63
Receipts:							
Taxes	-	4,029,540	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	41,582	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	8,699	-	-	-	750
Other receipts	223,883	-	-	-	-	16,921	-
Total receipts	<u>223,883</u>	<u>4,029,540</u>	<u>8,699</u>	<u>-</u>	<u>41,582</u>	<u>16,921</u>	<u>750</u>
Disbursements:							
Personal services	-	378,101	-	-	-	-	-
Supplies	-	112,381	-	-	-	-	-
Other services and charges	-	3,489,539	8,730	-	-	-	-
Capital outlay	-	210,957	-	-	47,235	7,576	-
Other disbursements	113,119	-	-	11,689	-	-	813
Total disbursements	<u>113,119</u>	<u>4,190,978</u>	<u>8,730</u>	<u>11,689</u>	<u>47,235</u>	<u>7,576</u>	<u>813</u>
Excess (deficiency) of receipts over disbursements	<u>110,764</u>	<u>(161,438)</u>	<u>(31)</u>	<u>(11,689)</u>	<u>(5,653)</u>	<u>9,345</u>	<u>(63)</u>
Cash and investments - ending	<u>\$ 169,173</u>	<u>\$ 97,907</u>	<u>\$ 4,244</u>	<u>\$ 10,611</u>	<u>\$ 1,985</u>	<u>\$ 16,560</u>	<u>\$ -</u>

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

	Riverboat Gambling- Rev Share	Henry Co E-911 Wireless Fund	Auditor Ineligible Deduction	E-911 City Reimbursement Fund	Surveyor Drainage Fee Fund	Homestead Ineligible- State	HCCC JAG Grant/ Substance Abuse
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	293,009	-	-	-	-	-	23,243
Charges for services	-	-	6,304	-	6,450	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	3,500	-	240,600	-	6	-
Total receipts	293,009	3,500	6,304	240,600	6,450	6	23,243
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	293,009	-	-	86,284	3,803	6	32,693
Total disbursements	293,009	-	-	86,284	3,803	6	32,693
Excess (deficiency) of receipts over disbursements	-	3,500	6,304	154,316	2,647	-	(9,450)
Cash and investments - ending	\$ -	\$ 3,500	\$ 6,304	\$ 154,316	\$ 2,647	\$ -	\$ (9,450)

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

	EMA Competitive Grant	EMA/ Amateur Radio Grant	EMA Hazardous Materials Grant	JDAI Grant Fund	Campaign Finance Enforcement Fund	SEMA	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,433	\$ 13,434,927
Receipts:							
Taxes	-	-	-	-	-	-	56,545,333
Licenses and permits	-	-	-	-	-	-	221,364
Intergovernmental receipts	5,180	1,553	2,250	82,297	-	-	6,662,597
Charges for services	-	-	-	-	-	-	3,083,854
Fines and forfeits	-	-	-	-	750	-	827,052
Other receipts	24	-	-	-	-	-	58,935,415
Total receipts	5,204	1,553	2,250	82,297	750	-	126,275,615
Disbursements:							
Personal services	-	-	-	12,719	-	-	18,777,840
Supplies	-	-	-	-	-	-	1,520,913
Other services and charges	-	-	-	-	-	-	6,039,770
Capital outlay	-	-	-	-	-	-	4,057,493
Other disbursements	5,204	1,553	2,250	8,260	-	-	95,131,226
Total disbursements	5,204	1,553	2,250	20,979	-	-	125,527,242
Excess (deficiency) of receipts over disbursements	-	-	-	61,318	750	-	748,373
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 61,318	\$ 750	\$ 13,433	\$ 14,183,300

HENRY COUNTY
SCHEDULE OF PAYABLES
December 31, 2014

<u>Government or Enterprise</u>	<u>Accounts Payable</u>
Governmental activities	<u>\$ 597,312</u>

HENRY COUNTY
SCHEDULE OF LEASES AND DEBT
December 31, 2014

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Henry County Government Center Building Corporation	Improvements to Government Center	\$ 1,379,000	7/1/2011	1/10/2024

Type	Description of Debt	Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:				
Revenue bonds	FOOD & BEVERAGE TAX REVENUE & REFUNDING BONDS 2012		\$ 2,060,000	\$ 176,373
Revenue bonds	REDEVELOPMENT DISTRICT TAX INCREMENT REVENUE BONDS OF 2004		860,000	126,869
Revenue bonds	REDEVELOPMENT DISTRICT TAXABLE INCREMENT REVENUE BONDS OF 2011		1,090,000	104,800
Revenue bonds	FOOD & BEVERAGE SERIES 2004 BONDS		310,000	92,470
Revenue bonds	ECONOMIC DEVELOPEMENT REVENUE BOND SERIES 2014/BOARSHEAD		12,220,000	-
Revenue bonds	REDEVELOPMENT DISTRICT TAX INCREMENT REVENUE BONDS OF 2011		2,345,000	198,013
Notes and loans payable	2015 SHERIFF CAR LEASES		127,485	43,648
Notes and loans payable	2014 PARK LOAN		34,425	17,874
Notes and loans payable	2014 HIGHWAY FREIGHTLINERS		201,226	52,950
Notes and loans payable	2014 CHIP SPREADER		168,500	36,297
Notes and loans payable	2012 LOAN 90292656 / AMBULANCE		25,589	15,000
Notes and loans payable	2013 AMBULANCE LOAN		222,757	42,738
Notes and loans payable	2013 HIGHWAY FREIGHTLINERS		201,226	52,950
Notes and loans payable	E-911 EQUIPMENT LEASE AGREEMENT		1,053,297	130,742
Notes and loans payable	2010 LOAN 090202653 / AMBULANCE		55,255	24,048
Notes and loans payable	2010 LOAN 90292654 / CHEVY SILVERADO		2,870	2,904
Notes and loans payable	2010 FORD E 450 BRAUN CHIEF & 2010 CHEV SILVERADO / LOAN#90292655		21,633	21,963
Notes and loans payable	LOAN # 90292650 / AMBULANCE BUILDING		1,682	1,705
			<u>21,000,945</u>	<u>1,141,344</u>
Total governmental activities			<u>21,000,945</u>	<u>1,141,344</u>
Totals			<u>\$ 21,000,945</u>	<u>\$ 1,141,344</u>

HENRY COUNTY
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2014

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

	Ending Balance
Governmental activities:	
Land	\$ 1,204,710
Infrastructure	33,827,549
Buildings	24,941,264
Improvements other than buildings	2,533,396
Machinery, equipment, and vehicles	12,749,098
Total governmental activities	75,256,017
Total capital assets	\$ 75,256,017

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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Web Site: www.in.gov/sboa

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

TO: THE OFFICIALS OF HENRY COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited Henry County's (County) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each major federal program for the year ended December 31, 2014. The County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Basis for Qualified Opinion on Equitable Sharing Program

As described in items 2014-004, 2014-006, and 2014-007 in the accompanying Schedule of Findings and Questioned Costs, the County did not comply with requirements regarding Activities Allowed or Unallowed, Subrecipient Monitoring, and Special Tests and Provisions that are applicable to its Equitable Sharing Program. Compliance with such requirements is necessary, in our opinion, for the County to comply with requirements applicable to that program.

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

Qualified Opinion on Equitable Sharing Program

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Equitable Sharing Program* paragraph, 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 the Equitable Sharing Program for the year ended December 31, 2014.

Unmodified Opinion on the Other Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its other major federal program identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the year ended December 31, 2014.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2014-005. 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.

This report is replacing a report previously issued on March 15, 2017. The original report was reissued as a result of the discovery that subsequent to the date of the original report, the County had another major program that was required to be audited. The revised report has a qualified opinion, non-compliance reported in the Other Matters section, and reported material weaknesses that the original report did not contain.

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.


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

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

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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2014-003, 2014-004, 2014-005, 2014-006, and 2014-007 to be material weaknesses.

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

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


Paul D. Joyce, CPA
State Examiner

January 25, 2017, except for the Equitable Sharing
Program as to which the date is June 14, 2018

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.

HENRY COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2014

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through To Subrecipient	Total Federal Awards Expended
<u>Department of Justice</u>					
JAG Program Cluster					
Edward Byrne Memorial Justice Assistance Grant Program	Indiana Criminal Justice Institute	16.738	2013-DJ-BX-0039	-	23,243
Total - JAG Program Cluster				-	23,243
Bulletproof Vest Partnership Program	Direct	16.607	201BUBX12064696	-	263
Equitable Sharing Program	Direct	16.922	IN0330000-2014	352,965	499,981
Total - Department of Justice				352,965	523,487
<u>Department of Transportation</u>					
Highway Planning and Construction Cluster					
Highway Planning and Construction					
Wilbur Wright Trails	Indiana Department of Transportation	20.205	DES#0301158	-	41,582
Cumulative Bridge			DES#1173179 0801063	-	31,766
Total - Highway Planning and Construction Cluster				-	73,348
Highway Safety Cluster					
State and Community Highway Safety	Indiana Department of Transportation	20.600	FY2012	-	1,316
Total - Highway Safety Cluster				-	1,316
Airport Improvement Program	Direct	20.106	3-18-0061-13	-	75,570
			3-18-0061-14	-	73,273
Total - Airport Improvement Program				-	148,843
Interagency Hazardous Materials Public Sector Training and Planning Grants	Indiana Department of Homeland Security	20.703	C44P-4-455B2014	-	2,250
Total - Department of Transportation				-	225,757
<u>Department of Health and Human Services</u>					
Hospital Preparedness Program (HPP) and Public Health					
Emergency Preparedness (PHEP) Aligned Cooperative Agreements	Indiana Department of Health	93.074	2013	-	15,000
Emergency System for Advance Registration of Volunteer Health Professionals	Indiana Department of Health	93.089	BHP-132-1	-	6,500
Child Support Enforcement					
Courts IV-D	Indiana Department of Child Services	93.563	2014	-	29,552
Prosecutor IV-D			2014	-	180,162
Indirect Costs			2014	-	130,330
Clerk IV-D			2014	-	127,756
Title IV-D Incentive			1104IN4004	-	31,846
Clerk Incentive			1104IN4004	-	20,383
Prosecutor Incentive			A70-1-0531603	-	7,437
CCB Child Support			FY2014	-	7,046
Total - Child Support Enforcement				-	534,512
Total - Department of Health and Human Services				-	556,012
<u>Department of Homeland Security</u>					
Emergency Management Performance Grants	Indiana Department of Homeland Security	97.042	#C44P-2-340A	-	13,000
			CC44P-4-492B	-	5,180
Total - Emergency Management Performance Grants Program				-	18,180
Homeland Security Grant Program	Indiana Department of Homeland Security	97.067	CC44P-4-082B	-	1,553
Total - Department of Homeland Security				-	19,733
Total federal awards expended				\$ 352,965	\$ 1,324,989

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

HENRY 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, 2014. 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*. 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 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.

HENRY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

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

Identification of Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
16.922	Equitable Sharing Program
93.563	Child Support Enforcement

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

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

Section II - Financial Statement Findings

FINDING 2014-001

Subject: Preparation of the Schedule of Expenditures of Federal Awards Audit
Audit Findings: Material Weakness, Noncompliance

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).

HENRY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Context

The lack of controls was a systemic problem throughout the audit period. The SEFA contained the following errors:

1. The Highway Planning and Construction Cluster was understated by \$4,500.
2. The Child Support Enforcement program was understated by \$11,352.
3. The Equitable Sharing Program's total federal awards expended were understated by \$364,361 and the total pass-through to subrecipients was understated by \$352,965.

Audit adjustments were proposed, accepted by the County, and made to the SEFA.

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

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

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

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

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.

HENRY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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

Cause

Management had not established a system of internal control that would have ensured proper reporting of the SEFA.

Effect

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

Recommendation

We recommended that the County's management establish effective controls related to the preparation of the SEFA.

Views of Responsible Officials

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

FINDING 2014-002

Subject: Financial Reporting
Audit Findings: Material Weakness, Noncompliance

Condition

The County's financial statement contained errors and did not properly reflect the financial activity of some of the offices of the County. The CAR-1 reports of the following offices contained the following errors in their CAR-1 report submitted to the County Auditor's office to be included in the County's 2014 Annual Financial Report, which is used to compile the County's financial statement.

County Treasurer's office - the activity of some excise tax transactions in the County Treasurer's office in the amount of \$2,108,901 were excluded.

HENRY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

County Redevelopment Commission's office - \$146,247 in receipts, \$144,847 in disbursements, and \$1,400 from the ending balance of the County Redevelopment Commission's office were excluded.

County Sheriff's office - a check that was voided and subsequently posted as a receipt in the amount of \$144,875 was erroneously included.

Audit adjustments were proposed, accepted by the County, and made to the financial statement.

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under IC 5-14-3.8-7."

Cause

Management of the County offices had not established a proper system of internal control to ensure that all financial activity of the County offices were properly reported to the County Auditor's office to be included in the County's Annual Financial Report and financial statement.

Effect

The failure to establish an internal control system resulted in improper reporting in the County's Annual Financial Report and financial statement.

Views of Responsible Officials

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

HENRY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III - Federal Award Findings and Questioned Costs

FINDING 2014-003

Subject: Equitable Sharing Program - Level of Effort, Suspension and Debarment
Federal Agency: Department of Justice
Federal Program: Equitable Sharing Program
CFDA Number: 16.922
Federal Award Number and Year (or Other Identifying Number): IN0330000-2014
Pass-Through Entity: Direct Grant
Compliance Requirements: Matching, Level of Effort, Earmarking; Procurement
and Suspension and Debarment
Audit Finding: Material Weakness

Condition

An effective internal control system was not in place at the County in order to ensure compliance with requirements related to the grant agreement and the following compliance requirements: Matching, Level of Effort, Earmarking and Procurement and Suspension and Debarment.

Level of Effort

The County had one employee primarily responsible for monitoring compliance with Level of Effort requirements. There was no segregation of duties documented, such as an oversight, review or approval process, or other compensating control.

Suspension and Debarment

The County had one employee primarily responsible for verifying that entities were not suspended or debarred when entering into covered transactions. There was no segregation of duties, such as an oversight, review or approval process, or other compensating control.

Context

The lack of internal controls was a systemic problem throughout the audit period affecting the grant award listed above.

Criteria

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

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

Cause

Management had not developed a system of internal controls that segregated key functions.

HENRY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Effect

The failure to establish an effective internal control system placed the County at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the County's management establish controls related to the grant agreement and the compliance requirements listed above.

Views of Responsible Officials

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

FINDING 2014-004

Subject: Equitable Sharing Program - Activities Allowed or Unallowed
Federal Agency: Department of Justice
Federal Program: Equitable Sharing Program
CFDA Number: 16.922
Federal Award Number and Year (or Other Identifying Number): IN0330000-2014
Pass-Through Entity: Direct Grant
Compliance Requirement: Activities Allowed or Unallowed
Audit Findings: Material Weakness, Modified Opinion

Condition

An effective internal control system was not in place at the County in order to ensure compliance with requirements related to the grant agreement and the Activities Allowed or Unallowed compliance requirement. Grant expenditures were reviewed by the department head and the Board of County Commissioners; however, the controls in place did not detect the following errors:

The County purchased items for other law enforcement agencies participating in the Pro-Active Criminal Enforcement (PACE) team in the amount of \$35,918.08, which was impermissible after July 2014.

HENRY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The County paid from program funds the higher salary and fringe benefits of an officer assigned to the PACE team, rather than the lesser salary and fringe benefit costs of the officer hired to backfill the PACE team officer's regular position. We consider the difference in personnel costs of \$1,905.80 to be questioned costs.

Context

The lack of internal controls and the personnel costs incorrectly paid were systemic problems throughout the audit period. The impermissible items purchased for other law enforcement agencies was a systemic problem after July 2014.

Criteria

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

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

The U.S. Department of Justice's *Guide to Equitable Sharing for State and Local Law Enforcement Agencies* pp. 17-22 states in part:

"Shared funds may be used for any permissible agency expenditure and may be used by both sworn and non-sworn law enforcement personnel, except as noted in salaries. The fact that shared property was forfeited by a particular unit or as a result of a particular federal violation does not limit its use to purchases only for that unit or to further investigations only for that particular federal violation. If an agency wishes to support a multi-agency expenditure, such as a new payroll system or city municipal building, with a non-law enforcement agency, the law enforcement agency's costs based on its use may be calculated on a pro-rata basis.

1. Permissible uses . . .

k. Transfers to other law enforcement agencies—cash transfers of shared funds from one state or local law enforcement agency to another. In order to receive a cash transfer of shared funds, the law enforcement agency must be compliant with the Agreement, Certification, and Audit provisions of this *Guide* (see Section X). All cash transfers must be used in accordance with the permissible use provisions of this *Guide*. The agency transferring funds is responsible for verifying that the recipient agency is eligible to receive sharing. The transfer must be reported on the Equitable Sharing Agreement and Certification form filed by both the transferring and recipient agencies. Transferring agencies must verify the recipient agency's compliance at the time of transfer on the agency compliance list found on AFMLS' public website. . . .

2. Impermissible uses . . .

h. Purchase of items for other law enforcement agencies – Shared funds may not be used to purchase equipment or other permissible items for other law enforcement agencies. To ensure proper tracking and accounting of funds, agencies wishing to support other participating law enforcement agencies must transfer the cash

HENRY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

required for such purchases to the recipient law enforcement agency. The recipient law enforcement agency must report the receipt of funds and the expenditure on its annual Equitable Sharing Agreement and Certification form. See Section V.B.1.k for inter-agency transfer of funds. . . .

3. Salaries

Equitable sharing funds may not be used to pay the salaries and benefits of sworn or non-sworn law enforcement personnel. The purpose of this rule is to protect the integrity of the Asset Forfeiture and Equitable Sharing Programs so that the prospect of receiving equitable sharing funds does not influence, or appear to influence, law enforcement decisions.

Exceptions: Equitable sharing funds may be used to pay the salaries and benefits of current law enforcement officers and personnel in the limited situations listed below.

Task force agencies may only pay salaries as a match to a federal grant or officer overtime. To avoid a conflict of interest, at no time can a task force member's full salary be paid with equitable sharing funds.

- (1) **Matching federal grants**—Shared funds may be used to pay the match requirement for the salaries and benefits of current sworn and non-sworn law enforcement personnel funded by federal grant programs.
- (2) **Overtime of officers and investigators**—Shared funds may be used to pay the overtime and benefits of current sworn and non-sworn law enforcement personnel involved in law enforcement operations.
- (3) **Salary of an officer hired to replace an officer assigned to a task force**—Shared funds may be used to pay the salary and benefits of current, sworn law enforcement officers hired to fill vacancies created when a law enforcement agency assigns officers to a task force. The replacement officer cannot engage in the seizure of assets or narcotics law enforcement as a principal duty. A principal duty is a duty that the officer is expected to perform regularly.

In order to pay the replacement officer's salary with equitably shared funds, the task force to which the agency assigned an officer must be a law enforcement entity constituted under federal, state, or local law that is primarily engaged in specific and targeted law enforcement activities involving more than one law enforcement agency. In addition, the chief law enforcement officer of the agency assigning an officer must not maintain direct day-to-day operational control of the task force although he or she may participate in the policy-level control of such task force.

When a law enforcement agency has assigned an officer and paid for the replacement as specified above, and it becomes necessary to return the officer from the task force, the law enforcement agency may continue to use forfeited funds to pay for the salary and benefits of the replacement officer for a period not to exceed six months. . . ."

HENRY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Cause

Management had not developed a system of internal controls that segregated key functions.

Effect

The failure to establish internal controls enabled material noncompliance to go undetected. The failure to comply with the compliance requirement could have resulted in the loss of federal funds to the County.

Questioned Costs

Known questioned costs of \$37,823.88 were identified, as detailed in the *Condition*.

Recommendation

We recommended that the County's management establish controls related to the grant agreement and the Activities Allowed or Unallowed compliance requirement.

Views of Responsible Officials

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

FINDING 2014-005

Subject: Equitable Sharing Program - Reporting

Federal Agency: Department of Justice

Federal Program: Equitable Sharing Program

CFDA Number: 16.922

Federal Award Number and Year (or Other Identifying Number): IN0330000-2014

Pass-Through Entity: Direct Grant

Compliance Requirement: Reporting

Audit Findings: Material Weakness, Other Matters

Condition

An effective internal control system was not in place at the County in order to ensure compliance with requirements related to the grant agreement and the Reporting compliance requirement. One individual was responsible for preparing required reports. The reports were reviewed and signed by a second individual; however, the review did not detect the following errors:

The Equitable Sharing Agreement and Certification report submitted in 2014 for the year 2013 contained the following errors:

1. The Agency Current FY Budget amount reported was understated by \$4,889,364.
2. The Federal Sharing Funds received was understated by \$11,873.
3. No interest income was reported.

HENRY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Context

The internal control and noncompliance issues were systemic, occurring throughout the audit period.

Criteria

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

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

2 CFR 200.302(b) states in part:

"The financial management system of each non-Federal entity must provide for the following . . .

- (2) Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in §§ 200.327 Financial reporting and 200.328 Monitoring and reporting program performance. . . ."

Cause

Management had not developed a system of internal controls that segregated key functions.

Effect

The failure to establish internal controls enabled material noncompliance to go undetected. The failure to comply with 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 related to the grant agreement and the Reporting compliance requirement.

Views of Responsible Officials

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

HENRY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2014-006

Subject: Equitable Sharing Program - Subrecipient Monitoring
Federal Agency: Department of Justice
Federal Program: Equitable Sharing Program
CFDA Number: 16.922
Federal Award Number and Year (or Other Identifying Number): IN0330000-2014
Compliance Requirement: Subrecipient Monitoring
Audit Findings: Material Weakness, Modified Opinion

Condition

An effective internal control system was not in place at the County in order to ensure compliance with requirements related to the grant agreement and the Subrecipient Monitoring compliance requirement.

A portion of equitable sharing funds received by the County was transferred to other law enforcement agencies who participated on the PACE team. The County did not comply with Subrecipient Monitoring requirements to ensure that the law enforcement agencies complied with federal requirements. The County reviewed reimbursement requests submitted by the law enforcement agencies, but the supporting documentation presented was not sufficient to ensure that the law enforcement agencies complied with the program requirements. No evidence of site visits or other monitoring procedures performed was presented for audit.

Funds transferred to other law enforcement agencies were used for the following unallowable purposes:

1. A stipend was paid to a PACE team officer in 2014 above the individual's regular salary in the amount of \$2,600.
2. Salary and fringe benefits in the amount of \$81,277.17 were paid to an officer assigned to the PACE team, without backfilling the position.

Context

The internal control and noncompliance issues were systemic, occurring throughout the audit period.

Criteria

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

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

HENRY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2 CFR 200.331 states in part:

"All pass-through entities must: . . .

(d) Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved. . . ."

Cause

Management had not developed a system of internal controls that segregated key functions.

Effect

The failure to establish internal controls enabled material noncompliance to go undetected. The failure to comply with the compliance requirement could have resulted in the loss of federal funds to the County.

Questioned Costs

Known questioned costs of \$83,877.17 were identified as detailed in the *Condition*.

Recommendation

We recommended that the County's management establish controls related to the grant agreement and the Subrecipient Monitoring compliance requirement.

Views of Responsible Officials

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

FINDING 2014-007

Subject: Equitable Sharing Program - Special Tests and Provisions
Federal Agency: Department of Justice
Federal Program: Equitable Sharing Program
CFDA Number: 16.922
Federal Award Number and Year (or Other Identifying Number): IN0330000-2014
Pass-Through Entity: Direct Grant
Compliance Requirement: Special Tests and Provisions
Audit Findings: Material Weakness, Modified Opinion

Condition

An effective internal control system was not in place at the County in order to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions compliance requirement.

1. The County did not maintain separate revenue accounts or accounting codes to be used solely for Equitable Sharing Program funds.

HENRY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2. Equitable Sharing Program funds were commingled with funds from other sources.
3. Interest income earned on Equitable Sharing program funds was not receipted into the funds used to account for the shared funds.
4. A log and copies of all DAG-71 forms forwarded to the Department of Justice was not maintained, or updated when e-share notifications were received.

Context

The internal control and noncompliance issues were systemic, occurring throughout the audit period.

Criteria

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

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

The U.S. Department of Justice's *Guide to Equitable Sharing for State and Local Law Enforcement Agencies* p. 26 states in part:

"The state or local participating law enforcement agency must:

1. Establish a separate revenue account or accounting code through the agency's finance department for the proceeds from the Department of Justice Equitable Sharing Program. This account or accounting code will be used solely for funds from the Department of Justice Equitable Sharing Program. No other funds may be included in this account or with this accounting code. . . .
2. Not commingle Department of Justice equitable sharing funds with funds from any other source. Corrective measures must be taken if this occurs.
3. Deposit any interest income earned on equitably shared funds in the same revenue account or under the accounting code established solely for the shared funds.
4. Maintain a log and copies of all Forms DAG-71 forwarded to the Department of Justice. A consecutive numbering system should be used for control purposes. The log should contain seizure type (property or currency), amount, share amount requested, amount received, and date received.
5. Update the log when an E-Share notification is received. The amount received may differ from the amount requested. . . ."

Cause

Management had not developed a system of internal controls that segregated key functions.

HENRY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Effect

The failure to establish internal controls enabled material noncompliance to go undetected. The failure to comply with the compliance requirements 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 related to the grant agreement and the Special Tests and Provisions compliance requirements.

Views of Responsible Officials

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

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AUDITEE-PREPARED DOCUMENT

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

Patricia A. French
Henry County Auditor
101 South Main Street
New Castle IN 47362

CORRECTIVE ACTION PLAN

January 25, 2017

Responsible Party: Patricia A. French

Finding: 2014 – 001

We concur with the finding. In the future, we will 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). This occurred due to human error, and is corrected on the 2016 SEFA schedule.

Sincerely,



Patricia A. French
Henry County Auditor

CORRECTIVE ACTION PLAN

FINDING 2014-002 Audit Contact Person Responsible for Corrective Action: Byron G. Bundy Jr.

Contact Phone Number (765-529-4404)

Views of Responsible Official:

The issue is that we did not have a starting balance or ending balance for CEDIT, so there was no receipts included on the cash sheet. We have been doing it this way since 2009 and nothing was said about doing it differently. My disagreement is now we are being written up instead of being told that it was being done incorrectly and we need to change the way we are doing the cash sheet. Then if it was still not completed correctly we should be written up

The Chief Deputy for the Henry County Treasurer has been doing this job for over thirty years and prides herself in doing it correctly, you can check that by seeing how many times the Treasurer's office has been written up. I would think it would be a common courtesy to explain to someone the proper procedure and give them the opportunity to correct any changes in that procedure. Most importantly there is no money missing and never has been for more than thirty years and more probably much longer than that.

Description of Corrective Action Plan

Went through the 2014 cashbook and accounted for the differences. Then made a list and the list was given to the State Board of Accounts.

Anticipated Completion Date

Have already corrected CAR-1 and given to the State Board of Accounts. We have immediately accounted for the differences since this office prides itself in not only being correct but correcting any deficiencies immediately.

Byron Gene Bundy Jr

Byron Gene Bundy Jr.

Henry County Treasurer

Title

1-20-17

Date



HENRY COUNTY REDEVELOPMENT COMMISSION

CORRECTIVE ACTION PLAN

FINDING 2014-002 Audit Contact Person Responsible for Corrective Action: Corey Murphy

Contact Phone Number: (765) 521-7402

Views of Responsible Official: We concur with findings.

Description of Corrective Action Plan: The receipts and expenditures were pass through professional fees related to a new bond issue dated September 29, 2014. Our office will coordinate with the Redevelopment Commission's Bond Trustee to confirm complete and accurate reporting for Henry County's CAR-1.

Anticipated Completion Date: Annually on or before January 31.

Corey J. Murphy
(Signature)
RDC Staff
(Title)
1/19/17
(Date)



OFFICE OF HENRY COUNTY SHERIFF

127 North 12th Street
New Castle, Indiana 47362

CORRECTIVE ACTION PLAN

FINDING 2014-002 Audit Contact Person Responsible for Corrective Action:

Ric McCorkle Contact Phone Number: (765) 521-7033

Views of Responsible Official: We concur with findings. We reviewed the cashbook entries for March 25, 2014 and viewed the receipt # 331425 reflecting the amount of \$144,875 and a check written, 15032, on 3/31/2014 for \$144,875. On April 10, 2014, an adjustment was made for \$144,875 on adjustment receipt 0. On 4/14/14 the amounts of \$4,346.04 was dispersed on check number 15044, \$140,494.74 on check number 15046 and \$34.22 on check number 15047 dated 4/25/14.

Description of Corrective Action Plan: These transactions duplicated the receipts and disbursements for the FY2014. We have implemented a plan for year end prior to reporting the balances on the CAR Report submitted to the Auditor of Henry County to compare the receipts and disbursements in our software against the bank statements to insure that they balance with each report.

Anticipated Completion Date: Annually on or before January 31

Sheriff Henry County



RIC McCORKLE
SHERIFF

OFFICE OF HENRY COUNTY SHERIFF

127 North 12th Street New Castle, IN 47362

Law Enforcement Division

112 S Main Street, New Castle, IN 47362

May 31, 2018

CORRECTIVE ACTION PLAN

FINDING 2014-003

Contact Person Responsible for Corrective Action: Rebecca Baker
Contact Phone Number: 765-521-7033

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

The sheriff's matron attended US DOJ financial training and has documented work instructions to insure any funds sent to participating agencies are compliant within the Asset Forfeiture Programs located at <https://systems.forfeiture.gov/EquitableSharing> and locate the agency. The compliance status will be printed and put with the claim sent to the Henry County Auditor for payment.

Anticipated Completion Date: 06/01/2018

FINDING 2014-004

Contact Person Responsible for Corrective Action: Rebecca Baker
Contact Phone Number: 765-521-7033

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

Documented training and work instructions are in place to review participating agencies expenditures on a monthly basis and review the current policy in effect to insure any changes are documented.

Anticipated Completion Date: 06/01/2018

FINDING 2014-005

Contact Person Responsible for Corrective Action: Rebecca Baker, Sheriff Ric McCorkle
Contact Phone Number: 765-521-7033

Views of Responsible Official: *We concur with the finding.*

Description of Corrective Action Plan:

FY Budgets shall be reviewed by the sheriff and the matron by obtaining a copy of the final, advertised budgets from the auditor before reporting the ESAC annually. A monthly audit of the separate fund housing federal funds shall be completed and approved by the sheriff. The treasurer opened a separate bank account for US DOJ funds and the interest shall be reviewed monthly with the auditor and immediate corrective action will be taken if errors are found.

Anticipated Completion Date: 06/01/2018

FINDING 2014-006

Contact Person Responsible for Corrective Action: Rebecca Baker
Contact Phone Number: 765-521-7033

Views of Responsible Official: *We concur with the finding*

Description of Corrective Action Plan:

Proof of compliance shall be required before any disbursement of funds are shared with participating agencies. A review of participating agencies shall be audited on a monthly basis and corrective action shall be taken immediately with reimbursement to the forfeiture fund housed in Henry County if any non-compliance is found.

Anticipated Completion Date: 06/01/2018

FINDING 2014-007

Contact Person Responsible for Corrective Action: Rebecca Baker
Contact Phone Number: 765-521-7033

Views of Responsible Official: *We concur with the finding.*

Description of Corrective Action Plan:

The Henry County Commissioners established a new county ordinance for separate funds. The Henry County Treasurer opened a separate bank account to store US DOJ Federal Forfeiture Funds for interest

that shall be recorded in the fund monthly. A log is now kept electronically at <https://systems.forfeiture.gov/AFMSPortal> and can be provided.

Anticipated Completion Date: 06/01/2018



(Signature)

Sheriff

(Title)

5/31/18

(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/>.