

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

FEDERAL SINGLE AUDIT REPORT
OF
HAMILTON COUNTY, INDIANA
January 1, 2014 to December 31, 2014



FILED
10/16/2015

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Dawn Coverdale	01-01-13 to 12-31-16
County Treasurer	Jennifer Templeton	01-01-13 to 12-31-16
Clerk of the Circuit Court	Peggy Beaver	01-01-11 to 12-31-14
	Tammy Baitz	01-01-15 to 12-31-18
County Sheriff	Mark Bowen	01-01-11 to 12-31-18
County Recorder	Mary Clark	01-01-11 to 12-31-14
	Jennifer Hayden	01-01-15 to 12-31-18
President of the Board of County Commissioners	Christine Altman	01-01-14 to 12-31-14
	Mark Heirbrandt	01-01-15 to 12-31-15
President of the County Council	Rick McKinney	01-01-14 to 12-31-14
	Paul Ayres	01-01-15 to 12-31-15



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

TO: THE OFFICIALS OF HAMILTON COUNTY, INDIANA

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Hamilton County (County), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 18, 2015. Our report includes a reference to other auditors who audited the financial statements of Riverview Hospital, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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


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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

June 18, 2015



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM; ON INTERNAL CONTROL OVER COMPLIANCE;
AND ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY OMB CIRCULAR A-133

TO: THE OFFICIALS OF HAMILTON COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the County complied in all material respects with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM; ON INTERNAL CONTROL OVER COMPLIANCE;
AND ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY OMB CIRCULAR A-133
(Continued)

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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


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

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated June 18, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM; ON INTERNAL CONTROL OVER COMPLIANCE;
AND ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY OMB CIRCULAR A-133
(Continued)

subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.


Paul D. Joyce, CPA
State Examiner

July 23, 2015, except for the Schedule of Expenditures of Federal Awards, for which the date is June 18, 2015

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

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

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>DEPARTMENT OF AGRICULTURE</u>			
Pass-Through Indiana Department of Education			
Child Nutrition Cluster			
School Breakfast Program	10.553	FY 2014	\$ 14,070
National School Lunch Program	10.555	FY 2014	<u>20,528</u>
Total for cluster			<u>34,598</u>
Total for federal grantor agency			<u>34,598</u>
<u>DEPARTMENT OF COMMERCE</u>			
Pass-Through Indiana Office of Technology Geographical Information Systems Division			
ARRA -State Broadband Data and Development Grant Program	11.558	18-50-M09003	<u>2,000</u>
Total for federal grantor agency			<u>2,000</u>
<u>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Direct Grant			
CDBG - Entitlement Grant Cluster			
Community Development Block Grant/Entitlement Grants	14.218	B-09-UC-18-0023	25,767
		B-10-UC-18-0023	36,762
		B-11-UC-18-0023	5,000
		B-12-UC-18-0023	159,427
		B-13-UC-18-0023	690,532
		B-14-UC-18-0023	<u>65,000</u>
Total for cluster			<u>982,488</u>
Total for federal grantor agency			<u>982,488</u>
<u>DEPARTMENT OF INTERIOR</u>			
Pass-Through Indiana Department of Natural Resources			
Fish and Wildlife Cluster			
Wildlife Restoration and Basic Hunter Education	15.611	W-32-S-19	<u>255,236</u>
Total for cluster			<u>255,236</u>
Pass-Through Indiana Department of Natural Resources			
Outdoor Recreation_Acquisiton, Development and Planning	15.916	18-00519	<u>10,894</u>
Total for federal grantor agency			<u>266,130</u>
<u>DEPARTMENT OF JUSTICE</u>			
Direct Grant			
Drug Court Discretionary Grant Program			
Adult Drug Court	16.585	2011-BX-0023	<u>205,045</u>
State Criminal Alien Assistance Program	16.606	2012 SCAAP 2013 SCAAP	<u>10,016</u> <u>5,399</u>
Total for program			<u>15,415</u>
JAG Program Cluster			
ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG)Program/Grants to Units of Local Government	16.804	2010-SB-B9-0024	<u>3,745</u>
Total for federal grantor agency			<u>224,205</u>
<u>DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation			
Highway Planning and Construction Cluster			
Highway Planning and Construction	20.205	0129770	59,609
		1383152	6,250
		1173460	346,567
		0810289	2,060
		0801287	3,024
		1383153	40,185
		1383155	39,305
		1383062	641
		0710992	<u>60,780</u>
Total for cluster			<u>558,421</u>

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

HAMILTON COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2014
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>DEPARTMENT OF TRANSPORTATION (continued)</u>			
Pass-Through Indiana Criminal Justice Institute			
Highway Safety Cluster			
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601		
Aggressive Driving Project		FY 2010 - FY 2015	1,835
DUI Task Force Enhancement Program		FY 2010 - FY 2015	69,342
Big City/Big County Enforcement Program		FY 2010 - FY 2015	98,995
Total for cluster			<u>170,172</u>
Direct Grant			
Airport Improvement Program	20.106		
		AIP 03-18-0103-23	31,486
		AIP 03-18-0103-24	367,200
		AIP 03-18-0103-25	120,896
Total for program			<u>519,582</u>
Pass-Through Indiana Department of Transportation			
Formula Grants for Rural Areas.	20.509	Transit 2014	<u>565,121</u>
Interagency Hazardous Material Public Sector Training and Planning Grants	20.703	C44P-4-426B	<u>16,000</u>
Total for federal grantor agency			<u>1,829,296</u>
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-Through National Association of County and City Health Officials			
Medical Reserve Corp Small Grant Program	93.008	MRC-13-0355	<u>2,840</u>
Pass-Through Indiana Department of Health			
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	5U90TP00521-2	<u>48,514</u>
Emergency System for Advanced Registration of Volunteer Health Professionals	93.089	A70-4-05322316	<u>5,835</u>
Pass-Through Indiana Department of Child Services			
Child Support Enforcement	93.563		
County Clerk's Child Support Expenditures		FY 2014	185,144
County Prosecutor's Child Support Expenditures		FY 2014	452,102
County Clerk's Child Support Incentive Expenditures		FY 2014	14,660
County Prosecutor's Child Support Incentive Expenditures		FY 2014	53,075
County Child Support Incentive Expenditures		FY 2014	75,874
Indirect Costs		FY 2014	213,770
Total for program			<u>994,625</u>
Total for federal grantor agency			<u>1,051,814</u>
<u>DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security			
Hazard Mitigation Grant	97.039	C44P-1-282A	<u>12,050</u>
Emergency Management Performance Grants	97.042		
		EP-00-0016	5,180
		C44P-5-030B	69,834
Total for program			<u>75,014</u>
Homeland Security Grant Program	97.067	EMW-2013-55-0017	<u>42,331</u>
State Homeland Security Program (SHSP)	97.073	FY 2012	<u>169,571</u>
Total for federal grantor agency			<u>298,966</u>
Total federal awards expended			<u>\$ 4,689,497</u>

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

HAMILTON COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the County and is presented in accordance with the cash and investment basis of accounting. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required.

Note 2. Subrecipients

Of the federal expenditures presented in the schedule, the County provided federal awards to subrecipients as follows for the year ended December 31, 2014:

Program Title	Federal CFDA Number	2014
Community Development Block Grants/Entitlement Grants	14.218	\$ 594,885
Formula Grants for Rural Areas	20.509	565,121
Highway Safety Cluster	20.601	152,611

HAMILTON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statements:

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

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of <i>OMB Circular A-133</i> ?	no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
20.106	Fish and Wildlife Cluster
20.509	Highway Planning and Construction Cluster
	Airport Improvement Program
	Formula Grants for Rural Areas

Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
Auditee qualified as low-risk auditee?	yes

Section II - Financial Statement Findings

No matters are reportable.

Section III - Federal Award Findings and Questioned Costs

No matters are reportable.