

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

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



**FILED**  
12/08/2016



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Sarah Bachman Randall Bills	01-01-11 to 12-31-14 01-01-15 to 12-31-18
County Treasurer	Robert Woodward	01-01-13 to 12-31-16
Clerk of the Circuit Court	Shirley Batt	01-01-13 to 12-31-16
County Sheriff	Claude C. Combs Roger L. Newlon	01-01-11 to 12-31-14 01-01-15 to 12-31-18
County Recorder	Kyra Stephenson	01-01-11 to 12-31-18
President of the Board of County Commissioners	Phillip D. Marshall	01-01-14 to 12-31-16
President of the County Council	David Hoar Jonathan Spaulding	01-01-14 to 12-31-14 01-01-15 to 12-31-16



## INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF WASHINGTON COUNTY, INDIANA

### **Report on the Financial Statement**

We have audited the accompanying financial statement of Washington 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 from 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 and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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

In accordance with *Government Auditing Standards*, we have also issued a report dated October 4, 2016, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

  
Paul D. Joyce, CPA  
State Examiner

October 4, 2016



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

TO: THE OFFICIALS OF WASHINGTON 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 Washington 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 October 4, 2016, wherein we noted the County followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

**Internal Control over Financial Reporting**

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

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statement is 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

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)


determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2014-001.

**Washington 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

October 4, 2016

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## FINANCIAL STATEMENT AND ACCOMPANYING NOTES

The financial statement and accompanying notes were approved by management of the County. The financial statement and notes are presented as intended by the County.

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

Fund	Cash and Investments 01-01-14	Receipts	Disbursements	Cash and Investments 12-31-14
After Settlement Collections	\$ 359,479	\$ 308,520	\$ 359,479	\$ 308,520
Sheriff's Inmate Trust	6,190	22,598	19,458	9,330
Jail Commissary	86,943	158,784	200,844	44,883
Clerk's Trust	1,096,428	2,660,128	3,010,723	745,833
General	265,482	5,232,577	5,286,096	211,963
Accident Report	4,219	1,623	2,440	3,402
CAGIT County Certified Shares	130,167	1,969,320	1,386,832	712,655
CEDIT County Share	342,457	717,225	628,628	431,054
CEDIT-Special Legislation	-	25,919	25,919	-
Child Restraint Violation Judgment	-	450	450	-
City and Town Court Costs	884	5,049	5,119	814
Clerk's Records Perpetuation	47,743	7,480	18,364	36,859
Community Corrections	-	660,885	660,885	-
Community Transition Program	-	54,865	54,865	-
Sales Disclosure-County Share	-	9,355	-	9,355
Cumulative Bridge	318,923	377,926	431,717	265,132
Cumulative Building Hospital	70,605	214,168	207,000	77,773
Cumulative Capital Development	145,787	327,706	176,992	296,501
Cumulative Jail	293,214	90	-	293,304
Drug Free Community	33,764	23,578	25,000	32,342
Emergency Medical Services	-	1,246,073	987,089	258,984
Emergency Planning/Right To Know	14,842	3,396	394	17,844
Emergency Telephone System	(7,220)	-	180	(7,400)
Firearms Training	77,418	11,951	19,357	70,012
Health	75,562	314,710	285,118	105,154
Identification Security Protection	39,932	2,042	15,313	26,661
Levy Excess	-	466	-	466
Local Health Maintenance	47,965	33,138	24,010	57,093
Local Road and Street	36,168	272,913	245,555	63,526
LOIT Public Safety-County Share	-	741,535	588,379	153,156
Motor Vehicle Highway	502,825	2,740,974	2,840,135	403,664
Park Nonreverting Operating	(45,317)	269,594	192,184	32,093
Plat Book	5,264	6,015	171	11,108
Rainy Day	19,412	3,173	3,322	19,263
Reassessment - 2015	391,521	272,743	372,170	292,094
Recorder's Records Perpetuation	62,987	40,357	23,325	80,019
Riverboat	334,391	461,396	370,619	425,168
Supplemental Public Defender Services	44,990	13,308	28,766	29,532
Surplus Tax	25,089	14,314	19,392	20,011
Surveyor's Corner Perpetuation	20,984	5,955	13,143	13,796
Tax Sale Redemption	3	51,857	51,860	-
Tax Sale Surplus	477,633	289,312	372,550	394,395
Tabacco Settlement - Local Health Department	7,605	19,068	15,316	11,357

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

WASHINGTON 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
GAL/CASA	25,475	-	25,475	-
County Elected Officials Training	1,323	2,041	500	2,864
Park And Recreation	(55,727)	55,727	-	-
County Offender Transportation	413	187	-	600
Statewide 911	5,908	302,163	311,613	(3,542)
Adult Probation Administrative	49,623	18,137	-	67,760
Supplemental Adult Probation Services	317,440	70,023	73,727	313,736
Supplemental Juvenile Probation Services	13,691	2,945	4,552	12,084
Law Enforcement Continuing Education	30,336	2,254	360	32,230
Sheriff Drug Investigation	37,131	40,000	86,590	(9,459)
Sheriff Sale Administration	23,773	17,635	12,300	29,108
Health Clinic	7,768	60,745	54,961	13,552
Jail Bond	-	665,796	665,000	796
Self-Insurance	6,555	280,888	237,949	49,494
Payroll Clearing	4,351	437,265	440,924	692
Settlement	-	21,472,366	21,472,366	-
Loit Public Safety	-	1,031,607	1,031,607	-
CVET Agency	-	112,021	112,021	-
Weed Lien Collections	-	3,637	3,637	-
Sewage Collections	-	937	1,461	(524)
Financial Institution Tax	-	93,549	93,549	-
CEDIT Homestead Credit	9,371	1,034,221	1,018,098	25,494
HEA 1001 State Homestead Credit	2,091	-	2,091	-
LOIT PTRC	-	1,047,387	1,004,253	43,134
State Fines and Forfeitures	-	1,150	1,075	75
Infraction Judgements	730	9,856	9,705	881
Overweight Vehicle Fines	-	30	30	-
Special Death Benefit	-	1,535	855	680
Sales Disclosure - State Share	423	3,370	3,393	400
Coroners Training and Continuing Education	171	2,101	2,128	144
Interstate Compact - State Share	11	1,317	1,322	6
Mortgage Recording Fees - State Share	183	2,134	2,155	162
Child Restraint Violations Fines	-	450	350	100
Inheritance Tax	1	9,462	-	9,463
Sales Tax Collections	3,214	7,726	8,893	2,047
Education Plate Fees Agency	19	487	506	-
Riverboat Revenue Sharing	26,127	167,422	167,674	25,875
Innkeepers Tax Collections	14	15,940	1,778	14,176
CAGIT Distribution	51	4,126,428	4,126,479	-
CEDIT Distribution	25,192	1,033,784	1,058,976	-
93.563 Prosecutor PCA	3,359	3,886	1,732	5,513
93.563 ARRA Prosecutor IV-D Incentive	3,706	-	3,640	66
93.563 Title IV-D Incentive	82,985	13,209	5,850	90,344
93.563 Prosecutor IV-D Incentive-Post Oct '99	39,252	19,872	51,873	7,251

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

WASHINGTON 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
93.563 Clerk IV-D Incentive	64,781	13,209	12,003	65,987
SRI/Commissioner Auction	-	6,011	6,011	-
Prosecutor Special Fees	-	3,015	3,015	-
Sheriff's Repeater Tower Fund	35,598	10,551	3,619	42,530
Coroner Fund	9,017	2,094	2,608	8,503
Community Corrections Home Detention	66,792	42,882	60,742	48,932
Washington County Prosecutor Investigation	7,537	3,816	5,000	6,353
County Correctional Fund	66,805	60,550	58,317	69,038
Nancy J Morris Fund	8,956	-	-	8,956
Community Service Restitution	37,604	14,258	12,939	38,923
Urine Screen Test	34,235	9,013	14,168	29,080
State Welfare Excise Allocation	-	745,621	745,621	-
State's Share of Delinquent Tax	-	28	28	-
Riley Trust Fund	31,975	-	-	31,975
Cumulative Park & Recreation	115,963	-	-	115,963
Hebron Cemetery Donation	1,772	-	-	1,772
R&F Motsinger Mahuron Estate	1,103	-	-	1,103
Standish Cemetery	2,471	-	-	2,471
Alcohol & Drug	4,452	39,424	43,876	-
Washington EDA-Industrial Park	201,403	82,942	2,858	281,487
Jury Pay Fund	18,391	1,243	5,204	14,430
Marijuana	21,653	5,463	-	27,116
Pre-Trial Prosecutor	5,035	17,801	18,609	4,227
County Law Enforcement Continuing Education	3,599	-	-	3,599
Build Washington County	4,133	-	-	4,133
Airport/Speedway	7,555	9,125	3,158	13,522
CEDIT Holding	-	26,064	-	26,064
Sheriff Drug Investigation 2014	-	18,594	-	18,594
Drug Free Community Support	147	-	147	-
Housing Rehab Fund	-	30,220	30,220	-
Bioterrorism/Health Fund	22	-	-	22
Public Health Coordinator Grant	2,910	-	2,910	-
HAVA Voting Machine Title III	9,483	-	-	9,483
Comm. Emg. Re. Team Sub-Grant	835	-	835	-
SHSP Grant	1,360	-	1,360	-
Washington County Plan Commission	14,847	-	1,346	13,501
Blue River Fire District Grant	52,400	313,135	365,535	-
Hazard Mitigation Grant	1	-	1	-
Grant Retainage Fund	29,723	9,777	39,500	-
Adult Protective Service	(15,618)	78,638	88,745	(25,725)
Totals	<u>\$ 6,846,239</u>	<u>\$ 53,307,700</u>	<u>\$ 52,598,982</u>	<u>\$ 7,554,957</u>

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

WASHINGTON COUNTY  
NOTES TO FINANCIAL STATEMENT

**Note 1. Summary of Significant Accounting Policies**

*A. Reporting Entity*

The County was established under the laws of the State of Indiana. The County operates under a Council-Commissioner form of government and provides some or all of the following services: public safety (police), highways and streets, health welfare and social services, culture and recreation, public improvements, planning and zoning, and general administrative services.

The accompanying financial statement presents the financial information for the County.

*B. Basis of Accounting*

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

*C. Cash and Investments*

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

*D. Receipts*

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Taxes, which can include one or more of the following: property tax, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeeper's tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the County.

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

WASHINGTON COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

Charges for services, which can include, but are not limited to, the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable TV receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Fines and forfeits, which include receipts derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Other receipts, which include amounts received from various sources including, but not limited to, the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution, or court order; internal service receipts; and fiduciary receipts.

*E. Disbursements*

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Personal services, which include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies, which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges, which include, but are not limited to, the following: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service - principal and interest, which includes fixed obligations resulting from financial transactions previously entered into by the County. It includes all expenditures for the reduction of the principal and interest of the County's general obligation indebtedness.

WASHINGTON COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

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

*F. Interfund Transfers*

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

*G. Fund Accounting*

Separate funds are established, maintained, and reported by the County. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the County. The money accounted for in a specific fund may only be available for use for certain, legally-restricted purposes. Additionally, some funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and, therefore, the funds cannot be used for any expenditures of the unit itself.

**Note 2. Budgets**

The operating budget is initially prepared and approved at the local level. The fiscal officer of the County submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

**Note 3. Property Taxes**

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the County in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

WASHINGTON COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 4. Deposits and Investments**

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana, at year end, should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the County to invest in securities including, but not limited to, the following: federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

**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

WASHINGTON COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*Funding Policy and Annual Pension Cost*

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

**B. County Police Retirement Plan**

*Plan Description*

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

*Funding Policy*

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

**C. County Police Benefit Plan**

*Plan Description*

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

*Funding Policy*

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

**Note 7. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash. This is a result of either disbursements exceeding receipts or grant funds being expended prior to being reimbursed. The reimbursement for expenditures made by the County were not received by December 31.

WASHINGTON COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 8. Holding Corporation**

The County has entered into a capital lease with Huntington Bank - Washington County Building Corporation (the lessor). The lessor was organized as a not-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 \$665,000.

**Note 9. Subsequent Events**

On May 18, 2016, Washington County sold \$6,785,000 of Ad Valorem Property Tax Lease Rental Bonds, Series 2016. The Bonds were to be used to finance the construction and expansion of the Courts Project.

On June 7, 2016, Washington County entered into an agreement with Koetter Construction, Inc., dba The Koetter Group, for the construction of the Courts Project. The amount of the contract was \$4,707,800.

#### OTHER INFORMATION - UNAUDITED

The County's Annual Financial Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the County's Annual Financial Report referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The other information presented was approved by management of the County. It is presented as intended by the County.

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

	After Settlement Collections	Sheriff's Inmate Trust	Jail Commissary	Clerk's Trust	General	Accident Report	CAGIT County Certified Shares
Cash and investments - beginning	\$ 359,479	\$ 6,190	\$ 86,943	\$ 1,096,428	\$ 265,482	\$ 4,219	\$ 130,167
Receipts:							
Taxes	308,520	-	-	-	3,628,908	-	-
Licenses and permits	-	-	-	-	20,004	-	-
Intergovernmental receipts	-	-	-	-	1,131,645	-	-
Charges for services	-	-	-	-	204,610	-	-
Fines and forfeits	-	-	-	-	64,217	-	-
Other receipts	-	22,598	158,784	2,660,128	183,193	1,623	1,969,320
Total receipts	<u>308,520</u>	<u>22,598</u>	<u>158,784</u>	<u>2,660,128</u>	<u>5,232,577</u>	<u>1,623</u>	<u>1,969,320</u>
Disbursements:							
Personal services	-	-	-	-	4,308,659	-	443,136
Supplies	-	-	-	-	184,427	-	-
Other services and charges	-	-	-	-	655,307	-	901,537
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	31,353	-	42,159
Other disbursements	359,479	19,458	200,844	3,010,723	106,350	2,440	-
Total disbursements	<u>359,479</u>	<u>19,458</u>	<u>200,844</u>	<u>3,010,723</u>	<u>5,286,096</u>	<u>2,440</u>	<u>1,386,832</u>
Excess (deficiency) of receipts over disbursements	<u>(50,959)</u>	<u>3,140</u>	<u>(42,060)</u>	<u>(350,595)</u>	<u>(53,519)</u>	<u>(817)</u>	<u>582,488</u>
Cash and investments - ending	<u>\$ 308,520</u>	<u>\$ 9,330</u>	<u>\$ 44,883</u>	<u>\$ 745,833</u>	<u>\$ 211,963</u>	<u>\$ 3,402</u>	<u>\$ 712,655</u>

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

	CEDIT County Share	CEDIT-Special Legislation	Child Restraint Violation Judgment	City and Town Court Costs	Clerk's Records Perpetuation	Community Corrections	Community Transition Program
Cash and investments - beginning	\$ 342,457	\$ -	\$ -	\$ 884	\$ 47,743	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	717,225	25,919	450	5,049	7,480	660,885	54,865
Total receipts	<u>717,225</u>	<u>25,919</u>	<u>450</u>	<u>5,049</u>	<u>7,480</u>	<u>660,885</u>	<u>54,865</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	42,500	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	586,128	-	-	-	-	-	-
Other disbursements	-	25,919	450	5,119	18,364	660,885	54,865
Total disbursements	<u>628,628</u>	<u>25,919</u>	<u>450</u>	<u>5,119</u>	<u>18,364</u>	<u>660,885</u>	<u>54,865</u>
Excess (deficiency) of receipts over disbursements	<u>88,597</u>	<u>-</u>	<u>-</u>	<u>(70)</u>	<u>(10,884)</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 431,054</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 814</u>	<u>\$ 36,859</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Sales Disclosure-County Share	Cumulative Bridge	Cumulative Building Hospital	Cumulative Capital Development	Cumulative Jail	Drug Free Community
Cash and investments - beginning	\$ -	\$ 318,923	\$ 70,605	\$ 145,787	\$ 293,214	\$ 33,764
Receipts:						
Taxes	-	327,340	195,486	298,401	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	32,053	18,682	29,214	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	9,355	18,533	-	91	90	23,578
Total receipts	9,355	377,926	214,168	327,706	90	23,578
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	127,672	-	111,791	-	25,000
Debt service - principal and interest	-	-	207,000	-	-	-
Capital outlay	-	304,045	-	65,201	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	431,717	207,000	176,992	-	25,000
Excess (deficiency) of receipts over disbursements	9,355	(53,791)	7,168	150,714	90	(1,422)
Cash and investments - ending	\$ 9,355	\$ 265,132	\$ 77,773	\$ 296,501	\$ 293,304	\$ 32,342

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

	Emergency Medical Services	Emergency Planning/Right To Know	Emergency Telephone System	Firearms Training	Health	Identification Security Protection
Cash and investments - beginning	\$ -	\$ 14,842	\$ (7,220)	\$ 77,418	\$ 75,562	\$ 39,932
Receipts:						
Taxes	-	-	-	-	260,095	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	25,459	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	1,246,073	3,396	-	11,951	29,156	2,042
Total receipts	<u>1,246,073</u>	<u>3,396</u>	<u>-</u>	<u>11,951</u>	<u>314,710</u>	<u>2,042</u>
Disbursements:						
Personal services	684,557	-	-	-	266,209	-
Supplies	96,014	-	-	-	2,664	-
Other services and charges	124,484	394	180	3,696	14,452	-
Debt service - principal and interest	27,937	-	-	-	-	-
Capital outlay	54,097	-	-	-	1,793	-
Other disbursements	-	-	-	15,661	-	15,313
Total disbursements	<u>987,089</u>	<u>394</u>	<u>180</u>	<u>19,357</u>	<u>285,118</u>	<u>15,313</u>
Excess (deficiency) of receipts over disbursements	<u>258,984</u>	<u>3,002</u>	<u>(180)</u>	<u>(7,406)</u>	<u>29,592</u>	<u>(13,271)</u>
Cash and investments - ending	<u>\$ 258,984</u>	<u>\$ 17,844</u>	<u>\$ (7,400)</u>	<u>\$ 70,012</u>	<u>\$ 105,154</u>	<u>\$ 26,661</u>

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

	Levy Excess	Local Health Maintenance	Local Road and Street	LOIT Public Safety-County Share	Motor Vehicle Highway	Park Nonreverting Operating
Cash and investments - beginning	\$ -	\$ 47,965	\$ 36,168	\$ -	\$ 502,825	\$ (45,317)
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	466	33,138	272,913	741,535	2,740,974	269,594
Total receipts	<u>466</u>	<u>33,138</u>	<u>272,913</u>	<u>741,535</u>	<u>2,740,974</u>	<u>269,594</u>
Disbursements:						
Personal services	-	14,706	-	134,431	1,157,757	75,846
Supplies	-	6,677	-	200,089	314,042	40,925
Other services and charges	-	1,029	245,555	251,275	271,718	58,609
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	1,598	-	2,584	1,096,618	16,804
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>24,010</u>	<u>245,555</u>	<u>588,379</u>	<u>2,840,135</u>	<u>192,184</u>
Excess (deficiency) of receipts over disbursements	<u>466</u>	<u>9,128</u>	<u>27,358</u>	<u>153,156</u>	<u>(99,161)</u>	<u>77,410</u>
Cash and investments - ending	<u>\$ 466</u>	<u>\$ 57,093</u>	<u>\$ 63,526</u>	<u>\$ 153,156</u>	<u>\$ 403,664</u>	<u>\$ 32,093</u>

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

	Plat Book	Rainy Day	Reassessment 2015	Recorder's Records Perpetuation	Riverboat	Supplemental Public Defender Services
Cash and investments - beginning	\$ 5,264	\$ 19,412	\$ 391,521	\$ 62,987	\$ 334,391	\$ 44,990
Receipts:						
Taxes	-	-	245,078	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	23,994	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	6,015	3,173	3,671	40,357	461,396	13,308
Total receipts	<u>6,015</u>	<u>3,173</u>	<u>272,743</u>	<u>40,357</u>	<u>461,396</u>	<u>13,308</u>
Disbursements:						
Personal services	-	-	143,618	-	-	17,982
Supplies	-	3,322	24,000	-	72,778	-
Other services and charges	-	-	204,167	23,325	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	297,841	-
Other disbursements	171	-	385	-	-	10,784
Total disbursements	<u>171</u>	<u>3,322</u>	<u>372,170</u>	<u>23,325</u>	<u>370,619</u>	<u>28,766</u>
Excess (deficiency) of receipts over disbursements	<u>5,844</u>	<u>(149)</u>	<u>(99,427)</u>	<u>17,032</u>	<u>90,777</u>	<u>(15,458)</u>
Cash and investments - ending	<u>\$ 11,108</u>	<u>\$ 19,263</u>	<u>\$ 292,094</u>	<u>\$ 80,019</u>	<u>\$ 425,168</u>	<u>\$ 29,532</u>

WASHINGTON 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	Tobacco Settlement - Local Health Department	GAL/CASA
Cash and investments - beginning	\$ 25,089	\$ 20,984	\$ 3	\$ 477,633	\$ 7,605	\$ 25,475
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	14,314	5,955	51,857	289,312	19,068	-
Total receipts	<u>14,314</u>	<u>5,955</u>	<u>51,857</u>	<u>289,312</u>	<u>19,068</u>	<u>-</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	15,316	-
Other services and charges	-	13,023	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	19,392	120	51,860	372,550	-	25,475
Total disbursements	<u>19,392</u>	<u>13,143</u>	<u>51,860</u>	<u>372,550</u>	<u>15,316</u>	<u>25,475</u>
Excess (deficiency) of receipts over disbursements	<u>(5,078)</u>	<u>(7,188)</u>	<u>(3)</u>	<u>(83,238)</u>	<u>3,752</u>	<u>(25,475)</u>
Cash and investments - ending	<u>\$ 20,011</u>	<u>\$ 13,796</u>	<u>\$ -</u>	<u>\$ 394,395</u>	<u>\$ 11,357</u>	<u>\$ -</u>

WASHINGTON 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	Park And Recreation	County Offender Transportation	Statewide 911	Adult Probation Administrative	Supplemental Adult Probation Services
Cash and investments - beginning	\$ 1,323	\$ (55,727)	\$ 413	\$ 5,908	\$ 49,623	\$ 317,440
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	2,041	55,727	187	302,163	18,137	70,023
Total receipts	2,041	55,727	187	302,163	18,137	70,023
Disbursements:						
Personal services	-	-	-	264,203	-	73,727
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	47,310	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	100	-	-
Other disbursements	500	-	-	-	-	-
Total disbursements	500	-	-	311,613	-	73,727
Excess (deficiency) of receipts over disbursements	1,541	55,727	187	(9,450)	18,137	(3,704)
Cash and investments - ending	\$ 2,864	\$ -	\$ 600	\$ (3,542)	\$ 67,760	\$ 313,736

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

	Supplemental Juvenile Probation Services	Law Enforcement Continuing Education	Sheriff Drug Investigation	Sheriff Sale Administration	Health Clinic	Jail Bond
Cash and investments - beginning	\$ 13,691	\$ 30,336	\$ 37,131	\$ 23,773	\$ 7,768	\$ -
Receipts:						
Taxes	-	-	-	-	-	607,735
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	58,061
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	2,945	2,254	40,000	17,635	60,745	-
Total receipts	<u>2,945</u>	<u>2,254</u>	<u>40,000</u>	<u>17,635</u>	<u>60,745</u>	<u>665,796</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	1,341	-	-	-	-	-
Other services and charges	3,211	360	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	665,000
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	86,590	12,300	54,961	-
Total disbursements	<u>4,552</u>	<u>360</u>	<u>86,590</u>	<u>12,300</u>	<u>54,961</u>	<u>665,000</u>
Excess (deficiency) of receipts over disbursements	<u>(1,607)</u>	<u>1,894</u>	<u>(46,590)</u>	<u>5,335</u>	<u>5,784</u>	<u>796</u>
Cash and investments - ending	<u>\$ 12,084</u>	<u>\$ 32,230</u>	<u>\$ (9,459)</u>	<u>\$ 29,108</u>	<u>\$ 13,552</u>	<u>\$ 796</u>

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

	Self-Insurance	Payroll Clearing	Settlement	Loit Public Safety	CVET Agency	Weed Lien Collections
Cash and investments - beginning	\$ 6,555	\$ 4,351	\$ -	\$ -	\$ -	\$ -
Receipts:						
Taxes	-	-	19,833,829	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	1,638,537	-	56,019	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	280,888	437,265	-	1,031,607	56,002	3,637
<b>Total receipts</b>	<b>280,888</b>	<b>437,265</b>	<b>21,472,366</b>	<b>1,031,607</b>	<b>112,021</b>	<b>3,637</b>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	237,949	440,924	21,472,366	1,031,607	112,021	3,637
<b>Total disbursements</b>	<b>237,949</b>	<b>440,924</b>	<b>21,472,366</b>	<b>1,031,607</b>	<b>112,021</b>	<b>3,637</b>
Excess (deficiency) of receipts over disbursements	42,939	(3,659)	-	-	-	-
Cash and investments - ending	\$ 49,494	\$ 692	\$ -	\$ -	\$ -	\$ -

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

	Sewage Collections	Financial Institution Tax	CEDIT Homestead Credit	HEA 1001 State Homestead Credit	LOIT PTRC	State Fines and Forfeitures
Cash and investments - beginning	\$ -	\$ -	\$ 9,371	\$ 2,091	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	49,038	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	937	44,511	1,034,221	-	1,047,387	1,150
Total receipts	<u>937</u>	<u>93,549</u>	<u>1,034,221</u>	<u>-</u>	<u>1,047,387</u>	<u>1,150</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	93,549	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	1,461	-	1,018,098	2,091	1,004,253	1,075
Total disbursements	<u>1,461</u>	<u>93,549</u>	<u>1,018,098</u>	<u>2,091</u>	<u>1,004,253</u>	<u>1,075</u>
Excess (deficiency) of receipts over disbursements	<u>(524)</u>	<u>-</u>	<u>16,123</u>	<u>(2,091)</u>	<u>43,134</u>	<u>75</u>
Cash and investments - ending	<u>\$ (524)</u>	<u>\$ -</u>	<u>\$ 25,494</u>	<u>\$ -</u>	<u>\$ 43,134</u>	<u>\$ 75</u>

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

	Infraction Judgements	Overweight Vehicle Fines	Special Death Benefit	Sales Disclosure - State Share	Coroners Training and Continuing Education	Interstate Compact - State Share
Cash and investments - beginning	\$ 730	\$ -	\$ -	\$ 423	\$ 171	\$ 11
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	9,856	30	1,535	3,370	2,101	1,317
Total receipts	9,856	30	1,535	3,370	2,101	1,317
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	9,705	30	855	3,393	2,128	1,322
Total disbursements	9,705	30	855	3,393	2,128	1,322
Excess (deficiency) of receipts over disbursements	151	-	680	(23)	(27)	(5)
Cash and investments - ending	\$ 881	\$ -	\$ 680	\$ 400	\$ 144	\$ 6

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

	Mortgage Recording Fees - State Share	Child Restraint Violations Fines	Inheritance Tax	Sales Tax Collections	Education Plate Fees Agency	Riverboat Revenue Sharing
Cash and investments - beginning	\$ 183	\$ -	\$ 1	\$ 3,214	\$ 19	\$ 26,127
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	2,134	450	9,462	7,726	487	167,422
Total receipts	<u>2,134</u>	<u>450</u>	<u>9,462</u>	<u>7,726</u>	<u>487</u>	<u>167,422</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	114,566
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	2,155	350	-	8,893	506	53,108
Total disbursements	<u>2,155</u>	<u>350</u>	<u>-</u>	<u>8,893</u>	<u>506</u>	<u>167,674</u>
Excess (deficiency) of receipts over disbursements	<u>(21)</u>	<u>100</u>	<u>9,462</u>	<u>(1,167)</u>	<u>(19)</u>	<u>(252)</u>
Cash and investments - ending	<u>\$ 162</u>	<u>\$ 100</u>	<u>\$ 9,463</u>	<u>\$ 2,047</u>	<u>\$ -</u>	<u>\$ 25,875</u>

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

	Innkeepers Tax Collections	CAGIT Distribution	CEDIT Distribution	93.563 Prosecutor PCA	93.563 ARRA Prosecutor IV-D Incentive	93.563 Title IV-D Incentive
Cash and investments - beginning	\$ 14	\$ 51	\$ 25,192	\$ 3,359	\$ 3,706	\$ 82,985
Receipts:						
Taxes	-	3,094,821	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	1,031,607	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	15,940	-	1,033,784	3,886	-	13,209
Total receipts	<u>15,940</u>	<u>4,126,428</u>	<u>1,033,784</u>	<u>3,886</u>	<u>-</u>	<u>13,209</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	1,778	4,126,479	1,058,976	1,732	3,640	5,850
Total disbursements	<u>1,778</u>	<u>4,126,479</u>	<u>1,058,976</u>	<u>1,732</u>	<u>3,640</u>	<u>5,850</u>
Excess (deficiency) of receipts over disbursements	<u>14,162</u>	<u>(51)</u>	<u>(25,192)</u>	<u>2,154</u>	<u>(3,640)</u>	<u>7,359</u>
Cash and investments - ending	<u>\$ 14,176</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,513</u>	<u>\$ 66</u>	<u>\$ 90,344</u>

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

	93.563 Prosecutor IV-D Incentive-Post Oct '99	93.563 Clerk IV-D Incentive	SRI/Commissioner Auction	Prosecutor Special Fees	Sheriff's Repeater Tower Fund	Coroner Fund
Cash and investments - beginning	\$ 39,252	\$ 64,781	\$ -	\$ -	\$ 35,598	\$ 9,017
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	19,872	13,209	6,011	3,015	10,551	2,094
Total receipts	<u>19,872</u>	<u>13,209</u>	<u>6,011</u>	<u>3,015</u>	<u>10,551</u>	<u>2,094</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	51,873	12,003	6,011	3,015	3,619	2,608
Total disbursements	<u>51,873</u>	<u>12,003</u>	<u>6,011</u>	<u>3,015</u>	<u>3,619</u>	<u>2,608</u>
Excess (deficiency) of receipts over disbursements	<u>(32,001)</u>	<u>1,206</u>	<u>-</u>	<u>-</u>	<u>6,932</u>	<u>(514)</u>
Cash and investments - ending	<u>\$ 7,251</u>	<u>\$ 65,987</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,530</u>	<u>\$ 8,503</u>

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

	Community Corrections Home Detention	Washington County Prosecutor Investigation	County Correctional Fund	Nancy J Morris Fund	Community Service Restitution	Urine Screen Test
Cash and investments - beginning	\$ 66,792	\$ 7,537	\$ 66,805	\$ 8,956	\$ 37,604	\$ 34,235
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	42,882	3,816	60,550	-	14,258	9,013
Total receipts	42,882	3,816	60,550	-	14,258	9,013
Disbursements:						
Personal services	40,942	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	19,800	-	-	-	-	14,168
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	58,317	-	-	-
Other disbursements	-	5,000	-	-	12,939	-
Total disbursements	60,742	5,000	58,317	-	12,939	14,168
Excess (deficiency) of receipts over disbursements	(17,860)	(1,184)	2,233	-	1,319	(5,155)
Cash and investments - ending	\$ 48,932	\$ 6,353	\$ 69,038	\$ 8,956	\$ 38,923	\$ 29,080

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

	State Welfare Excise Allocation	State's Share of Delinquent Tax	Riley Trust Fund	Cumulative Park & Recreation	Hebron Cemetery Donation	R&F Motsinger Mahuron Estate
Cash and investments - beginning	\$ -	\$ -	\$ 31,975	\$ 115,963	\$ 1,772	\$ 1,103
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	745,621	28	-	-	-	-
Total receipts	745,621	28	-	-	-	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	745,621	28	-	-	-	-
Total disbursements	745,621	28	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ 31,975	\$ 115,963	\$ 1,772	\$ 1,103

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

	Standish Cemetery	Alcohol & Drug	Washington EDA-Industrial Park	Jury Pay Fund	Marijuana	Pre-Trial Prosecutor
Cash and investments - beginning	\$ 2,471	\$ 4,452	\$ 201,403	\$ 18,391	\$ 21,653	\$ 5,035
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	39,424	82,942	1,243	5,463	17,801
Total receipts	-	39,424	82,942	1,243	5,463	17,801
Disbursements:						
Personal services	-	-	-	-	-	4,000
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	3,451	-	4,760
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	9,849
Other disbursements	-	43,876	2,858	1,753	-	-
Total disbursements	-	43,876	2,858	5,204	-	18,609
Excess (deficiency) of receipts over disbursements	-	(4,452)	80,084	(3,961)	5,463	(808)
Cash and investments - ending	\$ 2,471	\$ -	\$ 281,487	\$ 14,430	\$ 27,116	\$ 4,227

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

	County Law Enforcement Continuing Education	Build Washington County	Airport/Speedway	CEDIT Holding	Sheriff Drug Investigation 2014	Drug Free Community Support
Cash and investments - beginning	\$ 3,599	\$ 4,133	\$ 7,555	\$ -	\$ -	\$ 147
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	9,125	26,064	18,594	-
Total receipts	-	-	9,125	26,064	18,594	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	3,158	-	-	147
Total disbursements	-	-	3,158	-	-	147
Excess (deficiency) of receipts over disbursements	-	-	5,967	26,064	18,594	(147)
Cash and investments - ending	<u>\$ 3,599</u>	<u>\$ 4,133</u>	<u>\$ 13,522</u>	<u>\$ 26,064</u>	<u>\$ 18,594</u>	<u>\$ -</u>

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

	Housing Rehab Fund	Bioterrorism/Health Fund	Public Health Coordinator Grant	HAVA Voting Machine Title III	Comm. Emg. Re. Team Sub-Grant	SHSP Grant
Cash and investments - beginning	\$ -	\$ 22	\$ 2,910	\$ 9,483	\$ 835	\$ 1,360
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	30,220	-	-	-	-	-
Total receipts	30,220	-	-	-	-	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	30,220	-	2,910	-	835	1,360
Total disbursements	30,220	-	2,910	-	835	1,360
Excess (deficiency) of receipts over disbursements	-	-	(2,910)	-	(835)	(1,360)
Cash and investments - ending	\$ -	\$ 22	\$ -	\$ 9,483	\$ -	\$ -

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

	Washington County Plan Commission	Blue River Fire District Grant	Hazard Mitigation Grant	Grant Retainage Fund	Adult Protective Service	Totals
Cash and investments - beginning	\$ 14,847	\$ 52,400	\$ 1	\$ 29,723	\$ (15,618)	\$ 6,846,239
Receipts:						
Taxes	-	-	-	-	-	28,800,213
Licenses and permits	-	-	-	-	-	20,004
Intergovernmental receipts	-	-	-	-	-	4,094,309
Charges for services	-	-	-	-	-	204,610
Fines and forfeits	-	-	-	-	-	64,217
Other receipts	-	313,135	-	9,777	78,638	20,124,347
Total receipts	-	313,135	-	9,777	78,638	53,307,700
Disbursements:						
Personal services	-	-	-	-	74,260	7,704,033
Supplies	-	-	-	-	681	962,276
Other services and charges	-	-	-	-	13,624	3,390,513
Debt service - principal and interest	-	-	-	-	-	899,937
Capital outlay	-	-	-	-	180	2,568,667
Other disbursements	1,346	365,535	1	39,500	-	37,073,556
Total disbursements	1,346	365,535	1	39,500	88,745	52,598,982
Excess (deficiency) of receipts over disbursements	(1,346)	(52,400)	(1)	(29,723)	(10,107)	708,718
Cash and investments - ending	\$ 13,501	\$ -	\$ -	\$ -	\$ (25,725)	\$ 7,554,957

WASHINGTON COUNTY  
SCHEDULE OF PAYABLES AND RECEIVABLES  
December 31, 2014

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ <u>206,294</u>	\$ <u>-</u>

WASHINGTON COUNTY  
SCHEDULE OF LEASES AND DEBT  
December 31, 2014

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Critical Care Access/WCMH	Modernization of County Hospital	\$ 207,000	7/25/1996	7/25/2016
Huntington Bank - Washington County Building Corporation	Jail Bond	665,000	8/1/2013	2/1/2033
John Jones, GMC	2014 Chevrolet Silverado	8,587	2/8/2014	12/15/2016
CrossRoads Ambulance Sales and Service, LLC	2012 Ford Ambulance Lease 12166	30,520	7/18/2014	6/18/2016
CrossRoads Ambulance Sales and Service, LLC	2014 Ford Ambulance Lease 12197	<u>22,286</u>	5/13/2014	5/13/2017
Total governmental activities		<u>933,393</u>		
Total of annual lease payments		<u>\$ 933,393</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
Notes and loans payable	Ambulance Operating Loan	\$ 196,745	\$ 52,389
Notes and loans payable	County Phone System	50,254	40,000
Notes and loans payable	Case Tractors (3)	57,632	24,720
Notes and loans payable	Highway Heavy Equipment	<u>47,313</u>	<u>48,466</u>
Total governmental activities		<u>155,199</u>	<u>113,186</u>
Totals		<u>\$ 155,199</u>	<u>\$ 113,186</u>

WASHINGTON 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	\$ 944,994
Infrastructure	22,722,004
Buildings	16,376,939
Improvements other than buildings	3,440,208
Machinery, equipment, and vehicles	5,365,037
Total governmental activities	48,849,182
Total capital assets	\$ 48,849,182

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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

TO: THE OFFICIALS OF WASHINGTON COUNTY, INDIANA

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

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

**Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2014-003, 2014-004, and 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.

**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.

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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2014-002, 2014-003, 2014-004, and 2014-005 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

October 4, 2016

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>Department of Commerce</u>				
ARRA - State Broadband Data and Development Grant Program	Indiana Office of Technology	11.558		
GIS			2014	\$ 2,000
<u>Department of Housing and Urban Development</u>				
CDBG - State-Administered CDBG Cluster		14.228		
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	Indiana Office of Community & Rural Affairs		CF-12-121	229,459
Blue River Fire District	Indiana Housing and Community Development Authority		HD-011-013	5,000
Homeowner Repair and Improvement	Indiana Housing and Community Development Authority		HD-013-005	25,220
Homeowner Repair and Improvement				<u>259,679</u>
Total - CDBG - State-Administered CDBG Cluster				<u>259,679</u>
Total - Department of Housing and Urban Development				<u>259,679</u>
<u>Department of Justice</u>				
Equitable Sharing Program	Direct Grant	16.922		
Equitable Sharing Program			2014	<u>69,678</u>
<u>Department of Transportation</u>				
Highway Planning and Construction Cluster				
Highway Planning and Construction	Indiana Department of Transportation	20.205		
Bridge Inspection			DES#9982610	<u>9,393</u>
Total - Highway Planning and Construction Cluster				<u>9,393</u>
Total - Department of Transportation				<u>9,393</u>
<u>Department of Health and Human Services</u>				
Child Support Enforcement	Indiana Department of Child Services	93.563		
Prosecutor Incentive			2014	51,873
Clerks Incentive			2014	12,003
Title IV-D Incentive			2014	5,850
Prosecutor Expenditures			2014	188,977
County Court			2014	13,174
Clerk Expenditures			2014	23,960
Indirect Costs			2014	<u>60,074</u>
Total - Child Support Enforcement				<u>355,911</u>
ARRA - Child Support Enforcement	Indiana Department of Child Services	93.563		
Prosecutor ARRA			2014	<u>3,640</u>
Total - ARRA - Child Support Enforcement				<u>3,640</u>
Total - Department of Health and Human Services				<u>359,551</u>
<u>Department of Homeland Security</u>				
Emergency Management Performance Grants	Indiana Department of Homeland Security	97.042		
2013 EMPG Salary			C44P-5-086B	5,177
2013 EMPG Projects			C44P-4-404B	<u>17,750</u>
Total - Department of Homeland Security				<u>22,927</u>
Total federal awards expended				<u>\$ 723,228</u>

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

WASHINGTON 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.

**Note 3. Subrecipients**

Of the federal expenditures presented in the SEFA, 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/State's program and Non-Entitlement Grants in Hawaii	14.228	\$ 30,220

WASHINGTON 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:	Unmodified
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:

CFDA Number	Name of Federal Program or Cluster
93.563	CDBG - State-Administered CDBG Cluster 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 - PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

*Condition*

The County did not have a system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA).

The SEFA contained the following errors:

1. Two federal programs were excluded.

WASHINGTON COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

2. The SEFA was understated in the amount of \$33,676.
3. Several program titles and project numbers were incorrect.

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

*Criteria*

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

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 14)

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 section .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.
- (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.

WASHINGTON COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

- (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 controls that would have ensured accurate and complete reporting of the federal expenditures on the SEFA.

*Effect*

Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA remained undetected.

*Views of Responsible Officials*

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

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

**FINDING 2014-002 - DAVIS-BACON ACT**

Federal Agency: Department of Housing and Urban Development  
Federal Program: Community Development Block Grants/State's program  
and Non-Entitlement Grants in Hawaii  
CFDA Number: 14.228  
Federal Award Number and Year (or Other Identifying Number): CF-12-121  
Pass-Through Entity: Indiana Office of Community and Rural Affairs

*Condition*

Management of the County had not established an effective internal control system, which would have included segregation of duties, related to the grant agreement and the requirements related to the Davis-Bacon Act.

The County did not have controls to verify that the grant administrator had properly communicated with the contractor and subcontractors regarding the required prevailing wage rates and other Davis-Bacon Act requirements.

*Context*

The County relied solely on the grant administrator to ensure compliance with all the Davis-Bacon Act requirements and no controls were identified to indicate that anyone at the County was verifying that the grant administrator was performing those functions.

WASHINGTON COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*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 would have ensured that the County complied with the compliance requirements related to the Davis-Bacon Act.

*Effect*

The failure to establish an effective internal control system placed the County at risk of noncompliance with the grant agreement and the compliance requirement. A lack of segregation of duties within an internal control system could have also allowed noncompliance with 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 and implement controls related to the grant agreement and requirements pertaining to the Davis-Bacon Act.

*Views of Responsible Officials*

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

***FINDING 2014-003 - SUBRECIPIENT MONITORING***

Federal Agency: Department of Housing and Urban Development  
Federal Program: Community Development Block Grants/State's program  
and Non-Entitlement Grants in Hawaii

CFDA Number: 14.228

Federal Award Numbers and Years (or Other Identifying Numbers): HD-011-013, HD-013-005

Pass-Through Entity: Indiana Housing and Community Development Authority

*Condition*

Management of the County had not established an effective internal control system which would have ensured compliance with the Subrecipient Monitoring compliance requirement.

WASHINGTON COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

The County passed through \$30,220 of Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii (CDBG) program funds to a subrecipient. The subrecipient notified the County by phone to inform it that they should have received funds from the State pass-through agency, Indiana Housing and Community Development Authority. County officials verified the deposit of these funds. The amount deposited was then disbursed to the subrecipient without any supporting documentation.

The County did not have any policies and procedures in place to monitor the subrecipient, and no actual monitoring occurred.

The County did not ensure that their subrecipient obtained the required audits, nor did they obtain or review the audit reports so that they could take appropriate and timely action, if required.

The County did not obtain from or require that the subrecipient to provide its DUNS number.

*Context*

During the audit period there was no documentation of controls or evidence to indicate that the County was actively monitoring the subrecipients.

*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. . . ."

OMB Circular A-133, Subpart D, section .400 states in part:

"Pass-through entity responsibilities: A pass-through entity shall perform the following for the Federal awards it makes: . . .

- (3) Monitor the activities of subrecipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.
- (4) Ensure that subrecipients expending \$300,000 (*\$500,000 for fiscal years ending after December 31, 2003*) or more in Federal awards during the subrecipient's fiscal year have met the audit requirements of this part for that fiscal year.
- (5) Issue a management decision on audit findings within six months after receipt of the subrecipient's audit report and ensure that the subrecipient takes appropriate and timely corrective action. . . ."

2 CFR Appendix A to Part 25.360(B) states:

"If you are authorized to make subawards under this award, you:

1. Must notify potential subrecipients that no entity (*see definition in paragraph C of this award term*) may receive a subaward from you unless the entity has provided its DUNS number to you.

WASHINGTON COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

2. May not make a subaward to an entity unless the entity has provided its DUNS number to you."

*Cause*

Management had not developed a system of internal controls that would have ensured that the County complied with the requirements for Subrecipient Monitoring.

*Effect*

The failure to establish internal controls enabled material noncompliance to go undetected. Non-compliance of the grant agreement or the Subrecipient Monitoring requirements that have a direct and material effect to the program 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 and implement controls related to the grant agreement and the requirements for Subrecipient Monitoring.

*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 - ALLOWABLE COSTS/COST PRINCIPLES***

Federal Agency: Department of Health and Human Services  
Federal Programs: Child Support Enforcement, ARRA - Child Support Enforcement  
CFDA Number: 93.563  
Federal Award Number and Year (or other Identifying Number): 2014  
Pass-Through Agency: Indiana Department of Child Services

*Condition*

Management of the County had not established an effective internal control system over the requirements relating to Allowable Costs/Cost Principles.

The County Prosecuting Attorney's office was required to maintain Semi-Annual Certifications (time and effort reports) for all full and part-time employees paid from the grant. There were no Semi-Annual Certifications completed for the five full-time employees that worked solely on IV-D activities during the audit period.

*Context*

No Semi-Annual Certifications were completed for the five full-time employees working solely on IV-D activities during the audit period.

WASHINGTON COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*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. . . ."

OMB Circular A-87, Attachment B, item 8(h)(3), states:

"Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee."

*Cause*

The IV-D Administrator was not aware of the requirements for maintaining Semi-Annual Certifications.

*Effect*

The failure to establish internal controls enabled material noncompliance to go undetected. Non-compliance of the grant agreement or the Allowable Costs/Cost Principles requirements that have a direct and material effect to the program 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 Prosecuting Attorney's office establish controls, including segregation of duties, related to the grant agreement and requirements pertaining to Allowable Costs/Cost Principles.

*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 - EQUIPMENT AND REAL PROPERTY MANAGEMENT**

Federal Agency: Department of Health and Human Services  
Federal Programs: Child Support Enforcement, ARRA - Child Support Enforcement  
CFDA Number: 93.563  
Federal Award Number and Year (or other Identifying Number): 2014  
Pass-Through Agency: Indiana Department of Child Services

WASHINGTON COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Condition*

Management of the County had not established an effective internal control system over the requirements relating to Equipment and Real Property Management.

County officials did not have controls in place to ensure that capital assets purchased with federal funds were properly accounted for and capital assets purchased with IV-D funds through the County Prosecuting Attorney's office were not included on the County's capital assets records.

*Context*

During the audit period 100 percent of the equipment purchased with IV-D funds through the County Prosecuting Attorney's office was not included on the County's capital asset records.

*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. . . ."

45 CFR 92.32(d) states:

"*Management requirements.* Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part with grant funds, until disposition takes place will, as a minimum, meet the following requirements:

- (1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
- (2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.
- (3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft shall be investigated.
- (4) Adequate maintenance procedures must be developed to keep the property in good condition.
- (5) If the grantee or subgrantee is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return."

*Cause*

The Title IV-D Administrator in the County Prosecuting Attorney's office was not completing the County's required form used to identify capital asset purchases.

WASHINGTON COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Effect*

The failure to establish internal controls enabled material noncompliance to go undetected. Non-compliance of the grant agreement or the Equipment and Real Property Management requirements that have a direct and material effect to the program 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 Prosecuting Attorney's office establish and implement controls related to the grant agreement and the requirements pertaining to Equipment and Real Property Management.

*Views of Responsible Officials*

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

#### AUDITEE-PREPARED DOCUMENTS

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

# Washington County Auditor



County Est. 1814

Randall Bills, Auditor

99 Public Square, Suite 103 ~ Salem, IN 47167

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### **FINDING 2013-003 - SUB RECIPIENT MONITORING**

*Fiscal year in which the finding initially occurred: 2013*

*Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Housing  
And Community Development Authority*

*Contact Person Responsible for Corrective Action: Randall Bills*

*Contact Phone Number : (812) 883-4805*

#### *Status of Audit Finding:*

This grant has been completed and another one has been granted to Hoosier Uplands.

*Randall Bills*  
\_\_\_\_\_  
(Signature)

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

*August 29, 2016*  
\_\_\_\_\_  
(Date)

# Washington County Auditor



County Est. 1814

Randall Bills, Auditor

99 Public Square, Suite 103 ~ Salem, IN 47167

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### **FINDING 2013-004 - DAVIS-BACON ACT**

*Fiscal year in which the finding initially occurred:* 2013

*Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct:* Indiana Office of Community and Rural Affairs.

*Contact Person Responsible for Corrective Action:* Randall Bills

*Contact Phone Number:* (812) 883-4805

Status of Audit Finding:

This grant has been completed and we are awaiting final audit report for the project.

*Randall Bills*  
\_\_\_\_\_  
(Signature)

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

*August 29, 2016*  
\_\_\_\_\_  
(Date)

Washington County Auditor



County Est. 1814

Randall Bills, Auditor

99 Public Square, Suite 103 ~ Salem, IN 47167

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**FINDING 2013-005 - REPORTING CHILD SUPPORT**

*Fiscal year in which the finding initially occurred:* 2013

*Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct:* Indiana Department of Child Services

*Contact Person Responsible for Corrective Action:* Randall Bills

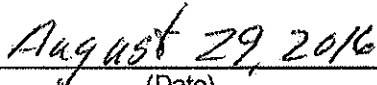
*Contact Phone Number:* (812) 883-4805

Status of Audit Finding:

This program is ongoing. The administrator has been informed of the prior errors in reporting which have been corrected. A corrective action plan has been implemented for proper reporting to the Auditor.

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

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

  
\_\_\_\_\_  
(Date)

# Washington County Auditor



County Est. 1814

Randall Bills, Auditor

99 Public Square, Suite 103 ~ Salem, IN 47167

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### **FINDING 2013-006 - INTERNAL CONTROLS OVER ACTIVITIES ALLOWED OR UNALLOWED AND ALLOWABLE COSTS/COST PRINCIPLES FOR CHILD SUPPORT**

*Fiscal year in which the finding initially occurred:* 2013

*Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct:* Indiana Department of Child Services

*Contact Person Responsible for Corrective Action:* Randall Bills

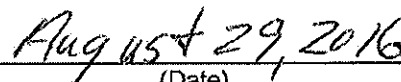
*Contact Phone Number:* (812) 883-4805

#### Status of Audit Finding:

This is an ongoing program. The administrator has been informed of the deficiencies for this program and a corrective action plan has been implemented.

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

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

  
\_\_\_\_\_  
(Date)

# Washington County Auditor



County Est. 1814

Randall Bills, Auditor

99 Public Square, Suite 103 ~ Salem, IN 47167

## CORRECTIVE ACTION PLAN

### FINDING 2014-001- PREPARATION OF SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Contact Person Responsible for Corrective Action: Randall Bills

Contact Phone Number: 812-883-4805

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

**Description of Corrective Action Plan:**

An internal control system plan will be prepared for proper preparation of all SEFA awards to insure accurate and complete reporting of federal programs.

**Anticipated Completion Date:** December 31, 2016

*Randall Bills*

(Signature)

*Auditor*

(Title)

*September 22, 2016*

(Date)

# Washington County Auditor



County Est. 1814

Randall Bills, Auditor

99 Public Square, Suite 103 ~ Salem, IN 47167

## CORRECTIVE ACTION PLAN

### FINDING 2014-002- DAVIS BACON

Contact Person Responsible for Corrective Action: Randall Bills

Contact Phone Number: 812-883-4805

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

#### Description of Corrective Action Plan:

An internal control system plan will be prepared for proper segregation of duties, related to block grant agreement and compliance of federal requirements for Davis Bacon.

**Anticipated Completion Date:** December 31, 2016

Randall Bills  
(Signature)

Auditor  
(Title)

September 22, 2016  
(Date)

# Washington County Auditor



County Est. 1814

Randall Bills, Auditor

99 Public Square, Suite 103 ~ Salem, IN 47167

## CORRECTIVE ACTION PLAN

### FINDING 2014-003- SUBRECIPIENT MONITORING

Contact Person Responsible for Corrective Action: Randall Bills

Contact Phone Number: 812-883-4805

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

**Description of Corrective Action Plan:**

An internal control system plan will be prepared for proper subrecipient monitoring of duties, related to grant agreement, subrecipient agreement and compliance with federal requirements..

**Anticipated Completion Date:** December 31, 2016

Randall Bills  
(Signature)

Auditor  
(Title)

September 22, 2016  
(Date)

**OFFICE OF THE PROSECUTING ATTORNEY**

DUSTIN L. HOUCHIN  
Prosecuting Attorney

BLAINE S. GOODE  
Chief Deputy Prosecuting Attorney

MELISSA CAMPBELL  
Deputy Prosecuting Attorney



42<sup>nd</sup> JUDICIAL CIRCUIT  
WASHINGTON COUNTY, INDIANA  
812-883-8560  
FAX: 812-883-4333

Mailing Address:

806 Martinsburg Rd., Suite 202  
Salem, Indiana 47167

September 13, 2016

**FINDING 2014-004 – Allowable Costs/Cost Principles**

Federal Agency: U. S. Department of Health and Human Services

Federal Program: Child Support Enforcement

CFDA Number: 93.563

Federal Award Number and Year (or other Identifying Number): 2014

Pass-Through Agency: Indiana Department of Child Services

**CORRECTIVE ACTION PLAN**

Washington County Prosecuting Attorney Office – IV-D

Dustin Houchin, Prosecuting Attorney

Janet Moore, IV-D Administrator

812-883-6569

On August 8, 2016, the IV-D Administrator met with Phyllis Moffatt, State Auditor to discuss and address the maintaining records of periodic certifications required for all full-time employees working solely on IV-D activities.

**DESCRIPTION OF CORRECTIVE ACTION PLAN**

The Administrator has always maintained copies of the payroll records for the IV-D employees however was unaware that (time and effort reports) were to be maintained as a permanent record. The Administrator is now aware of the forms to complete and to submit semi-annually to the FSSA/Child Support Bureau as well as maintaining a copy of document in local records.

**ANTICIPATED COMPLETION DATE**

Washington County anticipates this corrective action plan to be ongoing exercise to complete every six months as notified by the FSSA Child Support Bureau. The Administrator had been completing and submitting the report; however, had failed to maintain a copy of the local records.

**FINDING 2014-005 –EQUIPMENT AND REAL PROPERTY MANAGEMENT**

Federal Agency: U. S. Department of Health and Human Services

Federal Program: Child Support Enforcement

CFDA Number: 93.563

Federal Award Number and Year (or other Identifying Number): 2014

Pass-Through Agency: Indiana Department of Child Services

**CORRECTIVE ACTION PLAN**

Washington County Prosecuting Attorney Office – IV-D

Dustin Houchin, Prosecuting Attorney

Janet Moore, IV-D Administrator

812-883-6569

On August 8, 2016, the IV-D Administrator met with Phyllis Moffatt, State Auditor to address and discuss the proper procedure to maintain capital assets record keeping as well as what constitutes as a capital asset.

**DESCRIPTION OF CORRECTIVE ACTION PLAN**

The Administrator is updated on how a capital asset is defined, and how to maintain the records pursuant to the grant agreement and the compliance requirements. As of August 8, 2016 and with the assistance of Phyllis Moffatt, the IV-D asset records have been updated and submitted to the local Auditor's Office to ensure asset records are current.

**ANTICIPATED COMPLETION DATE**

Once again Washington County anticipates this corrective action plan to be ongoing exercise to be completed every time a capital asset is purchased or disposed of by completing the asset worksheet provided by the local Auditor Office.

REVIEWED BY:



Dustin Houchin, Prosecutor  
Washington County

DATED: 9-13-16

#### 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/>.