



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

B47311

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2765

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

December 13, 2016

Mayor Joe Hogsett  
200 East Washington St., Suite 2501  
Indianapolis, IN 46204

We have reviewed the Annual Financial and Single Audit audit reports prepared by BKD LLP, independent public accountants, for the period January 1, 2015 to December 31, 2015. In our opinion, the audit reports were prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Auditor's Report, the financial statements included in the Annual Financial Report present fairly the financial condition of Marion County, as of December 31, 2015, and the results of its operations for the period then ended, on the basis of accounting described in the report.

We call your attention to the findings in the Single Audit Report. Findings 2015-001 through 2015-004 are material weaknesses in internal control over financial reporting and are referenced in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* which is included in the Single Audit Report.

The audit reports are filed with this letter in our office as a matter of public record.

A handwritten signature in blue ink that reads "Paul D. Joyce".

Paul D. Joyce, CPA  
State Examiner



# ***MARION COUNTY, INDIANA***

(Component Unit of the Consolidated City of Indianapolis – Marion County)

## **ANNUAL FINANCIAL REPORT**

For the Year  
Ended December 31, 2015



# **MARION COUNTY, INDIANA**

(Component Unit of the Consolidated City of Indianapolis – Marion County)

---

## **ANNUAL FINANCIAL REPORT**

---

For the Year  
Ended December 31, 2015



# TABLE OF CONTENTS

**Page(s)**

Introductory Section (Unaudited):

Schedule of Elected Officials, Department Heads, City-County Council Members, and Judiciary ..... 1-2

Marion County Organization Chart .....3

Financial Section:

Independent Auditor’s Report..... 4-6

Basic Financial Statements:

Government-wide Financial Statement:

Statement of Cash Receipts, Cash Disbursements and Changes in Cash, Cash Equivalents  
and Investments– Government-wide.....7

Fund Financial Statements:

Governmental Funds:

Statement of Cash Receipts, Cash Disbursements and Changes in Cash, Cash Equivalents  
and Investments – Governmental Funds.....8

Reconciliation of the Cash, Cash Equivalents and Investments – End of Year per the Statement  
of Cash Receipts, Cash Disbursements and Changes in Cash, Cash Equivalents and  
Investments – Governmental Funds to Cash, Cash Equivalents and Investments – End of  
Year per the Statement of Cash Receipts, Cash Disbursements and Changes in Cash, Cash  
Equivalents and Investments – Government-wide.....9

Reconciliation of the Excess (Deficiency) of Receipts and Other Financing Sources  
Over (Under) Disbursements and Other Financing Uses per the Statement of Cash  
Receipts, Cash Disbursements, and Changes in Cash, Cash Equivalents and Investments –  
Governmental Funds to the Change in Cash, Cash Equivalents and Investments per the  
Statement of Cash Receipts, Cash Disbursements and Changes in Cash, Cash Equivalents  
and Investments – Government-wide.....9

Proprietary Funds:

Statement of Cash Receipts, Cash Disbursements and Changes in Cash, Cash Equivalents  
and Investments – Proprietary Funds.....10

Fiduciary Funds:

Statement of Additions, Deductions, and Changes in Cash, Cash Equivalents and  
Investments – Fiduciary Funds ..... 11

Notes to the Basic Financial Statements ..... 12-28

**TABLE OF CONTENTS (continued)**

**Page(s)**

Other Information (Unaudited):

Budgetary Comparison Information – Schedule of Cash Receipts and Cash Disbursements –  
Budget and Actual – General Fund.....29

Budgetary Comparison Information – Schedule of Cash Receipts and Cash Disbursements –  
Budget and Actual – Public Safety Income Tax Fund .....30

Notes to the Other Information..... 31-32

Combining and Individual Fund Financial Statements and Schedules – Other Supplementary Information:

Combining Statement of Cash Receipts, Cash Disbursements and Changes in Cash, Cash Equivalents  
and Investments – Nonmajor Special Revenue Funds ..... 33-34

Schedules of Cash Receipts and Cash Disbursements – Budget and Actual – Special Revenue  
Funds – Nonmajor (Unaudited).....35-41

Combining Statement of Cash Receipts, Cash Disbursements and Changes in Cash, Cash Equivalents  
and Investments – Nonmajor Debt Service Funds .....42

Combining Statement of Cash Receipts, Cash Disbursements and Changes in Cash, Cash Equivalents  
and Investments – Nonmajor Capital Project Funds .....43

Schedules of Cash Receipts and Cash Disbursements – Budget and Actual – Capital Projects  
Funds – Nonmajor (Unaudited).....44

Combining Statement of Additions, Deductions, and Changes in Cash, Cash Equivalents and  
Investments – Pension Trust Fund.....45

Combining Statement of Additions, Deductions, and Changes in Cash, Cash Equivalents and  
Investments – Agency Funds.....46

## 2015 County Elected Officials

### TERM

|   |                         |                    |
|---|-------------------------|--------------------|
| Auditor.....                                    | Julie L. Voorhies       | 1-1-15 to 12-31-18 |
| Treasurer.....                                  | Claudia O. Fuentes      | 1-1-13 to 12-31-16 |
| Clerk.....                                      | Myla A. Eldridge        | 1-1-15 to 12-31-18 |
| Sheriff.....                                    | John R. Layton          | 1-1-15 to 12-31-18 |
| Recorder.....                                   | Kate Sweeney Bell       | 1-1-15 to 12-31-18 |
| Assessor.....                                   | Joseph P. O’Connor      | 1-1-15 to 12-31-18 |
| Surveyor.....                                   | Debra S. Jenkins        | 1-1-13 to 12-31-16 |
| Coroner.....                                    | Dr. Frank P. Lloyd, Jr. | 1-1-13 to 12-31-16 |
| Prosecutor.....                                 | Terry Curry             | 1-1-15 to 12-31-18 |
| County Chief Executive.....                     | Gregory A. Ballard      | 1-1-12 to 12-31-15 |
| Board of County Commissioners (Ex-Officio)..... | Claudia O. Fuentes      | 1-1-13 to 12-31-16 |
| Board of County Commissioners (Ex-Officio)..... | Julie L. Voorhies       | 1-1-15 to 12-31-18 |
| Board of County Commissioners (Ex-Officio)..... | Joseph P. O’Connor      | 1-1-15 to 12-31-18 |

## 2015 Department Heads

|   |                                 |
|---|---------------------------------|
| Voters Registration .....                 | Cindy Mowery<br>LaDonna Freeman |
| Marion County Cooperative Extension ..... | Steve Wagoner                   |
| Criminal Probation.....                   | Christine Kerl                  |
| Court Administrator.....                  | Emily VanOsdol                  |
| Community Corrections.....                | John Deiter                     |
| Forensic Services.....                    | Michael Medler                  |
| Chief Public Defender .....               | Robert Hill                     |
| Chief Information Officer.....            | Beth Howen                      |
| Prosecutor – Child Support.....           | John Owens                      |

## 2015 City-County Council Members

President, Maggie Lewis  
 Vice President, John Barth  
 Zach Adamson  
 Virginia J. Cain  
 Stephen J. Clay  
 Jose Evans  
 Aaron Freeman  
 William Gooden  
 Monroe Gray, Jr.  
 Pamela Hickman  
 Jason Holliday  
 Ben Hunter  
 LaKeisha Jackson

Robert Lutz  
 Angela Mansfield  
 Frank Mascari  
 Janice McHenry  
 Michael McQuillen  
 Jeff Miller  
 Mary Bridget Moriarty Adams  
 William C. Oliver  
 Vop Osili  
 Marilyn Pfisterer  
 Leroy Robinson  
 Jack Sandlin  
 Christine Scales

Jefferson Shreve  
 Joseph Simpson  
 Kip Tew

## 2015 Judiciary

CIRCUIT COURT ..... Sheryl L. Lynch

### SUPERIOR COURT

#### Criminal Division:

|   |                             |
|---|-----------------------------|
| Court 1.....                                      | Kurt Eisgruber              |
| Court 2.....                                      | Marc Rothenberg             |
| Court 3.....                                      | Sheila A. Carlisle          |
| Court 4.....                                      | Lisa Borges                 |
| Court 5.....                                      | Grant Hawkins               |
| Court 6.....                                      | Mark D. Stoner              |
| Court 7 Misdemeanor .....                         | Clayton Graham              |
| Court 8 Misdemeanor .....                         | Amy Jones**                 |
| Court 9 D-Felony/Mental Health Court.....         | Barbara Crawford            |
| Court 10 Misdemeanor .....                        | Linda E. Brown              |
| Court 11 Initial Hearing/APC.....                 | Commissioners               |
| Court 12 Misdemeanor/Veteran's Court .....        | David Certo                 |
| Court 13 Traffic/Misdemeanor .....                | Marcel Pratt                |
| Court 14 D-Felony Drug Court/Re-entry Court ..... | Jose D. Salinas             |
| Court 15 D-Felony.....                            | Helen Marchal**             |
| Court 16 Domestic Violence .....                  | Angela D. Davis             |
| Court 17 Domestic Violence .....                  | Christina Klineman          |
| Court 18 D-Felony.....                            | William Nelson              |
| Court 19 Misdemeanor .....                        | Rebekah F. Pierson-Treacy** |
| Court 20 Felony Drug.....                         | Shatrese Flowers            |
| Court 21 Domestic Violence .....                  | Alicia Gooden               |
| Court 22 Major Felony .....                       | Clark Rogers                |
| Court 24 D-Felony .....                           | Annie Christ-Garcia         |

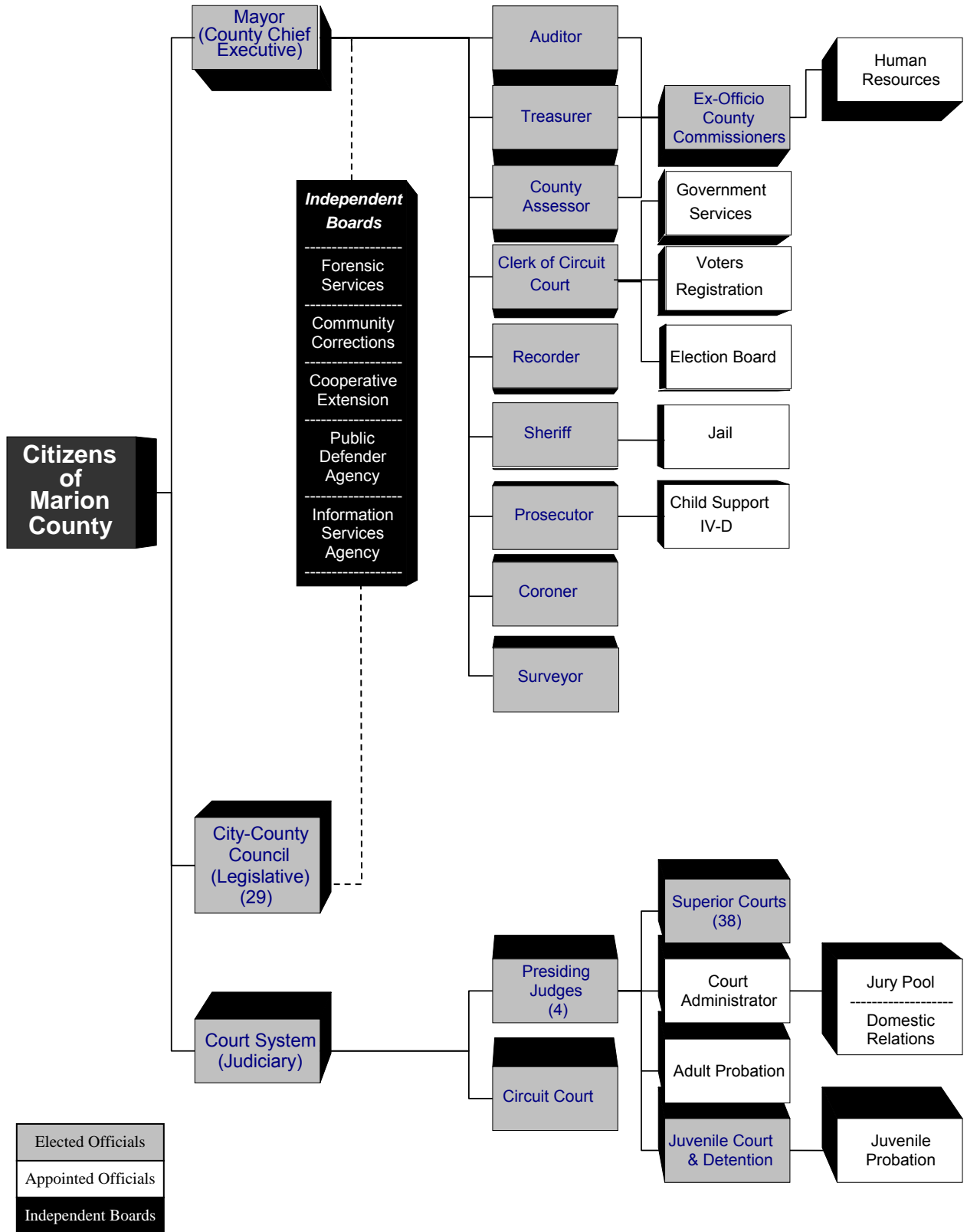
#### Civil Division:

|                                 |                      |
|---------------------------------|----------------------|
| Court 1.....                    | Heather Welch        |
| Court 2.....                    | Timothy Oakes        |
| Court 3.....                    | Gary L. Miller       |
| Court 4.....                    | Cynthia J. Ayers     |
| Court 5.....                    | John M.T. Chavis II* |
| Court 6.....                    | Thomas J. Carroll    |
| Court 7.....                    | Michael Keele        |
| Court 8 Probate Division .....  | Steven Eichholtz     |
| Court 9 Juvenile Division ..... | Marilyn Moores       |
| Court 10.....                   | David Dreyer         |
| Court 11.....                   | John Hanley          |
| Court 12.....                   | P. J. Dietrick       |
| Court 13.....                   | James Joven          |
| Court 14.....                   | James Osborn         |

\*denotes Presiding Judge; \*\* denotes Associate Presiding Judge

# Marion County, Indiana

## Government Organization Chart





## Independent Auditor's Report

The Honorable Joseph H. Hogsett, County Executive,  
and the Audit Committee  
Marion County, Indiana

### Report on the Financial Statements

We have audited the accompanying modified cash-basis financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Marion County, Indiana (a component unit of the Consolidated City of Indianapolis - Marion County) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash-basis of accounting described in Note 1; this includes determining that the modified cash-basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements 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 statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity'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 statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash-basis financial position of the governmental activities, each major fund and the aggregate remaining fund information of Marion County, Indiana as of December 31, 2015, and the respective changes in modified cash-basis financial position thereof for the year then ended in accordance with the modified cash-basis of accounting described in Note 1.

### ***Emphasis of Matter***

We draw attention to Note 1.C. of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash-basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

### ***Other Matters***

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The budgetary comparison information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

#### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying supplementary information, including combining and individual fund financial statements, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the modified cash-basis financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the modified cash-basis financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the modified cash-basis financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.C.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 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 and 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.

*BKD, LLP*

Indianapolis, Indiana  
September 30, 2016





**BASIC  
FINANCIAL STATEMENTS**



**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS – MARION COUNTY)**  
**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS**  
**AND CHANGES IN CASH, CASH EQUIVALENTS AND INVESTMENTS –**  
**GOVERNMENT-WIDE**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

|   | Program Cash Receipts |                         |  | Net Cash Receipts<br>(Disbursements) |
|---|-----------------------|-------------------------|--|--------------------------------------|
| Functions/Programs  | Cash<br>Disbursements | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Governmental<br>Activities           |
| Governmental activities:  |                       |                         |  |                                      |
| Administration and finance  | \$ 33,423,453         | \$ 13,470,142           | \$ 2,717,968                             | \$ (17,235,343)                      |
| Protection of people and property   | 11,460,528            | 9,842,152               | 1,074,264                                | (544,112)                            |
| Corrections   | 129,651,887           | 2,424,730               | 7,091,482                                | (120,135,675)                        |
| Judicial  | 111,219,427           | 12,139,575              | 13,901,148                               | (85,178,704)                         |
| Culture and recreation  | 224,845               | —                       | —  | (224,845)                            |
| Real estate and assessments   | 8,084,994             | 3,147,090               | —  | (4,937,904)                          |
| Health and welfare  | 5,027,670             | —                       | 420,465                                  | (4,607,205)                          |
| Total governmental activities   | \$ 299,092,804        | \$ 41,023,689           | \$ 25,205,327                            | (232,863,788)                        |
| General cash receipts:  |                       |                         |  |                                      |
| Property taxes  |                       |                         |  | \$ 122,582,312                       |
| Financial institution tax   |                       |                         |  | 2,043,270                            |
| Excise tax  |                       |                         |  | 10,102,443                           |
| County option income tax  |                       |                         |  | 77,819,573                           |
| Other state and local taxes   |                       |                         |  | 3,135,153                            |
| Unrestricted investment earnings  |                       |                         |  | 988,406                              |
| Other   |                       |                         |  | 2,351,676                            |
| Total general cash receipts   |                       |                         |  | 219,022,833                          |
| Change in cash, cash equivalents and investments  |                       |                         |  | (13,840,955)                         |
| Cash, cash equivalents and investments – beginning of year                                    |                       |                         |  | 53,666,023                           |
| Cash, cash equivalents and investments – end of year  |                       |                         |  | \$ 39,825,068                        |
| <u>Cash, cash equivalents and investments of governmental activities - December 31, 2015:</u> |                       |                         |  |                                      |
| Restricted for:   |                       |                         |  |                                      |
| Debt service  |                       |                         |  | \$ 10,781                            |
| Capital projects  |                       |                         |  | 3,610,415                            |
| Grantor purposes  |                       |                         |  | 7,529,609                            |
| Statutory purposes  |                       |                         |  | 15,324,199                           |
| Unrestricted  |                       |                         |  | 13,350,064                           |
| Total cash, cash equivalents and investments  |                       |                         |  | \$ 39,825,068                        |

See accompanying notes to the basic financial statements.

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS – MARION COUNTY)**  
**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS**  
**AND CHANGES IN CASH, CASH EQUIVALENTS AND INVESTMENTS –**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

|  | <u>General</u>       | <u>Public Safety<br/>Income Tax</u> | <u>Nonmajor<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|--|----------------------|-------------------------------------|--|---|
| <b>Receipts</b>  |                      |                                     |  |   |
| Taxes  | \$ 167,485,965       | \$ 37,100,339                       | \$ 11,096,447                              | \$ 215,682,751                          |
| Intergovernmental  | 14,741,242           | 11,569                              | 10,452,516                                 | 25,205,327                              |
| Interest   | 986,628              | —                                   | 1,778                                      | 988,406                                 |
| Charges for services   | 14,528,544           | —                                   | 15,593,355                                 | 30,121,899                              |
| Miscellaneous  | 1,643,502            | —                                   | 626,498                                    | 2,270,000                               |
| Total receipts   | <u>199,385,881</u>   | <u>37,111,908</u>                   | <u>37,770,594</u>                          | <u>274,268,383</u>                      |
| <b>Disbursements</b>   |                      |                                     |  |   |
| Current:   |                      |                                     |  |   |
| General government   | 100,581,674          | 13,626,665                          | 26,176,597                                 | 140,384,936                             |
| Public safety  | 88,077,580           | 23,348,430                          | 27,700,741                                 | 139,126,751                             |
| Culture and recreation   | 221,383              | —                                   | —  | 221,383                                 |
| Capital outlay   | 576,819              | —                                   | 853,437                                    | 1,430,256                               |
| Total disbursements  | <u>189,457,456</u>   | <u>36,975,095</u>                   | <u>54,730,775</u>                          | <u>281,163,326</u>                      |
| Excess (deficiency) of receipts over (under) disbursements   | <u>9,928,425</u>     | <u>136,813</u>                      | <u>(16,960,181)</u>                        | <u>(6,894,943)</u>                      |
| <b>Other Financing Sources (Uses)</b>  |                      |                                     |  |   |
| Transfers in (out)   | (16,711,783)         | —                                   | 16,711,783                                 | —                                       |
| Sales of capital assets  | 3,785                | —                                   | —  | 3,785                                   |
| Total other financing sources (uses)   | <u>(16,707,998)</u>  | <u>—</u>                            | <u>16,711,783</u>                          | <u>3,785</u>                            |
| Excess (deficiency) of receipts and other financing sources<br>over (under) disbursements and other financing uses | (6,779,573)          | 136,813                             | (248,398)                                  | (6,891,158)                             |
| Cash, cash equivalents and investments - beginning of year   | <u>17,817,527</u>    | <u>153,147</u>                      | <u>25,419,451</u>                          | <u>43,390,125</u>                       |
| Cash, cash equivalents and investments - end of year   | <u>\$ 11,037,954</u> | <u>\$ 289,960</u>                   | <u>\$ 25,171,053</u>                       | <u>\$ 36,498,967</u>                    |

Cash, cash equivalents and investments of governmental funds - December 31, 2015:

|  |                      |                   |                      |                      |
|--|----------------------|-------------------|----------------------|----------------------|
| Restricted - Special Revenue Funds           | \$ —                 | \$ 289,960        | \$ 22,563,847        | \$ 22,853,807        |
| Restricted - Debt Service Funds              | —                    | —                 | 10,781               | 10,781               |
| Restricted - Capital Project Funds           | —                    | —                 | 3,610,415            | 3,610,415            |
| Assigned- General Fund                       | 2,575,204            | —                 | —                    | 2,575,204            |
| Unassigned- General Fund                     | 8,462,750            | —                 | —                    | 8,462,750            |
| Unassigned- Special Revenue Funds            | —                    | —                 | (1,001,746)          | (1,001,746)          |
| Unassigned- Capital Project Funds            | —                    | —                 | (12,244)             | (12,244)             |
| Total cash, cash equivalents and investments | <u>\$ 11,037,954</u> | <u>\$ 289,960</u> | <u>\$ 25,171,053</u> | <u>\$ 36,498,967</u> |

See accompanying notes to the basic financial statements.

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS – MARION COUNTY)**  
**Reconciliation of Cash, Cash Equivalents and Investments – End of Year per the Statement of Cash Receipts,**  
**Cash Disbursements and Changes in Cash, Cash Equivalents and Investments – Governmental Funds**  
**to Cash, Cash Equivalents and Investments – End of Year per the Statement of Cash Receipts,**  
**Cash Disbursements and Changes in Cash, Cash Equivalents and Investments – Government-wide**  
**As of December 31, 2015**

Amounts reported for governmental activities in the statement of cash receipts and disbursements are different because:

|   |    |                   |
|---|----|-------------------|
| Cash, cash equivalents and investments – total governmental funds | \$ | 36,498,967        |
| Cash, cash equivalents and investments of internal service fund   |    | 3,326,101         |
| Cash, cash equivalents and investments – government-wide          | \$ | <u>39,825,068</u> |

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS – MARION COUNTY)**  
**Reconciliation of the Excess (Deficiency) of Receipts and Other Financing Sources Over (Under)**  
**Disbursements and Other Financing Uses per the Statement of Cash Receipts, Cash**  
**Disbursements, and Changes in Cash, Cash Equivalents and Investments – Governmental Funds to the**  
**Change in Cash, Cash Equivalents and Investments per the Statement of Cash Receipts, Cash Disbursements,**  
**and Changes in Cash, Cash Equivalents and Investments - Government-wide**  
**For the Year Ended December 31, 2015**

Amounts reported for governmental activities in the statement of cash receipts and disbursements are different because:

|  |    |                     |
|--|----|---------------------|
| Deficiency of receipts and other financing sources under disbursements and other financing uses - total governmental funds | \$ | (6,891,158)         |
| Deficiency of operating receipts under operating disbursements - internal service fund                                     |    | (6,949,797)         |
| Change in cash, cash equivalents and investments – government-wide   | \$ | <u>(13,840,955)</u> |

See accompanying notes to the basic financial statements.

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS – MARION COUNTY)**  
**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES**  
**IN CASH, CASH EQUIVALENTS AND INVESTMENTS –**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

|   | <b>Governmental<br/>Activities</b>    |
|---|---------------------------------------|
|   | <b>Internal<br/>Service<br/>Funds</b> |
| Operating receipts:   |                                       |
| Charges for services  | \$ 10,901,790                         |
| Other reimbursements  | 11,061,323                            |
| Miscellaneous   | 77,891                                |
| Total operating receipts  | 22,041,004                            |
| Operating disbursements:  |                                       |
| Services and charges  | 24,679,050                            |
| Administration including salaries and wages   | 2,440,461                             |
| Other   | 1,871,290                             |
| Total operating disbursements   | 28,990,801                            |
| Deficiency of operating receipts under operating disbursements                          | (6,949,797)                           |
| <br>  |                                       |
| Cash, cash equivalents and investments – beginning of year                              | 10,275,898                            |
| Cash, cash equivalents and investments – end of year                                    | \$ 3,326,101                          |
| <br>  |                                       |
| <u>Cash, cash equivalents and investments of proprietary funds - December 31, 2015:</u> |                                       |
| Unrestricted cash, cash equivalents and investments                                     | \$ 3,326,101                          |

See accompanying notes to the basic financial statements.

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS – MARION COUNTY)**  
**STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES**  
**IN CASH, CASH EQUIVALENTS AND INVESTMENTS –**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

|   | <b>Pension Trust<br/>Funds</b> | <b>Agency<br/>Funds</b> |
|---|--------------------------------|-------------------------|
| <b>Additions</b>  |                                |                         |
| Contributions:  |                                |                         |
| Employer  | \$ 9,571,433                   |                         |
| Employee  | 930,535                        |                         |
| Total contributions   | 10,501,968                     |                         |
| Investment income:  |                                |                         |
| Interest and dividends  | 4,902,531                      |                         |
| Realized gain on sales, net   | 306,552                        |                         |
| Net investment income   | 5,209,083                      |                         |
| Miscellaneous   | 249,331                        |                         |
| Total additions   | 15,960,382                     |                         |
| <b>Deductions</b>   |                                |                         |
| Investment management fees  | 395,674                        |                         |
| Benefits paid   | 14,072,423                     |                         |
| Total deductions  | 14,468,097                     |                         |
| Excess of total additions over total deductions                                       | 1,492,285                      |                         |
| Cash, cash equivalents and investments – beginning of year                            | 174,747,486                    |                         |
| Cash, cash equivalents and investments – end of year                                  | \$ 176,239,771                 |                         |
| <u>Cash, cash equivalents and investments of fiduciary funds - December 31, 2015:</u> |                                |                         |
| Restricted cash and cash equivalents  | \$ 1,980,294                   | \$ 88,181,632           |
| Restricted investments (cost basis):  |                                |                         |
| Mutual funds  | 174,259,477                    | —                       |
| Total cash, cash equivalents and investments  | \$ 176,239,771                 | \$ 88,181,632           |

See accompanying notes to the basic financial statements.

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS – MARION COUNTY)**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Financial Reporting Entity**

Marion County (County) is a unit of local government created by the State of Indiana, governed by the following officials, each of whom is granted certain independent executive authority under the State Constitution:

|                  |                   |                            |
|------------------|-------------------|----------------------------|
| County Auditor   | County Prosecutor | County Surveyor            |
| County Treasurer | County Recorder   | Clerk of the Circuit Court |
| County Coroner   | County Sheriff    | Judge of the Circuit Court |

The legislature of the State of Indiana has provided for certain additional elected officials who are not mentioned in the Constitution to exercise certain independent executive authority. These are the county assessor and superior court judges.

In accordance with Governmental Accounting Standards Board (“GASB”) Statement No. 14, *The Financial Reporting Entity* (“GASB Statement No. 14”) and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34* (“GASB Statement No. 61”), the County is considered a component unit of the Consolidated City of Indianapolis - Marion County. The County and the Consolidated City (“City”) share a common executive and legislative body. Otherwise, the County is considered a separate legal entity, with its elected officials directly and separately (from City officials) responsible for financial independence, operations, and accountability for fiscal matters.

Based on the criteria established in GASB Statement No. 14 and GASB Statement No. 61, the County has no component units under the current financial reporting requirements.

**B. Government-wide and Fund Financial Statements**

The government-wide financial statement (i.e., statement of cash receipts, cash disbursements and changes in cash, cash equivalents and investments) reports information on all of the nonfiduciary activities of the County. The effect of significant interfund activity has been removed from this statement. As applicable, governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of cash receipts, cash disbursements and changes in cash, cash equivalents and investments demonstrates the degree to which the direct disbursements of a given function are offset by program receipts. Direct disbursements are those that are clearly identifiable with a specific function. Program receipts include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes and other items not properly included among program receipts.

Following the government-wide financial statement are separate financial statements for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statement since their resources are not available to fund County operations. Major individual governmental funds are reported as separate columns in the fund financial statements. The County has determined that the General Fund and Public Safety Income Tax Fund are major governmental funds. All other governmental funds are aggregated in one column labeled “Nonmajor Governmental Funds.” Additionally, the County has one internal service fund (governmental activities) that accounts for the operations of the Information Services Agency. The County also has two fiduciary fund types: pension trust funds and agency funds.

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS – MARION COUNTY)**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**C. Basis of Accounting and Financial Statement Presentation**

The government-wide, governmental fund, proprietary fund and fiduciary fund financial statements are presented using a modified cash-basis of accounting, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. Receipts are recorded when received and disbursements are recorded when paid. Investments are recorded at historical cost.

The modified cash-basis of accounting differs from U.S. generally accepted accounting principles in that receipts are recognized when received in cash rather than when earned and disbursements are recognized when paid rather than when the liability is incurred. The County records only cash and investment transactions and balances in its financial statements under the modified cash-basis of accounting.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual-basis of accounting, while the fund financial statements for fiduciary fund types would use the accrual basis of accounting. The government-wide financial statement would be presented on the accrual basis of accounting.

The fund financial statements of the County are organized on the basis of funds, each of which is considered a separate accounting entity with self-balancing accounts that comprise its cash and investment basis assets, receipts and disbursements. Governmental resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are summarized by category and type in the basic financial statements. The following three fund categories and seven fund types are used by the County:

Governmental Funds

Governmental funds are those through which most governmental functions are financed. The acquisition, uses, and balances of the County's expendable financial resources on the modified cash-basis are accounted for through governmental funds.

The following are the County's major governmental funds:

The General Fund is used to account for all receipts and disbursements applicable to the general operations of governmental agencies of the County, except those required to be accounted for in another fund. All operating receipts that are not restricted as to use by sources external to the County are recorded in the General Fund.

The Public Safety Income Tax Special Revenue Fund accounts for public safety income tax receipts that are to be appropriated for use by public safety related agencies.

The other governmental funds of the County are considered nonmajor. They are special revenue funds, which account for the proceeds of specific receipts that are restricted to disbursements for specific purposes; debt service funds, which account for the accumulation of resources for, and repayment of, general obligation long-term debt principal, interest, and related costs; and capital projects funds, which account for resources designated to construct or acquire major capital facilities.

Proprietary Funds

Proprietary funds are used to account for activities that are similar to those found in the private sector.

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS – MARION COUNTY)**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

The following represents the County's only proprietary fund type:

Internal Service – Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government, or to other governments, on a cost reimbursement basis. An internal service fund has been established for the County's Information Services Agency, which provides information technology services to other agencies of the County, or to other governmental units on a cost reimbursement basis.

Proprietary funds distinguish operating receipts and disbursements from nonoperating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. Operating disbursements for the internal service fund primarily include the cost of services and charges and administrative disbursements. All receipts and disbursements not meeting this definition are reported as nonoperating receipts and disbursements.

Fiduciary Funds

Fiduciary – Fiduciary funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, or other governmental units. These include pension trust funds and agency funds. Pension trust funds are accounted for and reported similar to proprietary funds. The pension trust funds account for the Marion County Law Enforcement Personnel Retirement Plan and the Marion County Law Enforcement Personnel Dependents and Disability Benefits Plan. Agency funds are custodial in nature and do not present results of operations. These funds account for the collection, distribution, and escrow of various tax types, fees, and set aside funding.

**D. Cash and Investments**

Investments are stated at cost. Any changes in the fair value of investments are reported as realized gains or losses in the year of the sale of the investment as investment earnings or losses.

Cash and cash equivalents (including those that are restricted) are defined as all highly liquid investments, including certificates of deposit with an original maturity of three months or less at the date of purchase.

**E. Property Taxes**

Property taxes levied for all governmental entities located within Marion County are collected by the Treasurer of Marion County, Indiana ("Treasurer"). These taxes are then distributed by the Auditor of Marion County, Indiana ("Auditor") to the City and the other governmental entities at June 30 and December 31 of each year. The County and the other governmental entities can request advances of their portion of the collected taxes from the Treasurer once the levy and tax rates are certified by the Indiana Department of Local Government Finance. The Indiana Department of Local Government Finance typically certifies the levy on or before February 15 of the year following the property tax assessment.

The County's 2015 property taxes were levied based on assessed valuations determined by the Auditor as of the March 1, 2014, which were adjusted for estimated appeals, tax credits, and deductions. The lien date for the 2015 property taxes was March 1, 2014 ("assessment date"); the amount of property tax to be collected cannot be measured until the levy and tax rates are certified in the subsequent year. Taxable property is assessed at 100% of the true tax value. The first half of the year 2015 taxes were due and payable to the Treasurer in May 2015, while the second half of the year 2015 taxes were due and payable to the Treasurer in November 2015.

**F. Capital Assets**

Cash expenditures for capital assets are reported as capital outlays of the applicable disbursing fund.

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS – MARION COUNTY)**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**G. Interfund Transactions**

In the process of aggregating the financial information for the government-wide statement cash receipts, cash disbursements and changes in cash, cash equivalents and investments, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Transfers

Legally authorized transfers are reported as transfers in by the recipient fund and as transfers out by the disbursing fund.

Interfund Services Provided/Used

Charges or collections for services rendered by one fund for another are recognized as receipts (interfund services provided) of the recipient fund and disbursements (interfund services used) of the disbursing fund. These transactions are recorded as interfund services because they would be treated as receipts and disbursements if they involved organizations external to the County.

Certain internal payments are treated as program receipts, such as internal services provided and used.

Elimination of interfund activity has been made for governmental activities in the government-wide financial statement.

**H. Receipts and Disbursements**

Program Receipts

In the government-wide financial statement, amounts reported as program cash receipts include (1) collection of cash from customers or applicants for goods, services, or privileges provided by the County and (2) operating grants and contributions. Internally dedicated resources are reported as general cash receipts rather than program cash receipts. Likewise, general cash receipts include all taxes.

**I. Cash, Cash Equivalents and Investments Position**

In the government-wide and proprietary fund financial statements, the components of cash, cash equivalents and investments are categorized as follows:

- 1) Restricted – consisting of resources with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments or (2) law through constitutional provisions or enabling legislation. Such resources are classified as restricted for capital projects, grantor purposes, debt service, and statutory purposes on the government-wide financial statement.
- 2) Unrestricted – All other resources that do not meet the definition of “restricted.”

When both restricted and unrestricted resources are available for use, it is the County’s policy to use restricted resources first, then unrestricted resources as they are needed.

Within the governmental fund financial statements, cash, cash equivalents and investments are classified in the following manner:

- 1) Restricted – This consists of resources that can be spent only for the specific purpose stipulated by constitution, external parties (e.g., grantors, creditors, or other governments), or enabling legislation.

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS – MARION COUNTY)**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

- 2) Assigned – This consists of resources constrained by the government’s intention to use them for specific purposes, but are neither restricted nor committed. By statute, the City Controller has the ability to assign cash, cash equivalent and investment balances. The City-County Council may also assign cash, cash equivalent and investment balances as it does when appropriating cash, cash equivalent and investment balances to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments are generally temporary and the nature of the actions necessary to remove or modify an assignment is not as prescriptive as it is with regard to the committed cash, cash equivalent and investment balance classification. Within the assigned cash, cash equivalent and investment balance for the General Fund are encumbrances of \$2,575,204, which have been assigned to cover future purchases.
- 3) Unassigned – This consists of residual resources that do not meet the criteria of nonspendable, restricted, committed, or assigned.

**NOTE 2—STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

Annual budgets are adopted on a budgetary basis, which is consistent with the accounting basis used for financial reporting purposes. All annual appropriations lapse at the end of the calendar year, except for capital project funds, which are budgeted on a project basis.

Prior to the first required publication, the Mayor submits to the City-County Council a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the City-County Council to obtain taxpayer comments. In October of each year, the City-County Council, through the passage of an ordinance, approves the budget for the next year. The budget becomes legally certified after approval from the State of Indiana Department of Local Government Finance.

Revisions to transfer appropriations between agencies or character of expenditure require approval of the City-County Council. Revisions to increase the appropriations for tax-supported funds require approval of the City-County Council and the State of Indiana Department of Local Government Finance.

**NOTE 3—CASH DEPOSITS AND INVESTMENTS**

At December 31, 2015, the County’s cash, cash equivalents and investment balances included the following:

|                                     |                       |
|-------------------------------------|-----------------------|
| Cash deposits                       | \$ 114,911,399        |
| Money market mutual funds           | 1,980,295             |
| Overnight repurchase agreements     | 12,457,434            |
| Mutual funds - equity               | 101,194,667           |
| Mutual funds - international equity | 12,733,319            |
| Mutual funds - bond                 | 60,331,491            |
| External investment pool            | 637,866               |
|                                     | <u>\$ 304,246,471</u> |

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS – MARION COUNTY)**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

A reconciliation of all cash, cash equivalents and investment balances as reflected in the financial statements as of December 31, 2015 is as follows:

|  |                       |
|--|-----------------------|
| Cash and cash equivalents--governmental funds    | \$ 36,498,967         |
| Cash and cash equivalents--internal service fund | 3,326,101             |
| Cash and cash equivalents--pension trust funds   | 1,980,294             |
| Investments--pension trust funds                 | 174,259,477           |
| Cash and cash equivalents--agency funds          | 88,181,632            |
|  | <u>\$ 304,246,471</u> |

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the County’s deposits may not be returned to it. The County’s deposit policy for custodial credit risk requires compliance with the provisions of Indiana statutes.

The County’s cash deposits are insured up to \$250,000 at financial institutions insured by the Federal Deposit Insurance Corporation’s (“FDIC”). Any cash deposits in excess of the \$250,000 FDIC limits are partially or fully collateralized by the depository institution and insured by the Indiana Public Deposits Insurance Fund (“Fund”) via the pledged collateral from the institutions securing deposits of public funds. The Fund is a multiple financial institution collateral pool as provided under Indiana Code, Section 5-13-12-1.

Investments

Investment Policy - Primary Government

Indiana statutes authorize the County to invest in United States obligations and issues of federal agencies, secured repurchase agreements fully collateralized by U.S. Treasury or U.S. agency obligations, municipal securities of Indiana issuers that have not defaulted during the previous twenty years, certificates of deposit and open-end money market mutual funds.

It is the policy of the County to invest public funds in a manner that will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the County and conforming to all state/local statutes governing the investment of public funds.

The primary objectives, in priority order, of the County’s investment activities are as follows:

**Safety:** Safety of principal is the foremost objective of the investment program. Investments of the County shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

**Liquidity:** The County’s investment portfolio will remain sufficiently liquid to enable the County to meet all operating requirements that might be reasonably anticipated.

**Return on Investments:** The County’s investment portfolio shall be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurate with the County’s investment risk constraints and the cash flow characteristics of the portfolio.

Investment Policy – Marion County Sheriff’s Department Personnel Retirement and Disability Plans

The primary objectives for the investment activities of the Marion County Sheriff’s Retirement and Disability Plans shall be the following:

**Time Horizon:** Investment guidelines are based upon an investment horizon of greater than five years.

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS – MARION COUNTY)**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**Risk Tolerances:** To achieve the long-term objectives of the plans, the following factors are considered when establishing the risk tolerance.

1. Each plan’s financial condition.
2. Liquidity reserves are established, and any remaining assets are fully invested at all times.

**Performance Expectations:** The desired investment objective is a long-term rate of return on assets that is at least 8.1%. Additionally, it is expected the return will be at least 5.3% greater than the anticipated rate of inflation as measured by the Consumer Price Index.

**Asset Allocation Constraints:** The Board has reviewed the long-term performance characteristics of various asset classes, focusing on balancing risks and rewards and has selected the following asset classes for allowable investments:

1. Domestic large-capitalization equities
2. Domestic small-capitalization equities
3. International equities
4. Domestic fixed income
5. Cash equivalents

**Interest Rate Risk**

Interest rate risk is the risk that the fair value of investments will be adversely affected by a change in interest rates. The County’s investment policy provides that the County seek to minimize the risk that the fair value of securities in its portfolio will decrease due to changes in general interest rates, by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. Beginning in 2014, the County may invest in securities for more than two years and not more than five years in accordance with IC 5-13-9-5.7. According to this statute, investments having maturities of more than two years are limited to 25% of the total portfolio

At December 31, 2015, the County had the following investments and maturities:

| <u>Investment type</u>              | <u>Cost</u>           | <u>Investment<br/>maturities<br/>(in years)</u> |
|-------------------------------------|-----------------------|---|
|                                     |                       | <u>Less than 1</u>                              |
| Money market mutual funds           | \$ 1,980,295          | \$ 1,980,295                                    |
| Overnight repurchase agreements     | 12,457,434            | 12,457,434                                      |
| External investment pool            | 637,866               | 637,866   |
| Mutual funds - bond                 | 60,331,491            | 60,331,491                                      |
| Mutual funds - equity               | 101,194,667           | 101,194,667                                     |
| Mutual funds - international equity | 12,733,319            | 12,733,319                                      |
|                                     | <u>\$ 189,335,072</u> | <u>\$ 189,335,072</u>                           |

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS – MARION COUNTY)**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit risk is measured using credit quality ratings of investments in debt securities as described by nationally recognized rating agencies. The County uses the highest integrity when choosing an instrument of investment. The County keeps its credit risk as it pertains to investments at a low rate by requiring all investments of the County to be rated in the three highest ratings categories by Moody's Investor Service ("Moody's"), Standard & Poor's Corporation ("Standard & Poor's"), or Fitch's Ratings Service ("Fitch").

At December 31, 2015, the County's investments subject to credit risk were rated by Moody's, Standard & Poor's, or Fitch as follows:

| <u>Investments</u>        | <u>Cost</u>          | <u>Rating</u> |
|---------------------------|----------------------|---------------|
| Money market mutual funds | \$ 1,980,295         | Aaa/AAA       |
| External investment pool  | 637,866              | Not rated     |
| Mutual funds-bond         | 60,331,491           | Not rated     |
|                           | <u>\$ 62,949,652</u> |               |

**Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of the investments or collateral securities that are in the possession of the counterparty. The County's policy requires that repurchase agreements be covered by adequate pledge collateral. In order to anticipate market changes and provide a level of security for all funds, the fair value (including accrued interest) of the collateral should be at least 102%.

The County's investment in money market mutual funds and its investment in an external investment pool are not exposed to custodial credit risk because their existence are not evidenced by securities that exist in physical or book entry form. At December 31, 2015, all of the County's remaining investments and collateral securities pledged against County investments are held by the counterparty's trust department or agent in the County's name and are therefore not subject to custodial credit risk.

**Concentration of Credit Risk**

The County's policy provides that the County may invest up to 30% of its investment pool in negotiable certificates of deposit having maturities of less than two years and in multiples of one million dollars, providing that market yields on such certificates of deposit exceed U.S. Treasury bills of comparable maturity duration. As of December 31, 2015, the County had no negotiable certificates of deposit.

As of December 31, 2015, the County's investments in overnight repurchase agreements of National Bank of Indianapolis constituted approximately 7% of total investments.

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS – MARION COUNTY)**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

As of December 31, 2015, investments that represent 5% or more of the assets of the Retirement and Disability Plans include the following:

| <u>Investment</u>                              | <u>Retirement</u>     |
|--|-----------------------|
| Mutual funds:                                  |                       |
| US Short-Term Government/Credit Bond Index     | \$ 24,807,312         |
| Blackrock Total Return-BR                      | 11,893,586            |
| Loomis Sales Strategic Alpha                   | 13,412,824            |
| Vanguard STK Mkt Inst                          | 31,399,935            |
| Vanguard Total International Stock Index Instl | 11,981,246            |
| Mainstay Epoch Global EQ YLD-I                 | 11,834,706            |
| Ivy Asset Strategy Fund-I                      | 13,696,890            |
| Putnam Capital Spectrum Fund CLY               | 9,941,211             |
| Janus Flexible Bond Fund                       | 12,898,049            |
| Reams Unconstrained Bond Fund                  | 14,600,968            |
|  | <u>\$ 156,466,729</u> |

**NOTE 4—INTERFUND TRANSACTIONS AND BALANCES**

Funds are transferred from one fund to support expenditures of other funds in accordance with authority established for the individual fund.

Interfund transfers for the year ended December 31, 2015 consisted of the following:

|  |                                       |
|--|---------------------------------------|
|  | <u>Transfer from<br/>General Fund</u> |
| <b>Transfer to nonmajor governmental funds</b> | \$ <u>16,711,783</u>                  |

**NOTE 5—PENSION PLANS**

The County participates in three separate defined benefit pension plans. The Public Employees’ Retirement Fund of Indiana (“PERF”), administered by the Indiana Public Retirement System (“INPRS”), applies to all full-time County employees, except for employees of the Marion County Sheriff’s Department (“Sheriff’s Department”). The Marion County Sheriff’s Department Personnel Retirement Plan (“Sheriff’s Retirement Plan”) and the Marion County Sheriff’s Department Personnel Benefit Plan (“Sheriff’s Disability Plan”) cover employees of the Sheriff’s Department.

The Sheriff’s Retirement and Disability Plans are accounted for under the modified cash-basis of accounting as pension trust funds of the County. Employee and employer contributions are recognized as receipts in the period received, pursuant to final commitments, as well as statutory or contractual requirements; and disbursements, including benefits paid and refunds, are recorded when the corresponding payments are made. Investments are recorded at cost.

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS – MARION COUNTY)**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**Plan Descriptions, Funding Policies, Benefits and Contribution Information**

**Marion County Sheriff's Department Personnel Retirement Plan**

***Plan Description***

The Marion County Sheriff's Department Personnel Retirement Plan (Sheriff's Retirement Plan) is a single-employer defined benefit pension plan established to provide retirement, termination/severance, disability, and survivor benefits for a person employed by the Marion County Sheriff's Department as a County Policeman, Sheriff, or Deputy Sheriff with full police power, as such terms are used in Indiana Code. Indiana Code 36-8-10-12 grants the authority to the Sheriff's Department and a trustee to establish and amend the benefit terms to the plan with approval of the City-County Council. The Sheriff's Retirement Plan was established on January 1, 1963 and is administered by the Marion County Sheriff's Department Pension Board ("Pension Board"), comprised of the Sheriff, two members who are participants in the plan elected by a secret vote of the participants of the plan, one member appointed by the Sheriff who is a pensioner currently receiving a benefit per the terms of the plan and one member appointed by the Sheriff from the tax-paying citizens. The County does not issue a separate financial report for this plan, which is included as a pension trust fund in this report.

***Funding Policy***

The Marion County Sheriff's Department intends to contribute to the plan each year such amounts as may be required to operate the plan on a sound actuarial basis. According to IC 36-8-10-12(e), the minimum annual contribution by the Sheriff's Department must be sufficient, as determined by the plan's consultants, to prevent deterioration in the actuarial status of the trust fund during the year. If the Sheriff's Department fails to make minimum contributions for three successive years, the pension trust terminates and the trust fund shall be liquidated.

***Retirement Benefits***

The Sheriff's Retirement Plan provides that the monthly retirement benefit shall be a pension payable for the member's lifetime equal to 2.50% of the member's average monthly wage received during the highest paid five calendar years before retirement plus one dollar (\$1.00); this sum is multiplied by the member's years of credited service up to 20 years; plus an additional 2% of the member's average monthly wage, as outlined above, multiplied by the member's years of credited service in excess of 20 years up to an additional 12 years. Members are eligible to retire as of normal retirement for an unreduced benefit upon the earlier of the attainment of age 50 and completion of at least 20 years of credited service or attainment of age 55. A member's normal retirement benefit is limited to 74% of the member's average monthly wage, as outlined above, plus \$20.00.

A reduced early retirement benefit is available to members with at least ten years of credited service any time after attainment of age 30 with a reduction factor as defined in the plan legal document based upon age and credited service at the early retirement date.

A member who continues employment beyond normal retirement age is eligible for a late retirement benefit upon actual retirement equal to the member's benefit earned in accordance to the normal retirement formula with credit given for subsequent service (provided that the 32 year credited service maximum shall not be exceeded in computing the benefit).

The severance benefit payable to a member prior to completion of ten years of credited service is a lump sum payment of the net amount of contributions (including interest) plus the amount transferred by the member for the purchase of credited service. After completion of ten years of credited service, a member may elect to receive either a lump sum, as outlined above, or a monthly benefit equal to the amount earned under the normal retirement benefit formula, using credited service as of the date of severance, with unreduced payment commencing on the member's normal retirement date or a reduced payment commencing at an earlier date with the reduction factor as defined in the plan legal document.

If a member separates employment due to disability, the member will receive the net amount of contributions (including interest) plus the amount transferred by the member for the purchase of credited service.

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS – MARION COUNTY)**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

A member who retires as of an early, normal or late retirement date, who has attained age 55 as of July 1 of the calendar year in which benefits are increased, and who is receiving monthly retirement benefits from the plan for July of the payment calendar year, is eligible for a cost of living adjustment (“COLA”) based upon increases in the Consumer Price Index up to a maximum of 2%.

***Disability and Survivor Benefits***

In the event of the death of a member, not from causes suffered in the line of duty, prior to age 30 or prior to completion of ten years of credited service, the designated beneficiary is entitled to receive a death benefit in the form of a lump sum equal to the member’s net amount of contributions (including interest) plus the amount transferred by the member for the purchase of credited service.

In the event of the death of a member, not from causes suffered in the line of duty, who has attained age 30 and is credited with at least ten years of credited service, the designated beneficiary is entitled to receive a death benefit equal to the commuted value of the monthly benefit determined in accordance with the standard benefit definition, as though the member had severed employment immediately prior to death. Such commuted value is payable to the beneficiary in either the monthly amount that would have been payable to the member until the commuted value is exhausted or as an actuarially equivalent monthly annuity amount for the remainder of the beneficiary's life.

In the event of the death of a member, from causes suffered in the line of duty, who has attained age 30 and is credited with at least ten years of credited service, the designated beneficiary is entitled to receive a death benefit equal to the commuted value of the monthly benefit determined in accordance with the standard benefit definition, as though the member had severed employment immediately prior to death. Such commuted value is payable to the beneficiary in either the monthly amount that would have been payable to the member until the commuted value is exhausted or as an actuarially equivalent monthly annuity amount for the remainder of the beneficiary's life.

***Contributions Required and Contributions Made***

The Sheriff’s Retirement Plan is funded through a combination of employer and required employee contributions. For the year ended December 31, 2015, the mandatory employee contribution rate (per the plan's legal document) was 4.25% of annual pay and the actuarially determined minimum required employer contribution was \$7,730,980 (41.96% of annual covered payroll), equal to the actual amount contributed by the Sheriff’s Department.

***Deferred Retirement Option Plan***

A Deferred Retirement Option Plan (DROP) was established on January 1, 2006 pursuant to the plan legal document and is governed by the Sheriff’s Department and a trustee. Members of the plan that are eligible to retire with an unreduced benefit may elect to accumulate a DROP benefit while continuing to work. At the time of their election, the member executes an irrevocable election to retire on a DROP retirement date and remain in active service, but the member does not contribute to the fund during the DROP period.

A member who has attained normal retirement age, or is eligible for immediate payment of an unreduced benefit, may irrevocably elect to enter the DROP for a period not longer than three years and shall not extend beyond the date the member is credited with 32 years of service. The member will not be credited with any additional years of service from the date of entry into the DROP. The member's DROP frozen benefit will be equal to the monthly pension benefit calculated under the standard benefit formula based upon the member's salary and years of credited service as of the DROP entry date. Upon actual severance of employment by retirement at any time after the DROP entry date, the member will receive a DROP benefit accumulation in the available form/option elected by the member in addition to the DROP frozen benefit to be paid as a monthly annuity. As of December 31, 2015 the balance of the amounts held by the plan pursuant to the DROP is \$602,383.

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS – MARION COUNTY)**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**Marion County Sheriff's Department Personnel Benefit Plan**

***Plan Description***

The Marion County Sheriff's Department Personnel Benefit Plan (Sheriff's Disability Plan) is a single-employer defined benefit pension plan established to provide disability, death, and survivor/dependent benefits for a person employed by the Marion County Sheriff's Department as a County Policeman, Sheriff, or Deputy Sheriff with full police power, as such terms are used in Indiana Code. Indiana Code 36-8-10, Sections 14, 15, 16 and 17, grant the authority to the Sheriff's Department and a trustee to establish and amend the benefit terms to the plan with approval of the City-County Council. The Sheriff's Disability Plan was established on November 1, 1972 and is also administered by the Pension Board.

***Funding Policy***

The Marion County Sheriff's Department intends to contribute to the plan each year such amounts as may be required to operate the plan on a sound actuarial basis. According to IC 36-8-10-12(e), the minimum annual contribution by the department must be sufficient, as determined by the plan's consultants, to prevent deterioration in the actuarial status of the trust fund during the year. If the Sheriff's Department fails to make minimum contributions for three successive years, the pension trust terminates and the trust fund shall be liquidated.

***Disability and Survivor Benefits***

If an eligible member becomes disabled, the plan provides a monthly benefit payable for life or until recovery from the disability. The amount of the monthly benefit is equal to the retirement benefit to which the member would be entitled under the terms of the Retirement Plan at age 50, assuming 20 years of credited service if the disability was not incurred in the line of duty and 32 years of credited service if the disability was incurred in the line of duty. In addition, in the case of disability incurred in the line of duty, medical expenses resulting from such disability may be paid from the plan in an amount, if any, approved by the Pension Board.

In the event that an eligible member dies prior to the termination of employment for whatever reason or after actual retirement as of an early, normal, or late retirement date or for reason of disability, a \$200 monthly benefit is payable to the surviving spouse to whom the member was married on the date of death or on the date of retirement, if earlier, for the spouse's remaining lifetime.

In addition, to the surviving spouse's death benefit, a monthly benefit is payable on behalf of each dependent child under the age of 18 years of such deceased member in an amount equal to \$30 per month. The dependent child's monthly benefit ceases upon the earlier of the child's 18th birthday or date of death.

Each eligible member is insured by a life insurance contract in the face amount of \$25,000, with a matching amount of accidental death insurance. The purchase and maintenance of the insurance contract is provided outside of the plan.

***Contributions Required and Contributions Made***

The Sheriff's Disability Plan is funded through only employer contributions. For the year ended December 31, 2015, the actuarially determined minimum employer contribution was \$1,840,453 (9.99% of annual covered payroll), equal to the actual amount contributed by the Sheriff's Department.

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS – MARION COUNTY)**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**All Other County Employees' Plan**

***Plan Description***

The County also contributes to the Public Employees' Retirement Fund of Indiana ("PERF"), a cost-sharing, multiple-employer defined benefit pension plan established in accordance with IC 5-10.3 to act as a common investment and administrative agent for units of state and local governments in Indiana. PERF is administered by the Indiana Public Retirement System ("INPRS") and is governed by the INPRS Board of Trustees ("INPRS Board"). PERF provides retirement, disability and survivor benefits to full-time employees of the State of Indiana not covered by another plan, those political subdivisions that elect to participate in the retirement plan and certain INPRS employees. Except for Marion County law enforcement personnel, all full-time County employees are eligible to participate in this plan. INPRS issues a publicly available financial report that includes financial statements and required supplementary information for PERF, and can be found at <http://www.inprs.in.gov/>. This report may also be obtained by writing to Indiana Public Retirement System, 1 North Capitol, Suite 001, Indianapolis, Indiana 46204, or by calling 888-526-1687.

There are two tiers to the PERF plan. The first is the Public Employee's Defined Benefit Plan ("PERF Hybrid Plan") and the second is the Public Employees' ASA Only Plan ("PERF ASA Only Plan"). Currently, the PERF ASA Only Plan is available only to employees of the State of Indiana. As of July 1, 2016, employees of Indiana political subdivisions may be able eligible to participate.

There are two aspects to the PERF Hybrid Plan defined benefit structure. The first portion is the monthly defined-benefit pension that is funded by the employer. The second portion of the PERF Hybrid Plan benefit structure is the Annuity Savings Account ("ASA") that supplements the defined-benefit at retirement.

***Funding Policy***

The funding policy of INPRS provides for actuarially determined periodic contributions at rates that, for individual employees, increase gradually over time so that sufficient assets will be available to pay benefits when due.

The employer defined-benefit contribution rate is based on an actuarial valuation and is adopted, and may be amended, by the INPRS Board. For 2015, the County contributed 11.2% of employee compensation to the plan. The ASA consists of the employee contribution, which is set by statute at 3% of compensation, as defined by Indiana statutes, plus the interest/earnings or losses credited to the employee's account. The employer may choose to make the contributions on behalf of its participating employees, which the County has elected to do. In addition, under certain circumstances, employees may elect to make additional voluntary contributions of up to 10% of their compensation into their ASA. An employee's contribution and interest credits belong to the employee and do not belong to the state or the County.

***Retirement Benefits***

The PERF Hybrid Plan retirement benefit consists of the sum of a defined pension benefit provided by employer contributions plus the amount credited to the employee's ASA. Retirement benefits vest after ten years of creditable service. The vesting period is eight years for certain elected officials. At retirement, an employee may choose to receive a lump-sum payment of the amount credited to the employee's ASA, receive the amount as an annuity or leave the contributions invested with INPRS.

Vested employees leaving a covered position, who wait 30 days after termination, may withdraw their ASA and will not forfeit creditable service or a full retirement benefit. However, if an employee is eligible for a full retirement at the time of the withdrawal request, he/she will have to begin drawing his/her pension benefit in order to withdraw the ASA. A nonvested employee who terminates employment prior to retirement may withdraw his/ her ASA after 30 days, but by doing so, forfeits his/her creditable service. An employee who returns to covered service and works no less than six months in a covered position may reclaim his/her forfeited creditable service.

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS – MARION COUNTY)**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

An employee who has reached: (1) age 65 and has at least ten years of creditable service; (2) age 60 and has at least 15 years of creditable service; or (3) at least age 55 and whose age plus number of years of creditable service is at least 85 is eligible for normal retirement and, as such, is entitled to 100% of the pension benefit component. This annual pension benefit is equal to 1.10% times the average annual compensation times the number of years of creditable service. The average annual compensation in this calculation uses the 20 calendar quarters of creditable service in which the employee's annual compensation was the highest. All 20 calendar quarters do not have to be continuous, but they must be in groups of four consecutive calendar quarters. The same calendar quarter may not be included in two different groups. Employee contributions paid by the employer on behalf of the employee and severance pay up to \$2,000 are included as part of the employee's salary.

An employee who has reached at least age 50 and has at least 15 years of creditable service is eligible for early retirement with a reduced pension. An employee retiring early receives a percentage of the normal annual pension benefit. The percentage of the pension benefit at retirement remains the same for the employee's lifetime. For age 59, the early retirement percentage of the normal annual pension benefit is 89%. This amount is reduced five percentage points per year (e.g., age 58 is 84%) to age 50 being 44%.

The monthly pension benefits for employees in pay status may be increased periodically by a COLA. Such increases are not guaranteed by statute and have historically been provided on an "ad hoc" basis and can only be granted by the Indiana General Assembly.

***Disability and Survivor Benefits***

The PERF Hybrid Plan also provides disability and survivor benefits. An employee who has at least five years of creditable service and becomes disabled while in active service, on leave, receiving workers' compensation benefits or receiving employer-provided disability insurance benefits may retire for the duration of the disability, if the employee has qualified for social security disability benefits and has furnished proof of the qualification. The disability benefit is calculated the same as that for a normal retirement without reduction for early retirement. The minimum benefit is \$180 per month, or the actuarial equivalent.

Upon the death in service of an employee with 15 or more years of creditable service as of January 1, 2007, a survivor benefit may be paid to the surviving spouse to whom the employee had been married for two or more years, or surviving dependent children under the age of 18. This payment is equal to the benefit that would have been payable to a beneficiary if the employee had retired at age 50 or at death, whichever is later, under an effective election of the joint and survivor option available for retirement benefits. A surviving spouse or surviving dependent children are also entitled to a survivor benefit upon the death in service after January 1, 2007, of an employee who was at least 65 years of age and had at least ten but not more than 14 years of creditable service.

The authority to establish or amend benefit provisions of PERF rests with the Indiana General Assembly.

***Contributions Required and Contributions Made***

Employer contribution rates are adopted annually by the INPRS Board for PERF. The contributions are actuarially determined based on the funding policy, actuarial assumptions and actuarial methods established by the INPRS Board. Contributions determined by the actuarial valuation become effective either 12 or 18 months after the valuation date, depending on the applicable employer. In the case of the County, contribution rates and amounts determined by the June 30, 2015 actuarial valuation and adopted by the INPRS Board therefore become effective on January 1, 2017. The County's contractually required contribution rate for 2015 was 11.2% of annual payroll, actuarially determined as an amount that is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. For the year ended December 31, 2015, the County's actual employer contributions made of \$13,016,083 were equal to the actuarially required contributions.

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS – MARION COUNTY)**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**NOTE 6—RISK MANAGEMENT**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County is self-insured for vehicle, workers' compensation, general liability, and high-deductible health insurance. Additionally, the County purchases commercial insurance for claims for all other risks of loss. Settled claims have not exceeded the insurance coverage in any of the past three years. Additionally, the County participates in the City's self-insurance fund for high-deductible health insurance plan that is offered to current and eligible retired employees. In 2015, the County paid \$7,678,297 relating to these self-insured risks. Due to the modified cash-basis of accounting, unpaid claims are not recorded within the accompanying financial statements.

**NOTE 7—DEFERRED COMPENSATION PLAN**

Employees of Marion County are eligible to participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code ("IRC") Section 457. The deferred compensation plan is available to all employees of the County. Under this plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency. Plan assets are held in trust by an independent trustee for the exclusive benefit of participants and their beneficiaries and are not included within the accompanying financial statements.

**NOTE 8—JOINT BUILDING AUTHORITY**

The County and the City lease the office building and parking lot facilities they share, among other properties, from the Indianapolis-Marion County Building Authority ("Building Authority"). The Building Authority is a separate municipal corporation, acting as a joint building authority, whose purpose is to finance, acquire, construct, improve, renovate, equip, operate, maintain, and manage land, governmental buildings, and communication systems for governmental entities within the County. Such facilities are sometimes financed by the Building Authority through the issuance of bonded debt.

The Building Authority enters into long-term lease agreements, primarily with the County and the City, which provide for sufficient rent to service the debt (Fixed Rentals) and offset budgeted operating costs (Additional Rentals) of the leased facilities. All of the leases contain renewal and purchase options and provide for annual adjustment to the Additional Rentals based upon the operating expense budgets for the facilities. If the purchase options are not exercised, the leases provide for the transfer, upon expiration of the lease, of ownership of the facilities to the lessee governments free and clear of all obligations of the lease. The governing Indiana statute with respect to each of the Building Authority's leases provides that the lessee governments shall be obligated to levy annually a tax sufficient to produce each year the necessary funds to pay the lease rentals to the Building Authority. During 2015, the County paid \$3,413,715 in Fixed Rentals and \$878,350 in Additional Rentals. The County's lease agreements with the Building Authority expire on various dates through 2024. The County and the City have also entered into a number of management contracts with the Building Authority. Such contracts provide for the construction, operation and/or maintenance of facilities for use by various departments of the County and the City. In some instances, the County and the City advance funds to the Building Authority for construction of new facilities. In other instances, management contracts are established for existing facilities. Under each of their management contracts, the County and City designate the Building Authority as their agent and manager for purposes of constructing, maintaining and/or managing the facilities. Like Additional Rentals, annual Maintenance Fees are payable to the Building Authority for facilities covered under management contracts and vary each year based on the operating expense budgets for the facilities. During 2015, the County paid the Building Authority \$5,825,623 in Maintenance Fees. The County's management contracts expire on various dates through 2018.

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS – MARION COUNTY)**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**NOTE 9—RELATED-PARTY TRANSACTIONS**

The legislative body of the County is the same in several respects as that of the City, and the position of chief executive is held by the Mayor of the City. The County provides certain information technology and telephone services to the City. Receipts from these services were \$10,421,019 in 2015. In 2015, the County also received \$5,726,164 of 911 dispatch fees from the City.

The County and City purchase certain insurance policies that cover risks of both entities. The County and City pay premiums associated with their own respective portions of the coverage. The City provides certain administrative services to the County, including purchasing, legal, and other general administration. The City funds such services through a countywide tax levy. The County does not compensate the City for these services, except for legal services. Conversely, the County provides certain administrative services to the City, including payroll, accounts payable and other general administration. The County provides, at no compensation, criminal, civil, juvenile, and probate court services to all municipalities and unincorporated areas in Marion County, administers the property tax administration and collection system for the same jurisdictions, and operates the County jail and lockup.

The County acted as either a subrecipient or a pass-through agent for various state and federal grant programs received from the City during 2015.

The County has entered into various contracts with Health and Hospital Corporation of Marion County (“HHC”). HHC is a separate municipal corporation and is considered to be a component unit of the Consolidated City of Indianapolis – Marion County. HHC has its own governing board separate from the County’s legislative body. HHC has within it the division of public health and the division of public hospitals. In 2015, the County made \$1,261,579 in mental health distributions to HHC as allowed by law.

**NOTE 10—COMMITMENTS AND CONTINGENCIES**

The County has various lawsuits pending against it. Indiana law limits the liability of municipalities to \$700,000 per person and \$5,000,000 per occurrence. Because the County’s financial statements are prepared on a modified cash-basis of accounting as described in Note 1, no accrual for loss contingencies for matters that have been deemed probable to impair an asset or require accrual of a liability as provided for in GASB Statement No. 62 has been recorded in the County’s financial statements. While the minimum estimated amount of the range of such contingencies is \$220,000, actual losses may exceed that amount and such amounts may be significant.

The County participates in a number of federal and state financial assistance programs. These programs are subject to financial and compliance audits by federal agencies. The amount, if any, of disbursements that may be disallowed by the granting agencies cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS – MARION COUNTY)**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**NOTE 11—DEFICIT CASH POSITION**

At December 31, 2015, the following nonmajor governmental funds had a deficit cash position:

**Nonmajor Capital Projects Funds**

|                                |             |
|--------------------------------|-------------|
| Public Safety Capital Projects | \$ (12,244) |
|--------------------------------|-------------|

**Nonmajor Special Revenue Funds**

|   |           |
|---|-----------|
| Prosecutor's Diversion                      | (37,427)  |
| Prosecutor's Law Enforcement                | (308,802) |
| Community Corrections Home Detention        | (10,952)  |
| Law Enforcement Equitable Sharing           | (61,829)  |
| Supplemental Public Defender Fee            | (121,246) |
| Federal Stimulus                            | (183,090) |
| Marion County Sheriff's Civil Division Fees | (278,400) |

The County intends to reduce the deficit in the Public Safety Capital Projects Fund by a transfer from the General Fund. The deficits for the Prosecutor's Law Enforcement Fund and Prosecutor's Law Enforcement Equitable Sharing Fund will be recovered from reimbursements from the City. The deficits for the Prosecutor's Diversion Fund, Supplemental Public Defender Fee Fund, Marion County Sheriff's Civil Division Fees Fund, and Community Corrections Home Detention Fund will be recovered through future charges for services. The Federal Stimulus deficit will be recovered through future federal grant reimbursements.



**OTHER INFORMATION  
(UNAUDITED)**



**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS – MARION COUNTY)**  
**SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS – BUDGET AND ACTUAL –**  
**GENERAL FUND**  
**OTHER INFORMATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**  
**(UNAUDITED)**

|   | <u>Budgeted Amounts</u> |                       | <u>Actual<br/>Amounts<br/>(See Note 2)</u> | <u>Variance with<br/>Final Budget –<br/>Positive<br/>(Negative)</u> |
|---|-------------------------|-----------------------|--|---|
|   | <u>Original</u>         | <u>Final</u>          |  |   |
| <b>Receipts</b>   |                         |                       |  |   |
| Taxes   | \$ 146,420,115          | \$ 142,890,128        | \$ 167,485,964                             | \$ 24,595,836   |
| Intergovernmental   | 13,080,645              | 15,510,771            | 10,197,455                                 | (5,313,316)   |
| Charges for services  | 14,640,497              | 14,613,578            | 13,887,628                                 | (725,950)   |
| Interest  | 698,000                 | 832,192               | 2,256,358                                  | 1,424,166   |
| Miscellaneous   | 367,266                 | 183,074               | 248,151                                    | 65,077  |
| Total receipts  | <u>175,206,523</u>      | <u>174,029,743</u>    | <u>194,075,556</u>                         | <u>20,045,813</u>   |
| <b>Disbursements</b>  |                         |                       |  |   |
| Current:  |                         |                       |  |   |
| General government  | 102,938,846             | 102,312,539           | 101,475,778                                | 836,761   |
| Public safety   | 90,595,385              | 86,512,283            | 86,333,655                                 | 178,628   |
| Culture and recreation  | 721,614                 | 720,964               | 221,383                                    | 499,581   |
| Total disbursements   | <u>194,255,845</u>      | <u>189,545,786</u>    | <u>188,030,816</u>                         | <u>1,514,970</u>  |
| Excess (deficiency) of receipts over (under) disbursements  | <u>(19,049,322)</u>     | <u>(15,516,043)</u>   | <u>6,044,740</u>                           | <u>21,560,783</u>   |
| Other financing sources (uses):   |                         |                       |  |   |
| Sales of capital assets   | —                       | 76,919                | 3,785                                      | (73,134)  |
| Transfers in (out)  | 10,405,368              | 8,890,280             | (16,492,525)                               | (25,382,805)  |
| Total other financing sources (uses)  | <u>10,405,368</u>       | <u>8,967,199</u>      | <u>(16,488,740)</u>                        | <u>(25,455,939)</u>   |
| Deficiency of receipts and other financing sources (uses)<br>under disbursements and other financing uses | <u>\$ (8,643,954)</u>   | <u>\$ (6,548,844)</u> | <u>\$ (10,444,000)</u>                     | <u>\$ (3,895,156)</u>   |

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS – MARION COUNTY)**  
**SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS – BUDGET AND ACTUAL –**  
**PUBLIC SAFETY INCOME TAX FUND**  
**OTHER INFORMATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**  
**(UNAUDITED)**

|  |                      | <u>Budgeted Amounts</u> |                     | <u>Actual</u>       | <u>Variance with</u>  |
|--|----------------------|-------------------------|---------------------|---------------------|-----------------------|
|  |                      | <u>Original</u>         | <u>Final</u>        | <u>Amounts</u>      | <u>Final Budget –</u> |
|  |                      |                         |                     | <u>(See Note 2)</u> | <u>Positive</u>       |
|  |                      |                         |                     |                     | <u>(Negative)</u>     |
|  | <b>Receipts</b>      |                         |                     |                     |                       |
| Taxes  |                      | \$ 25,929,922           | \$ 37,100,339       | \$ 37,111,908       | \$ 11,569             |
| Total receipts   |                      | <u>25,929,922</u>       | <u>37,100,339</u>   | <u>37,111,908</u>   | <u>11,569</u>         |
|  | <b>Disbursements</b> |                         |                     |                     |                       |
| Current:   |                      |                         |                     |                     |                       |
| General government   |                      | 11,199,000              | 13,627,586          | 13,626,665          | 921                   |
| Public safety  |                      | 14,543,703              | 23,625,901          | 23,443,832          | 182,069               |
| Total disbursements  |                      | <u>25,742,703</u>       | <u>37,253,487</u>   | <u>37,070,497</u>   | <u>182,990</u>        |
| Excess (deficiency) of receipts over (under) disbursements |                      | \$ <u>187,219</u>       | \$ <u>(153,148)</u> | \$ <u>41,411</u>    | \$ <u>194,559</u>     |

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS – MARION COUNTY)**  
**NOTES TO THE OTHER INFORMATION**  
**(UNAUDITED)**  
**DECEMBER 31, 2015**

**NOTE 1—BUDGETS AND BUDGETARY ACCOUNTING**

**Budgets:**

Budgets, detailed to the agency (i.e., department) and character level, are adopted for all governmental funds except Clerk’s Title IV D Incentive, Clerk’s Title IV D ARRA, General Title IV D ARRA, Sheriff Commissary, Prosecutor’s Title IV D Incentive, Prosecutor’s Title IV D ARRA, Campaign Finance Fines, Court Violations Bureau, and other Special Revenue Funds that are not legally required to do so.

Federal Stimulus (Special Revenue Fund), Public Safety Interest Escrow (Capital Projects Fund) and Public Safety Capital Projects (Capital Projects Fund) were not budgeted during 2015 due to no expenditure activity.

A separate budgetary report has been prepared, which is detailed to the agency and character level and is available upon request. The budgetary basis of accounting is essentially the cash basis with the exception of revenues received in the current year but budgeted for in a prior year and that encumbrances and certain accounts payable are treated as expenditures.

The timetable for the budgetary process is as follows:

|                  |   |
|------------------|---|
| <b>June 1</b>    | Office of Finance and Management provides guidelines to County agencies                                     |
| <b>July 1</b>    | County officials submit budgets   |
| <b>August</b>    | Office of Finance and Management recommends budget to City-County Council                                   |
| <b>September</b> | Council committees review/amend budgets based on public testimony   |
| <b>October</b>   | Council approves budget by last meeting of October  |
| <b>December</b>  | State of Indiana, Department of Local Government Finance reviews/adjusts and gives final approval to budget |
| <b>January 1</b> | Budget becomes effective  |

Revisions to transfer appropriations between agencies or character of expenditure require approval of the City-County Council. Revisions to increase the appropriations require approval of the City-County Council, and if the increased appropriation occurs in a fund that has a tax rate, then the State of Indiana Department of Local Government Finance also must approve the increase.

During the year, the following supplementary appropriations were properly approved for the General Fund:

|                        | <u>General Fund</u>   | <u>Public Safety<br/>Income Tax</u> |
|------------------------|-----------------------|-------------------------------------|
| Original appropriation | \$ 194,255,845        | \$ 25,742,703                       |
| Revisions              | <u>(4,710,059)</u>    | <u>11,510,784</u>                   |
| Revised appropriation  | <u>\$ 189,545,786</u> | <u>\$ 37,253,487</u>                |

Unencumbered appropriations lapse at year-end and represent fund balances available for future commitment, except for capital projects funds, which are budgeted on a project basis.

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS – MARION COUNTY)**  
**NOTES TO THE OTHER INFORMATION**  
**(UNAUDITED) (CONTINUED)**  
**DECEMBER 31, 2015**

**NOTE 2—BUDGET / CASH AND INVESTMENT BASIS REPORTING DIFFERENCES**

Adjustments required to convert the results of the 2015 operations from a budgetary basis (actual) to a modified cash-basis (actual) are as follows:

|  | <u>General Fund</u>   | <u>Public Safety<br/>Income Tax</u> |
|--|-----------------------|-------------------------------------|
| Excess (deficiency) of receipts and other financing sources<br>over (under) disbursements and other financing uses (budgetary basis)     | \$ (10,444,000)       | \$ 41,411                           |
| Adjustments:   |                       |                                     |
| Prior year receipts  | 5,097,407             | —                                   |
| Prior year disbursements   | (4,196,307)           | —                                   |
| Encumbrances   | 2,575,204             | 66,283                              |
| Vouchers payable outstanding   | <u>188,123</u>        | <u>29,119</u>                       |
| Excess (deficiency) of receipts and other financing sources<br>over (under) disbursements and other financing uses (modified cash-basis) | <u>\$ (6,779,573)</u> | <u>\$ 136,813</u>                   |



**COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS  
AND SCHEDULES—OTHER SUPPLEMENTARY INFORMATION**



## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for operating revenues that are restricted for particular purposes by state or federal statute or that are committed to expenditures for specific purposes other than debt service or capital projects designated by authority of the City-County Council to be maintained in separate funds.

**IDENTIFICATION SECURITY PROTECTION**—This fund was created by IC 36-2-7.5-11 for the purpose of purchasing, upgrading, implementing, or maintaining redacting technology used in the office of the County Recorder.

**ADULT PROBATION**—Established to account for receipt of adult probation fees to be appropriated by the City-County Council for the courts' use in providing probation services to adults.

**SECTION 102 HAVA REIMBURSEMENT**—Established by City-County Council Special Resolution No. 54 for the reimbursement of outstanding obligations relating to the purchase of the County's voting system. If the obligations are paid in full, the funds will be used for the improvement of elections for federal office in the County.

**SURVEYOR'S CORNER PERPETUATION**—Established to account for receipt of fees collected by the County Recorder to be appropriated by the City-County Council for establishing or relocating corners and the keeping of the corner record book.

**COUNTY RECORDS PERPETUATION**—Established to account for certain fees that are collected by the County Recorder for the preservation of records and the improvement of recording systems and equipment. (IC 36-2-7-10(d))

**PROPERTY REASSESSMENT**— Used for the purpose of receiving and holding in escrow tax distribution for the funding for the next property reassessment. Funds held in escrow until distributions are authorized by the State Legislature, whereby the distribution is made to the Marion County Assessor.

**PROSECUTOR'S DIVERSION**—Established to account for collection of user fees related to the operation of pretrial diversion programs. All money collected in this fund must be appropriated by the City-County Council and can be used only as the Prosecuting Attorney directs for pretrial diversion programs.

**PROSECUTOR'S LAW ENFORCEMENT**—Established to account for the payment of restitution by certain offenders.

**CLERK'S TITLE IV D INCENTIVE**—This fund was created by IC 12-17-2-26. The revenues received in this fund are an incentive from the state/federal government for enhancing child support enforcement. These funds per the statute are eligible to be spent without appropriation.

**SHERIFF COMMISSARY**—Established to account for money collected in the jail commissary, which is required to be spent according to IC 36-8-10-21.

**COUNTY EXTRADITION**—Established to account for the collection of certain court fees to be appropriated by the City-County Council to offset extradition expense. (IC 35-33-14)

**COUNTY MISDEMEANANT**—Established by the State of Indiana to provide incentive to counties to locally house misdemeanants. This fund may be used only for funding the operation of a county jail, jail programs, or other local correctional facilities. (IC 11-12-6-6)

**ALCOHOL AND DRUG SERVICES**—Established to account for the collection of court fees to be appropriated by the City-County Council for the operation of alcohol and drug services program.

(Continued)

COMMUNITY CORRECTIONS HOME DETENTION—Established to collect user fees related to the supervision of home detention. (IC 11-2-7-1)

COUNTY AUDITOR'S INELIGIBLE DEDUCTIONS – This fund was created by IC 6-1.1-12-17. Monies in the fund may be used only for specific purposes outlined under IC 6-1.1-36-17 (e) and may be expended upon appropriation by the county fiscal body.

LAW ENFORCEMENT EQUITABLE SHARING—Established in accordance with federal guidelines to track all funds received under the Equitable Sharing Program.

COUNTY SEX-VIOLENT OFFENDER ADMINISTRATION- Established to account for the annual sex or violent offender registration fees. (IC 36-2-13-5.6 (a) (2)) Revised Code of the Consolidated City and County Indianapolis/Marion, Indiana – Title I Chapter 131 Article I Sec. 131-112.

SUPPLEMENTAL PUBLIC DEFENDER FEE—Established to account for the collection of fees assessed, at the discretion of the judge, on a defendant to cover costs incurred by the County as a result of court appointed legal services rendered to the defendant. (IC 33-40-3-1, 3 & 4)

DEFERRAL PROGRAM FEES—Established to account for the collection of traffic violation process fees for people who are released on their own recognizance.

COUNTY DRUG FREE COMMUNITY—Established to promote comprehensive local alcohol and drug abuse prevention initiatives by supplementing local funding for treatment, education, and criminal justice efforts. (IC 5-2-11-2)

CONDITIONAL RELEASE—Established to account for the pretrial diversion program fees collected by the Clerk.

STATE AND FEDERAL GRANTS—Established to account for state and federal grant programs received from the U.S. Marshal, U.S. Department of Justice, U.S. Department of Health and Human Services, State of Indiana Department of Corrections, Indiana Criminal Justice Institute, Indiana Division of Family and Children, City of Indianapolis, and various other state and federal agencies.

FEDERAL STIMULUS—Established to account for federal grant programs received under the American Recovery and Reinvestment Act, which was signed into law by President Obama on February 17, 2009.

ENHANCED ACCESS—Established for the replacement, improvement, and expansion of capital expenditures and the reimbursement of operating expenses incurred in providing enhanced access to public information. (IC 5-14-3-8.3) Revised Code of the Consolidated City and County Indianapolis/Marion, Indiana – Title I Chapter 135 Article V Sec. 135-511.

PROSECUTOR'S TITLE IV D INCENTIVE—Created by IC 12-17-2-26, the receipts received in this fund are an incentive from the state/federal government for enhancing child support enforcement. These funds per the statute are eligible to be spent without appropriation.

SHERIFF'S CIVIL DIVISION FEES—Created by the City-County Council, Ordinance No. 86 (2004), the fund shall consist of fees collected in the processing of real estate foreclosures and orders of eviction. Receipts received in this fund are for the purpose of carrying out the functions of the Marion County Sheriff's Department. Amounts shall be paid from this fund only pursuant to appropriations authorized by the City-County Council. Revised Code of the Consolidated City and County Indianapolis/Marion, Indiana – Title I Chapter 135 Article II Sec. 135-281 (c).

ENDORSEMENT FEE—Established to account for the receipt of fees charged on documents for endorsing a document affecting an interest in real property. This fund is to be used for the improvement and maintenance of the real property records systems and equipment. (IC 36-2-11-14) Revised Code of the Consolidated City and County Indianapolis/Marion, Indiana – Title I Chapter 135 Article II Sec. 135-222.

COUNTY SALES DISCLOSURE—Established to account for the receipt of fees charged on the filing of a sales disclosure form. This fund is to be used for the administration of the sales disclosure function, training of assessing officials, or the purchasing of computer software or hardware for a property record system.

(Continued)

PROSECUTOR'S TITLE IV D ARRA—Established to account for child support incentive receipts related to the American Recovery and Reinvestment Act.

CLERK'S TITLE IV D ARRA—Established to account for child support incentive receipts related to the American Recovery and Reinvestment Act.

GENERAL TITLE IV D INCENTIVE – Created by IC 31-25-4-23.5 (a). Receipts received will come from incentive payments outlined in 23(a)(1) of the above chapter referenced above. Monies may be used solely for child support enforcement purposes.

COMMISSIONER & GUARDIAN AD LITEM – Created by IC 34-28-5-4 (h) and IC 34-28-5-5 (e). This fund was created to collect an additional infraction judgment fee of \$35 on traffic violations. Funds may be used solely for the purposes of funding compensation of commissioners and the cost of the County's Guardian Ad Litem program.

OTHER—Used to account for activities of 19 other less significant revenue sources and related expenditures.

### **DEBT SERVICE FUNDS**

Debt Service Funds are used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest.

COUNTY SINKING—Established to account for the resources devoted to the payment of interest and principal on long-term general obligation debt issued by the County.

### **CAPITAL PROJECTS FUNDS**

Capital Projects Funds are used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the construction of capital facilities and other capital assets.

PUBLIC SAFETY CAPITAL PROJECTS—Established to account for the development of the County integrated justice system and the upgrade of equipment for the County Forensic Services lab and County Sheriff's Department.

CUMULATIVE CAPITAL DEVELOPMENT—Used to account for financial resources to be used for the renovation and/or construction of major capital facilities as approved by the City-County Council, other than those financed by proprietary funds.

PUBLIC SAFETY INTEREST ESCROW—Established to account for the development of the County integrated justice system and the upgrade of equipment for the County Forensic Services lab and County Sheriff's Department.

CAPITAL IMPROVEMENT LEASE—Established for the purpose of funding capital lease obligations of County offices. The fund shall consist of all taxes and miscellaneous receipts allocated to the capital lease fund. Amounts may be paid from this fund from appropriations authorized by the City-County Council.

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS – MARION COUNTY)**  
**COMBINING STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS**  
**AND CHANGES IN CASH, CASH EQUIVALENTS AND INVESTMENTS –**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

|   | Identification<br>Security<br>Protection | Adult<br>Probation | Section<br>102<br>HAVA<br>Reimburse-<br>ment | Surveyor's<br>Corner<br>Perpetu-<br>ation | County Records<br>Perpetuation | Property<br>Reassessment | Prosecutor's<br>Diversion | Prosecutor's<br>Law<br>Enforce-<br>ment |
|---|--|--------------------|--|---|--------------------------------|--------------------------|---------------------------|---|
| <b>Receipts:</b>  |  |                    |  |   |                                |                          |                           |   |
| Taxes   | \$ —                                     | \$ —               | \$ —   | \$ —                                      | \$ —                           | \$ 1,677,998             | \$ —                      | \$ —                                    |
| Intergovernmental   | —  | —                  | —  | —   | —                              | —                        | —                         | —                                       |
| Charges for services  | 68,107                                   | 1,618,467          | —  | 212,664                                   | 679,322                        | —                        | 226,779                   | 382,292                                 |
| Miscellaneous   | —  | 3,731              | —  | —   | 104,811                        | 4,051                    | —                         | 174,290                                 |
| Total receipts  | <u>68,107</u>                            | <u>1,622,198</u>   | <u>—</u>                                     | <u>212,664</u>                            | <u>784,133</u>                 | <u>1,682,049</u>         | <u>226,779</u>            | <u>556,582</u>                          |
| <b>Disbursements:</b>   |  |                    |  |   |                                |                          |                           |   |
| <b>Current:</b>   |  |                    |  |   |                                |                          |                           |   |
| General government  | —  | 1,880,373          | —  | 312,689                                   | 758,081                        | 1,743,737                | —                         | 479,171                                 |
| Public safety   | —  | —                  | —  | —   | —                              | —                        | —                         | 4,964                                   |
| Capital outlay  | —  | 53,881             | —  | 18,472                                    | 4,475                          | —                        | —                         | 273                                     |
| Total disbursements   | <u>—</u>                                 | <u>1,934,254</u>   | <u>—</u>                                     | <u>331,161</u>                            | <u>762,556</u>                 | <u>1,743,737</u>         | <u>—</u>                  | <u>484,408</u>                          |
| Excess (deficiency) of receipts<br>over (under) disbursements   | 68,107                                   | (312,056)          | —  | (118,497)                                 | 21,577                         | (61,688)                 | 226,779                   | 72,174                                  |
| <b>Other financing sources:</b>   |  |                    |  |   |                                |                          |                           |   |
| Transfers in  | —  | —                  | —  | —   | —                              | —                        | —                         | —                                       |
| Total other financing sources   | <u>—</u>                                 | <u>—</u>           | <u>—</u>                                     | <u>—</u>                                  | <u>—</u>                       | <u>—</u>                 | <u>—</u>                  | <u>—</u>                                |
| Excess (deficiency) of receipts and other financing<br>sources over (under) disbursements and other financing<br>uses | 68,107                                   | (312,056)          | —  | (118,497)                                 | 21,577                         | (61,688)                 | 226,779                   | 72,174                                  |
| Cash, cash equivalents and investments - beginning of year  | 1,687,928                                | 521,367            | 36,104                                       | 373,651                                   | 1,117,572                      | 967,588                  | (264,206)                 | (380,976)                               |
| Cash, cash equivalents and investments - end of year  | <u>\$ 1,756,035</u>                      | <u>\$ 209,311</u>  | <u>\$ 36,104</u>                             | <u>\$ 255,154</u>                         | <u>\$ 1,139,149</u>            | <u>\$ 905,900</u>        | <u>\$ (37,427)</u>        | <u>\$ (308,802)</u>                     |

**Cash, cash equivalents and investments - December 31, 2015:**

|   |                     |                   |                  |                   |                     |                   |                    |                     |
|---|---------------------|-------------------|------------------|-------------------|---------------------|-------------------|--------------------|---------------------|
| Restricted  | \$ 1,756,035        | \$ 209,311        | \$ 36,104        | \$ 255,154        | \$ 1,139,149        | \$ 905,900        | \$ —               | \$ —                |
| Unassigned  | —                   | —                 | —                | —                 | —                   | —                 | (37,427)           | (308,802)           |
| <b>Total cash, cash equivalents and investments - December 31, 2015</b> | <u>\$ 1,756,035</u> | <u>\$ 209,311</u> | <u>\$ 36,104</u> | <u>\$ 255,154</u> | <u>\$ 1,139,149</u> | <u>\$ 905,900</u> | <u>\$ (37,427)</u> | <u>\$ (308,802)</u> |

|   | Supplemental<br>Public<br>Defender<br>Fee | Deferral<br>Program<br>Fees | County<br>Drug Free<br>Community | Conditional<br>Release | State and<br>Federal Grants | Federal<br>Stimulus | Enhanced<br>Access  | Prosecutor's<br>Title<br>IV D<br>Incentive |
|---|---|-----------------------------|----------------------------------|------------------------|-----------------------------|---------------------|---------------------|--|
| <b>Receipts:</b>  |   |                             |                                  |                        |                             |                     |                     |  |
| Taxes   | \$ —                                      | \$ —                        | \$ —                             | \$ —                   | \$ —                        | \$ —                | \$ —                | \$ —                                       |
| Intergovernmental   | —   | —                           | 19,351                           | —                      | 8,227,324                   | —                   | —                   | 632,591                                    |
| Charges for services  | 210,340                                   | 2,529,819                   | 300,663                          | 3,749                  | —                           | —                   | 196,649             | —  |
| Miscellaneous   | —   | —                           | —                                | —                      | —                           | —                   | —                   | —  |
| Total receipts  | <u>210,340</u>                            | <u>2,529,819</u>            | <u>320,014</u>                   | <u>3,749</u>           | <u>8,227,324</u>            | <u>—</u>            | <u>196,649</u>      | <u>632,591</u>                             |
| <b>Disbursements:</b>   |   |                             |                                  |                        |                             |                     |                     |  |
| <b>Current:</b>   |   |                             |                                  |                        |                             |                     |                     |  |
| General government  | 324,278                                   | 2,185,622                   | 258,845                          | —                      | 3,088,441                   | —                   | 212,737             | 369,243                                    |
| Public safety   | —   | —                           | —                                | —                      | 4,872,008                   | —                   | —                   | —  |
| Capital outlay  | —   | —                           | —                                | —                      | 634,402                     | —                   | —                   | 27,085                                     |
| Total disbursements   | <u>324,278</u>                            | <u>2,185,622</u>            | <u>258,845</u>                   | <u>—</u>               | <u>8,594,851</u>            | <u>—</u>            | <u>212,737</u>      | <u>396,328</u>                             |
| Excess (deficiency) of receipts<br>over (under) disbursements   | (113,938)                                 | 344,197                     | 61,169                           | 3,749                  | (367,527)                   | —                   | (16,088)            | 236,263                                    |
| <b>Other financing sources (uses):</b>  |   |                             |                                  |                        |                             |                     |                     |  |
| Transfers in (out)  | —   | —                           | —                                | —                      | 265,946                     | (54,163)            | —                   | —  |
| Total other financing sources (uses)  | <u>—</u>                                  | <u>—</u>                    | <u>—</u>                         | <u>—</u>               | <u>265,946</u>              | <u>(54,163)</u>     | <u>—</u>            | <u>—</u>                                   |
| Excess (deficiency) of receipts and other financing<br>sources over (under) disbursements and other financing<br>uses | (113,938)                                 | 344,197                     | 61,169                           | 3,749                  | (101,581)                   | (54,163)            | (16,088)            | 236,263                                    |
| Cash, cash equivalents and investments - beginning of year  | (7,308)                                   | 46,131                      | 192,536                          | 23,341                 | 2,106,541                   | (128,927)           | 1,363,811           | 2,264,715                                  |
| Cash, cash equivalents and investments - end of year  | <u>\$ (121,246)</u>                       | <u>\$ 390,328</u>           | <u>\$ 253,705</u>                | <u>\$ 27,090</u>       | <u>\$ 2,004,960</u>         | <u>\$ (183,090)</u> | <u>\$ 1,347,723</u> | <u>\$ 2,500,978</u>                        |

**Cash, cash equivalents and investments - December 31, 2015:**

|   |                     |                   |                   |                  |                     |                     |                     |                     |
|---|---------------------|-------------------|-------------------|------------------|---------------------|---------------------|---------------------|---------------------|
| Restricted  | \$ —                | \$ 390,328        | \$ 253,705        | \$ 27,090        | \$ 2,004,960        | \$ —                | \$ 1,347,723        | \$ 2,500,978        |
| Unassigned  | (121,246)           | —                 | —                 | —                | —                   | (183,090)           | —                   | —                   |
| <b>Total cash, cash equivalents and investments - December 31, 2015</b> | <u>\$ (121,246)</u> | <u>\$ 390,328</u> | <u>\$ 253,705</u> | <u>\$ 27,090</u> | <u>\$ 2,004,960</u> | <u>\$ (183,090)</u> | <u>\$ 1,347,723</u> | <u>\$ 2,500,978</u> |

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS – MARION COUNTY)**  
**COMBINING STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS**  
**AND CHANGES IN CASH, CASH EQUIVALENTS AND INVESTMENTS –**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

| Clerk's<br>Title<br>IV D<br>Incentive | Sheriff<br>Commissary | County<br>Extradition         | County<br>Misdemeanant                | Alcohol and<br>Drug<br>Services  | Community<br>Corrections<br>Home<br>Detention | County<br>Auditor's<br>Ineligible<br>Deductions | Law<br>Enforcement<br>Equitable<br>Sharing | County<br>Sex-Violent<br>Offender<br>Administration |
|---------------------------------------|-----------------------|-------------------------------|---------------------------------------|----------------------------------|---|---|--|---|
| \$ —                                  | \$ —                  | \$ —                          | \$ —                                  | \$ —                             | \$ —  | \$ 2,943,575                                    | \$ —                                       | \$ —  |
| 420,465                               | —                     | —                             | 582,583                               | —                                | 112,025                                       | —   | —  | —   |
| —                                     | 4,115,988             | 5,793                         | —                                     | 376,527                          | 695,739                                       | —   | —  | 6,485   |
| —                                     | —                     | —                             | —                                     | —                                | 27,383  | —   | 52,867                                     | —   |
| <u>420,465</u>                        | <u>4,115,988</u>      | <u>5,793</u>                  | <u>582,583</u>                        | <u>376,527</u>                   | <u>835,147</u>                                | <u>2,943,575</u>                                | <u>52,867</u>                              | <u>6,485</u>  |
| 457,440                               | —                     | —                             | —                                     | 738,299                          | —   | 3,479,485                                       | —  | —   |
| —                                     | 4,327,620             | —                             | 554,785                               | —                                | 1,163,150                                     | —   | 117  | —   |
| 21,932                                | —                     | —                             | —                                     | —                                | —   | 16,287  | 3,776                                      | —   |
| <u>479,372</u>                        | <u>4,327,620</u>      | <u>—</u>                      | <u>554,785</u>                        | <u>738,299</u>                   | <u>1,163,150</u>                              | <u>3,495,772</u>                                | <u>3,893</u>                               | <u>—</u>  |
| (58,907)                              | (211,632)             | 5,793                         | 27,798                                | (361,772)                        | (328,003)                                     | (552,197)                                       | 48,974                                     | 6,485   |
| —                                     | —                     | —                             | —                                     | —                                | —   | —   | —  | —   |
| —                                     | —                     | —                             | —                                     | —                                | —   | —   | —  | —   |
| (58,907)                              | (211,632)             | 5,793                         | 27,798                                | (361,772)                        | (328,003)                                     | (552,197)                                       | 48,974                                     | 6,485   |
| <u>1,568,603</u>                      | <u>874,215</u>        | <u>3,655</u>                  | <u>112,389</u>                        | <u>1,023,206</u>                 | <u>317,051</u>                                | <u>3,467,052</u>                                | <u>(110,803)</u>                           | <u>52,532</u>                                       |
| <u>\$ 1,509,696</u>                   | <u>\$ 662,583</u>     | <u>\$ 9,448</u>               | <u>\$ 140,187</u>                     | <u>\$ 661,434</u>                | <u>\$ (10,952)</u>                            | <u>\$ 2,914,855</u>                             | <u>\$ (61,829)</u>                         | <u>\$ 59,017</u>                                    |
| \$ 1,509,696                          | \$ 662,583            | \$ 9,448                      | \$ 140,187                            | \$ 661,434                       | \$ (10,952)                                   | \$ 2,914,855                                    | \$ (61,829)                                | \$ 59,017   |
| —                                     | —                     | —                             | —                                     | —                                | —   | —   | —  | —   |
| <u>\$ 1,509,696</u>                   | <u>\$ 662,583</u>     | <u>\$ 9,448</u>               | <u>\$ 140,187</u>                     | <u>\$ 661,434</u>                | <u>\$ (10,952)</u>                            | <u>\$ 2,914,855</u>                             | <u>\$ (61,829)</u>                         | <u>\$ 59,017</u>                                    |
| Sheriff's<br>Civil Division<br>Fees   | Endorsement<br>Fee    | County<br>Sales<br>Disclosure | Prosecutor's<br>Title<br>IV D<br>ARRA | Clerk's<br>Title<br>IV D<br>ARRA | General<br>Title<br>IV D<br>Incentive         | Commissioner<br>& Guardian<br>Ad Litem          | Other                                      | Total<br>Special<br>Revenue                         |
| \$ —                                  | \$ —                  | \$ —                          | \$ —                                  | \$ —                             | \$ —  | \$ —  | \$ —                                       | \$ 4,621,573  |
| —                                     | —                     | —                             | —                                     | —                                | 332,518                                       | —   | 125,659                                    | 10,452,516  |
| 703,100                               | 187,545               | 124,523                       | —                                     | —                                | —   | 1,350,840                                       | 1,597,964                                  | 15,593,355  |
| —                                     | —                     | —                             | —                                     | —                                | 87,947  | —   | 157,545                                    | 612,625   |
| <u>703,100</u>                        | <u>187,545</u>        | <u>124,523</u>                | <u>—</u>                              | <u>—</u>                         | <u>420,465</u>                                | <u>1,350,840</u>                                | <u>1,881,168</u>                           | <u>31,280,069</u>                                   |
| —                                     | 143,900               | 100,876                       | —                                     | —                                | 366,183                                       | 840,591   | 5,350,869                                  | 23,090,860  |
| 600,000                               | —                     | —                             | —                                     | —                                | —   | —   | 14,292,097                                 | 25,814,741  |
| —                                     | —                     | —                             | —                                     | —                                | —   | —   | 39,171                                     | 819,754   |
| <u>600,000</u>                        | <u>143,900</u>        | <u>100,876</u>                | <u>—</u>                              | <u>—</u>                         | <u>366,183</u>                                | <u>840,591</u>                                  | <u>19,682,137</u>                          | <u>49,725,355</u>                                   |
| 103,100                               | 43,645                | 23,647                        | —                                     | —                                | 54,282  | 510,249   | (17,800,969)                               | (18,445,286)  |
| —                                     | —                     | —                             | —                                     | —                                | —   | (785,000)                                       | 17,285,000                                 | 16,711,783  |
| —                                     | —                     | —                             | —                                     | —                                | —   | (785,000)                                       | 17,285,000                                 | 16,711,783  |
| 103,100                               | 43,645                | 23,647                        | —                                     | —                                | 54,282  | (274,751)                                       | (515,969)                                  | (1,733,503)   |
| <u>(381,500)</u>                      | <u>(39,367)</u>       | <u>113,159</u>                | <u>174,735</u>                        | <u>57,443</u>                    | <u>812,922</u>                                | <u>1,070,241</u>                                | <u>4,260,203</u>                           | <u>23,295,604</u>                                   |
| <u>\$ (278,400)</u>                   | <u>\$ 4,278</u>       | <u>\$ 136,806</u>             | <u>\$ 174,735</u>                     | <u>\$ 57,443</u>                 | <u>\$ 867,204</u>                             | <u>\$ 795,490</u>                               | <u>\$ 3,744,234</u>                        | <u>\$ 21,562,101</u>                                |
| \$ —                                  | \$ 4,278              | \$ 136,806                    | \$ 174,735                            | \$ 57,443                        | \$ 867,204                                    | \$ 795,490                                      | \$ 3,744,234                               | \$ 22,563,847                                       |
| <u>(278,400)</u>                      | <u>—</u>              | <u>—</u>                      | <u>—</u>                              | <u>—</u>                         | <u>—</u>                                      | <u>—</u>  | <u>—</u>                                   | <u>(1,001,746)</u>                                  |
| <u>\$ (278,400)</u>                   | <u>\$ 4,278</u>       | <u>\$ 136,806</u>             | <u>\$ 174,735</u>                     | <u>\$ 57,443</u>                 | <u>\$ 867,204</u>                             | <u>\$ 795,490</u>                               | <u>\$ 3,744,234</u>                        | <u>\$ 21,562,101</u>                                |

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS – MARION COUNTY)**  
**SCHEDULES OF CASH RECEIPTS AND CASH DISBURSEMENTS – BUDGET AND ACTUAL –**  
**SPECIAL REVENUE FUNDS – NONMAJOR**  
**(UNAUDITED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

|   | <u>Final</u>          | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget—<br/>Positive<br/>(Negative)</u> |
|---|-----------------------|---------------------------|--|
| <b>Identification Security Protection</b>   |                       |                           |  |
| Receipts:   |                       |                           |  |
| Charges for services  | \$ 57,684             | \$ 62,008                 | \$ 4,324   |
| Disbursements:  |                       |                           |  |
| General government  | <u>217,336</u>        | <u>147,349</u>            | <u>69,987</u>  |
| Excess (deficiency) of receipts over (under) disbursements                                | <u>\$ (159,652)</u>   | <u>\$ (85,341)</u>        | <u>\$ 74,311</u>   |
| <b>Adult Probation</b>  |                       |                           |  |
| Receipts:   |                       |                           |  |
| Charges for services  | \$ 1,931,167          | \$ 1,497,601              | \$ (433,566)   |
| Miscellaneous   | <u>—</u>              | <u>3,731</u>              | <u>3,731</u>   |
| Total receipts  | 1,931,167             | 1,501,332                 | (429,835)  |
| Disbursements:  |                       |                           |  |
| General government  | <u>1,937,373</u>      | <u>1,936,373</u>          | <u>1,000</u>   |
| Excess (deficiency) of receipts over (under) disbursements                                | <u>\$ (6,206)</u>     | <u>\$ (435,041)</u>       | <u>\$ (428,835)</u>  |
| <b>Surveyor's Corner Perpetuation</b>   |                       |                           |  |
| Receipts:   |                       |                           |  |
| Charges for services  | \$ 165,000            | \$ 197,740                | \$ 32,740  |
| Miscellaneous   | <u>—</u>              | <u>4</u>                  | <u>4</u>   |
| Total receipts  | 165,000               | 197,744                   | 32,744   |
| Disbursements:  |                       |                           |  |
| General government  | <u>383,969</u>        | <u>329,693</u>            | <u>54,276</u>  |
| Excess (deficiency) of receipts over (under) disbursements                                | <u>\$ (218,969)</u>   | <u>\$ (131,949)</u>       | <u>\$ 87,020</u>   |
| <b>County Records Perpetuation</b>  |                       |                           |  |
| Receipts:   |                       |                           |  |
| Charges for services  | \$ 563,251            | \$ 621,426                | \$ 58,175  |
| Interest  | <u>—</u>              | <u>104,811</u>            | <u>104,811</u>   |
| Total receipts  | 563,251               | 726,237                   | 162,986  |
| Disbursements:  |                       |                           |  |
| General government  | <u>774,715</u>        | <u>760,651</u>            | <u>14,064</u>  |
| Excess (deficiency) of receipts over (under) disbursements                                | (211,464)             | (34,414)                  | 177,050  |
| Other financing sources:  |                       |                           |  |
| Sale of capital assets  | <u>12,562</u>         | <u>—</u>                  | <u>(12,562)</u>  |
| Excess (deficiency) of receipts over (under) disbursements<br>and other financing sources | <u>\$ (198,902)</u>   | <u>\$ (34,414)</u>        | <u>\$ 164,488</u>  |
| <b>MC AUD INELIGIBLE DEDUCTIONS</b>   |                       |                           |  |
| Receipts:   |                       |                           |  |
| Taxes   | \$ 550,000            | \$ 2,943,575              | \$ 2,393,575   |
| Disbursements:  |                       |                           |  |
| General government  | <u>5,605,177</u>      | <u>5,352,209</u>          | <u>252,968</u>   |
| Excess (deficiency) of receipts over (under) disbursements                                | <u>\$ (5,055,177)</u> | <u>\$ (2,408,634)</u>     | <u>\$ 2,646,543</u>  |
| <b>Property Reassessment</b>  |                       |                           |  |
| Receipts:   |                       |                           |  |
| Taxes   | \$ 1,660,652          | \$ 1,677,998              | \$ 17,346  |
| Interest  | <u>—</u>              | <u>4,051</u>              | <u>4,051</u>   |
| Total receipts  | 1,660,652             | 1,682,049                 | 21,397   |
| Disbursements:  |                       |                           |  |
| General government  | <u>1,960,479</u>      | <u>1,743,737</u>          | <u>216,742</u>   |
| Excess (deficiency) of receipts over (under) disbursements                                | <u>\$ (299,827)</u>   | <u>\$ (61,688)</u>        | <u>\$ 238,139</u>  |

(Continued)

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS – MARION COUNTY)**  
**SCHEDULES OF CASH RECEIPTS AND CASH DISBURSEMENTS – BUDGET AND ACTUAL –**  
**SPECIAL REVENUE FUNDS – NONMAJOR**  
**(UNAUDITED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

|   | <u>Final</u>        | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget—<br/>Positive<br/>(Negative)</u> |
|---|---------------------|---------------------------|--|
| <b>Prosecutor's Diversion</b>   |                     |                           |  |
| Receipts:   |                     |                           |  |
| Charges for services  | \$ 290,000          | \$ 207,907                | \$ (82,093)  |
| Disbursements:  |                     |                           |  |
| General government  | —                   | —                         | —  |
| Excess (deficiency) of receipts over (under) disbursements                                | <u>\$ 290,000</u>   | <u>\$ 207,907</u>         | <u>\$ (82,093)</u>   |
| <br><b>County Sex-Violent Offender Administration</b>                                     |                     |                           |  |
| Receipts:   |                     |                           |  |
| Charges for services  | \$ 6,390            | \$ 6,485                  | \$ 95  |
| Disbursements:  |                     |                           |  |
| Public safety   | 6,390               | 6,217                     | 173  |
| Excess (deficiency) of receipts over (under) disbursements                                | <u>\$ —</u>         | <u>\$ 268</u>             | <u>\$ 268</u>  |
| <br><b>Prosecutor's Law Enforcement</b>   |                     |                           |  |
| Receipts:   |                     |                           |  |
| Interest  | —                   | 174,290                   | 174,290  |
| Disbursements:  |                     |                           |  |
| General government  | 500,100             | 489,744                   | 10,356   |
| Public safety   | 180,200             | 159,348                   | 20,852   |
| Total disbursements   | <u>680,300</u>      | <u>649,092</u>            | <u>31,208</u>  |
| Excess (deficiency) of receipts over (under) disbursements                                | <u>(680,300)</u>    | <u>(474,802)</u>          | <u>205,498</u>   |
| Other financing sources:  |                     |                           |  |
| Transfers in  | 500,000             | —                         | (500,000)  |
| Excess (deficiency) of receipts over (under) disbursements<br>and other financing sources | <u>\$ (180,300)</u> | <u>\$ (474,802)</u>       | <u>\$ (294,502)</u>  |
| <br><b>County Extradition</b>   |                     |                           |  |
| Receipts:   |                     |                           |  |
| Charges for services  | \$ 3,758            | \$ 5,793                  | \$ 2,035   |
| Disbursements:  |                     |                           |  |
| Public safety   | 3,758               | 3,758                     | —  |
| Excess (deficiency) of receipts over (under) disbursements                                | <u>\$ —</u>         | <u>\$ 2,035</u>           | <u>\$ 2,035</u>  |
| <br><b>County Misdemeanant</b>  |                     |                           |  |
| Receipts:   |                     |                           |  |
| Intergovernmental   | \$ 600,600          | \$ 582,583                | \$ (18,017)  |
| Miscellaneous   | —                   | 93                        | 93   |
| Total receipts  | 600,600             | 582,676                   | (17,924)   |
| Disbursements:  |                     |                           |  |
| General government  | —                   | —                         | —  |
| Public safety   | 600,600             | 544,650                   | 55,950   |
| Excess (deficiency) of receipts over (under) disbursements                                | <u>\$ —</u>         | <u>\$ 38,026</u>          | <u>\$ 38,026</u>   |
| <br><b>Alcohol and Drug Services</b>  |                     |                           |  |
| Receipts:   |                     |                           |  |
| Charges for services  | \$ 639,662          | \$ 349,481                | \$ (290,181)   |
| Disbursements:  |                     |                           |  |
| General government  | 828,522             | 795,184                   | 33,338   |
| Excess (deficiency) of receipts over (under) disbursements                                | <u>\$ (188,860)</u> | <u>\$ (445,703)</u>       | <u>\$ (256,843)</u>  |

(Continued)

MARION COUNTY, INDIANA  
 (COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS – MARION COUNTY)  
 SCHEDULES OF RECEIPTS AND DISBURSEMENTS – BUDGET AND ACTUAL  
 SPECIAL REVENUE FUNDS – NONMAJOR  
 (UNAUDITED)  
 FOR THE YEAR ENDED DECEMBER 31, 2015

|   | Final        | Actual<br>Amounts | Variance with<br>Final Budget—<br>Positive<br>(Negative) |
|---|--------------|-------------------|--|
| <b>Community Corrections Home Detention</b>   |              |                   |  |
| Receipts:   |              |                   |  |
| Intergovernmental   | —            | 112,025           | 112,025  |
| Charges for services  | \$ 920,000   | \$ 690,519        | \$ (229,481)   |
| Interest  | 88,000       | 27,383            | (60,617)   |
| Total receipts  | 1,008,000    | 829,927           | (178,073)  |
| Disbursements:  |              |                   |  |
| Public safety   | 1,573,811    | 1,168,003         | 405,808  |
| Excess (deficiency) of receipts over (under) disbursements                                | \$ (565,811) | \$ (338,076)      | \$ 227,735   |
| <br><b>Supplemental Public Defender Fee</b>   |              |                   |  |
| Receipts:   |              |                   |  |
| Charges for services  | \$ 345,000   | \$ 191,934        | \$ (153,066)   |
| Disbursements:  |              |                   |  |
| General government  | 345,000      | 331,297           | 13,703   |
| Excess (deficiency) of receipts over (under) disbursements                                | \$ —         | \$ (139,363)      | \$ (139,363)   |
| <br><b>Deferral Program Fees</b>  |              |                   |  |
| Receipts:   |              |                   |  |
| Charges for services  | \$ 2,600,000 | \$ 2,394,117      | \$ (205,883)   |
| Disbursements:  |              |                   |  |
| General government  | 2,395,425    | 2,189,065         | 206,360  |
| Excess (deficiency) of receipts over (under) disbursements                                | \$ 204,575   | \$ 205,052        | \$ 477   |
| <br><b>County Drug Free Community</b>   |              |                   |  |
| Receipts:   |              |                   |  |
| Intergovernmental   | \$ —         | \$ 19,351         | \$ 19,351  |
| Charges for services  | 410,000      | 280,781           | (129,219)  |
| Total receipts  | 410,000      | 300,132           | (109,868)  |
| Disbursements:  |              |                   |  |
| General government  | 60,271       | 37,579            | 22,692   |
| Excess (deficiency) of receipts over (under) disbursements                                | 349,729      | 262,553           | (87,176)   |
| Other financing uses:   |              |                   |  |
| Transfers out   | (325,000)    | (221,266)         | 103,734  |
| Excess (deficiency) of receipts over (under) disbursements<br>and other financing sources | \$ 24,729    | \$ 41,287         | \$ 16,558  |
| <br><b>Conditional Release</b>  |              |                   |  |
| Receipts:   |              |                   |  |
| Charges for services  | \$ —         | \$ 3,343          | \$ 3,343   |
| Disbursements:  |              |                   |  |
| General government  | —            | —                 | —  |
| Excess (deficiency) of receipts over (under) disbursements                                | \$ —         | \$ 3,343          | \$ 3,343   |
| <br><b>Section 102 HAVA Reimbursement</b>   |              |                   |  |
| Receipts:   |              |                   |  |
| Intergovernmental   | \$ —         | \$ —              | \$ —   |
| Disbursements:  |              |                   |  |
| General government  | 32,000       | —                 | 32,000   |
| Excess (deficiency) of receipts over (under) disbursements                                | \$ (32,000)  | \$ —              | \$ 32,000  |

(Continued)

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS – MARION COUNTY)**  
**SCHEDULES OF RECEIPTS AND DISBURSEMENTS – BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUNDS – NONMAJOR**  
**(UNAUDITED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

|   | <u>Final</u>        | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget—<br/>Positive<br/>(Negative)</u> |
|---|---------------------|---------------------------|--|
| <b>State and Federal Grants</b>   |                     |                           |  |
| Receipts:   |                     |                           |  |
| Intergovernmental   | \$ 12,564,863       | \$ 6,634,804              | \$ (5,930,059)   |
| Disbursements:  |                     |                           |  |
| General government  | 5,462,330           | 3,270,588                 | 2,191,742  |
| Public safety   | 7,350,034           | 5,290,428                 | 2,059,606  |
| Total disbursements   | <u>12,812,364</u>   | <u>8,561,016</u>          | <u>4,251,348</u>   |
| Excess (deficiency) of receipts over (under) disbursements                                | \$ <u>(247,501)</u> | \$ <u>(1,926,212)</u>     | \$ <u>(1,678,711)</u>  |
| Other financing sources (uses):   |                     |                           |  |
| Transfers in (out)  | —                   | 92,525                    | (92,525)   |
| Excess (deficiency) of receipts over (under) disbursements<br>and other financing sources | <u>\$ (247,501)</u> | <u>\$ (1,833,687)</u>     | <u>\$ (1,771,236)</u>  |
| <b>Prosecutor's Law Enforcement Equitable Sharing</b>                                     |                     |                           |  |
| Receipts:   |                     |                           |  |
| Interest  | —                   | 1,572                     | 1,572  |
| Disbursements:  |                     |                           |  |
| General government  | 100,000             | —                         | 100,000  |
| Public safety   | 5,000               | 50                        | 4,950  |
| Total disbursements   | <u>105,000</u>      | <u>50</u>                 | <u>104,950</u>   |
| Excess (deficiency) of receipts over (under) disbursements                                | (105,000)           | 1,522                     | 106,522  |
| Other financing sources:  |                     |                           |  |
| Transfers in  | <u>200,000</u>      | —                         | <u>(200,000)</u>   |
| Excess (deficiency) of receipts over (under) disbursements<br>and other financing sources | <u>\$ 95,000</u>    | <u>\$ 1,522</u>           | <u>\$ (93,478)</u>   |
| <b>Enhanced Access</b>  |                     |                           |  |
| Receipts:   |                     |                           |  |
| Charges for services  | \$ 242,220          | \$ 182,219                | \$ (60,001)  |
| Disbursements:  |                     |                           |  |
| General government  | <u>577,076</u>      | <u>468,209</u>            | <u>108,867</u>   |
| Excess (deficiency) of receipts over (under) disbursements                                | <u>\$ (334,856)</u> | <u>\$ (285,990)</u>       | <u>\$ 48,866</u>   |
| <b>Sheriff's Civil Division Fees</b>  |                     |                           |  |
| Receipts:   |                     |                           |  |
| Charges for services  | \$ 948,000          | \$ 652,300                | \$ (295,700)   |
| Disbursements:  |                     |                           |  |
| Public safety   | <u>600,000</u>      | <u>600,000</u>            | <u>—</u>   |
| Excess (deficiency) of receipts over (under) disbursements                                | <u>\$ 348,000</u>   | <u>\$ 52,300</u>          | <u>\$ (295,700)</u>  |
| <b>Endorsement Fee</b>  |                     |                           |  |
| Receipts:   |                     |                           |  |
| Charges for services  | \$ 183,985          | \$ 135,745                | \$ (48,240)  |
| Disbursements:  |                     |                           |  |
| General government  | <u>165,629</u>      | <u>143,900</u>            | <u>21,729</u>  |
| Excess (deficiency) of receipts over (under) disbursements                                | <u>\$ 18,356</u>    | <u>\$ (8,155)</u>         | <u>\$ (26,511)</u>   |
| <b>County Sales Disclosure</b>  |                     |                           |  |
| Receipts:   |                     |                           |  |
| Charges for services  | \$ 108,891          | \$ 77,685                 | \$ (31,206)  |
| Disbursements:  |                     |                           |  |
| General government  | <u>109,688</u>      | <u>100,876</u>            | <u>8,812</u>   |
| Excess (deficiency) of receipts over (under) disbursements                                | <u>\$ (797)</u>     | <u>\$ (23,191)</u>        | <u>\$ (22,394)</u>   |

(Continued)

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS – MARION COUNTY)**  
**SCHEDULES OF RECEIPTS AND DISBURSEMENTS – BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUNDS – NONMAJOR**  
**(UNAUDITED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

|   | <b>Final</b>   | <b>Actual<br/>Amounts</b> | <b>Variance with<br/>Final Budget—<br/>Positive<br/>(Negative)</b> |
|---|----------------|---------------------------|--|
| <b>Commissioner &amp; Guardian Ad Litem</b>   |                |                           |  |
| Receipts:   |                |                           |  |
| Intergovernmental   | \$ 600,000     | \$ —                      | \$ (600,000)   |
| Charges for services  | 1,200,000      | 1,785,683                 | 585,683  |
| Total receipts  | 1,800,000      | 1,785,683                 | (14,317)   |
| Disbursements:  |                |                           |  |
| General government  | 5,925,000      | 5,565,591                 | 359,409  |
| Excess (deficiency) of receipts over (under) disbursements                                | (4,125,000)    | (3,779,908)               | 345,092  |
| Other financing sources:  |                |                           |  |
| Transfers in  | 2,900,000      | 3,300,000                 | 400,000  |
| Excess (deficiency) of receipts over (under) disbursements<br>and other financing sources | \$ (1,225,000) | \$ (479,908)              | \$ 745,092   |
| <br><b>Other – MC Sheriff Medical Care for Inmates</b>                                    |                |                           |  |
| Receipts:   |                |                           |  |
| Charges for services  | \$ 2,866       | \$ 8,710                  | \$ 5,844   |
| Disbursements:  |                |                           |  |
| Public safety   | 13,213,009     | 13,213,009                | —  |
| Excess (deficiency) of receipts over (under) disbursements                                | (13,210,143)   | (13,204,299)              | 5,844  |
| Other financing sources:  |                |                           |  |
| Transfers in  | 12,200,000     | 13,200,000                | 1,000,000  |
| Excess (deficiency) of receipts over (under) disbursements<br>and other financing sources | \$ (1,010,143) | \$ (4,299)                | \$ 1,005,844   |
| <br><b>Other – County Grants</b>  |                |                           |  |
| Receipts:   |                |                           |  |
| Intergovernmental   | \$ 478,653     | \$ 100,317                | \$ (378,336)   |
| Disbursements:  |                |                           |  |
| General government  | 396,910        | 85,465                    | 311,445  |
| Excess (deficiency) of receipts over (under) disbursements                                | \$ 81,743      | \$ 14,852                 | \$ (66,891)  |
| <br><b>Other – County Elected Officials Training</b>                                      |                |                           |  |
| Receipts:   |                |                           |  |
| Charges for services  | \$ 57,684      | \$ 62,008                 | \$ 4,324   |
| Disbursements:  |                |                           |  |
| General government  | 6,500          | 2,927                     | 3,573  |
| Excess (deficiency) of receipts over (under) disbursements                                | \$ 51,184      | \$ 59,081                 | \$ 7,897   |
| <br><b>Other – Clerk's Perpetuation Fund</b>  |                |                           |  |
| Receipts:   |                |                           |  |
| Intergovernmental   | \$ 12,000      | \$ 4,372                  | \$ (7,628)   |
| Charges for services  | 385,000        | 539,163                   | 154,163  |
| Total receipts  | 397,000        | 543,535                   | 146,535  |
| Disbursements:  |                |                           |  |
| General government  | 473,896        | 425,355                   | 48,541   |
| Excess (deficiency) of receipts over (under) disbursements                                | \$ (76,896)    | \$ 118,180                | \$ 195,076   |

(Continued)

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS – MARION COUNTY)**  
**SCHEDULES OF RECEIPTS AND DISBURSEMENTS – BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUNDS – NONMAJOR**  
**(UNAUDITED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

|  | <u>Final</u>       | <u>Actual</u><br><u>Amounts</u> | <u>Variance with</u><br><u>Final Budget—</u><br><u>Positive</u><br><u>(Negative)</u> |
|--|--------------------|---------------------------------|--|
| <b>Other – Marion Superior Court Equipment</b>             |                    |                                 |  |
| Receipts:  |                    |                                 |  |
| Charges for services                                       | \$ 12,000          | \$ 6,810                        | \$ (5,190)   |
| Interest   | 1,000              | 18,602                          | 17,602   |
| Miscellaneous  | —                  | (1,800)                         | (1,800)  |
| Total receipts   | <u>13,000</u>      | <u>23,612</u>                   | <u>10,612</u>  |
| Disbursements:   |                    |                                 |  |
| General government   | <u>40,000</u>      | <u>40,000</u>                   | <u>—</u>   |
| Excess (deficiency) of receipts over (under) disbursements | <u>\$ (27,000)</u> | <u>\$ (16,388)</u>              | <u>\$ 10,612</u>   |
| <br><b>Other – Drug Treatment Diversion</b>                |                    |                                 |  |
| Receipts:  |                    |                                 |  |
| Charges for services                                       | \$ 36,000          | \$ 14,678                       | \$ (21,322)  |
| Disbursements:   |                    |                                 |  |
| General government   | <u>66,861</u>      | <u>14,945</u>                   | <u>51,916</u>  |
| Excess (deficiency) of receipts over (under) disbursements | <u>\$ (30,861)</u> | <u>\$ (267)</u>                 | <u>\$ 30,594</u>   |
| <br><b>Other – Juvenile Probation</b>                      |                    |                                 |  |
| Receipts:  |                    |                                 |  |
| Charges for services                                       | \$ 78,882          | \$ 19,350                       | \$ (59,532)  |
| Disbursements:   |                    |                                 |  |
| General government   | <u>148,414</u>     | <u>31,794</u>                   | <u>116,620</u>   |
| Excess (deficiency) of receipts over (under) disbursements | <u>\$ (69,532)</u> | <u>\$ (12,444)</u>              | <u>\$ 57,088</u>   |
| <br><b>Other – Sheriff's Continuing Education</b>          |                    |                                 |  |
| Receipts:  |                    |                                 |  |
| Charges for services                                       | \$ 13,885          | \$ 8,474                        | \$ (5,411)   |
| Disbursements:   |                    |                                 |  |
| General government   | <u>—</u>           | <u>—</u>                        | <u>—</u>   |
| Excess (deficiency) of receipts over (under) disbursements | <u>\$ 13,885</u>   | <u>\$ 8,474</u>                 | <u>\$ (5,411)</u>  |
| <br><b>Other – Jury Pay</b>                                |                    |                                 |  |
| Receipts:  |                    |                                 |  |
| Charges for services                                       | \$ 138,000         | \$ 133,703                      | \$ (4,297)   |
| Disbursements:   |                    |                                 |  |
| General government   | <u>161,097</u>     | <u>161,091</u>                  | <u>6</u>   |
| Excess (deficiency) of receipts over (under) disbursements | <u>\$ (23,097)</u> | <u>\$ (27,388)</u>              | <u>\$ (4,303)</u>  |
| <br><b>Other – Alternate Dispute Resolution</b>            |                    |                                 |  |
| Receipts:  |                    |                                 |  |
| Charges for services                                       | \$ 87,299          | \$ 76,813                       | \$ (10,486)  |
| Interest   | —                  | 1,987                           | 1,987  |
| Total receipts   | <u>87,299</u>      | <u>78,800</u>                   | <u>(8,499)</u>   |
| Disbursements:   |                    |                                 |  |
| General government   | <u>135,184</u>     | <u>115,291</u>                  | <u>19,893</u>  |
| Excess (deficiency) of receipts over (under) disbursements | <u>\$ (47,885)</u> | <u>\$ (36,491)</u>              | <u>\$ 11,394</u>   |
| <br><b>Other – Local Emergency Planning</b>                |                    |                                 |  |
| Receipts:  |                    |                                 |  |
| Interest   | \$ 37,500          | \$ 69,493                       | \$ 31,993  |
| Disbursements:   |                    |                                 |  |
| General government   | <u>110,000</u>     | <u>99,070</u>                   | <u>10,930</u>  |
| Excess (deficiency) of receipts over (under) disbursements | <u>\$ (72,500)</u> | <u>\$ (29,577)</u>              | <u>\$ 42,923</u>   |

(Continued)

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS – MARION COUNTY)**  
**SCHEDULES OF RECEIPTS AND DISBURSEMENTS – BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUNDS – NONMAJOR**  
**(UNAUDITED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

|  | <b>Final</b> | <b>Actual<br/>Amounts</b> | <b>Variance with<br/>Final Budget—<br/>Positive<br/>(Negative)</b> |
|--|--------------|---------------------------|--|
| <b>Other – Community Court Program</b>                     |              |                           |  |
| Receipts:  |              |                           |  |
| Charges for services                                       | \$ 10,000    | \$ 3,698                  | \$ (6,302)   |
| Disbursements:   |              |                           |  |
| General government   | 10,000       | 4,380                     | 5,620  |
| Excess (deficiency) of receipts over (under) disbursements | \$ —         | \$ (682)                  | \$ (682)   |
| <br>   |              |                           |  |
| <b>Other – Child Advocacy</b>                              |              |                           |  |
| Receipts:  |              |                           |  |
| Charges for services                                       | \$ —         | \$ 1,050                  | \$ 1,050   |
| Disbursements:   |              |                           |  |
| General government   | —            | —                         | —  |
| Excess (deficiency) of receipts over (under) disbursements | \$ —         | \$ 1,050                  | \$ 1,050   |

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS – MARION COUNTY)**  
**INDIVIDUAL STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS**  
**AND CHANGES IN CASH, CASH EQUIVALENTS AND INVESTMENTS –**  
**NONMAJOR DEBT SERVICE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

|  | <b>Debt Service Funds</b> |
|--|---------------------------|
|  | <b>County Sinking</b>     |
| Receipts:  |                           |
| Taxes  | \$ —                      |
| Total receipts   | —                         |
| Disbursements:   |                           |
| Current:   |                           |
| General government   | —                         |
| Total disbursements  | —                         |
| Excess (deficiency) of receipts over (under) disbursements             | —                         |
| Cash, cash equivalents and investments - beginning of year             | 10,781                    |
| Cash, cash equivalents and investments - end of year                   | \$ 10,781                 |
| <br><u>Cash, cash equivalents and investments - December 31, 2015:</u> |                           |
| Restricted   | \$ 10,781                 |
| Total cash, cash equivalents and investments                           | \$ 10,781                 |

MARION COUNTY, INDIANA  
 (COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS – MARION COUNTY)  
 COMBINING STATEMENT CASH RECEIPTS, CASH DISBURSEMENTS  
 AND CHANGES IN CASH, CASH EQUIVALENTS AND INVESTMENTS –  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2015

|  | Capital Projects Funds               |                                      |                                     |                                 |                              |
|--|--------------------------------------|--------------------------------------|-------------------------------------|---------------------------------|------------------------------|
|  | Public Safety<br>Capital<br>Projects | Cumulative<br>Capital<br>Development | Public Safety<br>Interest<br>Escrow | Capital<br>Improvement<br>Lease | Total<br>Capital<br>Projects |
| Receipts:  |                                      |                                      |                                     |                                 |                              |
| Taxes  | \$ —                                 | \$ 4,470,472                         | \$ —                                | \$ 2,004,402                    | \$ 6,474,874                 |
| Miscellaneous  | —                                    | 10,798                               | —                                   | 4,853                           | 15,651                       |
| Total receipts   | <u>—</u>                             | <u>4,481,270</u>                     | <u>—</u>                            | <u>2,009,255</u>                | <u>6,490,525</u>             |
| Disbursements:   |                                      |                                      |                                     |                                 |                              |
| Current:   |                                      |                                      |                                     |                                 |                              |
| General government   | —                                    | 3,085,737                            | —                                   | —                               | 3,085,737                    |
| Public safety  | —                                    | —                                    | —                                   | 1,886,000                       | 1,886,000                    |
| Capital outlay   | —                                    | 33,683                               | —                                   | —                               | 33,683                       |
| Total disbursements  | <u>—</u>                             | <u>3,119,420</u>                     | <u>—</u>                            | <u>1,886,000</u>                | <u>5,005,420</u>             |
| Excess of receipts<br>over disbursements                               | <u>—</u>                             | <u>1,361,850</u>                     | <u>—</u>                            | <u>123,255</u>                  | <u>1,485,105</u>             |
| Cash, cash equivalents and investments - beginning of year             | (12,244)                             | 1,919,192                            | 1,684                               | 204,434                         | 2,113,066                    |
| Cash, cash equivalents and investments - end of year                   | <u>\$ (12,244)</u>                   | <u>\$ 3,281,042</u>                  | <u>\$ 1,684</u>                     | <u>\$ 327,689</u>               | <u>\$ 3,598,171</u>          |
| <br><u>Cash, cash equivalents and investments - December 31, 2015:</u> |                                      |                                      |                                     |                                 |                              |
| Restricted   | \$ —                                 | \$ 3,281,042                         | \$ 1,684                            | \$ 327,689                      | \$ 3,610,415                 |
| Unassigned   | <u>(12,244)</u>                      | <u>—</u>                             | <u>—</u>                            | <u>—</u>                        | <u>(12,244)</u>              |
| Total cash, cash equivalents and investments                           | <u>\$ (12,244)</u>                   | <u>\$ 3,281,042</u>                  | <u>\$ 1,684</u>                     | <u>\$ 327,689</u>               | <u>\$ 3,598,171</u>          |

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS – MARION COUNTY)**  
**SCHEDULES OF CASH RECEIPTS AND CASH DISBURSEMENTS – BUDGET AND ACTUAL –**  
**CAPITAL PROJECTS FUNDS – NONMAJOR**  
**(UNAUDITED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

|  | <b>Final</b> | <b>Actual<br/>Amounts</b> | <b>Variance with<br/>Final Budget –<br/>Positive<br/>(Negative)</b> |
|--|--------------|---------------------------|---|
| <b><u>Cumulative Capital Development - Capital Projects Fund</u></b> |              |                           |   |
| Receipts:  |              |                           |   |
| Taxes  | \$ 4,405,239 | \$ 4,470,472              | \$ 65,233   |
| Interest   | —            | 10,798                    | 10,798  |
| Total receipts   | 4,405,239    | 4,481,270                 | 76,031  |
| Disbursements:   |              |                           |   |
| General government   | 253,392      | 253,392                   | —   |
| Excess of receipts over disbursements                                | 4,151,847    | 4,227,878                 | 76,031  |
| Other financing uses:  |              |                           |   |
| Transfers out  | (2,500,000)  | (2,500,000)               | —   |
| Excess of receipts over disbursements<br>and other financing uses    | \$ 1,651,847 | \$ 1,727,878              | \$ 76,031   |
| <b><u>Capital Improvement Lease - Capital Projects Fund</u></b>      |              |                           |   |
| Receipts:  |              |                           |   |
| Taxes  | \$ 2,008,454 | \$ 2,004,402              | \$ (4,052)  |
| Interest   | —            | 4,852                     | 4,852   |
| Total receipts   | 2,008,454    | 2,009,254                 | 800   |
| Disbursements:   |              |                           |   |
| Public safety  | 1,886,000    | 1,886,000                 | —   |
| Excess of receipts over disbursements                                | \$ 122,454   | \$ 123,254                | \$ 800  |



## FIDUCIARY FUND TYPES

### PENSION TRUST FUNDS

Pension Trust Funds are those funds held in trust for disbursement to covered employees.

**MARION COUNTY SHERIFF'S DEPARTMENT PERSONNEL RETIREMENT PLAN (RETIREMENT)**—To account for assets held in the Marion County Law Enforcement Personnel Retirement Plan for eligible employees of the Marion County Sheriff's Department.

**MARION COUNTY SHERIFF'S DEPARTMENT PERSONNEL BENEFITS PLAN (DISABILITY)**—To account for assets held in the Marion County Law Enforcement Personnel Dependents and Disability Benefits Plan for eligible employees of the Marion County Sheriff's Department.

### AGENCY FUNDS

Agency Funds are used to account for transactions related to assets of others held on their behalf by the County.

**EXCISE TAX REFUNDS**—Established to refund money to taxpayers where an error or overpayment has occurred in the payment of excise tax.

**PROPERTY TAX REFUNDS**—Established to refund money to taxpayers where an error has occurred in the assessment of property tax.

**STATE TAXES**—Established to account for inheritance taxes, forfeiture of bonds, and fines paid in all courts, which are collected by the County and remitted to the State of Indiana.

**TAX SALE REDEMPTION**—Established as an escrow account for funds received from property sold in a tax sale.

**TAX SALE SURPLUS**—Established to account for funds received over and above delinquent taxes received from property sold in a tax sale.

**STATE PUBLIC SAFETY FEES**—Established to account for various fees collected by the Courts and then remitted to the state. These include domestic violence fees, judicial fees, infraction judgments, state prosecutor fees, state docket fees, judicial salary fees, and victims of violent crimes fees.

**SALE OF COUNTY-OWNED PROPERTY**—Established to record funds received from the sale of County properties that were claimed for delinquent taxes.

**TREASURER'S SURPLUS**—Established to account for overpayment of taxes or misapplication of tax payments received.

**COURT COSTS TO MUNICIPALITIES**—Established to account for the portion of court costs collected and subsequently disbursed to various municipalities within Marion County.

**HOMESTEAD CREDIT REBATE**—Established to account for monies related to the property tax relief approved by the Indiana General Assembly in 2007. The rebates were distributed to homeowners who had a valid homestead deduction and were not delinquent on their property taxes.

**LOCAL OPTION INCOME TAX**—Established to account for monies received from local option income taxes.

**TREASURER'S TAX COLLECTION**—Established to account for advancement and final distribution of taxes collected by the County Treasurer for all taxing units within the County (including entities outside of Marion County's reporting entity).

(Continued)

**DELINQUENT BUSINESS PERSONAL PROPERTY**—Established to account for monies collected on delinquent business personal property tax returns. The monies collected shall be to pay the contract for the audit of the business personal property returns, with any remaining balance distributed to the appropriate taxing units.

**LAW ENFORCEMENT CONTINUING EDUCATION**—Established to account for fees collected by the County and subsequently disbursed to various law enforcement agencies for continuing education programs.

**PAYROLL**—Established to account for the receipt of the gross payroll transfers from all County funds having personal services expenditures and the subsequent disbursements of net payroll checks and withholdings.

**CLERK OF CIRCUIT COURT**—Represent various custodial and fiduciary bank accounts maintained by the designated department in the course of normal operations.

**SHERIFF**—Represent various custodial and fiduciary bank accounts maintained by the designated department in the course of normal operations.

**OTHER**—Represents 25 other less significant fiduciary funds that are maintained by Marion County on behalf of others.

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS – MARION COUNTY)**  
**COMBINING STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES**  
**IN CASH, CASH EQUIVALENTS AND INVESTMENTS –**  
**PENSION TRUST FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

|  | <b>Retirement</b> | <b>Disability</b> | <b>Total</b>   |
|--|-------------------|-------------------|----------------|
| <b>Additions</b>   |                   |                   |                |
| Contributions:   |                   |                   |                |
| Employer   | \$ 7,730,980      | \$ 1,840,453      | \$ 9,571,433   |
| Employee   | 930,535           | —                 | 930,535        |
| Total contributions  | 8,661,515         | 1,840,453         | 10,501,968     |
| Investment income (loss):  |                   |                   |                |
| Interest and dividends   | 4,399,835         | 502,696           | 4,902,531      |
| Realized gain (loss) on sales, net                                     | 313,999           | (7,447)           | 306,552        |
| Net investment income  | 4,713,834         | 495,249           | 5,209,083      |
| Miscellaneous  | 249,331           | —                 | 249,331        |
| Total additions  | 13,624,680        | 2,335,702         | 15,960,382     |
| <b>Deductions</b>  |                   |                   |                |
| Investment management fees   | 388,135           | 7,539             | 395,674        |
| Benefits paid  | 12,363,667        | 1,708,756         | 14,072,423     |
| Total deductions   | 12,751,802        | 1,716,295         | 14,468,097     |
| Excess of total additions over total deductions                        | 872,878           | 619,407           | 1,492,285      |
| Cash, cash equivalents and investments – beginning of year             | 156,962,154       | 17,785,332        | 174,747,486    |
| Cash, cash equivalents and investments – end of year                   | \$ 157,835,032    | \$ 18,404,739     | \$ 176,239,771 |
| <br><u>Cash, cash equivalents and investments - December 31, 2015:</u> |                   |                   |                |
| Cash and cash equivalents  | \$ 1,368,303      | \$ 611,991        | \$ 1,980,294   |
| Investments (cost basis):  |                   |                   |                |
| Mutual funds   | 156,466,729       | 17,792,748        | 174,259,477    |
| Total cash, cash equivalents and investments                           | \$ 157,835,032    | \$ 18,404,739     | \$ 176,239,771 |

MARION COUNTY, INDIANA  
 (COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS – MARION COUNTY)  
 COMBINING STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES  
 IN CASH, CASH EQUIVALENTS AND INVESTMENTS – AGENCY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2015

|   | Excise<br>Tax<br>Refunds | Property<br>Tax<br>Refunds | State<br>Taxes     | Tax<br>Sale<br>Redemption | Tax<br>Sale<br>Surplus | State<br>Public<br>Safety<br>Fees | Sale of<br>County-<br>Owned<br>Property | Treasurer's<br>Surplus | Court<br>Costs<br>to<br>Municipalities | Homestead<br>Credit<br>Rebate |
|---|--------------------------|----------------------------|--------------------|---------------------------|------------------------|-----------------------------------|---|------------------------|--|-------------------------------|
| <b>Additions:</b>   |                          |                            |                    |                           |                        |                                   |   |                        |  |                               |
| Agency fund additions   | \$ 15                    | \$ 43,288,615              | \$ 148,396         | \$ 2,943,447              | \$ 9,264,521           | \$ 719,629                        | \$ 5,054,014                            | \$ 1,384,561           | \$ 233,432                             | \$ —                          |
| <b>Deductions:</b>  |                          |                            |                    |                           |                        |                                   |   |                        |  |                               |
| Agency fund deductions  | 15                       | 44,831,260                 | 157,582            | 3,108,721                 | 12,806,110             | 570,878                           | 10,184,799                              | 1,468,531              | 1,838,713                              | 2,405                         |
| Excess (deficiency) of total additions over<br>(under) total deductions | —                        | (1,542,645)                | (9,186)            | (165,274)                 | (3,541,589)            | 148,751                           | (5,130,785)                             | (83,970)               | (1,605,281)                            | (2,405)                       |
| Cash, cash equivalents and investments - beginning of year              | (9,814)                  | (608,690)                  | (3,222)            | 209,300                   | 20,036,313             | 93,903                            | 6,782,324                               | 830,960                | 2,269,649                              | 4,671,824                     |
| Cash, cash equivalents and investments - end of year                    | <u>\$ (9,814)</u>        | <u>\$ (2,151,335)</u>      | <u>\$ (12,408)</u> | <u>\$ 44,026</u>          | <u>\$ 16,494,724</u>   | <u>\$ 242,654</u>                 | <u>\$ 1,651,539</u>                     | <u>\$ 746,990</u>      | <u>\$ 664,368</u>                      | <u>\$ 4,669,419</u>           |

|   | Local<br>Option<br>Income Tax | Treasurer's<br>Tax<br>Collection | Delinquent<br>Business<br>Personal<br>Property | Law<br>Enforcement<br>Continuing<br>Education | Payroll             | Clerk of<br>Circuit<br>Court | Sheriff             | Other               | Total                |
|---|-------------------------------|----------------------------------|--|---|---------------------|------------------------------|---------------------|---------------------|----------------------|
| <b>Additions:</b>   |                               |                                  |  |   |                     |                              |                     |                     |                      |
| Agency fund additions   | \$ 162,175,983                | \$ 3,956,479,903                 | \$ 2,564,920                                   | \$ 220,003                                    | \$ 169,816,638      | \$ 61,518,573                | \$ 37,578,153       | \$ 10,646,882       | \$ 4,464,037,685     |
| <b>Deductions:</b>  |                               |                                  |  |   |                     |                              |                     |                     |                      |
| Agency fund deductions  | 162,175,983                   | 3,949,840,041                    | 4,022,289                                      | 145,207                                       | 167,156,295         | 58,699,028                   | 37,716,137          | 10,472,981          | 4,465,196,975        |
| Excess (deficiency) of total additions over<br>(under) total deductions | —                             | 6,639,862                        | (1,457,369)                                    | 74,796  | 2,660,343           | 2,819,545                    | (137,984)           | 173,901             | (1,159,290)          |
| Cash, cash equivalents and investments - beginning of year              | —                             | 27,531,546                       | 7,504,046                                      | 1,162,594                                     | 424,085             | 13,975,813                   | 2,087,391           | 2,382,900           | 89,340,922           |
| Cash, cash equivalents and investments - end of year                    | <u>\$ —</u>                   | <u>\$ 34,171,408</u>             | <u>\$ 6,046,677</u>                            | <u>\$ 1,237,390</u>                           | <u>\$ 3,084,428</u> | <u>\$ 16,795,358</u>         | <u>\$ 1,949,407</u> | <u>\$ 2,556,801</u> | <u>\$ 88,181,632</u> |

**Marion County, Indiana**  
**(A Component Unit of the Consolidated City of**  
**Indianapolis - Marion County)**

Single Audit Report  
For the Year Ended December 31, 2015

**Marion County, Indiana**  
**(A Component Unit of the Consolidated City of**  
**Indianapolis - Marion County)**  
**December 31, 2015**

**Contents**

|   |           |
|---|-----------|
| <b>Schedule of Expenditures of Federal Awards - Modified Cash Basis .....</b>   | <b>1</b>  |
| <b>Notes to the Schedule of Expenditures of Federal Awards .....</b>  | <b>2</b>  |
| <b>Independent Auditor's Report on Internal Control Over Financial Reporting<br/>and on Compliance and Other Matters Based on an Audit of the Financial<br/>Statements Performed in Accordance With <i>Government Auditing Standards</i>.....</b> | <b>3</b>  |
| <b>Independent Auditor's Report on Compliance for Each Major Federal Program;<br/>Report on Internal Control Over Compliance; and Report on Schedule of<br/>Expenditures of Federal Awards Required by the Uniform Guidance.....</b>              | <b>5</b>  |
| <b>Schedule of Findings and Questioned Costs.....</b>   | <b>8</b>  |
| <b>Summary Schedule of Prior Audit Findings.....</b>  | <b>16</b> |

**Marion County, Indiana**  
**(A Component Unit of the Consolidated City of Indianapolis -**  
**Marion County)**

**Schedule of Expenditures of Federal Awards - Modified Cash Basis**  
**Year Ended December 31, 2015**

| Federal Grantor/Pass-Through Grantor/<br>Program or Cluster Title                             | Federal<br>CFDA<br>Number | Pass-through Entity<br>Identifying Number                                    | Passed<br>Through to<br>Subrecipients | Total<br>Federal<br>Expenditures |
|---|---------------------------|--|---------------------------------------|----------------------------------|
| <b>U.S. Department of Housing and Urban Development:</b>                                      |                           |  |                                       |                                  |
| Indianapolis Housing Authority  |                           |  |                                       |                                  |
| Section 8 Housing Choice Vouchers ( <i>Housing Voucher Cluster</i> )                          | 14.871                    | NA   | \$ -                                  | \$ 71,414                        |
| <b>Total U.S. Department of Housing and Urban Development</b>                                 |                           |  | <u>-</u>                              | <u>71,414</u>                    |
| <b>U.S. Department of Justice</b>   |                           |  |                                       |                                  |
| Indiana Criminal Justice Institute  |                           |  |                                       |                                  |
| Juvenile Accountability Block Grants  | 16.523                    | 4052   | -                                     | 15,324                           |
| Indiana Criminal Justice Institute  |                           |  |                                       |                                  |
| Crime Victim Assistance   | 16.575                    | 2242, 3427, 3558, 4369,<br>3561, 4489  | -                                     | 248,709                          |
| City of Indianapolis, Indiana   |                           |  |                                       |                                  |
| Crime Victim Assistance   | 16.575                    | NA   | -                                     | 68,224                           |
|   |                           |  | Total 16.575                          | <u>-</u>                         |
|   |                           |  |                                       | <u>316,933</u>                   |
| Drug Court Discretionary Grant Program  | 16.585                    | Direct   | -                                     | 179,296                          |
| Indiana Criminal Justice Institute  |                           |  |                                       |                                  |
| Violence Against Women Formula Grants   | 16.588                    | 4035   | -                                     | 17,308                           |
| State Criminal Alien Assistance Program   | 16.606                    | Direct   | -                                     | 114,515                          |
| Public Safety Partnership and Community Policing Grants -                                     |                           |  |                                       |                                  |
| Child Sexual Predator Program   | 16.710                    | Direct   | -                                     | 4,196                            |
| Edward Byrne Memorial Justice Assistance Grant Program  | 16.738                    | Direct   | -                                     | 225,581                          |
| Indiana Criminal Justice Institute  |                           |  |                                       |                                  |
|   |                           | 2770, 3712, 3918, 3972,<br>3463, 2696, 2784, 3606,<br>3618, 3643, 2754, 3727 | -                                     | 430,064                          |
| Edward Byrne Memorial Justice Assistance Grant Program  | 16.738                    |  | -                                     | 701,150                          |
| City of Indianapolis, Indiana   |                           |  |                                       |                                  |
| Edward Byrne Memorial Justice Assistance Grant Program  | 16.738                    | NA   | -                                     | 1,356,795                        |
|   |                           |  | Total 16.738                          | <u>-</u>                         |
|   |                           |  |                                       | <u>706,219</u>                   |
| City of Indianapolis, Indiana   |                           |  |                                       |                                  |
| Forensic DNA Backlog Reduction Program  | 16.741                    | NA   | -                                     | 608                              |
| Forensic DNA Backlog Reduction Program  | 16.741                    | Direct   | -                                     | 705,611                          |
|   |                           |  | Total 16.741                          | <u>-</u>                         |
|   |                           |  |                                       | <u>706,219</u>                   |
| Federal Equitable Share Law Enforcement - Forfeitures   | 16.922                    | Direct   | -                                     | 3,892                            |
| <b>Total U.S. Department of Justice</b>   |                           |  | <u>-</u>                              | <u>2,714,478</u>                 |
| <b>National Highway Traffic Safety Administration</b>   |                           |  |                                       |                                  |
| Indiana Criminal Justice Institute  |                           |  |                                       |                                  |
| Alcohol Impaired Driving Countermeasures Incentive Grants I ( <i>Highway Safety Cluster</i> ) | 20.601                    | 3056   | -                                     | 82,667                           |
| <b>Total National Highway Traffic Safety Administration</b>                                   |                           |  | <u>-</u>                              | <u>82,667</u>                    |
| <b>U.S. Department of Health and Human Services</b>   |                           |  |                                       |                                  |
| Substance Abuse and Mental Health Services Projects of Regional and                           |                           |  |                                       |                                  |
| National Significance   | 93.243                    | Direct   | -                                     | 224,812                          |
| Indiana Department of Corrections   |                           |  |                                       |                                  |
| Temporary Assistance for Needy Families (TANF Cluster)  | 93.558                    | NA   | -                                     | 15,018                           |
| Indiana Department of Child Services  |                           |  |                                       |                                  |
| Child Support Enforcement   | 93.563                    | NA   | -                                     | 4,902,648                        |
| Child Advocates, Inc.   |                           |  |                                       |                                  |
| State Court Improvement Program   | 93.586                    | CIP-2014B  | -                                     | 28,908                           |
| Indiana Family Social Services  |                           |  |                                       |                                  |
| Social Services Block Grant   | 93.667                    | 49-15-PV-2177  | -                                     | 5,000                            |
| <b>Total U.S. Department of Health and Human Services</b>                                     |                           |  | <u>-</u>                              | <u>5,176,386</u>                 |
| <b>Total Expenditures of Federal Awards</b>   |                           |  | <u>\$ -</u>                           | <u>\$ 8,044,945</u>              |

**Marion County, Indiana**  
**(A Component Unit of the Consolidated City of**  
**Indianapolis - Marion County)**

**Notes to Schedule of Expenditures of Federal Awards - Modified Cash Basis**  
**Year Ended December 31, 2015**

***Notes to Schedule***

1. The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the County under programs of the federal government for the year ended December 31, 2015. The accompanying notes are an integral part of this Schedule. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County.
2. This schedule includes the federal awards activity of Marion County, Indiana (County), a component unit of the Consolidated City of Indianapolis - Marion County. The County's reporting entity is defined in Note 1 to the County's financial statements. For the purposes of the schedule of expenditures of federal awards, federal awards include grants and contracts entered into directly between the County and agencies and departments of the federal government or passed through other government agencies or other organizations. The County's federal awards are defined as being those administered directly by the County.
3. Expenditures reported on the Schedule are reported on the modified cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-102, "Grant Awards and Cooperative Agreements with State and Local Governments", or the cost principles contained in Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The County has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

## **Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance With *Government Auditing Standards***

The Honorable Joe Hogsett  
Mayor, City of Indianapolis  
and the City-County Audit Committee  
Marion 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 statements of the governmental activities, each major fund and the aggregate remaining fund information of Marion County, Indiana (County), a component unit of the Consolidated City of Indianapolis - Marion County, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated September 30, 2016, which contained an "emphasis of matter" paragraph for the County's financial statements which are prepared on the modified cash basis, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

### ***Internal Control Over Financial Reporting***

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

Our consideration of 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 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 significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2015-001, 2015-002, 2015-003 and 2015-004 to be material weaknesses.

### ***Compliance and Other Matters***

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

### ***County's Response to Findings***

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

We also noted certain matters that we reported to the County's management in a separate letter dated September 30, 2016.

### ***Purpose of this Report***

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

**BKD, LLP**

Indianapolis, Indiana  
September 30, 2016

## **Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

### **Independent Auditor's Report**

The Honorable Joe Hogsett  
Mayor, City of Indianapolis  
and the City-County Audit Committee  
Marion County, Indiana

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

We have audited Marion County, Indiana's (County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the County's major federal program for the year ended December 31, 2015. The County's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### ***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, contracts and the terms and conditions of its federal awards applicable to its federal programs.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for the County's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the 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 its major federal program for the year ended December 31, 2015.

### **Report on Internal Control Over Compliance**

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

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

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

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

## **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the County as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated September 30, 2016, which contained an unmodified opinion on those financial statements. Our report included an "emphasis of matter" paragraph for the County's financial statements, which are prepared on the modified cash basis, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*BKD, LLP*

Indianapolis, Indiana  
September 30, 2016

**Marion County, Indiana**  
**(A Component Unit of the Consolidated City of Indianapolis - Marion County)**  
**Schedule of Findings and Questioned Costs**  
**Year Ended December 31, 2015**

**Summary of Auditor's Results**

*Financial Statements*

1. The type of report the auditor issued on whether the financial statements audited were prepared on the modified cash basis, which is a basis of accounting other than accounting principles generally accepted in the United States of America was:  
 Unmodified       Qualified       Adverse       Disclaimer
  
2. The independent auditor's report on internal control over financial reporting disclosed:  
Significant deficiency(ies) identified?       Yes       None reported  
Material weakness(es) identified?       Yes       None
  
3. Noncompliance material to the financial statements was disclosed by the audit?       Yes       No

*Federal Awards*

4. The independent auditor's report on internal control over compliance for major federal awards programs disclosed:  
Significant deficiency(ies) identified?       Yes       None reported  
Material weakness(es) identified?       Yes       None
  
5. The opinion expressed in the independent auditor's report on compliance for major federal awards was:  
 Unmodified       Qualified       Adverse       Disclaimer
  
6. The audit disclosed findings required to be reported by 2 CFR 200.516(a)?       Yes       No

**Marion County, Indiana**  
**(A Component Unit of the Consolidated City of Indianapolis - Marion County)**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended December 31, 2015**

7. The County's major program was:

| <u>CFDA Number</u> | <u>Name of Federal Program or Cluster</u> |
|--------------------|---|
| 93.563             | Child Support Enforcement                 |

8. The threshold used to distinguish between Type A and Type B programs was \$750,000.

9. The County qualified as a low-risk auditee?  Yes  No

**Marion County, Indiana**  
**(A Component Unit of the Consolidated City of Indianapolis - Marion County)**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended December 31, 2015**

***Findings Required to be Reported by Government Auditing Standards***

| Reference Number | Finding   |
|------------------|---|
| 2015-001         | <p><b>Criteria or Specific Requirement:</b> Management is responsible for establishing and maintaining effective internal controls over financial reporting.</p> <p><b>Condition:</b> The Treasurer’s Tax Collection agency fund and the Sheriff Commissary special revenue fund are not maintained on the County’s general ledger. In addition, the Clerk of Circuit Court and the Sheriff agency funds daily activity is not maintained within the County’s general ledger. (Material Weakness)</p> <p><b>Context:</b> The Treasurer’s Tax Collection and Sheriff Commissary funds must be manually inserted into the year-end financial statements, and a journal entry is posted once a year to record the entire annual activity for the Clerk and Sheriff agency funds. Although bank accounts are reconciled on a monthly basis, daily activities of these funds are not subject to the County’s overall internal control structure.</p> <p><b>Effect:</b> Potential misstatements in the financial statements. Potential improprieties may also occur within these funds and not be identified timely or ever be caught.</p> <p><b>Cause:</b> The statutory basis upon which these funds were established has resulted in a decentralized approach to managing, monitoring and reporting the activities within these funds.</p> <p><b>Repeat Finding:</b> Yes - see finding 2014-001 from the prior year.</p> <p><b>Recommendation:</b> To assist in financial statement preparation and strengthen internal controls, management should require all financial activity be recorded within the PeopleSoft general ledger system.</p> <p><b>Views of Responsible Officials and Planned Corrective Action:</b> Management agrees that the optimum is to have all funds recorded in the County’s financial system. Marion County has several external bank accounts that are maintained in separate banks by different agencies, which are allowed under the Indiana Code, and are outside of the general ledger of the County’s financial system. These accounts, however, are under the jurisdiction of the County, whether it is in a fiduciary capacity, or actual County funds and as such are incorporated into the County’s financial statements. In order to maintain better financial and reporting controls, the financial information for these accounts shall be provided to the Office of Finance and Management, Reporting Division, on a quarterly basis for recording to the general ledger of the PeopleSoft system. These entries shall be subject to review by management and all documentation supporting the quarterly entries shall be maintained for audit purposes. In addition, the County has implemented iNovah, a cashiering system, in conjunction with the implementation of the accounts receivable module within PeopleSoft, the County’s financial system. As part of this process, the Treasurer has added all of the Treasurer’s bank accounts to the financial system, including the Treasurer’s Tax Collection accounts. The Treasurer and Auditor are currently working with our technical team in determining the best approach for loading the cash balances and are also gathering the business requirements in order to make any necessary technical changes within the financial system to accommodate their needs. As part of this process, the necessary training documents will be created to aid in the understanding of the new processes as well as be used in the testing of the new functionality. It is anticipated that the testing should commence in the 4th quarter of 2016.</p> <p><b>Person(s) responsible for implementing:</b> Shirley Mizen, Deputy Auditor, Cindy Land, Deputy Treasurer, and Chuck White, Deputy Controller</p> <p><b>Implementation Date:</b> 12/31/2017</p> |

**Marion County, Indiana**  
**(A Component Unit of the Consolidated City of Indianapolis - Marion County)**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended December 31, 2015**

| Reference Number | Finding   |
|------------------|---|
| 2015-002         | <p><b>Criteria or Specific Requirement:</b> Management is responsible for establishing and maintaining effective internal controls over financial reporting.</p> <p><b>Condition:</b> The County’s internal control environment did not detect an adjustment that was needed to prevent the financial statements from being materially misstated. (Material Weakness)</p> <p><b>Context:</b> The County financial records are maintained on a cash basis throughout the year and reconciliations are completed by various City/County personnel.</p> <p><b>Effect:</b> Misstatements in the financial statements.</p> <p><b>Cause:</b> Proper monitoring of internal controls are not being enforced. Cash balance reconciliations are not always completed on a timely basis, as well as the follow-up and disposition of reconciling items.</p> <p><b>Repeat Finding:</b> Yes - see finding 2014-002 from the prior year.</p> <p><b>Recommendation:</b> The County needs to consistently apply and further enhance its accounting procedures and internal controls over financial reporting so as to ensure the timeliness, availability and integrity of the financial information it is charged with producing. Ideally, each agency that holds cash in the County’s name should perform a reconciliation with its cash to PeopleSoft, within 31 days of the end of the each previous month, and provide the reconciliation to the Office of Finance and Management (OFM). Two cornerstones of this reconciliation and review process are timeliness and accuracy. This is imperative, given the County’s desire to return to reporting in conformity with Generally Accepted Accounting Principles (GAAP). The latter is not possible without significant attention being given to the consistent application and establishment of adequate accounting procedures and internal controls. This, in turn, cannot be accomplished without addressing the following: (1) moving all accounting and reporting functions onto PeopleSoft and away from manual and non-integrated systems; (2) identifying and assigning further personnel resources from within the City or County to assist with the County’s accounting and reporting functions; (3) examining the skillsets of existing personnel resources to facilitate the realignment of resources; and (4) performing more timely (daily/weekly/monthly) account reconciliations and period closings. Until such actions are taken, the County risks continued financial reporting difficulties in the future. Further, without timely and accurate financial information, management cannot make informed decisions that affect the financial health and viability of the County.</p> |

**Marion County, Indiana**  
**(A Component Unit of the Consolidated City of Indianapolis - Marion County)**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended December 31, 2015**

| Reference Number | Finding   |
|------------------|---|
|                  | <p><b>Views of Responsible Officials and Planned Corrective Action:</b> The County adopted a policy at the end of 2015 enhancing its procedures and internal controls over cash to improve on the timeliness and integrity of the County's financial data. The reconciliation of the cash is a joint process between the offices of the Auditor and Treasurer. The Treasurer's Office maintains the bank accounts and as such, on a monthly basis reconciles their cash balances per their fund book to the bank. The Auditor's Office maintains the general ledger system and reconciles the general ledger to the Treasurer's cash funds. We recognize that they were not done timely and that there are adjustments that have not been timely posted and we are currently addressing these issues. As commented, in 2015, the Auditor's Office and Treasurer's Office maintained fund book ledgers, separate from the PeopleSoft Financial System. In March of 2016, the Auditor's Office and Treasurer's Office transitioned to full use of the iNovah system for receipt of revenues. All revenues are brought into PeopleSoft each night through an interface process and then confirmed by the Auditor's Office for posting, with the exception that these entries no longer post to an Auditor's separate ledger. At the conversion to iNovah, the Auditor's Office ceased use of the separate fund book ledger and is now using only the general ledger in PeopleSoft.</p> <p>As we work through the entire process, the Auditor's Office is reconciling the cash on PeopleSoft by fund, to the existing Treasurer's fund book. An additional step in the cash project is moving the Treasurer's Office to the PeopleSoft system that allows them to utilize the financial system in reconciling to the banks. In mid-2016, all Treasurer's bank accounts were added to the financial system. The Treasurer and Auditor are working with the technical support for developing the steps of loading the cash balances to the bank accounts in the financial system, as well as working through the day to day processes and how those will be addressed in the system. The technical staff is assisting with the design and structure and are creating the testing and training materials so that the reconciliations can be automated as much as possible through the system. Until such time, however, the County will continue to balance to the Treasurer's Office utilizing PeopleSoft and the Treasurer's fund book. As we work through the reconciliations, we are addressing the pending adjustments to aid in assuring that the cash balances both with the Treasurer's existing records and the County's financial system are accurate. The adjustments being addressed are discrepancies that exist between the Treasurer's records and the Auditor's records. While the entry may be due to a transaction that posted against several agencies, the correction is strictly between the Auditor's and Treasurer's records. Multiple agencies are not involved in this reconciliation process, nor is there correspondence between multiple agencies. The change in process for the Treasurer and Auditor is lengthy. The entire process needs analyzed and addressed in such a manner that the reconciliation process is efficient and accurate. We anticipate that testing and training on this process will be initiated in the fourth quarter of 2016, but we also anticipate that completion of the entire project will not occur until early to mid-2017.</p> |

**Marion County, Indiana**  
**(A Component Unit of the Consolidated City of Indianapolis - Marion County)**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended December 31, 2015**

| <b>Reference Number</b> | <b>Finding</b>  |
|-------------------------|---|
|                         | <p>Associated with this finding is the recommendation by the audit firm that period closings occur more timely. At the first of the year, the months remain open to allow for adjustments associated with the prior year, as the system does not allow for an adjustment period. These year-end adjustments are made to December. In order to have December open, each month, including up to the current month, has to remain open. There is no mechanism within the system by where December can remain open but months prior to the current month can be closed. Year-end adjustments are allowed through the end of February. To resolve this finding, the County will continue to allow the general ledger for December to remain open while the adjustments are made, which is through February of the next year. As described, in order to do so, January and February will remain open as well. After the February deadline passes, however, the general ledger for future months will be closed when the new month is opened.</p> <p>As with any entity, staffing constraints have a substantial impact on efficiencies. The Auditor's Office is currently reviewing the staffing needs of its office, including the financial division. We are reviewing the skillsets of the existing staff in order to determine the specific needs and anticipate changes in 2017, depending upon available funding.</p> <p>The Treasurer's Office and Auditor's Office recognizes that the reconciliation is extremely important and as such, have taken the steps described above. These efforts will continue through 2016 into 2017 as we work to assure that all issues are resolved appropriately.</p> <p><b>Person(s) responsible for implementing:</b> Shirley Mizen, Deputy Auditor, Cindy Land, Deputy Treasurer, and Chuck White, Deputy Controller</p> <p><b>Implementation Date:</b> 12/31/2017</p> |
| 2015-003                | <p><b>Criteria or Specific Requirement:</b> Management is responsible for establishing and maintaining effective internal controls over financial reporting.</p> <p><b>Condition:</b> The County's internal control environment over financial reporting did not detect adjustments that were needed to prevent the financial statements from being materially misstated. (Material Weakness)</p> <p><b>Context:</b> The Office of Finance and Management (OFM) is primarily responsible for the financial reporting of the County, but the Marion County Auditor's Office is responsible for the maintenance of the general ledger throughout the year and financial records and reconciliations are maintained by multiple departments throughout the year. At year end, OFM creates the fund financial statements based on the information maintained by the other departments. Additionally, a manual conversion process occurs outside the accounting system to convert the fund financial statements to the government-wide financial statements. During the 2015 audit, two material adjustments were identified that affected the County's financial statements.</p> <p><b>Effect:</b> Misstatements in the financial statements.</p>   |

**Marion County, Indiana**  
**(A Component Unit of the Consolidated City of Indianapolis - Marion County)**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended December 31, 2015**

| <b>Reference Number</b> | <b>Finding</b>  |
|-------------------------|---|
|                         | <p><b>Cause:</b> The County’s internal control environment did not identify these adjustments because not all account reconciliations, analyses or financial data are subjected to a timely review. Additionally, the year-end close process requires financial information to be captured that is not being reported on an interim basis. Errors are made in compiling information for financial reporting purposes and/or such information is not communicated timely to OFM by County departments and agencies. These issues are exacerbated by a lack of personnel resources.</p> <p><b>Repeat Finding:</b> No</p> <p><b>Recommendation:</b> The County should establish and maintain effective internal controls for reviewing and substantiating financial reporting data. While it is OFM’s responsibility to compile the financial statements for the County, the County is ultimately responsible for the accuracy and completeness of the financial information being presented. In addition to the establishment of appropriate internal controls, the County and OFM should work together to improve their communications in order to ensure that financial information is accurately captured and timely transmitted for financial reporting purposes.</p> <p><b>Views of Responsible Officials and Planned Corrective Action:</b> Personnel constraints have been a major contributing factor in the amount of audit adjustments that are discovered during the audit process. In addition, we are working with a relatively new accounting system where we continue to implement modules that work in conjunction with the entire enterprise resource planning system. It is very important to point out that we have continued to see the number of audit adjustments decrease substantially each year. The decrease in adjustments can be directly attributed to the financial reporting division implementing detailed review processes.</p> <p><b>Person(s) responsible for implementing:</b> Chuck White, Deputy Controller and Janae Rhoton, Financial Reporting Manager</p> <p><b>Implementation Date:</b> 12/31/2017</p> |

**Marion County, Indiana**  
**(A Component Unit of the Consolidated City of**  
**Indianapolis - Marion County)**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended December 31, 2015**

*Findings Required to be Reported by the Uniform Guidance*

| <b>Reference<br/>Number</b> | <b>Finding</b>             |
|-----------------------------|----------------------------|
|                             | No matters are reportable. |

**Marion County, Indiana**  
**(A Component Unit of the Consolidated City of**  
**Indianapolis - Marion County)**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended December 31, 2015**

| <b>Reference Number</b> | <b>Summary of Finding</b>   | <b>Status</b>  |
|-------------------------|---|--|
| 2014-001                | <p><b>Financial Reporting</b><br/>           The Treasurer’s Tax Collection and Sheriff Commissary funds must be manually inserted into the year-end financial statements, and a journal entry is posted once a year to record the entire annual activity for the Clerk and Sheriff agency funds. Although bank accounts are reconciled on a monthly basis, daily activities of these funds are not subject to the County’s overall internal control structure.</p> | <p>Unresolved<br/>           See finding 2015-001<br/><br/>           In mid-2016, all Treasurer’s bank accounts were added to the financial system. The Treasurer and Auditor are working with the technical support for developing the steps of loading the cash balances to the bank accounts in the financial system, as well as working through the day to day processes and how those will be addressed in the system. The technical staff is assisting with the design and structure and are creating the testing and training materials so that the reconciliations can be automated as much as possible through the system. We anticipate that testing and training on this process will be initiated in the fourth quarter of 2016, but we also anticipate that completion of the entire project will not occur until 2017.</p>  |
| 2014-002                | <p><b>Financial Reporting</b><br/>           The County financial records are maintained on a cash basis throughout the year and reconciliations are not completed timely by various City/County personnel.</p>   | <p>Unresolved<br/>           See finding 2015-002<br/><br/>           The County adopted a policy at the end of 2015 enhancing its procedures and internal controls over cash to improve on the timeliness and integrity of the County’s financial data. In March of 2016, the Auditor’s Office and Treasurer’s Office transitioned to full use of the iNovah system for receipt of revenues. At the conversion to iNovah, the Auditor’s Office ceased use of the separate fund book ledger and is now using only the general ledger in PeopleSoft. An additional step in the cash project is moving the Treasurer’s Office to the PeopleSoft system that allows them to utilize the financial system in reconciling to the banks. In mid-2016, all Treasurer’s bank accounts were added to the financial system. The Treasurer and Auditor are working with the technical support for developing the steps of loading the cash balances to the bank accounts in the financial system, as well as working through the day to day processes and how those will be addressed in the system. We anticipate that testing and training on this process will be initiated in the fourth quarter of 2016, but we also anticipate that completion of the entire project will not occur until early to mid-2017. The Treasurer’s Office and Auditor’s Office recognizes that the reconciliation is extremely important and as such, have taken the steps described above. These efforts will continue through 2016 into 2017 as we work to assure that all issues are resolved appropriately.</p> |

**Marion County, Indiana**  
**(A Component Unit of the Consolidated City of Indianapolis - Marion County)**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended December 31, 2015**

| <b>Reference Number</b> | <b>Summary of Finding</b>  | <b>Status</b> |
|-------------------------|--|---------------|
| 2014-003                | <p><b>Information Technology Controls</b><br/> The County's Office of Finance and Management (OFM) is primarily responsible for the financial reporting process. In 2012, the County implemented a new accounting and financial reporting system (PeopleSoft) that required new user roles to be established. Subsequent to implementation, a number of users were not identified as having conflicting roles within PeopleSoft.</p> | Resolved      |
| 2014-004                | <p><b>Accounting System Super Users</b><br/> The County has established permissions within its accounting system (PeopleSoft) that allow certain individuals to prepare, approve and post journal entries within the system without further system or nonsystem approvals.</p>   | Resolved      |
| 2014-005                | <p><b>Procurement - Child Support Enforcement</b><br/> BKD selected one vendor for which sufficient documentation was not retained by the County to provide evidence of full and open competition, or to document the County's rationale for limiting competition.</p>   | Resolved      |



Subject: Corrective Action Plan  
Marion County, Indiana  
2015 Single Audit Results

The purpose of this Corrective Action Plan is to inform you of planned corrective actions in response to the below findings made by BKD, LLP.

**2015-001: Criteria or Specific Requirement:** Management is responsible for establishing and maintaining effective internal controls over financial reporting.

**Condition:** The Treasurer's Tax Collection agency fund and the Sheriff Commissary special revenue fund are not maintained on the County's general ledger. In addition, the Clerk of Circuit Court and the Sheriff agency funds daily activity is not maintained within the County's general ledger. (Material Weakness)

**Context:** The Treasurer's Tax Collection and Sheriff Commissary funds must be manually inserted into the year-end financial statements, and a journal entry is posted once a year to record the entire annual activity for the Clerk and Sheriff agency funds. Although bank accounts are reconciled on a monthly basis, daily activities of these funds are not subject to the County's overall internal control structure.

**Effect:** Potential misstatements in the financial statements. Potential improprieties may also occur within these funds and not be identified timely or ever be caught.

**Cause:** The statutory basis upon which these funds were established has resulted in a decentralized approach to managing, monitoring and reporting the activities within these funds.

**Repeat Finding:** Yes - see finding 2014-001 from the prior year.

**Recommendation:** To assist in financial statement preparation and strengthen internal controls, management should require all financial activity be recorded within the PeopleSoft general ledger system.

**Views of Responsible Officials and Planned Corrective Action:** Management agrees that the optimum is to have all funds recorded in the County's financial system. Marion County has several external bank accounts that are maintained in separate banks by different agencies, which are allowed under the Indiana Code, and are outside of the general ledger of the County's financial system. These accounts, however, are under the jurisdiction of the County, whether it is in a fiduciary capacity, or actual County funds and as such are incorporated into the County's financial statements. In order to maintain better financial and reporting controls, the financial information for these accounts shall be provided to the Office of Finance and Management, Reporting Division, on a quarterly basis for recording to the general ledger of the PeopleSoft system. These entries shall be subject to review by management and all documentation supporting the quarterly entries shall be maintained for audit purposes. In addition, the County has implemented iNovah, a cashing system, in conjunction with the implementation of the accounts receivable module within PeopleSoft, the County's financial system. As part of this process, the Treasurer has added all of the Treasurer's bank accounts to the financial system, including the Treasurer's Tax Collection accounts. The Treasurer and Auditor are currently working with our technical team in determining the best approach for loading the cash balances and are also gathering the business requirements in order to make any necessary technical changes within the financial system to accommodate their needs. As part of this process, the necessary training documents will be created to aid in the understanding of the new processes as well as be used in the testing of the new functionality. It is anticipated that the testing should commence in the 4th quarter of 2016.

**Person(s) responsible for implementing:** Shirley Mizen, Deputy Auditor, Cindy Land, Deputy Treasurer, and Chuck White, Deputy Controller

**Implementation Date:** 12/31/2017

**2015-002: Criteria or Specific Requirement:** Management is responsible for establishing and maintaining effective internal controls over financial reporting.

**Condition:** The County's internal control environment did not detect an adjustment that was needed to prevent the financial statements from being materially misstated. (Material Weakness)

**Context:** The County financial records are maintained on a cash basis throughout the year and reconciliations are completed by various City/County personnel.

**Effect:** Misstatements in the financial statements.

**Cause:** Proper monitoring of internal controls are not being enforced. Cash balance reconciliations are not always completed on a timely basis, as well as the follow up and disposition of reconciling items

**Repeat Finding:** Yes - see finding 2014-002 from the prior year.



**Office of Finance and Management**  
**Suite 2222**  
**200 E. Washington Street**  
**Indianapolis, IN 46204**

**Recommendation:** The County needs to consistently apply and further enhance its accounting procedures and internal controls over financial reporting so as to ensure the timeliness, availability and integrity of the financial information it is charged with producing. Ideally, each agency that holds cash in the County's name should perform a reconciliation with its cash to PeopleSoft, within 31 days of the end of the each previous month, and provide the reconciliation to the Office of Finance and Management (OFM). Two cornerstones of this reconciliation and review process are timeliness and accuracy. This is imperative, given the County's desire to return to reporting in conformity with Generally Accepted Accounting Principles (GAAP). The latter is not possible without significant attention being given to the consistent application and establishment of adequate accounting procedures and internal controls. This, in turn, cannot be accomplished without addressing the following: (1) moving all accounting and reporting functions onto PeopleSoft and away from manual and nonintegrated systems; (2) identifying and assigning further personnel resources from within the City or County to assist with the County's accounting and reporting functions; (3) examining the skillsets of existing personnel resources to facilitate the realignment of resources; and (4) performing more timely (daily/weekly/monthly) account reconciliations and period closings. Until such actions are taken, the County risks continued financial reporting difficulties in the future. Further, without timely and accurate financial information, management cannot make informed decisions that affect the financial health and viability of the County.

**Views of Responsible Officials and Planned Corrective Action:** The County adopted a policy at the end of 2015 enhancing its procedures and internal controls over cash to improve on the timeliness and integrity of the County's financial data. The reconciliation of the cash is a joint process between the offices of the Auditor and Treasurer. The Treasurer's Office maintains the bank accounts and as such, on a monthly basis reconciles their cash balances per their fund book to the bank. The Auditor's Office maintains the general ledger system and reconciles the general ledger to the Treasurer's cash funds. We recognize that they were not done timely and that there are adjustments that have not been timely posted and we are currently addressing these issues. As commented, in 2015 the Auditor's Office and Treasurer's Office maintained fund book ledgers, separate from the PeopleSoft Financial System. In March of 2016, the Auditor's Office and Treasurer's Office transitioned to full use of the iNovah system for receipt of revenues. All revenues are brought into PeopleSoft each night through an interface process and then confirmed by the Auditor's Office for posting, with the exception that these entries no longer post to an Auditor's separate ledger. At the conversion to iNovah, the Auditor's Office ceased use of the separate fund book ledger and is now using only the general ledger in PeopleSoft.

As we work through the entire process, the Auditor's Office is reconciling the cash on PeopleSoft by fund, to the existing Treasurer's fund book. An additional step in the cash project is moving the Treasurer's Office to the PeopleSoft system that allows them to utilize the financial system in reconciling to the banks. In mid-2016, all Treasurer's bank accounts were added to the financial system. The Treasurer and Auditor are working with the technical support for developing the steps of loading the cash balances to the bank accounts in the financial system, as well as working through the day to day processes and how those will be addressed in the system. The technical staff, is assisting with the design and structure and are creating the testing and training materials so that the reconciliations can be automated as much as possible through the system. Until such time, however, the County will continue to balance to the Treasurer's Office utilizing PeopleSoft and the Treasurer's fund book. As we work through the reconciliations, we are addressing the pending adjustments to aid in assuring that the cash balances both with the Treasurer's existing records and the County's financial system are accurate. The change in process for the Treasurer and Auditor is lengthy. The entire process needs analyzed and addressed in such a manner that the reconciliation process is efficient and accurate. We anticipate that testing and training on this process will be initiated in the fourth quarter of 2016, but we also anticipate that completion of the entire project will not occur until early to mid-2017.



**Office of Finance and Management**  
**Suite 2222**  
**200 E. Washington Street**  
**Indianapolis, IN 46204**

Associated with this finding is the recommendation by the audit firm that period closings occur more timely. At the first of the year, the months remain open to allow for adjustments associated with the prior year, as the system does not allow for an adjustment period. These year-end adjustments are made to December. In order to have December open, each month, including up to the current month, has to remain open. There is no mechanism within the system by which December can remain open but months prior to the current month can be closed. Year-end adjustments are allowed through the end of February. To resolve this finding, the County will continue to allow the general ledger for December to remain open while the adjustments are made, which is through February of the next year. As described, in order to do so, January and February will remain open as well. After the February deadline passes, however, the general ledger for future months will be closed when the new month is opened.

As with any entity, staffing constraints have a substantial impact on efficiencies. The Auditor's Office is currently reviewing the staffing needs of its office, including the financial division. We are reviewing the skillsets of the existing staff in order to determine the specific needs and anticipate changes in 2017, depending upon available funding.

The Treasurer's Office and Auditor's Office recognizes that the reconciliation is extremely important and as such, have taken the steps described above. These efforts will continue through 2016 into 2017 as we work to assure that all issues are resolved appropriately.

**Person(s) responsible for implementing:** Shirley Mizen, Deputy Auditor, Cindy Land, Deputy Treasurer, and Chuck White, Deputy Controller

**Implementation Date:** 12/31/2017

**2015-003: Criteria or Specific Requirement:** Management is responsible for establishing and maintaining effective internal controls over financial reporting.

**Condition:** The County's internal control environment over financial reporting did not detect adjustments that were needed to prevent the financial statements from being materially misstated. (Material Weakness)

**Context:** The Office of Finance and Management (OFM) is primarily responsible for the financial reporting of the County, but the Marion County Auditor's Office is responsible for the maintenance of the general ledger throughout the year and financial records and reconciliations are maintained by multiple departments throughout the year. At year end, OFM creates the fund financial statements based on the information maintained by the other departments. Additionally, a manual conversion process occurs outside the accounting system to convert the fund financial statements to the government-wide financial statements. During the 2015 audit, two material adjustments were identified that affected the County's financial statements.

**Effect:** Misstatements in the financial statements.

**Cause:** The County's internal control environment did not identify these adjustments because not all account reconciliations, analyses or financial data are subjected to a timely review. Additionally, the year-end close process requires financial information to be captured that is not being reported on an interim basis. Errors are made in compiling information for financial reporting purposes and/or such information is not communicated timely to OFM by County departments and agencies. These issues are exacerbated by a lack of personnel resources.

**Repeat Finding:** No



**Office of Finance and Management**  
**Suite 2222**  
**200 E. Washington Street**  
**Indianapolis, IN 46204**

**Recommendation:** The County should establish and maintain effective internal controls for reviewing and substantiating financial reporting data. While it is OFM's responsibility to compile the financial statements for the County, the County is ultimately responsible for the accuracy and completeness of the financial information being presented. In addition to the establishment of appropriate internal controls, the County and OFM should work together to improve their communications in order to ensure that financial information is accurately captured and timely transmitted for financial reporting purposes.

**Views of Responsible Officials and Planned Corrective Action:** Personnel constraints have been a major contributing factor in the amount of audit adjustments that are discovered during the audit process. In addition, we are working with a relatively new accounting system where we continue to implement modules that work in conjunction with the entire enterprise resource planning system. It is very important to point out that we have continued to see the number of audit adjustments decrease substantially each year. The decrease in adjustments can be directly attributed to the financial reporting division impleme



**Office of Finance and Management  
Suite 2222  
200 E. Washington Street  
Indianapolis, IN 46204**