

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

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



**FILED**  
01/27/2017



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Jacqueline L. Knafel Tonya L. Marks	01-01-11 to 12-31-14 01-01-15 to 12-31-18
County Treasurer	Michele J. Bricker	01-01-13 to 12-31-16
Clerk of the Circuit Court	Michelle L. Mawhorter	01-01-13 to 12-31-16
County Sheriff	Douglas A. Harp	01-01-11 to 12-31-18
County Recorder	Candy B. Myers	01-01-13 to 12-31-18
County Prosecuting Attorney	Steven T. Clouse Eric D. Blackman	01-01-11 to 12-31-14 01-01-15 to 12-31-18
President of the Board of County Commissioners	Gary D. Leatherman	01-01-14 to 12-31-16
President of the County Council	Wayne F. Clouse Michael C. Toles	01-01-14 to 12-31-14 01-01-15 to 12-31-16



## INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF NOBLE COUNTY, INDIANA

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

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

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

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

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

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

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

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

NDEPENDENT AUDITOR'S REPORT  
(Continued)

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

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

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

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

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

***Opinion on Regulatory Basis of Accounting***

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

***Other Matters***

*Supplementary Information*

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


*Other Information*

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

NDEPENDENT AUDITOR'S REPORT  
(Continued)

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

In accordance with *Government Auditing Standards*, we have also issued a report dated December 19, 2016, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

  
Paul D. Joyce, CPA  
State Examiner

December 19, 2016



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

TO: THE OFFICIALS OF NOBLE COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of Noble County (County), which comprises the financial position and results of operations for the year ended December 31, 2014, and the related notes to the financial statement, and have issued our report thereon dated December 19, 2016, wherein we noted the County followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

**Internal Control over Financial Reporting**

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

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

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

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

**Compliance and Other Matters**


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

**Noble County's Response to Findings**

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

**Purpose of This Report**

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

  
Paul D. Joyce, CPA  
State Examiner

December 19, 2016

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## FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

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

Fund	Cash and Investments 01-01-14	Receipts	Disbursements	Cash and Investments 12-31-14
General	\$ 2,821,318	\$ 9,004,086	\$ 10,110,513	\$ 1,714,891
Sheriff's Accident Report	7,958	4,170	2,826	9,302
Bond Forfeitures	1,901	4,573	-	6,474
CAGIT Certified Shares	126,960	2,703,235	2,458,755	371,440
CEDIT	1,823,049	1,138,566	1,136,280	1,825,335
HEA 1001 State HSC Distribution	(2,884)	2,884	-	-
Municipal Court Cost	-	12,528	8,427	4,101
Clerk's Record Perpetuation	43,635	21,026	9,165	55,496
Community Corrections Grant	111,476	545,014	233,243	423,247
Special Operations Group	8,616	113	1,654	7,075
Sales Disclosure	30,113	5,475	2,822	32,766
Cumulative Capital Development- Bridges	2,995,614	528,865	1,010,055	2,514,424
Cumulative Building Courthouse	195,533	112,288	13,050	294,771
Drug Free Community	48,559	36,545	47,731	37,373
Emergency Planning-SARA	28,980	6,903	15,030	20,853
Extradition	58,584	2,752	12,204	49,132
Firearms Training	53,175	13,585	7,258	59,502
General Drain Improvements	320,778	193,096	132,874	381,000
Health Department	122,064	392,244	305,676	208,632
Security Protection	7,611	3,571	-	11,182
Excess Levy	87,162	-	-	87,162
Health Maintenance	94,984	33,486	17,728	110,742
Local Road and Street	112,522	536,013	221,542	426,993
County Misdemeanants	80,435	28,547	13,588	95,394
Highway	688,803	3,647,938	3,513,823	822,918
Rainy Day	897,230	500,060	156,596	1,240,694
Reassessment	-	46	-	46
Reassessment 2015	420,936	173,744	114,657	480,023
Recorders Perpetuation	140,817	73,272	95,035	119,054
River Boat Revenue Sharing	-	281,599	281,599	-
Sex Offender Fees-State 10%	195	284	464	15
Sheriff Service Fee	56,033	21,261	13	77,281
Public Defender Fees	178,969	15,412	6,074	188,307
Surplus Tax	88,985	66,616	85,694	69,907
Surveyor's Perpetuation	26,174	10,670	4,425	32,419
Online Certificate Sale	17,268	-	-	17,268
Tax Sale Redemption	25,999	104,033	124,104	5,928
Tax Sale Surplus	375,869	507,294	346,594	536,569
Tobacco "Master" Settlement	86,199	25,294	11,840	99,653
Victim Witness	57,250	35,366	40,936	51,680
Guardian Ad Litem/CASA	71,460	25,263	19,228	77,495
Elected Officials Training	9,647	3,571	286	12,932
County- Transportation	1,943	750	-	2,693
Statewide 9-1-1	454,058	577,393	692,058	339,393
Storm/Erosion	12,152	5,607	-	17,759
Adult Probation	1,257,604	294,602	462,311	1,089,895
Juvenile Probation	75,754	8,390	3,766	80,378
Transfer Fee-County	126,988	57,863	37,638	147,213
Work Crew-Drainage	110,015	60,420	71,643	98,792
Drain Maintenance	2,267,546	1,067,418	710,944	2,624,020
Sheriff Sale Fees	33,332	13,706	16,268	30,770
Federal Drug Task Force	1,036	73,185	74,193	28
DUI Grant-Ligonier and Kendallville	(484)	12,450	15,985	(4,019)
K-9 Donation	568	-	-	568
Demand Notice Fees 27%	227	687	914	-
Health Clinic Donations	10,412	1,890	706	11,596
Civil Service Fee	13,570	19,630	-	33,200
Debt Service-Jail	198,027	396,363	402,000	192,390
Self Funding Insurance	21,215	1,528,971	1,540,499	9,687
Landfill/Post Closure Trust	172	-	-	172
Payroll	-	6,095,649	6,095,649	-
INPRS-PERF	1	102,787	102,787	1
Pro-Claim Plus	-	365,925	353,802	12,123
Withholding (Sheriff Benefit)	-	741,872	741,872	-
Deferred Compensation	-	56,508	56,508	-
Federal Withholdings	-	838,091	838,091	-
Flex Checks	2,828	260	260	2,828
Withholdings (County Tax)	-	118,834	118,834	-
Withholdings (Perf)	-	219,209	219,209	-
Pension Trust County Police	43,512	4,573	45,000	3,085
State Withholdings	-	277,260	277,260	-
Garnished Wages	-	21,590	21,590	-

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

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

Fund	Cash and Investments 01-01-14	Receipts	Disbursements	Cash and Investments 12-31-14
Settlement	3,211	46,536,827	46,540,038	-
CAGIT	-	8,076,955	8,076,955	-
Noble Co Wheel and Surtax	-	616,640	616,299	341
Commercial Vehicle Excise Tax	-	173,833	173,833	-
Financial Tax	-	185,056	185,056	-
VaxCare	3,516	6,334	-	9,850
HMEP Grant	-	1,906	2,382	(476)
Fines and Forfeitures	15,495	129,768	126,703	18,560
Infraction Judgement	29,569	49,183	75,026	3,726
Overweight Vehicle	-	61	61	-
Death Benefit	2,605	4,244	6,549	300
Disclosure/ Treasurer of State	3,215	5,821	8,371	665
Coroner Continuing Education	2,090	3,616	5,424	282
Inner State Compact Application Fee-County	575	750	1,325	-
State Mortgage Fee	2,563	3,618	5,878	303
HSGP Grant	-	9,992	9,992	-
DLGF Homestead Property Database	13,714	-	13	13,701
Child Restraint Violations	1,751	1,475	3,176	50
Inheritance Tax	1,916	7,132	9,048	-
Education Plate Fee	38	375	413	-
Innkeeper Tax	13,137	126,288	134,967	4,458
CEDIT Money for Distribution	-	2,024,436	2,024,436	-
CEDIT Homestead	41,596	-	6,206	35,390
Deer Lake Control	2,628	-	-	2,628
93.563 Prosecutor PCA	5,022	531	-	5,553
ARRA Funding for Prosecutor	25,547	-	-	25,547
Clerk's ARRA Funding	909	-	-	909
93.563 Title IV-D Incentive	127,367	25,841	29,120	124,088
Prosecutor IV-D	26	-	-	26
Prosecutor New IV-D	211,025	38,876	2,620	247,281
Clerk New IV-D	122,716	25,841	48,654	99,903
After Settlement Collections	1,098,663	1,182,094	1,098,663	1,182,094
Clerk's Trust	166,864	3,222,185	2,895,276	493,773
Sheriff's Cashbook	-	805,137	805,137	-
Jail Commissary	59,643	97,410	114,959	42,094
Sheriff's Inmate Trust	18,854	598,151	598,968	18,037
Prosecutor's Equitable Sharing	6,249	1,008	-	7,257
Drug Confiscated	11,030	-	387	10,643
Sex Offender Fees- County 90%	5,633	2,556	360	7,829
WE CARE Clinic	12,431	12,775	5,359	19,847
Riverboat Money-County Portion	325,862	154,715	164,920	315,657
Work Release Maintenance	42,675	7,550	569	49,656
Adult Vaccines	7,975	18,595	9,273	17,297
Certificate Sale	4,614	-	4,614	-
Certificate Surplus	9,068	-	9,068	-
Intrastate Transfer Fee County	649	951	-	1,600
CEDIT Homestead for Settlement	47,084	2,024,436	2,025,253	46,267
93.243 Federal Joint Grant	2,320	39,000	41,320	-
16.585 Fed Joint Grant Part 2	7,810	44,476	52,286	-
Homeland Security	2,557	-	-	2,557
OPO Equipment Grant	1,333	-	-	1,333
Race and Gender Interpreter	5,371	2,000	1,336	6,035
Prosecutor Stop Grant CFDA #16.588	2,656	15,283	23,915	(5,976)
Operating Grant Council on Aging	-	391,038	391,038	-
Dangerous Aggressive Driving	(178)	-	-	(178)
CFDA #97.042 GPS Upgrade Grant	-	4,995	4,995	-
2009 Polling Place Grant	594	-	-	594
97.042 EMPG Competitive Grant	(16)	-	-	(16)
Coroner Education Grant	1,748	-	-	1,748
Family Drug Court	4,083	-	272	3,811
Child Seat Safety Program	1,664	693	843	1,514
16.606 SCAAP	9,738	1,270	2,110	8,898
20.601 Operation Pull-Over	1,148	18,865	15,025	4,988
Bio-Terrorist	4,430	14,022	15,705	2,747
Rural Demonstration Grant	90	-	-	90
Data Sharing Agreement Grant	2,000	4,000	2,370	3,630
Parks and Recreation Grant	4,265	-	4,247	18
<b>Totals</b>	<b>\$ 19,449,591</b>	<b>\$ 100,501,775</b>	<b>\$ 99,842,389</b>	<b>\$ 20,108,977</b>

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

NOBLE COUNTY  
NOTES TO FINANCIAL STATEMENT

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

*A. Reporting Entity*

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

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

*B. Basis of Accounting*

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

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

*C. Cash and Investments*

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

*D. Receipts*

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

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

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

NOBLE COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

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

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

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

*E. Disbursements*

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

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

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

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

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

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

NOBLE COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*F. Interfund Transfers*

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

*G. Fund Accounting*

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

**Note 2. Budgets**

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

**Note 3. Property Taxes**

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

**Note 4. Deposits and Investments**

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

NOBLE COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

**Note 5. Risk Management**

The County may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third-party. The establishment of a self-insurance fund allows the County to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

**Note 6. Pension Plans**

*A. Public Employees' Retirement Fund*

*Plan Description*

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the County authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System  
One North Capitol, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

*Funding Policy and Annual Pension Cost*

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

NOBLE COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*B. County Police Retirement Plan*

*Plan Description*

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

*Funding Policy*

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

*C. County Police Benefit Plan*

*Plan Description*

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

*Funding Policy*

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

**Note 7. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash as a result of funds being set up for reimbursable grants and the reimbursement for expenditures made by the County not being received by December 31, 2014.

**Note 8. Holding Corporation**

The County has entered into a capital lease with Noble County Jail Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the County. The lessor has been determined to be a related party of the County. Lease payments during the year 2014 totaled \$402,000.

#### OTHER INFORMATION - UNAUDITED

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

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

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

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

	General	Sheriff's Accident Report	Bond Forfeitures	CAGIT Certified Shares	CEDIT	HEA 1001 State HSC Distribution	Municipal Court Cost
Cash and investments - beginning	\$ 2,821,318	\$ 7,958	\$ 1,901	\$ 126,960	\$ 1,823,049	\$ (2,884)	\$ -
Receipts:							
Taxes	6,956,081	-	-	225,096	-	-	-
Licenses and permits	57,226	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	1,356,456	-	-	2,476,053	-	-	-
Fines and forfeits	188,110	-	-	-	-	-	-
Other receipts	446,213	4,170	4,573	2,086	1,138,566	2,884	12,528
Total receipts	<u>9,004,086</u>	<u>4,170</u>	<u>4,573</u>	<u>2,703,235</u>	<u>1,138,566</u>	<u>2,884</u>	<u>12,528</u>
Disbursements:							
Personal services	7,134,426	-	-	2,143,206	-	-	-
Supplies	462,960	-	-	35,244	-	-	-
Other services and charges	1,678,999	-	-	280,305	-	-	-
Capital outlay	125,600	-	-	-	1,102,280	-	-
Other disbursements	708,528	2,826	-	-	34,000	-	8,427
Total disbursements	<u>10,110,513</u>	<u>2,826</u>	<u>-</u>	<u>2,458,755</u>	<u>1,136,280</u>	<u>-</u>	<u>8,427</u>
Excess (deficiency) of receipts over disbursements	<u>(1,106,427)</u>	<u>1,344</u>	<u>4,573</u>	<u>244,480</u>	<u>2,286</u>	<u>2,884</u>	<u>4,101</u>
Cash and investments - ending	<u>\$ 1,714,891</u>	<u>\$ 9,302</u>	<u>\$ 6,474</u>	<u>\$ 371,440</u>	<u>\$ 1,825,335</u>	<u>\$ -</u>	<u>\$ 4,101</u>

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

	Clerk's Record Perpetuation	Community Corrections Grant	Special Operations Group	Sales Disclosure	Cumulative Capital Development- Bridges	Cumulative Building Courthouse	Drug Free Community
Cash and investments - beginning	\$ 43,635	\$ 111,476	\$ 8,616	\$ 30,113	\$ 2,995,614	\$ 195,533	\$ 48,559
Receipts:							
Taxes	-	-	-	-	528,100	111,941	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	5,475	424	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	21,026	545,014	113	-	341	347	36,545
Total receipts	<u>21,026</u>	<u>545,014</u>	<u>113</u>	<u>5,475</u>	<u>528,865</u>	<u>112,288</u>	<u>36,545</u>
Disbursements:							
Personal services	-	202,203	-	-	-	-	-
Supplies	-	8,987	-	720	-	-	-
Other services and charges	877	16,878	-	550	124,785	-	47,731
Capital outlay	-	2,500	-	-	885,270	13,050	-
Other disbursements	8,288	2,675	1,654	1,552	-	-	-
Total disbursements	<u>9,165</u>	<u>233,243</u>	<u>1,654</u>	<u>2,822</u>	<u>1,010,055</u>	<u>13,050</u>	<u>47,731</u>
Excess (deficiency) of receipts over disbursements	<u>11,861</u>	<u>311,771</u>	<u>(1,541)</u>	<u>2,653</u>	<u>(481,190)</u>	<u>99,238</u>	<u>(11,186)</u>
Cash and investments - ending	<u>\$ 55,496</u>	<u>\$ 423,247</u>	<u>\$ 7,075</u>	<u>\$ 32,766</u>	<u>\$ 2,514,424</u>	<u>\$ 294,771</u>	<u>\$ 37,373</u>

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

	Emergency Planning-SARA	Extradition	Firearms Training	General Drain Improvements	Health Department	Security Protection	Excess Levy
Cash and investments - beginning	\$ 28,980	\$ 58,584	\$ 53,175	\$ 320,778	\$ 122,064	\$ 7,611	\$ 87,162
Receipts:							
Taxes	-	-	-	-	329,443	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	49,214	3,571	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	6,903	2,752	13,585	193,096	13,587	-	-
Total receipts	<u>6,903</u>	<u>2,752</u>	<u>13,585</u>	<u>193,096</u>	<u>392,244</u>	<u>3,571</u>	<u>-</u>
Disbursements:							
Personal services	2,211	-	-	-	286,297	-	-
Supplies	29	-	-	-	3,794	-	-
Other services and charges	3,579	12,204	-	-	10,670	-	-
Capital outlay	9,211	-	-	-	475	-	-
Other disbursements	-	-	7,258	132,874	4,440	-	-
Total disbursements	<u>15,030</u>	<u>12,204</u>	<u>7,258</u>	<u>132,874</u>	<u>305,676</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(8,127)</u>	<u>(9,452)</u>	<u>6,327</u>	<u>60,222</u>	<u>86,568</u>	<u>3,571</u>	<u>-</u>
Cash and investments - ending	<u>\$ 20,853</u>	<u>\$ 49,132</u>	<u>\$ 59,502</u>	<u>\$ 381,000</u>	<u>\$ 208,632</u>	<u>\$ 11,182</u>	<u>\$ 87,162</u>

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

	Health Maintenance	Local Road and Street	County Misdemeanants	Highway	Rainy Day	Reassessment	Reassessment 2015
Cash and investments - beginning	\$ 94,984	\$ 112,522	\$ 80,435	\$ 688,803	\$ 897,230	\$ -	\$ 420,936
Receipts:							
Taxes	-	-	-	2,983	-	-	172,055
Licenses and permits	-	-	-	3,690	-	-	-
Intergovernmental receipts	-	503,667	-	3,025,105	-	-	-
Charges for services	-	-	-	506,353	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	33,486	32,346	28,547	109,807	500,060	46	1,689
Total receipts	<u>33,486</u>	<u>536,013</u>	<u>28,547</u>	<u>3,647,938</u>	<u>500,060</u>	<u>46</u>	<u>173,744</u>
Disbursements:							
Personal services	12,650	-	7,212	1,241,276	-	-	25,885
Supplies	425	-	-	1,165,165	-	-	-
Other services and charges	4,653	-	6,376	1,077,732	56,596	-	88,772
Capital outlay	-	221,542	-	29,650	100,000	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>17,728</u>	<u>221,542</u>	<u>13,588</u>	<u>3,513,823</u>	<u>156,596</u>	<u>-</u>	<u>114,657</u>
Excess (deficiency) of receipts over disbursements	<u>15,758</u>	<u>314,471</u>	<u>14,959</u>	<u>134,115</u>	<u>343,464</u>	<u>46</u>	<u>59,087</u>
Cash and investments - ending	<u>\$ 110,742</u>	<u>\$ 426,993</u>	<u>\$ 95,394</u>	<u>\$ 822,918</u>	<u>\$ 1,240,694</u>	<u>\$ 46</u>	<u>\$ 480,023</u>

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

	Recorders Perpetuation	River Boat Revenue Sharing	Sex Offender Fees-State 10%	Sheriff Service Fee	Public Defender Fees	Surplus Tax	Surveyor's Perpetuation
Cash and investments - beginning	\$ 140,817	\$ -	\$ 195	\$ 56,033	\$ 178,969	\$ 88,985	\$ 26,174
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	72,925	-	-	-	-	-	8,970
Fines and forfeits	-	-	-	-	15,412	-	-
Other receipts	347	281,599	284	21,261	-	66,616	1,700
<b>Total receipts</b>	<b>73,272</b>	<b>281,599</b>	<b>284</b>	<b>21,261</b>	<b>15,412</b>	<b>66,616</b>	<b>10,670</b>
Disbursements:							
Personal services	-	-	-	-	300	-	-
Supplies	-	-	-	-	1,766	-	425
Other services and charges	-	-	-	-	4,008	-	-
Capital outlay	-	-	-	-	-	-	4,000
Other disbursements	95,035	281,599	464	13	-	85,694	-
<b>Total disbursements</b>	<b>95,035</b>	<b>281,599</b>	<b>464</b>	<b>13</b>	<b>6,074</b>	<b>85,694</b>	<b>4,425</b>
Excess (deficiency) of receipts over disbursements	(21,763)	-	(180)	21,248	9,338	(19,078)	6,245
Cash and investments - ending	<u>\$ 119,054</u>	<u>\$ -</u>	<u>\$ 15</u>	<u>\$ 77,281</u>	<u>\$ 188,307</u>	<u>\$ 69,907</u>	<u>\$ 32,419</u>

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

	Online Certificate Sale	Tax Sale Redemption	Tax Sale Surplus	Tobacco "Master" Settlement	Victim Witness	Guardian Ad Litem/CASA	Elected Officials Training
Cash and investments - beginning	\$ 17,268	\$ 25,999	\$ 375,869	\$ 86,199	\$ 57,250	\$ 71,460	\$ 9,647
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	2,327	-	-	-	-	3,571
Fines and forfeits	-	-	-	-	35,366	-	-
Other receipts	-	101,706	507,294	25,294	-	25,263	-
Total receipts	-	104,033	507,294	25,294	35,366	25,263	3,571
Disbursements:							
Personal services	-	-	-	-	39,325	-	-
Supplies	-	-	-	9,157	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	2,683	-	-	-
Other disbursements	-	124,104	346,594	-	1,611	19,228	286
Total disbursements	-	124,104	346,594	11,840	40,936	19,228	286
Excess (deficiency) of receipts over disbursements	-	(20,071)	160,700	13,454	(5,570)	6,035	3,285
Cash and investments - ending	<u>\$ 17,268</u>	<u>\$ 5,928</u>	<u>\$ 536,569</u>	<u>\$ 99,653</u>	<u>\$ 51,680</u>	<u>\$ 77,495</u>	<u>\$ 12,932</u>

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

	County- Transportation	Statewide 9-1-1	Storm/Erosion	Adult Probation	Juvenile Probation	Transfer Fee-County	Work Crew-Drainage
Cash and investments - beginning	\$ 1,943	\$ 454,058	\$ 12,152	\$ 1,257,604	\$ 75,754	\$ 126,988	\$ 110,015
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	18,334	-
Fines and forfeits	-	-	-	232,952	8,390	-	-
Other receipts	750	577,393	5,607	61,650	-	39,529	60,420
Total receipts	750	577,393	5,607	294,602	8,390	57,863	60,420
Disbursements:							
Personal services	-	374,578	-	186,638	3,766	6,495	-
Supplies	-	-	-	88,229	-	-	4,719
Other services and charges	-	195,461	-	150,838	-	11,236	65,258
Capital outlay	-	122,019	-	21,009	-	-	1,666
Other disbursements	-	-	-	15,597	-	19,907	-
Total disbursements	-	692,058	-	462,311	3,766	37,638	71,643
Excess (deficiency) of receipts over disbursements	750	(114,665)	5,607	(167,709)	4,624	20,225	(11,223)
Cash and investments - ending	<u>\$ 2,693</u>	<u>\$ 339,393</u>	<u>\$ 17,759</u>	<u>\$ 1,089,895</u>	<u>\$ 80,378</u>	<u>\$ 147,213</u>	<u>\$ 98,792</u>

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

	Drain Maintenance	Sheriff Sale Fees	Federal Drug Task Force	DUI Grant-Ligonier and Kendalville	K-9 Donation	Demand Notice Fees 27%	Health Clinic Donations
Cash and investments - beginning	\$ 2,267,546	\$ 33,332	\$ 1,036	\$ (484)	\$ 568	\$ 227	\$ 10,412
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	1,067,418	13,706	73,185	12,450	-	687	1,890
Total receipts	<u>1,067,418</u>	<u>13,706</u>	<u>73,185</u>	<u>12,450</u>	<u>-</u>	<u>687</u>	<u>1,890</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	710,944	16,268	74,193	15,985	-	914	706
Total disbursements	<u>710,944</u>	<u>16,268</u>	<u>74,193</u>	<u>15,985</u>	<u>-</u>	<u>914</u>	<u>706</u>
Excess (deficiency) of receipts over disbursements	<u>356,474</u>	<u>(2,562)</u>	<u>(1,008)</u>	<u>(3,535)</u>	<u>-</u>	<u>(227)</u>	<u>1,184</u>
Cash and investments - ending	<u>\$ 2,624,020</u>	<u>\$ 30,770</u>	<u>\$ 28</u>	<u>\$ (4,019)</u>	<u>\$ 568</u>	<u>\$ -</u>	<u>\$ 11,596</u>

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

	Civil Service Fee	Debt Service-Jail	Self Funding Insurance	Landfill/Post Closure Trust	Payroll	INPRS-PERF	Pro-Claim Plus
Cash and investments - beginning	\$ 13,570	\$ 198,027	\$ 21,215	\$ 172	\$ -	\$ 1	\$ -
Receipts:							
Taxes	-	396,363	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	102,787	365,718
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	19,630	-	1,528,971	-	6,095,649	-	207
Total receipts	19,630	396,363	1,528,971	-	6,095,649	102,787	365,925
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	402,000	-	-	-	-	-
Other disbursements	-	-	1,540,499	-	6,095,649	102,787	353,802
Total disbursements	-	402,000	1,540,499	-	6,095,649	102,787	353,802
Excess (deficiency) of receipts over disbursements	19,630	(5,637)	(11,528)	-	-	-	12,123
Cash and investments - ending	\$ 33,200	\$ 192,390	\$ 9,687	\$ 172	\$ -	\$ 1	\$ 12,123

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

	Withholding (Sheriff Benefit)	Deferred Compensation	Federal Withholdings	Flex Checks	Withholdings (County Tax)	Withholdings (Perf)	Pension Trust County Police
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 2,828	\$ -	\$ -	\$ 43,512
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	741,535	56,508	838,091	-	118,834	219,209	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	337	-	-	260	-	-	4,573
Total receipts	<u>741,872</u>	<u>56,508</u>	<u>838,091</u>	<u>260</u>	<u>118,834</u>	<u>219,209</u>	<u>4,573</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	741,872	56,508	838,091	260	118,834	219,209	45,000
Total disbursements	<u>741,872</u>	<u>56,508</u>	<u>838,091</u>	<u>260</u>	<u>118,834</u>	<u>219,209</u>	<u>45,000</u>
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	(40,427)
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,828</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,085</u>

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

	State Withholdings	Garnished Wages	Settlement	CAGIT	Noble Co Wheel and Surtax	Commercial Vehicle Excise Tax	Financial Tax
Cash and investments - beginning	\$ -	\$ -	\$ 3,211	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	277,260	21,590	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	46,536,827	8,076,955	616,640	173,833	185,056
<b>Total receipts</b>	<b>277,260</b>	<b>21,590</b>	<b>46,536,827</b>	<b>8,076,955</b>	<b>616,640</b>	<b>173,833</b>	<b>185,056</b>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	277,260	21,590	46,540,038	8,076,955	616,299	173,833	185,056
<b>Total disbursements</b>	<b>277,260</b>	<b>21,590</b>	<b>46,540,038</b>	<b>8,076,955</b>	<b>616,299</b>	<b>173,833</b>	<b>185,056</b>
Excess (deficiency) of receipts over disbursements	-	-	(3,211)	-	341	-	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 341</u>	<u>\$ -</u>	<u>\$ -</u>

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

	VaxCare	HMEP Grant	Fines and Forfeitures	Infraction Judgement	Overweight Vehicle	Death Benefit	Disclosure/ Treasurer of State
Cash and investments - beginning	\$ 3,516	\$ -	\$ 15,495	\$ 29,569	\$ -	\$ 2,605	\$ 3,215
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	5
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	5,470
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	6,334	1,906	129,768	49,183	61	4,244	346
Total receipts	<u>6,334</u>	<u>1,906</u>	<u>129,768</u>	<u>49,183</u>	<u>61</u>	<u>4,244</u>	<u>5,821</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	2,382	126,703	75,026	61	6,549	8,371
Total disbursements	<u>-</u>	<u>2,382</u>	<u>126,703</u>	<u>75,026</u>	<u>61</u>	<u>6,549</u>	<u>8,371</u>
Excess (deficiency) of receipts over disbursements	<u>6,334</u>	<u>(476)</u>	<u>3,065</u>	<u>(25,843)</u>	<u>-</u>	<u>(2,305)</u>	<u>(2,550)</u>
Cash and investments - ending	<u>\$ 9,850</u>	<u>\$ (476)</u>	<u>\$ 18,560</u>	<u>\$ 3,726</u>	<u>\$ -</u>	<u>\$ 300</u>	<u>\$ 665</u>

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

	Coroner Continuing Education	Inner State Compact Application Fee-County	State Mortgage Fee	HSGP Grant	DLGF Homestead Property Database	Child Restraint Violations	Inheritance Tax
Cash and investments - beginning	\$ 2,090	\$ 575	\$ 2,563	\$ -	\$ 13,714	\$ 1,751	\$ 1,916
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	3,618	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	3,616	750	-	9,992	-	1,475	7,132
Total receipts	<u>3,616</u>	<u>750</u>	<u>3,618</u>	<u>9,992</u>	<u>-</u>	<u>1,475</u>	<u>7,132</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	5,424	1,325	5,878	9,992	13	3,176	9,048
Total disbursements	<u>5,424</u>	<u>1,325</u>	<u>5,878</u>	<u>9,992</u>	<u>13</u>	<u>3,176</u>	<u>9,048</u>
Excess (deficiency) of receipts over disbursements	<u>(1,808)</u>	<u>(575)</u>	<u>(2,260)</u>	<u>-</u>	<u>(13)</u>	<u>(1,701)</u>	<u>(1,916)</u>
Cash and investments - ending	<u>\$ 282</u>	<u>\$ -</u>	<u>\$ 303</u>	<u>\$ -</u>	<u>\$ 13,701</u>	<u>\$ 50</u>	<u>\$ -</u>

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

	Education Plate Fee	Innkeeper Tax	CEDIT Money for Distribution	CEDIT Homestead	Deer Lake Control	93.563 Prosecutor PCA	ARRA Funding for Prosecutor
Cash and investments - beginning	\$ 38	\$ 13,137	\$ -	\$ 41,596	\$ 2,628	\$ 5,022	\$ 25,547
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	375	126,288	2,024,436	-	-	531	-
Total receipts	375	126,288	2,024,436	-	-	531	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	413	134,967	2,024,436	6,206	-	-	-
Total disbursements	413	134,967	2,024,436	6,206	-	-	-
Excess (deficiency) of receipts over disbursements	(38)	(8,679)	-	(6,206)	-	531	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ 4,458</u>	<u>\$ -</u>	<u>\$ 35,390</u>	<u>\$ 2,628</u>	<u>\$ 5,553</u>	<u>\$ 25,547</u>

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

	Clerk's ARRA Funding	93,563 Title IV-D Incentive	Prosecutor IV-D	Prosecutor New IV-D	Clerk New IV-D	After Settlement Collections	Clerk's Trust
Cash and investments - beginning	\$ 909	\$ 127,367	\$ 26	\$ 211,025	\$ 122,716	\$ 1,098,663	\$ 166,864
Receipts:							
Taxes	-	-	-	-	-	1,182,094	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	3,222,185
Other receipts	-	25,841	-	38,876	25,841	-	-
Total receipts	-	25,841	-	38,876	25,841	1,182,094	3,222,185
Disbursements:							
Personal services	-	29,120	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	2,620	48,654	1,098,663	2,895,276
Total disbursements	-	29,120	-	2,620	48,654	1,098,663	2,895,276
Excess (deficiency) of receipts over disbursements	-	(3,279)	-	36,256	(22,813)	83,431	326,909
Cash and investments - ending	<u>\$ 909</u>	<u>\$ 124,088</u>	<u>\$ 26</u>	<u>\$ 247,281</u>	<u>\$ 99,903</u>	<u>\$ 1,182,094</u>	<u>\$ 493,773</u>

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

	Sheriff's Cashbook	Jail Commissary	Sheriff's Inmate Trust	Prosecutor's Equitable Sharing	Drug Confiscated	Sex Offender Fees- County 90%	WE CARE Clinic
Cash and investments - beginning	\$ -	\$ 59,643	\$ 18,854	\$ 6,249	\$ 11,030	\$ 5,633	\$ 12,431
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	805,137	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	97,410	598,151	1,008	-	2,556	12,775
<b>Total receipts</b>	<b>805,137</b>	<b>97,410</b>	<b>598,151</b>	<b>1,008</b>	<b>-</b>	<b>2,556</b>	<b>12,775</b>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	114,959	598,968	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	805,137	-	-	-	387	360	5,359
<b>Total disbursements</b>	<b>805,137</b>	<b>114,959</b>	<b>598,968</b>	<b>-</b>	<b>387</b>	<b>360</b>	<b>5,359</b>
Excess (deficiency) of receipts over disbursements	-	(17,549)	(817)	1,008	(387)	2,196	7,416
Cash and investments - ending	<u>\$ -</u>	<u>\$ 42,094</u>	<u>\$ 18,037</u>	<u>\$ 7,257</u>	<u>\$ 10,643</u>	<u>\$ 7,829</u>	<u>\$ 19,847</u>

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

	Riverboat Money-County Portion	Work Release Maintenance	Adult Vaccines	Certificate Sale	Certificate Surplus	Intrastate Transfer Fee County	CEDIT Homestead for Settlement
Cash and investments - beginning	\$ 325,862	\$ 42,675	\$ 7,975	\$ 4,614	\$ 9,068	\$ 649	\$ 47,084
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	154,715	7,550	18,595	-	-	951	2,024,436
Total receipts	<u>154,715</u>	<u>7,550</u>	<u>18,595</u>	<u>-</u>	<u>-</u>	<u>951</u>	<u>2,024,436</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	569	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	164,920	-	9,273	4,614	9,068	-	2,025,253
Total disbursements	<u>164,920</u>	<u>569</u>	<u>9,273</u>	<u>4,614</u>	<u>9,068</u>	<u>-</u>	<u>2,025,253</u>
Excess (deficiency) of receipts over disbursements	<u>(10,205)</u>	<u>6,981</u>	<u>9,322</u>	<u>(4,614)</u>	<u>(9,068)</u>	<u>951</u>	<u>(817)</u>
Cash and investments - ending	<u>\$ 315,657</u>	<u>\$ 49,656</u>	<u>\$ 17,297</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,600</u>	<u>\$ 46,267</u>

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

	93,243 Federal Joint Grant	16,585 Fed Joint Grant Part 2	Homeland Security	OPO Equipment Grant	Race and Gender Interpreter	Prosecutor Stop Grant CFDA #16.588	Operating Grant Council on Aging
Cash and investments - beginning	\$ 2,320	\$ 7,810	\$ 2,557	\$ 1,333	\$ 5,371	\$ 2,656	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	39,000	44,476	-	-	2,000	15,283	391,038
Total receipts	39,000	44,476	-	-	2,000	15,283	391,038
Disbursements:							
Personal services	15,290	1,586	-	-	-	23,915	-
Supplies	10,926	16,727	-	-	-	-	-
Other services and charges	3,831	28,858	-	-	-	-	-
Capital outlay	5,862	-	-	-	-	-	-
Other disbursements	5,411	5,115	-	-	1,336	-	391,038
Total disbursements	41,320	52,286	-	-	1,336	23,915	391,038
Excess (deficiency) of receipts over disbursements	(2,320)	(7,810)	-	-	664	(8,632)	-
Cash and investments - ending	\$ -	\$ -	\$ 2,557	\$ 1,333	\$ 6,035	\$ (5,976)	\$ -

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

	Dangerous Aggressive Driving	CFDA #97.042 GPS Upgrade Grant	2009 Polling Place Grant	97.042 EMPG Competitive Grant	Coroner Education Grant	Family Drug Court	Child Seat Safety Program
Cash and investments - beginning	\$ (178)	\$ -	\$ 594	\$ (16)	\$ 1,748	\$ 4,083	\$ 1,664
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	4,995	-	-	-	-	693
Total receipts	-	4,995	-	-	-	-	693
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	4,995	-	-	-	272	843
Total disbursements	-	4,995	-	-	-	272	843
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	(272)	(150)
Cash and investments - ending	\$ (178)	\$ -	\$ 594	\$ (16)	\$ 1,748	\$ 3,811	\$ 1,514

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

	16.606 SCAAP	20.601 Operation Pull-Over	Bio-Terrorist	Rural Demonstration Grant	Data Sharing Agreement Grant	Parks and Recreation Grant	Totals
Cash and investments - beginning	\$ 9,738	\$ 1,148	\$ 4,430	\$ 90	\$ 2,000	\$ 4,265	\$ 19,449,591
Receipts:							
Taxes	-	-	-	-	-	-	9,904,156
Licenses and permits	-	-	-	-	-	-	60,921
Intergovernmental receipts	-	-	-	-	-	-	3,528,772
Charges for services	-	-	-	-	-	-	8,059,430
Fines and forfeits	-	-	-	-	-	-	3,702,415
Other receipts	1,270	18,865	14,022	-	4,000	-	75,246,081
Total receipts	<u>1,270</u>	<u>18,865</u>	<u>14,022</u>	<u>-</u>	<u>4,000</u>	<u>-</u>	<u>100,501,775</u>
Disbursements:							
Personal services	-	-	-	-	-	-	11,736,379
Supplies	-	-	-	-	-	-	1,809,842
Other services and charges	-	-	-	-	-	-	4,584,124
Capital outlay	-	-	-	-	-	-	3,048,817
Other disbursements	2,110	15,025	15,705	-	2,370	4,247	78,663,227
Total disbursements	<u>2,110</u>	<u>15,025</u>	<u>15,705</u>	<u>-</u>	<u>2,370</u>	<u>4,247</u>	<u>99,842,389</u>
Excess (deficiency) of receipts over disbursements	<u>(840)</u>	<u>3,840</u>	<u>(1,683)</u>	<u>-</u>	<u>1,630</u>	<u>(4,247)</u>	<u>659,386</u>
Cash and investments - ending	<u>\$ 8,898</u>	<u>\$ 4,988</u>	<u>\$ 2,747</u>	<u>\$ 90</u>	<u>\$ 3,630</u>	<u>\$ 18</u>	<u>\$ 20,108,977</u>

NOBLE COUNTY  
 SCHEDULE OF LEASES AND DEBT  
 December 31, 2014

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities: Noble County Jail Building Corporation	Jail	\$ 402,000	01-20-05	02-01-16
Total		<u>\$ 402,000</u>		

NOBLE COUNTY  
 SCHEDULE OF CAPITAL ASSETS  
 December 31, 2014

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

	Ending Balance
Governmental activities:	
Land	\$ 144,968
Infrastructure	144,932,466
Buildings	15,465,289
Machinery, equipment, and vehicles	7,426,932
Construction in progress	104,774
Total capital assets	\$ 168,074,429

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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

TO: THE OFFICIALS OF NOBLE COUNTY, INDIANA

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

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

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

***Opinion on Each Major Federal Program***

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

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

**Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2014-003. Our opinion on each major federal program is not modified with respect to these matters.

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

**Report on Internal Control over Compliance**


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

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2014-003 to be a material weakness.

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

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

  
Paul D. Joyce, CPA  
State Examiner

December 19, 2016

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>Department Of Commerce</u>				
ARRA-State Broadband Data and Development Grant Program, Recovery Act	Indiana Office of Technology	11.558	D20-2-7809	\$ 6,000
Total - Department of Commerce				<u>6,000</u>
<u>Department Of Justice</u>				
Drug Court Discretionary Grant Program	Direct Grant	16.585	2010-DC-BX-0072	<u>52,285</u>
Violence Against Women Formula Grants	Indiana Criminal Justice Institute	16.588	13ST1919	<u>15,283</u>
State Criminal Alien Assistance Program	Indiana Bureau of Justice Assistance	16.606	FY 2012 FY 2013	625 <u>1,485</u>
Total - State Criminal Alien Assistance Program				<u>2,110</u>
Total - Department of Justice				<u>69,678</u>
<u>Department Of Transportation</u>				
Highway Planning and Construction Cluster Highway Planning and Construction	Indiana Department of Transportation	20.205	Des 901268	<u>266</u>
Total - Highway Planning and Construction Cluster				<u>266</u>
Formula Grants for Rural Areas	Indiana Department of Transportation	20.509	Operating Grant 2014	229,027
ARRA - Formula Grants for Rural Areas, Recovery Act	Indiana Department of Transportation	20.509	A249-12-320563	<u>33,830</u>
Total - Formula Grants for Rural Areas				<u>262,857</u>
Highway Safety Cluster State and Community Highway Safety	Indiana Criminal Justice Institute	20.600	2484	<u>15,225</u>
Alcohol Impaired Driving Countermeasures Incentive Grants I	Indiana Criminal Justice Institute	20.601	2347	<u>16,090</u>
Total - Highway Safety Cluster				<u>31,315</u>
Interagency Hazardous Materials Public Sector Training and Planning Grants	Indiana Department of Transportation	20.703	C44P-5-639B	<u>1,906</u>
Total - Department of Transportation				<u>296,344</u>
<u>Department Of Health And Human Services</u>				
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	Indiana Department of Health	93.074	A70-4-0532230 A70-4-0532350	14,022 <u>3,240</u>
Total Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements				<u>17,262</u>
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	Direct Grant	93.243	5H79TI023390-03	<u>41,320</u>
National Public Health Improvement Initiative	Indiana Department of Health	93.292	A70-4-0791015	<u>10,000</u>
Child Support Enforcement	Indiana Department of Child Services	93.563	FY 2014	<u>350,227</u>
Total - Department of Health and Human Services				<u>418,809</u>
<u>Department Of Homeland Security</u>				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Indiana Department of Homeland Security	97.036	DR-4173	<u>43,866</u>
Emergency Management Performance Grants	Indiana Department of Homeland Security	97.042	C44P-4-381B C44P-5-056B	4,995 <u>35,434</u>
Total - Emergency Management Performance Grants				<u>40,429</u>
Homeland Security Grant Program	Indiana Department of Homeland Security	97.067	C44P-4-071B	<u>9,992</u>
Total - Department of Homeland Security				<u>94,287</u>
Total federal awards expended				<u>\$ 885,118</u>

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

NOBLE COUNTY  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1. Basis of Presentation**

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

**Note 2. Subrecipients**

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

Program Title	Federal CFDA Number	2014
Formula Grants for Rural Areas	20.509	\$ 262,857
State and Community Highway Safety	20.600	9,730
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	10,995

NOBLE COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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

Financial Statement:

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

Federal Awards:

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

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
20.509	Formula Grants for Rural Areas
93.563	Child Support Enforcement

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

Auditee qualified as low-risk auditee?	no
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**Section II - Financial Statement Findings**

**FINDING 2014-001 - PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

*Condition*

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

NOBLE COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Context*

During the audit of the SEFA, there were several errors including six programs which were omitted from the SEFA and nine programs were reported with errors. In total, the SEFA was understated by \$257,359. Audit adjustments were proposed, accepted by the County, and made to the SEFA.

*Criteria*

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

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

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

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

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

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.

NOBLE COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.
- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

*Cause*

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

*Effect*

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

*Views of Responsible Officials*

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

**FINDING 2014-002 - FINANCIAL TRANSACTIONS AND REPORTING**

*Condition*

There were deficiencies in the internal control system of the County related to financial transactions and reporting. The County had not separated incompatible activities related to financial transactions and reporting. The County Auditor prepared and submitted the Annual Financial Report (AFR) which was used to generate the financial statement. The County did not have effective controls to verify the accuracy of the AFR prior to submission.

*Context*

The County is required to report all financial information in the AFR. This information is used to compile the financial statement. The County's financial statement (Gateway Report) contained numerous errors. Total receipts were overstated by \$65,296,707, total disbursements were overstated by \$84,161,550, and the ending balance was overstated \$61,247. Audit adjustments were proposed, accepted by the County, and made to the financial statement.

*Criteria*

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

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

NOBLE COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Cause*

Management of the county had not established a proper system of internal control that would have ensured accuracy in financial transactions and reporting.

*Effect*

The failure to establish controls enabled material misstatements or irregularities to remain undetected. The financial statement contained errors as identified in the *Context*.

*Views of Responsible Officials*

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

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

**FINDING 2014-003 - ALLOWABLE COSTS/COST PRINCIPLES**

Federal Agency: Department of Health and Human Services  
Federal Program: Child Support Enforcement  
CFDA Number: 93.563  
Federal Award Number and Year (or Other Identifying Number): FY 2014  
Pass-Through Entity: Indiana Department of Child Services

*Condition*

The County Prosecuting Attorney's office had not established an effective internal control system over requirements relating to Allowable Costs/Cost Principles. The County Prosecuting Attorney's office was required to maintain Semiannual Certifications for all full-time employees.

*Context*

There were no Semiannual Certifications submitted for full-time employees during the audit period. The County Prosecuting Attorney's office was not aware of this requirement until 2015, when CSB issued new procedures.

*Criteria*

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

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

NOBLE COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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

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

*Cause*

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

*Effect*

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

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the County's management establish controls, including segregation of duties, related to the grant agreement and compliance requirement listed above.

*Views of Responsible Officials*

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

AUDITEE-PREPARED DOCUMENT

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

# NOBLE COUNTY AUDITOR

*Tonya L. Marks*

*Room 220 - Courthouse  
101 N. Orange Street  
Albion, Indiana 46701*

*Phone 260-636-2658  
Fax: 260-636-4001  
tmarks@nobleco.org*

## **Corrective Action Plan**

Finding 2014-001 Preparation of the Schedule of Expenditures of Federal Awards

Auditee Contact Person(s)

Tonya L. Marks [tmarks@nobleco.org](mailto:tmarks@nobleco.org) 260-636-2658

Corrective Action:

Status of Audit Finding:

Noble County Auditor implemented additional internal controls policies in 2016 to maintain and correct errors on the Schedule of Expenditures of Federal Awards. With the guidance given by the State Board of Accounts this process will be much more manageable for future reporting. Additionally all departments that are involved with the grant process will be notified and reminded of the importance of providing the necessary paperwork to the Auditor's office. Finally controls over recording and accounting for the financial activities are in place to avoid any further problems with reporting. A second person has been assigned to oversee the preparation of the spread sheet and receipting and disbursing of each grant.



Tonya L Marks

Noble County Auditor

12/2/16

# NOBLE COUNTY AUDITOR

*Tonya L. Marks*

*Room 220 - Courthouse  
101 N. Orange Street  
Albion, Indiana 46701*

*Phone 260-636-2658  
Fax: 260-636-4001  
tmarks@nobleco.org*

## **Corrective Action Plan**

Finding 2014-002 Financial Transactions and Reporting

Auditee Contact Person

Tonya L Marks [tmarks@nobleco.org](mailto:tmarks@nobleco.org) 260-636-2658

Corrective Action:

Status of Audit Finding:

There were errors with the reporting of the Annual Financial Report with comparison to the Gateway submission. Further internal control policies have been implemented to track the accuracy of this report. A second and even a third person will be required to check all data entered into the Gateway system. Further action will consist of the Auditor also checking entries and overseeing the receipts and disbursements process.



Tonya L. Marks

Noble County Auditor

12/5/16

**Eric D. Blackman, Prosecuting Attorney**  
**33<sup>rd</sup> Judicial Circuit - Noble County, Indiana**  
*Child Support Division*  
109 N. York Street, Albion, Indiana 46701  
Telephone (260) 636-2494, Facsimile (260) 636-2093

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CORRECTIVE ACTION PLAN

Finding 2014-003

Contact Person Responsible for Corrective Action: Laura Stump  
Contact Phone Number : 260-636-2494

Views of responsible Official: We agree with finding

Description of Corrective Action Plan:

Change of Administration in 2015. We were unaware of the requirement of the semi-annual certification of employees paid 100 % from Child Support enforcement until June 2016. All current employees were employed by the IVD office in 2015 and 2016 to date. All employees who were 100 % Child Support have signed the Semi- Annual IV-D Time and Effort Certification for 2015 and 2016 to date.

Anticipated Completion Date:

Plan is already in effect



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Eric D. Blackman, Prosecutor  
12/12/2016

#### OTHER REPORTS

In addition to this report, other reports may have been issued for the County. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.