

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF
PUTNAM COUNTY, INDIANA
January 1, 2015 to December 31, 2015



FILED
03/14/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Lorie Hallett	01-01-13 to 12-31-20
County Treasurer	Sharon Owens Kathy Minnick	01-01-13 to 12-31-16 01-01-17 to 12-31-20
Clerk of the Circuit Court	Heather Gilbert	01-01-15 to 12-31-18
County Sheriff	Scott Stockton	01-01-15 to 12-31-18
County Recorder	Tracey Bridges	01-01-15 to 12-31-18
County Planning and Zoning Director	Douglas Ehmen Brett A. Wagner Jessica Jones (interim)	01-01-15 to 03-29-15 03-30-15 to 12-31-16 01-01-17 to 12-31-17
President of the Board of County Commissioners	David E. Berry	01-01-15 to 12-31-17
President of the County Council	Darrel L. Thomas	01-01-15 to 12-31-17



INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF PUTNAM COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of Putnam County (County), which comprises the financial position and results of operations for the year ended December 31, 2015, 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 (Indiana Code 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the County for the year ended December 31, 2015.

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, 2015, 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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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, and Schedule of Leases and Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated January 24, 2017, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.


Paul D. Joyce, CPA
State Examiner

January 24, 2017



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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 PUTNAM 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 Putnam County (County), which comprises the financial position and results of operations for the year ended December 31, 2015, and the related notes to the financial statement, and have issued our report thereon dated January 24, 2017, 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.

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 County's financial statement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in the internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2015-001 and 2015-002 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 2015-001 and 2015-002.

Putnam County's Response to Findings

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

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

January 24, 2017

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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.

PUTNAM COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended December 31, 2015

Fund	Cash and Investments 01-01-15	Receipts	Disbursements	Cash and Investments 12-31-15
Treasurer's Trust	\$ 1,109,305	\$ 869,272	\$ 1,109,305	\$ 869,272
Inmate Trust Fund	11,056	170,204	163,396	17,864
Sheriff Commissary	41,915	114,029	116,190	39,755
Clerk's Trust Account	265,874	2,951,802	2,880,320	337,356
General Fund	1,578,931	7,722,571	8,156,020	1,145,482
Sheriff's Accident Report	13,638	3,316	2,951	14,003
Aviation	5,823	6,669	12,491	1
Edgelea Bond Project	6,824	134,543	61,481	79,886
CAGIT County Certified Shares	(1,068,558)	5,006,101	4,284,807	(347,264)
CEDIT County Share	(8,268)	873,418	787,061	78,089
Child Advocacy	300	-	-	300
City and Town Court Costs	3,945	8,986	-	12,931
Clerk's Record Perpetuation	20,157	21,510	13,201	28,466
Community Corrections	214,887	251,779	266,931	199,735
Congressional School Interest	9,500	129	1,502	8,127
Congressional School Principal	25,117	25,046	25,129	25,034
D.O.C.	166,110	214,675	203,127	177,658
Sales Disclosure- County Share	7,970	4,645	3,186	9,429
Covered Bridge	119,700	116,835	100,551	135,984
Cumulative Bridge	4,416,967	5,107,134	5,247,681	4,276,420
Cumulative Courthouse	373,299	92,419	146,636	319,082
Cumulative Jail	356,858	44,839	164,557	237,140
County Drug Free Community	28,505	23,149	29,656	21,998
Emergency Medical Services	1,640	-	-	1,640
Emergency Telephone System	54,625	-	-	54,625
Extradition Fund	(1,005)	550	2,335	(2,790)
Firearms Training	14,213	20,841	11,883	23,171
Health	64,870	280,368	282,377	62,861
Identification Security Protec	17,189	3,029	8,343	11,875
Levy Excess	23,562	-	23,562	-
Local Health Maintenance	(6,240)	-	-	(6,240)
Local Road and Street	46,115	629,332	531,555	143,892
Misdemeanant	81,023	21,894	16,337	86,580
Motor Vehicle Highway	1,116,769	4,047,559	4,066,636	1,097,692
Planning and Zoning Impact	10,298	48,423	57,106	1,615
Plat Book	41,900	15,000	12,440	44,460
Rainy Day	1,499,062	1,000,000	1,439,569	1,059,493
Reassessment - 2009	95,255	-	95,255	-
Recorder's Records Perpetuatio	48,566	57,320	44,005	61,881
Riverboat	-	360,559	224,890	135,669
Sheriff's Pension Trust	4,030	20,037	21,742	2,325
Surplus Tax	173,246	50,733	47,789	176,190
Surveyor Corner Perpetuation	34,915	9,020	12,337	31,598
Tax Sale Redemption	(5,088)	134,721	130,406	(773)
Old Tax Sale Surplus	970,981	359,715	1,061,665	269,031
Court Appointed Special Advoca	388	19,878	19,087	1,179
Auditor's Ineligible Homestead	25,203	-	8,457	16,746
County Offender Transportation	2,438	750	-	3,188
Hazardous Waste Disposal Tax	2,458,656	247,060	647,310	2,058,406
Statewide 911	66,318	624,424	582,022	108,720
Adult Probation Administrative	496,842	177,019	307,030	366,831
Juvenile Probation Administrat	20,204	17,645	13,162	24,687
Alternative Dispute Resolution	36,176	14,332	13,479	37,029
DNR Fines	226,589	134,720	188,214	173,095
Tobacco Master Trust	53,505	22,179	14,884	60,800
Animal Shelter	(4,792)	156,664	57,347	94,525
COURT INTERPRETER GRANT	2,000	1,293	2,635	658
Sheriff's Donation	6,000	2,448	2,113	6,335
Capital Recovery Systems	27,201	5,749	5,458	27,492
Payroll Clearing	-	10,826,350	10,826,350	-
Aflac	1,448,961	895,311	1,564,700	779,572
Payroll Withholding - Def Comp	521	10,273	10,273	521
Payroll Withholding - Federal	489	540,692	540,658	523
Payroll Withholding - FICA	2,660	736,101	736,097	2,664
Payroll Withholding - LocalTax	89	92,340	92,340	89
Payroll Withholding - PERF	(189)	142,260	142,302	(231)
Payroll Withholding - Sheriff	171	22,411	16,766	5,816
Payroll Withholding - State	(513)	197,530	197,530	(513)
Payroll Withholding Wage Garni	(925)	81,922	81,922	(925)
Settlement	450	32,387,228	32,387,228	450
Wheel Tax	1,080	198,288	199,368	-
Sur Tax	1	955,262	955,262	1
CVET Agency	-	151,530	151,530	-

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

PUTNAM COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended December 31, 2015
(Continued)

Fund	Cash and Investments 01-01-15	Receipts	Disbursements	Cash and Investments 12-31-15
Financial Institution Tax	-	227,021	227,021	-
CEDIT Homestead Credit	32,993	1,573,813	1,575,976	30,830
HEA1001 State Homestead Credit	1,500	-	1,500	-
State Fines and Forfeitures	1,448	9,001	8,822	1,627
Infraction Judgement	4,941	40,165	22,585	22,521
Overweight Vehicle Fines	(766)	766	-	-
Special Death Benefit	165	-	-	165
Sales Disclosure-State Share	1,780	3,716	3,132	2,364
Coroners Training & Cont Ed	-	1,480	-	1,480
Mortgage Recording Fee - State	1,186	3,008	2,290	1,904
Food and Beverage Tax Collecti	4,826	7,941	3,756	9,011
Inheritance Tax	-	4,195	3,793	402
Education Plate Fees Agency	56	506	506	56
Innkeepers Tax Collections	10,558	253,233	243,621	20,170
CAGIT Distribution	-	6,280,249	6,280,249	-
CEDIT Distribution	135,239	1,572,840	1,654,193	53,886
Public Defender	51,812	12,098	-	63,910
93.563 Prosecutor PCA	3,062	3,324	67	6,319
93.563 ARRA County IV-D Incent	3,485	-	-	3,485
93.563 ARRA Prosecutor IV-D In	24	-	-	24
93.563 ARRA Clerk IV-D Incenti	6,002	-	6,002	-
93.563 County IV-D Incentive	23,015	15,296	-	38,311
93.563 Prosecutor IV-D Prosecc	63,616	23,014	60,623	26,007
93.563 Clerk IV-D Incent Post	16,214	15,296	23,602	7,908
911 Software Project	-	310,606	310,605	1
TMA	28,466	211,685	155,195	84,956
SATP	9,645	47,736	1,380	56,001
Commissioners Sale	117,831	9,591	1,629	125,793
Family Preservation	67	-	-	67
Building Department Listing	25,009	2,400	-	27,409
Council Moore Bequest	10,000	-	-	10,000
Auditor Returned Check Fee	600	140	-	740
Timber Sales	1,025	-	-	1,025
Title IVD Unappropriated	53,716	-	-	53,716
Asset Forfeiture Fund	1,063	-	-	1,063
Putnam County Court Bail Bond	92,071	8,005	-	100,076
EOC Bond Fund	267	-	-	267
Sheriff Forfeiture	15,933	42,401	5,920	52,414
Sale of County Home	530,086	-	530,086	-
County Law Enforcement	105,230	6,115	7,245	104,100
Health Dept. Illegal Dumping	1,106	-	-	1,106
Health Dept. Preparedness Fund	-	10,126	1,950	8,176
Health Dept Vaccine	9,711	45,537	44,829	10,419
Reassessment 2015	45,488	410,636	256,129	199,995
Medicare	12	172,157	172,156	13
Final HEA1001- 2007/08 PTRC HSC	8	-	-	8
Elected Official Training Fund	8,974	3,029	1,585	10,418
Victims Assist.	1,400	-	-	1,400
Victims Assistance	(20,897)	5,903	-	(14,994)
Special Death Benefit Fee	575	1,390	1,130	835
Sales Disc. State Training	445	929	783	591
Child Advocacy	(300)	-	-	(300)
Local Emergency Planning/Lepc	12,982	250	4,810	8,422
Operation Pullover Equip Grant	1,178	683	-	1,861
Economic Warchest (Edit)	103,256	45,605	69,405	79,456
New Annex Bldg (Edit)	200,000	530,086	-	730,086
Vending Machine	1,082	4,501	58	5,525
Title III Federal Government	40,311	-	-	40,311
Aviation Grant	(5,822)	5,822	-	-
Victims Assistance Grant	4,820	28,292	39,041	(5,929)
Ema Sirens Project	2,690	2,505	2,500	2,695
Stop Women's Abuse Team	(7,599)	-	-	(7,599)
LEPC/HMEP GRANT	8,888	-	-	8,888
Putnam County CTP Grant	10,568	18,200	32,886	(4,118)
Local Health Maintenance	155,697	33,139	41,428	147,408
District 7 Fire Training	(109,090)	100,369	103,032	(111,753)
Putnam County Comm Corr Grant	(1,919)	248,964	135,122	111,923
STOP Grant	(17,431)	26,735	27,324	(18,020)
HAVA Grant	1,566	-	-	1,566
Marine Patrol Grant	5,297	7,500	14,102	(1,305)
Totals	\$ 18,660,465	\$ 91,871,830	\$ 93,708,002	\$ 16,824,293

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

PUTNAM 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.

PUTNAM COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

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

E. Disbursements

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

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

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

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

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

PUTNAM COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

F. Interfund Transfers

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

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

PUTNAM COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

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

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

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

PUTNAM COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Funding Policy and Annual Pension Cost

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

B. County Police Retirement Plan

Plan Description

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

Funding Policy

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

C. County Police Benefit Plan

Plan Description

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

Funding Policy

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

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of several years of posting errors and seven grant funds that were not reimbursed for expenditures at December 31, 2015.

PUTNAM COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 8. *Holding Corporation*

The County has entered into a capital lease with the Putnam 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 2015 totaled \$231,400.

Note 9. *Combined Funds*

Eighteen funds related to payroll, fines and fees, donations, Operation Pullover grants, tax sale surplus, and returned check fees were reported individually in the prior financial statement, but were combined into six funds for the current financial statement.

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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.

PUTNAM COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015

	Treasurer's Trust	Inmate Trust Fund	Sheriff Commissary	Clerk's Trust Account	General Fund	Sheriff's Accident Report	Aviation	Edgelea Bond Project
Cash and investments - beginning	\$ 1,109,305	\$ 11,056	\$ 41,915	\$ 265,874	\$ 1,578,931	\$ 13,638	\$ 5,823	\$ 6,824
Receipts:								
Taxes	-	-	-	-	4,050,267	-	-	134,543
Licenses and permits	-	-	-	-	60,997	-	-	-
Intergovernmental receipts	-	-	-	-	896,302	-	847	-
Charges for services	-	-	-	-	178,710	3,316	-	-
Fines and forfeits	-	-	-	-	118,599	-	-	-
Other receipts	869,272	170,204	114,029	2,951,802	2,417,696	-	5,822	-
Total receipts	<u>869,272</u>	<u>170,204</u>	<u>114,029</u>	<u>2,951,802</u>	<u>7,722,571</u>	<u>3,316</u>	<u>6,669</u>	<u>134,543</u>
Disbursements:								
Personal services	-	-	-	-	2,665,229	-	-	-
Supplies	-	-	-	-	254,957	-	-	-
Other services and charges	-	-	-	-	1,587,238	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	87,800	-	-	-
Other disbursements	1,109,305	163,396	116,190	2,880,320	3,560,796	2,951	12,491	61,481
Total disbursements	<u>1,109,305</u>	<u>163,396</u>	<u>116,190</u>	<u>2,880,320</u>	<u>8,156,020</u>	<u>2,951</u>	<u>12,491</u>	<u>61,481</u>
Excess (deficiency) of receipts over disbursements	(240,033)	6,808	(2,160)	71,482	(433,449)	365	(5,822)	73,062
Cash and investments - ending	<u>\$ 869,272</u>	<u>\$ 17,864</u>	<u>\$ 39,755</u>	<u>\$ 337,356</u>	<u>\$ 1,145,482</u>	<u>\$ 14,003</u>	<u>\$ 1</u>	<u>\$ 79,886</u>

PUTNAM COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	CAGIT County Certified Shares	CEDIT County Share	Child Advocacy	City and Town Court Costs	Clerk's Record Perpetuation	Community Corrections	Congressional School Interest	Congressional School Principal
Cash and investments - beginning	\$ (1,068,558)	\$ (8,268)	\$ 300	\$ 3,945	\$ 20,157	\$ 214,887	\$ 9,500	\$ 25,117
Receipts:								
Taxes	2,482,125	873,418	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental receipts	24,110	-	-	-	641	-	-	-
Charges for services	-	-	-	-	-	234,229	-	-
Fines and forfeits	-	-	-	8,986	20,215	5,313	-	-
Other receipts	2,499,866	-	-	-	654	12,237	129	25,046
Total receipts	5,006,101	873,418	-	8,986	21,510	251,779	129	25,046
Disbursements:								
Personal services	2,274,201	-	-	-	-	113,113	-	-
Supplies	-	-	-	-	-	8,355	-	-
Other services and charges	833,650	-	-	-	-	142,427	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	35,597	-	-	-	-	-	-	-
Other disbursements	1,141,359	787,061	-	-	13,201	3,036	1,502	25,129
Total disbursements	4,284,807	787,061	-	-	13,201	266,931	1,502	25,129
Excess (deficiency) of receipts over disbursements	721,294	86,357	-	8,986	8,309	(15,152)	(1,373)	(83)
Cash and investments - ending	\$ (347,264)	\$ 78,089	\$ 300	\$ 12,931	\$ 28,466	\$ 199,735	\$ 8,127	\$ 25,034

PUTNAM COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	D.O.C.	Sales Disclosure- County Share	Covered Bridge	Cumulative Bridge	Cumulative Courthouse	Cumulative Jail	County Drug Free Community	Emergency Medical Services
Cash and investments - beginning	\$ 166,110	\$ 7,970	\$ 119,700	\$ 4,416,967	\$ 373,299	\$ 356,858	\$ 28,505	\$ 1,640
Receipts:								
Taxes	-	-	-	911,890	87,914	41,371	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	16,650	317,585	4,505	2,120	-	-
Charges for services	214,675	4,645	-	68,617	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	23,149	-
Other receipts	-	-	100,185	3,809,042	-	1,348	-	-
Total receipts	214,675	4,645	116,835	5,107,134	92,419	44,839	23,149	-
Disbursements:								
Personal services	200,493	-	-	-	24,332	-	-	-
Supplies	-	-	-	2,228	-	-	-	-
Other services and charges	-	-	551	357,571	-	154,557	7,800	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	1,087,882	122,180	10,000	-	-
Other disbursements	2,634	3,186	100,000	3,800,000	124	-	21,856	-
Total disbursements	203,127	3,186	100,551	5,247,681	146,636	164,557	29,656	-
Excess (deficiency) of receipts over disbursements	11,548	1,459	16,284	(140,547)	(54,217)	(119,718)	(6,507)	-
Cash and investments - ending	\$ 177,658	\$ 9,429	\$ 135,984	\$ 4,276,420	\$ 319,082	\$ 237,140	\$ 21,998	\$ 1,640

PUTNAM COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Emergency Telephone System	Extradition Fund	Firearms Training	Health	Identification Security Protec	Levy Excess	Local Health Maintenance	Local Road and Street
Cash and investments - beginning	\$ 54,625	\$ (1,005)	\$ 14,213	\$ 64,870	\$ 17,189	\$ 23,562	\$ (6,240)	\$ 46,115
Receipts:								
Taxes	-	-	-	213,751	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	10,954	-	-	-	623,913
Charges for services	-	-	20,841	55,544	3,029	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Other receipts	-	550	-	119	-	-	-	5,419
Total receipts	-	550	20,841	280,368	3,029	-	-	629,332
Disbursements:								
Personal services	-	-	-	225,999	-	-	-	-
Supplies	-	-	-	6,926	-	-	-	250,080
Other services and charges	-	-	-	42,314	6,000	-	-	250,305
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	31,170
Other disbursements	-	2,335	11,883	7,138	2,343	23,562	-	-
Total disbursements	-	2,335	11,883	282,377	8,343	23,562	-	531,555
Excess (deficiency) of receipts over disbursements	-	(1,785)	8,958	(2,009)	(5,314)	(23,562)	-	97,777
Cash and investments - ending	\$ 54,625	\$ (2,790)	\$ 23,171	\$ 62,861	\$ 11,875	\$ -	\$ (6,240)	\$ 143,892

PUTNAM COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Misdemeanant	Motor Vehicle Highway	Planning and Zoning Impact	Plat Book	Rainy Day	Reassessment - 2009	Recorder's Records Perpetuatio	Riverboat
Cash and investments - beginning	\$ 81,023	\$ 1,116,769	\$ 10,298	\$ 41,900	\$ 1,499,062	\$ 95,255	\$ 48,566	\$ -
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	48,423	-	-	-	-	-
Intergovernmental receipts	21,894	3,514,810	-	-	-	-	-	360,559
Charges for services	-	10,665	-	14,900	-	-	57,320	-
Fines and forfeits	-	-	-	-	-	-	-	-
Other receipts	-	522,084	-	100	1,000,000	-	-	-
Total receipts	21,894	4,047,559	48,423	15,000	1,000,000	-	57,320	360,559
Disbursements:								
Personal services	248	676,854	-	5,013	430,639	-	22,372	-
Supplies	-	665,395	2,309	-	-	-	2,706	-
Other services and charges	10,050	1,901,398	54,797	7,427	-	-	18,574	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	2,250	408,865	-	-	-	-	-	-
Other disbursements	3,789	414,124	-	-	1,008,930	95,255	353	224,890
Total disbursements	16,337	4,066,636	57,106	12,440	1,439,569	95,255	44,005	224,890
Excess (deficiency) of receipts over disbursements	5,557	(19,077)	(8,683)	2,560	(439,569)	(95,255)	13,315	135,669
Cash and investments - ending	\$ 86,580	\$ 1,097,692	\$ 1,615	\$ 44,460	\$ 1,059,493	\$ -	\$ 61,881	\$ 135,669

PUTNAM COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Sheriff's Pension Trust	Surplus Tax	Surveyor Corner Perpetuation	Tax Sale Redemption	Old Tax Sale Surplus	Court Appointed Special Advoca	Auditor's Ineligible Homestead	County Offender Transportation
Cash and investments - beginning	\$ 4,030	\$ 173,246	\$ 34,915	\$ (5,088)	\$ 970,981	\$ 388	\$ 25,203	\$ 2,438
Receipts:								
Taxes	-	50,733	-	98,316	4,053	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-	-
Charges for services	18,162	-	9,020	7,652	355,662	7,875	-	250
Fines and forfeits	1,875	-	-	-	-	-	-	500
Other receipts	-	-	-	28,753	-	12,003	-	-
Total receipts	<u>20,037</u>	<u>50,733</u>	<u>9,020</u>	<u>134,721</u>	<u>359,715</u>	<u>19,878</u>	<u>-</u>	<u>750</u>
Disbursements:								
Personal services	-	-	2,103	-	-	18,830	-	-
Supplies	-	-	592	-	-	-	536	-
Other services and charges	-	-	855	-	-	-	7,921	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	8,758	-	-	-	-	-
Other disbursements	21,742	47,789	29	130,406	1,061,665	257	-	-
Total disbursements	<u>21,742</u>	<u>47,789</u>	<u>12,337</u>	<u>130,406</u>	<u>1,061,665</u>	<u>19,087</u>	<u>8,457</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(1,705)</u>	<u>2,944</u>	<u>(3,317)</u>	<u>4,315</u>	<u>(701,950)</u>	<u>791</u>	<u>(8,457)</u>	<u>750</u>
Cash and investments - ending	<u>\$ 2,325</u>	<u>\$ 176,190</u>	<u>\$ 31,598</u>	<u>\$ (773)</u>	<u>\$ 269,031</u>	<u>\$ 1,179</u>	<u>\$ 16,746</u>	<u>\$ 3,188</u>

PUTNAM COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Hazardous Waste Disposal Tax	Statewide 911	Adult Probation Administrative	Juvenile Probation Administrat	Alternative Dispute Resolution	DNR Fines	Tobacco Master Trust	Animal Shelter
Cash and investments - beginning	\$ 2,458,656	\$ 66,318	\$ 496,842	\$ 20,204	\$ 36,176	\$ 226,589	\$ 53,505	\$ (4,792)
Receipts:								
Taxes	-	-	-	-	156	-	-	50,000
Licenses and permits	-	12,929	-	-	-	-	-	-
Intergovernmental receipts	46,690	20,000	5,200	2,600	-	26,904	22,179	-
Charges for services	-	581,352	1,371	-	10,206	-	-	16,684
Fines and forfeits	-	-	167,672	15,045	3,970	107,604	-	-
Other receipts	200,370	10,143	2,776	-	-	212	-	89,980
Total receipts	247,060	624,424	177,019	17,645	14,332	134,720	22,179	156,664
Disbursements:								
Personal services	4,000	52,129	263,811	-	-	96,252	4,803	-
Supplies	-	-	6,247	3,183	-	10,359	-	34,377
Other services and charges	121,969	529,893	25,751	6,479	406	12,390	4,347	20,382
Debt service - principal and interest	205,798	-	-	-	-	-	-	-
Capital outlay	111,301	-	8,149	3,500	-	-	-	-
Other disbursements	204,242	-	3,072	-	13,073	69,213	5,734	2,588
Total disbursements	647,310	582,022	307,030	13,162	13,479	188,214	14,884	57,347
Excess (deficiency) of receipts over disbursements	(400,250)	42,402	(130,011)	4,483	853	(53,494)	7,295	99,317
Cash and investments - ending	\$ 2,058,406	\$ 108,720	\$ 366,831	\$ 24,687	\$ 37,029	\$ 173,095	\$ 60,800	\$ 94,525

PUTNAM COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	COURT INTERPRETER GRANT	Sheriff's Donation	Capital Recovery Systems	Payroll Clearing	Aflac	Payroll Withholding - Def Comp	Payroll Withholding - Federal	Payroll Withholding - FICA
Cash and investments - beginning	\$ 2,000	\$ 6,000	\$ 27,201	\$ -	\$ 1,448,961	\$ 521	\$ 489	\$ 2,660
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental receipts	1,293	-	-	-	-	-	-	-
Charges for services	-	2,448	-	-	-	-	-	-
Fines and forfeits	-	-	5,749	-	-	-	-	-
Other receipts	-	-	-	10,826,350	895,311	10,273	540,692	736,101
Total receipts	1,293	2,448	5,749	10,826,350	895,311	10,273	540,692	736,101
Disbursements:								
Personal services	-	-	-	-	824,393	10,273	-	368,097
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	6,487,934	69,675	-	-	368,000
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Other disbursements	2,635	2,113	5,458	4,338,416	670,632	-	540,658	-
Total disbursements	2,635	2,113	5,458	10,826,350	1,564,700	10,273	540,658	736,097
Excess (deficiency) of receipts over disbursements	(1,342)	335	291	-	(669,389)	-	34	4
Cash and investments - ending	\$ 658	\$ 6,335	\$ 27,492	\$ -	\$ 779,572	\$ 521	\$ 523	\$ 2,664

PUTNAM COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Payroll Withholding LocalTax	Payroll Withholding PERF	Payroll Withholding Sheriff	Payroll Withholding State	Payroll Withholding Wage Garni	Settlement	Wheel Tax	Sur Tax
Cash and investments - beginning	\$ 89	\$ (189)	\$ 171	\$ (513)	\$ (925)	\$ 450	\$ 1,080	\$ 1
Receipts:								
Taxes	-	-	-	-	84	29,019,104	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	3,367,044	198,288	955,262
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Other receipts	92,340	142,260	22,411	197,530	81,838	1,080	-	-
Total receipts	92,340	142,260	22,411	197,530	81,922	32,387,228	198,288	955,262
Disbursements:								
Personal services	-	142,302	16,766	-	58,603	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	6,725	-	-	14,786	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Other disbursements	85,615	-	-	182,744	23,319	32,387,228	199,368	955,262
Total disbursements	92,340	142,302	16,766	197,530	81,922	32,387,228	199,368	955,262
Excess (deficiency) of receipts over disbursements	-	(42)	5,645	-	-	-	(1,080)	-
Cash and investments - ending	\$ 89	\$ (231)	\$ 5,816	\$ (513)	\$ (925)	\$ 450	\$ -	\$ 1

PUTNAM COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	CVET Agency	Financial Institution Tax	CEDIT Homestead Credit	HEA1001 State Homestead Credit	State Fines and Forfeitures	Infraction Judgement	Overweight Vehicle Fines	Special Death Benefit
Cash and investments - beginning	\$ -	\$ -	\$ 32,993	\$ 1,500	\$ 1,448	\$ 4,941	\$ (766)	\$ 165
Receipts:								
Taxes	-	-	1,573,813	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental receipts	151,530	227,021	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	9,001	40,165	-	-
Other receipts	-	-	-	-	-	-	766	-
Total receipts	151,530	227,021	1,573,813	-	9,001	40,165	766	-
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Other disbursements	151,530	227,021	1,575,976	1,500	8,822	22,585	-	-
Total disbursements	151,530	227,021	1,575,976	1,500	8,822	22,585	-	-
Excess (deficiency) of receipts over disbursements	-	-	(2,163)	(1,500)	179	17,580	766	-
Cash and investments - ending	\$ -	\$ -	\$ 30,830	\$ -	\$ 1,627	\$ 22,521	\$ -	\$ 165

PUTNAM COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Sales Disclosure-State Share	Coroners Training & Cont Ed	Mortgage Recording Fee - State	Food and Beverage Tax Collecti	Inheritance Tax	Education Plate Fees Agency	Innkeepers Tax Collections	CAGIT Distribution
Cash and investments - beginning	\$ 1,780	\$ -	\$ 1,186	\$ 4,826	\$ -	\$ 56	\$ 10,558	\$ -
Receipts:								
Taxes	-	-	-	-	-	-	253,233	6,280,249
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	4,195	-	-	-
Charges for services	3,712	1,480	3,008	7,856	-	-	-	-
Fines and forfeits	4	-	-	-	-	-	-	-
Other receipts	-	-	-	85	-	506	-	-
Total receipts	3,716	1,480	3,008	7,941	4,195	506	253,233	6,280,249
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Other disbursements	3,132	-	2,290	3,756	3,793	506	243,621	6,280,249
Total disbursements	3,132	-	2,290	3,756	3,793	506	243,621	6,280,249
Excess (deficiency) of receipts over disbursements	584	1,480	718	4,185	402	-	9,612	-
Cash and investments - ending	\$ 2,364	\$ 1,480	\$ 1,904	\$ 9,011	\$ 402	\$ 56	\$ 20,170	\$ -

PUTNAM COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	CEDIT Distribution	Public Defender	93.563 Prosecutor PCA	93.563 ARRA County IV-D Incent	93.563 ARRA Prosecutor IV-D In	93.563 ARRA Clerk IV-D Incenti	93.563 County IV-D Incentive	93.563 Prosecutor IV-D Prosec
Cash and investments - beginning	\$ 135,239	\$ 51,812	\$ 3,062	\$ 3,485	\$ 24	\$ 6,002	\$ 23,015	\$ 63,616
Receipts:								
Taxes	1,572,840	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	3,324	-	-	-	15,296	23,014
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	12,098	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	<u>1,572,840</u>	<u>12,098</u>	<u>3,324</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,296</u>	<u>23,014</u>
Disbursements:								
Personal services	-	-	-	-	-	-	-	55,426
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Other disbursements	1,654,193	-	67	-	-	6,002	-	5,197
Total disbursements	<u>1,654,193</u>	<u>-</u>	<u>67</u>	<u>-</u>	<u>-</u>	<u>6,002</u>	<u>-</u>	<u>60,623</u>
Excess (deficiency) of receipts over disbursements	<u>(81,353)</u>	<u>12,098</u>	<u>3,257</u>	<u>-</u>	<u>-</u>	<u>(6,002)</u>	<u>15,296</u>	<u>(37,609)</u>
Cash and investments - ending	<u>\$ 53,886</u>	<u>\$ 63,910</u>	<u>\$ 6,319</u>	<u>\$ 3,485</u>	<u>\$ 24</u>	<u>\$ -</u>	<u>\$ 38,311</u>	<u>\$ 26,007</u>

PUTNAM COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	93.563 Clerk IV-D Incen Post	911 Software Project	TMA	SATP	Commissioners Sale	Family Preservation	Building Department Listing	Council Moore Bequest
Cash and investments - beginning	\$ 16,214	\$ -	\$ 28,466	\$ 9,645	\$ 117,831	\$ 67	\$ 25,009	\$ 10,000
Receipts:								
Taxes	-	-	211,685	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	2,400	-
Intergovernmental receipts	15,296	-	-	-	-	-	-	-
Charges for services	-	310,606	-	47,736	9,591	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	<u>15,296</u>	<u>310,606</u>	<u>211,685</u>	<u>47,736</u>	<u>9,591</u>	<u>-</u>	<u>2,400</u>	<u>-</u>
Disbursements:								
Personal services	54	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	310,605	-	-	-	-	-	-
Other disbursements	23,548	-	155,195	1,380	1,629	-	-	-
Total disbursements	<u>23,602</u>	<u>310,605</u>	<u>155,195</u>	<u>1,380</u>	<u>1,629</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(8,306)</u>	<u>1</u>	<u>56,490</u>	<u>46,356</u>	<u>7,962</u>	<u>-</u>	<u>2,400</u>	<u>-</u>
Cash and investments - ending	<u>\$ 7,908</u>	<u>\$ 1</u>	<u>\$ 84,956</u>	<u>\$ 56,001</u>	<u>\$ 125,793</u>	<u>\$ 67</u>	<u>\$ 27,409</u>	<u>\$ 10,000</u>

PUTNAM COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Auditor Returned Check Fee	Timber Sales	Title IVD Unappropriated	Asset Forfeiture Fund	Putnam County Court Bail Bond	EOC Bond Fund	Sheriff Forfeiture	Sale of County Home
Cash and investments - beginning	\$ 600	\$ 1,025	\$ 53,716	\$ 1,063	\$ 92,071	\$ 267	\$ 15,933	\$ 530,086
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	41,924	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	8,005	-	477	-
Other receipts	140	-	-	-	-	-	-	-
Total receipts	140	-	-	-	8,005	-	42,401	-
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	5,920	530,086
Total disbursements	-	-	-	-	-	-	5,920	530,086
Excess (deficiency) of receipts over disbursements	140	-	-	-	8,005	-	36,481	(530,086)
Cash and investments - ending	\$ 740	\$ 1,025	\$ 53,716	\$ 1,063	\$ 100,076	\$ 267	\$ 52,414	\$ -

PUTNAM COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	County Law Enforcement	Health Dept. Illegal Dumping	Health Dept. Preparedness Fund	Health Dept Vaccine	Reassessment 2015	Medicare	Final HEA1001- 2007/08 PTRC HSC	Elected Official Training Fund
Cash and investments - beginning	\$ 105,230	\$ 1,106	\$ -	\$ 9,711	\$ 45,488	\$ 12	\$ 8	\$ 8,974
Receipts:								
Taxes	-	-	-	-	299,941	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	10,126	-	15,372	-	-	-
Charges for services	-	-	-	44,714	68	-	-	3,029
Fines and forfeits	6,115	-	-	-	-	-	-	-
Other receipts	-	-	-	823	95,255	172,157	-	-
Total receipts	6,115	-	10,126	45,537	410,636	172,157	-	3,029
Disbursements:								
Personal services	-	-	-	44,829	151,034	-	-	-
Supplies	-	-	-	-	5,679	-	-	-
Other services and charges	-	-	-	-	93,105	86,067	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	5,000	-	-	-
Other disbursements	7,245	-	1,950	-	1,311	86,089	-	1,585
Total disbursements	7,245	-	1,950	44,829	256,129	172,156	-	1,585
Excess (deficiency) of receipts over disbursements	(1,130)	-	8,176	708	154,507	1	-	1,444
Cash and investments - ending	\$ 104,100	\$ 1,106	\$ 8,176	\$ 10,419	\$ 199,995	\$ 13	\$ 8	\$ 10,418

PUTNAM COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Victims Assist.	Victims Assistance	Special Death Benefit Fee	Sales Disc. State Training	Child Advocacy	Local Emergency Planning/Lepc	Operation Pullover Equip Grant	Economic Warchest (Edit)
Cash and investments - beginning	\$ 1,400	\$ (20,897)	\$ 575	\$ 445	\$ (300)	\$ 12,982	\$ 1,178	\$ 103,256
Receipts:								
Taxes	-	-	-	-	-	-	-	45,605
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	5,903	-	-	-	-	683	-
Charges for services	-	-	-	929	-	-	-	-
Fines and forfeits	-	-	1,390	-	-	-	-	-
Other receipts	-	-	-	-	-	250	-	-
Total receipts	-	5,903	1,390	929	-	250	683	45,605
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	70	-	-
Other services and charges	-	-	-	-	-	550	-	11,810
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	4,190	-	-
Other disbursements	-	-	1,130	783	-	-	-	57,595
Total disbursements	-	-	1,130	783	-	4,810	-	69,405
Excess (deficiency) of receipts over disbursements	-	5,903	260	146	-	(4,560)	683	(23,800)
Cash and investments - ending	\$ 1,400	\$ (14,994)	\$ 835	\$ 591	\$ (300)	\$ 8,422	\$ 1,861	\$ 79,456

PUTNAM COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	New Annex Bldg (Edit)	Vending Machine	Title III Federal Government	Aviation Grant	Victims Assistance Grant	Ema Sirens Project	Stop Women's Abuse Team	LEPC/HMEP GRANT
Cash and investments - beginning	\$ 200,000	\$ 1,082	\$ 40,311	\$ (5,822)	\$ 4,820	\$ 2,690	\$ (7,599)	\$ 8,888
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	24,492	-	-	-
Charges for services	530,086	598	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Other receipts	-	3,903	-	5,822	3,800	2,505	-	-
Total receipts	530,086	4,501	-	5,822	28,292	2,505	-	-
Disbursements:								
Personal services	-	-	-	-	5,750	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Other disbursements	-	58	-	-	33,291	2,500	-	-
Total disbursements	-	58	-	-	39,041	2,500	-	-
Excess (deficiency) of receipts over disbursements	530,086	4,443	-	5,822	(10,749)	5	-	-
Cash and investments - ending	\$ 730,086	\$ 5,525	\$ 40,311	\$ -	\$ (5,929)	\$ 2,695	\$ (7,599)	\$ 8,888

PUTNAM COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Putnam County CTP Grant	Local Health Maintenance	District 7 Fire Training	Putnam County Comm Corr Grant	STOP Grant	HAVA Grant	Marine Patrol Grant	Totals
Cash and investments - beginning	\$ 10,568	\$ 155,697	\$ (109,090)	\$ (1,919)	\$ (17,431)	\$ 1,566	\$ 5,297	\$ 18,660,465
Receipts:								
Taxes	-	-	-	-	-	-	-	48,255,091
Licenses and permits	-	-	-	-	-	-	-	124,749
Intergovernmental receipts	7,900	33,139	100,169	248,964	20,051	-	7,500	11,396,249
Charges for services	-	-	-	-	-	-	-	2,840,586
Fines and forfeits	-	-	-	-	-	-	-	555,932
Other receipts	10,300	-	200	-	6,684	-	-	28,699,223
Total receipts	18,200	33,139	100,369	248,964	26,735	-	7,500	91,871,830
Disbursements:								
Personal services	8,323	591	10	132,266	26,991	-	11,668	8,937,797
Supplies	238	-	-	-	-	-	-	1,254,237
Other services and charges	24,325	-	164	2,856	-	-	-	13,271,049
Debt service - principal and interest	-	-	-	-	-	-	-	205,798
Capital outlay	-	-	-	-	-	-	-	2,237,247
Other disbursements	-	40,837	102,858	-	333	-	2,434	67,801,874
Total disbursements	32,886	41,428	103,032	135,122	27,324	-	14,102	93,708,002
Excess (deficiency) of receipts over disbursements	(14,686)	(8,289)	(2,663)	113,842	(589)	-	(6,602)	(1,836,172)
Cash and investments - ending	\$ (4,118)	\$ 147,408	\$ (111,753)	\$ 111,923	\$ (18,020)	\$ 1,566	\$ (1,305)	\$ 16,824,293

PUTNAM COUNTY
SCHEDULE OF LEASES AND DEBT
December 31, 2015

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Caterpillar Financial Services	Excavator	\$ 27,500	3/1/2013	3/1/2018
Caterpillar Financial Services	Graders	41,897	9/16/2013	9/16/2018
First National Bank	2014 Sheriff Vehicles	24,952	3/6/2014	3/1/2017
First National Bank	2015 Sheriff Vehicles	38,591	4/20/2015	4/20/2018
First National Bank	2013 Sheriff Vehicles	31,060	3/4/2013	3/4/2016
Putnam County Jail Building Corporation	Jail Building	461,062	7/1/2009	1/1/2018
First National Bank	2012 Highway Trucks	<u>52,992</u>	12/1/2012	12/1/2016
Total governmental activities		<u>678,054</u>		
Total of annual lease payments		<u>\$ 678,054</u>		

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose	
Governmental activities:		
General obligation bonds	E-911 Facility	\$ 1,000,000
Revenue bonds	Edgelea Project	<u>1,525,000</u>
Total governmental activities		<u>2,525,000</u>
Totals		<u>\$ 2,525,000</u>
		<u>\$ 306,909</u>

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

TO: THE OFFICIALS OF PUTNAM COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited Putnam County's (County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2015. 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 Federal statutes, regulations, 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 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 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 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, 2015.

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

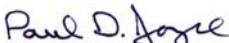
Report on Internal Control over Compliance

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 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.


Paul D. Joyce, CPA
State Examiner

January 24, 2017

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

PUTNAM COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2015

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through To Subrecipient	Total Federal Awards Expended
<u>Department of Commerce</u>					
State Broadband Data and Development Grant Program IOT ARRA Broadband	Indiana Office of Technology	11.558	18-50-M09003	\$ -	\$ 46,690
Total - Department of Commerce				-	46,690
<u>Department of Housing and Urban Development</u>					
Community Development Block Grants\State's program and Non-Entitlement Grants in Hawaii	Indiana Office of Community and Rural Affairs	14.228	CF-13-102	392,135	392,135
Total - Department of Housing and Urban Development				392,135	392,135
<u>Department of Justice</u>					
Crime Victim Assistance Victims Assistance	Indiana Criminal Justice Institute	16.575	2012-VA-GX-0017	-	30,395
Violence Against Women Formula Grants STOP Grant	Indiana Criminal Justice Institute	16.588	2013-WF-AX-0047	-	20,051
Equitable Sharing Program Sheriff Asset Forfeiture	Direct Award	16.922	Sheriff Forfeiture	-	42,401
Total - Department of Justice				-	92,847
<u>Department of Transportation</u>					
Highway Planning and Construction Cluster Highway Planning and Construction	Indiana Department of Transportation	20.205			
Bridge Inspection Claims			DES#1382590	-	154,514
Bridge #52			DES#1173180	-	80,174
Bridge #104			DES#1173146	-	91,582
Bridge #137			DES#9982470	-	25,231
Bridge #248			DES#900909	-	4,432
Co. Rd. 725 E. Project			DES#1297140	-	18,657
Total - Highway Planning and Construction Cluster				-	374,589
Highway Safety Cluster State and Community Highway Safety NHTSA 402 EST\$ from prior year	Indiana Criminal Justice Institute	20.600		-	683
Total - Highway Safety Cluster				-	683
Total - Department of Transportation				-	375,955
<u>Department of Health and Human Services</u>					
Public Health Emergency Preparedness	Indiana State Department of Health	93.069		-	985
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	Indiana State Department of Health	93.074	LHM-166-1	-	9,142
Child Support Enforcement Clerk Expenditures	Indiana Department of Child Services	93.563		-	48,422
Indirect Costs				-	74,482
PCA Fees				-	878
Prosecutor Expenditures				-	116,791
Title IV-D Incentive				-	90,227
Court Expenditure				-	14,312
Total - Child Support Enforcement				-	345,112
Total - Department of Health and Human Services				-	355,239
<u>Department of Homeland Security</u>					
Boating Safety Financial Assistance Boating Safety Financial Assistance	Indiana Department of Homeland Security	97.012	E11-4-001A	-	3,750
Emergency Management Performance Grants Emergency Management Performance Grants	Indiana Department of Homeland Security	97.042	C44P-5-750B	-	8,493
Emergency Management Performance Grants		97.042	C44P-5-548B	-	8,485
Total - Emergency Management Performance Grants				-	16,978
Homeland Security Grant Program 2014 Homeland Security Grants	Indiana Department of Homeland Security	97.067	C44P-5-650B	-	39,379
Total - Department of Homeland Security				-	60,107
Total federal awards expended				\$ 392,135	\$ 1,322,973

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

PUTNAM COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. *Basis of Presentation*

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the County under programs of the federal government for the year ended December 31, 2015. The information in the SEFA 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 SEFA presents only a select portion of the operations of the County, it is not intended to and does not present the financial position of the County.

Note 2. *Summary of Significant Accounting Policies*

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received. The County has elected not to use the 10 percent de minimus indirect cost rate allowed under the Uniform Guidance.

PUTNAM 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?	no
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	no

Identification of Major Programs and type of auditor's report issued on compliance for each:

CFDA Number	Name of Federal Program or Cluster	Opinion Issued
14.228	Community Development Block Grants\State's program and Non-Entitlement Grants in Hawaii	Unmodified
93.563	Child Support Enforcement	Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

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

FINDING 2015-001 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

Condition

The County Auditor had not established proper procedures for a separate review or approval of the financial information reported in the Gateway Annual Financial Report prior to its submission. The financial activity for 13 County funds and 4 County department funds were omitted from the financial statement. In addition, there were several other reporting errors in various funds. The errors resulted in a net understatement of the beginning cash and investment balance, receipts, disbursements and the ending cash and investment balance in the amounts of \$3,770,311, \$5,660,865, \$6,297,789, and \$3,133,387, respectively.

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

PUTNAM COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Criteria

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

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner, whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes. An integral part of the control activity component is segregation of duties. . . . There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

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

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

Cause

Management of the County had not established a proper system of internal control, including segregation of duties.

Effect

The failure to establish controls enabled material misstatements or irregularities to remain undetected. The failure to monitor the internal control system placed the County at risk that controls would not prevent or detect material misstatements in a timely manner.

Views of Responsible Officials

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

FINDING 2015-002 - PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Condition

There was a deficiency in the internal control system of the County related to the preparation of the Schedule of Expenditures of Federal Awards (SEFA). The County did not have a proper system of internal control in place to prevent, or detect and correct, errors on the SEFA. The County Auditor prepared the SEFA. There was no evidence of a control such as an oversight, review, or approval process to ensure that the SEFA was materially correct.

PUTNAM COUNTY
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 (Continued)

The SEFA contained the following errors: Federal expenditures for the reported federal programs were misstated. The total overstatement for the six reported programs was \$11,893,023. In addition, six federal programs were omitted from the SEFA as follows:

CFDA Number	Federal Program	Federal Expenditures
11.558	State Broadband Data and Development Grant Program	\$ 46,690
	Community Development Block Grants\State's program	
14.228	and Non-Entitlement Grants in Hawaii	392,135
20.600	State and Community Highway Safety	683
93.069	Public Health Emergency Preparedness	985
97.012	Boating Safety Financial Assistance	3,750
97.067	Homeland Security Grant Program	39,379

These errors resulted in a total net overstatement of Federal expenditures reported on the SEFA of \$11,409,401.

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

Criteria

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

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner, whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes. An integral part of the control activity component is segregation of duties. . . . There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

2 CFR section 200.508 states in part: "The auditee must: . . . (b) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with § 200.510 Financial statements."

2 CFR 200.510(b) states:

"(b) *Schedule of expenditures of Federal awards*. The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502 Basis for determining Federal awards expended. 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 Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

PUTNAM COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- (1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within a cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal 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 must 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. For a cluster of programs also provide the total for the cluster.
- (4) Include the total amount provided to subrecipients from each Federal program.
- (5) For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.
- (6) Include notes that describe the significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in § 200.414 Indirect (F&A) costs."

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 *Condition*.

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

No matters are reportable.

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AUDITEE-PREPARED DOCUMENTS

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

PUTNAM COUNTY AUDITOR'S OFFICE

1 W. WASHINGTON ST., RM 20
GREENCASTLE, IN 46135
(765) 653-5513

January 17, 2017

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-001:

Fiscal year in which the finding initially occurred: 2014

Contact Person Responsible for Corrective Action: Lorie Hallett

Contact Phone Number: 765-653-5513

Status of Audit Finding:

The Putnam County Auditor is still in the process of developing procedures and internal controls to insure all departments are included and funds are reported accurately in the Gateway system. The procedures are not yet implemented due to 2014 and 2015 audits being performed at the same time.

FINDING 2014-002:

Fiscal year in which the finding initially occurred: 2014

Contact Person Responsible for Corrective Action: Lorie Hallett

Contact Phone Number: 765-653-5513

Status of Audit Finding:

The Putnam County Auditor is still in the process of developing procedures and internal controls and working with all departments to ensure that grant information is accurate and all correct information is reported on the Schedule of Expenditures of Federal Awards. The procedures are not yet implemented due to 2014 and 2015 audits being performed at the same time.


Lorie Hallett, Auditor

PUTNAM COUNTY AUDITOR'S OFFICE

1 W. WASHINGTON ST., RM 20
GREENCASTLE, IN 46135
(765) 653-5513

CORRECTIVE ACTION PLAN

FINDING 2015-001 – INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

Contact Person Responsible for Corrective Action: Lorie Hallett
Contact Phone Number: 765-653-5513

Views of Responsible Official: We concur with the finding

Corrective Action Plan:

The Putnam County Auditor is in the process of developing procedures and internal controls to insure all departments are included and funds are reported accurately in Gateway system. A process will be implemented for separate review prior to submission.

Anticipated Completion Date: 12/31/17

FINDING 2015-002 – PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Contact Person Responsible for Corrective Action: Lorie Hallett
Contact Phone Number: 765-653-5513

Views of Responsible Official: We concur with the finding

Corrective Action Plan:

The Putnam County Auditor is in the process of developing procedures and internal controls and working with all departments to ensure that grant information is accurate and all correct information is reported on the Schedule of Expenditures of Federal Awards. The Auditor will develop a review process to detect and correct errors.

Anticipated Completion Date: 12/31/17


Lorie Hallett, Auditor

1-18-17
Date

OTHER REPORTS

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