

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

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



FILED
05/19/2017

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report	3-5
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 <i>Government Auditing Standards</i>	6-7
Financial Statement and Accompanying Notes:	
Statement of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis	10-11
Notes to Financial Statement	12-17
Other Information - Unaudited:	
Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis	20-38
Schedule of Payables and Receivables	39
Schedule of Capital Assets	40
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance	42-43
Schedule of Expenditures of Federal Awards and Accompanying Notes:	
Schedule of Expenditures of Federal Awards	46
Notes to Schedule of Expenditures of Federal Awards	47
Schedule of Findings and Questioned Costs	48-51
Auditee-Prepared Document:	
Corrective Action Plan	54
Other Reports	55

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Mary B. Beery	01-01-13 to 12-31-20
County Treasurer	Thomas R. Krueckeberg	01-01-13 to 12-31-20
Clerk of the Circuit Court	Gayla M. (Reinhart) Moore James J. Voglewede	01-01-11 to 12-31-14 01-01-15 to 12-31-18
County Sheriff	Shane L. Rekeweg	01-01-11 to 12-31-18
County Recorder	Deborah S. Stimpson	01-01-13 to 12-31-20
County Prosecutor	Christopher E. Harvey Jeremy W. Brown	01-01-11 to 12-31-14 01-01-15 to 12-31-18
President of the Board of County Commissioners	Douglas L. Bauman	01-01-14 to 12-31-17
President of the County Council	Randy S. Colclasure Eric D. Orr Tony L. Mellencamp	01-01-14 to 12-31-14 01-01-15 to 12-31-16 01-01-17 to 12-31-17



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

TO: THE OFFICIALS OF ADAMS COUNTY, INDIANA

Report on the Financial Statement

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

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Opinion on Regulatory Basis of Accounting

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

Other Matters

Supplementary Information

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

Other Information

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated March 21, 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

March 21, 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 ADAMS 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 Adams 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 March 21, 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.

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 a 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. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2014-001 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material

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)


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 item 2014-001.

Adams 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

March 21, 2017

(This page intentionally left blank.)

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.

ADAMS 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	\$ 3,134,001	\$ 8,268,142	\$ 8,697,872	\$ 2,704,271
Accident Report	3,452	3,056	125	6,383
Aviation	247	-	-	247
Campaign Finance Enforcement - County	200	-	-	200
CEDIT County Share	323,231	1,632,571	1,667,481	288,321
Child Advocacy	436	64	-	500
City and Town Court Costs	3,095	6,721	7,196	2,620
Clerk's Records Perpetuation	57,839	12,897	15,985	54,751
COIT County Distributive Shares	301,774	2,111,784	2,386,849	26,709
Community Corrections	3,894	249,061	217,905	35,050
Community Transition Program	17,151	13,890	-	31,041
Sales Disclosure - County Share	38,258	3,650	-	41,908
Covered Bridge	4,393	1,850	-	6,243
Cumulative Bridge	1,017,631	813,424	500,468	1,330,587
Cumulative Capital Development	466,205	457,617	370,077	553,745
Cumulative Courthouse	207,085	55,857	11,138	251,804
Cumulative Jail	3,089,600	456,802	1,572,112	1,974,290
Drug Free Community	28,492	21,309	10,944	38,857
Emergency Planning/Right to Know	22,549	9,504	8,379	23,674
Extradition and Sheriff's Assistance	7,883	1,875	1,093	8,665
Firearms Training	4,924	5,260	7,502	2,682
General Drain Improvement	429,330	22,364	10,463	441,231
Health	220,277	259,026	280,348	198,955
Identification Security Protection	27,575	2,362	-	29,937
Levy Excess	-	1,119	-	1,119
Local Health Maintenance	131,418	33,139	43,130	121,427
Local Road and Street	139,552	277,159	262,893	153,818
Misdemeanant	23,549	26,591	30,268	19,872
Motor Vehicle Highway	757,966	2,843,744	2,190,636	1,411,074
Park Nonreverting Capital	768	-	-	768
Park Nonreverting Operating	117,372	123,611	80,452	160,531
Rainy Day	1,963,776	-	1,116	1,962,660
Reassessment - 2015	426,417	70,557	190,341	306,633
Recorder's Records Perpetuation	96,542	42,049	31,830	106,761
Sex and Violent Offender Administration	2,221	1,790	108	3,903
Supplemental Public Defender Services	86,901	7,131	48,927	45,105
Surplus Tax	65,630	56,338	73,871	48,097
Surveyor's Corner Perpetuation	14,755	6,435	2,332	18,858
Tax Sale Redemption	-	12,142	12,142	-
Tax Sale Surplus	32,262	49,707	25,759	56,210
Local Health Department Trust Account	74,678	21,031	21,608	74,101
Court Appointed Special Advocate (CASA)	256	-	-	256
County Elected Officials Training	5,871	2,661	1,779	6,753
Park and Recreation	142,894	142,609	107,322	178,181
Statewide 911	481,440	442,324	496,266	427,498
Adult Probation Administrative	38,689	21,336	-	60,025
Supplemental Adult Probation Services	67,048	64,486	66,366	65,168
Supplemental Juvenile Probation Services	6,081	-	793	5,288
Drain Maintenance	909,850	377,451	250,052	1,037,249
K-9	2,681	650	370	2,961
Self-Insurance	111,145	3,376,113	3,041,143	446,115
IT Services	20,684	62,427	61,348	21,763
Payroll Clearing	68	2,888,080	2,888,143	5
Settlement	-	23,228,986	23,228,986	-
CVET	-	179,086	179,086	-
Weed Lien Collections	-	1,284	1,284	-
Sewage Collections	-	12,632	12,632	-
Financial Institution Tax Fund	-	171,640	171,640	-
CEDIT Homestead Credit	31,077	775,149	797,404	8,822
HEA 1001 State Homestead Credit	4,747	-	4,748	(1)
State Fines and Forfeitures	159	612	658	113
Infraction Judgements	2,905	55,006	54,988	2,923
Special Death Benefit	85	1,420	1,345	160
Sales Disclosure - State Share	330	3,650	3,805	175
Coroners Training & Con't Education	238	3,118	2,762	594
Interstate Compact - State Share	-	1,150	900	250

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

ADAMS 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
Mortgage Recording Fees - State Share	231	3,040	3,033	238
Sex and Violent Offender Admin - State	26	199	194	31
Child Restraint Violation Fines	13	775	788	-
Inheritance Tax	40,848	8,974	10,939	38,883
Education Plate Fees Agency	-	244	244	-
Riverboat Revenue Sharing	-	203,706	203,706	-
CEDIT Distribution	-	2,500,480	2,500,480	-
COIT Distribution	-	3,679,364	3,679,364	-
93.563 ARRA Prosecutor IV-D Incentive	1,961	6	1,899	68
93.563 ARRA Clerk IV-D Incentive	2,517	11	-	2,528
93.563 Title IV-D Incentive	102,716	14,623	-	117,339
93.563 Prosecutor IV-D Incentive-Post Oct '99	160,920	22,029	2,392	180,557
93.563 Clerk IV-D Incentive-Post Oct '99	86,706	14,493	27,659	73,540
Clerk	195,291	2,302,761	2,366,598	131,454
Inmate Trust Fund 2	13,715	116,499	116,245	13,969
Sheriff's Commissary 2	7,461	133,739	124,871	16,329
Inmate Trust Fund	1,283	-	4,606	(3,323)
County Home Residents	13,795	277,515	281,695	9,615
Sheriff	-	655,575	655,575	-
Treasurer	547,262	663,650	547,262	663,650
Urinalysis Fees	41,771	2,025	-	43,796
Transfer Fee	29,763	6,860	7,903	28,720
Monroe Police Department	282	140	-	422
Decatur Police Department	7,114	3,141	5,140	5,115
Berne Police Department	1,110	782	412	1,480
Geneva Police Department	243	358	370	231
Adams County Sheriff Department	605	2,080	2,277	408
Indiana State Police	6,327	780	720	6,387
Department of Natural Resources	283	12	12	283
County Law Enfor CEP - Old	3,276	-	-	3,276
Decatur Parking Tickets	4	8	-	12
Community Corrections Project Income	60,654	187,712	198,578	49,788
County User Deferral	2,668	13,040	8,008	7,700
County User Pretrial Diver	2,104	3,540	528	5,116
County User Jury Fee	4,061	4,156	7,703	514
Co Law Enforcement Cont Ed	2,072	2,217	1,892	2,397
Highway Donations	918	-	-	918
Cans for Co-Pays	6,482	2,422	2,284	6,620
Golden Meadows Special Needs	13,669	10,696	8,304	16,061
Peace Monument Restoration	50,313	10,835	45,311	15,837
Health Donations	67,843	3,572	3,284	68,131
DARE Donations	973	137	-	1,110
Grants / Miscellaneous	13	13,635	-	13,648
Workman's Comp	293,830	48,800	210,227	132,403
Improvement Loc Permit Money	-	320	320	-
Adams County Drug Enforcement	3,649	1,512	1,031	4,130
Weidler Levee	-	5,214	5,214	-
Sheriff Retirement	1,573	9,413	10,986	-
Public Health Maintenance	20,000	14,994	34,958	36
Public Health Emerg Response	6	-	-	6
CC/School Suspension/ Risq	8,219	32,205	41,226	(802)
97.042 EMA Performance Grants	-	5,178	5,178	-
97.073-2010 St Homeland Secur	-	4,912	4,912	-
20.703 H M E P 2011 Grant	-	4,436	4,436	-
97.036 Disaster Public Asst	750	-	-	750
97.073 2011 Homeland Security	(4,462)	20,077	15,615	-
97.073 2012 Homeland Security	-	49,961	49,961	-
97.073 2013 SHSP Grant	-	9,615	13,462	(3,847)
Victim Crime Assistant	-	16,815	-	16,815
93.617 HAVA Grant	926	-	-	926
20.205 Trail Project	35,284	48,496	73,601	10,179
2014 Foundation Grant	-	1,000	1,000	-
Comm Corr Prime for Life	3,000	-	-	3,000
Totals	\$ 17,009,645	\$ 60,932,278	\$ 61,447,573	\$ 16,494,350

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

ADAMS 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. Amounts received from 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. Amounts received from businesses, occupations, or non-businesses 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, animal licenses, auctioneer licenses, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

ADAMS COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Intergovernmental receipts. Amounts received from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of intergovernmental 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. Amounts received for services including, but not limited to, the following: planning commission charges, building department charges, copies of public records, copy machines 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. Amounts received 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. 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. Amounts disbursed 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. Amounts disbursed for 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, but are not limited to, the following: office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges. Amounts disbursed for services including, but not limited to, the following: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Capital outlay. Amounts disbursed for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Other disbursements. Amounts disbursed for various other purposes including, but 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.

ADAMS COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

F. Interfund Transfers

The County may, from time to time, make transfers 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 amounts 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 amounts 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.

ADAMS 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.

ADAMS 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. Most of these are 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. The deficit in the Inmate Trust Fund represents outstanding checks from a closed bank account.

ADAMS COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 8. *Subsequent Events*

The County created the Adams County Building Corporation (holding corporation) in 2015 to assist in financing the construction of a new county jail. The new jail is estimated to cost \$22,957,697, of which \$17,280,000 will be financed through a lease with the holding corporation, \$5,490,000 will come from the Cumulative Jail fund and Public Safety LOIT funds and the remainder from bond premiums. Construction began in 2015 and was completed in 2017.

Note 9. *Other Postemployment Benefits*

The County provides health insurance benefits to eligible retirees and their spouses. These benefits pose a liability to the County for this year and in future years. Information regarding the benefits can be obtained by contacting the County.

(This page intentionally left blank.)

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.

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

	General	Accident Report	Aviation	Campaign Finance Enforcement - County	CEDIT County Share	Child Advocacy	City and Town Court Costs
Cash and investments - beginning	\$ 3,134,001	\$ 3,452	\$ 247	\$ 200	\$ 323,231	\$ 436	\$ 3,095
Receipts:							
Taxes	6,434,302	-	-	-	1,632,571	-	-
Licenses and permits	50,366	-	-	-	-	-	-
Intergovernmental receipts	775,863	-	-	-	-	-	-
Charges for services	456,431	3,056	-	-	-	-	-
Fines and forfeits	90,601	-	-	-	-	64	6,721
Other receipts	460,579	-	-	-	-	-	-
Total receipts	<u>8,268,142</u>	<u>3,056</u>	<u>-</u>	<u>-</u>	<u>1,632,571</u>	<u>64</u>	<u>6,721</u>
Disbursements:							
Personal services	6,222,327	-	-	-	-	-	-
Supplies	289,103	-	-	-	-	-	-
Other services and charges	1,836,028	-	-	-	1,667,481	-	-
Capital outlay	286,470	-	-	-	-	-	-
Other disbursements	63,944	125	-	-	-	-	7,196
Total disbursements	<u>8,697,872</u>	<u>125</u>	<u>-</u>	<u>-</u>	<u>1,667,481</u>	<u>-</u>	<u>7,196</u>
Excess (deficiency) of receipts over disbursements	<u>(429,730)</u>	<u>2,931</u>	<u>-</u>	<u>-</u>	<u>(34,910)</u>	<u>64</u>	<u>(475)</u>
Cash and investments - ending	<u>\$ 2,704,271</u>	<u>\$ 6,383</u>	<u>\$ 247</u>	<u>\$ 200</u>	<u>\$ 288,321</u>	<u>\$ 500</u>	<u>\$ 2,620</u>

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

	Clerk's Records Perpetuation	COIT County Distributive Shares	Community Corrections	Community Transition Program	Sales Disclosure - County Share	Covered Bridge	Cumulative Bridge
Cash and investments - beginning	\$ 57,839	\$ 301,774	\$ 3,894	\$ 17,151	\$ 38,258	\$ 4,393	\$ 1,017,631
Receipts:							
Taxes	-	2,111,104	-	-	-	-	674,395
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	1,850	42,927
Charges for services	-	-	249,061	13,890	3,650	-	32,938
Fines and forfeits	12,897	-	-	-	-	-	-
Other receipts	-	680	-	-	-	-	63,164
Total receipts	<u>12,897</u>	<u>2,111,784</u>	<u>249,061</u>	<u>13,890</u>	<u>3,650</u>	<u>1,850</u>	<u>813,424</u>
Disbursements:							
Personal services	-	1,955,994	173,671	-	-	-	-
Supplies	-	-	8,402	-	-	-	30,093
Other services and charges	3,106	375,855	34,695	-	-	-	470,375
Capital outlay	12,879	55,000	-	-	-	-	-
Other disbursements	-	-	1,137	-	-	-	-
Total disbursements	<u>15,985</u>	<u>2,386,849</u>	<u>217,905</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500,468</u>
Excess (deficiency) of receipts over disbursements	<u>(3,088)</u>	<u>(275,065)</u>	<u>31,156</u>	<u>13,890</u>	<u>3,650</u>	<u>1,850</u>	<u>312,956</u>
Cash and investments - ending	<u>\$ 54,751</u>	<u>\$ 26,709</u>	<u>\$ 35,050</u>	<u>\$ 31,041</u>	<u>\$ 41,908</u>	<u>\$ 6,243</u>	<u>\$ 1,330,587</u>

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

	Cumulative Capital Development	Cumulative Courthouse	Cumulative Jail	Drug Free Community	Emergency Planning/ Right to Know	Extradition and Sheriff's Assistance	Firearms Training
Cash and investments - beginning	\$ 466,205	\$ 207,085	\$ 3,089,600	\$ 28,492	\$ 22,549	\$ 7,883	\$ 4,924
Receipts:							
Taxes	428,404	52,514	412,340	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	27,269	3,343	28,637	-	5,068	-	-
Charges for services	-	-	-	-	-	-	5,260
Fines and forfeits	-	-	-	21,309	-	1,875	-
Other receipts	1,944	-	15,825	-	4,436	-	-
Total receipts	457,617	55,857	456,802	21,309	9,504	1,875	5,260
Disbursements:							
Personal services	-	-	-	-	2,040	-	-
Supplies	-	-	-	-	202	-	-
Other services and charges	104,307	2,969	446,567	-	4,340	-	-
Capital outlay	147,035	-	1,088,545	-	1,797	-	-
Other disbursements	118,735	8,169	37,000	10,944	-	1,093	7,502
Total disbursements	370,077	11,138	1,572,112	10,944	8,379	1,093	7,502
Excess (deficiency) of receipts over disbursements	87,540	44,719	(1,115,310)	10,365	1,125	782	(2,242)
Cash and investments - ending	<u>\$ 553,745</u>	<u>\$ 251,804</u>	<u>\$ 1,974,290</u>	<u>\$ 38,857</u>	<u>\$ 23,674</u>	<u>\$ 8,665</u>	<u>\$ 2,682</u>

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

	General Drain Improvement	Health	Identification Security Protection	Levy Excess	Local Health Maintenance	Local Road and Street	Misdemeanant
Cash and investments - beginning	\$ 429,330	\$ 220,277	\$ 27,575	\$ -	\$ 131,418	\$ 139,552	\$ 23,549
Receipts:							
Taxes	10,865	160,305	-	-	-	-	-
Licenses and permits	-	28,400	-	-	-	-	-
Intergovernmental receipts	-	10,204	-	-	33,139	276,432	23,591
Charges for services	-	40,117	2,362	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	11,499	20,000	-	1,119	-	727	3,000
Total receipts	<u>22,364</u>	<u>259,026</u>	<u>2,362</u>	<u>1,119</u>	<u>33,139</u>	<u>277,159</u>	<u>26,591</u>
Disbursements:							
Personal services	2,539	251,811	-	-	16,507	-	12,185
Supplies	-	9,269	-	-	779	-	6,364
Other services and charges	-	18,940	-	-	1,354	262,893	5,419
Capital outlay	-	328	-	-	24,490	-	-
Other disbursements	7,924	-	-	-	-	-	6,300
Total disbursements	<u>10,463</u>	<u>280,348</u>	<u>-</u>	<u>-</u>	<u>43,130</u>	<u>262,893</u>	<u>30,268</u>
Excess (deficiency) of receipts over disbursements	<u>11,901</u>	<u>(21,322)</u>	<u>2,362</u>	<u>1,119</u>	<u>(9,991)</u>	<u>14,266</u>	<u>(3,677)</u>
Cash and investments - ending	<u>\$ 441,231</u>	<u>\$ 198,955</u>	<u>\$ 29,937</u>	<u>\$ 1,119</u>	<u>\$ 121,427</u>	<u>\$ 153,818</u>	<u>\$ 19,872</u>

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

	Motor Vehicle Highway	Park Nonreverting Capital	Park Nonreverting Operating	Rainy Day	Reassessment - 2015	Recorder's Records Perpetuation	Sex and Violent Offender Administration
Cash and investments - beginning	\$ 757,966	\$ 768	\$ 117,372	\$ 1,963,776	\$ 426,417	\$ 96,542	\$ 2,221
Receipts:							
Taxes	-	-	-	-	66,335	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	2,501,757	-	-	-	4,222	-	-
Charges for services	15,367	-	-	-	-	42,049	1,790
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	326,620	-	123,611	-	-	-	-
Total receipts	<u>2,843,744</u>	<u>-</u>	<u>123,611</u>	<u>-</u>	<u>70,557</u>	<u>42,049</u>	<u>1,790</u>
Disbursements:							
Personal services	1,254,126	-	50,952	-	1,798	-	-
Supplies	489,660	-	14,694	-	-	-	-
Other services and charges	122,559	-	3,692	1,116	173,049	-	-
Capital outlay	324,291	-	7,814	-	15,494	-	-
Other disbursements	-	-	3,300	-	-	31,830	108
Total disbursements	<u>2,190,636</u>	<u>-</u>	<u>80,452</u>	<u>1,116</u>	<u>190,341</u>	<u>31,830</u>	<u>108</u>
Excess (deficiency) of receipts over disbursements	<u>653,108</u>	<u>-</u>	<u>43,159</u>	<u>(1,116)</u>	<u>(119,784)</u>	<u>10,219</u>	<u>1,682</u>
Cash and investments - ending	<u>\$ 1,411,074</u>	<u>\$ 768</u>	<u>\$ 160,531</u>	<u>\$ 1,962,660</u>	<u>\$ 306,633</u>	<u>\$ 106,761</u>	<u>\$ 3,903</u>

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

	Supplemental Public Defender Services	Surplus Tax	Surveyor's Corner Perpetuation	Tax Sale Redemption	Tax Sale Surplus	Local Health Department Trust Account	Court Appointed Special Advocate (CASA)
Cash and investments - beginning	\$ 86,901	\$ 65,630	\$ 14,755	\$ -	\$ 32,262	\$ 74,678	\$ 256
Receipts:							
Taxes	-	56,198	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	21,031	-
Charges for services	-	-	6,435	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	7,131	140	-	12,142	49,707	-	-
Total receipts	<u>7,131</u>	<u>56,338</u>	<u>6,435</u>	<u>12,142</u>	<u>49,707</u>	<u>21,031</u>	<u>-</u>
Disbursements:							
Personal services	5,311	-	2,223	-	-	-	-
Supplies	-	-	-	-	-	21,608	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	43,616	73,871	109	12,142	25,759	-	-
Total disbursements	<u>48,927</u>	<u>73,871</u>	<u>2,332</u>	<u>12,142</u>	<u>25,759</u>	<u>21,608</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(41,796)</u>	<u>(17,533)</u>	<u>4,103</u>	<u>-</u>	<u>23,948</u>	<u>(577)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 45,105</u>	<u>\$ 48,097</u>	<u>\$ 18,858</u>	<u>\$ -</u>	<u>\$ 56,210</u>	<u>\$ 74,101</u>	<u>\$ 256</u>

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

	County Elected Officials Training	Park and Recreation	Statewide 911	Adult Probation Administrative	Supplemental Adult Probation Services	Supplemental Juvenile Probation Services	Drain Maintenance
Cash and investments - beginning	\$ 5,871	\$ 142,894	\$ 481,440	\$ 38,689	\$ 67,048	\$ 6,081	\$ 909,850
Receipts:							
Taxes	-	134,050	-	-	-	-	374,389
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	8,533	-	-	-	-	-
Charges for services	2,362	-	442,324	-	-	-	-
Fines and forfeits	-	-	-	21,336	64,486	-	-
Other receipts	299	26	-	-	-	-	3,062
Total receipts	<u>2,661</u>	<u>142,609</u>	<u>442,324</u>	<u>21,336</u>	<u>64,486</u>	<u>-</u>	<u>377,451</u>
Disbursements:							
Personal services	-	76,153	357,431	-	8,893	-	55,691
Supplies	-	8,412	-	-	-	-	-
Other services and charges	1,779	13,232	138,835	-	-	-	-
Capital outlay	-	9,525	-	-	-	-	-
Other disbursements	-	-	-	-	57,473	793	194,361
Total disbursements	<u>1,779</u>	<u>107,322</u>	<u>496,266</u>	<u>-</u>	<u>66,366</u>	<u>793</u>	<u>250,052</u>
Excess (deficiency) of receipts over disbursements	<u>882</u>	<u>35,287</u>	<u>(53,942)</u>	<u>21,336</u>	<u>(1,880)</u>	<u>(793)</u>	<u>127,399</u>
Cash and investments - ending	<u>\$ 6,753</u>	<u>\$ 178,181</u>	<u>\$ 427,498</u>	<u>\$ 60,025</u>	<u>\$ 65,168</u>	<u>\$ 5,288</u>	<u>\$ 1,037,249</u>

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

	K-9	Self-Insurance	IT Services	Payroll Clearing	Settlement	CVET	Weed Lien Collections
Cash and investments - beginning	\$ 2,681	\$ 111,145	\$ 20,684	\$ 68	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	23,228,986	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	179,086	-
Charges for services	650	-	62,427	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	1,284
Other receipts	-	3,376,113	-	2,888,080	-	-	-
Total receipts	650	3,376,113	62,427	2,888,080	23,228,986	179,086	1,284
Disbursements:							
Personal services	-	-	-	2,888,143	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	370	3,041,143	61,348	-	23,228,986	179,086	1,284
Total disbursements	370	3,041,143	61,348	2,888,143	23,228,986	179,086	1,284
Excess (deficiency) of receipts over disbursements	280	334,970	1,079	(63)	-	-	-
Cash and investments - ending	<u>\$ 2,961</u>	<u>\$ 446,115</u>	<u>\$ 21,763</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Sewage Collections	Financial Institution Tax Fund	CEDIT Homestead Credit	HEA 1001 State Homestead Credit	State Fines and Forfeitures	Infraction Judgements	Special Death Benefit
Cash and investments - beginning	\$ -	\$ -	\$ 31,077	\$ 4,747	\$ 159	\$ 2,905	\$ 85
Receipts:							
Taxes	-	-	775,149	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	171,640	-	-	-	-	-
Charges for services	12,632	-	-	-	-	-	1,420
Fines and forfeits	-	-	-	-	-	55,006	-
Other receipts	-	-	-	-	612	-	-
Total receipts	<u>12,632</u>	<u>171,640</u>	<u>775,149</u>	<u>-</u>	<u>612</u>	<u>55,006</u>	<u>1,420</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	12,632	171,640	797,404	4,748	658	54,988	1,345
Total disbursements	<u>12,632</u>	<u>171,640</u>	<u>797,404</u>	<u>4,748</u>	<u>658</u>	<u>54,988</u>	<u>1,345</u>
Excess (deficiency) of receipts over disbursements	-	-	(22,255)	(4,748)	(46)	18	75
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,822</u>	<u>\$ (1)</u>	<u>\$ 113</u>	<u>\$ 2,923</u>	<u>\$ 160</u>

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

	Sales Disclosure - State Share	Coroners Training & Con't Education	Interstate Compact - State Share	Mortgage Recording Fees - State Share	Sex and Violent Offender Admin - State	Child Restraint Violation Fines	Inheritance Tax
Cash and investments - beginning	\$ 330	\$ 238	\$ -	\$ 231	\$ 26	\$ 13	\$ 40,848
Receipts:							
Taxes	-	-	-	-	-	-	8,974
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	3,650	-	-	3,040	199	-	-
Fines and forfeits	-	-	1,150	-	-	775	-
Other receipts	-	3,118	-	-	-	-	-
Total receipts	3,650	3,118	1,150	3,040	199	775	8,974
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	3,805	2,762	900	3,033	194	788	10,939
Total disbursements	3,805	2,762	900	3,033	194	788	10,939
Excess (deficiency) of receipts over disbursements	(155)	356	250	7	5	(13)	(1,965)
Cash and investments - ending	\$ 175	\$ 594	\$ 250	\$ 238	\$ 31	\$ -	\$ 38,883

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

	Education Plate Fees Agency	Riverboat Revenue Sharing	CEDIT Distribution	COIT Distribution	93.563 ARRA Prosecutor IV-D Incentive	93.563 ARRA Clerk IV-D Incentive	93.563 Title IV-D Incentive
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 1,961	\$ 2,517	\$ 102,716
Receipts:							
Taxes	-	-	2,500,480	3,679,364	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	244	203,706	-	-	-	-	14,119
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	6	11	504
Total receipts	<u>244</u>	<u>203,706</u>	<u>2,500,480</u>	<u>3,679,364</u>	<u>6</u>	<u>11</u>	<u>14,623</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	244	203,706	2,500,480	3,679,364	1,899	-	-
Total disbursements	<u>244</u>	<u>203,706</u>	<u>2,500,480</u>	<u>3,679,364</u>	<u>1,899</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	-	-	-	-	(1,893)	11	14,623
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68</u>	<u>\$ 2,528</u>	<u>\$ 117,339</u>

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

	93.563 Prosecutor IV-D Incentive-Post Oct '99	93.563 Clerk IV-D Incentive-Post Oct '99	Clerk	Inmate Trust Fund 2	Sheriff's Commissary 2	Inmate Trust Fund	County Home Residents
Cash and investments - beginning	\$ 160,920	\$ 86,706	\$ 195,291	\$ 13,715	\$ 7,461	\$ 1,283	\$ 13,795
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	14,119	-	-	-	-	-
Charges for services	21,243	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	786	374	2,302,761	116,499	133,739	-	277,515
Total receipts	<u>22,029</u>	<u>14,493</u>	<u>2,302,761</u>	<u>116,499</u>	<u>133,739</u>	<u>-</u>	<u>277,515</u>
Disbursements:							
Personal services	2,392	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	1,891	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	25,768	2,366,598	116,245	124,871	4,606	281,695
Total disbursements	<u>2,392</u>	<u>27,659</u>	<u>2,366,598</u>	<u>116,245</u>	<u>124,871</u>	<u>4,606</u>	<u>281,695</u>
Excess (deficiency) of receipts over disbursements	<u>19,637</u>	<u>(13,166)</u>	<u>(63,837)</u>	<u>254</u>	<u>8,868</u>	<u>(4,606)</u>	<u>(4,180)</u>
Cash and investments - ending	<u>\$ 180,557</u>	<u>\$ 73,540</u>	<u>\$ 131,454</u>	<u>\$ 13,969</u>	<u>\$ 16,329</u>	<u>\$ (3,323)</u>	<u>\$ 9,615</u>

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

	Sheriff	Treasurer	Urinalysis Fees	Transfer Fee	Monroe Police Department	Decatur Police Department	Berne Police Department
Cash and investments - beginning	\$ -	\$ 547,262	\$ 41,771	\$ 29,763	\$ 282	\$ 7,114	\$ 1,110
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	6,860	-	-	-
Fines and forfeits	-	-	2,025	-	140	3,141	782
Other receipts	655,575	663,650	-	-	-	-	-
Total receipts	655,575	663,650	2,025	6,860	140	3,141	782
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	3	-	-	-
Other services and charges	-	-	-	7,900	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	655,575	547,262	-	-	-	5,140	412
Total disbursements	655,575	547,262	-	7,903	-	5,140	412
Excess (deficiency) of receipts over disbursements	-	116,388	2,025	(1,043)	140	(1,999)	370
Cash and investments - ending	\$ -	\$ 663,650	\$ 43,796	\$ 28,720	\$ 422	\$ 5,115	\$ 1,480

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

	Geneva Police Department	Adams County Sheriff Department	Indiana State Police	Department of Natural Resources	County Law Enfor CEP - Old	Decatur Parking Tickets	Community Corrections Project Income
Cash and investments - beginning	\$ 243	\$ 605	\$ 6,327	\$ 283	\$ 3,276	\$ 4	\$ 60,654
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	12,687
Fines and forfeits	358	2,080	780	12	-	8	168,117
Other receipts	-	-	-	-	-	-	6,908
Total receipts	358	2,080	780	12	-	8	187,712
Disbursements:							
Personal services	-	-	-	-	-	-	79,136
Supplies	-	-	-	-	-	-	4,975
Other services and charges	-	-	-	-	-	-	113,771
Capital outlay	-	-	-	-	-	-	546
Other disbursements	370	2,277	720	12	-	-	150
Total disbursements	370	2,277	720	12	-	-	198,578
Excess (deficiency) of receipts over disbursements	(12)	(197)	60	-	-	8	(10,866)
Cash and investments - ending	<u>\$ 231</u>	<u>\$ 408</u>	<u>\$ 6,387</u>	<u>\$ 283</u>	<u>\$ 3,276</u>	<u>\$ 12</u>	<u>\$ 49,788</u>

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

	County User Deferral	County User Pretrial Diver	County User Jury Fee	Co Law Enforcement Cont Ed	Highway Donations	Cans for Co-Pays	Golden Meadows Special Needs
Cash and investments - beginning	\$ 2,668	\$ 2,104	\$ 4,061	\$ 2,072	\$ 918	\$ 6,482	\$ 13,669
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	2,217	-	-	-
Fines and forfeits	13,040	3,540	3,862	-	-	-	-
Other receipts	-	-	294	-	-	2,422	10,696
Total receipts	<u>13,040</u>	<u>3,540</u>	<u>4,156</u>	<u>2,217</u>	<u>-</u>	<u>2,422</u>	<u>10,696</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	8,008	528	7,703	1,892	-	2,284	8,304
Total disbursements	<u>8,008</u>	<u>528</u>	<u>7,703</u>	<u>1,892</u>	<u>-</u>	<u>2,284</u>	<u>8,304</u>
Excess (deficiency) of receipts over disbursements	<u>5,032</u>	<u>3,012</u>	<u>(3,547)</u>	<u>325</u>	<u>-</u>	<u>138</u>	<u>2,392</u>
Cash and investments - ending	<u>\$ 7,700</u>	<u>\$ 5,116</u>	<u>\$ 514</u>	<u>\$ 2,397</u>	<u>\$ 918</u>	<u>\$ 6,620</u>	<u>\$ 16,061</u>

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

	Peace Monument Restoration	Health Donations	DARE Donations	Grants / Miscellaneous	Workman's Comp	Improvement Loc Permit Money	Adams County Drug Enforcement
Cash and investments - beginning	\$ 50,313	\$ 67,843	\$ 973	\$ 13	\$ 293,830	\$ -	\$ 3,649
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	3,572	-	-	-	320	538
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	10,835	-	137	13,635	48,800	-	974
Total receipts	10,835	3,572	137	13,635	48,800	320	1,512
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	119	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	45,311	3,165	-	-	210,227	320	1,031
Total disbursements	45,311	3,284	-	-	210,227	320	1,031
Excess (deficiency) of receipts over disbursements	(34,476)	288	137	13,635	(161,427)	-	481
Cash and investments - ending	<u>\$ 15,837</u>	<u>\$ 68,131</u>	<u>\$ 1,110</u>	<u>\$ 13,648</u>	<u>\$ 132,403</u>	<u>\$ -</u>	<u>\$ 4,130</u>

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

	Weidler Levee	Sheriff Retirement	Public Health Maintenance	Public Health Emerg Response	CC/School Suspension/ Risq	97.042 EMA Performance Grants
Cash and investments - beginning	\$ -	\$ 1,573	\$ 20,000	\$ 6	\$ 8,219	\$ -
Receipts:						
Taxes	5,214	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	14,994	-	-	5,178
Charges for services	-	-	-	-	32,205	-
Fines and forfeits	-	9,413	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	5,214	9,413	14,994	-	32,205	5,178
Disbursements:						
Personal services	-	-	13,521	-	41,226	-
Supplies	-	-	1,437	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	5,214	10,986	20,000	-	-	5,178
Total disbursements	5,214	10,986	34,958	-	41,226	5,178
Excess (deficiency) of receipts over disbursements	-	(1,573)	(19,964)	-	(9,021)	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36</u>	<u>\$ 6</u>	<u>\$ (802)</u>	<u>\$ -</u>

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

	97.073-2010 St Homeland Secur	20.703 H M E P 2011 Grant	97.036 Disaster Public Asst	97.073 2011 Homeland Security	97.073 2012 Homeland Security	97.073 2013 SHSP Grant
Cash and investments - beginning	\$ -	\$ -	\$ 750	\$ (4,462)	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	20,077	49,961	9,615
Charges for services	4,912	4,436	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	<u>4,912</u>	<u>4,436</u>	<u>-</u>	<u>20,077</u>	<u>49,961</u>	<u>9,615</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	4,912	4,436	-	15,615	49,961	13,462
Total disbursements	<u>4,912</u>	<u>4,436</u>	<u>-</u>	<u>15,615</u>	<u>49,961</u>	<u>13,462</u>
Excess (deficiency) of receipts over disbursements	-	-	-	4,462	-	(3,847)
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 750</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,847)</u>

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

	Victim Crime Assistant	93,617 HAVA Grant	20,205 Trail Project	2014 Foundation Grant	Comm Corr Prime for Life	Totals
Cash and investments - beginning	\$ -	\$ 926	\$ 35,284	\$ -	\$ 3,000	\$ 17,009,645
Receipts:						
Taxes	-	-	-	-	-	42,745,939
Licenses and permits	-	-	-	-	-	78,766
Intergovernmental receipts	16,815	-	-	1,000	-	4,464,420
Charges for services	-	-	36,963	-	-	1,527,063
Fines and forfeits	-	-	-	-	-	484,802
Other receipts	-	-	11,533	-	-	11,631,288
Total receipts	16,815	-	48,496	1,000	-	60,932,278
Disbursements:						
Personal services	-	-	-	-	-	13,474,070
Supplies	-	-	-	-	-	885,120
Other services and charges	-	-	-	-	-	5,812,153
Capital outlay	-	-	-	-	-	1,974,214
Other disbursements	-	-	73,601	1,000	-	39,302,016
Total disbursements	-	-	73,601	1,000	-	61,447,573
Excess (deficiency) of receipts over disbursements	16,815	-	(25,105)	-	-	(515,295)
Cash and investments - ending	\$ 16,815	\$ 926	\$ 10,179	\$ -	\$ 3,000	\$ 16,494,350

ADAMS COUNTY
SCHEDULE OF PAYABLES AND RECEIVABLES
December 31, 2014

<u>Government</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 513,217</u>	<u>\$ -</u>

ADAMS 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	\$ 107,236
Infrastructure	65,521,786
Buildings	8,179,009
Improvements other than buildings	710,890
Machinery, equipment, and vehicles	5,413,659
Construction in progress	735,207
Total capital assets	\$ 80,667,787

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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 COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

TO: THE OFFICIALS OF ADAMS COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited Adams 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 2014-002. 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 a 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 2014-002 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

March 21, 2017

(This page intentionally left blank.)

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.

ADAMS 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	D20-2-7968	\$ 2,000
Total - Department of Commerce				<u>2,000</u>
<u>Department of Justice</u>				
Crime Victim Assistance	Indiana Criminal Justice Institute	16.575	EDS D3-14-8453	<u>16,815</u>
Total - Department of Justice				<u>16,815</u>
<u>Department of Transportation</u>				
Highway Planning and Construction Cluster Highway Planning and Construction	Indiana Department of Transportation	20.205	1173218 810406 901261 1000023 1382099	34,926 2,037 27,495 4,400 <u>55,178</u>
Total - Highway Planning and Construction Cluster				<u>124,036</u>
Interagency Hazardous Materials Public Sector Training and Planning Grants	Indiana Department of Transportation	20.703	HM-HMP-0368-13-01-00	<u>4,436</u>
Total - Department of Transportation				<u>128,472</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	5U90TP000521-02	<u>14,994</u>
Child Support Enforcement	Indiana Department of Child Services	93.563	FY 2014	<u>236,317</u>
Total - Department of Health and Human Services				<u>251,311</u>
<u>Department of Homeland Security</u>				
Emergency Management Performance Grants	Indiana Department of Homeland Security	97.042	C44P-4-412B C44P-5-001B	5,178 <u>29,564</u>
Total - Emergency Management Performance Grants				<u>34,742</u>
Homeland Security Grant Program	Indiana Department of Homeland Security	97.067	C44P-2-238A C44P-3-215B C44P-4-086B C44P-4-481B C44P-4-528B	20,077 27,326 22,635 9,615 <u>4,912</u>
Total - Homeland Security Grant Program				<u>84,565</u>
Total - Department of Homeland Security				<u>119,307</u>
Total federal awards expended				<u>\$ 517,905</u>

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

ADAMS COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the County under programs of the federal government for the year ended December 31, 2014. The information in the SEFA is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the SEFA presents only a select portion of the operations of the County, it is not intended to and does not present the financial position of the County.

Note 2. Summary of Significant Accounting Policies

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

ADAMS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

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

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
93.563	Child Support Enforcement
97.067	Homeland Security Grant Program

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

Auditee qualified as low-risk auditee?	no
--	----

Section II - Financial Statement Findings

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

Condition

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

Context

During the audit of the SEFA, there were nine programs which required adjustments. In total, the SEFA was understated by \$65,590. Audit adjustments were proposed, accepted by the County, and made to the SEFA.

ADAMS 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. . . ."

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.

ADAMS 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.

Section III - Federal Award Findings and Questioned Costs

FINDING 2014-002 - 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 the Allowable Costs/Cost Principles compliance requirement.

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.

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."

ADAMS 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.

(This page intentionally left blank.)

AUDITEE-PREPARED DOCUMENT

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



ADAMS COUNTY AUDITOR'S OFFICE

MARY B. BEERY, AUDITOR

313 W JEFFERSON ST

DECATUR, INDIANA 46733

March 6, 2017

Corrective Action Plan

FINDING 2014 - 01 - PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Contact: Adams County Auditor, Mary B. Beery

Contact Phone Number: 260-724-5303

The Adams County Auditor's Office will take the following action in correcting the above named finding due to the recent 2014 audit from the State Board of Accounts.

Adams County will implement additional internal control policies in 2017 to maintain that the Schedule of Expenditures of Federal Awards is completed correctly. We will follow the guidance given by the State Board of Accounts for future reporting. All departments involved will be notified on the grant process and be mindful of the importance of providing the necessary paperwork to the Auditor's Office.

Respectively submitted,

Mary B Beery
Adams County Auditor

cc:

Mark Burry, County Attorney

Rex Moore, Commissioner

Doug Bauman, Commissioner

Kim Fruechte, Commissioner

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/>.