

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

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



FILED
05/24/2017

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 Leases and Debt	40
Schedule of Capital Assets.....	41
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance for the Major Federal Program and on Internal Control over Compliance	44-45
Schedule of Expenditures of Federal Awards and Accompanying Notes:	
Schedule of Expenditures of Federal Awards.....	48
Notes to Schedule of Expenditures of Federal Awards	49
Schedule of Findings and Questioned Costs	50-52
Auditee-Prepared Documents:	
Summary Schedule of Prior Audit Findings.....	54-60
Corrective Action Plan	61
Other Reports.....	62

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Jana L. Schinbeckler	01-01-15 to 12-31-18
County Treasurer	Laurell E. Schroeder	01-01-13 to 12-31-20
Clerk of the Circuit Court	Deborah S. Beers	01-01-15 to 12-31-18
County Sheriff	Marcus E. Gatton	01-01-15 to 12-31-18
County Recorder	April D. Whetstone	01-01-15 to 12-31-18
President of the Board of County Commissioners	Thomas B. Rethlake Donald A. Amber George A. Schrupf	01-01-15 to 10-19-15 10-20-15 to 12-31-15 01-01-16 to 12-31-17
President of the County Council	Thomas E. Western Kim H. Wheeler John M. Barrett	01-01-15 to 12-31-15 01-01-16 to 12-31-16 01-01-17 to 12-31-17



INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF WHITLEY COUNTY, INDIANA

Report on the Financial Statement

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated March 16, 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 16, 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 WHITLEY 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 Whitley 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 March 16, 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 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 internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2015-001, that we consider to be a material weakness.

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*, which are described in the accompanying Schedule of Findings and Questioned Costs as item 2015-001.

Whitley County's Response to the Finding

The County's response to the finding 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 16, 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.

WHITLEY 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
After Settlement Collections	\$ 843,182	\$ 821,179	\$ 843,186	\$ 821,175
Sheriff's Inmate Trust	12,656	175,900	161,038	27,518
Prosecutor's Check Deception Program	-	28,686	28,596	90
Sheriff's Commissary	35,991	151,294	102,806	84,479
Clerk's Trust	295,919	3,513,579	3,225,017	584,481
Sheriff's Cashbook	-	1,279,601	1,279,601	-
County General	830,858	6,199,916	6,475,814	554,960
Accident Reports	5,043	4,723	548	9,218
CAGIT County Certified	955,779	2,731,111	3,417,817	269,073
Campaign Finance	125	350	-	475
County Economic Development Income	565,456	806,175	1,156,482	215,149
City and Town Court Cost	779	12,081	11,894	966
Document Storage Fees	47,757	25,392	36,066	37,083
Community Corrections Project Income	41,724	871,504	887,393	25,835
Community Transition Program	4,705	22,800	17,914	9,591
Sales Disclosure	38,368	4,605	1,280	41,693
Cumulative Bridge	600,471	572,418	850,534	322,355
Cumulative Capital Development	265,401	479,200	269,176	475,425
County Drug Free Community	53,386	50,523	54,516	49,393
Emergency Planning and Right To Know	6,826	3,881	6,305	4,402
Firearms Training	49,875	12,984	32,801	30,058
General Drain Improvement	116,981	208,094	177,676	147,399
County Health	398,850	789,756	328,076	860,530
Identification Security Protection	2,909	2,853	-	5,762
Local Health Maintenance	26,226	33,139	37,869	21,496
Local Road and Street	105,217	345,543	287,493	163,267
Medical Care for Inmates	10,324	5,014	707	14,631
County Misdemeanant	5,984	20,126	2,618	23,492
Highway	589,591	2,890,709	2,891,012	589,288
Rainy Day	125,182	106,252	144,058	87,376
Reassessment 2015	1,192,499	105,640	200,751	1,097,388
Recorder's Record Perpetuation	30,042	52,950	23,985	59,007
Sex and Violent Offender Administration	60	2,335	2,390	5
Supplemental Public Defender Services	1,964	3,505	2,775	2,694
Surplus Tax	56,092	27,396	26,905	56,583
Surveyor's Cornerstone Perpetuation	59,470	7,240	500	66,210
Tax Sale Redemption	5,581	30,536	30,395	5,722
Tax Sale Surplus	204,370	94,369	165,927	132,812
Tobacco Settlement	44,037	13,139	2,508	54,668
Unsafe Building	(4,200)	19,953	9,750	6,003
Guardian Ad Litem	427	2,333	2,116	644
Guardian Ad Litem/CASA	-	13,576	13,576	-
Auditor's Ineligible Deductions	199,233	9,227	64,820	143,640
Elected Official Training	4,115	2,853	2,895	4,073
Whitley County Statewide 911	185,898	370,656	364,164	192,390
Supplemental Adult Probation Services	62,620	73,745	78,386	57,979
Supplemental Juvenile Probation Services	22,938	8,649	10,690	20,897
Alternative Dispute Resolution	-	7,670	766	6,904
Law Enforcement Continuing Education	3,088	3,938	2,714	4,312
Drainage Maintenance	2,330,660	592,304	388,465	2,534,499
Sheriff's K-9 Donation	1,702	-	-	1,702
EMS Donations	187	-	-	187
Ordinance Violation Liens	-	-	16,900	(16,900)
Redevelopment Series A	2,151,692	-	1,075	2,150,617
Redevelopment Series B	2,928,950	-	2,575	2,926,375
Redevelopment Commission	3,070,577	3,306,328	3,565,403	2,811,502
Ambulance Lease	-	16,072	32,144	(16,072)
Self-Insurance Loan	-	625,000	625,000	-

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

WHITLEY 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
Payroll	61,025	2,075,108	2,078,880	57,253
Sheriff Pension Holding	1,066	22,062	21,408	1,720
Tax Distribution Clearing	25	31,616,196	31,616,221	-
Wheel Tax Distributions	-	113,887	113,887	-
Surtax Distributions	-	343,138	343,138	-
CVET	-	341,976	341,976	-
Financial Institution	-	254,961	254,961	-
CEDIT Homestead Credit	3,765	213,164	212,792	4,137
Fines and Forfeitures	11,961	56,582	59,817	8,726
Infraction Judgements/Seatbelt Violations	5,972	102,216	99,734	8,454
Overweight Vehicles	-	1,995	500	1,495
Special Death Benefit	120	1,920	1,840	200
State Sales Disclosures	335	4,605	4,535	405
Coroner's Continuing Education	468	2,704	2,858	314
Mortgage Fees	286	3,648	3,655	279
Child Restraint Violations	-	550	500	50
Inheritance Tax	7,705	12	7,004	713
Education Plate Fees	-	263	263	-
Riverboat Sharing	-	197,219	197,219	-
CAGIT Certified Shares	-	4,854,676	4,854,676	-
EDIT Distribution	-	1,295,827	1,295,827	-
Prosecuting Attorney	4,393	6,420	4,483	6,330
93.563 Title IV-D Incentive	38,598	17,227	11,756	44,069
Court Incentive	17,777	-	17,777	-
Prosecutor Incentive	68,756	25,912	58,637	36,031
Clerk Incentive	73,697	17,227	27,003	63,921
Law Enforcement Continuing Education	27,181	12,034	10,043	29,172
Pre-Trial Diversion	246,430	19,756	-	266,186
County User Fee Infraction	97,213	80,955	97,749	80,419
Sheriff's Donation	3,835	2,100	764	5,171
Immunization Clinic	7,262	38,347	45,609	-
Rail Connect Park TIF	1,223	43,128	-	44,351
lotron Union TIF Amended	(12,224)	149,446	129,000	8,222
Government Center Lease	10,351	540,822	506,000	45,173
Prosecutor Restitution	12,479	247,507	251,290	8,696
Jury Pay	29,512	7,542	6,425	30,629
Solid Waste District	-	778,980	778,980	-
Fuel Facility	86,319	585,671	579,544	92,446
Personal Property Tax Recovery	554	-	-	554
Vaxcare	5,880	340	6,220	-
Employee Disability	5,529	-	-	5,529
CAGIT PTRC	-	1,618,226	1,618,226	-
CFDA #93.507 Health Infrastructure	38,775	14,000	298	52,477
Asset Forfeiture and Money Laundering	6,520	57,637	28,732	35,425
CFDA #16.575 IN Criminal Justice	16,169	14,569	16,169	14,569
CFDA #10.557 WIC Grant	(11,585)	54,780	100,481	(57,286)
Drug Enforcement Grant	68,124	16,965	58,625	26,464
Homeland Security Grant	(500)	-	-	(500)
EMPG Grant	(1)	11,223	11,365	(143)
Emergency Management/Certified Grant	26	-	-	26
CFDA #16.800 IN Internet Crime	-	12	-	12
Senior Citizen Transportation Grant	-	329,458	329,458	-
HAVA Grant	626	-	476	150
Community Corrections Grant	26,030	533,732	495,472	64,290
TGF II	10,341	20,680	20,680	10,341
Bioterrorism Preparedness	1,467	19,511	11,342	9,636
Totals	\$ 19,561,052	\$ 74,325,718	\$ 75,100,163	\$ 18,786,607

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

WHITLEY 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 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, animal licenses, auctioneer licenses, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

WHITLEY 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.

Debt service - principal and interest. Amounts disbursed for 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.

WHITLEY COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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.

WHITLEY 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

WHITLEY 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 expenditures exceeding available revenue and reimbursements made for expenditures under grant programs not being received by year end.

WHITLEY COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 8. *Holding Corporation*

The County has entered into a capital lease with Whitley County Holding 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 \$511,000.

(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.

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

	After Settlement Collections	Sheriff's Inmate Trust	Prosecutor's Check Deception Program	Sheriff's Commissary	Clerk's Trust	Sheriff's Cashbook
Cash and investments - beginning	\$ 843,182	\$ 12,656	\$ -	\$ 35,991	\$ 295,919	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	<u>821,179</u>	<u>175,900</u>	<u>28,686</u>	<u>151,294</u>	<u>3,513,579</u>	<u>1,279,601</u>
Total receipts	<u>821,179</u>	<u>175,900</u>	<u>28,686</u>	<u>151,294</u>	<u>3,513,579</u>	<u>1,279,601</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	<u>843,186</u>	<u>161,038</u>	<u>28,596</u>	<u>102,806</u>	<u>3,225,017</u>	<u>1,279,601</u>
Total disbursements	<u>843,186</u>	<u>161,038</u>	<u>28,596</u>	<u>102,806</u>	<u>3,225,017</u>	<u>1,279,601</u>
Excess (deficiency) of receipts over disbursements	<u>(22,007)</u>	<u>14,862</u>	<u>90</u>	<u>48,488</u>	<u>288,562</u>	<u>-</u>
Cash and investments - ending	<u>\$ 821,175</u>	<u>\$ 27,518</u>	<u>\$ 90</u>	<u>\$ 84,479</u>	<u>\$ 584,481</u>	<u>\$ -</u>

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

	County General	Accident Reports	CAGIT County Certified	Campaign Finance	County Economic Development Income	City and Town Court Cost
Cash and investments - beginning	\$ 830,858	\$ 5,043	\$ 955,779	\$ 125	\$ 565,456	\$ 779
Receipts:						
Taxes	4,385,057	-	2,636,613	-	806,175	-
Licenses and permits	74,434	-	-	-	-	-
Intergovernmental receipts	582,541	-	-	-	-	-
Charges for services	403,797	-	51,840	-	-	-
Fines and forfeits	205,266	-	-	-	-	-
Other receipts	548,821	4,723	42,658	350	-	12,081
Total receipts	<u>6,199,916</u>	<u>4,723</u>	<u>2,731,111</u>	<u>350</u>	<u>806,175</u>	<u>12,081</u>
Disbursements:						
Personal services	4,592,307	-	-	-	-	-
Supplies	292,506	-	59,271	-	-	-
Other services and charges	1,553,380	-	1,586,056	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	4,953	-	-	-	709,539	-
Other disbursements	32,668	548	1,772,490	-	446,943	11,894
Total disbursements	<u>6,475,814</u>	<u>548</u>	<u>3,417,817</u>	<u>-</u>	<u>1,156,482</u>	<u>11,894</u>
Excess (deficiency) of receipts over disbursements	<u>(275,898)</u>	<u>4,175</u>	<u>(686,706)</u>	<u>350</u>	<u>(350,307)</u>	<u>187</u>
Cash and investments - ending	<u>\$ 554,960</u>	<u>\$ 9,218</u>	<u>\$ 269,073</u>	<u>\$ 475</u>	<u>\$ 215,149</u>	<u>\$ 966</u>

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

	Document Storage Fees	Community Corrections Project Income	Community Transition Program	Sales Disclosure	Cumulative Bridge	Cumulative Capital Development
Cash and investments - beginning	\$ 47,757	\$ 41,724	\$ 4,705	\$ 38,368	\$ 600,471	\$ 265,401
Receipts:						
Taxes	-	-	-	-	488,124	413,388
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	57,691	48,842
Charges for services	-	-	22,800	-	4,286	10,238
Fines and forfeits	-	745,326	-	-	21,881	-
Other receipts	25,392	126,178	-	4,605	436	6,732
Total receipts	<u>25,392</u>	<u>871,504</u>	<u>22,800</u>	<u>4,605</u>	<u>572,418</u>	<u>479,200</u>
Disbursements:						
Personal services	23,325	353,461	-	-	-	-
Supplies	-	84,059	17,303	-	-	15,000
Other services and charges	-	187,037	611	1,280	850,534	80,594
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	120,743
Other disbursements	12,741	262,836	-	-	-	52,839
Total disbursements	<u>36,066</u>	<u>887,393</u>	<u>17,914</u>	<u>1,280</u>	<u>850,534</u>	<u>269,176</u>
Excess (deficiency) of receipts over disbursements	<u>(10,674)</u>	<u>(15,889)</u>	<u>4,886</u>	<u>3,325</u>	<u>(278,116)</u>	<u>210,024</u>
Cash and investments - ending	<u>\$ 37,083</u>	<u>\$ 25,835</u>	<u>\$ 9,591</u>	<u>\$ 41,693</u>	<u>\$ 322,355</u>	<u>\$ 475,425</u>

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

	County Drug Free Community	Emergency Planning and Right To Know	Firearms Training	General Drain Improvement	County Health	Identification Security Protection
Cash and investments - beginning	\$ 53,386	\$ 6,826	\$ 49,875	\$ 116,981	\$ 398,850	\$ 2,909
Receipts:						
Taxes	-	-	-	39,836	610,617	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	72,157	-
Charges for services	50,523	-	-	-	-	2,853
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	3,881	12,984	168,258	106,982	-
Total receipts	<u>50,523</u>	<u>3,881</u>	<u>12,984</u>	<u>208,094</u>	<u>789,756</u>	<u>2,853</u>
Disbursements:						
Personal services	3,843	-	-	-	207,117	-
Supplies	-	-	-	-	20,542	-
Other services and charges	-	-	-	-	6,083	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	1,510	-
Other disbursements	50,673	6,305	32,801	177,676	92,824	-
Total disbursements	<u>54,516</u>	<u>6,305</u>	<u>32,801</u>	<u>177,676</u>	<u>328,076</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(3,993)</u>	<u>(2,424)</u>	<u>(19,817)</u>	<u>30,418</u>	<u>461,680</u>	<u>2,853</u>
Cash and investments - ending	<u>\$ 49,393</u>	<u>\$ 4,402</u>	<u>\$ 30,058</u>	<u>\$ 147,399</u>	<u>\$ 860,530</u>	<u>\$ 5,762</u>

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

	Local Health Maintenance	Local Road and Street	Medical Care for Inmates	County Misdemeanant	Highway	Rainy Day
Cash and investments - beginning	\$ 26,226	\$ 105,217	\$ 10,324	\$ 5,984	\$ 589,591	\$ 125,182
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	3,625	-
Intergovernmental receipts	-	345,543	-	-	2,837,478	-
Charges for services	-	-	-	-	4,972	3,066
Fines and forfeits	-	-	-	-	116	-
Other receipts	33,139	-	5,014	20,126	44,518	103,186
Total receipts	<u>33,139</u>	<u>345,543</u>	<u>5,014</u>	<u>20,126</u>	<u>2,890,709</u>	<u>106,252</u>
Disbursements:						
Personal services	12,646	-	-	-	854,144	27,642
Supplies	1,048	287,493	-	-	1,194,411	-
Other services and charges	1,017	-	-	-	209,312	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	236,686	-
Other disbursements	23,158	-	707	2,618	396,459	116,416
Total disbursements	<u>37,869</u>	<u>287,493</u>	<u>707</u>	<u>2,618</u>	<u>2,891,012</u>	<u>144,058</u>
Excess (deficiency) of receipts over disbursements	<u>(4,730)</u>	<u>58,050</u>	<u>4,307</u>	<u>17,508</u>	<u>(303)</u>	<u>(37,806)</u>
Cash and investments - ending	<u>\$ 21,496</u>	<u>\$ 163,267</u>	<u>\$ 14,631</u>	<u>\$ 23,492</u>	<u>\$ 589,288</u>	<u>\$ 87,376</u>

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

	Reassessment 2015	Recorder's Record Perpetuation	Sex and Violent Offender Administration	Supplemental Public Defender Services	Surplus Tax	Surveyor's Cornerstone Perpetuation
Cash and investments - beginning	\$ 1,192,499	\$ 30,042	\$ 60	\$ 1,964	\$ 56,092	\$ 59,470
Receipts:						
Taxes	93,665	-	-	-	27,396	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	11,062	-	-	-	-	-
Charges for services	-	52,950	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	913	-	2,335	3,505	-	7,240
Total receipts	<u>105,640</u>	<u>52,950</u>	<u>2,335</u>	<u>3,505</u>	<u>27,396</u>	<u>7,240</u>
Disbursements:						
Personal services	51,482	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	149,269	-	-	2,775	-	500
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	23,985	2,390	-	26,905	-
Total disbursements	<u>200,751</u>	<u>23,985</u>	<u>2,390</u>	<u>2,775</u>	<u>26,905</u>	<u>500</u>
Excess (deficiency) of receipts over disbursements	<u>(95,111)</u>	<u>28,965</u>	<u>(55)</u>	<u>730</u>	<u>491</u>	<u>6,740</u>
Cash and investments - ending	<u>\$ 1,097,388</u>	<u>\$ 59,007</u>	<u>\$ 5</u>	<u>\$ 2,694</u>	<u>\$ 56,583</u>	<u>\$ 66,210</u>

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

	Tax Sale Redemption	Tax Sale Surplus	Tobacco Settlement	Unsafe Building	Guardian Ad Litem	Guardian Ad Litem/CASA
Cash and investments - beginning	\$ 5,581	\$ 204,370	\$ 44,037	\$ (4,200)	\$ 427	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	30,536	94,369	13,139	19,953	2,333	13,576
Total receipts	<u>30,536</u>	<u>94,369</u>	<u>13,139</u>	<u>19,953</u>	<u>2,333</u>	<u>13,576</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	2,508	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	30,395	165,927	-	9,750	2,116	13,576
Total disbursements	<u>30,395</u>	<u>165,927</u>	<u>2,508</u>	<u>9,750</u>	<u>2,116</u>	<u>13,576</u>
Excess (deficiency) of receipts over disbursements	<u>141</u>	<u>(71,558)</u>	<u>10,631</u>	<u>10,203</u>	<u>217</u>	<u>-</u>
Cash and investments - ending	<u>\$ 5,722</u>	<u>\$ 132,812</u>	<u>\$ 54,668</u>	<u>\$ 6,003</u>	<u>\$ 644</u>	<u>\$ -</u>

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

	Auditor's Ineligible Deductions	Elected Official Training	Whitley County Statewide 911	Supplemental Adult Probation Services	Supplemental Juvenile Probation Services	Alternative Dispute Resolution
Cash and investments - beginning	\$ 199,233	\$ 4,115	\$ 185,898	\$ 62,620	\$ 22,938	\$ -
Receipts:						
Taxes	-	-	-	13,734	2,593	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	2,853	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	9,227	-	370,656	60,011	6,056	7,670
Total receipts	<u>9,227</u>	<u>2,853</u>	<u>370,656</u>	<u>73,745</u>	<u>8,649</u>	<u>7,670</u>
Disbursements:						
Personal services	25,536	-	225,665	25,103	2,080	-
Supplies	1,291	-	-	1,521	-	-
Other services and charges	22,806	2,895	138,499	51,762	8,610	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	15,187	-	-	-	-	766
Total disbursements	<u>64,820</u>	<u>2,895</u>	<u>364,164</u>	<u>78,386</u>	<u>10,690</u>	<u>766</u>
Excess (deficiency) of receipts over disbursements	<u>(55,593)</u>	<u>(42)</u>	<u>6,492</u>	<u>(4,641)</u>	<u>(2,041)</u>	<u>6,904</u>
Cash and investments - ending	<u>\$ 143,640</u>	<u>\$ 4,073</u>	<u>\$ 192,390</u>	<u>\$ 57,979</u>	<u>\$ 20,897</u>	<u>\$ 6,904</u>

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

	Law Enforcement Continuing Education	Drainage Maintenance	Sheriff's K-9 Donation	EMS Donations	Ordinance Violation Liens	Redevelopment Series A
Cash and investments - beginning	\$ 3,088	\$ 2,330,660	\$ 1,702	\$ 187	\$ -	\$ 2,151,692
Receipts:						
Taxes	-	568,252	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	3,938	24,052	-	-	-	-
Total receipts	<u>3,938</u>	<u>592,304</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	1,075
Capital outlay	-	-	-	-	-	-
Other disbursements	2,714	388,465	-	-	16,900	-
Total disbursements	<u>2,714</u>	<u>388,465</u>	<u>-</u>	<u>-</u>	<u>16,900</u>	<u>1,075</u>
Excess (deficiency) of receipts over disbursements	<u>1,224</u>	<u>203,839</u>	<u>-</u>	<u>-</u>	<u>(16,900)</u>	<u>(1,075)</u>
Cash and investments - ending	<u>\$ 4,312</u>	<u>\$ 2,534,499</u>	<u>\$ 1,702</u>	<u>\$ 187</u>	<u>\$ (16,900)</u>	<u>\$ 2,150,617</u>

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

	Redevelopment Series B	Redevelopment Commission	Ambulance Lease	Self-Insurance Loan	Payroll	Sheriff Pension Holding
Cash and investments - beginning	\$ 2,928,950	\$ 3,070,577	\$ -	\$ -	\$ 61,025	\$ 1,066
Receipts:						
Taxes	-	3,077,793	-	-	83,548	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	22,062
Other receipts	-	228,535	16,072	625,000	1,991,560	-
Total receipts	-	3,306,328	16,072	625,000	2,075,108	22,062
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	290,970	-	625,000	-	21,408
Debt service - principal and interest	2,575	-	-	-	-	-
Capital outlay	-	2,910,000	-	-	-	-
Other disbursements	-	364,433	32,144	-	2,078,880	-
Total disbursements	2,575	3,565,403	32,144	625,000	2,078,880	21,408
Excess (deficiency) of receipts over disbursements	(2,575)	(259,075)	(16,072)	-	(3,772)	654
Cash and investments - ending	<u>\$ 2,926,375</u>	<u>\$ 2,811,502</u>	<u>\$ (16,072)</u>	<u>\$ -</u>	<u>\$ 57,253</u>	<u>\$ 1,720</u>

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

	Tax Distribution Clearing	Wheel Tax Distributions	Surtax Distributions	CVET	Financial Institution	CEDIT Homestead Credit
Cash and investments - beginning	\$ 25	\$ -	\$ -	\$ -	\$ -	\$ 3,765
Receipts:						
Taxes	27,932,772	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	3,621,757	55,759	274,939	341,976	254,961	-
Charges for services	61,264	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	403	58,128	68,199	-	-	213,164
Total receipts	<u>31,616,196</u>	<u>113,887</u>	<u>343,138</u>	<u>341,976</u>	<u>254,961</u>	<u>213,164</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	31,616,221	113,887	343,138	341,976	254,961	212,792
Total disbursements	<u>31,616,221</u>	<u>113,887</u>	<u>343,138</u>	<u>341,976</u>	<u>254,961</u>	<u>212,792</u>
Excess (deficiency) of receipts over disbursements	<u>(25)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>372</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,137</u>

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

	Fines and Forfeitures	Infraction Judgements/ Seatbelts Violations	Overweight Vehicles	Special Death Benefit	State Sales Disclosures	Coroner's Continuing Education
Cash and investments - beginning	\$ 11,961	\$ 5,972	\$ -	\$ 120	\$ 335	\$ 468
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	<u>56,582</u>	<u>102,216</u>	<u>1,995</u>	<u>1,920</u>	<u>4,605</u>	<u>2,704</u>
Total receipts	<u>56,582</u>	<u>102,216</u>	<u>1,995</u>	<u>1,920</u>	<u>4,605</u>	<u>2,704</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	<u>59,817</u>	<u>99,734</u>	<u>500</u>	<u>1,840</u>	<u>4,535</u>	<u>2,858</u>
Total disbursements	<u>59,817</u>	<u>99,734</u>	<u>500</u>	<u>1,840</u>	<u>4,535</u>	<u>2,858</u>
Excess (deficiency) of receipts over disbursements	<u>(3,235)</u>	<u>2,482</u>	<u>1,495</u>	<u>80</u>	<u>70</u>	<u>(154)</u>
Cash and investments - ending	<u>\$ 8,726</u>	<u>\$ 8,454</u>	<u>\$ 1,495</u>	<u>\$ 200</u>	<u>\$ 405</u>	<u>\$ 314</u>

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

	Mortgage Fees	Child Restraint Violations	Inheritance Tax	Education Plate Fees	Riverboat Sharing	CAGIT Certified Shares
Cash and investments - beginning	\$ 286	\$ -	\$ 7,705	\$ -	\$ -	\$ -
Receipts:						
Taxes	-	-	12	-	-	4,854,676
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	197,219	-
Charges for services	3,648	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	550	-	263	-	-
Total receipts	<u>3,648</u>	<u>550</u>	<u>12</u>	<u>263</u>	<u>197,219</u>	<u>4,854,676</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	3,655	500	7,004	263	197,219	4,854,676
Total disbursements	<u>3,655</u>	<u>500</u>	<u>7,004</u>	<u>263</u>	<u>197,219</u>	<u>4,854,676</u>
Excess (deficiency) of receipts over disbursements	<u>(7)</u>	<u>50</u>	<u>(6,992)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 279</u>	<u>\$ 50</u>	<u>\$ 713</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	EDIT Distribution	Prosecuting Attorney	93,563 Title IV-D Incentive	Court Incentive	Prosecutor Incentive	Clerk Incentive
Cash and investments - beginning	\$ -	\$ 4,393	\$ 38,598	\$ 17,777	\$ 68,756	\$ 73,697
Receipts:						
Taxes	1,295,827	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	17,227	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	6,420	-	-	25,912	17,227
Total receipts	<u>1,295,827</u>	<u>6,420</u>	<u>17,227</u>	<u>-</u>	<u>25,912</u>	<u>17,227</u>
Disbursements:						
Personal services	-	-	4,841	17,777	34,289	9,940
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	1,295,827	4,483	6,915	-	24,348	17,063
Total disbursements	<u>1,295,827</u>	<u>4,483</u>	<u>11,756</u>	<u>17,777</u>	<u>58,637</u>	<u>27,003</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>1,937</u>	<u>5,471</u>	<u>(17,777)</u>	<u>(32,725)</u>	<u>(9,776)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 6,330</u>	<u>\$ 44,069</u>	<u>\$ -</u>	<u>\$ 36,031</u>	<u>\$ 63,921</u>

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

	Law Enforcement Continuing Education	Pre-Trial Diversion	County User Fee Infraction	Sheriff's Donation	Immunization Clinic	Rail Connect Park TIF
Cash and investments - beginning	\$ 27,181	\$ 246,430	\$ 97,213	\$ 3,835	\$ 7,262	\$ 1,223
Receipts:						
Taxes	-	-	-	-	-	43,128
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	12,034	19,756	80,955	2,100	38,347	-
Total receipts	<u>12,034</u>	<u>19,756</u>	<u>80,955</u>	<u>2,100</u>	<u>38,347</u>	<u>43,128</u>
Disbursements:						
Personal services	-	-	8,964	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	10,043	-	88,785	764	45,609	-
Total disbursements	<u>10,043</u>	<u>-</u>	<u>97,749</u>	<u>764</u>	<u>45,609</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>1,991</u>	<u>19,756</u>	<u>(16,794)</u>	<u>1,336</u>	<u>(7,262)</u>	<u>43,128</u>
Cash and investments - ending	<u>\$ 29,172</u>	<u>\$ 266,186</u>	<u>\$ 80,419</u>	<u>\$ 5,171</u>	<u>\$ -</u>	<u>\$ 44,351</u>

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

	Iotron Union TIF Amended	Government Center Lease	Prosecutor Restitution	Jury Pay	Solid Waste District	Fuel Facility
Cash and investments - beginning	\$ (12,224)	\$ 10,351	\$ 12,479	\$ 29,512	\$ -	\$ 86,319
Receipts:						
Taxes	149,446	540,822	-	-	778,980	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	11,700
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	247,507	7,542	-	573,971
Total receipts	<u>149,446</u>	<u>540,822</u>	<u>247,507</u>	<u>7,542</u>	<u>778,980</u>	<u>585,671</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	579,544
Other services and charges	-	-	-	6,425	-	-
Debt service - principal and interest	129,000	506,000	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	251,290	-	778,980	-
Total disbursements	<u>129,000</u>	<u>506,000</u>	<u>251,290</u>	<u>6,425</u>	<u>778,980</u>	<u>579,544</u>
Excess (deficiency) of receipts over disbursements	<u>20,446</u>	<u>34,822</u>	<u>(3,783)</u>	<u>1,117</u>	<u>-</u>	<u>6,127</u>
Cash and investments - ending	<u>\$ 8,222</u>	<u>\$ 45,173</u>	<u>\$ 8,696</u>	<u>\$ 30,629</u>	<u>\$ -</u>	<u>\$ 92,446</u>

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

	Personal Property Tax Recovery	Vaxcare	Employee Disability	CAGIT PTRC	CFDA #93.507 Health Infrastructure	Asset Forfeiture and Money Laundering
Cash and investments - beginning	\$ 554	\$ 5,880	\$ 5,529	\$ -	\$ 38,775	\$ 6,520
Receipts:						
Taxes	-	-	-	1,618,226	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	340	-	-	14,000	57,637
Total receipts	-	340	-	1,618,226	14,000	57,637
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	28,732
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	6,220	-	1,618,226	298	-
Total disbursements	-	6,220	-	1,618,226	298	28,732
Excess (deficiency) of receipts over disbursements	-	(5,880)	-	-	13,702	28,905
Cash and investments - ending	<u>\$ 554</u>	<u>\$ -</u>	<u>\$ 5,529</u>	<u>\$ -</u>	<u>\$ 52,477</u>	<u>\$ 35,425</u>

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

	CFDA #16.575 IN Criminal Justice	CFDA #10.557 WIC Grant	Drug Enforcement Grant	Homeland Security Grant	EMPG Grant	Emergency Management/ Certified Grant
Cash and investments - beginning	\$ 16,169	\$ (11,585)	\$ 68,124	\$ (500)	\$ (1)	\$ 26
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	10,519	-	-	-
Other receipts	14,569	54,780	6,446	-	11,223	-
Total receipts	14,569	54,780	16,965	-	11,223	-
Disbursements:						
Personal services	-	80,104	-	-	-	-
Supplies	-	1,786	-	-	-	-
Other services and charges	-	2,520	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	16,169	16,071	58,625	-	11,365	-
Total disbursements	16,169	100,481	58,625	-	11,365	-
Excess (deficiency) of receipts over disbursements	(1,600)	(45,701)	(41,660)	-	(142)	-
Cash and investments - ending	\$ 14,569	\$ (57,286)	\$ 26,464	\$ (500)	\$ (143)	\$ 26

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

	CFDA #16.800 IN Internet Crime	Senior Citizen Transporation Grant	HAVA Grant	Community Corrections Grant	TGF II	Bioterrorism Preparedness	Totals
Cash and investments - beginning	\$ -	\$ -	\$ 626	\$ 26,030	\$ 10,341	\$ 1,467	\$ 19,561,052
Receipts:							
Taxes	-	-	-	-	-	-	50,460,680
Licenses and permits	-	-	-	-	-	-	78,059
Intergovernmental receipts	-	-	-	-	-	-	8,701,925
Charges for services	-	-	-	-	-	-	704,017
Fines and forfeits	-	-	-	-	-	-	1,005,170
Other receipts	12	329,458	-	533,732	20,680	19,511	13,375,867
Total receipts	12	329,458	-	533,732	20,680	19,511	74,325,718
Disbursements:							
Personal services	-	-	-	495,472	20,680	-	7,076,418
Supplies	-	-	-	-	-	-	2,587,015
Other services and charges	-	-	-	-	-	-	5,799,343
Debt service - principal and interest	-	-	-	-	-	-	638,650
Capital outlay	-	-	-	-	-	11,342	3,994,773
Other disbursements	-	329,458	476	-	-	-	55,003,964
Total disbursements	-	329,458	476	495,472	20,680	11,342	75,100,163
Excess (deficiency) of receipts over disbursements	12	-	(476)	38,260	-	8,169	(774,445)
Cash and investments - ending	\$ 12	\$ -	\$ 150	\$ 64,290	\$ 10,341	\$ 9,636	\$ 18,786,607

WHITLEY COUNTY
SCHEDULE OF PAYABLES AND RECEIVABLES
December 31, 2015

<u>Government</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 182,839</u>	<u>\$ -</u>

WHITLEY COUNTY
SCHEDULE OF LEASES AND DEBT
December 31, 2015

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Whitley County Holding Corporation	Government Building	\$ 506,500	06/07/2012	01/15/2024
TCF Equipment Finance	Highway Truck Purchase	<u>87,104</u>	10/17/2014	02/15/2016
Total of annual lease payments		<u>\$ 593,604</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	Redevelopment Bonds of 2014, Series A	\$ 4,500,000	\$ 173,150
General obligation bonds	Redevelopment Bonds of 2014, Series B	3,000,000	92,482
Notes and loans payable	Medical Claim Payment	<u>625,000</u>	<u>138,598</u>
Totals		<u>\$ 8,125,000</u>	<u>\$ 404,230</u>

WHITLEY COUNTY
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2015

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	\$ 147,016
Infrastructure	35,397,934
Buildings	10,975,925
Improvements other than buildings	129,180
Machinery, equipment, and vehicles	5,611,606
 Total capital assets	 \$ 52,261,661

(This page intentionally left blank.)

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

TO: THE OFFICIALS OF WHITLEY COUNTY, INDIANA

Report on Compliance for the Major Federal Program

We have audited Whitley 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 its major federal program for the year ended December 31, 2015. The County's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on the Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2015.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE 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 the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the 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 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. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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


Paul D. Joyce, CPA
State Examiner

March 16, 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.

WHITLEY 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
Department of Agriculture					
Special Supplemental Nutrition Program for Women, Infants, and Children	Indiana State Department of Health	10.557	WIC WIC PC	\$ - -	\$ 51,769 3,011
Total - Department of Agriculture				-	54,780
Department of Housing and Urban Development					
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	Indiana Office of Community and Rural Affairs	14.228	DR2-09-211	-	65,000
Total - Department of Housing and Urban Development				-	65,000
Department of Justice					
Crime Victim Assistance	Indiana Criminal Justice Institute	16.575	2014-VA-GX-0062	-	16,169
Total - Department of Justice				-	16,169
Department of Transportation					
Highway Planning and Construction Cluster Highway Planning and Construction	Indiana Department of Transportation	20.205	DES 1382116	-	4,286
Total - Highway Planning and Construction Cluster				-	4,286
Formula Grants for Rural Areas	Indiana Department of Transportation	20.509	A249-14-320442 A249-15-320504	39,515 124,257	39,515 124,257
Total - Formula Grants for Rural Areas				163,772	163,772
Federal Transit Cluster Bus and Bus Facilities Formula Program	Indiana Department of Transportation	20.526	A249-15-320541	68,100	68,100
Total - Federal Transit Cluster				68,100	68,100
Total - Department of Transportation				231,872	236,158
Department of Health and Human Services					
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	Indiana State Department of Health	93.074	FY 2015	-	19,511
PPHF National Public Health Improvement Initiative	Indiana State Department of Health	93.507	A70-3-079848	-	298
Child Support Enforcement	Indiana Department of Child Services	93.563	FY 2015	-	399,304
Voting Access for Individuals with Disabilities_Grants to States	Indiana Secretary of State	93.617	FY 2015	-	476
Total - Department of Health and Human Services				-	419,589
Department of Homeland Security					
Emergency Management Performance Grants	Indiana Department of Homeland Security	97.042	C44P-5-542B C44P-5-774B	- -	6,923 20,958
Total - Emergency Management Performance Grants				-	27,881
Homeland Security Grant Program	Indiana Department of Homeland Security	97.067	C44P-5-823B	-	4,300
Total - Department of Homeland Security				-	32,181
Total federal awards expended				\$ 231,872	\$ 823,877

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

WHITLEY 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 the Uniform Guidance, 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 minimis indirect cost rate allowed under the Uniform Guidance.

WHITLEY 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 weakness identified?	yes
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major program:	
Material weakness identified?	no
Significant deficiency identified?	none reported
Any audit finding disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	no

Identification of Major Program and type of auditor's report issued on compliance for it:

CFDA Number	Name of Federal Program or Cluster	Opinion Issued
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

Section II - Financial Statement Findings

**FINDING 2015-001 - 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). One person was solely responsible for preparing and submitting the SEFA without oversight, review, or approval.

During the audit of the SEFA, there were the following errors:

1. The Special Supplemental Nutrition Program for Women, Infants, and Children grant was understated by \$11,586.
2. The Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii grant was understated by \$65,000.

WHITLEY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

3. The Formula Grants for Rural Areas grant was overstated by \$165,686.
4. The Bus and Bus Facilities Formula Program grant was understated by \$68,100.
5. The Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements grant was understated by \$8,169.
6. The PPHF National Public Health Improvement Initiative grant was overstated by \$1,197.
7. The Child Support Enforcement grant was understated by \$81,533.
8. The Homeland Security Grant Program grant was understated by \$4,300.

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 section 200.510(b) states:

"*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:

WHITLEY 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 the 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 of the County had not established a system of internal control that would have ensured accurate and complete reporting of the federal expenditures on the SEFA.

Effect

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

AUDITEE-PREPARED DOCUMENTS

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

Whitley County Auditor

Jana L. Schinbeckler

220 W Van Buren St., Suite 207 | Columbia City, Indiana 46725 | Phone: 260.248.3176

Email: wcauditor@whitleygov.com

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-001

Fiscal year in which the finding initially occurred: 2014

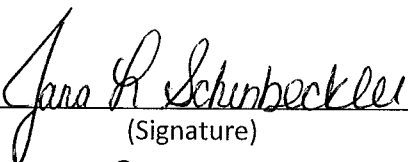
Contact Person Responsible for Corrective Action: Jana L. Schinbeckler, Auditor

Contact Phone Number: 260-248-3176

Status of Audit Finding:

The Auditor's Office has implemented an internal control system to be certain we are meeting all of the requirements for the segregation of duties and monitoring of controls. Departments now fill out their own claims and the Auditor reviews the ledger and the Commissioners review all of the claims. We have ensured that the proper documentation is with each claim and the Auditor now provides a docket breakdown sheet to the Commissioners at each meeting.

Dated this 16th day of March, 2017



(Signature)

Auditor

(Title)

3/16/17

(Date)



WHITLEY COUNTY BOARD OF COMMISSIONERS

Whitley County Government Center
220 W. Van Buren St., Ste. 103
Columbia City, IN 46725

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-001

Fiscal year in which the finding initially occurred: 2014

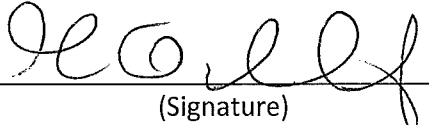
Contact Person Responsible for Corrective Action: George A. Schrumpf, Commissioner

Contact Phone Number: 260-248-3176

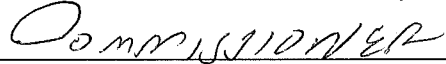
Status of Audit Finding:

The Board of Commissioners have implemented an internal control system to be certain we are meeting all of the requirements for the segregation of duties and monitoring of controls. Departments now fill out their own claims and the Auditor reviews the ledger and the Commissioners review all of the claims. We have ensured that the proper documentation is with each claim and the Auditor now provides a docket breakdown sheet to the Commissioners at each meeting.

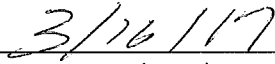
Dated this 16th day of March, 2017



(Signature)



(Title)



(Date)

Whitley County Auditor

Jana L. Schinbeckler

220 W Van Buren St., Suite 207 | Columbia City, Indiana 46725 | Phone: 260.248.3176

Email: wcauditor@whitleygov.com

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-002

Fiscal year in which the finding initially occurred: 2014

Contact Person Responsible for Corrective Action: Jana L. Schinbeckler, Auditor

Contact Phone Number: 260-248-3176

Status of Audit Finding:

The Auditor's Office now has internal controls in place to ensure that all appropriate personnel will oversee the schedule of expenditures for all grants and other federal monies that are received and/or disbursed as to be in compliance with the State Board of Accounts requirements.

Dated this 16th day of March, 2017

Jana L. Schinbeckler

(Signature)

Auditor

(Title)

3/16/17

(Date)

Whitley County Auditor

Jana L. Schinbeckler

220 W Van Buren St., Suite 207 | Columbia City, Indiana 46725 | Phone: 260.248.3176

Email: wcauditor@whitleygov.com

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-003

Fiscal year in which the finding initially occurred: 2014

Contact Person Responsible for Corrective Action: Jana L. Schinbeckler, Auditor

Contact Phone Number: 260-248-3176

Status of Audit Finding:

The Director of Whitley County Council on Aging is now sending the county auditor the grant application, grant agreements and quarterly claims with all supporting documentation to the Board of Commissioners and the County Auditor before the Commissioners meeting. This has allowed for enough time for their review prior to bringing it to the Commissioners meeting for approval and signatures. The Commissioners review and approval is now in the meeting minutes.

Dated this 16th day of March, 2017

Jana L. Schinbeckler

(Signature)

Auditor

(Title)

3/16/17

(Date)



WHITLEY COUNTY BOARD OF COMMISSIONERS

Whitley County Government Center

220 W. Van Buren St., Ste. 103

Columbia City, IN 46725

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-003

Fiscal year in which the finding initially occurred: 2014

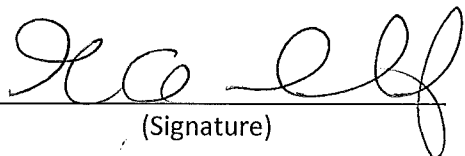
Contact Person Responsible for Corrective Action: George A. Schrupf, Commissioner

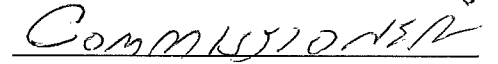
Contact Phone Number: 260-248-3176

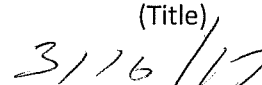
Status of Audit Finding:

The Director of Whitley County Council on Aging is now sending the county auditor the grant application, grant agreements and quarterly claims with all supporting documentation to the Board of Commissioners and the County Auditor before the Commissioners meeting. This has allowed for enough time for their review prior to bringing it to the Commissioners meeting for approval and signatures. The Commissioners review and approval is now in the meeting minutes.

Dated this 16th day of March, 2017



(Signature)


(Title)


(Date)

Whitley County Auditor

Jana L. Schinbeckler

220 W Van Buren St., Suite 207 | Columbia City, Indiana 46725 | Phone: 260.248.3176

Email: wcauditor@whitleygov.com

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-004

Fiscal year in which the finding initially occurred: 2014

Contact Person Responsible for Corrective Action: Jana L. Schinbeckler, Auditor

Contact Phone Number: 260-248-3176

Status of Audit Finding:

The County Auditor has now implemented internal controls to provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives and compliance with laws and regulations. Implementing this internal controls policy has addressed the segregation of duties and the ARRA funds are maintained separately.

Dated this 16th day of March, 2017

Jana L. Schinbeckler

(Signature)

Auditor

(Title)

3/16/17

(Date)

PROSECUTING ATTORNEY

82nd JUDICIAL CIRCUIT



WHITLEY COUNTY, INDIANA

D.J. SIGLER, JR. - PROSECUTOR
CORY A. SPREEN - CHIEF DEPUTY
LINDSEY A. GROSSNICKLE - DEPUTY

101 W. VAN BUREN ST., ROOM 13
COLUMBIA CITY, INDIANA 46725
TELEPHONE (260) 244-3000
FACSIMILE (260) 244-7380

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-005

PROSECUTOR'S
STAFF

Jennifer E. Fulk

Jennifer R. Patrick

Kristina M. Stinson

PROSECUTOR'S
INVESTIGATOR

Michael S. Christie

VICTIM'S
ADVOCATE

Denice R. Spencer

Fiscal year in which the finding initially occurred: 2014

Pass-Through Entity: IN Department of Child Services

Contact Person Responsible for Corrective Action: D.J. Sigler, Jr., Prosecutor

Contact Phone Number: 260-244-3000

Status of Audit Finding:

The Prosecutor's Office has implemented an internal control system to make certain we are meeting all requirements. We have completed and submitted the Time and Effort Personnel Activity Reports beginning in 2016. For the reporting period of February, 2017, we began using the Monthly Expense Claim Personal Services Worksheets. We are submitting the Semi-Annual IV-D Time and Effort Certifications retroactively for the period of July to December of 2016 and will continue to submit these forms on a semi-annual basis.

Dated this 7th day of March, 2017

D.J. Sigler, Jr.
Whitley County Prosecuting Attorney

Whitley County Auditor

Jana L. Schinbeckler

220 W Van Buren St., Suite 207 | Columbia City, Indiana 46725 | Phone: 260.248.3176

Email: wcauditor@whitleygov.com

CORRECTIVE ACTION PLAN

FINDING 2015-001

Contact Person Responsible for Corrective Action: Jana Schinbeckler

Contact Phone Number: 260-248-3176

Views of Responsible Official: As county auditor it is important to have sufficient preparation of the schedule of expenditures of federal awards.

Description of Corrective Action Plan:

In regard to future preparation of the schedule of expenditures of federal awards, Whitley County will ensure that all appropriate personnel will oversee the schedule of expenditures for all grants and other federal monies that are received and/or disbursed as to be in compliance with the State Board of Accounts requirements.

Anticipated Completion Date: Corrected action will be put in place immediately.

Jana L. Schinbeckler

(Signature)

Auditor

(Title)

2/28/17

(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/>.