

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

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



FILED
06/06/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Julie A. Fox	01-01-15 to 12-31-18
County Treasurer	Penny A. Lukenbill Angela C. Birchmeier	01-01-15 to 12-31-16 01-01-17 to 12-31-20
County Sheriff	Thomas G. Chamberlin William Cleavenger Matthew K. Hassel	01-01-15 to 08-28-15 08-29-15 to 09-30-15 10-01-15 to 12-31-18
Clerk of the Circuit Court	Deborah P. VanDeMark	01-01-15 to 12-31-18
County Recorder	Marlene K. Mahler	01-01-15 to 12-31-18
President of the Board of County Commissioners	Kevin G. Overmyer	01-01-15 to 12-31-17
President of the County Council	Matthew K. Hassel Don Morrison Judith Stone	01-01-15 to 09-30-15 10-01-15 to 12-31-15 01-01-16 to 12-31-17



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF MARSHALL COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of Marshall 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 April 10, 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

April 10, 2017



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

TO: THE OFFICIALS OF MARSHALL 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 Marshall 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 April 10, 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 items 2015-001, 2015-002, and 2015-003 that we consider to be material weaknesses.

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

Compliance and Other Matters


As part of obtaining reasonable assurance about whether the County's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2015-001.

Marshall 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

April 10, 2017

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

MARSHALL 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
General	\$ 6,539,961	\$ 8,873,955	\$ 8,574,535	\$ 6,839,381
Accident Report	6,019	6,805	9,308	3,516
CAGIT Special Legislation	5,767,660	2,304,810	1,838,049	6,234,421
CAGIT County Certified Shares	1,234,217	3,153,618	3,061,539	1,326,296
Campaign Finance Enforcement County	842	-	-	842
Child Advocacy	2,210	-	-	2,210
City and Town Court Costs	4,738	18,719	11,844	11,613
Clerk's Records Perpetuation	88,423	33,220	34,515	87,128
Community Corrections	200	-	-	200
Congressional School Interest	17,088	202	-	17,290
Congressional School Principal	21,223	-	-	21,223
Sales Disclosure County Share	29,900	5,660	3,368	32,192
Cummulative Bridge	653,216	1,050,970	824,494	879,692
Cummulative Capital Development	924,588	474,405	452,363	946,630
Drug Free Community	62,097	56,656	59,228	59,525
Emergency Planning/Right to Know	26,452	21,706	24,732	23,426
Enhanced Access	399	-	-	399
Extradition and Sheriff's Assistance	151,109	12,667	1,937	161,839
Firearms Training	70,214	19,560	25,888	63,886
General Drain Improvement	331,816	160,159	104,775	387,200
Health	691,040	395,338	357,961	728,417
Identification Security Protection	30,148	3,340	-	33,488
Levy Excess	46,754	-	-	46,754
Local Health Maintenance	43,572	33,139	30,489	46,222
Local Road and Street	201,140	444,049	434,237	210,952
Misdemeanant	51,382	43,069	35,750	58,701
Motor Vehicle Highway	1,724,608	5,300,500	5,219,421	1,805,687
Plat Book	75,075	11,718	9,556	77,237
Rainy Day	3,728,521	32,626	442,003	3,319,144
Reassessment 2009	40	-	40	-
Reassessment 2015	756,864	316,999	358,456	715,407
Recorder's Records Perpetuation	59,000	68,740	90,942	36,798
Sex and Violent Offender Administration	15,533	3,951	977	18,507
Sheriff's Pension Trust	7,210	39,473	37,208	9,475
Supplemental Public Defender Services	81,849	24,264	-	106,113
Surplus Tax	45,276	30,652	20,784	55,144
Surveyor's Corner Perpetuation	6,991	9,485	5,483	10,993
Tax Sale Redemption	112	160,372	160,652	(168)
Tax Sale Surplus	318,728	232,618	339,993	211,353
Local Health Department Trust Account	71,060	25,094	7,674	88,480
Victim Impact Program	2,346	-	-	2,346
GAL/CASA	148,322	39,216	46,101	141,437
Auditors Ineligible Deductions	36,278	-	6,000	30,278
County Elected Officials Training	11,957	3,340	955	14,342
Statewide 911	464,271	510,709	703,688	271,292
Adult Probation Administrative	44,570	40,832	84,000	1,402
Juvenile Probation Administrative	3,309	-	-	3,309
Supplemental Adult Probation Services	528,213	74,581	59,013	543,781
Supplemental Juvenile Probation Services	25,419	4,587	-	30,006
County User Fee	41,142	20,015	19,454	41,703
Drain Maintenance	1,608,638	334,555	441,093	1,502,100
Drug Task Force	29,212	-	10,776	18,436
DUI Task Force	781	10,000	10,000	781
K-9	3,128	500	-	3,628
Payroll Clearing	113,008	4,274,120	4,247,995	139,133
Settlement	-	38,177,405	38,177,405	-
CVET Agency	8	343,582	343,590	-
Sewage Collections	1,177	22,516	21,416	2,277
Financial Institution Tax	-	183,713	183,713	-
Homestead Credit Rebate	22,466	214	-	22,680

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

MARSHALL 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
LOIT PTRC	-	2,250,244	2,250,244	-
State Fines and Forfeitures	16,631	53,402	64,917	5,116
Infraction Judgements	8,363	125,857	124,788	9,432
Special Death Benefit	210	4,740	4,480	470
Sales Disclosure State Share	585	5,660	5,705	540
Coroners Training & Con't Education	710	5,642	5,772	580
Interstate Compact State Share	-	250	250	-
Mortgage Recording Fees State Share	245	3,941	3,893	293
DLGF Homestead Property Database Fund	(34)	34	-	-
Sex and Violent Offender Admin State	22	439	431	30
Child Restraint Violation Fines	150	1,575	1,525	200
Military Fines	4	-	4	-
Inheritance Tax	29,051	952	30,003	-
Education Plate Fees Agency	94	637	619	112
Riverboat Revenue Sharing	-	278,726	278,726	-
Innkeepers Tax Collections	19,200	313,178	316,261	16,117
Judgements Due Law Enforcement	2,649	-	-	2,649
93.563 ARRA Prosecutor IV-D Incentive	642	-	642	-
93.563 Prosecutor IV-D Incentive-Post Oct '99	94,235	36,267	68,153	62,349
93.563 Clerk IV-D Incentive-Prior To Oct '99	5,550	-	4,423	1,127
93.563 Clerk IV-D Incentive-Post Oct '99	139,806	24,107	1,186	162,727
Commissioners Certificate Sale	-	20,278	20,278	-
Classified Forrest/Restoration	-	302	302	-
After Settlement Collections	1,274,160	1,116,075	1,274,160	1,116,075
Clerk's Trust Account	2,299,277	6,081,204	5,942,523	2,437,958
Jail Commissary	133,376	98,194	101,886	129,684
Sheriff's Inmate Trust Account	17,780	1,483,532	1,501,003	309
Petty Cash Funds	590	-	-	590
Treasurer's Cash Fund	500	-	-	500
Prosecutor Pre-Trial Diversion	167,422	116,117	92,821	190,718
Sheriff Pre-Trial Diversion	4,055	-	-	4,055
Court Services	410,667	324,711	303,890	431,488
MC DTF#2	488	-	-	488
Victim Assistance Donations	1,195	-	-	1,195
Road Cut Bonds	19,700	8,000	10,000	17,700
Intrastate Compact Fees	3,130	398	-	3,528
EPICS Fund	65,090	14,400	-	79,490
Governors Drug Free Indiana	253	-	-	253
DARE	17,240	7,255	7,593	16,902
Crossroads Museum Project	980	-	-	980
Historical Society	8,154	39,000	37,840	9,314
Personal Property Tax Judgement	3,065	-	2	3,063
Sheriff Continuing Education	23,030	5,059	3,707	24,382
Prosecutor Continuing Education	476	-	-	476
Supplemental Technology	3,270	-	-	3,270
DEA Forfeiture Fund	51,904	12,145	-	64,049
Old Surplus Dog Tax	26	-	-	26
Local Option Certified Shares	-	6,750,734	6,750,734	-
MVH Distribution Fund	-	2,653,845	2,653,845	-
10.557 WIC	(19,958)	145,033	180,448	(55,373)
16.575 Victim Assistance	5,163	-	-	5,163
20.509 Older Adult Service Grant	7,889	294,806	294,806	7,889
20.609 Operation Pull Over	5,768	5,630	11,235	163
97.042 EMA Grants	3,276	28,355	28,355	3,276
97.012 Lake Enforce DNR Grant	9,881	40,000	43,252	6,629
93.563 County IVD Incentive	276,175	24,107	-	300,282
Totals	\$ 32,083,655	\$ 89,783,255	\$ 89,354,102	\$ 32,512,808

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

MARSHALL 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.

MARSHALL 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.

MARSHALL 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.

MARSHALL 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

MARSHALL 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. The Tax Sale Redemption fund deficit is due to disbursements exceeding receipts. The 10.557 WIC fund deficit is due to the fund being set up for a reimbursable grant. The reimbursement for expenditures made by the County were not received by December 31, 2015.

MARSHALL COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 8. Holding Corporation

The County entered into a capital lease with Marshall 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 \$1,170,500.

Note 9. Combined Funds

Funds related to settlement were reported individually in the prior financial statement, but were combined into one fund for the current financial statement.

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OTHER INFORMATION - UNAUDITED

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

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

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

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

	General	Accident Report	CAGIT Special Legislation	CAGIT County Certified Shares	Campaign Finance Enforcement County	Child Advocacy	City and Town Court Costs
Cash and investments - beginning	\$ 6,539,961	\$ 6,019	\$ 5,767,660	\$ 1,234,217	\$ 842	\$ 2,210	\$ 4,738
Receipts:							
Taxes	6,477,056	-	2,250,244	3,112,367	-	-	-
Licenses and permits	78,455	-	-	-	-	-	-
Intergovernmental receipts	1,115,593	-	-	-	-	-	-
Charges for services	363,157	-	-	1,261	-	-	-
Fines and forfeits	229,789	-	-	-	-	-	18,719
Other receipts	609,905	6,805	54,566	39,990	-	-	-
Total receipts	<u>8,873,955</u>	<u>6,805</u>	<u>2,304,810</u>	<u>3,153,618</u>	<u>-</u>	<u>-</u>	<u>18,719</u>
Disbursements:							
Personal services	5,520,164	-	485,074	2,358,182	-	-	-
Supplies	182,511	-	-	337,701	-	-	-
Other services and charges	2,600,516	-	35,675	233,656	-	-	-
Debt service - principal and interest	-	-	1,170,500	-	-	-	-
Capital outlay	105,302	-	146,800	132,000	-	-	-
Other disbursements	166,042	9,308	-	-	-	-	11,844
Total disbursements	<u>8,574,535</u>	<u>9,308</u>	<u>1,838,049</u>	<u>3,061,539</u>	<u>-</u>	<u>-</u>	<u>11,844</u>
Excess (deficiency) of receipts over disbursements	<u>299,420</u>	<u>(2,503)</u>	<u>466,761</u>	<u>92,079</u>	<u>-</u>	<u>-</u>	<u>6,875</u>
Cash and investments - ending	<u>\$ 6,839,381</u>	<u>\$ 3,516</u>	<u>\$ 6,234,421</u>	<u>\$ 1,326,296</u>	<u>\$ 842</u>	<u>\$ 2,210</u>	<u>\$ 11,613</u>

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

	Clerk's Records Perpetuation	Community Corrections	Congressional School Interest	Congressional School Principal	Sales Disclosure County Share	Cummulative Bridge	Cummulative Capital Development
Cash and investments - beginning	\$ 88,423	\$ 200	\$ 17,088	\$ 21,223	\$ 29,900	\$ 653,216	\$ 924,588
Receipts:							
Taxes	-	-	14	-	-	659,274	425,257
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	54,627	35,237
Charges for services	-	-	-	-	5,660	330,288	-
Fines and forfeits	33,220	-	-	-	-	-	-
Other receipts	-	-	188	-	-	6,781	13,911
Total receipts	33,220	-	202	-	5,660	1,050,970	474,405
Disbursements:							
Personal services	218	-	-	-	-	104,307	-
Supplies	1,343	-	-	-	-	11,525	-
Other services and charges	14,450	-	-	-	1,843	143,774	357,944
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	18,502	-	-	-	1,525	564,888	94,419
Other disbursements	2	-	-	-	-	-	-
Total disbursements	34,515	-	-	-	3,368	824,494	452,363
Excess (deficiency) of receipts over disbursements	(1,295)	-	202	-	2,292	226,476	22,042
Cash and investments - ending	\$ 87,128	\$ 200	\$ 17,290	\$ 21,223	\$ 32,192	\$ 879,692	\$ 946,630

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

	Drug Free Community	Emergency Planning/Right to Know	Enhanced Access	Extradition and Sheriff's Assistance	Firearms Training	General Drain Improvement	Health
Cash and investments - beginning	\$ 62,097	\$ 26,452	\$ 399	\$ 151,109	\$ 70,214	\$ 331,816	\$ 691,040
Receipts:							
Taxes	-	-	-	-	-	154,253	289,376
Licenses and permits	-	-	-	-	-	-	35,695
Intergovernmental receipts	56,656	21,706	-	-	-	-	27,477
Charges for services	-	-	-	12,667	-	-	18,113
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	19,560	5,906	24,677
Total receipts	<u>56,656</u>	<u>21,706</u>	<u>-</u>	<u>12,667</u>	<u>19,560</u>	<u>160,159</u>	<u>395,338</u>
Disbursements:							
Personal services	-	-	-	-	-	-	329,886
Supplies	-	-	-	-	-	-	8,340
Other services and charges	59,228	24,732	-	1,937	-	-	19,616
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	25,888	104,775	119
Total disbursements	<u>59,228</u>	<u>24,732</u>	<u>-</u>	<u>1,937</u>	<u>25,888</u>	<u>104,775</u>	<u>357,961</u>
Excess (deficiency) of receipts over disbursements	<u>(2,572)</u>	<u>(3,026)</u>	<u>-</u>	<u>10,730</u>	<u>(6,328)</u>	<u>55,384</u>	<u>37,377</u>
Cash and investments - ending	<u>\$ 59,525</u>	<u>\$ 23,426</u>	<u>\$ 399</u>	<u>\$ 161,839</u>	<u>\$ 63,886</u>	<u>\$ 387,200</u>	<u>\$ 728,417</u>

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

	Identification Security Protection	Levy Excess	Local Health Maintenance	Local Road and Street	Misdemeanant	Motor Vehicle Highway	Plat Book
Cash and investments - beginning	\$ 30,148	\$ 46,754	\$ 43,572	\$ 201,140	\$ 51,382	\$ 1,724,608	\$ 75,075
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	33,139	444,049	33,998	3,400,069	-
Charges for services	3,340	-	-	-	-	260,829	11,718
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	9,071	1,639,602	-
Total receipts	<u>3,340</u>	<u>-</u>	<u>33,139</u>	<u>444,049</u>	<u>43,069</u>	<u>5,300,500</u>	<u>11,718</u>
Disbursements:							
Personal services	-	-	29,531	-	-	1,746,447	9,509
Supplies	-	-	-	434,237	-	2,135,337	47
Other services and charges	-	-	958	-	29,170	683,259	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	6,580	654,378	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>30,489</u>	<u>434,237</u>	<u>35,750</u>	<u>5,219,421</u>	<u>9,556</u>
Excess (deficiency) of receipts over disbursements	<u>3,340</u>	<u>-</u>	<u>2,650</u>	<u>9,812</u>	<u>7,319</u>	<u>81,079</u>	<u>2,162</u>
Cash and investments - ending	<u>\$ 33,488</u>	<u>\$ 46,754</u>	<u>\$ 46,222</u>	<u>\$ 210,952</u>	<u>\$ 58,701</u>	<u>\$ 1,805,687</u>	<u>\$ 77,237</u>

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

	Rainy Day	Reassessment 2009	Reassessment 2015	Recorder's Records Perpetuation	Sex and Violent Offender Administration	Sheriff's Pension Trust	Supplemental Public Defender Services
Cash and investments - beginning	\$ 3,728,521	\$ 40	\$ 756,864	\$ 59,000	\$ 15,533	\$ 7,210	\$ 81,849
Receipts:							
Taxes	-	-	274,278	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	22,727	-	-	-	-
Charges for services	-	-	-	68,740	-	39,473	-
Fines and forfeits	-	-	-	-	3,951	-	-
Other receipts	32,626	-	19,994	-	-	-	24,264
Total receipts	<u>32,626</u>	<u>-</u>	<u>316,999</u>	<u>68,740</u>	<u>3,951</u>	<u>39,473</u>	<u>24,264</u>
Disbursements:							
Personal services	-	-	187,677	-	977	-	-
Supplies	-	-	435	-	-	-	-
Other services and charges	322,253	-	16,979	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	119,750	-	153,365	-	-	-	-
Other disbursements	-	40	-	90,942	-	37,208	-
Total disbursements	<u>442,003</u>	<u>40</u>	<u>358,456</u>	<u>90,942</u>	<u>977</u>	<u>37,208</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(409,377)</u>	<u>(40)</u>	<u>(41,457)</u>	<u>(22,202)</u>	<u>2,974</u>	<u>2,265</u>	<u>24,264</u>
Cash and investments - ending	<u>\$ 3,319,144</u>	<u>\$ -</u>	<u>\$ 715,407</u>	<u>\$ 36,798</u>	<u>\$ 18,507</u>	<u>\$ 9,475</u>	<u>\$ 106,113</u>

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

	Surplus Tax	Surveyor's Corner Perpetuation	Tax Sale Redemption	Tax Sale Surplus	Local Health Department Trust Account	Victim Impact Program	GAL/CASA
Cash and investments - beginning	\$ 45,276	\$ 6,991	\$ 112	\$ 318,728	\$ 71,060	\$ 2,346	\$ 148,322
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	25,094	-	22,285
Charges for services	-	9,485	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	30,652	-	160,372	232,618	-	-	16,931
Total receipts	<u>30,652</u>	<u>9,485</u>	<u>160,372</u>	<u>232,618</u>	<u>25,094</u>	<u>-</u>	<u>39,216</u>
Disbursements:							
Personal services	-	-	-	-	7,674	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	20,784	5,483	160,652	339,993	-	-	46,101
Total disbursements	<u>20,784</u>	<u>5,483</u>	<u>160,652</u>	<u>339,993</u>	<u>7,674</u>	<u>-</u>	<u>46,101</u>
Excess (deficiency) of receipts over disbursements	<u>9,868</u>	<u>4,002</u>	<u>(280)</u>	<u>(107,375)</u>	<u>17,420</u>	<u>-</u>	<u>(6,885)</u>
Cash and investments - ending	<u>\$ 55,144</u>	<u>\$ 10,993</u>	<u>\$ (168)</u>	<u>\$ 211,353</u>	<u>\$ 88,480</u>	<u>\$ 2,346</u>	<u>\$ 141,437</u>

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

	Auditors Ineligible Deductions	County Elected Officials Training	Statewide 911	Adult Probation Administrative	Juvenile Probation Administrative	Supplemental Adult Probation Services	Supplemental Juvenile Probation Services
Cash and investments - beginning	\$ 36,278	\$ 11,957	\$ 464,271	\$ 44,570	\$ 3,309	\$ 528,213	\$ 25,419
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	3,340	507,372	-	-	-	-
Fines and forfeits	-	-	-	40,832	-	74,581	4,587
Other receipts	-	-	3,337	-	-	-	-
Total receipts	<u>-</u>	<u>3,340</u>	<u>510,709</u>	<u>40,832</u>	<u>-</u>	<u>74,581</u>	<u>4,587</u>
Disbursements:							
Personal services	-	-	522,794	-	-	4,625	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	955	93,195	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	87,699	-	-	-	-
Other disbursements	6,000	-	-	84,000	-	54,388	-
Total disbursements	<u>6,000</u>	<u>955</u>	<u>703,688</u>	<u>84,000</u>	<u>-</u>	<u>59,013</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(6,000)</u>	<u>2,385</u>	<u>(192,979)</u>	<u>(43,168)</u>	<u>-</u>	<u>15,568</u>	<u>4,587</u>
Cash and investments - ending	<u>\$ 30,278</u>	<u>\$ 14,342</u>	<u>\$ 271,292</u>	<u>\$ 1,402</u>	<u>\$ 3,309</u>	<u>\$ 543,781</u>	<u>\$ 30,006</u>

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

	County User Fee	Drain Maintenance	Drug Task Force	DUI Task Force	K-9	Payroll Clearing	Settlement
Cash and investments - beginning	\$ 41,142	\$ 1,608,638	\$ 29,212	\$ 781	\$ 3,128	\$ 113,008	\$ -
Receipts:							
Taxes	-	334,555	-	-	-	-	37,861,529
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	10,000	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	20,015	-	-	-	-	-	-
Other receipts	-	-	-	-	500	4,274,120	315,876
Total receipts	<u>20,015</u>	<u>334,555</u>	<u>-</u>	<u>10,000</u>	<u>500</u>	<u>4,274,120</u>	<u>38,177,405</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	100	-	-	-	-
Other services and charges	-	-	8,705	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	1,971	-	-	-	-
Other disbursements	19,454	441,093	-	10,000	-	4,247,995	38,177,405
Total disbursements	<u>19,454</u>	<u>441,093</u>	<u>10,776</u>	<u>10,000</u>	<u>-</u>	<u>4,247,995</u>	<u>38,177,405</u>
Excess (deficiency) of receipts over disbursements	<u>561</u>	<u>(106,538)</u>	<u>(10,776)</u>	<u>-</u>	<u>500</u>	<u>26,125</u>	<u>-</u>
Cash and investments - ending	<u>\$ 41,703</u>	<u>\$ 1,502,100</u>	<u>\$ 18,436</u>	<u>\$ 781</u>	<u>\$ 3,628</u>	<u>\$ 139,133</u>	<u>\$ -</u>

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

	CVET Agency	Sewage Collections	Financial Institution Tax	Homestead Credit Rebate	LOIT PTRC	State Fines and Forfeitures	Infraction Judgements
Cash and investments - beginning	\$ 8	\$ 1,177	\$ -	\$ 22,466	\$ -	\$ 16,631	\$ 8,363
Receipts:							
Taxes	-	22,516	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	343,582	-	183,713	-	2,250,244	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	53,402	-
Other receipts	-	-	-	214	-	-	125,857
Total receipts	<u>343,582</u>	<u>22,516</u>	<u>183,713</u>	<u>214</u>	<u>2,250,244</u>	<u>53,402</u>	<u>125,857</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	343,590	21,416	183,713	-	2,250,244	64,917	124,788
Total disbursements	<u>343,590</u>	<u>21,416</u>	<u>183,713</u>	<u>-</u>	<u>2,250,244</u>	<u>64,917</u>	<u>124,788</u>
Excess (deficiency) of receipts over disbursements	<u>(8)</u>	<u>1,100</u>	<u>-</u>	<u>214</u>	<u>-</u>	<u>(11,515)</u>	<u>1,069</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 2,277</u>	<u>\$ -</u>	<u>\$ 22,680</u>	<u>\$ -</u>	<u>\$ 5,116</u>	<u>\$ 9,432</u>

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

	Special Death Benefit	Sales Disclosure State Share	Coroners Training & Con't Education	Interstate Compact State Share	Mortgage Recording Fees State Share	DLGF Homestead Property Database Fund	Sex and Violent Offender Admin State
Cash and investments - beginning	\$ 210	\$ 585	\$ 710	\$ -	\$ 245	\$ (34)	\$ 22
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	5,660	-	-	3,941	-	-
Fines and forfeits	-	-	-	250	-	-	439
Other receipts	4,740	-	5,642	-	-	34	-
Total receipts	<u>4,740</u>	<u>5,660</u>	<u>5,642</u>	<u>250</u>	<u>3,941</u>	<u>34</u>	<u>439</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	4,480	5,705	5,772	250	3,893	-	431
Total disbursements	<u>4,480</u>	<u>5,705</u>	<u>5,772</u>	<u>250</u>	<u>3,893</u>	<u>-</u>	<u>431</u>
Excess (deficiency) of receipts over disbursements	<u>260</u>	<u>(45)</u>	<u>(130)</u>	<u>-</u>	<u>48</u>	<u>34</u>	<u>8</u>
Cash and investments - ending	<u>\$ 470</u>	<u>\$ 540</u>	<u>\$ 580</u>	<u>\$ -</u>	<u>\$ 293</u>	<u>\$ -</u>	<u>\$ 30</u>

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

	Child Restraint Violation Fines	Military Fines	Inheritance Tax	Education Plate Fees Agency	Riverboat Revenue Sharing	Innkeepers Tax Collections	Judgements Due Law Enforcement
Cash and investments - beginning	\$ 150	\$ 4	\$ 29,051	\$ 94	\$ -	\$ 19,200	\$ 2,649
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	952	637	278,726	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	1,575	-	-	-	-	-	-
Other receipts	-	-	-	-	-	313,178	-
Total receipts	<u>1,575</u>	<u>-</u>	<u>952</u>	<u>637</u>	<u>278,726</u>	<u>313,178</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	1,525	4	30,003	619	278,726	316,261	-
Total disbursements	<u>1,525</u>	<u>4</u>	<u>30,003</u>	<u>619</u>	<u>278,726</u>	<u>316,261</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>50</u>	<u>(4)</u>	<u>(29,051)</u>	<u>18</u>	<u>-</u>	<u>(3,083)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 200</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 112</u>	<u>\$ -</u>	<u>\$ 16,117</u>	<u>\$ 2,649</u>

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

	93.563 ARRA Prosecutor IV-D Incentive	93.563 Prosecutor IV-D Incentive-Post Oct '99	93.563 Clerk IV-D Incentive-Prior To Oct '99	93.563 Clerk IV-D Incentive-Post Oct '99	Commissioners Certificate Sale	Classified Forrest/ Restoration	After Settlement Collections
Cash and investments - beginning	\$ 642	\$ 94,235	\$ 5,550	\$ 139,806	\$ -	\$ -	\$ 1,274,160
Receipts:							
Taxes	-	-	-	-	-	302	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	36,267	-	24,107	20,278	-	1,116,075
Total receipts	-	36,267	-	24,107	20,278	302	1,116,075
Disbursements:							
Personal services	-	68,153	-	-	-	-	-
Supplies	492	-	-	114	-	-	-
Other services and charges	150	-	-	1,072	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	4,423	-	20,278	302	1,274,160
Total disbursements	642	68,153	4,423	1,186	20,278	302	1,274,160
Excess (deficiency) of receipts over disbursements	(642)	(31,886)	(4,423)	22,921	-	-	(158,085)
Cash and investments - ending	\$ -	\$ 62,349	\$ 1,127	\$ 162,727	\$ -	\$ -	\$ 1,116,075

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

	Clerk's Trust Account	Jail Commissary	Sheriff's Inmate Trust Account	Petty Cash Funds	Treasurer's Cash Fund	Prosecutor Pre-Trial Diversion	Sheriff Pre-Trial Diversion
Cash and investments - beginning	\$ 2,299,277	\$ 133,376	\$ 17,780	\$ 590	\$ 500	\$ 167,422	\$ 4,055
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	6,081,204	98,194	1,483,532	-	-	116,117	-
Total receipts	<u>6,081,204</u>	<u>98,194</u>	<u>1,483,532</u>	<u>-</u>	<u>-</u>	<u>116,117</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	-	-	47,598	-
Supplies	-	-	-	-	-	3,294	-
Other services and charges	-	-	-	-	-	40,924	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	1,005	-
Other disbursements	5,942,523	101,886	1,501,003	-	-	-	-
Total disbursements	<u>5,942,523</u>	<u>101,886</u>	<u>1,501,003</u>	<u>-</u>	<u>-</u>	<u>92,821</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>138,681</u>	<u>(3,692)</u>	<u>(17,471)</u>	<u>-</u>	<u>-</u>	<u>23,296</u>	<u>-</u>
Cash and investments - ending	<u>\$ 2,437,958</u>	<u>\$ 129,684</u>	<u>\$ 309</u>	<u>\$ 590</u>	<u>\$ 500</u>	<u>\$ 190,718</u>	<u>\$ 4,055</u>

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

	Court Services	MC DTF#2	Victim Assistance Donations	Road Cut Bonds	Intrastate Compact Fees	EPICS Fund	Governors Drug Free Indiana
Cash and investments - beginning	\$ 410,667	\$ 488	\$ 1,195	\$ 19,700	\$ 3,130	\$ 65,090	\$ 253
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	324,711	-	-	8,000	-	-	-
Fines and forfeits	-	-	-	-	398	-	-
Other receipts	-	-	-	-	-	14,400	-
Total receipts	<u>324,711</u>	<u>-</u>	<u>-</u>	<u>8,000</u>	<u>398</u>	<u>14,400</u>	<u>-</u>
Disbursements:							
Personal services	181,756	-	-	-	-	-	-
Supplies	2,555	-	-	-	-	-	-
Other services and charges	103,557	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	1,329	-	-	-	-	-	-
Other disbursements	14,693	-	-	10,000	-	-	-
Total disbursements	<u>303,890</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>20,821</u>	<u>-</u>	<u>-</u>	<u>(2,000)</u>	<u>398</u>	<u>14,400</u>	<u>-</u>
Cash and investments - ending	<u>\$ 431,488</u>	<u>\$ 488</u>	<u>\$ 1,195</u>	<u>\$ 17,700</u>	<u>\$ 3,528</u>	<u>\$ 79,490</u>	<u>\$ 253</u>

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

	DARE	Crossroads Museum Project	Historical Society	Personal Property Tax Judgement	Sheriff Continuing Education	Prosecutor Continuing Education	Supplemental Technology
Cash and investments - beginning	\$ 17,240	\$ 980	\$ 8,154	\$ 3,065	\$ 23,030	\$ 476	\$ 3,270
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	4,959	-	-
Other receipts	7,255	-	39,000	-	100	-	-
Total receipts	<u>7,255</u>	<u>-</u>	<u>39,000</u>	<u>-</u>	<u>5,059</u>	<u>-</u>	<u>-</u>
Disbursements:							
Personal services	-	-	37,840	-	-	-	-
Supplies	6,217	-	-	-	-	-	-
Other services and charges	1,376	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	2	3,707	-	-
Total disbursements	<u>7,593</u>	<u>-</u>	<u>37,840</u>	<u>2</u>	<u>3,707</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(338)</u>	<u>-</u>	<u>1,160</u>	<u>(2)</u>	<u>1,352</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 16,902</u>	<u>\$ 980</u>	<u>\$ 9,314</u>	<u>\$ 3,063</u>	<u>\$ 24,382</u>	<u>\$ 476</u>	<u>\$ 3,270</u>

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

	DEA Forfeiture Fund	Old Surplus Dog Tax	Local Option Certified Shares	MVH Distribution Fund	10.557 WIC	16.575 Victim Assistance
Cash and investments - beginning	\$ 51,904	\$ 26	\$ -	\$ -	\$ (19,958)	\$ 5,163
Receipts:						
Taxes	-	-	6,750,734	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	2,653,845	145,033	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	12,145	-	-	-	-	-
Total receipts	<u>12,145</u>	<u>-</u>	<u>6,750,734</u>	<u>2,653,845</u>	<u>145,033</u>	<u>-</u>
Disbursements:						
Personal services	-	-	-	-	130,499	-
Supplies	-	-	-	-	3,267	-
Other services and charges	-	-	-	-	46,682	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	6,750,734	2,653,845	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>6,750,734</u>	<u>2,653,845</u>	<u>180,448</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>12,145</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(35,415)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 64,049</u>	<u>\$ 26</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (55,373)</u>	<u>\$ 5,163</u>

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

	20.509 Older Adult Service Grant	20.609 Operation Pull Over	97.042 EMA Grants	97.012 Lake Enforce DNR Grant	93.563 County IVD Incentive	Totals
Cash and investments - beginning	\$ 7,889	\$ 5,768	\$ 3,276	\$ 9,881	\$ 276,175	\$ 32,083,655
Receipts:						
Taxes	-	-	-	-	-	58,611,755
Licenses and permits	-	-	-	-	-	114,150
Intergovernmental receipts	294,806	5,630	28,355	20,000	-	11,508,180
Charges for services	-	-	-	-	-	1,977,755
Fines and forfeits	-	-	-	-	-	486,717
Other receipts	-	-	-	20,000	24,107	17,084,698
Total receipts	<u>294,806</u>	<u>5,630</u>	<u>28,355</u>	<u>40,000</u>	<u>24,107</u>	<u>89,783,255</u>
Disbursements:						
Personal services	-	-	-	35,607	-	11,808,518
Supplies	-	-	-	5,763	-	3,133,278
Other services and charges	-	-	-	1,882	-	4,844,488
Debt service - principal and interest	-	-	-	-	-	1,170,500
Capital outlay	-	-	28,355	-	-	2,117,868
Other disbursements	294,806	11,235	-	-	-	66,279,450
Total disbursements	<u>294,806</u>	<u>11,235</u>	<u>28,355</u>	<u>43,252</u>	<u>-</u>	<u>89,354,102</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(5,605)</u>	<u>-</u>	<u>(3,252)</u>	<u>24,107</u>	<u>429,153</u>
Cash and investments - ending	<u>\$ 7,889</u>	<u>\$ 163</u>	<u>\$ 3,276</u>	<u>\$ 6,629</u>	<u>\$ 300,282</u>	<u>\$ 32,512,808</u>

MARSHALL COUNTY
SCHEDULE OF PAYABLES AND RECEIVABLES
December 31, 2015

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 1,758,892</u>	<u>\$ -</u>

MARSHALL COUNTY
 SCHEDULE OF LEASES AND DEBT
 December 31, 2015

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities: Marshall County Holding Corporation	Lease Rental Refunding Bonds of 2014	<u>\$ 1,170,500</u>	2/1/2015	2/1/2027

MARSHALL 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.

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 985,798
Infrastructure	78,913,970
Buildings	22,763,176
Machinery, equipment, and vehicles	<u>8,684,897</u>
Total capital assets	<u>\$ 111,347,841</u>

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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 MARSHALL COUNTY, INDIANA

Report on Compliance for the Major Federal Program

We have audited Marshall 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

April 10, 2017

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through To Subrecipient	Total Federal Awards Expended
<u>Department of Agriculture</u>					
Special Supplemental Nutrition Program for Women, Infants, and Children Breastfeeding Peer Counselor (BFPC)	Indiana Department of Health	10.557	A70-5-070652	\$ -	\$ 3,812
Nutrition Services and Administration (NSA) 2014-2015				-	129,087
Nutrition Services and Administration (NSA) 2015-2016				-	12,133
Total - Department of Agriculture				-	145,032
<u>Department of Transportation</u>					
Highway Planning and Construction Cluster Highway Planning and Construction Pierce Street Bridge #225	Indiana Department of Transportation	20.205	DES #0800779	-	267
7th Road Construction			DES #0810140	-	297,186
Seltenright Bridge #310			DES #1173280	-	50,528
7th Road Wetland Mitigation			DES #1297268	-	28,946
Bridge Inspection			DES #1382094	-	63,174
Hickory Road Bridge #81			DES #1383474	-	86,672
Total - Highway Planning and Construction Cluster				-	526,773
Federal Transit Cluster Bus and Bus Facilities Formula Program FY2015 FTA Replacement Vans - Capital	Indiana Department of Transportation	20.526	A249-15-320528	27,410	27,410
Total - Federal Transit Cluster				27,410	27,410
Highway Safety Cluster State and Community Highway Safety Operation Pullover DUI Task Force	Indiana Criminal Justice Institute	20.600	D3-16-10160 D3-15-9011	- 8,739	5,630 10,000
Total - Highway Safety Cluster				8,739	15,630
Formula Grants for Rural Areas FY2014 Rural / Intercity Operating - Older Adult Services	Indiana Department of Transportation	20.509	A249-14-320422 A249-15-320485	55,134 152,250	55,134 152,250
Total - Formula Grants for Rural Areas				207,384	207,384
Interagency Hazardous Materials Public Sector Training and Planning Grants Marshall County Hazardous Material Flow Study	Indiana Department of Homeland Security	20.703	C44P-5-556B	-	16,000
Total - Department of Transportation				243,533	793,197
<u>Department of Health and Human Services</u>					
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHED) Aligned Cooperative Agreements 2014-15 BASE Public Health Preparedness	Indiana Department of Health	93.074	A70-5-0532390	-	3,499
Child Support Enforcement IVD Reimbursement General IVD Incentive Prosecutor ARRA IVD Incentive Prosecutor Funds IVD Incentive Clerk Prior. Oct. 1999 IVD Incentive Clerk Fund	Indiana Department of Child Services	93.563	FY 2015 FY 2015 FY 2015 FY 2015 FY 2015	- - - - -	159,340 642 68,153 4,423 1,186
Total - Child Support Enforcement				-	233,744
Total - Department of Health and Human Services				-	237,243
<u>Department of Homeland Security</u>					
Boating Safety Financial Assistance Lake Enforcement	Indiana Department of Natural Resources	97.012	E11-15-0007	-	10,000
Emergency Management Performance Grants EMA Grants - Material EMA Grants - Salaries	Indiana Department Homeland Security	97.042	C44P-5-505B C44P-5-736B	- -	8,412 20,089
Total - Emergency Management Performance Grants				-	28,501
Homeland Security Grant Program EMA Grants - Equipment	Indiana Department Homeland Security	97.067	C44P-5-603B	-	19,943
Total - Department of Homeland Security				-	58,444
Total federal awards expended				\$ 243,533	\$ 1,233,916

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

MARSHALL 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.

MARSHALL 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 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:

<u>Name of Federal Program or Cluster</u>	<u>Opinion Issued</u>
Highway Planning and Construction Cluster	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 - SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Condition

The County had not established effective internal controls over the financial information entered into the Indiana Gateway for Government Units financial reporting system (Gateway), which is the source of the Annual Financial Report (AFR), the financial statement, and the Schedule of Federal Expenditures (SEFA). Due to the lack of controls over the input of financial information entered into Gateway, the following material errors occurred on the SEFA:

1. Highway Planning and Construction expenditures were understated \$65,040.
2. Formula Grants for Rural Areas expenditures were overstated \$60,012.
3. Amount of Federal Awards Pass-Through to Subrecipients was understated \$243,533.

MARSHALL COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

4. Not all CFDA Numbers, Program Names, Federal Award Agencies, Pass-Through Entities, or Pass-Through identifying numbers were correct or listed.
5. Not all Clusters were properly identified.

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. . . .

The Green Book identifies a list of control activity categories that are meant only to illustrate the range and variety of control activities; . . .

- Accurate and timely recording of transactions. . . ."

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

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

2 CFR 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. . . ."

MARSHALL COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2 CFR 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:

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

Effect

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

Views of Responsible Officials

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

MARSHALL COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2015-002 - FINANCIAL TRANSACTIONS AND REPORTING - SHERIFF'S INMATE TRUST

Condition

There were deficiencies in the internal control system of the County related to financial transactions and reporting of the Sheriff's Inmate Trust Account fund. The County Sheriff had not separated incompatible activities related to cash and investments, receipts, and disbursements of the Sheriff's Inmate Trust Account fund. Deposits were processed by the same employee who wrote checks and prepared the bank reconciliation. There was no segregation of duties, such as an oversight, review, or approval process.

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. . . ."

Cause

Management of the County Sheriff's Department had not established a proper system of internal control during the audit period.

Effect

The failure to establish controls could have enabled material misstatements or irregularities to remain undetected.

Views of Responsible Officials

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

MARSHALL COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2015-003 - FINANCIAL TRANSACTIONS AND REPORTING - CLERK'S TRUST

Condition

There were deficiencies in the internal control system of the County related to financial transactions and reporting of the Clerk of the Circuit Court (Clerk). The Clerk had not separated incompatible activities related to cash and investments. Daily deposits of the Clerk receipts were prepared by the same employee who performed the monthly bank reconciliations. There was no segregation of duties, such as an oversight, review, or approval process.

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. . . ."

Cause

Management of the Clerk's office had not established a proper system of internal control during the audit period.

Effect

The failure to establish controls could have enabled material misstatements or irregularities to remain undetected.

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.



Julie A. Fox
Marshall County Auditor
112 W. Jefferson St., Room 205
Plymouth, IN 46563

Phone: 574-935-8555

Email: julief@co.marshall.in.us

Fax: 574-935-4863

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-001

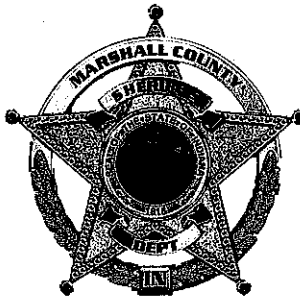
Fiscal Year in which the finding initially occurred: **2014**
Contact Person Responsible for Corrective Action: **Julie A. Fox**
Contact Phone Number: **(574) 935-8555**

Status of Audit Finding:

We are reviewing our current internal control process and will revise it inserting additional segregation of duties to ensure that any misstatements in the SEFA are detected. This is estimated to be completed by December 31, 2017.

Dated: March 1, 2017


Julie A. Fox, Marshall County Auditor



Office of the Marshall County Sheriff
Sheriff Matthew Hassel
1400 Pioneer Drive
Plymouth, IN 46563
574-936-3187

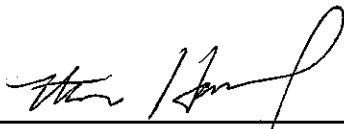
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-001

Fiscal year in which the finding initially occurred: **2014**
Contact Person Responsible for Corrective Action: **Matthew Hassel**
Contact Phone Number: **(574) 936-3187, Ext. 222**

Status of Audit Finding:

Since our last audit we wrote and implemented a corrective action plan to address the need to create a separation of duties and additional oversight in the Inmate Trust Account. Effective January 15, 2016 monthly reconciliation for this account is performed by a separate employee that does not perform deposits for this account. Once the reconciliation is completed, the employee who performs the deposits, will review the documentation and, if correct, sign off



(Signature)

Sheriff

(Title)

2/7/2017

(Date)



Marshall Circuit and Superior Courts

Deborah VanDeMark, Clerk

211 West Madison Street, Plymouth, IN 46563

Telephone: 574-936-8922

Fax: 574-936-8893

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-001

Fiscal year in which the finding initially occurred: **2014**

Contact Person Responsible for Corrective Action: **Deborah VanDeMark**

Contact Phone Number: **(574) 935-8701**

Status of Audit Finding:

Beginning January 2016, the County Clerk began reconciling the bank statements and the First Deputy/Bookkeeper prepares the daily deposits.

Deborah VanDeMark

(Signature)

County Clerk

(Title)

2-28-17

(Date)

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)



TREASURER OF MARSHALL COUNTY

Angela C. Birchmeier

112 W. Jefferson Street

Room 206

Plymouth, IN 46563

Phone 574/935-8520

Fax: 574/935-4247

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-001

Fiscal year in which the finding initially occurred: **2014**

Contact Person Responsible for Corrective Action: **Angela C. Birchmeier**

Contact Phone Number: **574-935-8518**

Status of Audit Finding:

The Marshall County Treasurer will develop a written policy detailing the oversight, review and approval processes already in place, to further clarify and document the segregation of duties in the Treasurer's Office.

Anticipated completion date: January 31, 2016

Angela C. Birchmeier
(Signature)

Treasurer
(Title)

April 3, 2017
(Date)

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b)



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CORRECTIVE ACTION PLAN

FINDING 2015-001

Contact Person Responsible for Corrective Action: Julie A. Fox
Contact Phone Number: (574) 935-8555

We concur with the findings.

Description of Corrective Action Plan: In reviewing our current SEFA process and internal controls, it has been made clear that due to lack of internal reporting requirements, misstatements of the SEFA went undetected. We are reviewing our current internal control process. Revision will include additional reporting requirements by the initiating office/department and segregation of duties to ensure that any misstatements in the SEFA are detected.

Anticipated Completion Date: December 31, 2017.



(Signature)

Marshall County Auditor

(Title)

March 27, 2017

(Date)



Office of the Marshall County Sheriff
Sheriff Matthew Hassel
1400 Pioneer Drive
Plymouth, IN 46563
574-936-3187

CORRECTIVE ACTION PLAN

FINDING 2012-002

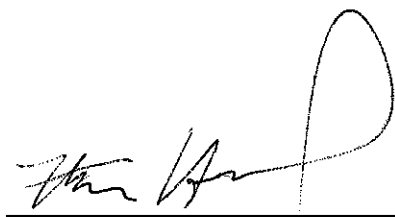
Contact Person Responsible for Corrective Action: **Matthew K. Hassel**
Contact Phone Number: **(574) 936-3187, Ext. 222**

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

Since the 2014 audit we wrote and implemented a corrective action plan to address the need to create a separation of duties and additional oversight in the Inmate Trust Account. Effective January 15, 2016 monthly reconciliation for this account are performed by a separate employee that does not perform deposits for this account. Once the reconciliation is completed, the employee who performs the deposits, will review the documentation and, if correct, sign off. This action was completed on January 15, 2016.

Anticipated Completion Date: January 15, 2016



(Signature)



Marshall Circuit and Superior Courts

Deborah VanDeMark, Clerk

211 West Madison Street, Plymouth, IN 46563

Telephone: 574-936-8922

Fax: 574-936-8893

CORRECTIVE ACTION PLAN

FINDING 2015-003

Contact Person Responsible for Corrective Action: **Deborah P. VanDeMark**

Contact Phone Number: **(574) 935-8701**

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

The Clerk's Office began segregation of duties between the person preparing the daily deposits and the person performing the monthly bank reconciliation beginning January 2016.

Anticipated Completion Date:

January 2016

Deborah VanDeMark
(Signature)

Clerk
(Title)

3/16/17
(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/>.