

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

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



**FILED**  
08/28/2017



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## SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Glenda K. Stogsdill	01-01-11 to 12-31-14
	Beth A. Mulry	01-01-15 to 12-31-18
County Treasurer	Mary E. Smith	01-01-13 to 12-31-20
Clerk of the Circuit Court	Beth A. Mulry	01-01-11 to 12-31-14
	Brenda Woods	01-01-15 to 12-31-18
County Sheriff	Rick D. Followell	01-01-11 to 12-31-14
	Scott D. Southerland	01-01-15 to 12-31-18
County Recorder	Sandy S. Cain	01-01-13 to 12-31-16
	Judy Swift-Powdrill	01-01-17 to 12-31-20
County Judge	Judith A. Stewart	01-01-13 to 12-31-18
President of the Board of County Commissioners	John Kennard	01-01-14 to 12-31-14
	David Anderson	01-01-15 to 12-31-17
President of the County Council	David Critser	01-01-14 to 12-31-15
	David Redding	01-01-16 to 12-31-16
	David Critser	01-01-17 to 12-31-17



**STATE OF INDIANA**  
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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF BROWN COUNTY, INDIANA

**Report on the Financial Statement**

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

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

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

***Auditor's Responsibility***

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

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

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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

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

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

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

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

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

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

***Other Matters***

*Supplementary Information*

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

*Other Information*

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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

In accordance with *Government Auditing Standards*, we have also issued a report dated June 29, 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

June 29, 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 BROWN 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 Brown County (County), which comprises the financial position and results of operations for the year ended December 31, 2014, and the related notes to the financial statement, and have issued our report thereon dated June 29, 2017, wherein we noted the County followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

**Internal Control over Financial Reporting**

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2014-001, 2014-002, and 2014-003 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 from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2014-001, 2014-002, and 2014-003.

**Brown 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

June 29, 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.

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

Fund	Cash and Investments 01-01-14	Receipts	Disbursements	Cash and Investments 12-31-14
General	\$ 552,909	\$ 4,656,546	\$ 4,963,817	\$ 245,638
Accident Report	13,911	2,154	347	15,718
CAGIT County Certified Shares	470,500	2,344,384	2,000,329	814,555
Child Advocacy	927	-	-	927
City and Town Court Costs	2,075	3,082	4,949	208
Clerk's Records Perpetuation	23,706	3,991	5,647	22,050
Community Corrections	2,877	234,152	252,876	(15,847)
Convention Visitor and Tourism Promotion	228,352	714,069	730,000	212,421
County Option Dog Tax	9,150	9,765	11,714	7,201
Covered Bridge	21,671	1,850	-	23,521
Cummulative Bridge	494,739	42,232	188,946	348,025
Cummulative Capital Development	924,129	611,374	417,273	1,118,230
Drug Free Community	1,643	-	-	1,643
Emergency Planning/Right to Know	8,936	2,799	11	11,724
Enhanced Access	605	-	-	605
Extradition and Sheriff's Assistance	3,713	-	-	3,713
Health	279,296	444,435	430,775	292,956
Levy Excess	17,454	-	-	17,454
Local Road and Street	228,357	183,035	135,073	276,319
Misdemeanant	47,852	10,764	-	58,616
Motor Vehicle Highway	621,882	2,003,767	1,739,774	885,875
Rainy Day	2,062,877	123,980	836,638	1,350,219
Reassessment - 2009	8,905	-	8,905	-
Reassessment - 2015	163,803	94,710	93,393	165,120
Recorder's Records Perpetuation	70,609	37,423	31,634	76,398
Riverboat	599,549	90,292	4,757	685,084
Surplus Tax	97,919	815	62,501	36,233
Surveyor's Corner Perpetuation	2,561	4,865	3,240	4,186
Tax Sale Redemption	8,093	102,678	102,678	8,093
Tax Sale Surplus	731,503	593,581	837,720	487,364
Guardian Ad Litem	19,792	4,690	3,206	21,276
Alternative Dispute Resolution	7,253	1,800	1,800	7,253
County User Fee	81,822	9,705	7,603	83,924
Sheriff Sale Administration	17,789	9,894	7,000	20,683
Health Clinic	8,020	-	-	8,020
Court Interpreters	7,626	-	1,085	6,541
Payroll Clearing	33,103	2,384,189	2,443,445	(26,153)
Settlement	7,547	16,865,756	16,865,756	7,547
Wheel Tax	-	65,018	65,018	-
Sur Tax	-	421,841	421,841	-
Financial Institution Tax	8,322	43,833	43,833	8,322
HEA 1001 State Homestead Credit	4,406	-	13	4,393
Homestead Credit Rebate	35,343	-	-	35,343
LOIT PTRC	54	1,104,609	1,104,609	54
Infraction Judgements	937	15,331	14,960	1,308
Overweight Vehicle Fines	1,172	-	-	1,172
Special Death Benefit	30	255	275	10
Sales Disclosure - State Share	220	2,545	2,580	185
Coroners Training & Con't Education	100	1,302	1,250	152
Mortgage Recording Fees - State Share	135	1,795	1,805	125
DLGF Homestead Property Database	2	-	-	2
Sex and Violent Offender Admin - State	2,916	1,210	673	3,453
Child Restraint Violation Fines	-	75	75	-
Inheritance Tax	1,952	6,385	6,439	1,898
Sales Tax Collections	47	43	47	43
CAGIT Distribution	405,590	641,635	709,853	337,372
CEDIT Distribution	716,092	646,024	549,486	812,630
93.563 Prosecutor PCA	815	743	753	805
93.563 ARRA Prosecutor IV-D Incentive	12,365	-	6,285	6,080
93.563 Title IV-D Incentive	18,783	6,479	17,520	7,742
93.563 Prosecutor IV-D Incentive-Post Oct '99	49,096	9,732	9,700	49,128
93.563 Clerk IV-D Incentive-Post Oct '99	39,430	6,468	12,138	33,760
SHERIFF SURETY BOND	130	990	1,075	45
SMALL CLAIM SERV FEE	16,287	1,463	-	17,750
PROBATION APPLICATION FEE	1,700	75	-	1,775
PROS CONTROLLED SUB. TAX	236	-	-	236
PUBLIC DEFENDER FUND	19,122	3,897	-	23,019
BOND ADMIN. FEED	40,871	8,129	-	49,000
DOCUMENT FEES	41,997	2,358	-	44,355
CITIES READINESS	62	-	-	62
CITIES READINESS II	3,113	-	-	3,113
CIVIL SERVICE FEE	18,893	-	-	18,893
HSC 07 PAY 08 (CAGIT)	35,033	1,396,829	1,406,114	25,748
COMM TRANSITION PROG CC	4,873	13,845	5,048	13,670
BC PRISONER REIMBURSEMENT FUND	19,910	-	-	19,910
PROPERTY TRANSFER FEE FUND	26,519	5,550	23,976	8,093
HWY SAFETY PLAN-CA95-11	203	3,850	2,686	1,367
DRUG ABUSE PREVENTION FD	3,690	14,148	10,974	6,864
FIREARMS-TRAIN. GUN PERMIT	31,776	8,540	11,848	28,468
PROJECT INCOME	60,434	100,678	108,965	52,147
JURY PAY FUND	23,706	1,174	-	24,880
BR CO EMERG MANAGEMENT	52	-	52	-

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

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

Fund	Cash and Investments 01-01-14	Receipts	Disbursements	Cash and Investments 12-31-14
RECORDER'S TRAINING FUND	3,731	1,595	495	4,831
RECORDER'S REDACTED VERSION	5,199	1,595	2,713	4,081
AUDITORS INELIGIBLE DED FUND	27,689	1,742	4,321	25,110
BROWN COUNTY 911	184,877	273,825	203,566	255,136
PK & REC NON REV OPER FUND	13,522	82,238	79,713	16,047
PARKS & REC GRANT FUND	-	3,243	2,628	615
PK & REC SALT CREEK TRAIL MAIN	2,765	-	124	2,641
SALT CREEK TRAIL - INDOT PH-1	(14,450)	130,846	114,128	2,268
SALT CK TR - PARK & REC DNR	724,316	401	-	724,717
FINES & FORFEITURES	212	706	888	30
PROBATION USERS FEE ADULT	(2,209)	29,595	24,057	3,329
PROBATION USERS FEE JUVENILE	28,694	2,961	91	31,564
PROB ADMIN. FEES/SUP ADULT SVC	7,183	10,139	4,500	12,822
IMPROVEMENTS LOAN	219	-	-	219
PROS. INFRACTION DEFERRAL	7,883	11,110	8,826	10,167
EDC/SBI	30,138	500	-	30,638
CO ECON DEVEL INCOME TAX	15	702,344	702,344	15
URINE DRUG SCREEN FUND	1,483	4,005	2,499	2,989
5TH 3RD INVESTMENT MONEY	10,055	12,894	-	22,949
RETURN OF FUNDS HEALTH CLINIC	120,036	-	-	120,036
TRIAD	10,749	2,859	3,947	9,661
LOCAL ANIMAL ORDINANCE	11,423	2,195	-	13,618
PROSECUTOR ST. FORFEIT.	2,500	-	-	2,500
PROSECUTOR FED FORFEITURE	506	-	-	506
OWNER OCCUPIED REHAB GRANT	4,198	-	-	4,198
BR CO FAMILY ACCESS PROG	(45,853)	66,875	51,512	(30,490)
BR CO DOMESTIC VIOLENCE TASK	824	-	-	824
PRESCRIPTION DRUG ABUSE PROGRAM	500	-	-	500
P & Z PROJECT	10,000	-	-	10,000
TITLE III HAVA	49,300	-	-	49,300
TITLE III SEC 101	271	-	-	271
JUVENILE AAC ABILITY GRANT	593	-	-	593
JAIL LEASE RENTAL	337,926	553,785	592,500	299,211
ECONOMIC DEV COMM - OBER GRANT	2,000	-	-	2,000
LOAN-ROAD IMPROVEMENT FUND	854,148	688	20,279	834,557
4-H FAIR CONST LOAN	481,202	285	481,437	50
SHERIFF DNR DISTRIBUTION	(253)	2,100	4,775	(2,928)
SUB TREATMENT-REC. (START)	1,869	-	1,869	-
TITLE III - FIRE	4,349	-	-	4,349
PUBLIC SAFETY LOIT DISTRIBUTION	13	698,414	698,414	13
OPER LEVY FREEZE STABILIZATION	46,151	-	-	46,151
CAGIT-PROP TAX OPER LEVY	-	1,139,718	1,139,718	-
COMMERCIAL VEH EXCISE TAX	395	86,653	86,653	395
SHERIFF'S SERVICE FEES - RETIREMENT	1,609	3,926	4,599	936
VAN BUREN FIRE DEPT GRANT	83,797	258,658	332,058	10,397
REDEVELOPMENT COMMISSION	41,700	375,300	-	417,000
PUBLIC HEALTH COORDINATOR - BIOT	286	-	-	286
BIOTERRORISM CASH ALLOW	6,469	-	-	6,469
BIOTERRORISM SUPPLEMENTAL A	9,180	-	-	9,180
EMS GRANT FUND	15,726	-	-	15,726
BROWN CO DATA SHARING GRANT	-	143,435	143,435	-
VICTIM ASSIST. PROG. FED	(62,604)	33,103	47,404	(76,905)
INMATE INCENTIVE PAYMENTS	400	-	-	400
BUYOUT GRANT	(5,565)	29,047	10,748	12,734
TOBACCO FUND III	27,002	-	27,002	-
BR CO EMA GRANT FUND	156	7,602	4,501	3,257
EMA DONATIONS	3,381	-	-	3,381
2011 EMPG COMPETITIVE	(83)	83	-	-
LOCAL HEALTH MAINT GRANT	18,358	12,277	30,635	-
HEALTH MAINT II-TOBACCO	58,295	6,569	64,864	-
LHM/TOBACCOII COMBINED	-	108,428	80,989	27,439
MASTER TOBACCO III A	(5,447)	41,892	7,622	28,823
HEALTH BONUS BASE GRANT (EMERG PREP)	28	-	-	28
PUBLIC DEFENDER BOARD	(94,436)	45,157	144,999	(194,278)
PROSECUTOR INVESTIGATOR GRANT	(1,369)	36,078	38,570	(3,861)
HEALTH BASE GRANT 2013	414	13,864	3,812	10,466
DEBT REPAY ROAD IMPROVEMENT	-	1,020,754	517,300	503,454
HOMELAND SECURITY LETPP	319	-	-	319
CITIES READINESS VI	(502)	-	-	(502)
JACKSON TOWNSHIP FIRE	(1,040)	-	-	(1,040)
CITIES READINESS VII	(751)	-	-	(751)
HELMSBURG BR. CO. WATER GRANT	(375)	-	-	(375)
E-911 LAND LINE	-	-	699	(699)
CITIES READINESS VIII	-	-	9,473	(9,473)
BROWN COUNTY TREASURER	1,111,010	1,020,860	1,111,010	1,020,860
BROWN COUNTY CLERK	145,041	1,878,871	1,717,616	306,296
SHERIFF'S DEPARTMENT COMMISSARY	47,665	55,988	83,394	20,259
SHERIFF'S DEPARTMENT INMATE TRUST	2,109	47,785	49,126	768
SHERIFF'S DEPARTMENT DRUG INVESTIGATION	14,040	-	-	14,040
Totals	\$ 13,868,851	\$ 45,092,614	\$ 45,394,636	\$ 13,566,829

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

BROWN COUNTY  
NOTES TO FINANCIAL STATEMENT

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

*A. Reporting Entity*

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

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

*B. Basis of Accounting*

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

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

*C. Cash and Investments*

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

*D. Receipts*

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

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

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

*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,

BROWN COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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.

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

BROWN COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*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.

BROWN 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:

BROWN COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

*Funding Policy and Annual Pension Cost*

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

*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.

BROWN COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 7. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash. This is a result of reimbursable grants, posting errors, and expenditures exceeding receipts.

**Note 8. Holding Corporation**

The County has entered into a capital lease with Brown County Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the County. The lessor has been determined to be a related-party of the County. Lease payments during the year 2014 totaled \$592,500.

**Note 9. Subsequent Events**

The County sold General Obligation Bonds for \$2,000,000 to be used for road improvement on May 6, 2016.

The County received a Community Crossing Grant of \$1,000,000 to be matched with \$1,000,000 local funds on September 21, 2016.

**Note 10. Combined Funds**

Funds related to the extradition and sheriff assistance 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.

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

	General	Accident Report	CAGIT County Certified Shares	Child Advocacy	City and Town Court Costs	Clerk's Records Perpetuation
Cash and investments - beginning	\$ 552,909	\$ 13,911	\$ 470,500	\$ 927	\$ 2,075	\$ 23,706
Receipts:						
Taxes	3,646,274	-	1,696,585	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	385,689	-	-	-	-	-
Charges for services	130,642	-	1,425	-	-	-
Fines and forfeits	32,134	-	-	-	3,082	-
Other receipts	461,807	2,154	646,374	-	-	3,991
Total receipts	<u>4,656,546</u>	<u>2,154</u>	<u>2,344,384</u>	<u>-</u>	<u>3,082</u>	<u>3,991</u>
Disbursements:						
Personal services	3,284,043	-	1,248,091	-	-	-
Supplies	94,111	-	59,805	-	-	-
Other services and charges	1,465,394	-	683,339	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	60,341	-	7,894	-	-	-
Other disbursements	59,928	347	1,200	-	4,949	5,647
Total disbursements	<u>4,963,817</u>	<u>347</u>	<u>2,000,329</u>	<u>-</u>	<u>4,949</u>	<u>5,647</u>
Excess (deficiency) of receipts over disbursements	<u>(307,271)</u>	<u>1,807</u>	<u>344,055</u>	<u>-</u>	<u>(1,867)</u>	<u>(1,656)</u>
Cash and investments - ending	<u>\$ 245,638</u>	<u>\$ 15,718</u>	<u>\$ 814,555</u>	<u>\$ 927</u>	<u>\$ 208</u>	<u>\$ 22,050</u>

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

	Community Corrections	Convention Visitor and Tourism Promotion	County Option Dog Tax	Covered Bridge	Cumulative Bridge	Cumulative Capital Development
Cash and investments - beginning	\$ 2,877	\$ 228,352	\$ 9,150	\$ 21,671	\$ 494,739	\$ 924,129
Receipts:						
Taxes	-	-	-	-	-	391,034
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	170,608	-	-	-	-	33,841
Charges for services	-	-	-	-	42,127	2,000
Fines and forfeits	-	-	-	-	-	-
Other receipts	63,544	714,069	9,765	1,850	105	184,499
Total receipts	<u>234,152</u>	<u>714,069</u>	<u>9,765</u>	<u>1,850</u>	<u>42,232</u>	<u>611,374</u>
Disbursements:						
Personal services	200,370	-	-	-	118,037	45,084
Supplies	-	-	-	-	13,160	-
Other services and charges	-	-	1,495	-	57,749	51,674
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	320,515
Other disbursements	52,506	730,000	10,219	-	-	-
Total disbursements	<u>252,876</u>	<u>730,000</u>	<u>11,714</u>	<u>-</u>	<u>188,946</u>	<u>417,273</u>
Excess (deficiency) of receipts over disbursements	<u>(18,724)</u>	<u>(15,931)</u>	<u>(1,949)</u>	<u>1,850</u>	<u>(146,714)</u>	<u>194,101</u>
Cash and investments - ending	<u>\$ (15,847)</u>	<u>\$ 212,421</u>	<u>\$ 7,201</u>	<u>\$ 23,521</u>	<u>\$ 348,025</u>	<u>\$ 1,118,230</u>

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

	Drug Free Community	Emergency Planning/Right to Know	Enhanced Access	Extradition and Sheriff's Assistance	Health	Levy Excess
Cash and investments - beginning	\$ 1,643	\$ 8,936	\$ 605	\$ 3,713	\$ 279,296	\$ 17,454
Receipts:						
Taxes	-	-	-	-	342,609	-
Licenses and permits	-	-	-	-	46,622	-
Intergovernmental receipts	-	-	-	-	29,651	-
Charges for services	-	2,799	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	25,553	-
Total receipts	-	2,799	-	-	444,435	-
Disbursements:						
Personal services	-	-	-	-	398,203	-
Supplies	-	-	-	-	15,624	-
Other services and charges	-	-	-	-	16,948	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	11	-	-	-	-
Total disbursements	-	11	-	-	430,775	-
Excess (deficiency) of receipts over disbursements	-	2,788	-	-	13,660	-
Cash and investments - ending	\$ 1,643	\$ 11,724	\$ 605	\$ 3,713	\$ 292,956	\$ 17,454

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

	Local Road and Street	Misdemeanant	Motor Vehicle Highway	Rainy Day	Reassessment - 2009	Reassessment - 2015
Cash and investments - beginning	\$ 228,357	\$ 47,852	\$ 621,882	\$ 2,062,877	\$ 8,905	\$ 163,803
Receipts:						
Taxes	-	-	-	-	-	87,166
Licenses and permits	-	-	4,025	-	-	-
Intergovernmental receipts	182,969	-	1,969,679	-	-	7,544
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	66	10,764	30,063	123,980	-	-
Total receipts	183,035	10,764	2,003,767	123,980	-	94,710
Disbursements:						
Personal services	-	-	765,638	366,638	-	-
Supplies	135,073	-	600,090	-	-	593
Other services and charges	-	-	278,341	20,000	8,905	92,800
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	95,705	-	-	-
Other disbursements	-	-	-	450,000	-	-
Total disbursements	135,073	-	1,739,774	836,638	8,905	93,393
Excess (deficiency) of receipts over disbursements	47,962	10,764	263,993	(712,658)	(8,905)	1,317
Cash and investments - ending	\$ 276,319	\$ 58,616	\$ 885,875	\$ 1,350,219	\$ -	\$ 165,120

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

	Recorder's Records Perpetuation	Riverboat	Surplus Tax	Surveyor's Corner Perpetuation	Tax Sale Redemption	Tax Sale Surplus
Cash and investments - beginning	\$ 70,609	\$ 599,549	\$ 97,919	\$ 2,561	\$ 8,093	\$ 731,503
Receipts:						
Taxes	-	-	-	-	102,678	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	90,292	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	37,423	-	815	4,865	-	593,581
Total receipts	<u>37,423</u>	<u>90,292</u>	<u>815</u>	<u>4,865</u>	<u>102,678</u>	<u>593,581</u>
Disbursements:						
Personal services	4,993	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	26,641	4,757	62,501	3,240	102,678	837,720
Total disbursements	<u>31,634</u>	<u>4,757</u>	<u>62,501</u>	<u>3,240</u>	<u>102,678</u>	<u>837,720</u>
Excess (deficiency) of receipts over disbursements	<u>5,789</u>	<u>85,535</u>	<u>(61,686)</u>	<u>1,625</u>	<u>-</u>	<u>(244,139)</u>
Cash and investments - ending	<u>\$ 76,398</u>	<u>\$ 685,084</u>	<u>\$ 36,233</u>	<u>\$ 4,186</u>	<u>\$ 8,093</u>	<u>\$ 487,364</u>

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

	Guardian Ad Litem	Alternative Dispute Resolution	County User Fee	Sheriff Sale Administration	Health Clinic	Court Interpreters
Cash and investments - beginning	\$ 19,792	\$ 7,253	\$ 81,822	\$ 17,789	\$ 8,020	\$ 7,626
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	4,540	-	-	-	-	-
Charges for services	-	-	-	9,894	-	-
Fines and forfeits	150	1,800	9,705	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	<u>4,690</u>	<u>1,800</u>	<u>9,705</u>	<u>9,894</u>	<u>-</u>	<u>-</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	1,737	-	-	-
Other services and charges	-	1,800	5,366	7,000	-	1,085
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	500	-	-	-
Other disbursements	<u>3,206</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total disbursements	<u>3,206</u>	<u>1,800</u>	<u>7,603</u>	<u>7,000</u>	<u>-</u>	<u>1,085</u>
Excess (deficiency) of receipts over disbursements	<u>1,484</u>	<u>-</u>	<u>2,102</u>	<u>2,894</u>	<u>-</u>	<u>(1,085)</u>
Cash and investments - ending	<u>\$ 21,276</u>	<u>\$ 7,253</u>	<u>\$ 83,924</u>	<u>\$ 20,683</u>	<u>\$ 8,020</u>	<u>\$ 6,541</u>

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

	Payroll Clearing	Settlement	Wheel Tax	Sur Tax	Financial Institution Tax	HEA 1001 State Homestead Credit
Cash and investments - beginning	\$ 33,103	\$ 7,547	\$ -	\$ -	\$ 8,322	\$ 4,406
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	43,833	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	<u>2,384,189</u>	<u>16,865,756</u>	<u>65,018</u>	<u>421,841</u>	<u>-</u>	<u>-</u>
Total receipts	<u>2,384,189</u>	<u>16,865,756</u>	<u>65,018</u>	<u>421,841</u>	<u>43,833</u>	<u>-</u>
Disbursements:						
Personal services	2,443,445	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	1,946	-
Capital outlay	-	-	-	-	-	-
Other disbursements	<u>-</u>	<u>16,865,756</u>	<u>65,018</u>	<u>421,841</u>	<u>41,887</u>	<u>13</u>
Total disbursements	<u>2,443,445</u>	<u>16,865,756</u>	<u>65,018</u>	<u>421,841</u>	<u>43,833</u>	<u>13</u>
Excess (deficiency) of receipts over disbursements	<u>(59,256)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13)</u>
Cash and investments - ending	<u>\$ (26,153)</u>	<u>\$ 7,547</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,322</u>	<u>\$ 4,393</u>

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

	Homestead Credit Rebate	LOIT PTRC	Infraction Judgements	Overweight Vehicle Fines	Special Death Benefit	Sales Disclosure - State Share
Cash and investments - beginning	\$ 35,343	\$ 54	\$ 937	\$ 1,172	\$ 30	\$ 220
Receipts:						
Taxes	-	1,104,609	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	2,545
Fines and forfeits	-	-	-	-	255	-
Other receipts	-	-	15,331	-	-	-
Total receipts	-	1,104,609	15,331	-	255	2,545
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	14,960	-	275	2,580
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	1,104,609	-	-	-	-
Total disbursements	-	1,104,609	14,960	-	275	2,580
Excess (deficiency) of receipts over disbursements	-	-	371	-	(20)	(35)
Cash and investments - ending	\$ 35,343	\$ 54	\$ 1,308	\$ 1,172	\$ 10	\$ 185

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

	Coroners Training & Con't Education	Mortgage Recording Fees - State Share	DLGF Homestead Property Database	Sex and Violent Offender Admin - State	Child Restraint Violation Fines	Inheritance Tax
Cash and investments - beginning	\$ 100	\$ 135	\$ 2	\$ 2,916	\$ -	\$ 1,952
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	6,385
Charges for services	1,302	1,795	-	-	-	-
Fines and forfeits	-	-	-	1,210	75	-
Other receipts	-	-	-	-	-	-
Total receipts	<u>1,302</u>	<u>1,795</u>	<u>-</u>	<u>1,210</u>	<u>75</u>	<u>6,385</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	1,250	1,805	-	673	75	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	6,439
Total disbursements	<u>1,250</u>	<u>1,805</u>	<u>-</u>	<u>673</u>	<u>75</u>	<u>6,439</u>
Excess (deficiency) of receipts over disbursements	<u>52</u>	<u>(10)</u>	<u>-</u>	<u>537</u>	<u>-</u>	<u>(54)</u>
Cash and investments - ending	<u>\$ 152</u>	<u>\$ 125</u>	<u>\$ 2</u>	<u>\$ 3,453</u>	<u>\$ -</u>	<u>\$ 1,898</u>

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

	Sales Tax Collections	CAGIT Distribution	CEDIT Distribution	93.563 Prosecutor PCA	93.563 ARRA Prosecutor IV-D Incentive	93.563 Title IV-D Incentive
Cash and investments - beginning	\$ 47	\$ 405,590	\$ 716,092	\$ 815	\$ 12,365	\$ 18,783
Receipts:						
Taxes	-	-	645,728	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	641,635	-	-	-	6,468
Charges for services	43	-	-	743	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	296	-	-	11
Total receipts	<u>43</u>	<u>641,635</u>	<u>646,024</u>	<u>743</u>	<u>-</u>	<u>6,479</u>
Disbursements:						
Personal services	-	86,521	241,101	-	-	-
Supplies	-	-	2,504	753	4,946	-
Other services and charges	-	449,682	305,881	-	1,339	9,820
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	173,650	-	-	-	-
Other disbursements	47	-	-	-	-	7,700
Total disbursements	<u>47</u>	<u>709,853</u>	<u>549,486</u>	<u>753</u>	<u>6,285</u>	<u>17,520</u>
Excess (deficiency) of receipts over disbursements	<u>(4)</u>	<u>(68,218)</u>	<u>96,538</u>	<u>(10)</u>	<u>(6,285)</u>	<u>(11,041)</u>
Cash and investments - ending	<u>\$ 43</u>	<u>\$ 337,372</u>	<u>\$ 812,630</u>	<u>\$ 805</u>	<u>\$ 6,080</u>	<u>\$ 7,742</u>

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

	93.563 Prosecutor IV-D Incentive-Post Oct '99	93.563 Clerk IV-D Incentive-Post Oct '99	SHERIFF SURETY BOND	SMALL CLAIM SERV FEE	PROBATION APPLICATION FEE	PROS CONTROLLED SUB. TAX
Cash and investments - beginning	\$ 49,096	\$ 39,430	\$ 130	\$ 16,287	\$ 1,700	\$ 236
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	9,732	6,468	-	-	-	-
Charges for services	-	-	990	-	-	-
Fines and forfeits	-	-	-	1,463	75	-
Other receipts	-	-	-	-	-	-
Total receipts	<u>9,732</u>	<u>6,468</u>	<u>990</u>	<u>1,463</u>	<u>75</u>	<u>-</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	12,138	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	9,700	-	1,075	-	-	-
Total disbursements	<u>9,700</u>	<u>12,138</u>	<u>1,075</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>32</u>	<u>(5,670)</u>	<u>(85)</u>	<u>1,463</u>	<u>75</u>	<u>-</u>
Cash and investments - ending	<u>\$ 49,128</u>	<u>\$ 33,760</u>	<u>\$ 45</u>	<u>\$ 17,750</u>	<u>\$ 1,775</u>	<u>\$ 236</u>

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

	PUBLIC DEFENDER FUND	BOND ADMIN. FEED	DOCUMENT FEES	CITIES READINESS	CITIES READINESS II	CIVIL SERVICE FEE
Cash and investments - beginning	\$ 19,122	\$ 40,871	\$ 41,997	\$ 62	\$ 3,113	\$ 18,893
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	3,897	8,129	2,358	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	<u>3,897</u>	<u>8,129</u>	<u>2,358</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>3,897</u>	<u>8,129</u>	<u>2,358</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 23,019</u>	<u>\$ 49,000</u>	<u>\$ 44,355</u>	<u>\$ 62</u>	<u>\$ 3,113</u>	<u>\$ 18,893</u>

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

	HSC 07 PAY 08 (CAGIT)	COMM TRANSITION PROG CC	BC PRISONER REIMBURSEMENT FUND	PROPERTY TRANSFER FEE FUND	HWY SAFETY PLAN-CA95-11	DRUG ABUSE PREVENTION FD
Cash and investments - beginning	\$ 35,033	\$ 4,873	\$ 19,910	\$ 26,519	\$ 203	\$ 3,690
Receipts:						
Taxes	1,396,829	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	3,850	-
Charges for services	-	-	-	5,550	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	13,845	-	-	-	14,148
Total receipts	<u>1,396,829</u>	<u>13,845</u>	<u>-</u>	<u>5,550</u>	<u>3,850</u>	<u>14,148</u>
Disbursements:						
Personal services	-	-	-	-	2,686	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	1,406,114	5,048	-	23,976	-	10,974
Total disbursements	<u>1,406,114</u>	<u>5,048</u>	<u>-</u>	<u>23,976</u>	<u>2,686</u>	<u>10,974</u>
Excess (deficiency) of receipts over disbursements	<u>(9,285)</u>	<u>8,797</u>	<u>-</u>	<u>(18,426)</u>	<u>1,164</u>	<u>3,174</u>
Cash and investments - ending	<u>\$ 25,748</u>	<u>\$ 13,670</u>	<u>\$ 19,910</u>	<u>\$ 8,093</u>	<u>\$ 1,367</u>	<u>\$ 6,864</u>

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

	FIREARMS-TRAIN. GUN PERMIT	PROJECT INCOME	JURY PAY FUND	BR CO EMERG MANAGEMENT	RECORDER'S TRAINING FUND	RECORDER'S REDACTED VERSION
Cash and investments - beginning	\$ 31,776	\$ 60,434	\$ 23,706	\$ 52	\$ 3,731	\$ 5,199
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	1,595	1,595
Fines and forfeits	-	-	1,174	-	-	-
Other receipts	8,540	100,678	-	-	-	-
Total receipts	8,540	100,678	1,174	-	1,595	1,595
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	11,848	108,965	-	52	495	2,713
Total disbursements	11,848	108,965	-	52	495	2,713
Excess (deficiency) of receipts over disbursements	(3,308)	(8,287)	1,174	(52)	1,100	(1,118)
Cash and investments - ending	\$ 28,468	\$ 52,147	\$ 24,880	\$ -	\$ 4,831	\$ 4,081

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

	AUDITORS INELIGIBLE DED FUND	BROWN COUNTY 911	PK & REC NON REV OPER FUND	PARKS & REC GRANT FUND	PK & REC SALT CREEK TRAIL MAIN	SALT CREEK TRAIL - INDOT PH-1
Cash and investments - beginning	\$ 27,689	\$ 184,877	\$ 13,522	\$ -	\$ 2,765	\$ (14,450)
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	273,825	82,238	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	1,742	-	-	3,243	-	130,846
Total receipts	<u>1,742</u>	<u>273,825</u>	<u>82,238</u>	<u>3,243</u>	<u>-</u>	<u>130,846</u>
Disbursements:						
Personal services	-	202,225	29,730	-	-	-
Supplies	4,321	39	-	-	-	-
Other services and charges	-	1,302	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	1,470	124	-
Other disbursements	-	-	49,983	1,158	-	114,128
Total disbursements	<u>4,321</u>	<u>203,566</u>	<u>79,713</u>	<u>2,628</u>	<u>124</u>	<u>114,128</u>
Excess (deficiency) of receipts over disbursements	<u>(2,579)</u>	<u>70,259</u>	<u>2,525</u>	<u>615</u>	<u>(124)</u>	<u>16,718</u>
Cash and investments - ending	<u>\$ 25,110</u>	<u>\$ 255,136</u>	<u>\$ 16,047</u>	<u>\$ 615</u>	<u>\$ 2,641</u>	<u>\$ 2,268</u>

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

	SALT CK TR - PARK & REC DNR	FINES & FORFEITURES	PROBATION USERS FEE ADULT	PROBATION USERS FEE JUVENILE	PROB ADMIN. FEES/SUP ADULT SVC	IMPROVEMENTS LOAN
Cash and investments - beginning	\$ 724,316	\$ 212	\$ (2,209)	\$ 28,694	\$ 7,183	\$ 219
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	706	29,595	-	10,139	-
Other receipts	401	-	-	2,961	-	-
Total receipts	401	706	29,595	2,961	10,139	-
Disbursements:						
Personal services	-	-	20,133	-	4,500	-
Supplies	-	-	1,971	-	-	-
Other services and charges	-	-	1,953	91	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	888	-	-	-	-
Total disbursements	-	888	24,057	91	4,500	-
Excess (deficiency) of receipts over disbursements	401	(182)	5,538	2,870	5,639	-
Cash and investments - ending	\$ 724,717	\$ 30	\$ 3,329	\$ 31,564	\$ 12,822	\$ 219

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

	PROS. INFRACTION DEFERRAL	EDC/SBI	CO ECON DEVEL INCOME TAX	URINE DRUG SCREEN FUND	5TH 3RD INVESTMENT MONEY	RETURN OF FUNDS HEALTH CLINIC
Cash and investments - beginning	\$ 7,883	\$ 30,138	\$ 15	\$ 1,483	\$ 10,055	\$ 120,036
Receipts:						
Taxes	-	-	702,344	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	11,110	-	-	-	-	-
Other receipts	-	500	-	4,005	12,894	-
Total receipts	<u>11,110</u>	<u>500</u>	<u>702,344</u>	<u>4,005</u>	<u>12,894</u>	<u>-</u>
Disbursements:						
Personal services	6,599	-	-	-	-	-
Supplies	1,442	-	-	-	-	-
Other services and charges	785	-	-	2,499	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	702,344	-	-	-
Total disbursements	<u>8,826</u>	<u>-</u>	<u>702,344</u>	<u>2,499</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>2,284</u>	<u>500</u>	<u>-</u>	<u>1,506</u>	<u>12,894</u>	<u>-</u>
Cash and investments - ending	<u>\$ 10,167</u>	<u>\$ 30,638</u>	<u>\$ 15</u>	<u>\$ 2,989</u>	<u>\$ 22,949</u>	<u>\$ 120,036</u>

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

	TRIAD	LOCAL ANIMAL ORDINANCE	PROSECUTOR ST. FORFEIT.	PROSECUTOR FED FORFEITURE	OWNER OCCUPIED REHAB GRANT	BR CO FAMILY ACCESS PROG
Cash and investments - beginning	\$ 10,749	\$ 11,423	\$ 2,500	\$ 506	\$ 4,198	\$ (45,853)
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	66,875
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	2,195	-	-	-	-
Other receipts	2,859	-	-	-	-	-
Total receipts	<u>2,859</u>	<u>2,195</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>66,875</u>
Disbursements:						
Personal services	-	-	-	-	-	26,846
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	3,947	-	-	-	-	24,666
Total disbursements	<u>3,947</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,512</u>
Excess (deficiency) of receipts over disbursements	<u>(1,088)</u>	<u>2,195</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,363</u>
Cash and investments - ending	<u>\$ 9,661</u>	<u>\$ 13,618</u>	<u>\$ 2,500</u>	<u>\$ 506</u>	<u>\$ 4,198</u>	<u>\$ (30,490)</u>

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

	BR CO DOMESTIC VIOLENCE TASK	PRESCRIPTION DRUG ABUSE PROGRAM	P & Z PROJECT	TITLE III HAVA	TITLE III SEC 101	JUVENILE AAC ABILITY GRANT
Cash and investments - beginning	\$ 824	\$ 500	\$ 10,000	\$ 49,300	\$ 271	\$ 593
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-
Cash and investments - ending	\$ 824	\$ 500	\$ 10,000	\$ 49,300	\$ 271	\$ 593

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

	JAIL LEASE RENTAL	ECONOMIC DEV COMM - OBER GRANT	LOAN-ROAD IMPROVEMENT FUND	4-H FAIR CONST LOAN	SHERIFF DNR DISTRIBUTION	SUB TREATMENT-REC. (START)
Cash and investments - beginning	\$ 337,926	\$ 2,000	\$ 854,148	\$ 481,202	\$ (253)	\$ 1,869
Receipts:						
Taxes	509,676	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	44,109	-	-	-	2,100	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	688	285	-	-
Total receipts	<u>553,785</u>	<u>-</u>	<u>688</u>	<u>285</u>	<u>2,100</u>	<u>-</u>
Disbursements:						
Personal services	-	-	-	-	4,775	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	20,279	-	-	-
Capital outlay	592,500	-	-	481,437	-	-
Other disbursements	-	-	-	-	-	1,869
Total disbursements	<u>592,500</u>	<u>-</u>	<u>20,279</u>	<u>481,437</u>	<u>4,775</u>	<u>1,869</u>
Excess (deficiency) of receipts over disbursements	<u>(38,715)</u>	<u>-</u>	<u>(19,591)</u>	<u>(481,152)</u>	<u>(2,675)</u>	<u>(1,869)</u>
Cash and investments - ending	<u>\$ 299,211</u>	<u>\$ 2,000</u>	<u>\$ 834,557</u>	<u>\$ 50</u>	<u>\$ (2,928)</u>	<u>\$ -</u>

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

	TITLE III - FIRE	PUBLIC SAFETY LOIT DISTRIBUTION	OPER LEVY FREEZE STABILIZATION	CAGIT-PROP TAX OPER LEVY	COMMERICAL VEH EXCISE TAX	SHERIFF'S SERVICE FEES - RETIREMENT
Cash and investments - beginning	\$ 4,349	\$ 13	\$ 46,151	\$ -	\$ 395	\$ 1,609
Receipts:						
Taxes	-	-	-	1,139,718	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	698,414	-	-	86,653	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	3,926
Other receipts	-	-	-	-	-	-
Total receipts	-	698,414	-	1,139,718	86,653	3,926
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	698,414	-	-	-	-
Debt service - principal and interest	-	-	-	-	4,634	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	1,139,718	82,019	4,599
Total disbursements	-	698,414	-	1,139,718	86,653	4,599
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	(673)
Cash and investments - ending	\$ 4,349	\$ 13	\$ 46,151	\$ -	\$ 395	\$ 936

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

	VAN BUREN FIRE DEPT GRANT	REDEVELOPMENT COMMISSION	PUBLIC HEALTH COORDINATOR - BIOT	BIOTERRORISM CASH ALLOW	BIOTERRORISM SUPPLEMENTAL A	EMS GRANT FUND
Cash and investments - beginning	\$ 83,797	\$ 41,700	\$ 286	\$ 6,469	\$ 9,180	\$ 15,726
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	258,658	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	375,300	-	-	-	-
Total receipts	<u>258,658</u>	<u>375,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	332,058	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>332,058</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(73,400)</u>	<u>375,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 10,397</u>	<u>\$ 417,000</u>	<u>\$ 286</u>	<u>\$ 6,469</u>	<u>\$ 9,180</u>	<u>\$ 15,726</u>

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

	BROWN CO DATA SHARING GRANT	VICTIM ASSIST. PROG. FED	INMATE INCENTIVE PAYMENTS	BUYOUT GRANT	TOBACCO FUND III	BR CO EMA GRANT FUND
Cash and investments - beginning	\$ -	\$ (62,604)	\$ 400	\$ (5,565)	\$ 27,002	\$ 156
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	143,435	33,103	-	29,047	-	7,602
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	<u>143,435</u>	<u>33,103</u>	<u>-</u>	<u>29,047</u>	<u>-</u>	<u>7,602</u>
Disbursements:						
Personal services	-	47,404	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	126,765	-	-	10,748	-	4,470
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	16,670	-	-	-	-	-
Other disbursements	-	-	-	-	27,002	31
Total disbursements	<u>143,435</u>	<u>47,404</u>	<u>-</u>	<u>10,748</u>	<u>27,002</u>	<u>4,501</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(14,301)</u>	<u>-</u>	<u>18,299</u>	<u>(27,002)</u>	<u>3,101</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ (76,905)</u>	<u>\$ 400</u>	<u>\$ 12,734</u>	<u>\$ -</u>	<u>\$ 3,257</u>

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

	EMA DONATIONS	2011 EMPG COMPETITIVE	LOCAL HEALTH MAINT GRANT	HEALTH MAINT II-TOBACCO	LHM/TOBACCOII COMBINED	MASTER TOBACCO III A
Cash and investments - beginning	\$ 3,381	\$ (83)	\$ 18,358	\$ 58,295	\$ -	\$ (5,447)
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	10,000	6,569	16,570	14,890
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	83	2,277	-	91,858	27,002
Total receipts	-	83	12,277	6,569	108,428	41,892
Disbursements:						
Personal services	-	-	3,768	1	17,316	-
Supplies	-	-	-	-	1,265	238
Other services and charges	-	-	-	-	220	4,070
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	59,911	3,314
Other disbursements	-	-	26,867	64,863	2,277	-
Total disbursements	-	-	30,635	64,864	80,989	7,622
Excess (deficiency) of receipts over disbursements	-	83	(18,358)	(58,295)	27,439	34,270
Cash and investments - ending	\$ 3,381	\$ -	\$ -	\$ -	\$ 27,439	\$ 28,823

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

	HEALTH BONUS BASE GRANT (EMERG PREP)	PUBLIC DEFENDER BOARD	PROSECUTOR INVESTIGATOR GRANT	HEALTH BASE GRANT 2013	DEBT REPAY ROAD IMPROVEMENT	HOMELAND SECURITY LETPP
Cash and investments - beginning	\$ 28	\$ (94,436)	\$ (1,369)	\$ 414	\$ -	\$ 319
Receipts:						
Taxes	-	-	-	-	1,020,754	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	45,157	36,078	13,864	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>45,157</u>	<u>36,078</u>	<u>13,864</u>	<u>1,020,754</u>	<u>-</u>
Disbursements:						
Personal services	-	121,468	38,570	-	-	-
Supplies	-	1,200	-	3,237	-	-
Other services and charges	-	22,331	-	575	-	-
Debt service - principal and interest	-	-	-	-	517,300	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>144,999</u>	<u>38,570</u>	<u>3,812</u>	<u>517,300</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(99,842)</u>	<u>(2,492)</u>	<u>10,052</u>	<u>503,454</u>	<u>-</u>
Cash and investments - ending	<u>\$ 28</u>	<u>\$ (194,278)</u>	<u>\$ (3,861)</u>	<u>\$ 10,466</u>	<u>\$ 503,454</u>	<u>\$ 319</u>

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

	CITIES READINESS VI	JACKSON TOWNSHIP FIRE	CITIES READINESS VII	HELMSBURG BR. CO. WATER GRANT	E-911 LAND LINE	CITIES READINESS VIII
Cash and investments - beginning	\$ (502)	\$ (1,040)	\$ (751)	\$ (375)	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	699	9,473
Total disbursements	-	-	-	-	699	9,473
Excess (deficiency) of receipts over disbursements	-	-	-	-	(699)	(9,473)
Cash and investments - ending	<u>\$ (502)</u>	<u>\$ (1,040)</u>	<u>\$ (751)</u>	<u>\$ (375)</u>	<u>\$ (699)</u>	<u>\$ (9,473)</u>

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

	BROWN COUNTY TREASURER	BROWN COUNTY CLERK	SHERIFF'S DEPARTMENT COMMISSARY	SHERIFF'S DEPARTMENT INMATE TRUST	SHERIFF'S DEPARTMENT DRUG INVESTIGATION	Totals
Cash and investments - beginning	\$ 1,111,010	\$ 145,041	\$ 47,665	\$ 2,109	\$ 14,040	\$ 13,868,851
Receipts:						
Taxes	-	-	-	-	-	12,786,004
Licenses and permits	-	-	-	-	-	50,647
Intergovernmental receipts	-	-	-	-	-	4,847,650
Charges for services	1,020,860	-	55,988	47,785	-	1,944,399
Fines and forfeits	-	1,878,871	-	-	-	2,002,049
Other receipts	-	-	-	-	-	23,461,865
Total receipts	<u>1,020,860</u>	<u>1,878,871</u>	<u>55,988</u>	<u>47,785</u>	<u>-</u>	<u>45,092,614</u>
Disbursements:						
Personal services	-	-	-	-	-	9,728,185
Supplies	-	-	-	-	-	942,109
Other services and charges	-	-	-	-	-	4,698,655
Debt service - principal and interest	-	-	-	-	-	544,159
Capital outlay	-	-	-	-	-	1,814,031
Other disbursements	1,111,010	1,717,616	83,394	49,126	-	27,667,497
Total disbursements	<u>1,111,010</u>	<u>1,717,616</u>	<u>83,394</u>	<u>49,126</u>	<u>-</u>	<u>45,394,636</u>
Excess (deficiency) of receipts over disbursements	<u>(90,150)</u>	<u>161,255</u>	<u>(27,406)</u>	<u>(1,341)</u>	<u>-</u>	<u>(302,022)</u>
Cash and investments - ending	<u>\$ 1,020,860</u>	<u>\$ 306,296</u>	<u>\$ 20,259</u>	<u>\$ 768</u>	<u>\$ 14,040</u>	<u>\$ 13,566,829</u>

BROWN COUNTY  
SCHEDULE OF PAYABLES AND RECEIVABLES  
December 31, 2014

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 4,801</u>	<u>\$ -</u>

BROWN COUNTY  
SCHEDULE OF LEASES AND DEBT  
December 31, 2014

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Brown County Building Corporation	Pay for new Jail/Law Enforcemnt Building	\$ 592,500	12/24/2013	1/15/2030
Total of annual lease payments		<u>\$ 592,500</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	Payment for loan toward Roads	\$ 1,500,000	\$ 1,021,625
Tax anticipation warrants	Payment for loan toward 4-H Fair Projects	<u>437,500</u>	<u>134,059</u>
Totals		<u>\$ 1,937,500</u>	<u>\$ 1,155,684</u>

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

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

TO: THE OFFICIALS OF BROWN COUNTY, INDIANA

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

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

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

***Basis for Qualified Opinion on Edward Byrne Memorial Justice Assistance Grant Program***

As described in item 2014-005 in the accompanying Schedule of Findings and Questioned Costs, the County did not comply with requirements regarding Equipment and Real Property Management that are applicable to its Edward Byrne Memorial Justice Assistance Grant Program. Compliance with such requirements is necessary, in our opinion, for the County to comply with requirements applicable to that program.

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

***Qualified Opinion on Edward Byrne Memorial Justice Assistance Grant Program***

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Edward Byrne Memorial Justice Assistance Grant Program* paragraph, 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 the Edward Byrne Memorial Justice Assistance Grant Program for the year ended December 31, 2014.

***Unmodified Opinion on Each of the Other Major Federal Programs***

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the year ended December 31, 2014.

***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2014-007. Our opinion on each major federal program is not modified with respect to these matters.

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

**Report on Internal Control over Compliance**

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


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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2014-004, 2014-005, 2014-006, and 2014-007 to be material weaknesses.

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

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

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

  
Paul D. Joyce, CPA  
State Examiner

June 29, 2017

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.

BROWN COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2014

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>Department of Commerce</u>				
ARRA - State Broadband Data and Development Grant Program Broad Band Radios	Indiana Department of Commerce	11.558	2014	\$ 2,000
Total - Department of Commerce				<u>2,000</u>
<u>Department of Housing and Urban Development</u>				
CDBG - State-Administered CDBG Cluster Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii Van Buren Fire Dept Grant	Indiana Office of Community and Rural Affairs	14.228	A192-13-FF-12-101	<u>258,658</u>
Total - Department of Housing and Urban Development				<u>258,658</u>
<u>Department of Justice</u>				
Crime Victim Assistance Victim Assist. Prog. Fed	Indiana Criminal Justice Institute	16.575	D-312-6391	<u>33,103</u>
Violence Against Women Formula Grants Prosecutor Investigator Grant	Indiana Criminal Justice Institute	16.588	12STPR046	<u>36,078</u>
JAG Program Cluster Edward Byrne Memorial Justice Assistance Grant Program	Indiana Criminal Justice Institute	16.738	D3-14-8673	<u>143,435</u>
Total - Department of Justice				<u>212,616</u>
<u>Department of Transportation</u>				
Highway Planning and Construction Cluster Highway Planning and Construction Salt Creek Trail Bridge Inspection	Indiana Department of Transportation	20.205	EDS # A249-09-320693 DES#090118	127,196 <u>42,127</u>
Total - Highway Planning and Construction Cluster				<u>169,323</u>
Highway Safety Cluster Alcohol Impaired Driving Countermeasures Incentive Grants I Operation Pullover	Town of Nashville	20.601	OP-11-02-02-11	<u>3,850</u>
Total - Department of Transportation				<u>173,173</u>
<u>Department of Health and Human Services</u>				
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	Indiana State Department of Health	93.074	13-14 CRI Base 13-14 Base 14-15	9,473 4,391 <u>10,550</u>
Total - Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements				<u>24,414</u>
Child Support Enforcement Prosecutor Incentive Clerk Incentive Fund Title IV-D Incentive Fund Circuit Court Clerk's Expenditures County Prosecutor's Expenditures Circuit Court's Expenditures Indirect Cost ARRA Funds	Indiana Dept of Child Services	93.563	2014 2014 2014 2014 2014 2014 2014 2014 2014	9,700 12,138 17,520 28,863 93,519 2,829 64,554 <u>6,285</u>
Total - Child Support Enforcement				<u>235,408</u>
Grants to States for Access and Visitation Programs Brown County Family Access Program	Indiana Dept of Family and Social Service Administration	93.597	A93-1-97-CS00063989	<u>66,875</u>
Total - Department of Health and Human Services				<u>326,697</u>
<u>Department of Homeland Security</u>				
Hazard Mitigation Grant Brown County Buyout # 1	Indiana Department of Homeland Security	97.039	C44P-1-049A	<u>29,047</u>
Emergency Management Performance Grants EMA Salary Reimbursement	Indiana Department of Homeland Security	97.042	C44P-4-348-B C44P-2-313	4,470 <u>18,195</u>
Total - Emergency Management Performance Grants				<u>22,665</u>
Homeland Security Grant Program Security	Indiana Department of Homeland Security	97.067	C44P-4-059B	<u>3,132</u>
Total - Department of Homeland Security				<u>54,844</u>
Total federal awards expended				<u>\$ 1,027,988</u>

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

BROWN COUNTY  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1. Basis of Presentation**

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

**Note 2. Summary of Significant Accounting Policies**

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

BROWN COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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

Financial Statement:

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

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major program:	Unmodified for all programs except for Edward Byrne Memorial Justice Assistance Grant Program which is qualified.
Any audit finding disclosed that are required to be reported in accordance with section .510(a) of OMB Circular A-133?	yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
	CDBG - State-Administered CDBG Cluster
16.738	Edward Byrne Memorial Justice Assistance Grant Program
93.563	Child Support Enforcement

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

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

**FINDING 2014-001**

Subject: Internal Controls over Financial Transactions and Reporting - County Auditor  
Audit Finding: Material Weakness

BROWN COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Condition*

There were deficiencies in the internal control system of the County related to financial transactions and reporting. The County had not separated incompatible activities related to financial transactions and reporting. The County Auditor entered the financial information into the Indiana Gateway for Government Units financial reporting system (Gateway), which is the source of the Annual Financial Report (AFR) and the financial statement. The County did not have effective controls to verify the accuracy of the financial information entered prior to submission.

Financial transactions for 18 funds were omitted from the AFR and the financial statement. As a result, total receipts were understated by \$8,742,412, total disbursements were understated by \$8,323,563, and the ending balance was understated by \$212,776. Audit adjustments were proposed, accepted by the County, and made to the AFR and the financial statement.

A posting error was noted in the Settlement fund on December 19, 2014. A receipt was posted twice for \$820,082 and went undetected until July 2015. Audit adjustments were proposed and accepted by the County.

*Criteria*

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

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

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

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

*Cause*

Management of the County had not established a proper system of internal control.

BROWN COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Effect*

The failure to establish controls 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.

**FINDING 2014-002**

Subject: Internal Controls over Financial Transactions and Recording - County Treasurer  
Audit Finding: Material Weakness

*Condition*

There were several deficiencies in the internal control system of the County Treasurer related to financial transactions and reporting. The County Treasurer did not have effective controls to verify the accuracy of the cash reconcilements.

There were the following deficiencies:

1. Documentation was not presented indicating review and approval of the monthly reconciliations of the bank accounts by someone other than the person preparing them.
2. Reconcilements of the bank account balances to the balances reported in the County Treasurer's Daily Balance of Cash and Depositories (Cash Book) were not properly performed for 2014. Details of the reconciling items were not maintained and the monthly reconcilements presented for audit by the County Treasurer did not include a total of all banks to all funds reconciliation.
3. The County Treasurer's bank accounts did not reconcile with the amounts reported in the County Treasurer's Cash Book by \$8,402 as of December 31, 2014.
4. The amount recorded on the Cash Book for some bank account balances that were designated for specific funds, were not reflective of the amounts recorded on the funds ledger for those specific funds. Many old bank accounts remained on the Cash Book that were designated for specific funds that were no longer active.
5. A reconciliation of the monthly comparison report of ledger fund balances was not being done between the County Treasurer and County Auditor. At December 31, 2014, the funds ledger cash reported in the Cash Book had an unexplained variance of \$195,322 from the County Auditor's funds ledger after the correction of an \$820,082 ledger posting error. The variance continues to change monthly due to posting errors between the County Auditor's ledger and the County Treasurer's Cash Book.

BROWN COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Criteria*

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

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers of Indiana, Chapter 1)

*Cause*

Management of the County had not established a proper system of internal control.

*Effect*

The failure to establish controls 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.

**FINDING 2014-003**

Subject: Preparation of the Schedule of Expenditures of Federal Awards  
Audit Finding: Material Weakness

BROWN COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*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).

The County prepared and submitted the SEFA without effective controls to ensure its accuracy before submission.

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

1. Federal expenditures for five programs were overstated.
2. Federal expenditures for two programs were understated.
3. Twelve federal programs were incorrectly omitted.
4. One grant did not correctly identify the pass-through entity.
5. Twelve grants were incorrectly listed as pass-through to subrecipient.
6. One grant was listed as a direct grant and it was a state grant.
7. Total federal expenditures reported on the SEFA was understated by \$530,422.

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. . . ."

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

BROWN COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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

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

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.
- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

*Cause*

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

*Effect*

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

*Views of Responsible Officials*

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

BROWN COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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

***FINDING 2014-004***

Subject: Community Development Block Grants/State's program  
and Non-Entitlement Grants in Hawaii - Davis-Bacon Act  
Federal Agency: Department of Housing and Urban Development  
Federal Program: Community Development Block Grants/State's program  
and Non-Entitlement Grants in Hawaii  
CFDA Number: 14.228  
Federal Award Number and Year (or Other Identifying Number): A192-13-FF-12-101  
Pass-Through Entity: Indiana Office of Community and Rural Affairs  
Compliance Requirement: Davis-Bacon Act  
Audit Finding: Material Weakness

*Condition*

An effective internal control system was not in place at the County in order to ensure compliance with requirements related to the grant agreement and the Davis-Bacon Act requirements.

The County hired a Grant Administrator to assist in overseeing the labor standards required by the Davis-Bacon Act compliance requirement. Certified payrolls were submitted by the contractors/subcontractors to the Grant Administrator who would then check to determine if prevailing wages were being properly paid. The County did not have procedures in place ensure the work being performed by the Grant Administrator was in compliance with the Davis-Bacon Act.

*Context*

There was a lack of internal controls for the entire audit period.

*Criteria*

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

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

*Cause*

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

*Effect*

The failure to establish an effective internal control system placed the County at risk of noncompliance with the grant agreement and the compliance requirement. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirement and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

BROWN COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the County's management establish and implement controls related to the grant agreement and the Davis-Bacon Act requirements.

*Views of Responsible Officials*

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

**FINDING 2014-005**

Subject: Edward Byrne Memorial Justice Assistance Grant Program -  
Equipment and Real Property Management  
Federal Agency: Department of Justice  
Federal Program: Edward Byrne Memorial Justice Assistance Grant Program  
CFDA Number: 16.738  
Federal Award Number and Year (or Other Identifying Number): D3-14-8673  
Pass-Through Entity: Indiana Criminal Justice Institute  
Compliance Requirement: Equipment and Real Property Management  
Audit Findings: Material Weakness, Other Matter/Qualified Opinion

*Condition*

Management of the County had not established an effective internal control system over the requirements relating to Equipment and Real Property Management.

County officials did not have controls in place to ensure that capital assets purchased with federal funds were properly accounted for. Capital assets purchased with grant funds through the County Sheriff's office were not included on the County's capital assets records.

*Context*

During the audit period, 100 percent of the equipment purchased with the grant funds through the County Sheriff's office was not included on the County's capital asset records.

*Criteria*

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

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

BROWN COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

28 CFR 66.32(d) states:

*"Management requirements.* Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part with grant funds, until disposition takes place will, as a minimum, meet the following requirements:

- (1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
- (2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.
- (3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft shall be investigated.
- (4) Adequate maintenance procedures must be developed to keep the property in good condition.
- (5) If the grantee or subgrantee is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return."

*Cause*

The County Sheriff's office did not maintain capital assets records to report to the County their capital assets including those purchased with federal funds. The County did not maintain capital asset records including those purchased with federal funds.

*Effect*

The failure to establish effective internal controls enabled material noncompliance to go undetected. Noncompliance with the grant agreement for the Equipment and Real Property Management requirements that have a direct and material effect to the program could have resulted in the loss of federal funds to the County.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the County Sheriff's office and the County's management establish and implement controls related to the grant agreement and the requirements pertaining to Equipment and Real Property Management.

*Views of Responsible Officials*

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

BROWN COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

***FINDING 2014-006***

Subject: Edward Byrne Memorial Justice Assistance Grant Program - Reporting  
Federal Agency: Department of Justice  
Federal Program: Edward Byrne Memorial Justice Assistance Grant Program  
CFDA Number: 16.738  
Federal Award Number and Year (or Other Identifying Number): D3-14-8673  
Pass-Through Entity: Indiana Criminal Justice Institute  
Compliance Requirement: Reporting  
Audit Finding: Material Weakness

*Condition*

An effective internal control system was not in place at the County in order to ensure compliance with requirements related to the grant agreement and the Reporting requirements.

One person was responsible for preparing and filing the required quarterly reports. There was no evidence to suggest proper segregation of duties to ensure required quarterly reports were prepared and filed correctly.

*Context*

There was no evidence of internal controls for all four of the quarterly reports filed during the audit period.

*Criteria*

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

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

*Cause*

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

*Effect*

The failure to establish an effective internal control system placed the County at risk of noncompliance with the grant agreement and the compliance requirement. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirement and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

*Questioned Costs*

There were no questioned costs identified.

BROWN COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Recommendation*

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

*Views of Responsible Officials*

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

**FINDING 2014-007**

Subject: Child Support Enforcement - Allowable Costs/Cost Principles  
Federal Agency: Department of Health and Human Services  
Federal Program: Child Support Enforcement  
CFDA Number: 93.563  
Federal Award Number and Year (or Other Identifying Number): 2014  
Pass-Through Entity: Indiana Depart of Child Services  
Compliance Requirement: Allowable Costs/Cost Principles  
Audit Findings: Material Weakness, Other Matters

*Condition*

An effective internal control system was not in place at the County in order to ensure compliance with requirements related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

The Circuit Court IV-D office was required to maintain Semi-Annual Certifications and Personnel Activity Reports on all full and part-time employees paid from the grant. These reports were maintained but were not being signed by the employees or supervisory officials.

*Context*

There was a lack of controls for the entire audit period.

*Criteria*

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

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

OMB Circular A-87, Attachment B, section 8h, states in part:

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

BROWN COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

(4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see subsection (6)) or other substitute system has been approved by the cognizant Federal agency. Such documentary support will be required where employees work on:

- (a) More than one Federal award,
- (b) A Federal award and a non Federal award,
- (c) An indirect cost activity and a direct cost activity,
- (d) Two or more indirect activities which are allocated using different allocation bases,  
or
- (e) An unallowable activity and a direct or indirect cost activity. . . ."

*Cause*

Management had not developed a system of internal controls that ensured the Allowable Costs/Cost Principles compliance requirement was met.

*Effect*

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

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the County establish internal controls related to the grant agreement and Allowable Costs/Cost Principles compliance requirement.

*Views of Responsible Officials*

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

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#### AUDITEE-PREPARED DOCUMENTS

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

Beth A. Mulry  
Brown County Auditor

201 Locust Lane  
P.O. Box 37  
Nashville, IN 47448  
Telephone: (812) 988-5485  
Fax: (812) 988-5487



July 31, 2017

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

***FINDING 2013-003***

Fiscal year in which the finding initially occurred: 2013  
Pass-Through Entity: Indiana Office of Community and Rural Affairs  
Contact Person Responsible for Corrective Action: Beth Mulry  
Contact Phone Number: 812-988-5485

Status of Audit Finding: Corrected 9/1/2014: Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Procurement and Suspension and Debarment, Program Income and Reporting

Corrected: 1/1/2017; Davis-Bacon Act

***FINDING 2013-004***

Fiscal year in which the finding initially occurred: 2013  
Pass-Through Entity: Indiana Department of Homeland Security  
Contact Person Responsible for Corrective Action: Beth Mulry  
Contact Phone Number: 812-988-5485

Status of Audit Finding: Corrected 11/30/2014

***FINDING 2013-005***

Fiscal year in which the finding initially occurred: 2013  
Pass-Through Entity: Indiana Department of Homeland Security  
Contact Person Responsible for Corrective Action: Beth Mulry  
Contact Phone Number: 812-988-5485

Status of Audit Finding: Corrected 9/1/2014

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Fax: (812) 988-5487



***FINDING 2013-006***

Fiscal year in which the finding initially occurred: 2013  
Pass-Through Entity: Office of Community and Rural Affairs  
Contact Person Responsible for Corrective Action: Beth Mulry  
Contact Phone Number: 812-988-5485

Status of Audit Finding: Corrected 11/30/2014

***FINDING 2013-009***

Fiscal year in which the finding initially occurred: 2013  
Pass-Through Entity: Indiana Department of Child Services  
Contact Person Responsible for Corrective Action: Beth Mulry  
Contact Phone Number: 812-988-5485

Status of Audit Finding: Corrected 1/1/2017

**NOTE: Glenda Stogsdill was County Auditor and contract person for prior findings throughout 2014. Beth Mulry assumed the position of County Auditor on January 1, 2015**



**Clerk of the Brown Circuit Court  
88<sup>th</sup> Judicial Circuit**

**Brenda Woods**

Courthouse  
20 East Main Street  
P.O. Box 85  
Nashville, IN 47448  
Phone (812) 988-5510  
Fax (812) 988-5562



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**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

***FINDING 2013-007***

Fiscal year in which the finding initially occurred: 2013  
Pass-Through Entity: Indiana Department of Child Services  
Contact Person Responsible for Corrective Action: Brenda Woods  
Contact Phone Number: 812-988-5510

Status of Audit Finding: Corrected 8/1/2014

***FINDING 2013-008***

Fiscal year in which the finding initially occurred: 2013  
Pass-Through Entity: Indiana Department of Child Services  
Contact Person Responsible for Corrective Action: Brenda Woods  
Contact Phone Number: 812-988-5510

Status of Audit Finding: Corrected 9/1/2014

*Brenda Woods*

\_\_\_\_\_  
(Signature)

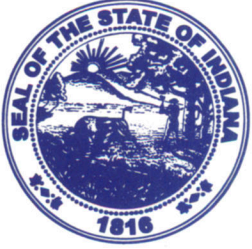
Clerk of the Brown Circuit Court

\_\_\_\_\_  
(Title)

May 15, 2017

\_\_\_\_\_  
(Date)

**OFFICE OF THE  
PROSECUTING  
ATTORNEY**



**THEODORE F.  
ADAMS**  
Brown County  
Prosecuting Attorney

P.O. Box 1008  
Nashville, IN 47448  
812-988-5470  
fax 812-988-5521

**Andrew A. Szakaly**  
Chief Deputy

**Tracey Yeager**  
Child Support Deputy

**Steve Brahaum**  
Investigator

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

***FINDING 2013-008***

Fiscal year in which the finding initially occurred: 2013  
Pass-Through Entity: Indiana Department of Child Services  
Contact Person Responsible for Corrective Action: Ted Adams  
Contact Phone Number: 812-988-5470

Status of Audit Finding: Corrected 8/13/2014

Tracey Yeager  
22 May 2017

Beth A. Mulry  
Brown County Auditor

201 Locust Lane  
P.O. Box 37  
Nashville, IN 47448  
Telephone: (812) 988-5485  
Fax: (812) 988-5487



**FINDING 2014-001**

Contact Person Responsible for Corrective Action: Beth Mulry

Contact Phone Number: 812-988-5485

Beth Mulry took the office of Brown County Auditor on January 1, 2015. Glenda Stogsdill was the elected County Auditor in 2014 and was the individual responsible for the operations of the office in 2014. The 2014 Annual Financial Report was filed and certified by Auditor Mulry in the first few months of office. The accuracy of the 2014 financial records of the Auditor was in question as a result of substantial imbalances between the records of the Treasurer and County Auditor.

Auditor Mulry concurs with Finding 2014-001. The Auditor has reviewed the missing funds matter and determined that the set up of some funds in the computerized financial software, Harris, used by the county did not include SBOA fund codes. This resulted in their being omitted from the upload created for submission to Gateway. Auditor Mulry acknowledges that the review of the annual report prior to filing should have included a process to ensure that the upload file contained all funds prior to final submission on Gateway. All other deficiencies are considered an inherited situation and result from the actions of the prior administration.

Upon taking office in 2015, Auditor Mulry began work to implement cross training and assess the knowledge of the staff. Training, cross training, internal controls and office oversight has been a fundamental objective since 2015. There was no daily, weekly or monthly reconciliation process in place between the Auditor and Treasurer when Auditor Mulry took office. Many matters commented on have been corrected or are in the process of being corrected. Deficiencies are addressed and corrected when discovered.

Description of Corrective Action Plan:

1. Funds will be reviewed and modified as needed to ensure that SBOA fund codes have been associated with all funds.
2. Future annual reports will be reviewed for inclusion of all funds prior to submission.

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Beth A. Mulry  
Brown County Auditor

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3. The Auditor and Treasurer have implemented a daily reconciliation process that will help to identify discrepancies in a timely fashion.
4. The Auditor will continue to review processes for internal control compliance as set out in the Uniform Internal Control Standards for Indiana Political Subdivision.
5. Auditor will review the 2015 and 2016 Annual Financial Report for omission of funds and other reasonably discoverable errors or omissions.

Anticipated Completion Date: Review of 2015 and 2016 Annual Financial Reports – December 31, 2017. All other actions are of an ongoing nature with no completion attributed.

Mary Smith  
Treasurer

Telephone  
(812) 988-5458  
Fax  
(812) 988-5520

**Brown County Treasurer**  
**P.O. Box 98**  
**Nashville, In 47448**  
**smithme@browncounty-in.us**

CORRECTIVE ACTION PLAN

***FINDING 2014-002***

Contact Person Responsible for Corrective Action: Mary E. Smith  
Contact Phone Number: 812-988-5458

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

My responses to the discrepancies are in bold type.

1. Documentation was not presented indicating review and approval of the monthly reconciliations of the bank accounts by someone other than the person preparing them.
2. **–our bank accounts are currently being processed and checked by more than one person. This was put in place after calendar year 2014**
3. Reconcilements of the bank account balances to the balances reported in the County Treasurer's Daily Balance of Cash and Depositories (cash book) were not properly performed for 2014. Details of the reconciling items were not maintained and the monthly reconcilements presented for audit by the County Treasurer did not include a total of all banks to all funds reconcilement.  
**–all issues relating to bank account reconcilement with cashbook and Harris program have been handled and everything is in balance starting in 2016**
4. The County Treasurer's bank accounts did not reconcile with the amounts reported in the Treasurer's cash book by \$8,402 as of December 31, 2014.  
**–this issue was handled in 2016**
5. The amount recorded on the cash book for some bank account balances that were designated for specific funds, are not reflective of the amounts recorded on the funds ledger for those specific funds. Many old bank accounts remained on the cash book that was designated for specific funds that are no longer active.

- There is discussion with other county treasurer's as to whether or not this is actually an issue. Many counties only operate out of one main checking account which all transactions flow. Some of this issue just pertains to wording on bank account sub-headings. We are looking into this matter and hope to have a resolution by the end of August after the Treasurer's Conference.
6. A reconciliation of the monthly comparison report of ledger fund balances is not being done between the County Treasurer and County Auditor. At December 31, 2014, the funds ledger cash reported in the cash book had an unexplained variance of \$195,322 from the Auditor's funds ledger after the correction of an \$820,082 ledger posting error. The variance continues to change monthly due to posting errors between the Auditor's ledger and the Treasurer's Cash Book.  
**-Starting in 2016 treasurer and auditor balance in the funds ledger except for a total of \$7,477.47 in 2 funds. This amount has held steady for almost a year now. Also the cashbook to funds ledger line balance in Harris program balances as of December 2016.**

Anticipated Completion Date: Most items have been dealt with in 2016. Number 5 will hopefully be corrected by August/September 2017

Mary Smith  
(Signature)

Treasurer  
(Title)

June 21, 2017  
(Date)

Beth A. Mulry  
Brown County Auditor

201 Locust Lane  
P.O. Box 37  
Nashville, IN 47448  
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Fax: (812) 988-5487



**FINDING 2014-003**

Contact Person Responsible for Corrective Action: Beth Mulry and other unknown persons

Contact Phone Number: 812-988-5485 Auditor Mulry

Beth Mulry took the office of Brown County Auditor on January 1, 2015. Glenda Stogsdill was the elected County Auditor in 2014 and was the individual responsible for the operations of the office in 2014. The 2014 Schedule of Expenditures of Federal Awards (SEFA) was filed and certified by the County Auditor in the first few months of Auditor Mulry's term of office. The accuracy of the 2014 financial records of the Auditor was in question as a result of substantial imbalances between the records of the Treasurer and County Auditor.

In 2014, Brown County Government had assigned the duties of grant administration to the County Administrator employed by the County Commissioners. In 2015, the grant files and records of the County Auditor were disorganized, lacking essential information and in some case unlocatable. The position of County Administrator was eliminated in 2015 at the request of the County Commissioners. The official responsibility of grant administration has not been reassigned. The County Auditor has been acting as a quasi-administrator since the elimination of the County Administrator. In that role, Auditor Mulry is attempting to locate necessary records, update and create grant files, review and approve financial reports that are submitted for review, monitor grant fund balances along with other administrative actions.

Auditor Mulry concurs with Finding 2014-003. The Auditor has reviewed the 2014 SEFA and determined that a lack of records, training and other information contributed to some of the deficiencies in the filing.

Description of Corrective Action Plan:

1. Auditor Mulry suggests that the County Council reassign the responsibility of grant administration.

Beth A. Mulry  
Brown County Auditor

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Fax: (812) 988-5487



2. The Grant Administrator should create a form for use throughout the county that collects the necessary information to determine if a grant is required for reporting on the SEFA and to capture all necessary information.
  - a. If the County Auditor is not the Grant Administrator, that form must be provided to the Auditor if the grant requires reporting on the SEFA.
  - b. For immediate use, County Auditor will create a basic form that collects the data necessary for SEFA completion.
3. The County Auditor and/or her deputies will look for training opportunities on federal grant SEFA reporting requirements and fiscal administration.
4. The County Auditor and her deputies will continue to strive for accuracy in the financial transaction processing to reduce the number of errors that require correction or go unnoticed. Internal controls and quality assurance will continue to be reviewed for possible improvement.

Anticipated Completion Date:

1. Reassignment of Grant Administrator responsibilities: Unknown at the discretion of County Council.
2. Training for County Auditor and selected deputies: December 31, 2017 if available. Ongoing training as attendance is possible.
3. Auditor Form Creation: November 30, 2017



**Brown County Government  
Board of Commissioners**

[www.browncounty-in.gov](http://www.browncounty-in.gov)

2nd Floor County Office Building  
201 Locust Lane  
Nashville, Indiana 47448

Phone: 812-988-4901

Fax: 812-340-0979

E-mail: [commissioners@browncounty-in.us](mailto:commissioners@browncounty-in.us)

June 26, 2017

***FINDING 2014-004***

Contact Person Responsible for Corrective Action: County Commissioners

Contact Phone Number: 812-988-4901

Views of Responsible Official: We concur with the finding.

During the 2014 term, Brown County employed a "County Administrator". According to the formers job description, one of the assigned tasks was to "Identify and prepare grants. Track grants and prepare necessary reporting." Specific responsibility for the administration of any grants was vested in a contracted professional grant administration firm.

Description of Corrective Action Plan:

1. The specific official applying for the grant should review each grant for compliance requirements.

- i. If *Davis Bacon compliance* is required that official should review payroll samplings at least monthly to ensure compliance. This review should be documented by placing the reviewer's initials on the payroll. This payroll must be maintained in the grant file.

2. County Council/Commissioners should discuss and decide whether to contract a professional Grant Administrator, or to place this responsibility in the job description of a county official/employee.

3. The county's Grant Administrator, if any, should also determine if each grant requires Davis Bacon compliance.

1. If compliance required, the county's Grant Administrator, if any, should require copies of the applying official's compliance review for further review and placement in the main grant file.

Anticipated Completion Date:

1. Prior to September 30, 2017

Please contact me if you have any questions;

Kindest Regards,

Diana Biddle  
Brown County Commissioner



**Brown County Government  
Board of Commissioners**

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June 26, 2017

***FINDING 2014-005***

Contact Person Responsible for Corrective Action: County Commissioners

Contact Phone Number: 812-988-4901

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

1. The County Commissioners began compiling inventory documentation as part of our Property/Casualty Insurance bidding process in early 2017.
2. The County Commissioners will conduct a county-wide capital asset inventory in 2017 and annually thereafter, implementing a system that requires individual offices and/or departments to inform them of capital asset acquisition providing a form for usage, with specific emphasis on assets acquired via grants.
3. The County Auditor will be provided with a copy of the annual inventory by December 31, 2017 for usage in compiling the county's Annual Financial Report.

Anticipated Completion Date:

1. Prior to December 31, 2017

Please contact me if you have any questions;

Kindest Regards,

Diana Biddle  
Brown County Commissioner



# Brown County Sheriff's Office

Scott Southerland  
Sheriff

55 State Rd. 46E  
P.O. Box 95  
Nashville, IN 47448  
Phone 812-988-6655  
Fax 812-988-8859

## CORRECTIVE ACTION PLAN

### *Finding 2014-005*

Contact Person Responsible for Corrective Action: Scott Southerland

Contact Phone Number: 812-988-6655

Views of Responsible Official: We concur with the finding.

Scott Southerland took the office of Sheriff of Brown County on January 1, 2015. Prior administrations and individuals no longer with the Sheriff's Office were responsible for the operations of the department, including oversight of Federal grants, before this date.

Description of Corrective Action Plan:

Sheriff Southerland will create and maintain a capital asset list to make a record of all equipment purchased with federal funds. A copy of this list will be provided to the Brown County Auditor's Office to be included on the county asset inventory.

Anticipated Completion Date: Capital asset records will be implemented by August 30, 2017.

(Signature)

Sheriff

(Title)

4-29-2017

(Date)



# Brown County Sheriff's Office

Scott Southerland  
Sheriff

55 State Rd. 46E  
P.O. Box 95  
Nashville, IN 47448  
Phone 812-988-6655  
Fax 812-988-8859

## CORRECTIVE ACTION PLAN

### *Finding 2014-006*

Contact Person Responsible for Corrective Action: Scott Southerland

Contact Phone Number: 812-988-6655

Views of Responsible Official: We concur with the finding.

Scott Southerland took the office of Sheriff of Brown County on January 1, 2015. Prior administrations and individuals no longer with the Sheriff's Office were responsible for the operations of the department, including oversight of Federal grants, before this date.

Description of Corrective Action Plan:

Sheriff Southerland will review the internal controls systems in place at the department in the specific area of segregation of duties involved in the financial reporting on grants. The Uniform Internal Control Standards for Indiana Political Subdivisions will be used as a resource for the review and future internal control matters. In order to address this specific finding, Sheriff Southerland will implement a two person protocol for the creation, review and approval of all grant financial reports.

Anticipated Completion Date: Two person protocols will be implemented by August 30, 2017.

  
\_\_\_\_\_  
(Signature)

SHERIFF  
\_\_\_\_\_  
(Title)

4-26-2017  
\_\_\_\_\_  
(Date)

# BROWN CIRCUIT COURT

P.O. Box 85  
Nashville, Indiana 47448

(812) 988-7557  
Fax (812) 988-5515

**Judith A. Stewart**  
Judge

**Frank M. Nardi**  
Magistrate

## CORRECTIVE ACTION PLAN

### **FINDING 2014-007**

Contact Person Responsible for Corrective Action: Judith A. Stewart  
Contact Phone Number: 812-988-7557

### **Views of Responsible Official:**

The finding relates to timesheets that were maintained but not signed. This audit period was near the beginning of the time we became involved in this process, and we have since improved our record keeping process.

I would also note that the timesheets in question are based on time studies. The periodic time studies track actual hours spent on IV-D work each day by each employee during the time study, and those percentages of total time are used to seek IV-D reimbursement until the next time study is completed and the percentage adjusted if necessary. Consequently, the monthly timesheets that were found lacking in this finding are not actual daily logs of hours worked, only reflections of the time study. I am confident that the time studies were correct, and that the actual hours logged by each employee during the time study were accurate and conscientious. Consequently, while we failed to maintain signed copies of some of the monthly timesheets based on that time study, I do not feel this failure impacted the integrity of our data or reimbursement claim in any way.

We continue to conduct accurate time studies to ensure a proper basis for our reimbursement claim. Court employees currently sign each monthly time sheet, even though they only reflect the time study not specific hours worked, and we maintain the signed time sheets.

### **Description of Corrective Action Plan:**

I will ensure all timesheets are signed by the employees and will ensure accurate maintenance of those signed timesheets.

### **Anticipated Completion Date:**

Corrective action already has been completed.

Sincerely,

Judith A. Stewart  
Judge, Brown Circuit Court

Date

6/21/17

*Eighty-Eighth Judicial Circuit*

#### 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/>.