

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

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



**FILED**  
09/27/2017



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Independent Auditor's Report .....	3-5
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statement Performed in Accordance with <i>Government Auditing Standards</i> .....	6-7
Financial Statement and Accompanying Notes:	
Statement of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis .....	10-12
Notes to Financial Statement .....	13-18
Other Information - Unaudited:	
Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis .....	20-41
Schedule of Leases and Debt .....	42
Schedule of Capital Assets.....	43
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance .....	46-48
Schedule of Expenditures of Federal Awards and Accompanying Notes:	
Schedule of Expenditures of Federal Awards.....	50-51
Notes to Schedule of Expenditures of Federal Awards .....	52
Schedule of Findings and Questioned Costs .....	53-58
Auditee-Prepared Documents:	
Summary Schedule of Prior Audit Findings.....	60-62
Corrective Action Plan .....	63-65
Other Reports.....	66

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Robin D. Lowder	01-01-15 to 12-31-18
County Treasurer	Janice Silvey	01-01-13 to 12-31-20
Clerk of the Circuit Court	Marcia Moore	01-01-15 to 12-31-18
County Sheriff	Michael Shepherd	01-01-15 to 12-31-18
County Recorder	Debra Carnes	01-01-15 to 12-31-18
President of the Board of County Commissioners	Brad Armstrong	01-01-15 to 12-31-17
President of the County Council	William Bolander	01-01-15 to 12-31-17



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF HANCOCK COUNTY, INDIANA

**Report on the Financial Statement**

We have audited the accompanying financial statement of Hancock County (County), which comprises the financial position and results of operations for the year ended December 31, 2015, and the related notes to the financial statement as listed in the Table of Contents.

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

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (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, 2015.

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

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the County for the year ended December 31, 2015, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

***Other Matters***

*Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the County's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

*Other Information*

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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

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

August 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 HANCOCK 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 Hancock County (County), which comprises the financial position and results of operations for the year ended December 31, 2015, and the related notes to the financial statement, and have issued our report thereon dated August 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.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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

**Compliance and Other Matters**


As part of obtaining reasonable assurance about whether the County's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2015-001 and 2015-002.

**Hancock 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

August 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.

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

Fund	Cash and Investments 01-01-15	Receipts	Disbursements	Cash and Investments 12-31-15
CAR-1 Treasurer	\$ 975,704	\$ 766,414	\$ 975,704	\$ 766,414
CAR-1 Inmate Trust	7,859	357,552	350,988	14,423
County General	3,913,011	10,686,454	9,049,596	5,549,869
Accident Report	3,415	10,108	4,366	9,157
Bids Bonds Deposits	91,241	72,676	46,175	117,742
CAGIT County Certified	1,521,164	5,324,791	4,686,705	2,159,250
Campaign Finance Enforcement	-	25	-	25
Co Portion Cedit Econ Dev	742,160	1,173,503	178,004	1,737,659
Library Ptrc/ Cedit Fund	1,013,900	2,862,014	2,891,728	984,186
City/ Town Court Costs	1,253	18,078	18,155	1,176
Clerk's Record Perpetuation	44,210	34,681	24,727	54,164
Comm Corr Project Income	16,843	1,027,171	976,928	67,086
County Sales Disclosure	2,210	10,725	10,840	2,095
Cumulative Bridge	2,282,225	1,536,493	1,807,153	2,011,565
County Cum Capital Dev	736,698	1,208,181	798,124	1,146,755
NASA- Drug Free Community	108,816	94,225	73,291	129,750
Electronic Mapping GIS	21	-	-	21
Emergency Plan/ RTK	3,298	4,473	965	6,806
E911 Operating	820,430	634,605	416,194	1,038,841
Extradition & Sheriff Assistance	-	2,250	-	2,250
Firearms Training	29,477	33,060	42,692	19,845
General Drain Improvement	1,037,139	81,481	39,951	1,078,669
County Health	255,257	422,170	323,937	353,490
County ID Security	70,881	6,574	16,111	61,344
Local Road & Street	149,693	636,346	718,354	67,685
LOIT Public Safety	834,079	1,940,995	1,841,453	933,621
Co Misdemeanant	35,987	32,991	35,985	32,993
Motor Vehicle Highway	1,767,213	4,523,554	4,123,833	2,166,934
Auditor's Transfer Fee	38,085	18,570	10,729	45,926
Rainy Day Fund	4,919,641	36,788	238,273	4,718,156
2015 Reassessment	563,354	4,327	567,681	-
Recorder Perpetuation	293,466	162,575	156,364	299,677
Sex & Violent Offender	91	539	-	630
Solid Waste Agency	10,498	3,651	5,208	8,941
Suppl Public Defender	263,010	54,198	25,886	291,322
Surplus Tax	113,956	44,941	48,152	110,745
Cornerstone Perpetuation	52,073	15,760	18,101	49,732
Tax Sale Vendor Fees	1,845	5,395	4,970	2,270
Tax Sale Redemption	62,356	97,613	102,901	57,068
Tax Sale Surplus	789,325	539,540	829,197	499,668
IN Local Health Dept Trust Acct	157,609	32,458	37,714	152,353
Unsafe Building Fund	2,186	-	-	2,186
CASA/ GAL Services	-	14,344	13,900	444
Elected Officials Training	19,493	6,573	2,163	23,903
Hancock County E911	273,538	1,133,280	1,011,316	395,502
Juvenile Probation	12,861	7,774	9,485	11,150
Adult Probation Supp	2,015	294,369	271,067	25,317
County User Fees	355,842	634,535	684,428	305,949
Drainage Maintenance	2,749,826	470,809	337,964	2,882,671
Health Dept Donations	5,363	-	-	5,363
Sheriff Pension Holding	-	47,542	47,542	-
Settlement Account	-	82,263,685	82,263,685	-
Loit Public Safety	-	3,788,568	3,788,568	-
Auto Excise Surtax	105,456	1,794,105	1,793,501	106,060
County Wheel Tax	8,064	243,352	242,817	8,599
CVET	-	463,001	463,001	-
Delinq Weeds Assess	400	12,189	12,589	-
Delinq Sewer Assessment	-	96,783	96,783	-
Financial Inst Tax	-	57,147	57,147	-
LOIT Homestead	70,190	4,735,711	4,723,894	82,007
Fines & Forfeitures	1,622	10,203	10,682	1,143
Infraction Judgment	4,304	62,935	64,392	2,847
Overweight Vehicles	-	1,135	1,135	-
Special Death Benefit	400	5,186	5,221	365
State Sales Disclosures	1,160	10,725	10,840	1,045
Coroner Educ Fees	974	6,964	6,684	1,254
Interstate Transfer Fee	-	1,151	1,089	62
State Mortgage Fee	602	8,774	8,673	703
State Of In Sex & Violent	10	60	60	10
Child Restraint Violation Fines	-	294	294	-
Military Fines	2,095	-	2,095	-
Food & Beverage Tax	1,232,458	620,829	1,117,681	735,606

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

HANCOCK COUNTY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS

For the Year Ended December 31, 2015

(Continued)

Fund	Cash and Investments 01-01-15	Receipts	Disbursements	Cash and Investments 12-31-15
Education Plate	641	1,200	1,841	-
Riverboat Sharing Fund	-	414,686	414,686	-
Tourism Commission	18,609	441,847	430,083	30,373
CAGIT Cert Shares/ PTRC	-	18,942,840	18,942,840	-
Cedit Special Tax	5,420	1,907,958	1,913,378	-
93.563 Pros ARRA	24,694	-	24,694	-
93.563 TitleV-D Incentive General	133,973	21,811	2,245	153,539
93.563 Pros IV-D Incentive	993	32,809	11,742	22,060
93.563 Clerk Incentive- OLD	15,823	-	-	15,823
93.563 Clerk Incentive 10-1-99	84,360	21,811	15,887	90,284
GO Bond 2011	35,785	136,371	123,100	49,056
GO Bond 2007	159,845	249,375	381,656	27,564
GO Bond 2013	424,777	412,896	400,471	437,202
E911 Revenue Bond 2011	15,817	96,940	111,519	1,238
EOC Construction	13,320	-	13,320	-
GO Bond 2013 Proceeds	526,409	140	291,000	235,549
GO Bond 2015 Proceeds	-	2,000,000	270,301	1,729,699
GO Bond 2001	2,642	-	-	2,642
Courthouse Renovation	279	-	279	-
CAR-1 Treasurer Other Sources After Settlement	2,034,952	1,680,563	2,034,952	1,680,563
CAR-1 Redevelopment Debt Service Reserve	1,064,800	3	-	1,064,803
CAR-1 Sheriff Commissary	109,366	161,157	136,947	133,576
CAR-1 Sheriff-Shop w/Cop/Victims Assist/Chaplain	25,808	17,242	10,533	32,517
CAR-1 Court Trust Account	1,999,458	5,674,526	6,092,256	1,581,728
CAR-1 ISETS/ Clerk	5,947	823,861	820,824	8,984
CAR-1 Bond Principal & Interest Fund	-	640,188	640,188	-
CAR-1 Allocation Fund	1,736,422	1,976,188	640,738	3,071,872
CAR-1 Capital Fund	3,291,007	32,371	950,242	2,373,136
Reassessment	-	531,499	221,786	309,713
ADA Drug Screen Probation	63,821	31,162	30,394	64,589
RICO Forfeiture	20,925	-	17,503	3,422
Local Ordinance Violations	-	100	-	100
Assessment Training Fund	44,586	10,814	5,162	50,238
Superior I Trans	1,593	3,041	3,020	1,614
Superior II Trans	32	1,247	1,247	32
Circuit Crt Trans	579	-	-	579
Jury Pay Fund	6,741	8,173	14,914	-
City & Town General	3,863	-	-	3,863
CommCorrectionsVending	52,350	56,790	98,906	10,234
Law Enforcement Vending	-	66	-	66
K-9 Police Dog Fund	1,888	18,177	17,026	3,039
County Payroll	1,150,574	5,717,285	6,371,536	496,323
Health Claims Fund	130,677	2,300,000	2,163,704	266,973
12pay13 LOIT Homestead State Error	107,322	-	107,322	-
Public Hlth H1N1 III Fed	90	-	-	90
D.A.R.E. Fund	451	-	450	1
16.575 VOCA Victim Assist	-	-	9,717	(9,717)
16.738 JAG Underage Drink Task Force	-	21,545	23,750	(2,205)
16.738 Problem Solving Ct Grant	-	4,000	2,313	1,687
16.585 Bureau of Justice Grant	(4,946)	42,127	36,685	496
16.738 JAG Grant (Drug Court)	1,955	-	-	1,955
16.738 PACE Drug- Interdiction	96,546	17,877	96,546	17,877
16.575 VOCA Victim Assist 2015	-	36,162	35,577	585
20.509 Hancock Area Rural Tran	-	258,929	258,929	-
93.074 Medical Reserve Corp MRC	4,700	5,000	5,000	4,700
Public Hlth Emerg H1N1	51	-	-	51
Health Maint Grant	95,507	48,859	35,707	108,659
93.074 Bio Terrorism	16,614	77,963	59,174	35,403
Comm Corr Fiscal Grant	(7,011)	320,779	313,768	-
State Homeland Security	2,302	-	-	2,302
IDEM Grant	69	-	-	69
20.601 DUI Hancock TSP (10K)	2,352	9,776	8,781	3,347
20.600 OPO- Partnership (20k)	59	18,503	15,505	3,057
Sheriff Equitable Share	-	4,923	-	4,923
20.60 Traffic Safety Award PBT	1,500	-	1,500	-
97.042 Emergency Mngmt	-	8,318	8,196	122
JAIB Jobs Grant	395	-	-	395
11.557 Data Share Int	1,493	-	1,493	-
93.617 HAVA SEC 2 2004-2011	22,151	-	22,151	-
90.401 HAVA SEC 1 2006	9,847	-	9,847	-
Metro Drug Fed Grant OT	53	-	-	53

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

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

Fund	Cash and Investments 01-01-15	Receipts	Disbursements	Cash and Investments 12-31-15
16.588 STOP Grant	-	-	16,314	(16,314)
Indiana Youth Institute Grant	-	507	-	507
93.008 NACCHO Grant	7,245	3,500	-	10,745
S-2013-06 CT Alcohol Drug	12	-	-	12
Court Reform Grant	(5,165)	17,958	12,793	-
IDVA COMP Grant	250	-	250	-
Hazard Mitigation Grant- FEMA	-	11,100	11,100	-
Federal Equitable Share PACE	-	138,943	80,296	58,647
Rural Demo Proj- HC Sheriff TSP	-	2,034	2,033	1
Operation Centipede NHTSA	-	4,564	3,543	1,021
PACE State Asset Seizure Fund	-	12,950	3,885	9,065
TIF RDC Federal Reimbursement	-	145,860	145,860	-
RDC Passthrough Fund	-	543,989	543,989	-
Hancock County Tourism Commission	62,689	345,920	265,380	143,229
Totals	<u>\$ 42,203,659</u>	<u>\$ 177,777,191</u>	<u>\$ 174,304,605</u>	<u>\$ 45,676,245</u>

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

HANCOCK 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.

HANCOCK COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

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

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

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

**E. Disbursements**

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

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

*Supplies.* Amounts disbursed for articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include, but are not limited to, the following: office supplies, operating supplies, and repair and maintenance supplies.

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

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

HANCOCK COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

*Other disbursements.* Amounts disbursed for various other purposes including, but not limited to, the following: interfund loan payments; loans made to other funds; internal service disbursements; and transfers out that are authorized by statute, ordinance, resolution, or court order.

*F. Interfund Transfers*

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

*G. Fund Accounting*

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

**Note 2. Budgets**

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

**Note 3. Property Taxes**

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

HANCOCK 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:

HANCOCK 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.

HANCOCK 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 funds being set up for reimbursable grants. The reimbursements for expenditures from grants made by the County were not received by December 31, 2015.

**Note 8. Other Postemployment Benefits**

The County provides to eligible retirees and their spouses health insurance benefits. Eligible retired employees and elected officials are responsible for 50 percent of the premiums and the County is responsible for the remaining 50 percent. These benefits pose a liability to the County for this year and in future years. Information regarding the benefits can be obtained by contacting the County.

**Note 9. Combined Funds**

Funds related to the County Treasurer were combined into one fund for the prior report, but are reported individually in the current financial statement. Funds related to the Sheriff Shop w/Cop, Sheriff Chaplaincy and Victim Assistance were reported as individual funds for the prior report, but are reported as one fund in the current financial statement.

#### 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.

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

	CAR-1 Treasurer	CAR-1 Inmate Trust	County General	Accident Report	Bids Bonds Deposits	CAGIT County Certified	Campaign Finance Enforcement	Co Portion Cedit Econ Dev
Cash and investments - beginning	\$ 975,704	\$ 7,859	\$ 3,913,011	\$ 3,415	\$ 91,241	\$ 1,521,164	\$ -	\$ 742,160
Receipts:								
Taxes	766,414	-	7,734,250	-	-	5,324,791	-	1,016,937
Licenses and permits	-	-	420,351	-	-	-	-	-
Intergovernmental receipts	-	-	917,213	-	-	-	-	156,566
Charges for services	-	-	846,101	-	-	-	-	-
Fines and forfeits	-	-	318,984	-	-	-	-	-
Other receipts	-	357,552	449,555	10,108	72,676	-	25	-
Total receipts	766,414	357,552	10,686,454	10,108	72,676	5,324,791	25	1,173,503
Disbursements:								
Personal services	-	-	6,341,523	-	-	3,737,647	-	-
Supplies	-	-	13,148	-	-	123,106	-	-
Other services and charges	-	-	2,434,109	-	1,200	589,650	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	8,000	-	132,004
Other disbursements	975,704	350,988	260,816	4,366	44,975	228,302	-	46,000
Total disbursements	975,704	350,988	9,049,596	4,366	46,175	4,686,705	-	178,004
Excess (deficiency) of receipts over disbursements	(209,290)	6,564	1,636,858	5,742	26,501	638,086	25	995,499
Cash and investments - ending	\$ 766,414	\$ 14,423	\$ 5,549,869	\$ 9,157	\$ 117,742	\$ 2,159,250	\$ 25	\$ 1,737,659

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

	Library PTRC/ Cedit Fund	City/ Town Court Costs	Clerk's Record Perpetuation	Comm Corr Project Income	County Sales Disclosure	Cumulative Bridge	County Cum Capital Dev	NASA- Drug Free Community
Cash and investments - beginning	\$ 1,013,900	\$ 1,253	\$ 44,210	\$ 16,843	\$ 2,210	\$ 2,282,225	\$ 736,698	\$ 108,816
Receipts:								
Taxes	-	-	-	-	-	1,374,247	917,086	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	2,361	-	-	159,488	244,150	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	384	-	-	-	-	83,115
Other receipts	2,862,014	18,078	31,936	1,027,171	10,725	2,758	46,945	11,110
Total receipts	2,862,014	18,078	34,681	1,027,171	10,725	1,536,493	1,208,181	94,225
Disbursements:								
Personal services	-	-	21,701	-	-	-	-	28,072
Supplies	-	-	540	-	-	29,368	-	-
Other services and charges	-	-	2,486	-	-	4,856	-	45,219
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	1,772,929	798,124	-
Other disbursements	2,891,728	18,155	-	976,928	10,840	-	-	-
Total disbursements	2,891,728	18,155	24,727	976,928	10,840	1,807,153	798,124	73,291
Excess (deficiency) of receipts over disbursements	(29,714)	(77)	9,954	50,243	(115)	(270,660)	410,057	20,934
Cash and investments - ending	\$ 984,186	\$ 1,176	\$ 54,164	\$ 67,086	\$ 2,095	\$ 2,011,565	\$ 1,146,755	\$ 129,750

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

	Electronic Mapping GIS	Emergency Plan/ RTK	E911 Operating	Extradition & Sheriff Assistance	Firearms Training	General Drain Improvement	County Health	County ID Security
Cash and investments - beginning	\$ 21	\$ 3,298	\$ 820,430	\$ -	\$ 29,477	\$ 1,037,139	\$ 255,257	\$ 70,881
Receipts:								
Taxes	-	-	-	-	-	7,158	268,395	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	28,038	-
Charges for services	-	-	-	-	-	66,708	125,383	-
Fines and forfeits	-	-	-	-	-	-	-	-
Other receipts	-	4,473	634,605	2,250	33,060	7,615	354	6,574
Total receipts	-	4,473	634,605	2,250	33,060	81,481	422,170	6,574
Disbursements:								
Personal services	-	-	167,525	-	-	-	289,570	-
Supplies	-	-	4,417	-	-	-	13,737	-
Other services and charges	-	965	147,312	-	-	-	20,630	16,111
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Other disbursements	-	-	96,940	-	42,692	39,951	-	-
Total disbursements	-	965	416,194	-	42,692	39,951	323,937	16,111
Excess (deficiency) of receipts over disbursements	-	3,508	218,411	2,250	(9,632)	41,530	98,233	(9,537)
Cash and investments - ending	\$ 21	\$ 6,806	\$ 1,038,841	\$ 2,250	\$ 19,845	\$ 1,078,669	\$ 353,490	\$ 61,344

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

	Local Road & Street	LOIT Public Safety	Co Misdemeanant	Motor Vehicle Highway	Auditor's Transfer Fee	Rainy Day Fund	2015 Reassessment	Recorder Perpetuation
Cash and investments - beginning	\$ 149,693	\$ 834,079	\$ 35,987	\$ 1,767,213	\$ 38,085	\$ 4,919,641	\$ 563,354	\$ 293,466
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	20,225	-	-	-	-
Intergovernmental receipts	572,362	-	-	4,340,601	-	-	-	-
Charges for services	-	5,470	-	1,373	18,570	-	-	-
Fines and forfeits	-	-	-	100	-	-	-	-
Other receipts	63,984	1,935,525	32,991	161,255	-	36,788	4,327	162,575
Total receipts	636,346	1,940,995	32,991	4,523,554	18,570	36,788	4,327	162,575
Disbursements:								
Personal services	-	786,198	-	1,653,457	10,729	-	36,182	109,264
Supplies	642,019	217,484	-	1,632,927	-	-	-	4,978
Other services and charges	76,335	812,156	35,985	497,423	-	101,485	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	25,615	-	340,026	-	36,788	-	-
Other disbursements	-	-	-	-	-	100,000	531,499	42,122
Total disbursements	718,354	1,841,453	35,985	4,123,833	10,729	238,273	567,681	156,364
Excess (deficiency) of receipts over disbursements	(82,008)	99,542	(2,994)	399,721	7,841	(201,485)	(563,354)	6,211
Cash and investments - ending	\$ 67,685	\$ 933,621	\$ 32,993	\$ 2,166,934	\$ 45,926	\$ 4,718,156	\$ -	\$ 299,677

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

	Sex & Violent Offender	Solid Waste Agency	Suppl Public Defender	Surplus Tax	Cornerstone Perpetuation	Tax Sale Vendor Fees	Tax Sale Redemption
Cash and investments - beginning	\$ 91	\$ 10,498	\$ 263,010	\$ 113,956	\$ 52,073	\$ 1,845	\$ 62,356
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	539	-	-	-	-	5,395	-
Fines and forfeits	-	-	54,198	-	-	-	-
Other receipts	-	3,651	-	44,941	15,760	-	97,613
<b>Total receipts</b>	<b>539</b>	<b>3,651</b>	<b>54,198</b>	<b>44,941</b>	<b>15,760</b>	<b>5,395</b>	<b>97,613</b>
Disbursements:							
Personal services	-	-	25,886	-	5,086	-	-
Supplies	-	-	-	-	2,142	-	-
Other services and charges	-	5,208	-	-	7,597	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	3,276	-	-
Other disbursements	-	-	-	48,152	-	4,970	102,901
<b>Total disbursements</b>	<b>-</b>	<b>5,208</b>	<b>25,886</b>	<b>48,152</b>	<b>18,101</b>	<b>4,970</b>	<b>102,901</b>
Excess (deficiency) of receipts over disbursements	539	(1,557)	28,312	(3,211)	(2,341)	425	(5,288)
Cash and investments - ending	<u>\$ 630</u>	<u>\$ 8,941</u>	<u>\$ 291,322</u>	<u>\$ 110,745</u>	<u>\$ 49,732</u>	<u>\$ 2,270</u>	<u>\$ 57,068</u>

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

	Tax Sale Surplus	IN Local Health Dept Trust Acct	Unsafe Building Fund	GAL/ CASA Services	Elected Officials Training	Hancock County E911	Juvenile Probation
Cash and investments - beginning	\$ 789,325	\$ 157,609	\$ 2,186	\$ -	\$ 19,493	\$ 273,538	\$ 12,861
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	539,540	32,458	-	14,344	6,573	1,133,280	7,774
Total receipts	<u>539,540</u>	<u>32,458</u>	<u>-</u>	<u>14,344</u>	<u>6,573</u>	<u>1,133,280</u>	<u>7,774</u>
Disbursements:							
Personal services	-	7,873	-	-	-	994,536	9,485
Supplies	-	320	-	150	-	-	-
Other services and charges	-	8,288	-	13,750	2,163	16,780	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	21,233	-	-	-	-	-
Other disbursements	829,197	-	-	-	-	-	-
Total disbursements	<u>829,197</u>	<u>37,714</u>	<u>-</u>	<u>13,900</u>	<u>2,163</u>	<u>1,011,316</u>	<u>9,485</u>
Excess (deficiency) of receipts over disbursements	<u>(289,657)</u>	<u>(5,256)</u>	<u>-</u>	<u>444</u>	<u>4,410</u>	<u>121,964</u>	<u>(1,711)</u>
Cash and investments - ending	<u>\$ 499,668</u>	<u>\$ 152,353</u>	<u>\$ 2,186</u>	<u>\$ 444</u>	<u>\$ 23,903</u>	<u>\$ 395,502</u>	<u>\$ 11,150</u>

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

	Adult Probation Supp	County User Fees	Drainage Maintenance	Health Department Donations	Sheriff Pension Holding	Settlement Account	Loit Public Safety
Cash and investments - beginning	\$ 2,015	\$ 355,842	\$ 2,749,826	\$ 5,363	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	457,972	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	37,394	-	-	-	-	-
Fines and forfeits	-	563,156	-	-	2,250	-	-
Other receipts	294,369	33,985	12,837	-	45,292	82,263,685	3,788,568
Total receipts	<u>294,369</u>	<u>634,535</u>	<u>470,809</u>	<u>-</u>	<u>47,542</u>	<u>82,263,685</u>	<u>3,788,568</u>
Disbursements:							
Personal services	179,645	360,575	-	-	-	-	-
Supplies	-	3,931	-	-	-	-	-
Other services and charges	80,422	278,795	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	11,000	41,127	337,964	-	47,542	82,263,685	3,788,568
Total disbursements	<u>271,067</u>	<u>684,428</u>	<u>337,964</u>	<u>-</u>	<u>47,542</u>	<u>82,263,685</u>	<u>3,788,568</u>
Excess (deficiency) of receipts over disbursements	<u>23,302</u>	<u>(49,893)</u>	<u>132,845</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 25,317</u>	<u>\$ 305,949</u>	<u>\$ 2,882,671</u>	<u>\$ 5,363</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Auto Excise Surtax	County Wheel Tax	CVET	Delinquent Weeds Assess	Delinquent Sewer Assessment	Financial Institution Tax	LOIT Homestead
Cash and investments - beginning	\$ 105,456	\$ 8,064	\$ -	\$ 400	\$ -	\$ -	\$ 70,190
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	243,352	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	1,794,105	-	463,001	12,189	96,783	57,147	4,735,711
Total receipts	<u>1,794,105</u>	<u>243,352</u>	<u>463,001</u>	<u>12,189</u>	<u>96,783</u>	<u>57,147</u>	<u>4,735,711</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	1,793,501	242,817	463,001	12,589	96,783	57,147	4,723,894
Total disbursements	<u>1,793,501</u>	<u>242,817</u>	<u>463,001</u>	<u>12,589</u>	<u>96,783</u>	<u>57,147</u>	<u>4,723,894</u>
Excess (deficiency) of receipts over disbursements	<u>604</u>	<u>535</u>	<u>-</u>	<u>(400)</u>	<u>-</u>	<u>-</u>	<u>11,817</u>
Cash and investments - ending	<u>\$ 106,060</u>	<u>\$ 8,599</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 82,007</u>

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

	Fines & Forfeitures	Infraction Judgment	Overweight Vehicles	Special Death Benefit	State Sales Disclosures	Coroner Educ Fees	Interstate Transfer Fee
Cash and investments - beginning	\$ 1,622	\$ 4,304	\$ -	\$ 400	\$ 1,160	\$ 974	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	6,964	-
Fines and forfeits	-	-	1,135	-	-	-	-
Other receipts	10,203	62,935	-	5,186	10,725	-	1,151
Total receipts	<u>10,203</u>	<u>62,935</u>	<u>1,135</u>	<u>5,186</u>	<u>10,725</u>	<u>6,964</u>	<u>1,151</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	10,682	64,392	1,135	5,221	10,840	6,684	1,089
Total disbursements	<u>10,682</u>	<u>64,392</u>	<u>1,135</u>	<u>5,221</u>	<u>10,840</u>	<u>6,684</u>	<u>1,089</u>
Excess (deficiency) of receipts over disbursements	<u>(479)</u>	<u>(1,457)</u>	<u>-</u>	<u>(35)</u>	<u>(115)</u>	<u>280</u>	<u>62</u>
Cash and investments - ending	<u>\$ 1,143</u>	<u>\$ 2,847</u>	<u>\$ -</u>	<u>\$ 365</u>	<u>\$ 1,045</u>	<u>\$ 1,254</u>	<u>\$ 62</u>

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

	State Mortgage Fee	State Of In Sex & Violent	Child Restraint Violation Fines	Military Fines	Food & Beverage Tax	Education Plate	Riverboat Sharing Fund
Cash and investments - beginning	\$ 602	\$ 10	\$ -	\$ 2,095	\$ 1,232,458	\$ 641	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	294	-	-	-	-
Other receipts	8,774	60	-	-	620,829	1,200	414,686
Total receipts	<u>8,774</u>	<u>60</u>	<u>294</u>	<u>-</u>	<u>620,829</u>	<u>1,200</u>	<u>414,686</u>
Disbursements:							
Personal services	-	-	-	-	443,132	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	601,058	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	73,491	-	-
Other disbursements	8,673	60	294	2,095	-	1,841	414,686
Total disbursements	<u>8,673</u>	<u>60</u>	<u>294</u>	<u>2,095</u>	<u>1,117,681</u>	<u>1,841</u>	<u>414,686</u>
Excess (deficiency) of receipts over disbursements	<u>101</u>	<u>-</u>	<u>-</u>	<u>(2,095)</u>	<u>(496,852)</u>	<u>(641)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 703</u>	<u>\$ 10</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 735,606</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Tourism Commission	CAGIT Cert Shares/ PTRC	Cedit Special Tax	93,563 Pros ARRA	93,563 Title IV-D Incentive General	93,563 Pros IV-D Incentive- OLD	93,563 Clerk Incentive
Cash and investments - beginning	\$ 18,609	\$ -	\$ 5,420	\$ 24,694	\$ 133,973	\$ 993	\$ 15,823
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	7,987	12,017	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	441,847	18,942,840	1,907,958	-	13,824	20,792	-
Total receipts	<u>441,847</u>	<u>18,942,840</u>	<u>1,907,958</u>	<u>-</u>	<u>21,811</u>	<u>32,809</u>	<u>-</u>
Disbursements:							
Personal services	69,840	-	-	2,056	2,245	10,242	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	1,500	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	360,243	18,942,840	1,913,378	22,638	-	-	-
Total disbursements	<u>430,083</u>	<u>18,942,840</u>	<u>1,913,378</u>	<u>24,694</u>	<u>2,245</u>	<u>11,742</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>11,764</u>	<u>-</u>	<u>(5,420)</u>	<u>(24,694)</u>	<u>19,566</u>	<u>21,067</u>	<u>-</u>
Cash and investments - ending	<u>\$ 30,373</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 153,539</u>	<u>\$ 22,060</u>	<u>\$ 15,823</u>

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

	93.563 Clerk Incentive (10-01-99)	GO Bond 2011	GO Bond 2007	GO Bond 2013	E911 Revenue Bond 2011	EOC Construction	GO Bond 2013 Proceeds
Cash and investments - beginning	\$ 84,360	\$ 35,785	\$ 159,845	\$ 424,777	\$ 15,817	\$ 13,320	\$ 526,409
Receipts:							
Taxes	-	124,180	226,627	376,020	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	12,595	12,191	22,248	36,876	-	-	-
Charges for services	-	-	500	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	9,216	-	-	-	96,940	-	140
Total receipts	<u>21,811</u>	<u>136,371</u>	<u>249,375</u>	<u>412,896</u>	<u>96,940</u>	<u>-</u>	<u>140</u>
Disbursements:							
Personal services	5,969	-	-	-	-	-	-
Supplies	22	-	-	-	-	-	-
Other services and charges	9,750	-	-	-	-	-	2,145
Debt service - principal and interest	-	123,100	381,656	400,471	111,519	-	-
Capital outlay	146	-	-	-	-	-	288,855
Other disbursements	-	-	-	-	-	13,320	-
Total disbursements	<u>15,887</u>	<u>123,100</u>	<u>381,656</u>	<u>400,471</u>	<u>111,519</u>	<u>13,320</u>	<u>291,000</u>
Excess (deficiency) of receipts over disbursements	<u>5,924</u>	<u>13,271</u>	<u>(132,281)</u>	<u>12,425</u>	<u>(14,579)</u>	<u>(13,320)</u>	<u>(290,860)</u>
Cash and investments - ending	<u>\$ 90,284</u>	<u>\$ 49,056</u>	<u>\$ 27,564</u>	<u>\$ 437,202</u>	<u>\$ 1,238</u>	<u>\$ -</u>	<u>\$ 235,549</u>

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

	GO Bond 2015 Proceeds	GO Bond 2001	Courthouse Renovation	CAR-1 Treasurer Other Sources After Settlement	CAR-1 Redevelopment Debt Service Reserve	CAR-1 Sheriff Commissary	CAR-1 Sheriff-Shop w/Cop/Victims Assist/Chaplain
Cash and investments - beginning	\$ -	\$ 2,642	\$ 279	\$ 2,034,952	\$ 1,064,800	\$ 109,366	\$ 25,808
Receipts:							
Taxes	-	-	-	1,680,563	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	2,000,000	-	-	-	3	161,157	17,242
Total receipts	<u>2,000,000</u>	<u>-</u>	<u>-</u>	<u>1,680,563</u>	<u>3</u>	<u>161,157</u>	<u>17,242</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	57,800	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	212,501	-	-	-	-	-	-
Other disbursements	-	-	279	2,034,952	-	136,947	10,533
Total disbursements	<u>270,301</u>	<u>-</u>	<u>279</u>	<u>2,034,952</u>	<u>-</u>	<u>136,947</u>	<u>10,533</u>
Excess (deficiency) of receipts over disbursements	<u>1,729,699</u>	<u>-</u>	<u>(279)</u>	<u>(354,389)</u>	<u>3</u>	<u>24,210</u>	<u>6,709</u>
Cash and investments - ending	<u>\$ 1,729,699</u>	<u>\$ 2,642</u>	<u>\$ -</u>	<u>\$ 1,680,563</u>	<u>\$ 1,064,803</u>	<u>\$ 133,576</u>	<u>\$ 32,517</u>

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

	CAR-1 Court Trust Account	CAR-1 ISETS/ Clerk	CAR-1 Bond Principal & Interest Fund	CAR-1 Allocation Fund	CAR-1 Capital Fund	Reassessment	ADA Drug Screen Probation
Cash and investments - beginning	\$ 1,999,458	\$ 5,947	\$ -	\$ 1,736,422	\$ 3,291,007	\$ -	\$ 63,821
Receipts:							
Taxes	-	-	640,188	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	5,674,526	823,861	-	1,976,188	32,371	531,499	31,162
Total receipts	<u>5,674,526</u>	<u>823,861</u>	<u>640,188</u>	<u>1,976,188</u>	<u>32,371</u>	<u>531,499</u>	<u>31,162</u>
Disbursements:							
Personal services	-	-	-	-	-	133,759	11,573
Supplies	-	-	-	-	-	8,513	2,934
Other services and charges	-	-	-	-	-	75,187	15,887
Debt service - principal and interest	-	-	640,188	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	6,092,256	820,824	-	640,738	950,242	4,327	-
Total disbursements	<u>6,092,256</u>	<u>820,824</u>	<u>640,188</u>	<u>640,738</u>	<u>950,242</u>	<u>221,786</u>	<u>30,394</u>
Excess (deficiency) of receipts over disbursements	<u>(417,730)</u>	<u>3,037</u>	<u>-</u>	<u>1,335,450</u>	<u>(917,871)</u>	<u>309,713</u>	<u>768</u>
Cash and investments - ending	<u>\$ 1,581,728</u>	<u>\$ 8,984</u>	<u>\$ -</u>	<u>\$ 3,071,872</u>	<u>\$ 2,373,136</u>	<u>\$ 309,713</u>	<u>\$ 64,589</u>

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

	RICO Forfeiture	Local Ordinance Violations	Assessment Training Fund	Superior I Trans	Superior II Trans	Circuit Crt Trans	Jury Pay Fund
Cash and investments - beginning	\$ 20,925	\$ -	\$ 44,586	\$ 1,593	\$ 32	\$ 579	\$ 6,741
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	100	10,814	3,041	1,247	-	8,173
Total receipts	<u>-</u>	<u>100</u>	<u>10,814</u>	<u>3,041</u>	<u>1,247</u>	<u>-</u>	<u>8,173</u>
Disbursements:							
Personal services	-	-	-	2,880	1,247	-	-
Supplies	8,274	-	-	-	-	-	-
Other services and charges	9,229	-	-	-	-	-	14,914
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	5,162	140	-	-	-
Total disbursements	<u>17,503</u>	<u>-</u>	<u>5,162</u>	<u>3,020</u>	<u>1,247</u>	<u>-</u>	<u>14,914</u>
Excess (deficiency) of receipts over disbursements	<u>(17,503)</u>	<u>100</u>	<u>5,652</u>	<u>21</u>	<u>-</u>	<u>-</u>	<u>(6,741)</u>
Cash and investments - ending	<u>\$ 3,422</u>	<u>\$ 100</u>	<u>\$ 50,238</u>	<u>\$ 1,614</u>	<u>\$ 32</u>	<u>\$ 579</u>	<u>\$ -</u>

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

	City & Town General	Comm Corrections Vending	Law Enforcement Vending	K-9 Police Dog Fund	County Payroll	Health Claims Fund	12pay13 LOIT Homestead State Error
Cash and investments - beginning	\$ 3,863	\$ 52,350	\$ -	\$ 1,888	\$ 1,150,574	\$ 130,677	\$ 107,322
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	56,790	66	18,177	5,717,285	2,300,000	-
Total receipts	-	56,790	66	18,177	5,717,285	2,300,000	-
Disbursements:							
Personal services	-	-	-	-	1,498,627	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	62,906	-	17,026	-	2,163,704	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	36,000	-	-	4,872,909	-	107,322
Total disbursements	-	98,906	-	17,026	6,371,536	2,163,704	107,322
Excess (deficiency) of receipts over disbursements	-	(42,116)	66	1,151	(654,251)	136,296	(107,322)
Cash and investments - ending	\$ 3,863	\$ 10,234	\$ 66	\$ 3,039	\$ 496,323	\$ 266,973	\$ -

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

	Public Hlth H1N1 III Fed	D.A.R.E. Fund	16.575 VOCA Victim Assist	16.738 JAG Underage Drink Task Force	16.738 Problem Solving Ct Grant	Bureau of Justice Grant	JAG Grant (Drug Court)
Cash and investments - beginning	\$ 90	\$ 451	\$ -	\$ -	\$ -	\$ (4,946)	\$ 1,955
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	21,545	4,000	42,127	-
Total receipts	-	-	-	21,545	4,000	42,127	-
Disbursements:							
Personal services	-	-	9,717	-	-	20,169	-
Supplies	-	-	-	-	2,000	3,077	-
Other services and charges	-	450	-	21,000	313	13,439	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	2,750	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	-	450	9,717	23,750	2,313	36,685	-
Excess (deficiency) of receipts over disbursements	-	(450)	(9,717)	(2,205)	1,687	5,442	-
Cash and investments - ending	\$ 90	\$ 1	\$ (9,717)	\$ (2,205)	\$ 1,687	\$ 496	\$ 1,955

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

	16.738 PACE Drug- Interdiction	16.575 VOCA Victim Assist 2015	20.509 Hancock Area Rural Tran	MRC Medical Reserve Corp	Public Hlth Emerg H1N1	Health Maint Grant	*93.074 Bio Terrorism
Cash and investments - beginning	\$ 96,546	\$ -	\$ -	\$ 4,700	\$ 51	\$ 95,507	\$ 16,614
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	62,788	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	17,877	36,162	196,141	5,000	-	48,859	77,963
Total receipts	<u>17,877</u>	<u>36,162</u>	<u>258,929</u>	<u>5,000</u>	<u>-</u>	<u>48,859</u>	<u>77,963</u>
Disbursements:							
Personal services	9,019	33,922	-	-	-	-	-
Supplies	-	-	-	-	-	34,660	-
Other services and charges	-	-	258,929	5,000	-	1,047	59,174
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	1,655	-	-	-	-	-
Other disbursements	87,527	-	-	-	-	-	-
Total disbursements	<u>96,546</u>	<u>35,577</u>	<u>258,929</u>	<u>5,000</u>	<u>-</u>	<u>35,707</u>	<u>59,174</u>
Excess (deficiency) of receipts over disbursements	<u>(78,669)</u>	<u>585</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,152</u>	<u>18,789</u>
Cash and investments - ending	<u>\$ 17,877</u>	<u>\$ 585</u>	<u>\$ -</u>	<u>\$ 4,700</u>	<u>\$ 51</u>	<u>\$ 108,659</u>	<u>\$ 35,403</u>

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

	Comm Corr Fiscal Grant	State Homeland Security	IDEM Grant	20,601 DUI Hancock TSP (10k)	20,600 OPO- Partnership (20k)	Sheriff Equitable Share	20,600 Traffic Safety Award PBT
Cash and investments - beginning	\$ (7,011)	\$ 2,302	\$ 69	\$ 2,352	\$ 59	\$ -	\$ 1,500
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	320,779	-	-	9,776	18,503	4,923	-
Total receipts	320,779	-	-	9,776	18,503	4,923	-
Disbursements:							
Personal services	257,621	-	-	1,015	2,175	-	-
Supplies	1,770	-	-	-	-	-	-
Other services and charges	-	-	-	7,766	13,330	-	1,500
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	54,377	-	-	-	-	-	-
Total disbursements	313,768	-	-	8,781	15,505	-	1,500
Excess (deficiency) of receipts over disbursements	7,011	-	-	995	2,998	4,923	(1,500)
Cash and investments - ending	\$ -	\$ 2,302	\$ 69	\$ 3,347	\$ 3,057	\$ 4,923	\$ -

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

	97.042 Emergency Mngmt	JAIB Jobs Grant	11.557 Data Share Int	93.617 HAVA SEC 2 2004-2011	90.401 HAVA SEC 1 2006	Metro Drug Fed Grant OT	16.588 STOP Grant
Cash and investments - beginning	\$ -	\$ 395	\$ 1,493	\$ 22,151	\$ 9,847	\$ 53	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	8,318	-	-	-	-	-	-
Total receipts	<u>8,318</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	-	-	-	16,314
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	1,493	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	8,196	-	-	-	-	-	-
Other disbursements	-	-	-	22,151	9,847	-	-
Total disbursements	<u>8,196</u>	<u>-</u>	<u>1,493</u>	<u>22,151</u>	<u>9,847</u>	<u>-</u>	<u>16,314</u>
Excess (deficiency) of receipts over disbursements	<u>122</u>	<u>-</u>	<u>(1,493)</u>	<u>(22,151)</u>	<u>(9,847)</u>	<u>-</u>	<u>(16,314)</u>
Cash and investments - ending	<u>\$ 122</u>	<u>\$ 395</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53</u>	<u>\$ (16,314)</u>

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

	Indiana Youth Institute Grant	93,008 NACCHO Grant	S-2013-06 CT Alcohol Drug	Court Reform Grant	IDVA COMP Grant	Hazard Mitigation Grant- FEMA	Federal Equitable Share PACE
Cash and investments - beginning	\$ -	\$ 7,245	\$ 12	\$ (5,165)	\$ 250	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	15,325
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	507	3,500	-	17,958	-	11,100	123,618
Total receipts	507	3,500	-	17,958	-	11,100	138,943
Disbursements:							
Personal services	-	-	-	-	-	-	41,115
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	250	11,100	39,181
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	12,793	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	-	-	-	12,793	250	11,100	80,296
Excess (deficiency) of receipts over disbursements	507	3,500	-	5,165	(250)	-	58,647
Cash and investments - ending	\$ 507	\$ 10,745	\$ 12	\$ -	\$ -	\$ -	\$ 58,647

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

	Rural Demo Proj- HC Sheriff TSP	Operation Centipede NHTSA	PACE State Asset Seizure Fund	TIF RDC Federal Reimbursement	RDC Passthrough Fund	Hancock County Tourism Commission	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 62,689	\$ 42,203,659
Receipts:							
Taxes	-	-	-	-	-	-	20,914,828
Licenses and permits	-	-	-	-	-	-	440,576
Intergovernmental receipts	-	-	7,605	-	-	345,920	7,184,358
Charges for services	-	-	5,345	-	-	-	1,135,067
Fines and forfeits	-	-	-	-	-	-	1,023,616
Other receipts	2,034	4,564	-	145,860	543,989	-	147,078,746
<b>Total receipts</b>	<b>2,034</b>	<b>4,564</b>	<b>12,950</b>	<b>145,860</b>	<b>543,989</b>	<b>345,920</b>	<b>177,777,191</b>
Disbursements:							
Personal services	674	-	-	-	-	-	17,338,265
Supplies	-	-	-	-	-	-	2,749,517
Other services and charges	1,359	3,543	-	-	-	-	8,668,905
Debt service - principal and interest	-	-	-	-	-	-	1,656,934
Capital outlay	-	-	-	-	-	-	3,738,382
Other disbursements	-	-	3,885	145,860	543,989	265,380	140,152,602
<b>Total disbursements</b>	<b>2,033</b>	<b>3,543</b>	<b>3,885</b>	<b>145,860</b>	<b>543,989</b>	<b>265,380</b>	<b>174,304,605</b>
Excess (deficiency) of receipts over disbursements	1	1,021	9,065	-	-	80,540	3,472,586
Cash and investments - ending	\$ 1	\$ 1,021	\$ 9,065	\$ -	\$ -	\$ 143,229	\$ 45,676,245

HANCOCK COUNTY  
SCHEDULE OF LEASES AND DEBT  
December 31, 2015

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities: ES & S	Vote Centers for Hancock County	\$ 42,072	01-01-2014	12-31-2018
Total of annual lease payments		<u>\$ 42,072</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	GO Bond 2013 Capital Expenses	\$ 1,420,000	\$ 413,726
General obligation bonds	GO Bond 2011	765,000	130,282
General obligation bonds	GO Bond 2015	1,810,000	208,631
Revenue bonds	Revenue Bond of 2011 Purchase of Enhanced 911 AT & T	715,000	118,975
Revenue bonds	2009 Redevelopment Bond District Bonds	<u>10,455,000</u>	<u>747,138</u>
Total governmental activities		<u>15,165,000</u>	<u>1,618,752</u>
Totals		<u>\$ 15,165,000</u>	<u>\$ 1,618,752</u>

HANCOCK COUNTY  
 SCHEDULE OF CAPITAL ASSETS  
 December 31, 2015

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	Ending Balance
Governmental activities:	
Land	\$ 719,700
Infrastructure	278,243,540
Buildings	9,980,400
Improvements other than buildings	78,600
Machinery, equipment, and vehicles	5,715,295
Books and other	121,958
Total governmental activities	294,859,493
Total capital assets	\$ 294,859,493

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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

TO: THE OFFICIALS OF HANCOCK COUNTY, INDIANA

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

We have audited Hancock County's (County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2015. The County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

***Basis for Qualified Opinion on Formula Grant for Rural Areas***

As described in item 2015-003 in the accompanying Schedule of Findings and Questioned Costs, the County did not comply with requirements regarding Suspension and Debarment that are applicable to its Formula Grants for Rural Areas 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 Formula Grants for Rural Areas***

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Formula Grants for Rural Areas* 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 Formula Grants for Rural Areas for the year ended December 31, 2015.

***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, 2015.

***Other 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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.


A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2015-003, that we consider to be a material weakness.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

  
Paul D. Joyce, CPA  
State Examiner

August 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.

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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through To Subrecipient	Total Federal Awards Expended
<u>Department of Commerce</u>					
State Broadband Data and Development Grant Program Data Share Initiative	Indiana Office of Technology Geographical Information Systems Division	11.558	D20-2-7942	\$ -	\$ 1,493
Total - Department of Commerce				-	1,493
<u>Department of Justice</u>					
Crime Victim Assistance VOCA Grant Victim Assistance	Indiana Criminal Justice Institute	16.575	D3-15-9813	-	36,162
Drug Court Discretionary Grant Program Bureau of Justice Assistance	Direct Grant	16.585	2013-DC-BX-0026	-	42,126
Edward Byrne Memorial Justice Assistance Grant Program JAG Underage Drinking Taskforce	Indiana Criminal Justice Institute	16.738	D3-15-9848	-	21,545
Equitable Sharing Program PACE Federal Equitable Share	Henry County Auditor	16.922	FY2015	-	89,315
Total - Department of Justice				-	189,148
<u>Department of Transportation</u>					
Highway Planning and Construction Cluster Highway Planning and Construction	Indiana Department of Transportation	20.205			
DES: 0400037 600 W Broken Arrow to US 40 Phase 1			DES #0400037	-	148,150
DES: 0400497 100N bet 700W-Buck Creek			DES #0400497	-	3,338
DES: 900012 600W/300N Intersection Phase 2			DES #0900012	-	156,567
DES: 1383061 Signage			DES #1383061	-	36,009
DES: 0810490-Cumulative Bridge No. 59			DES #0810490	-	9,358
Redevelopment Commission TIF Federal Reimbursement			DES #1297608	145,860	145,860
DES: 1382083-Bridge Inspections			DES #1382083	-	6,281
Total - Highway Planning and Construction Cluster				145,860	505,563
Formula Grants for Rural Areas Hancock Area Rural Transit Hancock Area Rural Transit	Indiana Department of Transportation	20.509	1803256O 1803356O	48,770 124,549	48,770 124,549
Total - Formula Grants for Rural Areas				173,319	173,319
Federal Transit Cluster Bus and Bus Facilities Formula Program Hancock Area Rural Transit Capital Grant	Indiana Department of Transportation	20.526	1803356C	27,410	27,410
Total - Federal Transit Cluster				27,410	27,410
Highway Safety Cluster State and Community Highway Safety Operation Centipede Operation Pull Over (OPO) Enforcement Program	Indiana Criminal Justice Institute	20.600	D3-15-9943 D3-14-8252	- -	4,564 18,503
Total - State and Community Highway Safety				-	23,067

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

HANCOCK COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2015  
(Continued)

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through To Subrecipient	Total Federal Awards Expended
<u>Department of Transportation (continued)</u>					
Highway Safety Cluster (continued)					
Alcohol Impaired Driving Countermeasures Incentive Grants I	Indiana Criminal Justice Institute	20.601			
DUI Hancock TSP Grant			D3-14-8128	-	9,777
Traffic Safety Award PBT			601106204571100	-	1,500
Total - Alcohol Impaired Driving Countermeasures Incentive Grants I				-	11,277
Total - Highway Safety Cluster				-	34,344
National Priority Safety Programs	Indiana Criminal Justice Institute	20.616			
Traffic Safety			D3-15-9919	-	2,034
Total - Department of Transportation				346,589	742,670
<u>Department of Health and Human Services</u>					
Hospital Preparedness Program (HPP) and Public Health Emergency					
Preparedness (PHEP) Aligned Cooperative Agreements	Indiana Department of Health	93.074			
Medical Reserve Corp			5U90TP000521-02	-	5,000
Bio-Terrorism			5U90TP000521-01	-	77,963
Total - Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements				-	82,963
Child Support Enforcement	Indiana Department of Child Services	93.563			
Title IV-D Incentive General Fund			1404IN4005	-	2,245
Prosecutor Title IV-D Incentive			1404IN4005	-	11,742
Prosecutor Direct Reimbursements Title IVD			1404IN4005	-	185,328
Clerk Direct Reimbursements Title IVD			1504INCSES	-	56,289
Clerk Title IV-D Incentive			1504INCSES	-	15,887
Clerk Perpetuation-Title IVD Reimbursements			1504INCSES	-	2,361
Indirect Costs			1504INCSES	-	70,348
Total - Child Support Enforcement				-	344,200
<u>Department of Homeland Security</u>					
Hazard Mitigation Grant					
Hazard Mitigation Grant	Indiana Department of Homeland Security	97.039	DR-4058-IN	-	11,100
Emergency Management Performance Grants	Indiana Department of Homeland Security	97.042			
Emergency Management Performance Grant - Salaries			C44P-5-779B	-	10,113
Emergency Management Performance Grant			C44P-5-487B	-	8,318
Total - Emergency Management Performance Grants				-	18,431
Total - Department of Homeland Security				-	29,531
Total federal awards expended				\$ 346,589	\$ 1,390,005

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

HANCOCK COUNTY  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the County under programs of the federal government for the year ended December 31, 2015. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the County, it is not intended to and does not present the financial position of the County.

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

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

HANCOCK 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 deficiency identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiency identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	yes

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

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>	<u>Opinion Issued</u>
20.509	Highway Planning and Construction Cluster Formula Grants for Rural Areas	Unmodified Qualified

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

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

**Section II - Financial Statement Findings**

**FINDING 2015-001**

Subject: Preparation of the Schedule of Expenditures of Federal Awards

Audit Findings: Material Weakness, Other Matters

*Condition*

The County had not established effective internal controls over the financial information entered into the Indiana Gateway for Government Units, which is a financial reporting system and the source of the Annual Financial Report (AFR). The Schedule of Federal Expenditures (SEFA) was prepared using the Grant Schedule information within the AFR. The Grant Schedule was prepared by the Deputy County Auditor and reviewed by the County Auditor prior to submission. The control in place did not detect the following errors on the SEFA:

HANCOCK COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

1. The Edward Byrne Memorial Justice Assistance Grant Program expenditures were overstated by \$98,859
2. The Highway Planning and Construction program expenditures were understated by \$3,338.
3. The Formula Grants for Rural Areas program expenditures were overstated by \$85,610.
4. The Child Support Enforcement program expenditures were overstated by \$10,600.
5. The Hazard Mitigation Grant program expenditures were omitted, resulting in an understatement of expenditures by \$11,100.
6. The Bus and Bus Facilities Program expenditures were omitted, resulting in an understatement of expenditures by \$27,410.
7. The Emergency Planning/RTK expenditures of \$965 were included on the SEFA in error.
8. The Equitable Sharing Program expenditures were understated by \$9,019.

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. . . ."

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."

HANCOCK COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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. . . ."

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.

HANCOCK COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

***FINDING 2015-002***

Subject: Accounting for Hancock County Redevelopment Commission Funds  
Audit Findings: Material Weakness, Other Matters

*Condition*

During the audit period, County Redevelopment Commission funds were not recorded within the County's ledger by the County Auditor. There was no other ledger to account for the monies of these funds. The only information available was bank statements and spread sheets prepared by the Director of the Economic Development Council. The County had not established an internal control system to ensure that all monies of the County were accounted for within the County's ledger.

*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. . . ."

All financial transactions pertaining to the unit must be recorded in the records of the unit at the time of the transaction. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

*Cause*

Management of the County had not established a proper system of internal control that would have ensured that all funds of the County were maintained within the County's records.

*Effect*

The failure to establish an internal control system resulted in monies of the County not being accounted for within the County's records.

*Views of Responsible Officials*

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

HANCOCK COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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

**FINDING 2015-003**

Subject: Formula Grants for Rural Areas - Procurement and Suspension and Debarment  
Federal Agency: Department of Transportation  
Federal Program: Formula Grants for Rural Areas  
CFDA Number: 20.509  
Federal Award Numbers and Years (or Other Identifying Numbers): 18032560, 18033560  
Pass-Through Entity: Indiana Department of Transportation  
Compliance Requirement: Procurement and Suspension and Debarment  
Audit Findings: Material Weakness, Modified Opinion

*Condition*

The County did not have procedures or internal controls in place to ensure compliance with the Procurement and Suspension and Debarment compliance requirement. The County failed to verify that the subrecipient of the grant was not suspended or debarred.

*Context*

The lack of controls and noncompliance were systemic problems during the 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. . . ."

2 CFR 180.300 states in part:

"When you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified. You do this by:

- (a) Checking the EPLS; or
- (b) Collecting a certification from that person; or
- (c) Adding a clause or condition to the covered transaction with that person."

*Cause*

Management had not developed an effective system of internal controls that would have ensured compliance with requirements outline above.

HANCOCK COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Effect*

The failure to establish an effective internal control system resulted in the County's noncompliance with the Procurement and Suspension and Debarment compliance requirement.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the County's management establish controls related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

*Views of the Responsible Official*

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

#### AUDITEE-PREPARED DOCUMENTS

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



## HANCOCK COUNTY AUDITOR

*Robin D. Lowder*

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Fax: 317-477-1712  
rlowder@hancockcoingov.org

### Summary Schedule of Prior Audit Findings

Finding 2014-001

Fiscal year in which the finding initially occurred: 2014-01

Mistakes/Errors on Indiana Gateway for Government Units/SEFA

Contact Person Responsible for Corrective Action: Robin D. Lowder

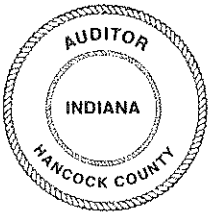
Contact Phone number: 317-477-1105

Status of Finding: Incomplete: Not communicated until April of 2017

Robin D. Lowder

Hancock County Auditor

July 25, 2017



## HANCOCK COUNTY AUDITOR

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### Summary Schedule of Prior Audit Findings

Finding 2014-002

Fiscal year in which the finding initially occurred: 2014-02

Redevelopment Commission Funds are not on County's Ledger.

Contact Person Responsible for Corrective Action: Robin D. Lowder

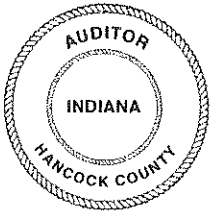
Contact Phone number: 317-477-1105

Status of Finding: Incomplete: Not communicated until April of 2017

Robin D. Lowder

Hancock County Auditor

July 25, 2017



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### Summary Schedule of Prior Audit Findings

Finding 2014-003

Fiscal year in which the finding initially occurred: 2014-03

County did not verify on Grant site SAM's that subrecipient was not under Suspension or Debarment.

Contact Person Responsible for Corrective Action: Robin D. Lowder

Contact Phone number: 317-477-1105

Status of Finding: Incomplete: Not communicated until April of 2017

Robin D. Lowder

Hancock County Auditor

July 25, 2017



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### Corrective Action Plan

#### **FINDING 2015-001**

Robin D. Lowder:  
317-477-1105

I concur the following mistakes were made on Gateway.

1. Edward Bryne Memorial Justice Assistance Grant Program expenditures were overstated by \$98,859.
2. Highway Planning and Construction program expenditures were understated by \$3,338.
3. Formula Grants for Rural Areas program expenditures were overstated by \$85,610.
4. Child Support Enforcement program expenditures were overstated by \$10,600.
5. Hazard Mitigation Grant program expenditures were omitted resulting in an understatement of expenditures by \$11,100.
6. Bus and Bus Facilities Program expenditures were omitted resulting in an understatement of \$27,410 (Senior Services)
7. Emergency Planning/RTK expenditures of \$965 were included on the SEFA in error.
8. Equitable Sharing Program expenditures were understated by \$9,019.

The County plans to be more diligent in checking our data so Gateway will matche the County Ledger. We also will be more diligent in the preparation of the SEFA reporting. We have developed a policy where two Deputies check the figures.

Anticipated Completion Date: August 29, 2017

Robin D. Lowder

County Auditor

August 29, 2017



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### CORRECTIVE ACTION PLAN

#### **FINDING 2015-002**

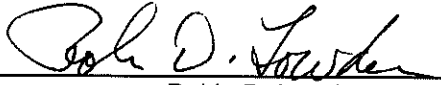
Robin D. Lowder:  
317-477-1105

I concur the Redevelopment Commission Funds should be recorded on the County's Ledger.

The Bank was set up as the Trustee and this was allowable by law at the time in 2009. State Board of Accounts made us aware the law had changed in 2017. The County refinanced the RDC 2009 Bond in 2017.

The County through this process has brought the RDC Funds into the County and they are recorded within the County's Ledger as of 2017. The monies are all now accounted for and recorded on the County Ledgers. They are part of the County's Annual Report starting with the 2017 Annual Report.

Anticipated Completion Date: August 29, 2017

  
\_\_\_\_\_  
Robin D. Lowder

\_\_\_\_\_  
County Auditor

\_\_\_\_\_  
August 29, 2017



## HANCOCK COUNTY AUDITOR

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### CORRECTIVE ACTION PLAN

#### **FINDING 2015-003**

Robin D. Lowder:  
317-477-1105

I concur the County did not comply with the Suspension and Debarment requirement.

The Subrecipient Senior Services does provide the County with the independent Audits they have prepared bi-yearly. These Audits do state Senior Services are in good standing. We were unaware of the fact we were to check on a service for Grants called SAMS to be sure the subrecipient has not been Suspended or Debarment. Now that we are aware of the fact this service is available we will make sure that any subrecipients have not been debarred or suspended or otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, "Debarment and Suspension."

Anticipated Completion Date: August 29, 2017

Robin D. Lowder

County Auditor

August 29, 2017

#### 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/>.