

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF
NOBLE COUNTY, INDIANA
January 1, 2016 to December 31, 2016



FILED
11/09/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Tonya L. Marks	01-01-15 to 12-31-18
County Treasurer	Michele J. Bricker	01-01-13 to 12-31-20
Clerk of the Circuit Court	Michelle L. Mawhorter	01-01-13 to 12-31-20
County Sheriff	Douglas A. Harp	01-01-15 to 12-31-18
County Recorder	Candy B. Myers	01-01-13 to 12-31-18
President of the Board of County Commissioners	Gary D. Leatherman	01-01-16 to 12-31-17
President of the County Council	Michael C. Toles	01-01-16 to 12-31-17



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF NOBLE COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of Noble County (County), which comprises the financial position and results of operations for the year ended December 31, 2016, and the related notes to the financial statement as listed in the Table of Contents.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the County for the year ended December 31, 2016.

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, 2016, 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 September 25, 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

September 25, 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 NOBLE 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 Noble County (County), which comprises the financial position and results of operations for the year ended December 31, 2016, and the related notes to the financial statement, and have issued our report thereon dated September 25, 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 2016-001 and 2016-002, 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 2016-001 and 2016-002.

Noble 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

September 25, 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.

NOBLE COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended December 31, 2016

Fund	Cash and Investments 01-01-16	Receipts	Disbursements	Cash and Investments 12-31-16
General	\$ 1,571,167	\$ 9,325,366	\$ 9,344,509	\$ 1,552,024
Sheriff's Accident Report	17,225	7,072	5,005	19,292
Bond Forfeitures	6,474	597	-	7,071
CAGIT Certified Shares	136,996	3,073,325	2,998,981	211,340
CEDIT	1,373,934	1,222,585	1,228,106	1,368,413
Municipal Court Cost	13,902	14,315	21,447	6,770
Clerk's Record Perpetuation	57,367	42,484	27,260	72,591
Community Corrections Grant	586,329	431,742	345,503	672,568
Special Operations Group	7,075	-	-	7,075
Sales Disclosure	34,218	5,885	3,791	36,312
Cumulative Capital Development-Bridges	2,435,930	648,505	540,009	2,544,426
Cumulative Building Courthouse	373,232	118,949	34,181	458,000
Highway Building New Construction	1,800,613	507,911	1,107,692	1,200,832
Drug Free Community	40,833	37,476	40,833	37,476
Emergency Planning-SARA	14,866	12,829	14,349	13,346
Extradition	44,644	2,688	12,307	35,025
Firearms Training	40,428	29,100	13,028	56,500
General Drain Improvements	403,043	292,563	160,872	534,734
Health Department	300,469	1,803,206	1,852,501	251,174
Security Protection	14,743	3,721	-	18,464
Health Maintenance	118,725	49,709	19,942	148,492
Local Road And Street	443,328	858,539	595,752	706,115
County Misdemeanants	110,782	27,690	13,250	125,222
Highway	898,814	3,858,916	3,785,562	972,168
Rainy Day	1,003,424	507,894	664,196	847,122
Reassessment	46	-	-	46
Reassessment 2015	448,393	218,073	173,724	492,742
Recorders Perpetuation	130,147	104,248	93,524	140,871
River Boat Revenue Sharing	-	281,589	281,589	-
Sex Offender Fees-State 10%	35	358	388	5
Sheriff Service Fee	107,397	44,726	25	152,098
Public Defender Fees	198,570	15,623	8,165	206,028
Surplus Tax	25,723	99,472	48,469	76,726
Surveyor's Perpetuation	37,657	9,205	728	46,134
Tax Sale Redemption	6,536	71,271	75,240	2,567
Tax Sale Surplus	251,425	504,930	202,231	554,124
Tobacco "Master" Settlement	109,802	37,874	5,644	142,032
Victim Witness	71,993	73,192	75,171	70,014
Guardian Ad Litem/CASA	83,925	39,831	29,921	93,835
Family Preservation Court Fees	5,181	7,500	7,166	5,515
Elected Officials Training	16,433	3,721	286	19,868
County-Transportation	3,068	313	-	3,381
Statewide 9-1-1	356,941	632,840	602,144	387,637
Project Income	-	127,464	157,727	(30,263)
Storm/Erosion	25,441	9,537	3,729	31,249
Adult Probation	811,122	221,900	257,939	775,083
Juvenile Probation	83,171	4,066	-	87,237
Transfer Fee-County	140,347	42,690	31,132	151,905
Work Crew-Drainage	63,088	79,515	101,152	41,451
Drain Maintenance	2,974,022	1,093,233	850,960	3,216,295
Sheriff Sale Fees	24,787	74,966	15,159	84,594
Federal Drug Task Force	41,791	57,050	51,839	47,002
DUI Grant-Ligonier and Kendallville	(3,059)	20,660	16,495	1,106
K-9 Donation	568	-	566	2
Public Health Vaccine	27,693	39,713	23,612	43,794
Demand Notice Fees 27%	15	516	516	15
Health Clinic Donations	12,085	183	2,891	9,377
Civil Service Fee	51,489	18,927	-	70,416
TIF Orange Township	71	-	-	71
Noble County Dekko TIF	71	-	-	71
Debt Service - Jail	198,959	461,841	581,444	79,356
Self Funding Insurance	70,225	639,025	663,598	45,652
Landfill/Post Closure Trust	172	-	-	172
Payroll	-	6,393,759	6,393,759	-
INPRS-PERF	1	95,144	95,144	1
Pro-Claim Plus	-	560,884	310,546	250,338
Liberty National	-	804,092	804,092	-
United Education Credit Union HSA12	-	650	650	-
Hoosier Start	-	67,893	67,893	-
Federal Withholdings	-	920,283	920,283	-
Flex Checks	2,828	80	2,907	1
Withholdings (County Tax)	-	129,278	129,278	-
Withholdings (PERF)	-	223,373	223,373	-

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

NOBLE COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended December 31, 2016
(Continued)

Fund	Cash and Investments 01-01-16	Receipts	Disbursements	Cash and Investments 12-31-16
Pension Trust County Police	3,487	597	3,638	446
State Withholdings	-	285,613	285,613	-
Three Rivers HSA #9	-	44,901	44,901	-
Settlement	-	48,297,743	48,297,743	-
CAGIT	-	14,566,219	14,148,632	417,587
Rainy Day Wheel and Surtax	-	650,000	-	650,000
Noble County Wheel and Surtax	1,056	855,969	855,964	1,061
Commercial Vehicle Excise Tax	-	173,906	173,906	-
Sewer Lien Surplus	-	7,195	3,199	3,996
Financial Tax	-	211,538	211,538	-
Fines and Forfeitures	11,589	74,489	76,142	9,936
Infraction Judgment	3,327	49,127	48,700	3,754
Overweight Vehicle	-	1,601	1,601	-
Death Benefit	320	5,530	5,390	460
Disclosure/Treasurer of State	680	5,865	5,910	635
Coroner Continuing Education	514	4,208	4,390	332
Inner State Compact Application Fee-County	-	313	313	-
State Mortgage Fee	331	4,310	4,280	361
HSGP Grant	(310)	-	-	(310)
DLGF Homestead Property Database	13,701	-	-	13,701
Child Restraint Violations	-	1,250	1,150	100
Education Plate Fee	19	394	338	75
Innkeeper Tax	7,068	118,533	125,601	-
CEDIT Money for Distribution	-	2,155,817	2,155,817	-
CEDIT Homestead	41,596	-	-	41,596
Deer Lake Control	2,628	-	-	2,628
CFDA 93.563 Prosecutor PCA	10,082	3,069	-	13,151
ARRA Funding for Prosecutor	21,228	168	7,301	14,095
Clerk's ARRA Funding	115	-	-	115
CFDA 93.563 Title IV-D Incentive	118,857	25,995	41,508	103,344
Prosecutor IV-D	(62)	-	-	(62)
Prosecutor New IV-D	285,566	39,108	-	324,674
Clerk New IV-D	79,670	25,995	19,168	86,497
After Settlement Collections	1,145,543	1,187,506	1,145,543	1,187,506
Clerk's Trust	366,773	4,102,088	4,002,323	466,538
Sheriff's Inmate Trust	18,040	605,784	605,110	18,714
Sherriff's Cashbook	-	1,873,560	1,873,560	-
Jail Commissary	43,457	61,015	59,598	44,874
Prosecutor's Equitable Sharing	7,257	-	-	7,257
Drug Confiscated	10,643	-	-	10,643
Sex Offender Fees-County 90%	10,745	3,222	990	12,977
WE CARE Clinic	29,346	13,849	3,382	39,813
Riverboat Money-County Portion	233,791	154,709	233,791	154,709
Work Release Maintenance	55,061	12,704	1,713	66,052
Intrastate Transfer Fee County	2,460	785	-	3,245
CEDIT Homestead for Settlement	40,978	2,155,817	2,155,246	41,549
Homeland Security	1,010	1,548	1,608	950
OPO Equipment Grant	1,333	2,745	2,745	1,333
Race and Gender Interpreter	4,917	3,600	5,716	2,801
Prosecutor Stop Grant CFDA #16.588	(8,688)	26,200	26,200	(8,688)
Operating Grant Council on Aging	-	433,599	433,599	-
Dangerous Aggressive Driving	(178)	-	-	(178)
Court Services PRI Drug Free	334	-	334	-
Council on Aging Plan Grant	-	15,000	15,000	-
CFDA #97.042 GPS Upgrade Grant	100	-	-	100
2009 Polling Place Grant	594	-	-	594
CFDA 97.042 EMPG Competitive Grant	(16)	-	-	(16)
Coroner Education Grant	1,748	-	-	1,748
Family Drug Court	3,811	-	-	3,811
Child Seat Safety Program	1,115	-	-	1,115
VET Court Supreme Grant	2,360	-	2,360	-
2015 Localbase EMPG Grant	(5,111)	8,562	3,451	-
CFDA 16.607 Bullet Proof Vest Grant	4,844	-	4,725	119
CFDA 16.606 SCAAP	9,034	1,198	2,214	8,018
CFDA 20.601 Operation Pull-Over	2,843	18,563	19,953	1,453
Bio-Terrorist	8,624	21,578	7,683	22,519
Rural Demonstration Grant	90	-	-	90
Data Sharing Agreement Grant	3,630	-	-	3,630
Parks and Recreation Grant	18	-	-	18
2016 Immunization Grant	-	56,708	64,075	(7,367)
Totals	\$ 20,824,688	\$ 115,484,348	\$ 113,333,837	\$ 22,975,199

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

NOBLE 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.

NOBLE COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

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

E. Disbursements

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

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

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

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

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

NOBLE COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

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

F. Interfund Transfers

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

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

NOBLE 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:

NOBLE 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.

NOBLE 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 and the reimbursement for expenditures made by the County not being received by December 31, 2016.

Note 8. Combined Funds

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

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OTHER INFORMATION - UNAUDITED

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

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

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

NOBLE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	General	Sheriff's Accident Report	Bond Forfeitures	CAGIT Certified Shares	CEDIT	Municipal Court Cost	Clerk's Record Perpetuation	Community Corrections Grant
Cash and investments - beginning	\$ 1,571,167	\$ 17,225	\$ 6,474	\$ 136,996	\$ 1,373,934	\$ 13,902	\$ 57,367	\$ 586,329
Receipts:								
Taxes	7,251,669	-	-	-	-	-	-	-
Licenses and permits	62,091	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-	-
Charges for services	1,313,523	-	-	2,866,310	197,407	-	-	-
Fines and forfeits	181,616	-	-	-	-	-	-	-
Other receipts	516,467	7,072	597	207,015	1,025,178	14,315	42,484	431,742
Total receipts	9,325,366	7,072	597	3,073,325	1,222,585	14,315	42,484	431,742
Disbursements:								
Personal services	6,937,536	-	-	2,665,014	-	-	-	245,548
Supplies	417,219	-	-	36,185	-	-	-	12,184
Other services and charges	1,869,150	5,005	-	297,782	-	21,447	27,260	87,771
Capital outlay	120,604	-	-	-	1,228,106	-	-	-
Other disbursements	-	-	-	-	-	-	-	-
Total disbursements	9,344,509	5,005	-	2,998,981	1,228,106	21,447	27,260	345,503
Excess (deficiency) of receipts over disbursements	(19,143)	2,067	597	74,344	(5,521)	(7,132)	15,224	86,239
Cash and investments - ending	\$ 1,552,024	\$ 19,292	\$ 7,071	\$ 211,340	\$ 1,368,413	\$ 6,770	\$ 72,591	\$ 672,568

NOBLE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016
 (Continued)

	Special Operations Group	Sales Disclosure	Cumulative Capital Development- Bridges	Cumulative Building Courthouse	Highway Building New Construction	Drug Free Community	Emergency Planning-SARA	Extradition
Cash and investments - beginning	\$ 7,075	\$ 34,218	\$ 2,435,930	\$ 373,232	\$ 1,800,613	\$ 40,833	\$ 14,866	\$ 44,644
Receipts:								
Taxes	-	-	552,419	118,949	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-	-
Charges for services	-	5,885	71,996	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Other receipts	-	-	24,090	-	507,911	37,476	12,829	2,688
Total receipts	-	5,885	648,505	118,949	507,911	37,476	12,829	2,688
Disbursements:								
Personal services	-	-	-	-	-	-	1,880	-
Supplies	-	3,011	14,794	-	-	-	157	-
Other services and charges	-	780	78,468	-	1,107,692	40,833	12,312	12,307
Capital outlay	-	-	446,747	34,181	-	-	-	-
Other disbursements	-	-	-	-	-	-	-	-
Total disbursements	-	3,791	540,009	34,181	1,107,692	40,833	14,349	12,307
Excess (deficiency) of receipts over disbursements	-	2,094	108,496	84,768	(599,781)	(3,357)	(1,520)	(9,619)
Cash and investments - ending	\$ 7,075	\$ 36,312	\$ 2,544,426	\$ 458,000	\$ 1,200,832	\$ 37,476	\$ 13,346	\$ 35,025

NOBLE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016
 (Continued)

	Firearms Training	General Drain Improvements	Health Department	Security Protection	Health Maintenance	Local Road And Street	County Misdemeanants
Cash and investments - beginning	\$ 40,428	\$ 403,043	\$ 300,469	\$ 14,743	\$ 118,725	\$ 443,328	\$ 110,782
Receipts:							
Taxes	-	25,050	198,246	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	397,885	-
Charges for services	-	-	520	3,721	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	29,100	267,513	1,604,440	-	49,709	460,654	27,690
Total receipts	<u>29,100</u>	<u>292,563</u>	<u>1,803,206</u>	<u>3,721</u>	<u>49,709</u>	<u>858,539</u>	<u>27,690</u>
Disbursements:							
Personal services	-	-	300,119	-	16,511	-	8,000
Supplies	-	-	5,279	-	-	-	-
Other services and charges	13,028	160,872	1,547,103	-	3,431	-	5,250
Capital outlay	-	-	-	-	-	595,752	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>13,028</u>	<u>160,872</u>	<u>1,852,501</u>	<u>-</u>	<u>19,942</u>	<u>595,752</u>	<u>13,250</u>
Excess (deficiency) of receipts over disbursements	<u>16,072</u>	<u>131,691</u>	<u>(49,295)</u>	<u>3,721</u>	<u>29,767</u>	<u>262,787</u>	<u>14,440</u>
Cash and investments - ending	<u>\$ 56,500</u>	<u>\$ 534,734</u>	<u>\$ 251,174</u>	<u>\$ 18,464</u>	<u>\$ 148,492</u>	<u>\$ 706,115</u>	<u>\$ 125,222</u>

NOBLE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016
 (Continued)

	Highway	Rainy Day	Reassessment	Reassessment 2015	Recorders Perpetuation	River Boat Revenue Sharing	Sex Offender Fees-State 10%	Sheriff Service Fee
Cash and investments - beginning	\$ 898,814	\$ 1,003,424	\$ 46	\$ 448,393	\$ 130,147	\$ -	\$ 35	\$ 107,397
Receipts:								
Taxes	2,184	-	-	218,073	-	-	-	-
Licenses and permits	2,801	-	-	-	-	-	-	-
Intergovernmental receipts	2,845,882	-	-	-	-	-	-	-
Charges for services	695,508	-	-	-	87,538	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Other receipts	312,541	507,894	-	-	16,710	281,589	358	44,726
Total receipts	<u>3,858,916</u>	<u>507,894</u>	<u>-</u>	<u>218,073</u>	<u>104,248</u>	<u>281,589</u>	<u>358</u>	<u>44,726</u>
Disbursements:								
Personal services	1,342,355	600,000	-	54,939	20,254	-	-	-
Supplies	1,172,448	-	-	1,211	-	-	-	-
Other services and charges	1,072,600	64,196	-	114,574	73,270	281,589	388	25
Capital outlay	198,159	-	-	3,000	-	-	-	-
Other disbursements	-	-	-	-	-	-	-	-
Total disbursements	<u>3,785,562</u>	<u>664,196</u>	<u>-</u>	<u>173,724</u>	<u>93,524</u>	<u>281,589</u>	<u>388</u>	<u>25</u>
Excess (deficiency) of receipts over disbursements	<u>73,354</u>	<u>(156,302)</u>	<u>-</u>	<u>44,349</u>	<u>10,724</u>	<u>-</u>	<u>(30)</u>	<u>44,701</u>
Cash and investments - ending	\$ <u>972,168</u>	\$ <u>847,122</u>	\$ <u>46</u>	\$ <u>492,742</u>	\$ <u>140,871</u>	\$ <u>-</u>	\$ <u>5</u>	\$ <u>152,098</u>

NOBLE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016
 (Continued)

	Public Defender Fees	Surplus Tax	Surveyor's Perpetuation	Tax Sale Redemption	Tax Sale Surplus	Tobacco "Master" Settlement	Victim Witness
Cash and investments - beginning	\$ 198,570	\$ 25,723	\$ 37,657	\$ 6,536	\$ 251,425	\$ 109,802	\$ 71,993
Receipts:							
Taxes	-	72,592	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	9,205	-	-	-	-
Fines and forfeits	14,930	-	-	-	-	-	71,192
Other receipts	693	26,880	-	71,271	504,930	37,874	2,000
Total receipts	15,623	99,472	9,205	71,271	504,930	37,874	73,192
Disbursements:							
Personal services	3,202	-	-	-	-	-	46,319
Supplies	1,258	-	728	-	-	2,183	-
Other services and charges	3,705	48,469	-	75,240	202,231	-	28,852
Capital outlay	-	-	-	-	-	3,461	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	8,165	48,469	728	75,240	202,231	5,644	75,171
Excess (deficiency) of receipts over disbursements	7,458	51,003	8,477	(3,969)	302,699	32,230	(1,979)
Cash and investments - ending	\$ 206,028	\$ 76,726	\$ 46,134	\$ 2,567	\$ 554,124	\$ 142,032	\$ 70,014

NOBLE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016
 (Continued)

	Guardian Ad Litem/CASA	Family Preservation Court Fees	Elected Officials Training	County- Transportation	Statewide 9-1-1	Project Income	Storm/Erosion	Adult Probation
Cash and investments - beginning	\$ 83,925	\$ 5,181	\$ 16,433	\$ 3,068	\$ 356,941	\$ -	\$ 25,441	\$ 811,122
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-	-
Charges for services	-	-	3,721	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	194,853
Other receipts	39,831	7,500	-	313	632,840	127,464	9,537	27,047
Total receipts	39,831	7,500	3,721	313	632,840	127,464	9,537	221,900
Disbursements:								
Personal services	-	-	-	-	409,494	76,643	-	102,762
Supplies	-	-	-	-	-	3,595	-	63,413
Other services and charges	29,921	7,166	286	-	188,345	72,739	-	87,468
Capital outlay	-	-	-	-	4,305	4,750	3,729	4,296
Other disbursements	-	-	-	-	-	-	-	-
Total disbursements	29,921	7,166	286	-	602,144	157,727	3,729	257,939
Excess (deficiency) of receipts over disbursements	9,910	334	3,435	313	30,696	(30,263)	5,808	(36,039)
Cash and investments - ending	\$ 93,835	\$ 5,515	\$ 19,868	\$ 3,381	\$ 387,637	\$ (30,263)	\$ 31,249	\$ 775,083

NOBLE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016
 (Continued)

	Juvenile Probation	Transfer Fee-County	Work Crew-Drainage	Drain Maintenance	Sheriff Sale Fees	Federal Drug Task Force	DUI Grant-Ligonier and Kendallville
Cash and investments - beginning	\$ 83,171	\$ 140,347	\$ 63,088	\$ 2,974,022	\$ 24,787	\$ 41,791	\$ (3,059)
Receipts:							
Taxes	-	-	-	382,769	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	17,807	-	-	-	-	-
Fines and forfeits	4,066	-	-	-	-	-	-
Other receipts	-	24,883	79,515	710,464	74,966	57,050	20,660
Total receipts	<u>4,066</u>	<u>42,690</u>	<u>79,515</u>	<u>1,093,233</u>	<u>74,966</u>	<u>57,050</u>	<u>20,660</u>
Disbursements:							
Personal services	-	7,500	-	-	-	-	-
Supplies	-	-	18,276	-	-	-	-
Other services and charges	-	23,632	78,126	850,960	15,159	51,839	16,495
Capital outlay	-	-	4,750	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>31,132</u>	<u>101,152</u>	<u>850,960</u>	<u>15,159</u>	<u>51,839</u>	<u>16,495</u>
Excess (deficiency) of receipts over disbursements	<u>4,066</u>	<u>11,558</u>	<u>(21,637)</u>	<u>242,273</u>	<u>59,807</u>	<u>5,211</u>	<u>4,165</u>
Cash and investments - ending	\$ <u>87,237</u>	\$ <u>151,905</u>	\$ <u>41,451</u>	\$ <u>3,216,295</u>	\$ <u>84,594</u>	\$ <u>47,002</u>	\$ <u>1,106</u>

NOBLE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016
 (Continued)

	K-9 Donation	Public Health Vaccine	Demand Notice Fees 27%	Health Clinic Donations	Civil Service Fee	TIF Orange Township	Noble County Dekko TIF
Cash and investments - beginning	\$ 568	\$ 27,693	\$ 15	\$ 12,085	\$ 51,489	\$ 71	\$ 71
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	39,713	516	183	18,927	-	-
Total receipts	-	39,713	516	183	18,927	-	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	566	23,612	516	2,891	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	566	23,612	516	2,891	-	-	-
Excess (deficiency) of receipts over disbursements	(566)	16,101	-	(2,708)	18,927	-	-
Cash and investments - ending	\$ 2	\$ 43,794	\$ 15	\$ 9,377	\$ 70,416	\$ 71	\$ 71

NOBLE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016
 (Continued)

	Debt Service - Jail	Self Funding Insurance	Landfill/Post Closure Trust	Payroll	INPRS-PERF	Pro-Claim Plus	Liberty National
Cash and investments - beginning	\$ 198,959	\$ 70,225	\$ 172	\$ -	\$ 1	\$ -	\$ -
Receipts:							
Taxes	435,917	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	95,144	363,552	804,092
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	25,924	639,025	-	6,393,759	-	197,332	-
Total receipts	<u>461,841</u>	<u>639,025</u>	<u>-</u>	<u>6,393,759</u>	<u>95,144</u>	<u>560,884</u>	<u>804,092</u>
Disbursements:							
Personal services	-	333	-	-	-	22,621	-
Supplies	-	-	-	-	-	134	-
Other services and charges	1,350	663,265	-	6,393,759	95,144	287,791	804,092
Capital outlay	580,094	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>581,444</u>	<u>663,598</u>	<u>-</u>	<u>6,393,759</u>	<u>95,144</u>	<u>310,546</u>	<u>804,092</u>
Excess (deficiency) of receipts over disbursements	(119,603)	(24,573)	-	-	-	250,338	-
Cash and investments - ending	<u>\$ 79,356</u>	<u>\$ 45,652</u>	<u>\$ 172</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 250,338</u>	<u>\$ -</u>

NOBLE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016
 (Continued)

	United Education Credit Union HSA12	Hoosier Start	Federal Withholdings	Flex Checks	Withholdings (Counting Tax)	Withholdings (PERF)	Pension Trust County Police
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 2,828	\$ -	\$ -	\$ 3,487
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	650	67,893	920,283	-	129,278	223,373	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	80	-	-	597
Total receipts	<u>650</u>	<u>67,893</u>	<u>920,283</u>	<u>80</u>	<u>129,278</u>	<u>223,373</u>	<u>597</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	650	67,893	920,283	2,907	129,278	223,373	3,638
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>650</u>	<u>67,893</u>	<u>920,283</u>	<u>2,907</u>	<u>129,278</u>	<u>223,373</u>	<u>3,638</u>
Excess (deficiency) of receipts over disbursements	-	-	-	(2,827)	-	-	(3,041)
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 446</u>

NOBLE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016
 (Continued)

	State Withholdings	Three Rivers HSA #9	Settlement	CAGIT	Rainy Day Wheel and Surtax	Noble County Wheel and Surtax	Commercial Vehicle Excise Tax
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,056	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	285,613	44,901	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	48,297,743	14,566,219	650,000	855,969	173,906
Total receipts	<u>285,613</u>	<u>44,901</u>	<u>48,297,743</u>	<u>14,566,219</u>	<u>650,000</u>	<u>855,969</u>	<u>173,906</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	285,613	44,901	48,297,743	14,148,632	-	855,964	173,906
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>285,613</u>	<u>44,901</u>	<u>48,297,743</u>	<u>14,148,632</u>	<u>-</u>	<u>855,964</u>	<u>173,906</u>
Excess (deficiency) of receipts over disbursements	-	-	-	417,587	650,000	5	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 417,587</u>	<u>\$ 650,000</u>	<u>\$ 1,061</u>	<u>\$ -</u>

NOBLE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016
 (Continued)

	Sewer Lien Surplus	Financial Tax	Fines and Forfeitures	Infraction Judgment	Overweight Vehicle	Death Benefit	Disclosure/ Treasurer/ of State
Cash and investments - beginning	\$ -	\$ -	\$ 11,589	\$ 3,327	\$ -	\$ 320	\$ 680
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	5,860
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	7,195	211,538	74,489	49,127	1,601	5,530	5
Total receipts	<u>7,195</u>	<u>211,538</u>	<u>74,489</u>	<u>49,127</u>	<u>1,601</u>	<u>5,530</u>	<u>5,865</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	3,199	211,538	76,142	48,700	1,601	5,390	5,910
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>3,199</u>	<u>211,538</u>	<u>76,142</u>	<u>48,700</u>	<u>1,601</u>	<u>5,390</u>	<u>5,910</u>
Excess (deficiency) of receipts over disbursements	<u>3,996</u>	<u>-</u>	<u>(1,653)</u>	<u>427</u>	<u>-</u>	<u>140</u>	<u>(45)</u>
Cash and investments - ending	<u>\$ 3,996</u>	<u>\$ -</u>	<u>\$ 9,936</u>	<u>\$ 3,754</u>	<u>\$ -</u>	<u>\$ 460</u>	<u>\$ 635</u>

NOBLE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016
 (Continued)

	Coroner Continuing Education	Inner State Compact Application Fee-County	State Mortgage Fee	HSGP Grant	DLGF Homestead Property Database	Child Restraint Violations	Education Plate Fee	Innkeeper Tax
Cash and investments - beginning	\$ 514	\$ -	\$ 331	\$ (310)	\$ 13,701	\$ -	\$ 19	\$ 7,068
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-	-
Charges for services	-	-	4,310	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	200	-	-
Other receipts	4,208	313	-	-	-	1,050	394	118,533
Total receipts	4,208	313	4,310	-	-	1,250	394	118,533
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	4,390	313	4,280	-	-	1,150	338	125,601
Capital outlay	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-	-
Total disbursements	4,390	313	4,280	-	-	1,150	338	125,601
Excess (deficiency) of receipts over disbursements	(182)	-	30	-	-	100	56	(7,068)
Cash and investments - ending	\$ 332	\$ -	\$ 361	\$ (310)	\$ 13,701	\$ 100	\$ 75	\$ -

NOBLE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016
 (Continued)

	CEDIT Money for Distribution	CEDIT Homestead	Deer Lake Control	CFDA 93.563 Prosecutor PCA	ARRA Funding for Prosecutor	Clerk's ARRA Funding	CFDA 93.563 Title IV-D Incentive	Prosecutor IV-D
Cash and investments - beginning	\$ -	\$ 41,596	\$ 2,628	\$ 10,082	\$ 21,228	\$ 115	\$ 118,857	\$ (62)
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Other receipts	2,155,817	-	-	3,069	168	-	25,995	-
Total receipts	2,155,817	-	-	3,069	168	-	25,995	-
Disbursements:								
Personal services	-	-	-	-	-	-	41,508	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	2,155,817	-	-	-	7,301	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-	-
Total disbursements	2,155,817	-	-	-	7,301	-	41,508	-
Excess (deficiency) of receipts over disbursements	-	-	-	3,069	(7,133)	-	(15,513)	-
Cash and investments - ending	\$ -	\$ 41,596	\$ 2,628	\$ 13,151	\$ 14,095	\$ 115	\$ 103,344	\$ (62)

NOBLE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016
 (Continued)

	Prosecutor New IV-D	Clerk New IV-D	After Settlement Collections	Clerk's Trust	Sheriff's Inmate Trust	Sherriff's Cashbook	Jail Commissary	Prosecutor's Equitable Sharing
Cash and investments - beginning	\$ 285,566	\$ 79,670	\$ 1,145,543	\$ 366,773	\$ 18,040	\$ -	\$ 43,457	\$ 7,257
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-	-
Charges for services	-	-	1,187,506	-	605,784	1,873,560	61,015	-
Fines and forfeits	-	-	-	4,102,088	-	-	-	-
Other receipts	39,108	25,995	-	-	-	-	-	-
Total receipts	39,108	25,995	1,187,506	4,102,088	605,784	1,873,560	61,015	-
Disbursements:								
Personal services	-	12,812	-	-	-	-	-	-
Supplies	-	21	-	-	-	-	-	-
Other services and charges	-	6,335	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Other disbursements	-	-	1,145,543	4,002,323	605,110	1,873,560	59,598	-
Total disbursements	-	19,168	1,145,543	4,002,323	605,110	1,873,560	59,598	-
Excess (deficiency) of receipts over disbursements	39,108	6,827	41,963	99,765	674	-	1,417	-
Cash and investments - ending	\$ 324,674	\$ 86,497	\$ 1,187,506	\$ 466,538	\$ 18,714	\$ -	\$ 44,874	\$ 7,257

NOBLE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016
 (Continued)

	Drug Confiscated	Sex Offender Fees-County 90%	WE CARE Clinic	Riverboat Money-County Portion	Work Release Maintenance	Intrastate Transfer Fee County	CEDIT Homestead for Settlement	Homeland Security
Cash and investments - beginning	\$ 10,643	\$ 10,745	\$ 29,346	\$ 233,791	\$ 55,061	\$ 2,460	\$ 40,978	\$ 1,010
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-	-
Charges for services	-	-	84	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Other receipts	-	3,222	13,765	154,709	12,704	785	2,155,817	1,548
Total receipts	-	3,222	13,849	154,709	12,704	785	2,155,817	1,548
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	959	-	-	-
Other services and charges	-	990	3,382	233,791	754	-	2,155,246	1,608
Capital outlay	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-	-
Total disbursements	-	990	3,382	233,791	1,713	-	2,155,246	1,608
Excess (deficiency) of receipts over disbursements	-	2,232	10,467	(79,082)	10,991	785	571	(60)
Cash and investments - ending	\$ 10,643	\$ 12,977	\$ 39,813	\$ 154,709	\$ 66,052	\$ 3,245	\$ 41,549	\$ 950

NOBLE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016
 (Continued)

	OPO Equipment Grant	Race and Gender Interpreter	Prosecutor Stop Grant CFDA #16.588	Operating Grant Council on Aging	Dangerous Aggressive Driving	Court Services PRI Drug Free	Council on Aging Plan Grant	CFDA #97.042 GPS Upgrade Grant
Cash and investments - beginning	\$ 1,333	\$ 4,917	\$ (8,688)	\$ -	\$ (178)	\$ 334	\$ -	\$ 100
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Other receipts	2,745	3,600	26,200	433,599	-	-	15,000	-
Total receipts	2,745	3,600	26,200	433,599	-	-	15,000	-
Disbursements:								
Personal services	-	-	26,200	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	2,745	5,716	-	433,599	-	334	15,000	-
Capital outlay	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-	-
Total disbursements	2,745	5,716	26,200	433,599	-	334	15,000	-
Excess (deficiency) of receipts over disbursements	-	(2,116)	-	-	-	(334)	-	-
Cash and investments - ending	\$ 1,333	\$ 2,801	\$ (8,688)	\$ -	\$ (178)	\$ -	\$ -	\$ 100

NOBLE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016
 (Continued)

	2009 Polling Place Grant	CFDA 97.042 EMPG Competitive Grant	Coroner Education Grant	Family Drug Court	Child Seat Safety Program	VET Court Supreme Grant	2015 Localbase EMPG Grant	CFDA 16.607 Bullet Proof Vest Grant
Cash and investments - beginning	\$ 594	\$ (16)	\$ 1,748	\$ 3,811	\$ 1,115	\$ 2,360	\$ (5,111)	\$ 4,844
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	8,562	-
Total receipts	-	-	-	-	-	-	8,562	-
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	780	-	-
Other services and charges	-	-	-	-	-	1,580	3,451	4,725
Capital outlay	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	2,360	3,451	4,725
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	(2,360)	5,111	(4,725)
Cash and investments - ending	\$ 594	\$ (16)	\$ 1,748	\$ 3,811	\$ 1,115	\$ -	\$ -	\$ 119

NOBLE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016
 (Continued)

	CFDA 16.606 SCAAP	CFDA 20.601 Operation Pull-Over	Bio-Terrorist	Rural Demonstration Grant	Data Sharing Agreement Grant	Parks and Recreation Grant	2016 Immunization Grant	Totals
Cash and investments - beginning	\$ 9,034	\$ 2,843	\$ 8,624	\$ 90	\$ 3,630	\$ 18	\$ -	\$ 20,824,688
Receipts:								
Taxes	-	-	-	-	-	-	-	9,257,868
Licenses and permits	-	-	-	-	-	-	-	64,892
Intergovernmental receipts	-	-	-	-	-	-	-	3,243,767
Charges for services	-	-	-	-	-	-	-	11,946,039
Fines and forfeits	-	-	-	-	-	-	-	4,568,945
Other receipts	1,198	18,563	21,578	-	-	-	56,708	86,402,837
Total receipts	1,198	18,563	21,578	-	-	-	56,708	115,484,348
Disbursements:								
Personal services	-	-	-	-	-	-	441	12,941,991
Supplies	-	-	-	-	-	-	47,939	1,801,774
Other services and charges	2,214	19,953	7,683	-	-	-	15,695	87,672,004
Capital outlay	-	-	-	-	-	-	-	3,231,934
Other disbursements	-	-	-	-	-	-	-	7,686,134
Total disbursements	2,214	19,953	7,683	-	-	-	64,075	113,333,837
Excess (deficiency) of receipts over disbursements	(1,016)	(1,390)	13,895	-	-	-	(7,367)	2,150,511
Cash and investments - ending	\$ 8,018	\$ 1,453	\$ 22,519	\$ 90	\$ 3,630	\$ 18	\$ (7,367)	\$ 22,975,199

NOBLE COUNTY
 SCHEDULE OF LEASES AND DEBT
 December 31, 2016

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
General obligation bonds	Highway Building	<u>\$ 1,525,000</u>	<u>\$ 195,145</u>

NOBLE COUNTY
SCHEDULE OF CAPITAL ASSETS
December 31, 2016

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 144,968
Infrastructure	145,483,756
Buildings	15,738,830
Machinery, equipment, and vehicles	8,320,554
Construction in progress	<u>390,087</u>
Total capital assets	<u>\$ 170,078,195</u>

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

TO: THE OFFICIALS OF NOBLE COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited Noble 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, 2016. 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.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2016.

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


Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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


Paul D. Joyce, CPA
State Examiner

September 25, 2017

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

NOBLE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2016

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 Housing and Urban Development</u>					
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	Indiana Office of Community and Rural Affairs	14.228	B-DC-18-0001	\$ -	\$ 15,000
Total - Department of Housing and Urban Development				-	15,000
<u>Department of Justice</u>					
Violence Against Women Formula Grants	Indiana Criminal Justice Institute	16.588	D3-16-10470	-	26,200
State Criminal Alien Assistance Program	Indiana Bureau of Justice Assistance	16.606	FY 2015	-	2,103
Bulletproof Vest Partnership Program	Direct Grant	16.607		-	4,725
Second Chance Act Reentry Initiative	Direct Grant	16.812	2014-SM-BX-0004	-	131,050
Total - Department of Justice				-	164,078
<u>Department of Transportation</u>					
Highway Planning and Construction Cluster Highway Planning and Construction	Indiana Department of Transportation	20.205	1400829 1382111	-	55,985 34,160
Total - Highway Planning and Construction Cluster				-	90,145
Formula Grants for Rural Areas	Indiana Department of Transportation	20.509	A249-16-G150063	264,206	264,206
Federal Transit Cluster Bus and Bus Facilities Formula Program	Indiana Department of Transportation	20.526	A249-15-320532	28,426	28,426
Total - Federal Transit Cluster				28,426	28,426
Highway Safety Cluster State and Community Highway Safety	Indiana Criminal Justice Institute	20.600	D3-16-10171	10,413	18,563
Alcohol Impaired Driving Countermeasures Incentive Grants I	Indiana Criminal Justice Institute	20.601	D3-16-10236	7,790	17,020
Occupant Protection Incentive Grants	Indiana Criminal Justice Institute	20.602	D3-16-10886	1,725	2,745
Total - Highway Safety Cluster				19,928	38,328
Interagency Hazardous Materials Public Sector Training and Planning Grants	Indiana Department of Homeland Security	20.703	16043	-	6,601
Total - Department of Transportation				312,560	427,706
<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	16148	-	21,578
Immunization Cooperative Agreements	Indiana Department of Health	93.268	15055	-	56,708
Child Support Enforcement	Indiana Department of Child Services	93.563	FY 2016	-	366,687
Total - Department of Health and Human Services				-	444,973
<u>Department of Homeland Security</u>					
Emergency Management Performance Grants	Indiana Department of Homeland Security	97.042	14748 20047	-	5,111 42,264
Total - Department of Homeland Security				-	47,375
Total federal awards expended				\$ 312,560	\$ 1,099,132

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

NOBLE 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, 2016. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the County, it is not intended to and does not present the financial position of the County.

Note 2. Summary of Significant Accounting Policies

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

NOBLE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	no

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

CFDA Number	Name of Federal Program or Cluster	Opinion Issued
20.509	Formula Grants for Rural Areas	Unmodified
93.563	Child Support Enforcement	Unmodified

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

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

FINDING 2016-001

Subject: Preparation of the Schedule of Expenditures of Federal Awards
Audit Findings: Material Weakness, Other Matters

Repeat Finding

This is a repeat finding from the immediate prior year. The prior year finding number was 2015-001.

Condition

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

NOBLE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Context

During the audit of the SEFA, there were several errors including seven programs which were omitted and eight programs which were reported with errors. In total, the SEFA was understated by \$551,339. Audit adjustments were proposed and accepted by the County.

Criteria

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

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

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

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

2 CFR 200.508 states in part: "The auditee must: . . . (b) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with § 200.510 Financial statements. . . ."

2 CFR 200.510(b) states:

"*Schedule of expenditures of Federal awards*. The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502 Basis for determining Federal awards expended. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

- (1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.

NOBLE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available. For a cluster of programs also provide the total for the cluster.
- (4) Include the total amount provided to subrecipients from each Federal program.
- (5) For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.
- (6) Include notes that describe the significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in § 200.414 Indirect (F&A) costs."

Cause

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

Effect

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

Recommendation

We recommended that the County's management establish controls to ensure proper reporting of the SEFA.

Views of Responsible Officials

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

FINDING 2016-002

Subject: Financial Transactions and Reporting
Audit Findings: Material Weakness, Other Matters

Repeat Finding

This is a repeat finding from the immediate prior year. The prior year finding number was 2015-002.

Condition

There were several deficiencies in the internal control system of the County related to financial transactions and reporting.

NOBLE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

1. Lack of Segregation of Duties: The County had not separated incompatible activities related to financial transactions and reporting. The County Auditor prepared and submitted the financial information into the Indiana Gateway for Government Units (Gateway) financial system, which is the source of the Annual Financial Report (AFR) and financial statement. The County did not have effective controls to verify the accuracy of the financial information prior to submission.
2. Monitoring of Controls: The County had no process to identify or communicate corrective actions to improve controls. Effective internal controls over financial reporting required the County to monitor and assess the quality of the system of internal control.
3. The County's AFR and financial statement contained numerous errors. The beginning balance was understated \$671,582, total receipts were overstated \$1,477,935, total disbursements were overstated \$39,445, and the ending balance was overstated \$766,908. Audit adjustments were proposed, accepted by the County, and made to the financial statement.

Context

Due to the lack of controls over the input of financial information entered into Gateway, the AFR and financial statement presented for audit included the errors identified in the *Condition*.

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. . . ."

"Evaluations are used to determine whether each of the five components of internal control is present and functioning. These evaluations may be conducted on an ongoing or periodic basis. The criteria used are developed by the oversight body, elected officials, management, governing boards, or recognized standard-setting bodies or regulators. . . .

A baseline of the current state of the internal control system is compared against the original design of the internal control system. The baseline consists of issues and deficiencies identified in the internal control system. The results of the monitoring process are evaluated and documented. . . .

NOBLE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Management remediates identified issues. . . ."

All documents and entries to records must be made in a timely manner to ensure that accurate financial information is available to allow the unit to make informed management decisions and to help ensure compliance with IC 5-15-1-1. (Accounting and Uniform Guidelines Manual for Counties of Indiana, Chapter 2)

Cause

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

Effect

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

Recommendation

We recommended that the County's management establish controls to ensure proper segregation of duties and monitoring of controls.

Views of Responsible Officials

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

Section III - Federal Award Findings and Questioned Costs

No matters are reportable.

AUDITEE-PREPARED DOCUMENTS

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

NOBLE COUNTY AUDITOR

Tonya L. Marks

Room 220 - Courthouse
101 N. Orange Street
Albion, Indiana 46701

Phone 260-636-2658
Fax: 260-636-4001
tmarks@nobleco.org

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-001 ~ Preparation of the Schedule of Expenditures of Federal Awards

2015-002 ~ Financial Transactions and Reporting

Fiscal year in which the finding actually occurred: 2015

Contact Person Responsible for Corrective Action: Tonya L. Marks

Contact Phone Number: 260-636-2658

Status of Audit Finding:

2015-001 ~ Programs were omitted from the SEFA and adjustments were made. Proper measures are established to make reporting easier with a second person overseeing the spread sheet and receipts and disbursements of grants.

2015-002 ~ There were errors with the accuracy of the Annual Financial Reporting in Gateway. The necessary action has been reinforced with the importance of accuracy being stressed. A second and third person will be responsible for Gateway submission accuracy.



Tonya L. Marks
Noble County Auditor

9/18/17

NOBLE COUNTY AUDITOR

Tonya L. Marks

*Room 220 - Courthouse
101 N. Orange Street
Albion, Indiana 46701*

*Phone 260-636-2658
Fax: 260-636-4001
tmarks@nobleco.org*

Corrective Action Plan

Finding 2016-001

Auditee Contact Person(s)

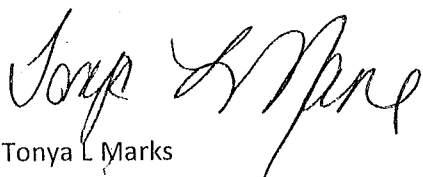
Tonya L. Marks tmarks@nobleco.org 260-636-2658

Corrective Action:

Status of Audit Finding:

Noble County Auditor implemented additional internal controls policies in 2017 to maintain and correct errors on the Schedule of Expenditures of Federal Awards. With the guidance given by the State Board of Accounts this process will be much more manageable for future reporting. Additionally all departments that are involved with the grant process will be notified and reminded of the importance of providing the necessary paperwork to the Auditor's office. Finally controls over recording and accounting for the financial activities are in place to avoid any further problems with reporting. A second person has been assigned to oversee the preparation of the spread sheet and receipting and disbursing of each grant.

Anticipated Completion Date 12/31/17



Tonya L. Marks

Noble County Auditor

9/18/17

NOBLE COUNTY AUDITOR

Tonya L. Marks

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101 N. Orange Street
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Corrective Action Plan

Finding 2016-002

Auditee Contact Person


Tonya L Marks tmarks@nobleco.org 260-636-2658

Corrective Action:

Status of Audit Finding:

There were errors with the reporting of the Annual Financial Report with comparison to the Gateway submission. Further internal control policies have been implemented to track the accuracy of this report. A second and even a third person will be required to check all data entered into the Gateway system. Further action will consist of the Auditor also checking entries and overseeing the receipts and disbursements process.

Anticipated Completion Date 12/31/17


Tonya L. Marks

Noble County Auditor

9/18/17

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/>.