

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

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



FILED
11/09/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Janet S. Chadwell	08-08-14 to 12-31-20
County Treasurer	Mary Vail (Vacant) Brenda Dwenger	01-01-13 to 07-28-17 07-29-17 to 07-30-17 07-31-17 to 12-31-20
Clerk of the Circuit Court	Adina A. Roberts	01-01-15 to 12-31-18
County Sheriff	Gregory D. Allen	01-01-15 to 12-31-18
County Recorder	Denise Zeigler	01-01-15 to 12-31-18
President of the Board of County Commissioners	John Richards Richard Nobbe	01-01-15 to 12-31-16 01-01-17 to 12-31-17
President of the County Council	Ernest J. Gauck	01-01-15 to 12-31-17



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF DECATUR COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of Decatur 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.

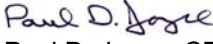
Other Information

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated September 28, 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 28, 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 DECATUR 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 Decatur 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 September 28, 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 item 2015-001.

Decatur 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 28, 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.

DECATUR 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
County General	\$ 907,190	\$ 5,268,361	\$ 5,328,532	\$ 847,019
Police-Accident Report	5,219	3,605	4,065	4,759
Certified Shares (CAGIT)	8,104	3,765,841	3,773,945	-
CAGIT County Certified Shares	(3,514)	2,129,186	2,054,319	71,353
Co Credit (Debt Service Fund)	1,102,642	792,225	1,556,828	338,039
Child Advocacy	400	-	-	400
City & Town Court Costs	3,934	10,232	36	14,130
Clerks Record Perpetuation	12,069	19,260	9,054	22,275
Congressional School Interest	16,163	67	3,319	12,911
Congressional School Principal	20,741	-	-	20,741
Convention And Visitors Bureau	234,805	216,094	87,282	363,617
Inmates Phone Fund	66,390	17,282	23,263	60,409
County Sales Disclosure	17,088	3,140	-	20,228
Covered Bridge Fund	19,370	1,850	-	21,220
Cumulative Bridge	2,569,975	954,230	471,099	3,053,106
Cum Cap Development Fund	506,496	248,487	398,804	356,179
93.276 Drug Free Community	44,910	32,346	22,875	54,381
Emergency Planning & Right To Know	12,266	3,881	9,966	6,181
Enhanced Access	872	-	-	872
County Extradition	2,400	-	-	2,400
Police Firearms Training	20,793	10,444	9,885	21,352
Health	243,640	193,717	361,067	76,290
Identification Security Protec	16,612	2,014	1,100	17,526
Excess Levy	18,790	506	-	19,296
Local Road and Street	506,618	561,641	585,679	482,580
County Misdemeanant	261,589	18,051	91,745	187,895
Highway	2,140,127	2,546,603	1,820,344	2,866,386
Park Capital Nonreverting	3,675	-	-	3,675
Park Activity	32,928	45,337	58,879	19,386
Plat Book Maintenance	50,276	12,322	49,675	12,923
Rainy Day Fund (Excess Edit)	1,261,605	150,000	400,000	1,011,605
Reassessment 2015	469,119	179,974	209,217	439,876
Recorder's Records Perpet	132,791	31,721	21,561	142,951
Sex/Violent Offender Regis Fee	12,503	2,605	1,806	13,302
Supplemental Public Defender	23,863	95,691	51,250	68,304
Surplus Tax	88,969	74,390	52,631	110,728
Surveyor's Corner Perpetuation	47,808	5,570	174	53,204
Tax Sale Certificate	9,885	-	-	9,885
Tax Sale Redemption	37,582	25,035	25,035	37,582
Surplus Tax Sale	313,583	70,643	249,958	134,268
Guardian Ad Lim Court	(34)	14,088	14,088	(34)
County Officials Training Fund	2,831	2,025	1,409	3,447
Park And Recreation	162,332	478,200	533,273	107,259
Statewide 911	658,180	332,050	341,439	648,791
Probation Administration Fund	31,837	21,362	15,234	37,965
Juvenile Prob User Fees	16,589	5,704	13,503	8,790
School Resource Officer	6,189	92,000	88,267	9,922
Local Health Maintenance Fund	117,183	33,139	38,624	111,698
Sheriff Donation	10,122	6,520	6,572	10,070
Excess Revenue Sub Account	3,158,547	1,149,193	548,865	3,758,875
Hospital Bond	1,736,218	342,671	357,500	1,721,389
Special Non-Revert Health Ins	6,900	703,710	690,477	20,133
Build Decatur County	-	175,000	-	175,000
Payroll	(188,076)	5,095,458	4,906,085	1,297
Police Pension	77,567	20,460	27,287	70,740
State Settlement	-	29,523,044	29,523,044	-
County Wheel Tax	-	131,858	125,475	6,383
Commercial Vehicle Excise	-	207,511	207,511	-
Financial Institution Tax	-	43,545	43,545	-
State Fines And Forfeitures	1,164	10,438	10,046	1,556
Infraction Judgements	2,338	27,675	25,074	4,939
Overweight Vehicles	-	5	5	-
Special Death Benefits	250	1,780	1,810	220
State Sales Disclosure	550	3,300	3,235	615
Coroners Training Fund	312	2,410	2,228	494
State Mortgage Fee Fund	423	2,580	2,663	340
State Sex/Violent Offender	3	60	58	5
Child Restraint Fees	-	250	225	25
Inheritance Tax	47,936	15,539	48,161	15,314

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

DECATUR 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 Fees	806	4,557	5,363	-
Riverboat Wagering Tax Sharing	73,907	152,482	226,389	-
PTRC (Cagit)	(36)	1,255,280	1,255,244	-
Edit(Tax Distribution Fund)	13,544	1,263,193	1,276,737	-
Title IV-D Incentive	113,026	13,270	14,499	111,797
Clerk Incentive	79,736	13,270	12,073	80,933
Treasurer	827,219	811,361	827,219	811,361
Inmate Trust	4,552	150,873	147,382	8,043
Clerk	548,024	2,476,253	2,645,303	378,974
Decatur County Commissary	12,965	15,615	15,989	12,591
Inmate Food	33,146	147,676	175,075	5,747
Law Enforcement Cont Ed	50,392	6,657	2,656	54,393
Jury Pay Fund	100,574	3,694	8,508	95,760
Marijuana Eradication Program	19,337	7,234	8,437	18,134
Deferral/Diversion	65,928	27,688	32,456	61,160
Probation User Fee	85,774	99,126	125,002	59,898
Animal Shelter Donations	10,017	31,236	28,428	12,825
20.600 Operation Pull Over	15,317	6,000	21,799	(482)
K-9 Donation	214	-	-	214
Park Gifts & Grants	9,227	16,522	12,095	13,654
Westport Cover Bridge Donation	41,622	-	-	41,622
Sardinia Septic Donations	10,000	-	-	10,000
Comm Emergency Response Team	3,028	2,039	1,314	3,753
TIF Board Sub Account	555,000	1,300,000	1,205,000	650,000
Decatur County Project Account	334,390	-	-	334,390
Federal Adoptive Forfeiture	291	-	-	291
Co Sheriff Law Enforcement	16,116	-	-	16,116
Airport Improvement Fund	34,295	-	34,295	-
Riverboat Wagering Co Share	580,892	143,786	352,000	372,678
Home Detention	146,465	-	146,465	-
Community Service	49,639	-	65,047	(15,408)
Sheriff Drug Testing	2,418	-	18	2,400
Corrections Drug Testing	13,421	-	13,421	-
Check Enforcement Fund	13,958	-	2,865	11,093
Community Transitional Program	32,925	35,575	-	68,500
Highway Edit	-	250,000	249,999	1
Economic Develop. & Planning	-	140,000	-	140,000
Comprehensive Plan	-	60,355	38,071	22,284
Decatur Co Redev TIF Bond Proc	20,759	15,000	1,961	33,798
Grant Holding	-	13,189	-	13,189
Cedit Hsc	7,593	406,257	403,342	10,508
HEA 1001-2008 State Hmstd Cr	2,232	-	2,232	-
Indiana Local Health Dept Trust	58,213	18,257	35,156	41,314
93.069 Public Health Prep	(19,786)	15,000	10,111	(14,897)
Bioterrorism Prepared Grant	67,844	-	-	67,844
Drug Free Grant	3,383	111,076	120,621	(6,162)
90.401 Hava Title III	103,028	-	-	103,028
Hava Section 102	180	-	-	180
Prosecutor Incentive	83,898	20,663	12,799	91,762
Child Safety Grant	1,067	-	-	1,067
Family Court Counselor	(75,146)	158,039	52,681	30,212
Decatur Co Pedestrian Trail	20,832	-	20,830	2
Community Corrections Grant	7,744	199,489	202,269	4,964
Community Corrections Project	-	438,940	210,298	228,642
EMPG Competative	(15,043)	12,483	8,484	(11,044)
2013 District Equipment	(49,917)	50,000	83	-
2013 District Admin	(19,698)	50,250	30,280	272
2013 District M & A	(1,536)	1,536	912	(912)
SHSP Local	-	20,912	20,000	912
2014 District Sustainment	-	-	10,822	(10,822)
93.074 Public Health Prep/Base	-	34,287	3,852	30,435
93.074 Preparedness/Ebola	-	16,570	1,200	15,370
2015 SHSP Co Base Competitive	-	-	3,391	(3,391)
2015 EMPG Competitive	-	-	30,151	(30,151)
SHSP Project Grant	(4,136)	18,536	8,958	5,442
Totals	\$ 21,179,277	\$ 65,968,152	\$ 65,448,678	\$ 21,698,751

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

DECATUR 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.

DECATUR 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.

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.

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.

DECATUR COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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.

DECATUR COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

State statutes authorize the County to invest in securities including, but not limited to, the following: federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. Risk Management

The County may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third-party. The establishment of a self-insurance fund allows the County to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the County authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

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

Funding Policy and Annual Pension Cost

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

DECATUR COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

B. County Police Retirement Plan

Plan Description

The County Police Retirement Plan is a single-employer defined benefit pension plan. With the approval of the County's fiscal body, the plan is administered by the sheriff's department and an appointed trustee as authorized by state statute (IC 36-8-10-12) for full-time police officers. The plan provides retirement, death, and disability benefits to plan members and beneficiaries. Funds designated for payments related to this plan are accounted for in a pension trust fund. The activity of this trust fund has not been reflected in the financial statement. The trustee issues a publicly available financial report that includes financial statements and required supplementary information of the plan. The report may be obtained by contacting the county sheriff.

Funding Policy

The contribution requirements of plan members for the County Police Retirement Plan are established by state statute.

C. County Police Benefit Plan

Plan Description

The County Police Benefit Plan is a single-employer defined benefit pension plan. With the approval of the County's fiscal body, the plan is administered by the sheriff's department and an appointed trustee as authorized by state statute (IC 36-8-10-12) for full-time police officers. The plan provides dependent pensions, life insurance, and disability benefits to plan members and beneficiaries. Funds designated for payments related to this plan are accounted for in a pension trust fund. The activity of this trust fund has not been reflected in the financial statement. The trustee issues a publicly available financial report that includes financial statements and required supplementary information of the plan. The report may be obtained by contacting the county sheriff.

Funding Policy

The contribution requirements of plan members for the County Police Benefit Plan are established by state statute.

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is in part a result of funds being set up for reimbursable grants. The reimbursement for expenditures made by the County was not received by December 31, 2015. The remaining funds with deficits in cash were the result of posting errors that were not detected and corrected prior to December 31, 2015, including money incorrectly being receipted into a new grant fund instead of Community Services. Disbursements were still being made from the Community Services fund, however, which resulted in a negative balance. This issue was corrected on March 31, 2017.

DECATUR COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 8. Combined Funds

Three funds in 2014 (Home Detention, Community Service, and Corrections Drug Testing) were combined on January 1, 2015, to create a new fund (Community Corrections Project), and two funds in 2014 (Reassessment and Reassessment 2015) were combined on January 1, 2015, into one fund (Reassessment 2015).

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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.

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

	County General	Police-Accident Report	Certified Shares (CAGIT)	CAGIT County Certified Shares	Co Cedit (Debt Service Fund)	Child Advocacy	City & Town Court Costs	Clerks Record Perpetuation
Cash and investments - beginning	\$ 907,190	\$ 5,219	\$ 8,104	\$ (3,514)	\$ 1,102,642	\$ 400	\$ 3,934	\$ 12,069
Receipts:								
Taxes	4,028,007	-	3,765,841	2,120,742	-	-	-	-
Licenses and permits	398,488	-	-	-	-	-	-	-
Intergovernmental receipts	194,150	-	-	-	-	-	-	-
Charges for services	232,243	-	-	-	-	-	-	-
Other receipts	415,473	3,605	-	8,444	792,225	-	10,232	19,260
Total receipts	<u>5,268,361</u>	<u>3,605</u>	<u>3,765,841</u>	<u>2,129,186</u>	<u>792,225</u>	<u>-</u>	<u>10,232</u>	<u>19,260</u>
Disbursements:								
Personal services	3,892,148	-	-	1,854,174	-	-	-	3,408
Supplies	463,590	-	-	-	-	-	-	4,370
Other services and charges	822,631	-	-	200,145	595,372	-	-	323
Capital outlay	129,075	-	-	-	-	-	-	953
Other disbursements	21,088	4,065	3,773,945	-	961,456	-	36	-
Total disbursements	<u>5,328,532</u>	<u>4,065</u>	<u>3,773,945</u>	<u>2,054,319</u>	<u>1,556,828</u>	<u>-</u>	<u>36</u>	<u>9,054</u>
Excess (deficiency) of receipts over disbursements	<u>(60,171)</u>	<u>(460)</u>	<u>(8,104)</u>	<u>74,867</u>	<u>(764,603)</u>	<u>-</u>	<u>10,196</u>	<u>10,206</u>
Cash and investments - ending	<u>\$ 847,019</u>	<u>\$ 4,759</u>	<u>\$ -</u>	<u>\$ 71,353</u>	<u>\$ 338,039</u>	<u>\$ 400</u>	<u>\$ 14,130</u>	<u>\$ 22,275</u>

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

	Congressional School Interest	Congressional School Principal	Convention And Visitors Bureau	Inmates Phone Fund	County Sales Disclosure	Covered Bridge Fund	Cumulative Bridge	Cum Cap Development Fund
Cash and investments - beginning	\$ 16,163	\$ 20,741	\$ 234,805	\$ 66,390	\$ 17,088	\$ 19,370	\$ 2,569,975	\$ 506,496
Receipts:								
Taxes	-	-	216,094	-	-	-	662,111	219,203
Licenses and permits	-	-	-	-	-	-	53,900	17,855
Intergovernmental receipts	-	-	-	-	-	-	16,361	5,429
Charges for services	-	-	-	-	-	-	-	-
Other receipts	67	-	-	17,282	3,140	1,850	221,858	6,000
Total receipts	67	-	216,094	17,282	3,140	1,850	954,230	248,487
Disbursements:								
Personal services	-	-	556	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	86,726	-	-	-	53,600	16,122
Capital outlay	-	-	-	-	-	-	417,499	382,682
Other disbursements	3,319	-	-	23,263	-	-	-	-
Total disbursements	3,319	-	87,282	23,263	-	-	471,099	398,804
Excess (deficiency) of receipts over disbursements	(3,252)	-	128,812	(5,981)	3,140	1,850	483,131	(150,317)
Cash and investments - ending	\$ 12,911	\$ 20,741	\$ 363,617	\$ 60,409	\$ 20,228	\$ 21,220	\$ 3,053,106	\$ 356,179

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

	93.276 Drug Free Community	Emergency Planning & Right To Know	Enhanced Access	County Extradition	Police Firearms Training	Health	Identification Security Protec
Cash and investments - beginning	\$ 44,910	\$ 12,266	\$ 872	\$ 2,400	\$ 20,793	\$ 243,640	\$ 16,612
Receipts:							
Taxes	-	-	-	-	-	148,222	-
Licenses and permits	-	-	-	-	-	12,052	-
Intergovernmental receipts	-	-	-	-	-	5,587	-
Charges for services	-	-	-	-	-	4,285	-
Other receipts	32,346	3,881	-	-	10,444	23,571	2,014
Total receipts	32,346	3,881	-	-	10,444	193,717	2,014
Disbursements:							
Personal services	11,923	-	-	-	-	320,905	-
Supplies	-	-	-	-	-	7,290	-
Other services and charges	10,952	1,291	-	-	-	17,371	-
Capital outlay	-	-	-	-	-	501	-
Other disbursements	-	8,675	-	-	9,885	15,000	1,100
Total disbursements	22,875	9,966	-	-	9,885	361,067	1,100
Excess (deficiency) of receipts over disbursements	9,471	(6,085)	-	-	559	(167,350)	914
Cash and investments - ending	\$ 54,381	\$ 6,181	\$ 872	\$ 2,400	\$ 21,352	\$ 76,290	\$ 17,526

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

	Excess Levy	Local Road and Street	County Misdemeanant	Highway	Park Capital Nonreverting	Park Activity	Plat Book Maintenance
Cash and investments - beginning	\$ 18,790	\$ 506,618	\$ 261,589	\$ 2,140,127	\$ 3,675	\$ 32,928	\$ 50,276
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	400	-	-	-
Intergovernmental receipts	-	561,641	-	2,500,765	-	-	-
Charges for services	-	-	-	-	-	43,737	-
Other receipts	506	-	18,051	45,438	-	1,600	12,322
Total receipts	506	561,641	18,051	2,546,603	-	45,337	12,322
Disbursements:							
Personal services	-	-	-	1,215,616	-	-	-
Supplies	-	506,278	35,000	373,530	-	18,904	-
Other services and charges	-	79,401	-	211,151	-	39,975	-
Capital outlay	-	-	-	20,047	-	-	-
Other disbursements	-	-	56,745	-	-	-	49,675
Total disbursements	-	585,679	91,745	1,820,344	-	58,879	49,675
Excess (deficiency) of receipts over disbursements	506	(24,038)	(73,694)	726,259	-	(13,542)	(37,353)
Cash and investments - ending	<u>\$ 19,296</u>	<u>\$ 482,580</u>	<u>\$ 187,895</u>	<u>\$ 2,866,386</u>	<u>\$ 3,675</u>	<u>\$ 19,386</u>	<u>\$ 12,923</u>

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

	Rainy Day Fund (Excess Edit)	Reassessment 2015	Recorder's Records Perpet	Sex/Violent Offender Regis Fee	Supplemental Public Defender	Surplus Tax	Surveyor's Corner Perpetuation
Cash and investments - beginning	\$ 1,261,605	\$ 469,119	\$ 132,791	\$ 12,503	\$ 23,863	\$ 88,969	\$ 47,808
Receipts:							
Taxes	-	160,574	-	-	-	37,232	-
Licenses and permits	-	13,056	-	-	-	-	-
Intergovernmental receipts	-	4,009	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Other receipts	150,000	2,335	31,721	2,605	95,691	37,158	5,570
Total receipts	150,000	179,974	31,721	2,605	95,691	74,390	5,570
Disbursements:							
Personal services	-	27,572	-	680	-	-	-
Supplies	-	1,757	-	-	-	-	-
Other services and charges	-	178,881	-	-	-	-	-
Capital outlay	-	1,007	-	-	-	-	-
Other disbursements	400,000	-	21,561	1,126	51,250	52,631	174
Total disbursements	400,000	209,217	21,561	1,806	51,250	52,631	174
Excess (deficiency) of receipts over disbursements	(250,000)	(29,243)	10,160	799	44,441	21,759	5,396
Cash and investments - ending	\$ 1,011,605	\$ 439,876	\$ 142,951	\$ 13,302	\$ 68,304	\$ 110,728	\$ 53,204

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

	Tax Sale Certificate	Tax Sale Redemption	Surplus Tax Sale	Guardian Ad Lim Court	County Officials Training Fund	Park And Recreation	Statewide 911
Cash and investments - beginning	\$ 9,885	\$ 37,582	\$ 313,583	\$ (34)	\$ 2,831	\$ 162,332	\$ 658,180
Receipts:							
Taxes	-	-	-	-	-	396,246	-
Licenses and permits	-	-	-	-	-	32,251	-
Intergovernmental receipts	-	-	-	-	-	10,238	-
Charges for services	-	-	-	-	-	32,215	-
Other receipts	-	25,035	70,643	14,088	2,025	7,250	332,050
Total receipts	-	25,035	70,643	14,088	2,025	478,200	332,050
Disbursements:							
Personal services	-	-	-	-	-	357,152	119,327
Supplies	-	-	-	-	-	31,111	-
Other services and charges	-	-	-	-	-	111,493	222,112
Capital outlay	-	-	-	-	-	33,517	-
Other disbursements	-	25,035	249,958	14,088	1,409	-	-
Total disbursements	-	25,035	249,958	14,088	1,409	533,273	341,439
Excess (deficiency) of receipts over disbursements	-	-	(179,315)	-	616	(55,073)	(9,389)
Cash and investments - ending	<u>\$ 9,885</u>	<u>\$ 37,582</u>	<u>\$ 134,268</u>	<u>\$ (34)</u>	<u>\$ 3,447</u>	<u>\$ 107,259</u>	<u>\$ 648,791</u>

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

	Probation Administration Fund	Juvenile Prob User Fees	School Resource Officer	Local Health Maintenance Fund	Sheriff Donation	Excess Revenue Sub Account	Hospital Bond
Cash and investments - beginning	\$ 31,837	\$ 16,589	\$ 6,189	\$ 117,183	\$ 10,122	\$ 3,158,547	\$ 1,736,218
Receipts:							
Taxes	-	-	-	-	-	-	303,221
Licenses and permits	-	-	-	-	-	-	24,216
Intergovernmental receipts	-	-	-	-	-	-	15,234
Charges for services	-	5,704	-	-	-	-	-
Other receipts	21,362	-	92,000	33,139	6,520	1,149,193	-
Total receipts	21,362	5,704	92,000	33,139	6,520	1,149,193	342,671
Disbursements:							
Personal services	14,458	4,758	54,612	-	-	-	-
Supplies	-	634	3,655	-	-	-	-
Other services and charges	-	350	-	22,054	-	-	-
Capital outlay	-	1,961	30,000	-	-	-	-
Other disbursements	776	5,800	-	16,570	6,572	548,865	357,500
Total disbursements	15,234	13,503	88,267	38,624	6,572	548,865	357,500
Excess (deficiency) of receipts over disbursements	6,128	(7,799)	3,733	(5,485)	(52)	600,328	(14,829)
Cash and investments - ending	<u>\$ 37,965</u>	<u>\$ 8,790</u>	<u>\$ 9,922</u>	<u>\$ 111,698</u>	<u>\$ 10,070</u>	<u>\$ 3,758,875</u>	<u>\$ 1,721,389</u>

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

	Special Non-Revert Health Ins	Build Decatur County	Payroll	Police Pension	State Settlement	County Wheel Tax	Commercial Vehicle Excise
Cash and investments - beginning	\$ 6,900	\$ -	\$ (188,076)	\$ 77,567	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	26,326,688	-	-
Licenses and permits	-	-	-	-	2,503,470	-	-
Intergovernmental receipts	-	-	1,120,461	-	-	131,858	207,511
Charges for services	9,210	-	3,677,414	-	-	-	-
Other receipts	694,500	175,000	297,583	20,460	692,886	-	-
Total receipts	<u>703,710</u>	<u>175,000</u>	<u>5,095,458</u>	<u>20,460</u>	<u>29,523,044</u>	<u>131,858</u>	<u>207,511</u>
Disbursements:							
Personal services	-	-	4,906,085	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	690,477	-	-	27,287	29,523,044	125,475	207,511
Total disbursements	<u>690,477</u>	<u>-</u>	<u>4,906,085</u>	<u>27,287</u>	<u>29,523,044</u>	<u>125,475</u>	<u>207,511</u>
Excess (deficiency) of receipts over disbursements	<u>13,233</u>	<u>175,000</u>	<u>189,373</u>	<u>(6,827)</u>	<u>-</u>	<u>6,383</u>	<u>-</u>
Cash and investments - ending	<u>\$ 20,133</u>	<u>\$ 175,000</u>	<u>\$ 1,297</u>	<u>\$ 70,740</u>	<u>\$ -</u>	<u>\$ 6,383</u>	<u>\$ -</u>

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

	Financial Institution Tax	State Fines And Forfeitures	Infraction Judgements	Overweight Vehicles	Special Death Benefits	State Sales Disclosure	Coroners Training Fund
Cash and investments - beginning	\$ -	\$ 1,164	\$ 2,338	\$ -	\$ 250	\$ 550	\$ 312
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	43,545	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Other receipts	-	10,438	27,675	5	1,780	3,300	2,410
Total receipts	<u>43,545</u>	<u>10,438</u>	<u>27,675</u>	<u>5</u>	<u>1,780</u>	<u>3,300</u>	<u>2,410</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	43,545	10,046	25,074	5	1,810	3,235	2,228
Total disbursements	<u>43,545</u>	<u>10,046</u>	<u>25,074</u>	<u>5</u>	<u>1,810</u>	<u>3,235</u>	<u>2,228</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>392</u>	<u>2,601</u>	<u>-</u>	<u>(30)</u>	<u>65</u>	<u>182</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 1,556</u>	<u>\$ 4,939</u>	<u>\$ -</u>	<u>\$ 220</u>	<u>\$ 615</u>	<u>\$ 494</u>

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

	State Mortgage Fee Fund	State Sex/Violent Offender	Child Restraint Fees	Inheritance Tax	Education Plate Fees	Riverboat Wagering Tax Sharing	PTRC (Cagit)
Cash and investments - beginning	\$ 423	\$ 3	\$ -	\$ 47,936	\$ 806	\$ 73,907	\$ (36)
Receipts:							
Taxes	-	-	-	-	-	-	1,255,280
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	15,539	-	152,482	-
Charges for services	-	-	-	-	-	-	-
Other receipts	2,580	60	250	-	4,557	-	-
Total receipts	2,580	60	250	15,539	4,557	152,482	1,255,280
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	2,663	58	225	48,161	5,363	226,389	1,255,244
Total disbursements	2,663	58	225	48,161	5,363	226,389	1,255,244
Excess (deficiency) of receipts over disbursements	(83)	2	25	(32,622)	(806)	(73,907)	36
Cash and investments - ending	<u>\$ 340</u>	<u>\$ 5</u>	<u>\$ 25</u>	<u>\$ 15,314</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Edit(Tax Distribution Fund)	Title IV-D Incentive	Clerk Incentive	Treasurer	Inmate Trust	Clerk	Decatur County Commissary
Cash and investments - beginning	\$ 13,544	\$ 113,026	\$ 79,736	\$ 827,219	\$ 4,552	\$ 548,024	\$ 12,965
Receipts:							
Taxes	1,263,193	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Other receipts	-	13,270	13,270	811,361	150,873	2,476,253	15,615
Total receipts	<u>1,263,193</u>	<u>13,270</u>	<u>13,270</u>	<u>811,361</u>	<u>150,873</u>	<u>2,476,253</u>	<u>15,615</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	3,600	-	-	-	-
Other disbursements	1,276,737	14,499	8,473	827,219	147,382	2,645,303	15,989
Total disbursements	<u>1,276,737</u>	<u>14,499</u>	<u>12,073</u>	<u>827,219</u>	<u>147,382</u>	<u>2,645,303</u>	<u>15,989</u>
Excess (deficiency) of receipts over disbursements	<u>(13,544)</u>	<u>(1,229)</u>	<u>1,197</u>	<u>(15,858)</u>	<u>3,491</u>	<u>(169,050)</u>	<u>(374)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 111,797</u>	<u>\$ 80,933</u>	<u>\$ 811,361</u>	<u>\$ 8,043</u>	<u>\$ 378,974</u>	<u>\$ 12,591</u>

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

	Inmate Food	Law Enforcement Cont Ed	Jury Pay Fund	Marijuana Eradication Program	Deferral/Diversion	Probation User Fee	Animal Shelter Donations
Cash and investments - beginning	\$ 33,146	\$ 50,392	\$ 100,574	\$ 19,337	\$ 65,928	\$ 85,774	\$ 10,017
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	99,126	-
Other receipts	147,676	6,657	3,694	7,234	27,688	-	31,236
Total receipts	<u>147,676</u>	<u>6,657</u>	<u>3,694</u>	<u>7,234</u>	<u>27,688</u>	<u>99,126</u>	<u>31,236</u>
Disbursements:							
Personal services	-	-	-	-	-	81,927	-
Supplies	-	-	-	-	-	699	-
Other services and charges	-	-	-	-	-	774	-
Capital outlay	-	-	-	-	-	6,391	-
Other disbursements	175,075	2,656	8,508	8,437	32,456	35,211	28,428
Total disbursements	<u>175,075</u>	<u>2,656</u>	<u>8,508</u>	<u>8,437</u>	<u>32,456</u>	<u>125,002</u>	<u>28,428</u>
Excess (deficiency) of receipts over disbursements	<u>(27,399)</u>	<u>4,001</u>	<u>(4,814)</u>	<u>(1,203)</u>	<u>(4,768)</u>	<u>(25,876)</u>	<u>2,808</u>
Cash and investments - ending	<u>\$ 5,747</u>	<u>\$ 54,393</u>	<u>\$ 95,760</u>	<u>\$ 18,134</u>	<u>\$ 61,160</u>	<u>\$ 59,898</u>	<u>\$ 12,825</u>

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

	20.600 Operation Pull Over	K-9 Donation	Park Gifts & Grants	Westport Cover Bridge Donation	Sardinia Septic Donations	Comm Emergency Response Team	TIF Board Sub Account
Cash and investments - beginning	\$ 15,317	\$ 214	\$ 9,227	\$ 41,622	\$ 10,000	\$ 3,028	\$ 555,000
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Other receipts	6,000	-	16,522	-	-	2,039	1,300,000
Total receipts	6,000	-	16,522	-	-	2,039	1,300,000
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	21,799	-	12,095	-	-	1,314	1,205,000
Total disbursements	21,799	-	12,095	-	-	1,314	1,205,000
Excess (deficiency) of receipts over disbursements	(15,799)	-	4,427	-	-	725	95,000
Cash and investments - ending	\$ (482)	\$ 214	\$ 13,654	\$ 41,622	\$ 10,000	\$ 3,753	\$ 650,000

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

	Decatur County Project Account	Federal Adoptive Forfeiture	Co Sheriff Law Enforcement	Airport Improvement Fund	Riverboat Wagering Co Share	Home Detention	Community Service
Cash and investments - beginning	\$ 334,390	\$ 291	\$ 16,116	\$ 34,295	\$ 580,892	\$ 146,465	\$ 49,639
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	143,786	-	-
Charges for services	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	-	-	143,786	-	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	34,295	352,000	146,465	65,047
Total disbursements	-	-	-	34,295	352,000	146,465	65,047
Excess (deficiency) of receipts over disbursements	-	-	-	(34,295)	(208,214)	(146,465)	(65,047)
Cash and investments - ending	<u>\$ 334,390</u>	<u>\$ 291</u>	<u>\$ 16,116</u>	<u>\$ -</u>	<u>\$ 372,678</u>	<u>\$ -</u>	<u>\$ (15,408)</u>

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

	Sheriff Drug Testing	Corrections Drug Testing	Check Enforcement Fund	Community Transitional Program	Highway Edit	Economic Develop. & Planning	Comprehensive Plan
Cash and investments - beginning	\$ 2,418	\$ 13,421	\$ 13,958	\$ 32,925	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Other receipts	-	-	-	35,575	250,000	140,000	60,355
Total receipts	-	-	-	35,575	250,000	140,000	60,355
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	174,015	-	-
Capital outlay	-	-	-	-	75,984	-	-
Other disbursements	18	13,421	2,865	-	-	-	38,071
Total disbursements	18	13,421	2,865	-	249,999	-	38,071
Excess (deficiency) of receipts over disbursements	(18)	(13,421)	(2,865)	35,575	1	140,000	22,284
Cash and investments - ending	<u>\$ 2,400</u>	<u>\$ -</u>	<u>\$ 11,093</u>	<u>\$ 68,500</u>	<u>\$ 1</u>	<u>\$ 140,000</u>	<u>\$ 22,284</u>

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

	Decatur Co Redev TIF Bond Proc	Grant Holding	Cedit Hsc	HEA 1001-2008 State Hmstd Cr	Indiana Local Health Dept Trust	93.069 Public Health Prep	Bioterrorism Prepared Grant
Cash and investments - beginning	\$ 20,759	\$ -	\$ 7,593	\$ 2,232	\$ 58,213	\$ (19,786)	\$ 67,844
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Other receipts	15,000	13,189	406,257	-	18,257	15,000	-
Total receipts	15,000	13,189	406,257	-	18,257	15,000	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	35,156	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	1,961	-	403,342	2,232	-	10,111	-
Total disbursements	1,961	-	403,342	2,232	35,156	10,111	-
Excess (deficiency) of receipts over disbursements	13,039	13,189	2,915	(2,232)	(16,899)	4,889	-
Cash and investments - ending	\$ 33,798	\$ 13,189	\$ 10,508	\$ -	\$ 41,314	\$ (14,897)	\$ 67,844

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

	Drug Free Grant	90.401 Hava Title III	Hava Section 102	Prosecutor Incentive	Child Safety Grant	Family Court Counselor	Decatur Co Pedestrian Trail
Cash and investments - beginning	\$ 3,383	\$ 103,028	\$ 180	\$ 83,898	\$ 1,067	\$ (75,146)	\$ 20,832
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	19,963	-	-	-
Charges for services	-	-	-	-	-	-	-
Other receipts	111,076	-	-	700	-	158,039	-
Total receipts	111,076	-	-	20,663	-	158,039	-
Disbursements:							
Personal services	71,756	-	-	-	-	44,290	-
Supplies	-	-	-	-	-	-	-
Other services and charges	48,865	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	12,799	-	8,391	20,830
Total disbursements	120,621	-	-	12,799	-	52,681	20,830
Excess (deficiency) of receipts over disbursements	(9,545)	-	-	7,864	-	105,358	(20,830)
Cash and investments - ending	\$ (6,162)	\$ 103,028	\$ 180	\$ 91,762	\$ 1,067	\$ 30,212	\$ 2

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

	Community Corrections Grant	Community Corrections Project	EMPG Competative	2013 District Equipment	2013 District Admin	2013 District M & A	SHSP Local
Cash and investments - beginning	\$ 7,744	\$ -	\$ (15,043)	\$ (49,917)	\$ (19,698)	\$ (1,536)	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	226,832	-	-	-	-	-
Other receipts	199,489	212,108	12,483	50,000	50,250	1,536	20,912
Total receipts	199,489	438,940	12,483	50,000	50,250	1,536	20,912
Disbursements:							
Personal services	85,111	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	7,800	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	109,358	210,298	8,484	83	30,280	912	20,000
Total disbursements	202,269	210,298	8,484	83	30,280	912	20,000
Excess (deficiency) of receipts over disbursements	(2,780)	228,642	3,999	49,917	19,970	624	912
Cash and investments - ending	<u>\$ 4,964</u>	<u>\$ 228,642</u>	<u>\$ (11,044)</u>	<u>\$ -</u>	<u>\$ 272</u>	<u>\$ (912)</u>	<u>\$ 912</u>

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

	2014 District Sustainment	93.074 Public Health Prep/Base	93.074 Preparedness/Ebola	2015 SHSP Co Base Competitive	2015 EMPG Competitive	SHSP Project Grant	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,136)	\$ 21,179,277
Receipts:							
Taxes	-	-	-	-	-	-	40,902,654
Licenses and permits	-	-	-	-	-	-	3,055,688
Intergovernmental receipts	-	-	-	-	-	-	5,148,559
Charges for services	-	-	-	-	-	-	4,330,766
Other receipts	-	34,287	16,570	-	-	18,536	12,530,485
Total receipts	-	34,287	16,570	-	-	18,536	65,968,152
Disbursements:							
Personal services	-	-	-	-	-	-	13,066,458
Supplies	-	-	-	-	-	-	1,446,818
Other services and charges	-	-	-	-	-	-	2,936,560
Capital outlay	-	-	-	-	-	-	1,103,217
Other disbursements	10,822	3,852	1,200	3,391	30,151	8,958	46,895,625
Total disbursements	10,822	3,852	1,200	3,391	30,151	8,958	65,448,678
Excess (deficiency) of receipts over disbursements	(10,822)	30,435	15,370	(3,391)	(30,151)	9,578	519,474
Cash and investments - ending	<u>\$ (10,822)</u>	<u>\$ 30,435</u>	<u>\$ 15,370</u>	<u>\$ (3,391)</u>	<u>\$ (30,151)</u>	<u>\$ 5,442</u>	<u>\$ 21,698,751</u>

DECATUR COUNTY
SCHEDULE OF PAYABLES AND RECEIVABLES
December 31, 2015

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 110,931</u>	<u>\$ -</u>

DECATUR COUNTY
 SCHEDULE OF LEASES AND DEBT
 December 31, 2015

Type	Description of Debt	Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:				
General obligation bonds	Decatur County Hospital Association		\$ 2,360,000	\$ 708,125
Revenue bonds	Honda TIF		<u>18,720,083</u>	<u>1,390,000</u>
Totals			<u>\$ 21,080,083</u>	<u>\$ 2,098,125</u>

DECATUR 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	\$ 969,669
Infrastructure	24,943,684
Buildings	11,487,534
Improvements other than buildings	2,267,642
Machinery, equipment, and vehicles	10,512,922
Total governmental activities	50,181,451
Total capital assets	\$ 50,181,451

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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

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

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

TO: THE OFFICIALS OF DECATUR COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited Decatur 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.

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, 2015.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2015-004. Our opinion on each major federal program is not modified with respect to this matter.

The County's response to the noncompliance finding identified in our audit is described in the accompanying Corrective Action Plan. The County's response was not subjected to the auditing procedures applied in the audit of 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 items 2015-003 and 2015-004, that we consider to be material weaknesses.

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

September 28, 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.

DECATUR 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 Transportation</u>					
Highway Planning and Construction Cluster					
Highway Planning and Construction	Indiana Department of Transportation	20.205			
Bridge 25 Replacement			DES #0500907	\$ -	\$ 57,027
Bridge 2 Replacement			DES #1005700	-	100,520
Bridge Repair #168			DES #1383312	-	61,240
Total - Highway Planning and Construction Cluster				-	218,787
Highway Safety Cluster					
State and Community Highway Safety Operation Pullover	Indiana Criminal Justice Institute	20.600	EDS #D3-15-8920	-	6,000
Total - Highway Safety Cluster				-	6,000
Total - Department of Transportation				-	224,787
<u>Department of Health and Human Services</u>					
Public Health Emergency Preparedness 2014-2015 Base Public Health Preparedness Grant	Indiana State Department of Health	93.069	2015	-	2,889
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements Public Health Prep Preparedness/Ebola	Indiana State Department of Health	93.074	EDS #A70-5-0532440 #13829	-	14,763
Total - Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements				-	19,524
Total - Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements				-	34,287
Drug Free Communities Support Program Grants Decatur County Community Action Coalition	Direct	93.276	5H79SP013007-08	-	116,255
Total - Drug Free Communities Support Program Grants				-	116,255
Child Support Enforcement	Indiana Department of Child Services	93.563			
Clerk Incentive			2015	-	12,073
Prosecutor Incentive			2015	-	12,798
Title IV-D Incentive			2015	-	14,499
Prosecutor Expenditure			2015	-	119,538
Clerk Expenditure			2015	-	14,647
Indirect Costs			2015	-	44,797
Total - Child Support Enforcement				-	218,352
Total - Department of Health and Human Services				-	371,783
<u>Department of Homeland Security</u>					
Emergency Management Performance Grants 2014 EMPG Competitive 2014 EMPG Salary Reimbursement	Indiana Department of Homeland Security	97.042	C44P-5-474B C44P-5-778B	-	8,484
Total - Emergency Management Performance Grants				-	12,584
Total - Emergency Management Performance Grants				-	21,068
Homeland Security Grant Program	Indiana Department of Homeland Security	97.067			
2013 District M&A			C44P-4-485B	-	1,536
2013 District Equipment			C44P-4-486B	-	50,000
2013 District Admin. D9			C44P-4-484B	-	49,934
Countywide Incident Response Vehicle Equipment Project			C44P-4-062B	-	10,000
SHSP Local			C44P-5-578B	-	20,000
2014 District M&A			C44P-5-667B	-	912
2013 SHSP Generator Replacement Program			C44P-5-817B	-	8,536
Total - Homeland Security Grant Program				-	140,918
Total - Department of Homeland Security				-	161,986
Total federal awards expended				\$ -	\$ 758,556

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

DECATUR COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

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

Note 2. Summary of Significant Accounting Policies

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

DECATUR 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>
93.276	Drug Free Communities Support Program Grants	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 2015-001

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

Repeat Finding

This is a repeat of Finding 2014-001 from the immediate prior year.

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). As a result, errors occurred on the SEFA.

DECATUR COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Context

The SEFA contained the following errors:

1. The Highway Planning and Construction expenditures (CFDA 20.205) were overstated by \$8,760.
2. The Public Health Emergency Preparedness expenditures (CFDA 93.069), in the amount of \$2,889, were not listed.
3. The Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements expenditures (CFDA 93.074) were understated by \$19,124.
4. The Drug Free Communities Support Program Grants expenditures (CFDA 93.276) were overstated by \$27,167.
5. The Child Support Enforcement expenditures (CFDA 93.563) were overstated by \$3,268.
6. The Emergency Management Performance Grants expenditures (CFDA 97.042) were understated by \$8,585.
7. The Homeland Security Grant Program expenditures (CFDA 97.067) were understated by \$88,470.
8. All eight grants reported on the SEFA required corrections to the grant name, pass-through name, pass-through identification numbers, or project names.

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. . . ."

DECATUR COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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.
- (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 that 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*.

DECATUR COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Recommendation

We recommended that management of the County establish controls to prevent, or detect and correct, errors on 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 2015-002

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

Repeat Finding

This is a repeat of Finding 2014-002 from the immediate prior year.

Condition

There was a deficiency in the internal control system of the County related to financial transactions and reporting.

Payroll Disbursements: The County Auditor's office had not separated incompatible activities related to payroll and payroll related liabilities. There was no evidence of an oversight, review, or approval process over the posting and payment process of the Payroll Clerk. The failure to establish these controls could have enabled material misstatements or irregularities to remain undetected.

Context

The lack of controls over the posting and payment process of the Payroll Clerk was a systemic issue throughout the audit period.

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. . . .

DECATUR COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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

Cause

Management of the County had not established a proper system of internal control related to the processing of payroll disbursements.

Effect

The failure to establish controls could have enabled material misstatements or irregularities to remain undetected. The failure to monitor the internal control system placed the County at risk that controls may not be either designed properly or operating effectively to provide reasonable assurance that controls will prevent, or detect and correct, material misstatements in a timely manner.

Recommendation

We recommended that management of the County establish controls, including segregation of duties, over the posting and payment process of the Payroll Clerk.

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

FINDING 2015-003

Subject: Drug Free Communities Support Program Grants - Internal Controls
Federal Agency: Department of Health and Human Services
Federal Program: Drug Free Communities Support Program Grants
CFDA Number: 93.276
Federal Award Number and Year (or Other Identifying Number): 5H79SP013007-08
Pass-Through Entity: Direct Grant
Compliance Requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles,
Cash Management, Eligibility, Period of Performance, Reporting
Audit Finding: Material Weakness

Repeat Finding

This is not a repeat finding from the immediate prior year.

Condition

An effective internal control system, which would include segregation of duties, was not in place at the County in order to ensure compliance with requirements related to the grant agreement and the following compliance requirements:

DECATUR COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Activities Allowed or Unallowed and Allowable Costs/ Cost Principles

Grant funds used to pay credit card claims and student mentors were reviewed by the Executive Director of the Decatur County Community Action Coalition (Coalition). There were no controls in place, such as an oversight, review, or approval process, to ensure the expenditures were in compliance with Activities Allowed or Unallowed and Allowable Costs/Cost Principles requirements.

Cash Management

The Executive Director of the Coalition submitted Requests for Payment to obtain grant funds. There were no controls in place to ensure the County minimized the time between the transfer of funds and disbursement.

Eligibility

Eligibility requirements were stated in the Notice of Award for the grant and were to be met each year by the Coalition. There were no controls in place, such as an oversight, review, or approval process to ensure compliance with Eligibility requirements.

Period of Performance

The County Auditor and the Executive Director of the Coalition paid claims from grant funds. There were no controls in place, such as an oversight, review, or approval process, to ensure the claims paid occurred within the period of performance for the grant.

Reporting

The Executive Director of the Coalition submitted required reports electronically on the federal website and printed copies of the reports for recordkeeping purposes. There were no controls in place, such as an oversight, review, or approval process to ensure the reports were accurate.

Context

The lack of internal controls over the compliance requirements was a systemic problem throughout the audit period.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

DECATUR COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Cause

Management had not developed a system of internal controls to ensure compliance with the requirements listed above.

Effect

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

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

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

FINDING 2015-004

Subject: Drug Free Communities Support Program Grants - Matching
Federal Agency: Department of Health and Human Services
Federal Program: Drug Free Communities Support Program Grants
CFDA Number: 93.276
Federal Award Number and Year (or Other Identifying Number): 5H79SP013007-08
Pass-Through Entity: Direct Grant
Compliance Requirement: Matching
Audit Findings: Material Weakness, Other Matters

Repeat Finding

This is not a repeat finding from the immediate prior year.

Condition

An effective internal control system, which would include segregation of duties, was not in place at the County in order to ensure compliance with requirements related to the grant agreement and the Matching compliance requirement.

The grant required a match of 100 percent to 150 percent of the grant funding, of which a portion of the match would come from in-kind contributions. Records were not available to corroborate the values placed on in-kind contributions. The County did not have proper internal controls to ensure compliance with the Matching requirements.

DECATUR COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Context

The lack of controls was a systemic problem causing noncompliance with the matching requirements.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

2 CFR 200.306(b) states in part:

"For all Federal awards, any shared costs or matching funds and all contributions, including cash and third party in-kind contributions, must be accepted as part of the non-Federal entity's cost sharing or matching when such contributions meet all of the following criteria:

- (1) Are verifiable from the non-Federal entity's records;
- (2) Are not included as contributions for any other Federal award;
- (3) Are necessary and reasonable for accomplishment of project or program objectives;
- (4) Are allowable under subpart E—Cost Principles of this part; . . ."

Cause

Management had not developed a system of internal controls to ensure compliance with the Matching requirements.

Effect

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

Questioned Costs

There were no questioned costs identified.

DECATUR COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Recommendation

We recommended the County's management establish controls, including segregation of duties, related to the grant agreement and the Matching compliance requirement and develop procedures to comply with the Matching requirements.

Views of Responsible Officials

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.



Janet S. Chadwell
Decatur County Auditor

150 Courthouse Square, Suite 133, Greensburg, Indiana 47240

Phone - 812-663-2570

Fax - 812-663-2242

auditor@decaturcounty.in.gov

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-001- PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Fiscal year in which the finding initially occurred: 2014

Contact Person Responsible for Corrective Action: Janet S Chadwell

Contact Phone Number: (812) 663-2570

Status of Audit Finding:

We have established a segregation of 'grant duties' while still having a 'back-up person' to step in when needed. The Auditor or 'back-up person' reviews receipts, disbursements and financial records as necessary to avoid risk of incorrect/inaccurate records. Departments who receive Federal Awards receive financial transaction reports; thus 'checking' us to help maintain another level of checks and balances.

FINDING 2014-002- INTERNAL CONTROL OVER FINANCIAL TRANSACTIONS AND REPORTING

Fiscal year in which the finding initially occurred: 2014

Contact Person Responsible for Corrective Action: Janet S Chadwell

Contact Phone Number: (812) 663-2570

Status of Audit Finding:

State required financial reports, including the CAR, are entered into Gateway and reviewed by myself or another Deputy Auditor to insure correct information has been submitted.

As a rule, personnel who handle cash/check transactions do not 'record' or create reports for balancing with the Treasurer's Office.

Claims created in the Auditor's office are reviewed by the Auditor and our 'claims' deputy to insure accuracy and internal control.

Payroll claims are reviewed and approved by the County Commissioners. (These may be approved after-the-fact due to differences in meeting dates and payroll dates.) Our current President of Commissioners doesn't sign our payroll claims as he has requested a custom report from our software vendor- LOW- listing the 'salary ordinance' info and payroll for comparison. Since the 2014 audit, the President does state for the meeting minutes the regular claims and payroll claims have been approved.

FINDING 2014-003- ALLOWABLE COSTS/COST PRINCIPLES

Fiscal year in which the finding initially occurred: 2014

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Child Services

Contact Person Responsible for Corrective Action: Janet S Chadwell

Contact Phone Number: (812) 663-2570

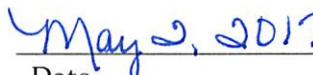
Status of Audit Finding:

For each payroll, personnel who are paid through Federal Awards/Grants submit a timesheet stating the hours worked under each grant: that timesheet is counter-signed by the Prosecutor. Timesheets for total hours worked in the IV-D and Prosecutor's offices are maintained by those respective offices. We have requested copies of those, but to date have not received them.



Janet S Chadwell

Decatur County Auditor



Date



Janet S. Chadwell
Decatur County Auditor

150 Courthouse Square, Suite 133, Greensburg, Indiana 47240

Phone - 812-663-2570

Fax - 812-663-2242

auditor@decaturcounty.in.gov

CORRECTIVE ACTION PLAN

FINDING 2015-001-

Contact Person Responsible for Corrective Action: Janet S Chadwell
Contact Phone Number: (812) 663-2570

Views of Responsible Official:

Decatur County Auditor's personnel have contacted those departments listed in the "Finding" for copies of grants and the schedule of expenditures to address the issues brought to our attention by the State Board of Accounts. We have a clearer understanding of our obligations and the obligations of those receiving the federal awards and are striving to adhere to the *Uniform Internal Control Standards for Indiana Political Subdivisions*.

Description of Corrective Action Plan:

Decatur County will utilize available personnel to provide a proper system of internal control to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA)

Anticipated Completion Date: June, 2018

FINDING 2015-002

Contact Person Responsible for Corrective Action: Janet S Chadwell
Contact Phone Number: (812) 663-2570

Views of Responsible Official:

The Board of County Commissioners began reviewing and approving the payroll claims on September 6th, 2016. Payroll fund receipts and disbursements are reviewed each week by the Auditor and two Deputy Auditors.

Description of Corrective Action Plan:

Decatur County will utilize available personnel to share the financial duties as a 'checks and balances' to address the issues brought to our attention by the State Board of Accounts.

Anticipated Completion Date: October, 2017

FINDING 2015-003

Contact Person Responsible for Corrective Action: Janet S Chadwell

Contact Phone Number: (812) 663-2570

Views of Responsible Official:

The Auditor and Deputy Auditors learned in this audit 'we are the grant police'. Until 2017 we understood our office would process claims and payroll for the Drug-Free Grant program if the correct forms and invoices were submitted.

Description of Corrective Action Plan:

Decatur County is utilizing available personnel to manage internal control requirements relating to grant oversight, review and the approval process as brought to our attention by the State Board of Accounts.

Anticipated Completion Date: October, 2017

FINDING 2015-004

Contact Person Responsible for Corrective Action: Janet S Chadwell

Contact Phone Number: (812) 663-2570

Views of Responsible Official:

As in Finding 2015-003, we now know we have the authority to require documentation of any and all monetary and in-kind contributions.

Description of Corrective Action Plan:

Decatur County is utilizing available personnel to manage internal control requirements relating to grant oversight, reviews of record keeping and the approval process over the activities of the program as brought to our attention by the State Board of Accounts.

Anticipated Completion Date: October, 2017

Janet S Chadwell
Janet S Chadwell

Decatur County Auditor

October 17, 2017
Date

OTHER REPORTS

In addition to this report, other reports may have been issued for the County. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.