

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

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



**FILED**  
12/05/2017



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Jody Edwards	01-01-13 to 12-31-20
County Treasurer	Paula R. Stewart	01-01-13 to 12-31-20
Clerk of the Circuit Court	Myron D. Rainey Billie Tumey	01-01-13 to 12-31-16 01-01-17 to 12-31-20
County Sheriff	Michael Branham	01-01-13 to 12-31-20
President of the County Council	Keith Dillman Michael Wright	01-01-16 to 12-31-16 01-01-17 to 12-31-17
President of the Board of County Commissioners	William Spreen Eugene McCracken	01-01-16 to 12-31-16 01-01-17 to 12-31-17



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

TO: THE OFFICIALS OF LAWRENCE COUNTY, INDIANA

**Report on the Financial Statement**

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

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

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

***Auditor's Responsibility***

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

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

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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

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

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

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

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

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

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the County for the year ended December 31, 2016, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

***Other Matters***

*Supplementary Information*

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

*Other Information*

Our audit was conducted for the purpose of forming an opinion on the County's financial statement. The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis, Schedule of 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 November 20, 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

November 20, 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 LAWRENCE 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 Lawrence County (County), which comprises the financial position and results of operations for the year ended December 31, 2016, and the related notes to the financial statement, and have issued our report thereon dated November 20, 2017, wherein we noted the County followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

**Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2016-001 and 2016-002 that we consider to be material weaknesses.

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

**Compliance and Other Matters**


As part of obtaining reasonable assurance about whether the County's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2016-001 and 2016-002.

**Lawrence 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

November 20, 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.

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

Fund	Cash and Investments 01-01-16	Receipts	Disbursements	Cash and Investments 12-31-16
TREASURER	\$ -	\$ 85,315	\$ -	\$ 85,315
SHERIFFS INMATE TRUST	8,527	336,849	326,731	18,645
PROSECUTORS BAD CHECK COLLECTIONS	1,424	13,116	13,358	1,182
CLERKS TRUST CSI	607,421	2,486,794	2,509,771	584,444
SHERIFFS COMMISSARY	64,772	256,882	273,793	47,861
GENERAL	3,095,541	28,218,125	28,439,751	2,873,915
ACCIDENT REPORT	9,951	5,212	408	14,755
AVIATION	210,932	97,997	130,308	178,621
BID DEPOSITS AND BOND HOLDING	140	-	-	140
CAGIT - SPECIAL LEGISLATION	1,316,901	2,624,256	2,299,166	1,641,991
CAGIT COUNTY CERTIFIED SHARES	-	5,842,452	5,842,452	-
CHILD ADVOCACY	200	-	-	200
CITY AND TOWN COURT COSTS	10,900	9,813	3,468	17,245
CLERK'S RECORDS PERPETUATION	5,327	33,037	29,216	9,148
COMMUNITY CORRECTIONS	148	356,006	324,771	31,383
COMMUNITY TRANSITION PROGRAM	23,450	89,025	28,000	84,475
SALES DISCLOSURE - COUNTY SHARE	7,319	5,923	5,300	7,942
COVERED BRIDGE	32,998	1,850	-	34,848
CUMMULATIVE BRIDGE	1,635,256	1,124,350	920,463	1,839,143
CUMMULATIVE CAPITAL DEVELOPMENT	1,154,275	197,275	186,861	1,164,689
DRUG FREE COMMUNITY	42,910	31,053	42,908	31,055
ECONOMIC DEVELOPMENT FEE	475	185,090	185,090	475
EMERGENCY PLANNING/RIGHT TO KNOW	21,994	3,600	7,984	17,610
FIREARMS TRAINING	61,510	39,914	33,014	68,410
HEALTH	31,346	267,001	281,497	16,850
LEVY EXCESS	283	-	283	-
LOCAL HEALTH MAINTENANCE	89,099	49,707	30,704	108,102
LOCAL ROAD AND STREET	409,459	390,539	472,662	327,336
LOIT PUBLIC SAFETY - COUNTY SHARE	185,228	958,548	992,551	151,225
MISDEMEANANT	93,113	50,974	50,450	93,637
MOTOR VEHICLE HIGHWAY	2,560,140	3,705,807	4,245,578	2,020,369
PLAT BOOK	10,116	10,775	2,327	18,564
RAINY DAY	2,104,344	1,426,199	237,815	3,292,728
RECORDER'S RECORDS PERPETUATION	33,806	56,531	42,691	47,646
RIVERBOAT	452,489	22,811	248,699	226,601
SEX AND VIOLENT OFFENDER ADMINISTRATION	9,800	2,902	3,644	9,058
SHERIFF'S PENSION TRUST	10,027	44,955	31,230	23,752
SUPPLEMENTAL PUBLIC DEFENDER SERVICES	18,394	17,646	10,000	26,040
SURPLUS TAX	76,962	59,394	71,000	65,356
SURVEYOR'S CORNER PERPETUATION	65,212	9,814	200	74,826
TAX SALE FEES	450,922	721,446	395,606	776,762
TAX SALE REDEMPTION	2,741	110,567	102,287	11,021
GUARDIAN AD LITEM	29,572	35,996	13,890	51,678
AUDITORS INELIGIBLE DEDUCTIONS	97,720	4,652	12,191	90,181
COUNTY ELECTED OFFICIALS TRAINING	11,669	3,539	1,885	13,323
COUNTY OFFENDER TRANSPORTATION FUND	400	-	-	400
STATEWIDE 911	716,495	560,885	743,784	533,596
REASSESSMENT 2015	630,660	237,134	266,608	601,186
LOIT 2016 SPECIAL DISTRIBUTION	-	2,544,645	2,309,519	235,126
ADULT PROBATION ADMINISTRATIVE	13,323	84,099	81,301	16,121
JUVENILE PROBATION ADMINISTRATIVE	35	8,425	13	8,447
ALTERNATIVE DISPUTE RESOLUTION	3,120	5,960	2,250	6,830
COUNTY USER FEE	446,023	563,984	463,541	546,466

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

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

Fund	Cash and Investments 01-01-16	Receipts	Disbursements	Cash and Investments 12-31-16
SHERIFF SALE ADMINISTRATION	102,790	26,270	13,200	115,860
DONATIONS	13,213	7,627	12,403	8,437
TIF CAPITAL PROJECTS	98	12	-	110
DEBT SERVICE	204,608	242,852	259,003	188,457
SELF-INSURANCE	1,433,146	1,804,047	2,479,282	757,911
PAYROLL CLEARING	240,804	5,838,605	5,825,983	253,426
SETTLEMENT	-	41,022,235	41,022,235	-
LOIT PUBLIC SAFETY	-	1,948,008	1,948,008	-
WHEEL TAX / SURTAX COMBINED	-	1,211,364	1,211,364	-
TAX SALE SURPLUS	26,184	-	-	26,184
CVET AGENCY	-	264,277	264,277	-
FINANCIAL INSTITUTION TAX	-	326,524	326,524	-
HOMESTEAD CREDIT REBATE	81	-	-	81
LOIT PTRC	103,236	3,894,968	3,895,187	103,017
CAGIT PTRC	-	1,947,484	1,947,484	-
STATE FINES AND FORFEITURES	-	600	600	-
INFRACTION JUDGEMENTS	2,914	35,394	36,562	1,746
SPECIAL DEATH BENEFIT	260	2,185	2,235	210
SALES DISCLOSURE - STATE SHARE	525	5,922	5,867	580
CORONERS TRAINING & CON'T EDUCATION	380	4,213	4,349	244
MORTGAGE RECORDING FEES - STATE SHARE	678	4,115	4,463	330
DLGF HOMESTEAD PROPERTY DATABASE	10	-	10	-
SEX AND VIOLENT OFFENDER ADMINISTRATION - STATE	15	323	338	-
CHILD RESTRAINT VIOLATION FINES	50	1,075	1,050	75
FOREST RESTORATION	772	-	772	-
EDUCATION PLATE FEE AGENCY	460	414	413	461
RIVERBOAT REVENUE SHARING	2,002	272,668	-	274,670
INNKEEPERS TAX COLLECTIONS	-	257,133	257,133	-
LOIT SPECIAL DISTRIBUTION	-	705,377	705,377	-
93.563 PROSECUTOR PCA	8,602	2,650	1,590	9,662
93.563 ARRA CLERK IV-D INCENTIVE	1,567	-	-	1,567
93.563 TITLE IV-D INCENTIVE	118,568	16,321	9,055	125,834
93.563 PROSECUTOR IV-D INCENTIVE-POST OCT '99	217,487	24,554	25,232	216,809
93.563 CLERK IV-D INCENTIVE-POST OCT '99	120,791	16,321	13,135	123,977
D25-17-338 JUVENILE COMMUNITY CORRECTIONS	-	20,141	24,539	(4,398)
06ST063 DV/SEXUAL ASSAULT PREVENTION GRANT	3	-	-	3
JUSTICE REINVESTMENT GRANT	165,670	165,055	321,274	9,451
ZIKA PREPAREDNESS GRANT	-	221	336	(115)
THFGI SYRINGE EXCHANGE GRANT	-	7,000	-	7,000
WELFARE TRUST	42,656	-	-	42,656
EXCESS CAGIT	3	-	-	3
2010 TAX SALE REDEMPTION	882	-	-	882
SURPLUS DOG	1,987	-	-	1,987
TREASURER CASH BOOK	1,327,142	1,292,903	1,327,142	1,292,903
LAWRENCE COUNTY REDEVELOPMENT	187,931	49,640	435	237,136
AVIATION FUEL FUND	11,540	17,914	18,696	10,758
PROSECUTOR CEF	4,673	506	1,706	3,473
ISP MARIJUANA EXTRICATION	77	-	-	77
ISP MARIJUANA EXTRICATION POLICE EQUIPMENT	12,021	582	-	12,603
IMMUNIZATION	22,883	111,512	96,241	38,154
PANDEMIC FLU	729	-	-	729
SAFE HAVEN NLCS GRANT	128	-	-	128
PCA CHILD SUPPORT ENFORCEMENT	575	-	-	575

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

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

Fund	Cash and Investments 01-01-16	Receipts	Disbursements	Cash and Investments 12-31-16
2008 TAX SALE SURPLUS	2,840	-	-	2,840
DUNN COUNTY RENTAL	253,453	-	22,399	231,054
DH POST CLOSING	208,013	90,238	66,671	231,580
OLD PROJECT INCOME	900	-	-	900
INVESTIGATOR'S CASH FUND	572	-	-	572
TAX SALE REIMBURSEMENT	21,218	-	-	21,218
EMERGENCY MANAGEMENT	83,894	91,255	58,923	116,226
2012 COMMISSIONER SALE	13,866	-	-	13,866
COURT SECURITY FUND	18,763	-	18,762	1
AIRPORT LOCAL MATCH FUND	765	-	-	765
ECONOMIC DEVELOPMENT FUND	1,105,947	20,000	115,125	1,010,822
SEIZED ASSET FUND (PROSECUTOR)	29,572	2,112	11,173	20,511
SURVEYOR OVERSIZE COLOR COPIES	711	649	-	1,360
RUNWAY PAVING GRANT	59,855	277,096	307,298	29,653
HAVA TITLE III GRANT	4,839	-	1,411	3,428
06JF017 JUVENILE DETENTION ALTERNATIVE	5,702	-	-	5,702
VICTIM ASSISTANCE GRANT	(11,082)	41,178	44,056	(13,960)
SUPREME COURT GRANT-PROBLEM SOLVING	1,484	7,501	4,834	4,151
LAW CO HD NACCHO AWARD (MRC)	1,365	247	1,110	502
IMMUNIZATION & VACCINES PNFLU	(11,293)	90,051	86,317	(7,559)
LEP SUBGRANT FEMA - PLANNING	16	-	-	16
BIO-TERRORISM PREPAREDNESS	1,226	-	-	1,226
BIO-TERRORISM DISTRICT GRANT	66	-	-	66
BIO-TERRORISM DISTRICT PART 2	324	-	-	324
08A-DJ-057 OVWI DRUG COURT	13,070	40,370	27,533	25,907
BPRS 146-2 PUBLIC HEALTH COORDINATOR	8,133	-	-	8,133
HOMELAND SECURITY 2006 GRANT	71	-	-	71
FAMILY COURT GRANT	10,936	10,000	17,871	3,065
K8-2011-03-03-19 OPERATION PULLOVER GRANT	4,958	5,476	10,530	(96)
022T IN SUPREME COURT GRANT	4,995	-	4,327	668
09-JF-012 JUV DETENTION ALTERNATIVE	71	-	-	71
PUBLIC HEALTH PREPAREDNESS GRANT	(5,403)	28,290	23,078	(191)
TAP-TEG ERT TRAINING (LLC)	2,267	-	167	2,100
SHSP GRANT	4	-	-	4
HD-009-011 INDIANA HOUSING GRANT	1	-	-	1
START THE PEACE GRANT	11	-	-	11
TOBACCO SETTLEMENT GRANT	29,247	-	1,386	27,861
2013/14 DATA SHARE GRANT	1,000	-	-	1,000
MRC GR. MEDICAL RESERVE CORPS	(7,457)	7,630	10,745	(10,572)
C44P-3-126B DIST FIRE TRAINING	-	400	-	400
IN LOCAL HEALTH DEPT TRUST ACCOUNT	68,610	37,200	21,415	84,395
DUI TASK FORCE GRANT	(2,152)	11,116	13,122	(4,158)
PD SURVEY GRANT (ED BYRNE JAG)	(63)	-	-	(63)
PROBLEM SOLV COURT SUPERIOR I	1,689	6,252	2,264	5,677
COUNSEL IN THE COURT GRANT	1,345	5,749	3,919	3,175
SIAGS GRANT	25,000	62,500	75,000	12,500
EBOLA	(538)	9,034	7,473	1,023
DRUG SEIZURE	-	1	-	1
CLERK'S ISETS	4,292	795,389	792,298	7,383
CLERK'S TRUST-MHI	76,912	-	-	76,912
Totals	<u>\$ 23,273,025</u>	<u>\$ 117,187,615</u>	<u>\$ 116,529,726</u>	<u>\$ 23,930,914</u>

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

LAWRENCE 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.

*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, and riverboat receipts received from the County.

LAWRENCE COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

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

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

*E. Disbursements*

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

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

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

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

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

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

*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.

LAWRENCE 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.

LAWRENCE 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.

LAWRENCE 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 a result of the funds being set up to account for grants. The grants function on a reimbursement basis. The reimbursements for expenditures made by the County were not received by December 31, 2016.

LAWRENCE COUNTY  
 NOTES TO FINANCIAL STATEMENT  
 (Continued)

**Note 8. Restatements**

For the year ended December 31, 2016, certain changes have been made to some of the beginning balances of the financial statement to more appropriately reflect financial activity of the County. The following schedule presents a summary of restated beginning balances:

Fund	Balance as of December 31, 2015	Prior Period Adjustment	Balance as of January 1, 2016
SHERRIFFS INMATE TRUST	\$ 6,984	\$ 1,543	\$ 8,527

**Note 9. Holding Corporation**

The County has entered into a capital lease with Courthouse Annex Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the County. The lessor has been determined to be a related-party of the County. Lease payments during the year 2016 totaled \$259,003.

#### 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.

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

	TREASURER	SHERIFFS INMATE TRUST	PROSECUTORS BAD CHECK COLLECTIONS	CLERKS TRUST CSI	SHERIFFS COMMISSARY	GENERAL
Cash and investments - beginning	\$ -	\$ 8,527	\$ 1,424	\$ 607,421	\$ 64,772	\$ 3,095,541
Receipts:						
Taxes	85,315	-	-	-	-	6,102,143
Intergovernmental receipts	-	-	-	-	-	776,678
Charges for services	-	336,849	-	-	256,882	1,200,170
Fines and forfeits	-	-	13,116	2,486,794	-	134,574
Other receipts	-	-	-	-	-	20,004,560
Total receipts	<u>85,315</u>	<u>336,849</u>	<u>13,116</u>	<u>2,486,794</u>	<u>256,882</u>	<u>28,218,125</u>
Disbursements:						
Personal services	-	-	-	-	-	8,365,647
Supplies	-	-	-	-	-	81,321
Other services and charges	-	-	-	-	-	894,323
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	51,851
Other disbursements	-	326,731	13,358	2,509,771	273,793	19,046,609
Total disbursements	<u>-</u>	<u>326,731</u>	<u>13,358</u>	<u>2,509,771</u>	<u>273,793</u>	<u>28,439,751</u>
Excess (deficiency) of receipts over disbursements	<u>85,315</u>	<u>10,118</u>	<u>(242)</u>	<u>(22,977)</u>	<u>(16,911)</u>	<u>(221,626)</u>
Cash and investments - ending	<u>\$ 85,315</u>	<u>\$ 18,645</u>	<u>\$ 1,182</u>	<u>\$ 584,444</u>	<u>\$ 47,861</u>	<u>\$ 2,873,915</u>

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

	ACCIDENT REPORT	AVIATION	BID DEPOSITS AND BOND HOLDING	CAGIT - SPECIAL LEGISLATION	CAGIT COUNTY CERTIFIED SHARES	CHILD ADVOCACY
Cash and investments - beginning	\$ 9,951	\$ 210,932	\$ 140	\$ 1,316,901	\$ -	\$ 200
Receipts:						
Taxes	-	48,250	-	2,535,165	5,842,452	-
Intergovernmental receipts	-	5,405	-	-	-	-
Charges for services	5,212	41,672	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	2,670	-	89,091	-	-
Total receipts	<u>5,212</u>	<u>97,997</u>	<u>-</u>	<u>2,624,256</u>	<u>5,842,452</u>	<u>-</u>
Disbursements:						
Personal services	-	36,662	-	930,298	-	-
Supplies	-	24,939	-	44,362	-	-
Other services and charges	408	61,846	-	1,112,943	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	4,031	-	63	-	-
Other disbursements	-	2,830	-	211,500	5,842,452	-
Total disbursements	<u>408</u>	<u>130,308</u>	<u>-</u>	<u>2,299,166</u>	<u>5,842,452</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>4,804</u>	<u>(32,311)</u>	<u>-</u>	<u>325,090</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 14,755</u>	<u>\$ 178,621</u>	<u>\$ 140</u>	<u>\$ 1,641,991</u>	<u>\$ -</u>	<u>\$ 200</u>

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

	CITY AND TOWN COURT COSTS	CLERK'S RECORDS PERPETUATION	COMMUNITY CORRECTIONS	COMMUNITY TRANSITION PROGRAM	SALES DISCLOSURE - COUNTY SHARE	COVERED BRIDGE
Cash and investments - beginning	\$ 10,900	\$ 5,327	\$ 148	\$ 23,450	\$ 7,319	\$ 32,998
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental receipts	-	-	356,006	89,025	-	-
Charges for services	-	-	-	-	5,923	-
Fines and forfeits	9,813	33,037	-	-	-	-
Other receipts	-	-	-	-	-	1,850
Total receipts	<u>9,813</u>	<u>33,037</u>	<u>356,006</u>	<u>89,025</u>	<u>5,923</u>	<u>1,850</u>
Disbursements:						
Personal services	-	-	273,774	-	-	-
Supplies	-	-	14,551	-	-	-
Other services and charges	-	29,216	19,861	3,500	5,300	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	3,468	-	16,585	24,500	-	-
Total disbursements	<u>3,468</u>	<u>29,216</u>	<u>324,771</u>	<u>28,000</u>	<u>5,300</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>6,345</u>	<u>3,821</u>	<u>31,235</u>	<u>61,025</u>	<u>623</u>	<u>1,850</u>
Cash and investments - ending	<u>\$ 17,245</u>	<u>\$ 9,148</u>	<u>\$ 31,383</u>	<u>\$ 84,475</u>	<u>\$ 7,942</u>	<u>\$ 34,848</u>

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

	CUMMULATIVE BRIDGE	CUMMULATIVE CAPITAL DEVELOPMENT	DRUG FREE COMMUNITY	ECONOMIC DEVELOPMENT FEE	EMERGENCY PLANNING/RIGHT TO KNOW	FIREARMS TRAINING
Cash and investments - beginning	\$ 1,635,256	\$ 1,154,275	\$ 42,910	\$ 475	\$ 21,994	\$ 61,510
Receipts:						
Taxes	915,285	177,354	-	-	-	-
Intergovernmental receipts	102,695	19,921	-	-	3,600	-
Charges for services	-	-	-	-	-	39,914
Fines and forfeits	-	-	31,053	-	-	-
Other receipts	<u>106,370</u>	<u>-</u>	<u>-</u>	<u>185,090</u>	<u>-</u>	<u>-</u>
Total receipts	<u>1,124,350</u>	<u>197,275</u>	<u>31,053</u>	<u>185,090</u>	<u>3,600</u>	<u>39,914</u>
Disbursements:						
Personal services	140,669	-	-	-	-	-
Supplies	168,546	-	-	-	374	-
Other services and charges	221,865	-	42,908	-	6,417	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	389,383	186,861	-	-	775	-
Other disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>185,090</u>	<u>418</u>	<u>33,014</u>
Total disbursements	<u>920,463</u>	<u>186,861</u>	<u>42,908</u>	<u>185,090</u>	<u>7,984</u>	<u>33,014</u>
Excess (deficiency) of receipts over disbursements	<u>203,887</u>	<u>10,414</u>	<u>(11,855)</u>	<u>-</u>	<u>(4,384)</u>	<u>6,900</u>
Cash and investments - ending	<u>\$ 1,839,143</u>	<u>\$ 1,164,689</u>	<u>\$ 31,055</u>	<u>\$ 475</u>	<u>\$ 17,610</u>	<u>\$ 68,410</u>

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

	HEALTH	LEVY EXCESS	LOCAL HEALTH MAINTENANCE	LOCAL ROAD AND STREET	LOIT PUBLIC SAFETY - COUNTY SHARE	MISDEMEANANT
Cash and investments - beginning	\$ 31,346	\$ 283	\$ 89,099	\$ 409,459	\$ 185,228	\$ 93,113
Receipts:						
Taxes	155,296	-	-	-	958,548	-
Intergovernmental receipts	17,451	-	49,707	390,539	-	-
Charges for services	68,208	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	26,046	-	-	-	-	50,974
Total receipts	<u>267,001</u>	<u>-</u>	<u>49,707</u>	<u>390,539</u>	<u>958,548</u>	<u>50,974</u>
Disbursements:						
Personal services	274,213	-	-	-	374,961	-
Supplies	846	-	1,793	375,062	106,770	13,000
Other services and charges	6,438	-	28,911	-	440,925	3,550
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	97,600	69,895	33,900
Other disbursements	-	283	-	-	-	-
Total disbursements	<u>281,497</u>	<u>283</u>	<u>30,704</u>	<u>472,662</u>	<u>992,551</u>	<u>50,450</u>
Excess (deficiency) of receipts over disbursements	<u>(14,496)</u>	<u>(283)</u>	<u>19,003</u>	<u>(82,123)</u>	<u>(34,003)</u>	<u>524</u>
Cash and investments - ending	<u>\$ 16,850</u>	<u>\$ -</u>	<u>\$ 108,102</u>	<u>\$ 327,336</u>	<u>\$ 151,225</u>	<u>\$ 93,637</u>

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

	MOTOR VEHICLE HIGHWAY	PLAT BOOK	RAINY DAY	RECORDER'S RECORDS PERPETUATION	RIVERBOAT	SEX AND VIOLENT OFFENDER ADMINISTRATION
Cash and investments - beginning	\$ 2,560,140	\$ 10,116	\$ 2,104,344	\$ 33,806	\$ 452,489	\$ 9,800
Receipts:						
Taxes	949,934	-	-	-	-	-
Intergovernmental receipts	2,653,343	-	-	-	-	-
Charges for services	-	10,775	-	56,531	-	2,902
Fines and forfeits	-	-	-	-	-	-
Other receipts	102,530	-	1,426,199	-	22,811	-
Total receipts	<u>3,705,807</u>	<u>10,775</u>	<u>1,426,199</u>	<u>56,531</u>	<u>22,811</u>	<u>2,902</u>
Disbursements:						
Personal services	1,291,062	-	-	-	-	-
Supplies	1,650,352	-	-	-	-	958
Other services and charges	1,247,196	2,327	-	42,691	-	2,686
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	41,336	-	237,815	-	248,699	-
Other disbursements	15,632	-	-	-	-	-
Total disbursements	<u>4,245,578</u>	<u>2,327</u>	<u>237,815</u>	<u>42,691</u>	<u>248,699</u>	<u>3,644</u>
Excess (deficiency) of receipts over disbursements	<u>(539,771)</u>	<u>8,448</u>	<u>1,188,384</u>	<u>13,840</u>	<u>(225,888)</u>	<u>(742)</u>
Cash and investments - ending	<u>\$ 2,020,369</u>	<u>\$ 18,564</u>	<u>\$ 3,292,728</u>	<u>\$ 47,646</u>	<u>\$ 226,601</u>	<u>\$ 9,058</u>

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

	SHERIFF'S PENSION TRUST	SUPPLEMENTAL PUBLIC DEFENDER SERVICES	SURPLUS TAX	SURVEYOR'S CORNER PERPETUATION	TAX SALE FEES	TAX SALE REDEMPTION
Cash and investments - beginning	\$ 10,027	\$ 18,394	\$ 76,962	\$ 65,212	\$ 450,922	\$ 2,741
Receipts:						
Taxes	-	-	-	-	111,280	7,408
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	44,955	-	-	9,814	-	1,780
Fines and forfeits	-	17,646	-	-	-	-
Other receipts	-	-	59,394	-	610,166	101,379
Total receipts	<u>44,955</u>	<u>17,646</u>	<u>59,394</u>	<u>9,814</u>	<u>721,446</u>	<u>110,567</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	5,000	-	200	-	-
Other services and charges	-	5,000	71,000	-	395,606	16,030
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	31,230	-	-	-	-	86,257
Total disbursements	<u>31,230</u>	<u>10,000</u>	<u>71,000</u>	<u>200</u>	<u>395,606</u>	<u>102,287</u>
Excess (deficiency) of receipts over disbursements	<u>13,725</u>	<u>7,646</u>	<u>(11,606)</u>	<u>9,614</u>	<u>325,840</u>	<u>8,280</u>
Cash and investments - ending	<u>\$ 23,752</u>	<u>\$ 26,040</u>	<u>\$ 65,356</u>	<u>\$ 74,826</u>	<u>\$ 776,762</u>	<u>\$ 11,021</u>

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

	GUARDIAN AD LITEM	AUDITORS INELIGIBLE DEDUCTIONS	COUNTY ELECTED OFFICIALS TRAINING	COUNTY OFFENDER TRANSPORTATION FUND	STATEWIDE 911	REASSESSMENT 2015
Cash and investments - beginning	\$ 29,572	\$ 97,720	\$ 11,669	\$ 400	\$ 716,495	\$ 630,660
Receipts:						
Taxes	-	-	-	-	-	213,197
Intergovernmental receipts	-	-	-	-	-	23,937
Charges for services	35,996	-	-	-	560,885	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	4,652	3,539	-	-	-
Total receipts	<u>35,996</u>	<u>4,652</u>	<u>3,539</u>	<u>-</u>	<u>560,885</u>	<u>237,134</u>
Disbursements:						
Personal services	-	12,191	-	-	52,821	45,633
Supplies	-	-	-	-	112	2,946
Other services and charges	13,890	-	1,885	-	459,138	214,631
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	231,713	3,398
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>13,890</u>	<u>12,191</u>	<u>1,885</u>	<u>-</u>	<u>743,784</u>	<u>266,608</u>
Excess (deficiency) of receipts over disbursements	<u>22,106</u>	<u>(7,539)</u>	<u>1,654</u>	<u>-</u>	<u>(182,899)</u>	<u>(29,474)</u>
Cash and investments - ending	<u>\$ 51,678</u>	<u>\$ 90,181</u>	<u>\$ 13,323</u>	<u>\$ 400</u>	<u>\$ 533,596</u>	<u>\$ 601,186</u>

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

	LOIT 2016 SPECIAL DISTRIBUTION	ADULT PROBATION ADMINISTRATIVE	JUVENILE PROBATION ADMINISTRATIVE	ALTERNATIVE DISPUTE RESOLUTION	COUNTY USER FEE	SHERIFF SALE ADMINISTRATION
Cash and investments - beginning	\$ -	\$ 13,323	\$ 35	\$ 3,120	\$ 446,023	\$ 102,790
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental receipts	2,544,645	-	8,425	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	84,099	-	5,960	563,914	-
Other receipts	-	-	-	-	70	26,270
Total receipts	<u>2,544,645</u>	<u>84,099</u>	<u>8,425</u>	<u>5,960</u>	<u>563,984</u>	<u>26,270</u>
Disbursements:						
Personal services	-	79,801	-	2,250	174,866	-
Supplies	-	-	-	-	20,333	-
Other services and charges	-	-	13	-	121,823	1,100
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	1,500	-	-	107,989	-
Other disbursements	2,309,519	-	-	-	38,530	12,100
Total disbursements	<u>2,309,519</u>	<u>81,301</u>	<u>13</u>	<u>2,250</u>	<u>463,541</u>	<u>13,200</u>
Excess (deficiency) of receipts over disbursements	<u>235,126</u>	<u>2,798</u>	<u>8,412</u>	<u>3,710</u>	<u>100,443</u>	<u>13,070</u>
Cash and investments - ending	<u>\$ 235,126</u>	<u>\$ 16,121</u>	<u>\$ 8,447</u>	<u>\$ 6,830</u>	<u>\$ 546,466</u>	<u>\$ 115,860</u>

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

	DONATIONS	TIF CAPITAL PROJECTS	DEBT SERVICE	SELF-INSURANCE	PAYROLL CLEARING	SETTLEMENT
Cash and investments - beginning	\$ 13,213	\$ 98	\$ 204,608	\$ 1,433,146	\$ 240,804	\$ -
Receipts:						
Taxes	-	12	219,687	-	-	41,022,235
Intergovernmental receipts	-	-	23,165	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	7,627	-	-	1,804,047	5,838,605	-
Total receipts	<u>7,627</u>	<u>12</u>	<u>242,852</u>	<u>1,804,047</u>	<u>5,838,605</u>	<u>41,022,235</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	8,362	-	-	-	-	-
Debt service - principal and interest	-	-	259,003	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	4,041	-	-	2,479,282	5,825,983	41,022,235
Total disbursements	<u>12,403</u>	<u>-</u>	<u>259,003</u>	<u>2,479,282</u>	<u>5,825,983</u>	<u>41,022,235</u>
Excess (deficiency) of receipts over disbursements	<u>(4,776)</u>	<u>12</u>	<u>(16,151)</u>	<u>(675,235)</u>	<u>12,622</u>	<u>-</u>
Cash and investments - ending	<u>\$ 8,437</u>	<u>\$ 110</u>	<u>\$ 188,457</u>	<u>\$ 757,911</u>	<u>\$ 253,426</u>	<u>\$ -</u>

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

	LOIT PUBLIC SAFETY	WHEEL TAX / SURTAX COMBINED	TAX SALE SURPLUS	CVET AGENCY	FINANCIAL INSTITUTION TAX	HOMESTEAD CREDIT REBATE
Cash and investments - beginning	\$ -	\$ -	\$ 26,184	\$ -	\$ -	\$ 81
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental receipts	1,948,008	1,211,364	-	264,277	326,524	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	<u>1,948,008</u>	<u>1,211,364</u>	<u>-</u>	<u>264,277</u>	<u>326,524</u>	<u>-</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	1,948,008	1,211,364	-	264,277	326,524	-
Total disbursements	<u>1,948,008</u>	<u>1,211,364</u>	<u>-</u>	<u>264,277</u>	<u>326,524</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,184</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 81</u>

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

	LOIT PTRC	CAGIT PTRC	STATE FINES AND FORFEITURES	INFRACTION JUDGEMENTS	SPECIAL DEATH BENEFIT	SALES DISCLOSURE - STATE SHARE
Cash and investments - beginning	\$ 103,236	\$ -	\$ -	\$ 2,914	\$ 260	\$ 525
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental receipts	3,894,968	1,947,484	-	-	-	-
Charges for services	-	-	-	-	-	5,922
Fines and forfeits	-	-	600	35,394	2,185	-
Other receipts	-	-	-	-	-	-
Total receipts	<u>3,894,968</u>	<u>1,947,484</u>	<u>600</u>	<u>35,394</u>	<u>2,185</u>	<u>5,922</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	3,895,187	1,947,484	600	36,562	2,235	5,867
Total disbursements	<u>3,895,187</u>	<u>1,947,484</u>	<u>600</u>	<u>36,562</u>	<u>2,235</u>	<u>5,867</u>
Excess (deficiency) of receipts over disbursements	<u>(219)</u>	<u>-</u>	<u>-</u>	<u>(1,168)</u>	<u>(50)</u>	<u>55</u>
Cash and investments - ending	<u>\$ 103,017</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,746</u>	<u>\$ 210</u>	<u>\$ 580</u>

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

	CORONERS TRAINING & CON'T EDUCATION	MORTGAGE RECORDING FEES - STATE SHARE	DLGF HOMESTEAD PROPERTY DATABASE	SEX AND VIOLENT OFFENDER ADMINISTRATION - STATE	CHILD RESTRAINT VIOLATION FINES	FOREST RESTORATION
Cash and investments - beginning	\$ 380	\$ 678	\$ 10	\$ 15	\$ 50	\$ 772
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	4,213	4,115	-	-	-	-
Fines and forfeits	-	-	-	323	1,075	-
Other receipts	-	-	-	-	-	-
Total receipts	<u>4,213</u>	<u>4,115</u>	<u>-</u>	<u>323</u>	<u>1,075</u>	<u>-</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	772
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	4,349	4,463	10	338	1,050	-
Total disbursements	<u>4,349</u>	<u>4,463</u>	<u>10</u>	<u>338</u>	<u>1,050</u>	<u>772</u>
Excess (deficiency) of receipts over disbursements	<u>(136)</u>	<u>(348)</u>	<u>(10)</u>	<u>(15)</u>	<u>25</u>	<u>(772)</u>
Cash and investments - ending	<u>\$ 244</u>	<u>\$ 330</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75</u>	<u>\$ -</u>

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

	EDUCATION PLATE FEE AGENCY	RIVERBOAT REVENUE SHARING	INNKEEPERS TAX COLLECTIONS	LOIT SPECIAL DISTRIBUTION	93.563 PROSECUTOR PCA	93.563 ARRA CLERK IV-D INCENTIVE
Cash and investments - beginning	\$ 460	\$ 2,002	\$ -	\$ -	\$ 8,602	\$ 1,567
Receipts:						
Taxes	-	-	257,133	-	-	-
Intergovernmental receipts	414	-	-	705,377	-	-
Charges for services	-	-	-	-	2,650	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	272,668	-	-	-	-
Total receipts	<u>414</u>	<u>272,668</u>	<u>257,133</u>	<u>705,377</u>	<u>2,650</u>	<u>-</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	1,590	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	413	-	257,133	705,377	-	-
Total disbursements	<u>413</u>	<u>-</u>	<u>257,133</u>	<u>705,377</u>	<u>1,590</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>1</u>	<u>272,668</u>	<u>-</u>	<u>-</u>	<u>1,060</u>	<u>-</u>
Cash and investments - ending	<u>\$ 461</u>	<u>\$ 274,670</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,662</u>	<u>\$ 1,567</u>

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

	93.563 TITLE IV-D INCENTIVE	93.563 PROSECUTOR IV-D INCENTIVE-POST OCT '99	93.563 CLERK IV-D INCENTIVE-POST OCT '99	D25-17-338 JUVENILE COMMUNITY CORRECTIONS	06ST063 DV/SEXUAL ASSAULT PREVENTION GRANT	JUSTICE REINVESTMENT GRANT
Cash and investments - beginning	\$ 118,568	\$ 217,487	\$ 120,791	\$ -	\$ 3	\$ 165,670
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental receipts	16,321	24,554	16,321	20,141	-	165,055
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	<u>16,321</u>	<u>24,554</u>	<u>16,321</u>	<u>20,141</u>	<u>-</u>	<u>165,055</u>
Disbursements:						
Personal services	-	-	8,294	23,156	-	305,989
Supplies	9,055	-	-	1,135	-	15,285
Other services and charges	-	-	-	248	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	25,232	4,841	-	-	-
Total disbursements	<u>9,055</u>	<u>25,232</u>	<u>13,135</u>	<u>24,539</u>	<u>-</u>	<u>321,274</u>
Excess (deficiency) of receipts over disbursements	<u>7,266</u>	<u>(678)</u>	<u>3,186</u>	<u>(4,398)</u>	<u>-</u>	<u>(156,219)</u>
Cash and investments - ending	<u>\$ 125,834</u>	<u>\$ 216,809</u>	<u>\$ 123,977</u>	<u>\$ (4,398)</u>	<u>\$ 3</u>	<u>\$ 9,451</u>

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

	ZIKA PREPAREDNESS GRANT	THFGI SYRINGE EXCHANGE GRANT	WELFARE TRUST	EXCESS CAGIT	2010 TAX SALE REDEMPTION	SURPLUS DOG
Cash and investments - beginning	\$ -	\$ -	\$ 42,656	\$ 3	\$ 882	\$ 1,987
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental receipts	-	7,000	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	221	-	-	-	-	-
Total receipts	<u>221</u>	<u>7,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	336	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>336</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(115)</u>	<u>7,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ (115)</u>	<u>\$ 7,000</u>	<u>\$ 42,656</u>	<u>\$ 3</u>	<u>\$ 882</u>	<u>\$ 1,987</u>

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

	TREASURER CASH BOOK	LAWRENCE COUNTY REDEVELOPMENT	AVIATION FUEL FUND	PROSECUTOR CEF	ISP MARIJUANA EXTRICATION	ISP MARIJUANA EXTRICATION POLICE EQUIPMENT
Cash and investments - beginning	\$ 1,327,142	\$ 187,931	\$ 11,540	\$ 4,673	\$ 77	\$ 12,021
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	1,292,903	-	17,914	-	-	582
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	49,640	-	506	-	-
Total receipts	<u>1,292,903</u>	<u>49,640</u>	<u>17,914</u>	<u>506</u>	<u>-</u>	<u>582</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	1,327,142	435	18,696	1,706	-	-
Total disbursements	<u>1,327,142</u>	<u>435</u>	<u>18,696</u>	<u>1,706</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(34,239)</u>	<u>49,205</u>	<u>(782)</u>	<u>(1,200)</u>	<u>-</u>	<u>582</u>
Cash and investments - ending	<u>\$ 1,292,903</u>	<u>\$ 237,136</u>	<u>\$ 10,758</u>	<u>\$ 3,473</u>	<u>\$ 77</u>	<u>\$ 12,603</u>

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

	IMMUNIZATION	PANDEMIC FLU	SAFE HAVEN NLCS GRANT	PCA CHILD SUPPORT ENFORCEMENT	2008 TAX SALE SURPLUS	DUNN COUNTY RENTAL
Cash and investments - beginning	\$ 22,883	\$ 729	\$ 128	\$ 575	\$ 2,840	\$ 253,453
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	111,512	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	111,512	-	-	-	-	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	250	-	-	-	-	22,399
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	95,991	-	-	-	-	-
Total disbursements	96,241	-	-	-	-	22,399
Excess (deficiency) of receipts over disbursements	15,271	-	-	-	-	(22,399)
Cash and investments - ending	\$ 38,154	\$ 729	\$ 128	\$ 575	\$ 2,840	\$ 231,054

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

	DH POST CLOSING	OLD PROJECT INCOME	INVESTIGATOR'S CASH FUND	TAX SALE REIMBURSEMENT	EMERGENCY MANAGEMENT	2012 COMMISSIONER SALE
Cash and investments - beginning	\$ 208,013	\$ 900	\$ 572	\$ 21,218	\$ 83,894	\$ 13,866
Receipts:						
Taxes	-	-	-	-	67,550	-
Intergovernmental receipts	-	-	-	-	7,567	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	90,238	-	-	-	16,138	-
Total receipts	90,238	-	-	-	91,255	-
Disbursements:						
Personal services	-	-	-	-	47,088	-
Supplies	-	-	-	-	401	-
Other services and charges	-	-	-	-	10,694	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	740	-
Other disbursements	66,671	-	-	-	-	-
Total disbursements	66,671	-	-	-	58,923	-
Excess (deficiency) of receipts over disbursements	23,567	-	-	-	32,332	-
Cash and investments - ending	\$ 231,580	\$ 900	\$ 572	\$ 21,218	\$ 116,226	\$ 13,866

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

	COURT SECURITY FUND	AIRPORT LOCAL MATCH FUND	ECONOMIC DEVELOPMENT FUND	SEIZED ASSET FUND (PROSECUTOR)	SURVEYOR OVERSIZE COLOR COPIES	RUNWAY PAVING GRANT
Cash and investments - beginning	\$ 18,763	\$ 765	\$ 1,105,947	\$ 29,572	\$ 711	\$ 59,855
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	277,096
Charges for services	-	-	15,000	-	649	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	5,000	2,112	-	-
Total receipts	-	-	20,000	2,112	649	277,096
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	18,762	-	-	-	-	-
Other services and charges	-	-	115,125	11,173	-	307,298
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	18,762	-	115,125	11,173	-	307,298
Excess (deficiency) of receipts over disbursements	(18,762)	-	(95,125)	(9,061)	649	(30,202)
Cash and investments - ending	<u>\$ 1</u>	<u>\$ 765</u>	<u>\$ 1,010,822</u>	<u>\$ 20,511</u>	<u>\$ 1,360</u>	<u>\$ 29,653</u>

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

	HAVA TITLE III GRANT	06JF017 JUVENILE DETENTION ALTERNATIVE	VICTIM ASSISTANCE GRANT	SUPREME COURT GRANT-PROBLEM SOLVING	LAW CO HD NACCHO AWARD (MRC)	IMMUNIZATION & VACCINES PNFLU
Cash and investments - beginning	\$ 4,839	\$ 5,702	\$ (11,082)	\$ 1,484	\$ 1,365	\$ (11,293)
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental receipts	-	-	41,178	7,501	247	90,051
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	-	-	41,178	7,501	247	90,051
Disbursements:						
Personal services	-	-	37,919	-	-	27,758
Supplies	-	-	-	2,542	-	3,786
Other services and charges	-	-	-	2,292	1,110	51,595
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	3,178
Other disbursements	1,411	-	6,137	-	-	-
Total disbursements	1,411	-	44,056	4,834	1,110	86,317
Excess (deficiency) of receipts over disbursements	(1,411)	-	(2,878)	2,667	(863)	3,734
Cash and investments - ending	\$ 3,428	\$ 5,702	\$ (13,960)	\$ 4,151	\$ 502	\$ (7,559)

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

	LEP SUBGRANT FEMA - PLANNING	BIO-TERRORISM PREPAREDNESS	BIO-TERRORISM DISTRICT GRANT	BIO-TERRORISM DISTRICT PART 2	08A-DJ-057 OVWI DRUG COURT	BPRS 146-2 PUBLIC HEALTH COORDINATOR
Cash and investments - beginning	\$ 16	\$ 1,226	\$ 66	\$ 324	\$ 13,070	\$ 8,133
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	10,361	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	30,009	-
Other receipts	-	-	-	-	-	-
Total receipts	-	-	-	-	40,370	-
Disbursements:						
Personal services	-	-	-	-	20,256	-
Supplies	-	-	-	-	3,216	-
Other services and charges	-	-	-	-	4,061	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	-	-	-	27,533	-
Excess (deficiency) of receipts over disbursements	-	-	-	-	12,837	-
Cash and investments - ending	<u>\$ 16</u>	<u>\$ 1,226</u>	<u>\$ 66</u>	<u>\$ 324</u>	<u>\$ 25,907</u>	<u>\$ 8,133</u>

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

	HOMELAND SECURITY 2006 GRANT	FAMILY COURT GRANT	K8-2011-03-03-19 OPERATION PULLOVER GRANT	022T IN SUPREME COURT GRANT	09-JF-012 JUV DETENTION ALTERNATIVE	PUBLIC HEALTH PREPAREDNESS GRANT
Cash and investments - beginning	\$ 71	\$ 10,936	\$ 4,958	\$ 4,995	\$ 71	\$ (5,403)
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental receipts	-	10,000	5,476	-	-	28,290
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	-	10,000	5,476	-	-	28,290
Disbursements:						
Personal services	-	17,871	10,530	3,339	-	9,849
Supplies	-	-	-	988	-	3,412
Other services and charges	-	-	-	-	-	9,142
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	675
Other disbursements	-	-	-	-	-	-
Total disbursements	-	17,871	10,530	4,327	-	23,078
Excess (deficiency) of receipts over disbursements	-	(7,871)	(5,054)	(4,327)	-	5,212
Cash and investments - ending	\$ 71	\$ 3,065	\$ (96)	\$ 668	\$ 71	\$ (191)

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

	TAP-TEG ERT TRAINING (LLC)	SHSP GRANT	HD-009-011 INDIANA HOUSING GRANT	START THE PEACE GRANT	TOBACCO SETTLEMENT GRANT	2013/14 DATA SHARE GRANT
Cash and investments - beginning	\$ 2,267	\$ 4	\$ 1	\$ 11	\$ 29,247	\$ 1,000
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	172	-
Other services and charges	167	-	-	-	50	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	1,164	-
Other disbursements	-	-	-	-	-	-
Total disbursements	167	-	-	-	1,386	-
Excess (deficiency) of receipts over disbursements	(167)	-	-	-	(1,386)	-
Cash and investments - ending	<u>\$ 2,100</u>	<u>\$ 4</u>	<u>\$ 1</u>	<u>\$ 11</u>	<u>\$ 27,861</u>	<u>\$ 1,000</u>

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

	MRC GR. MEDICAL RESERVE CORPS	C44P-3-126B DIST FIRE TRAINING	IN LOCAL HEALTH DEPT TRUST ACCOUNT	DUI TASK FORCE GRANT	PD SURVEY GRANT (ED BYRNE JAG)	PROBLEM SOLV COURT SUPERIOR I
Cash and investments - beginning	\$ (7,457)	\$ -	\$ 68,610	\$ (2,152)	\$ (63)	\$ 1,689
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental receipts	7,630	400	37,200	11,116	-	-
Charges for services	-	-	-	-	-	6,252
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
<b>Total receipts</b>	<b>7,630</b>	<b>400</b>	<b>37,200</b>	<b>11,116</b>	<b>-</b>	<b>6,252</b>
Disbursements:						
Personal services	-	-	14,051	13,122	-	-
Supplies	1,180	-	2,038	-	-	426
Other services and charges	9,565	-	5,326	-	-	1,838
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
<b>Total disbursements</b>	<b>10,745</b>	<b>-</b>	<b>21,415</b>	<b>13,122</b>	<b>-</b>	<b>2,264</b>
Excess (deficiency) of receipts over disbursements	(3,115)	400	15,785	(2,006)	-	3,988
Cash and investments - ending	<u>\$ (10,572)</u>	<u>\$ 400</u>	<u>\$ 84,395</u>	<u>\$ (4,158)</u>	<u>\$ (63)</u>	<u>\$ 5,677</u>

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

	COUNSEL IN THE COURT GRANT	SIAGS GRANT	EBOLA	DRUG SEIZURE	CLERK'S ISETS	CLERK'S TRUST-MHI	Totals
Cash and investments - beginning	\$ 1,345	\$ 25,000	\$ (538)	\$ -	\$ 4,292	\$ 76,912	\$ 23,273,025
Receipts:							
Taxes	-	-	-	-	-	-	59,668,244
Intergovernmental receipts	5,749	62,500	9,034	-	-	-	18,223,746
Charges for services	-	-	-	-	-	-	4,140,180
Fines and forfeits	-	-	-	-	-	-	3,449,592
Other receipts	-	-	-	1	795,389	-	31,705,853
Total receipts	<u>5,749</u>	<u>62,500</u>	<u>9,034</u>	<u>1</u>	<u>795,389</u>	<u>-</u>	<u>117,187,615</u>
Disbursements:							
Personal services	-	-	-	-	-	-	12,594,070
Supplies	-	-	1,804	-	-	-	2,576,003
Other services and charges	3,919	75,000	3,450	-	-	-	6,118,853
Debt service - principal and interest	-	-	-	-	-	-	259,003
Capital outlay	-	-	2,219	-	-	-	1,714,785
Other disbursements	-	-	-	-	792,298	-	93,267,012
Total disbursements	<u>3,919</u>	<u>75,000</u>	<u>7,473</u>	<u>-</u>	<u>792,298</u>	<u>-</u>	<u>116,529,726</u>
Excess (deficiency) of receipts over disbursements	<u>1,830</u>	<u>(12,500)</u>	<u>1,561</u>	<u>1</u>	<u>3,091</u>	<u>-</u>	<u>657,889</u>
Cash and investments - ending	<u>\$ 3,175</u>	<u>\$ 12,500</u>	<u>\$ 1,023</u>	<u>\$ 1</u>	<u>\$ 7,383</u>	<u>\$ 76,912</u>	<u>\$ 23,930,914</u>

LAWRENCE COUNTY  
SCHEDULE OF PAYABLES AND RECEIVABLES  
December 31, 2016

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 832,476</u>	<u>\$ 75,033</u>

LAWRENCE COUNTY  
 SCHEDULE OF LEASES AND DEBT  
 December 31, 2016

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
AT & T Capitol Service	E911 Equipment	\$ 124,819	1/30/2013	12/30/2017
Courthouse Annex Building Corporation	Courthouse Plaza Lease	<u>259,900</u>	7/15/2002	1/15/2023
Total governmental activities		<u>384,719</u>		
Total of annual lease payments		<u>\$ 384,719</u>		

LAWRENCE COUNTY  
 SCHEDULE OF CAPITAL ASSETS  
 December 31, 2016

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

	Ending Balance
Governmental activities:	
Land	5,046,036
Infrastructure	102,660,294
Buildings	48,975,917
Machinery, equipment, and vehicles	8,429,504
Total governmental activities	165,111,751
Total capital assets	\$ 165,111,751

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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

TO: THE OFFICIALS OF LAWRENCE COUNTY, INDIANA

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

We have audited Lawrence County's (County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended December 31, 2016. The County's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

***Opinion on the Major Federal Program***

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

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


**Report on Internal Control over Compliance**

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

  
Paul D. Joyce, CPA  
State Examiner

November 20, 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.

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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through To Subrecipient	Total Federal Awards Expended
<u>Department of Justice</u>					
Equitable Sharing Program	Direct Grant	16.922		\$ -	\$ 1,706
Total - Equitable Sharing Program				-	1,706
VOCA Assistance Grant	Indiana Criminal Justice Institute	16.575	D3 -16-10380	-	26,218
Total - Crime Victim Assistance				-	26,218
Edward Byrne Memorial Justice Assistance Grant Program Lawrence Superior Court II Problem Solving Lawrence County Interdiction Project	Indiana Criminal Justice Institute	16.738	D3-16-16-10843 DC-16-10857	-	12,785 36,961
Total - Edward Byrne Memorial Justice Assistance Grant Program				-	49,746
Total - Department of Justice				-	77,670
<u>Department of Transportation</u>					
Highway Planning and Construction Cluster Highway Planning and Construction Bridge Inspection Bridge Inspection	Indiana Department of Transportation	20.205	DES#1382191 DES#0201239	-	90,047 699
Total - Highway Planning and Construction Cluster				-	90,746
Highway Safety Cluster Alcohol Impaired Driving Countermeasures Incentive Grants I FY 2016 DUI and DUID Taskforce Grant	Indiana Criminal Justice Institute	20.601	D3-16-10230	-	11,115
Total - Alcohol Impaired Driving Countermeasures Incentive Grants I				-	11,115
National Priority Safety Programs Operation Pullover Enforcement Grant	Indiana Criminal Justice Institute	20.616	D3-16-10156	-	5,476
Total - National Priority Safety Programs				-	5,476
Total - Highway Safety Cluster				-	16,591
Airport Improvement Program Runway Paving	Direct Grant	20.106	3-18-0005-010 3-18	-	268,635
Total - Airport Improvement Program				-	268,635
Total - Department of Transportation				-	375,972
<u>Department of Health and Human Services</u>					
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements Public Health Emergency Preparedness Base 2015-16 EBOLA MRC ZIKA Public Health Emergency Preparedness Base 2016-17	Indiana State Department of Health	93.074	13710 13710 13710 16785 U9OTP000521	-	15,727 7,473 10,625 221 4,950
Total - Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements				-	38,996
Immunization Cooperative Agreements Indirect Cost	Indiana State Department of Health	93.268	FY13	-	89,981
Total - Immunization Cooperative Agreements				-	89,981
Child Support Enforcement Prosecutor Prosecutor Incentive Fund Clerk Incentive Fund Clerk's Perpetuation Circuit Court Clerk Indirect Cost Court Incentive Fund	Indiana Department of Child Services	93.563		-	197,701 25,232 13,135 4,442 60,583 48,395 117,899 9,055
Total - Child Support Enforcement				-	476,442
Total - Department of Health and Human Services				-	605,419
<u>Department of Homeland Security</u>					
Emergency Management Performance Grants EMPG-Salary Reimbursement	Indiana Department of Homeland Security	97.042	C44P-3-102B	-	16,009
Total - Department of Homeland Security				-	16,009
Total federal awards expended				\$ -	\$ 1,075,070

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

LAWRENCE COUNTY  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the County under programs of the federal government for the year ended December 31, 2016. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the County, it is not intended to and does not present the financial position of the County.

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

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

LAWRENCE 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 program:	
Material weakness identified?	no
Significant deficiency identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	no

Identification of Major Program and type of auditor's report issued on compliance for it:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>	<u>Opinion Issued</u>
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
--	----

**Section II - Financial Statement Findings**

**FINDING 2016-001**

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

*Repeat Finding*

This is not a repeat finding from the immediate prior audit period.

LAWRENCE COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Condition*

The County failed to design effective internal controls over the preparation of the financial statement to prevent or detect material misstatements. There were deficiencies in the internal control system of the County related to financial transactions and the input of financial information entered into the Indiana Gateway for Government Units financial reporting system (Gateway), which is the source for the Annual Financial Report, the financial statement, and the Schedule of Expenditures of Federal Awards. Financial information was prepared and submitted into Gateway without effective oversight, review, approval, or other compensating control to ensure the accuracy of the information prior to submission.

*Context*

Due to the lack of controls receipts, disbursements, and cash balances for numerous funds were not reported accurately on the financial statement. The financial statement included the following errors:

Fund	Beginning Balance Understated (Overstated)	Receipt Understated (Overstated)	Disbursement Understated (Overstated)	Ending Balance Understated (Overstated)
LOIT SPECIAL DISTRIBUTION	\$ -	\$ (705,377)	\$ (705,377)	\$ -
PAYROLL CLEARING	-	5,825,984	5825984	-
LOIT 2016 SPECIAL DISTRIBUTION	-	2,309,519	2309519	-
SHERIFFS INMATE TRUST	777	11,823	11823	-
Recorder	-	173,988	173,988	-
COMMUNITY CORRECTIONS	-	(24,184)	(24,184)	-
TAX SALE REDEMPTION	-	3,230	3,230	-
COUNTY USER FEE	-	194,624	194,624	-
SPECIAL DEATH BENEFIT	-	2,185	2,185	-
SEX AND VIOLENT OFFENDER ADMINISTRATION - STATE	-	323	323	-
JUSTICE REINVESTMENT GRANT	-	118,284	118,284	-
TREASURER CASH BOOK	-	(64,283)	-	(64,283)

Audit adjustments were proposed, accepted by the County, and made to the financial statement.

*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. . . ."

LAWRENCE COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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

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

*Cause*

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

*Effect*

The failure to establish controls enabled material misstatements to go undetected.

*Recommendation*

We recommended that the County's management establish controls, including segregation of duties, which would have ensured accurate reporting of the financial statement.

*Views of Responsible Officials*

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

**FINDING 2016-002**

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

*Repeat Finding*

This is not a repeat finding from the immediate prior audit period.

*Condition*

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

*Context*

The SEFA presented for audit contained the following errors:

1. One federal program was not included on the SEFA.
2. Several federal programs were reported with the incorrect cluster title and/or program title.
3. Five federal programs' expenditures were understated and four programs' expenditures were overstated. In total, federal expenditures on the SEFA were overstated \$117,240.

Audit adjustments were proposed, accepted by the County, and made to the SEFA.

LAWRENCE COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Criteria*

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

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

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

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

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.

LAWRENCE COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

- (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*.

*Recommendation*

We recommended that the County's management 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.

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

No matters are reportable.

AUDITEE-PREPARED DOCUMENT

The subsequent document was provided by management of the County. The document is presented as intended by the County.



LIMESTONE CAPITAL OF THE WORLD

OFFICE OF  
AUDITOR OF LAWRENCE COUNTY  
JODY EDWARDS  
916 15<sup>TH</sup> STREET, SUITE 28  
BEDFORD, INDIANA 47421

CORRECTIVE ACTION PLAN

**FINDING 2016-001**

Contact Person Responsible for Corrective Action: County Auditor Jody Edwards

Contact Phone Number: 812-275-3111

Views of Responsible Official:

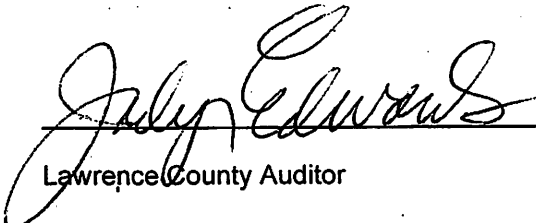
The correct cash balances from the Auditor's Ledger were reported in the 2016 Annual Report, but caution will be taken to ensure that all transactions also appear. An employee that was in the Auditor's office for many years left, and therefore a new employee is being trained to take over these duties. With more experience, I am confident that the problems will resolve.

Description of Corrective Action Plan:

There will be more control of the reporting of the financial statement from the Harris Financial System into the Gateway. The upload feature of the Harris Financial System was used in the reporting, with glitches appearing in the system. We will work with the Software Vendor to work out problems with the upload feature. In addition, we will be reviewing the material before the information is confirmed into the Gateway. There will also be cross training for the bookkeepers to ensure that the information is entered correctly, and detect any errors in a timely manner.

Anticipated Completion Date:

The anticipated completion date of this plan will be with the filing of the 2017 Financial Annual Report on February 28<sup>th</sup>, 2018.

  
Lawrence County Auditor

November 13, 2017



OFFICE OF  
AUDITOR OF LAWRENCE COUNTY  
JODY EDWARDS  
916 15<sup>TH</sup> STREET, SUITE 28  
BEDFORD, INDIANA 47421

LIMESTONE CAPITAL OF THE WORLD

CORRECTIVE ACTION PLAN

**FINDING 2016-002**

Contact Person Responsible for Corrective Action: County Auditor Jody Edwards  
Contact Phone Number: 812-275-3111

Views of Responsible Official:

In the past, the SEFA was reported by an employee of the Auditor's Office that has left, and a new employee is being trained to take over these duties. With more experience, I am confident that the problems will resolve.

Description of Corrective Action Plan:

We will be requiring county offices that acquire a federal or state grant to file the grant information with the bookkeeper in the Auditor's office. They will also be required to file a copy of the grant with the bookkeeper, so that she may refer to this information as the SEFA is being reported on the Annual Financial Report.

Anticipated Completion Date:

The anticipated completion date of this plan will be with the filing of the 2017 Financial Annual Report on February 28<sup>th</sup>, 2018.

Lawrence County Auditor

November 13, 2017

#### OTHER REPORTS

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