

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

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



FILED
12/15/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Debra Shaw Kidd	01-01-14 to 12-31-14
	Gertrud Whitaker	01-01-15 to 12-31-15
	Jane Downard	01-01-16 to 12-31-20
County Treasurer	Mary Hiers	01-01-11 to 12-31-16
	Lavonda Glover	01-01-17 to 12-31-20
Clerk of the Circuit Court	Melinda Sudhoff	01-01-11 to 12-31-18
County Sheriff	William E. Wayson Jr.	01-01-11 to 12-31-14
	David J. Laughlin	01-01-15 to 12-31-18
County Recorder	Ann Frost	01-01-11 to 12-31-14
	Ruth Nutty	01-01-15 to 12-31-18
President of the Board of County Commissioners	Barton Baker	01-01-14 to 12-31-14
	Frank Jackson	01-01-15 to 12-31-16
	Leota King	01-01-17 to 12-31-17
President of the County Council	Mike Wenta	01-01-14 to 12-31-17



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF FAYETTE COUNTY, INDIANA

Report on the Financial Statement

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

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Opinion on Regulatory Basis of Accounting

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

Other Matters

Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the County's financial statement. The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis, Schedule of Payables and Receivables, 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 December 14, 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

December 14, 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 FAYETTE 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 Fayette County (County), which comprises the financial position and results of operations for the year ended December 31, 2014, and the related notes to the financial statement, and have issued our report thereon dated December 14, 2017, wherein we noted the County followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2014-001, 2014-002, 2014-003, and 2014-004 to be material weaknesses.

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

Compliance and Other Matters

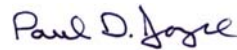
As part of obtaining reasonable assurance about whether the County's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2014-001 and 2014-002.

Fayette 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

December 14, 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.

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

Fund	Cash and Investments 01-01-14	Receipts	Disbursements	Cash and Investments 12-31-14
Treasurer After Settlement Collections	\$ 434,883	\$ 499,159	\$ 434,883	\$ 499,159
Sheriff's Inmate Trust	15,722	138,066	128,552	25,236
Jail Commissary	15,676	156,671	137,800	34,547
Clerk's Trust	510,659	2,657,076	2,746,726	421,009
County General	1,139,834	6,122,600	6,328,452	933,982
Sheriff Accident Report	821	105	-	926
Co Share Econ Dev Inc T	315,605	138,324	122,000	331,929
EDIT-Co Facilities Rev Fund	105,951	776,883	814,882	67,952
Cities & Towns	537	5,813	6,037	313
Clerk's Perpetuation	12,962	9,105	3,947	18,120
COIT Distributive Shares	98,543	1,498,656	1,268,915	328,284
Community Correction Grant	(60,162)	463,250	413,724	(10,636)
Community Transition Fund	154,733	87,850	26,539	216,044
County Share Disclosure	7,163	2,494	2,808	6,849
Covered Bridges	7,425	1,850	-	9,275
Cumulative Bridge Fund	972,207	885,401	1,006,234	851,374
Cumulative Capital Development	1,011,146	150,345	216,638	944,853
Cumulative Bldg Court House	222,301	27,811	27,386	222,726
Cumulative Bldg Jail	85,857	27,184	66,402	46,639
Community Drug Free Fund	21,331	18,092	22,302	17,121
Local Plan & Right to Know	341	-	-	341
Emergency Telephone Fund	24	-	-	24
Extradition	4,747	1,636	-	6,383
Firearms Training Fund	25,778	4,730	20,103	10,405
Health Dept	75,374	221,869	240,392	56,851
Co Ident Security Protection	1,376	1,832	3,015	193
Local Health Maint Grant	56,456	33,139	16,849	72,746
Local Road & Streets	890,665	631,345	681,754	840,256
Misdemeanant Fund	65,440	18,708	32,328	51,820
Highway Dept	518,172	1,561,577	1,266,596	813,153
Transfer Fee Plat Books	31,761	6,155	9,600	28,316
Rainy Day Fund	5,419	-	-	5,419
2015 Reassessment Fund	426,234	162,682	128,712	460,204
Recorder Perpetuation	158,011	31,319	54,019	135,311
County Sex Offender Fees	6,226	2,058	722	7,562
Public Defenders Fund	2,311	23,673	14,690	11,294
Excess Tax (Surplus)	120,144	14,440	9,860	124,724
Corners Perpetuation	8,525	4,340	2,088	10,777
Tax Sale	3,240	125,157	121,235	7,162
Tax Sale Surplus	245,172	259,502	189,492	315,182
GAL/CASA	30,855	9,080	7,609	32,326
Election & Registration	463	-	-	463
Auditors Ineligible Deductions	9,293	-	4,241	5,052
Elected Officials Training	4,501	1,829	725	5,605
Fayette County Parks	14,437	-	-	14,437
Statewide 911	451,276	412,353	457,854	405,775
Adult Administration Fee	14,740	14,049	14,740	14,049
Cemetery	29,929	16,728	33,322	13,335
User Fees Fund	59,605	3,761	931	62,435
General Drain Improvement	5,680	16,097	12,643	9,134
Big Flatrock River Drain	21,938	6,807	7,602	21,143
Sheriff Tax Sale Fund	4,068	11,100	11,319	3,849
IV-D Private Collection	1,415	5,974	4,856	2,533
Donations	33,659	8,548	3,686	38,521
Courthouse Lease-Debt Svc	130,237	550,026	479,500	200,763
Payroll-United Way Fund	-	14	14	-
Payroll-Insurance	23,461	406,756	407,392	22,825

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

Fund	Cash and Investments 01-01-14	Receipts	Disbursements	Cash and Investments 12-31-14
Payroll-Voluntary Wage Assign	-	5,950	5,950	-
Payroll-Deferred Compensation	-	5,785	5,785	-
Payroll-Federal Withholding	-	419,799	419,799	-
Payroll-FICA & Medicare Tax	-	320,398	320,398	-
Payroll-Local Option (COIT)	-	96,662	96,662	-
Payroll-PERF	-	104,846	104,846	-
Payroll-Sheriff Retirement	-	12,036	12,036	-
Payroll-State Withholding	-	145,445	145,445	-
Payroll-Union Dues	-	5,712	5,712	-
Payroll-Garnishment	-	59,934	59,934	-
Fayette Co Wheel Tax	-	43,112	43,112	-
Fayette Co Wheel Surtax	-	516,437	516,437	-
Commercial Vehicle Excise	-	67,988	67,988	-
City Weed Lien	-	10,713	10,713	-
Delinquent Sewer	-	42,615	42,615	-
Financial Institution Tax	-	84,729	84,729	-
CEDIT HSC-Inventory HS Credit	12,797	373,521	377,326	8,992
HEA 1001-2008 St Hmstd Cr Fund	2,540	-	-	2,540
Homestead Credit Rebate	14,248	-	-	14,248
LOIT-Local Option Income Tax	78,414	3,185,081	3,144,595	118,900
Fines & Foreitures	-	10,019	10,019	-
Infraction Judgements	1,157	19,147	18,469	1,835
Overweight Vehicles	-	3,461	3,422	39
Special Death Fund	295	1,965	1,905	355
Disclosure Fees	260	2,490	2,530	220
Coroners Education Fund	158	1,823	1,811	170
St Share Probation Transfers	-	295	250	45
Recorder Mortgage Fees	145	1,623	1,653	115
State Sex Offender Fees	15	178	192	1
Child Restraint Fee	-	450	425	25
Forest Restoration	-	170	170	-
Inheritance Tax	82,830	26,585	104,675	4,740
Education Plate Fee Dist	-	338	338	-
Riverboat Tax Revenue	-	143,815	143,815	-
Innkeepers Tax	6,720	24,211	24,440	6,491
COIT-County Option Income Tax	68,578	3,323,433	3,392,011	-
Prosecutor ARRA Fund	17,237	-	-	17,237
Clerk's ARRA Fund	9,086	-	-	9,086
Title IV-D Incentive Fund	57,077	13,079	5,300	64,856
Pros Atty Incentive IV-D	31,120	19,680	20,891	29,909
Clerk's Incentive IV-D	61,506	13,079	12,028	62,557
Treasurer's Change Fund	750	-	-	750
Clerk's ISETS	1,625	581,704	582,110	1,219
RICO Forfeiture	-	8,750	-	8,750
Southern By-Pass	89,649	-	82,288	7,361
Welfare Trust	6	-	-	6
Land Acquisitions	217,157	-	-	217,157
Courthouse Operating Fund	300,479	567,873	527,455	340,897
Police Pension Trust Share	9,851	1,636	-	11,487
Felony Fund	501	-	-	501
Sheriff Leo Fund	2,816	87	-	2,903
Advocate User Fees	1,385	-	-	1,385
Solid Waste Landfill	2,329	-	-	2,329
Co Offender Transportation	1,910	250	-	2,160
Administrative Fees	8,566	8,267	-	16,833
Pretrial Diversion Fees	27,179	21,625	39,467	9,337
Deferral Fees	15,563	4,240	16,923	2,880

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

Fund	Cash and Investments		Cash and Investments	
	01-01-14	Receipts	Disbursements	12-31-14
Adult Prob Superior	86,236	31,120	40,704	76,652
Juv Prob Circuit Court	22,266	965	4,784	18,447
Adult Prob Circuit Court	85,300	15,990	26,034	75,256
Township Tax	-	61,980	61,980	-
Township Fire Fighting	-	75,788	75,788	-
Public Library	-	727,646	727,646	-
School Pension Debt	-	239,320	239,320	-
School Debt Services	-	1,836,756	1,836,756	-
School Transportation	-	2,093,165	2,093,165	-
School Capital Project	-	2,554,277	2,554,277	-
School Bus Replacement	-	327,536	327,536	-
School State Loan 2013	-	-	-	-
School Allocation Fund	-	319,294	319,294	-
Corporation General	-	5,268,340	5,268,340	-
Park City	-	524,022	524,022	-
Cemetery City	-	3,687	3,687	-
Airport City	-	93,482	93,482	-
Cumulative Capital Dev City	-	35,354	35,354	-
Welfare Allocation Fund	-	333,247	333,247	-
Poor Relief Tax Dist	-	99,327	99,327	-
Orange Twp. Weed Liens	-	-	-	-
City - Motor Vehicle Highway	-	598,851	598,851	-
Bioterrorism Preparedness	3,743	15,012	14,999	3,756
STOP Grant	(2,426)	15,000	13,716	(1,142)
Senior Ctr Trans Grant	-	253,745	253,745	-
Victim's Assistance	17,140	45,892	48,031	15,001
State Homeland Security	19,318	7,319	25,593	1,044
Emp-Emerg Mgt Performance Grt	3	17,050	17,050	3
Drug/SHOCAP	3,824	-	-	3,824
EARN Indiana	249	-	-	249
Bullet Proof Vest fund	168	-	-	168
Build Ind Orange Water	37,922	-	-	37,922
Health Bioterrorism	12	-	12	-
Neighborhood Watch	101	-	-	101
Dental Health Grant	93	-	-	93
Terrorism Planning Grant	75	-	75	-
Holdover Supervisor	200	-	-	200
EMA-EMPQ Grant	9,086	-	2,391	6,695
Child Care Grant	421	-	-	421
Prob Drug Coalition Grant	600	-	-	600
Tobacco Settlement Trus	44,102	17,788	5,209	56,681
DARE Program	5,104	-	-	5,104
Project Income	437,918	261,497	294,529	404,886
Health Vital Records	3,123	-	-	3,123
Bldg Foundation Grant	59	-	-	59
Toxic Waste Education	175	-	-	175
H1N1	101	-	101	-
Wrk Rels/Recreation/Com	29,449	13,428	7,803	35,074
Probation Juvenile Drug Grant	115	-	-	115
Circuit Court Improvmnt Grant	6	-	-	6
IN Veteran's Affairs Grant	-	500	-	500
Totals	<u>\$ 10,482,599</u>	<u>\$ 44,422,433</u>	<u>\$ 44,415,633</u>	<u>\$ 10,489,399</u>

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

FAYETTE COUNTY
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

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

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

Intergovernmental receipts. Amounts received from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of intergovernmental receipts include, but are not limited to, the following: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distributions

FAYETTE COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

received from the state, local road and street distributions received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the County.

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

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

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

E. Disbursements

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

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

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

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

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

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

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.

FAYETTE 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 lien date (March 1 in a year ending before January 1, 2016 and January 1 in a year beginning after December 31, 2015) 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.

FAYETTE 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.

FAYETTE 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 reimbursable grant expenditures made by the County by December 31, 2014, for which the reimbursements had not been received.

Note 8. Holding Corporation

The County has entered into a capital lease with the Fayette County Indiana Building Corp. (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the County. The lessor has been determined to be a related-party of the County. Lease payments during the year 2014 were \$639,000.

FAYETTE COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 9. *Subsequent Events*

In May of 2014, the County was awarded a Housing Rehabilitation grant in the amount of \$206,250. The County did not report any receipts or disbursements for this grant during 2014.

In December of 2014, the County was awarded a TANF Grant for the Community Corrections Department in the amount of \$871,528. The County did not report any receipts or disbursements for this grant during 2014.

Note 10. *Other Postemployment Benefits*

The County provides health insurance benefits to eligible retirees and their spouses. These benefits pose a liability to the County for this year and in future years. Information regarding the benefits can be obtained by contacting the County.

Note 11. *Restatement of County Offices*

Certain funds that were included on the prior-year financial statement have been omitted from the current-year financial statement to more accurately reflect the financial activity of the County. These funds account for receipts and disbursements of County offices that are also eventually accounted for in the County's general ledger and financial statement.

OTHER INFORMATION - UNAUDITED

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

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

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

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

	Treasurer After Settlement Collections	Sheriff's Inmate Trust	Jail Commissary	Clerk's Trust	County General	Sheriff Accident Report
Cash and investments - beginning	\$ 434,883	\$ 15,722	\$ 15,676	\$ 510,659	\$ 1,139,834	\$ 821
Receipts:						
Taxes	-	-	-	-	3,924,800	-
Licenses and permits	-	-	-	-	55,254	-
Intergovernmental receipts	-	-	-	-	377,977	-
Charges for services	-	-	-	-	656,956	105
Fines and forfeits	-	-	-	-	84,697	-
Other receipts	499,159	138,066	156,671	2,657,076	1,022,916	-
Total receipts	499,159	138,066	156,671	2,657,076	6,122,600	105
Disbursements:						
Personal services	-	-	-	-	3,471,345	-
Supplies	-	-	-	-	462,366	-
Other services and charges	-	-	-	-	1,646,968	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	897	-
Other disbursements	434,883	128,552	137,800	2,746,726	746,876	-
Total disbursements	434,883	128,552	137,800	2,746,726	6,328,452	-
Excess (deficiency) of receipts over disbursements	64,276	9,514	18,871	(89,650)	(205,852)	105
Cash and investments - ending	\$ 499,159	\$ 25,236	\$ 34,547	\$ 421,009	\$ 933,982	\$ 926

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

	Co Share Econ Dev Inc T	EDIT-Co Facilities Rev Fund	Cities & Towns	Clerk's Perpetuation	COIT Distributive Shares	Community Correction Grant
Cash and investments - beginning	\$ 315,605	\$ 105,951	\$ 537	\$ 12,962	\$ 98,543	\$ (60,162)
Receipts:						
Taxes	138,324	712,143	-	-	1,408,983	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	5,813	7,607	83,513	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	64,740	-	1,498	6,160	463,250
Total receipts	138,324	776,883	5,813	9,105	1,498,656	463,250
Disbursements:						
Personal services	-	-	-	3,947	1,262,082	359,758
Supplies	-	-	-	-	-	17,735
Other services and charges	122,000	-	-	-	-	21,336
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	814,882	6,037	-	6,833	14,895
Total disbursements	122,000	814,882	6,037	3,947	1,268,915	413,724
Excess (deficiency) of receipts over disbursements	16,324	(37,999)	(224)	5,158	229,741	49,526
Cash and investments - ending	\$ 331,929	\$ 67,952	\$ 313	\$ 18,120	\$ 328,284	\$ (10,636)

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

	Community Transition Fund	County Share Disclosure	Covered Bridges	Cumulative Bridge Fund	Cumulative Capital Development	Cumulative Bldg Court House
Cash and investments - beginning	\$ 154,733	\$ 7,163	\$ 7,425	\$ 972,207	\$ 1,011,146	\$ 222,301
Receipts:						
Taxes	-	-	-	246,836	139,477	25,798
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	1,850	19,231	10,868	2,013
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	87,850	2,494	-	619,334	-	-
Total receipts	87,850	2,494	1,850	885,401	150,345	27,811
Disbursements:						
Personal services	-	-	-	-	41,599	-
Supplies	-	-	-	-	-	-
Other services and charges	22,397	2,808	-	406,234	25,000	11,970
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	4,142	-	-	-	150,039	15,416
Other disbursements	-	-	-	600,000	-	-
Total disbursements	26,539	2,808	-	1,006,234	216,638	27,386
Excess (deficiency) of receipts over disbursements	61,311	(314)	1,850	(120,833)	(66,293)	425
Cash and investments - ending	\$ 216,044	\$ 6,849	\$ 9,275	\$ 851,374	\$ 944,853	\$ 222,726

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

	Cumulative Bldg Jail	Community Drug Free Fund	Local Plan & Right to Know	Emergency Telephone Fund	Extradition	Firearms Training Fund
Cash and investments - beginning	\$ 85,857	\$ 21,331	\$ 341	\$ 24	\$ 4,747	\$ 25,778
Receipts:						
Taxes	25,216	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	1,968	-	-	-	-	-
Charges for services	-	18,092	-	-	-	-
Fines and forfeits	-	-	-	-	1,636	-
Other receipts	-	-	-	-	-	4,730
Total receipts	27,184	18,092	-	-	1,636	4,730
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	58,439	22,302	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	7,963	-	-	-	-	-
Other disbursements	-	-	-	-	-	20,103
Total disbursements	66,402	22,302	-	-	-	20,103
Excess (deficiency) of receipts over disbursements	(39,218)	(4,210)	-	-	1,636	(15,373)
Cash and investments - ending	\$ 46,639	\$ 17,121	\$ 341	\$ 24	\$ 6,383	\$ 10,405

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

	Health Dept	Co Ident Security Protection	Local Health Maint Grant	Local Road & Streets	Misdemeanant Fund	Highway Dept
Cash and investments - beginning	\$ 75,374	\$ 1,376	\$ 56,456	\$ 890,665	\$ 65,440	\$ 518,172
Receipts:						
Taxes	107,856	-	-	678	-	-
Licenses and permits	11,050	-	-	-	-	-
Intergovernmental receipts	8,408	-	-	198,288	-	1,532,227
Charges for services	81,319	1,797	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	13,236	35	33,139	432,379	18,708	29,350
Total receipts	221,869	1,832	33,139	631,345	18,708	1,561,577
Disbursements:						
Personal services	179,852	-	16,849	-	-	863,853
Supplies	1,769	-	-	510,502	10,000	219,546
Other services and charges	58,666	-	-	23,952	12,548	95,715
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	147,300	9,780	87,482
Other disbursements	105	3,015	-	-	-	-
Total disbursements	240,392	3,015	16,849	681,754	32,328	1,266,596
Excess (deficiency) of receipts over disbursements	(18,523)	(1,183)	16,290	(50,409)	(13,620)	294,981
Cash and investments - ending	\$ 56,851	\$ 193	\$ 72,746	\$ 840,256	\$ 51,820	\$ 813,153

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

	Transfer Fee Plat Books	Rainy Day Fund	2015 Reassessment Fund	Recorder Perpetuation	County Sex Offender Fees	Public Defenders Fund
Cash and investments - beginning	\$ 31,761	\$ 5,419	\$ 426,234	\$ 158,011	\$ 6,226	\$ 2,311
Receipts:						
Taxes	-	-	150,920	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	11,762	-	-	-
Charges for services	6,155	-	-	-	-	15,596
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	31,319	2,058	8,077
Total receipts	6,155	-	162,682	31,319	2,058	23,673
Disbursements:						
Personal services	-	-	39,993	24,896	-	-
Supplies	-	-	-	-	-	-
Other services and charges	9,600	-	88,719	-	-	14,690
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	29,123	722	-
Total disbursements	9,600	-	128,712	54,019	722	14,690
Excess (deficiency) of receipts over disbursements	(3,445)	-	33,970	(22,700)	1,336	8,983
Cash and investments - ending	\$ 28,316	\$ 5,419	\$ 460,204	\$ 135,311	\$ 7,562	\$ 11,294

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

	Excess Tax (Surplus)	Corners Perpetuation	Tax Sale	Tax Sale Surplus	GAL/CASA	Election & Registration
Cash and investments - beginning	\$ 120,144	\$ 8,525	\$ 3,240	\$ 245,172	\$ 30,855	\$ 463
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	14,440	4,340	125,157	259,502	9,080	-
Total receipts	14,440	4,340	125,157	259,502	9,080	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	2,287	-
Other services and charges	-	2,088	-	-	4,672	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	650	-
Other disbursements	9,860	-	121,235	189,492	-	-
Total disbursements	9,860	2,088	121,235	189,492	7,609	-
Excess (deficiency) of receipts over disbursements	4,580	2,252	3,922	70,010	1,471	-
Cash and investments - ending	\$ 124,724	\$ 10,777	\$ 7,162	\$ 315,182	\$ 32,326	\$ 463

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

	Auditors Ineligible Deductions	Elected Officials Training	Fayette County Parks	Statewide 911	Adult Administration Fee	Cemetery
Cash and investments - beginning	\$ 9,293	\$ 4,501	\$ 14,437	\$ 451,276	\$ 14,740	\$ 29,929
Receipts:						
Taxes	-	-	-	-	-	15,520
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	1,208
Charges for services	-	-	-	412,331	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	1,829	-	22	14,049	-
Total receipts	-	1,829	-	412,353	14,049	16,728
Disbursements:						
Personal services	-	-	-	362,450	-	-
Supplies	-	-	-	6,891	-	4,112
Other services and charges	-	625	-	87,191	14,740	29,210
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	4,229	-	-	1,322	-	-
Other disbursements	12	100	-	-	-	-
Total disbursements	4,241	725	-	457,854	14,740	33,322
Excess (deficiency) of receipts over disbursements	(4,241)	1,104	-	(45,501)	(691)	(16,594)
Cash and investments - ending	\$ 5,052	\$ 5,605	\$ 14,437	\$ 405,775	\$ 14,049	\$ 13,335

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

	User Fees Fund	General Drain Improvement	Big Flatrock River Drain	Sheriff Tax Sale Fund	IV-D Private Collection	Donations
Cash and investments - beginning	\$ 59,605	\$ 5,680	\$ 21,938	\$ 4,068	\$ 1,415	\$ 33,659
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	3,761	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	16,097	6,807	11,100	5,974	8,548
Total receipts	3,761	16,097	6,807	11,100	5,974	8,548
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	931	12,643	7,602	11,319	4,856	3,686
Total disbursements	931	12,643	7,602	11,319	4,856	3,686
Excess (deficiency) of receipts over disbursements	2,830	3,454	(795)	(219)	1,118	4,862
Cash and investments - ending	\$ 62,435	\$ 9,134	\$ 21,143	\$ 3,849	\$ 2,533	\$ 38,521

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

	Courthouse Lease-Debt Svc	Payroll-United Way Fund	Payroll-Insurance	Payroll-Voluntary Wage Assign	Payroll-Deferred Compensation	Payroll-Federal Withholding
Cash and investments - beginning	\$ 130,237	\$ -	\$ 23,461	\$ -	\$ -	\$ -
Receipts:						
Taxes	515,724	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	34,302	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	14	406,756	5,950	5,785	419,799
Total receipts	<u>550,026</u>	<u>14</u>	<u>406,756</u>	<u>5,950</u>	<u>5,785</u>	<u>419,799</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	479,500	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	14	407,392	5,950	5,785	419,799
Total disbursements	<u>479,500</u>	<u>14</u>	<u>407,392</u>	<u>5,950</u>	<u>5,785</u>	<u>419,799</u>
Excess (deficiency) of receipts over disbursements	<u>70,526</u>	<u>-</u>	<u>(636)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 200,763</u>	<u>\$ -</u>	<u>\$ 22,825</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Payroll-FICA & Medicare Tax	Payroll-Local Option (COIT)	Payroll-PERF	Payroll-Sheriff Retirement	Payroll-State Withholding	Payroll-Union Dues
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	320,398	96,662	104,846	12,036	145,445	5,712
Total receipts	320,398	96,662	104,846	12,036	145,445	5,712
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	320,398	96,662	104,846	12,036	145,445	5,712
Total disbursements	320,398	96,662	104,846	12,036	145,445	5,712
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

	Payroll-Garnishment	Fayette Co Wheel Tax	Fayette Co Wheel Surtax	Commercial Vehicle Excise	City Weed Lien
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Other receipts	59,934	43,112	516,437	67,988	10,713
Total receipts	<u>59,934</u>	<u>43,112</u>	<u>516,437</u>	<u>67,988</u>	<u>10,713</u>
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	59,934	43,112	516,437	67,988	10,713
Total disbursements	<u>59,934</u>	<u>43,112</u>	<u>516,437</u>	<u>67,988</u>	<u>10,713</u>
Excess (deficiency) of receipts over disbursements	-	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -

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

	Delinquent Sewer	Financial Institution Tax	CEDIT HSC-Inventry HS Credit	HEA 1001-2008 St Hmstd Cr Fund	Homestead Credit Rebate	LOIT-Local Option Income Tax
Cash and investments - beginning	\$ -	\$ -	\$ 12,797	\$ 2,540	\$ 14,248	\$ 78,414
Receipts:						
Taxes	-	-	341,829	-	-	3,136,362
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	84,729	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	42,615	-	31,692	-	-	48,719
Total receipts	42,615	84,729	373,521	-	-	3,185,081
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	42,615	84,729	377,326	-	-	3,144,595
Total disbursements	42,615	84,729	377,326	-	-	3,144,595
Excess (deficiency) of receipts over disbursements	-	-	(3,805)	-	-	40,486
Cash and investments - ending	\$ -	\$ -	\$ 8,992	\$ 2,540	\$ 14,248	\$ 118,900

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

	Fines & Foreitures	Infraction Judgements	Overweight Vehicles	Special Death Fund	Disclosure Fees	Coroners Education Fund
Cash and investments - beginning	\$ -	\$ 1,157	\$ -	\$ 295	\$ 260	\$ 158
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	16,757	3,461	-	2,490	-
Fines and forfeits	8,118	-	-	-	-	-
Other receipts	1,901	2,390	-	1,965	-	1,823
Total receipts	<u>10,019</u>	<u>19,147</u>	<u>3,461</u>	<u>1,965</u>	<u>2,490</u>	<u>1,823</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	10,019	18,469	3,422	1,905	2,530	1,811
Total disbursements	<u>10,019</u>	<u>18,469</u>	<u>3,422</u>	<u>1,905</u>	<u>2,530</u>	<u>1,811</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>678</u>	<u>39</u>	<u>60</u>	<u>(40)</u>	<u>12</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 1,835</u>	<u>\$ 39</u>	<u>\$ 355</u>	<u>\$ 220</u>	<u>\$ 170</u>

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

	St Share Probation Transfers	Recorder Mortgage Fees	State Sex Offender Fees	Child Restraint Fee	Forest Restoration	Inheritance Tax
Cash and investments - beginning	\$ -	\$ 145	\$ 15	\$ -	\$ -	\$ 82,830
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	375	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	295	1,623	178	75	170	26,585
Total receipts	295	1,623	178	450	170	26,585
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	250	1,653	192	425	170	104,675
Total disbursements	250	1,653	192	425	170	104,675
Excess (deficiency) of receipts over disbursements	45	(30)	(14)	25	-	(78,090)
Cash and investments - ending	\$ 45	\$ 115	\$ 1	\$ 25	\$ -	\$ 4,740

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

	Education Plate Fee Dist	Riverboat Tax Revenue	Innkeepers Tax	COIT-County Option Income Tax	Prosecutor ARRA Fund	Clerk's ARRA Fund
Cash and investments - beginning	\$ -	\$ -	\$ 6,720	\$ 68,578	\$ 17,237	\$ 9,086
Receipts:						
Taxes	-	-	-	3,067,784	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	143,815	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	338	-	24,211	255,649	-	-
Total receipts	338	143,815	24,211	3,323,433	-	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	338	143,815	24,440	3,392,011	-	-
Total disbursements	338	143,815	24,440	3,392,011	-	-
Excess (deficiency) of receipts over disbursements	-	-	(229)	(68,578)	-	-
Cash and investments - ending	\$ -	\$ -	\$ 6,491	\$ -	\$ 17,237	\$ 9,086

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

	Title IV-D Incentive Fund	Pros Atty Incentive IV-D	Clerk's Incentive IV-D	Treasurer's Change Fund	Clerk's ISETS	RICO Forfeiture
Cash and investments - beginning	\$ 57,077	\$ 31,120	\$ 61,506	\$ 750	\$ 1,625	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	13,079	19,680	13,079	-	581,704	8,750
Total receipts	13,079	19,680	13,079	-	581,704	8,750
Disbursements:						
Personal services	-	10,348	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	5,300	10,543	12,028	-	582,110	-
Total disbursements	5,300	20,891	12,028	-	582,110	-
Excess (deficiency) of receipts over disbursements	7,779	(1,211)	1,051	-	(406)	8,750
Cash and investments - ending	\$ 64,856	\$ 29,909	\$ 62,557	\$ 750	\$ 1,219	\$ 8,750

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

	Southern By-Pass	Welfare Trust	Land Acquisitions	Courthouse Operating Fund	Police Pension Trust Share	Felony Fund
Cash and investments - beginning	\$ 89,649	\$ 6	\$ 217,157	\$ 300,479	\$ 9,851	\$ 501
Receipts:						
Taxes	-	-	-	567,873	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	1,636	-
Total receipts	<u>-</u>	<u>-</u>	<u>-</u>	<u>567,873</u>	<u>1,636</u>	<u>-</u>
Disbursements:						
Personal services	-	-	-	20,070	-	-
Supplies	-	-	-	2,737	-	-
Other services and charges	-	-	-	329,220	-	-
Debt service - principal and interest	-	-	-	163,490	-	-
Capital outlay	-	-	-	11,938	-	-
Other disbursements	82,288	-	-	-	-	-
Total disbursements	<u>82,288</u>	<u>-</u>	<u>-</u>	<u>527,455</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(82,288)</u>	<u>-</u>	<u>-</u>	<u>40,418</u>	<u>1,636</u>	<u>-</u>
Cash and investments - ending	<u>\$ 7,361</u>	<u>\$ 6</u>	<u>\$ 217,157</u>	<u>\$ 340,897</u>	<u>\$ 11,487</u>	<u>\$ 501</u>

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

	Sheriff Leo Fund	Advocate User Fees	Solid Waste Landfill	Co Offender Transportation	Administrative Fees	Pretrial Diversion Fees
Cash and investments - beginning	\$ 2,816	\$ 1,385	\$ 2,329	\$ 1,910	\$ 8,566	\$ 27,179
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	18,899
Fines and forfeits	-	-	-	-	8,267	-
Other receipts	87	-	-	250	-	2,726
Total receipts	<u>87</u>	<u>-</u>	<u>-</u>	<u>250</u>	<u>8,267</u>	<u>21,625</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	38,213
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	1,254
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,467</u>
Excess (deficiency) of receipts over disbursements	<u>87</u>	<u>-</u>	<u>-</u>	<u>250</u>	<u>8,267</u>	<u>(17,842)</u>
Cash and investments - ending	<u>\$ 2,903</u>	<u>\$ 1,385</u>	<u>\$ 2,329</u>	<u>\$ 2,160</u>	<u>\$ 16,833</u>	<u>\$ 9,337</u>

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

	Deferral Fees	Adult Prob Superior	Juv Prob Circuit Court	Adult Prob Circuit Court	Township Tax	Township Fire Fighting
Cash and investments - beginning	\$ 15,563	\$ 86,236	\$ 22,266	\$ 85,300	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	58,052	70,841
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	3,928	4,947
Charges for services	3,140	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	1,100	31,120	965	15,990	-	-
Total receipts	4,240	31,120	965	15,990	61,980	75,788
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	872	-	4,500	-	-
Other services and charges	16,125	21,500	4,784	18,552	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	798	18,332	-	2,982	-	-
Other disbursements	-	-	-	-	61,980	75,788
Total disbursements	16,923	40,704	4,784	26,034	61,980	75,788
Excess (deficiency) of receipts over disbursements	(12,683)	(9,584)	(3,819)	(10,044)	-	-
Cash and investments - ending	\$ 2,880	\$ 76,652	\$ 18,447	\$ 75,256	\$ -	\$ -

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

	Public Library	School Pension Debt	School Debt Services	School Transporation	School Capital Project	School Bus Replacement
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:						
Taxes	680,857	225,872	1,732,891	1,951,436	2,381,329	305,362
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	46,789	13,448	103,865	141,729	172,948	22,174
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	<u>727,646</u>	<u>239,320</u>	<u>1,836,756</u>	<u>2,093,165</u>	<u>2,554,277</u>	<u>327,536</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	<u>727,646</u>	<u>239,320</u>	<u>1,836,756</u>	<u>2,093,165</u>	<u>2,554,277</u>	<u>327,536</u>
Total disbursements	<u>727,646</u>	<u>239,320</u>	<u>1,836,756</u>	<u>2,093,165</u>	<u>2,554,277</u>	<u>327,536</u>
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	School State Loan 2013	School Allocation Fund	Corporation General	Park City	Cemetery City	Airport City
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:						
Taxes	-	-	4,975,511	495,017	3,483	88,308
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	319,294	292,829	29,005	204	5,174
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	-	319,294	5,268,340	524,022	3,687	93,482
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	319,294	5,268,340	524,022	3,687	93,482
Total disbursements	-	319,294	5,268,340	524,022	3,687	93,482
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

	Cumulative Capital Dev City	Welfare Allocation Fund	Poor Relief Tax Dist	Orange Twp. Weed Liens	City - Motor Vehicle Highway	Bioterrorism Preparedness
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,743
Receipts:						
Taxes	33,397	-	93,263	-	565,704	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	1,957	333,247	6,064	-	33,147	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	-	15,012
Total receipts	35,354	333,247	99,327	-	598,851	15,012
Disbursements:						
Personal services	-	-	-	-	-	12,584
Supplies	-	-	-	-	-	308
Other services and charges	-	-	-	-	-	1,133
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	974
Other disbursements	35,354	333,247	99,327	-	598,851	-
Total disbursements	35,354	333,247	99,327	-	598,851	14,999
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	13
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,756

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

	STOP Grant	Senior Ctr Trans Grant	Victim's Assistance	State Homeland Security	Emp-Emerg Mgt Performance Grt	Drug/SHOCAP
Cash and investments - beginning	\$ (2,426)	\$ -	\$ 17,140	\$ 19,318	\$ 3	\$ 3,824
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	15,000	253,745	45,892	7,319	17,050	-
Total receipts	15,000	253,745	45,892	7,319	17,050	-
Disbursements:						
Personal services	13,716	-	42,388	-	-	-
Supplies	-	-	3,863	-	-	-
Other services and charges	-	219,915	-	1,026	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	33,830	1,780	7,517	-	-
Other disbursements	-	-	-	17,050	17,050	-
Total disbursements	13,716	253,745	48,031	25,593	17,050	-
Excess (deficiency) of receipts over disbursements	1,284	-	(2,139)	(18,274)	-	-
Cash and investments - ending	\$ (1,142)	\$ -	\$ 15,001	\$ 1,044	\$ 3	\$ 3,824

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

	EARN Indiana	Bullet Proof Vest fund	Build Ind Orange Water	Health Bioterrorism	Neighborhood Watch	Dental Health Grant
Cash and investments - beginning	\$ 249	\$ 168	\$ 37,922	\$ 12	\$ 101	\$ 93
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	12	-	-
Total disbursements	-	-	-	12	-	-
Excess (deficiency) of receipts over disbursements	-	-	-	(12)	-	-
Cash and investments - ending	<u>\$ 249</u>	<u>\$ 168</u>	<u>\$ 37,922</u>	<u>\$ -</u>	<u>\$ 101</u>	<u>\$ 93</u>

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

	Terrorism Planning Grant	Holdover Supervisor	EMA-EMPQ Grant	Child Care Grant	Prob Drug Coalition Grant	Tobacco Settlement Trus
Cash and investments - beginning	\$ 75	\$ 200	\$ 9,086	\$ 421	\$ 600	\$ 44,102
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	-	17,788
Total receipts	-	-	-	-	-	17,788
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	1,420	-	-	4,455
Other services and charges	75	-	388	-	-	754
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	583	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	75	-	2,391	-	-	5,209
Excess (deficiency) of receipts over disbursements	(75)	-	(2,391)	-	-	12,579
Cash and investments - ending	\$ -	\$ 200	\$ 6,695	\$ 421	\$ 600	\$ 56,681

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

	DARE Program	Project Income	Health Vital Records	Bldg Foundation Grant	Toxic Waste Education	H1N1
Cash and investments - beginning	\$ 5,104	\$ 437,918	\$ 3,123	\$ 59	\$ 175	\$ 101
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	201,746	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	59,751	-	-	-	-
Total receipts	-	261,497	-	-	-	-
Disbursements:						
Personal services	-	216,537	-	-	-	-
Supplies	-	553	-	-	-	101
Other services and charges	-	60,005	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	17,434	-	-	-	-
Total disbursements	-	294,529	-	-	-	101
Excess (deficiency) of receipts over disbursements	-	(33,032)	-	-	-	(101)
Cash and investments - ending	\$ 5,104	\$ 404,886	\$ 3,123	\$ 59	\$ 175	\$ -

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

	Wrk Rels/Recreation/Com	Probation Juvenile Drug Grant	Circuit Court Improvmt Grant	IN Veteran's Affairs Grant	Totals
Cash and investments - beginning	\$ 29,449	\$ 115	\$ 6	\$ -	\$ 10,482,599
Receipts:					
Taxes	-	-	-	-	28,187,446
Licenses and permits	-	-	-	-	66,304
Intergovernmental receipts	-	-	-	500	3,959,895
Charges for services	11,703	-	-	-	1,551,616
Fines and forfeits	-	-	-	-	102,718
Other receipts	1,725	-	-	-	10,554,454
Total receipts	13,428	-	-	500	44,422,433
Disbursements:					
Personal services	-	-	-	-	6,942,267
Supplies	6,524	-	-	-	1,260,541
Other services and charges	225	-	-	-	3,493,785
Debt service - principal and interest	-	-	-	-	642,990
Capital outlay	1,054	-	-	-	510,262
Other disbursements	-	-	-	-	31,565,788
Total disbursements	7,803	-	-	-	44,415,633
Excess (deficiency) of receipts over disbursements	5,625	-	-	500	6,800
Cash and investments - ending	\$ 35,074	\$ 115	\$ 6	\$ 500	\$ 10,489,399

FAYETTE COUNTY
SCHEDULE OF PAYABLES AND RECEIVABLES
December 31, 2014

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 339,591</u>	<u>\$ 100,364</u>

FAYETTE COUNTY
 SCHEDULE OF LEASES AND DEBT
 December 31, 2014

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Fifth Third Equipment Finance	Purchase of 5 Dump Trucks for Highway Dept.	\$ 145,795	8/1/2012	8/1/2016
Fayette County Indiana Buidling Corp	Capital Lease - Courthouse Renovation and Addition	<u>640,000</u>	2/7/2012	12/31/2027
Total of annual lease payments		<u>\$ 785,795</u>		

FAYETTE COUNTY
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2014

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 626,392
Infrastructure	12,091,905
Buildings	15,745,275
Machinery, equipment, and vehicles	6,603,801
Construction in progress	149,078
Total governmental activities	<u>35,216,451</u>
Total capital assets	<u>\$ 35,216,451</u>

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF FAYETTE COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.

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


Report on Internal Control over Compliance

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

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

December 14, 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.

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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through To Subrecipient	Total Federal Awards Expended
<u>Department of Commerce</u>					
State Broadband Data and Development Grant Program	Indiana Office of Technology	11.558	#067BROADBAND000	\$ -	\$ 4,000
Total - Department of Commerce				-	4,000
<u>Department of Justice</u>					
Crime Victim Assistance Victims Assistance Grant	Indiana Criminal Justice Institute	16.575	2013-VA-GX-0036	-	45,892
Violence Against Women Formula Grants STOP Grant	Indiana Criminal Justice Institute	16.588	2013-WF-AX-0010	-	12,000
Total - Department of Justice				-	57,892
<u>Department of Transportation</u>					
Highway Planning and Construction Cluster Highway Planning and Construction	Indiana Department of Transportation	20.205	DES#1173578 DES#0100363	- -	8,064 10,324
Total - Highway Planning and Construction Cluster				-	18,388
Formula Grants for Rural Areas Senior Center Public Transportation Grant Senior Center Public Transportation Grant ARRA Capital Grant Award	Indiana Department of Transportation	20.509	EDS#A249-13-320278 EDS#A249-14-320405 EDS#A-249-14-320478	35,291 106,663 33,830	35,291 106,663 33,830
Total - Formula Grants for Rural Areas				175,784	175,784
Total - Department of Transportation				175,784	194,172
<u>Department of Health and Human Services</u>					
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements Bioterrorism Preparedness	Indiana Department of Health	93.074	A70-4-0532215	-	15,000
Child Support Enforcement Title IV-D Reimbursement to County General IV-D Incentive Funds Prosecutor's IV-D Incentive Clerk's IV-D Incentive Indirect Costs	Indiana Dept of Child Services	93.563	2014 2014 2014 2014 2014	- - - - -	134,018 5,300 20,891 12,028 72,596
Total - Child Support Enforcement				-	244,833
Total - Department of Health and Human Services				-	259,833
<u>Department of Homeland Security</u>					
Emergency Management Performance Grants Emergency Management Performance Grants Emergency Management Performance Grants	Indiana Dept of Homeland Security	97.042	C44P-5-022B EDS#C44P-4-357B	- -	17,050 5,116
Total - Emergency Management Performance Grants				-	22,166
Homeland Security Grant Program Homeland Security Grant Program	Indiana Dept of Homeland Security	97.067	C44P-2-287A F	-	984
Total - Department of Homeland Security				-	23,150
Total federal awards expended				\$ 175,784	\$ 539,047

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

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

Note 2. *Summary of Significant Accounting Policies*

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

FAYETTE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

Internal control over major programs:	
Material weakness identified?	no
Significant deficiency identified?	none reported

Type of auditor's report issued on compliance for major programs:	Unmodified
---	------------

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of OMB Circular A-133?	no
---	----

Identification of Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
20.509	Formula Grants for Rural Areas
93.563	Child Support Enforcement

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

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

Section II - Financial Statement Findings

FINDING 2014-001

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

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).

FAYETTE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Context

The SEFA presented for audit contained the following errors:

1. Three federal programs were not included on the SEFA.
2. Four programs' expenditures were overstated. In total, federal expenditures on the SEFA were overstated \$73,337.

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

Criteria

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

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

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

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

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

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

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

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.

FAYETTE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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

Cause

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

Effect

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

FINDING 2014-002

Subject: Internal Controls over Financial Transactions and Reporting - County Auditor
Audit Findings: Material Weakness, Other Matters

Condition

There were several deficiencies in the internal control system of the County related to financial transactions and reporting, resulting in errors on the County's Annual Financial Report (AFR) and financial statement.

FAYETTE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

1. Lack of Segregation of Duties: The County had not separated incompatible activities related to financial transactions and reporting. The County prepared and submitted the financial information into the Indiana Gateway for Government Units (Gateway) financial system, which is the source of the AFR and financial statement. The County did not have effective controls to verify the accuracy of the financial information prior to submission.
2. Monitoring of Controls: The County had no process to identify or communicate corrective actions to improve controls. Effective internal controls over financial reporting would have required the County to monitor and assess the quality of the internal control system.

Context

The County's AFR and financial statement contained the following errors: total receipts were overstated by \$864,274, and total disbursements were overstated by \$864,278.

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. . . ."

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

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

Management remediates identified issues. . . ."

FAYETTE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Indiana Code 5-11-1-4 states, in part:

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

Cause

Management of the County had not established a proper system of internal controls over financial transactions and reporting.

Effect

The failure to establish controls enabled material misstatements in the AFR and financial statement to occur and remain undetected.

Recommendation

We recommended that the County's management establish controls, including proper segregation of duties, and monitor those controls to ensure accurate financial reporting.

Views of Responsible Officials

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

FINDING 2014-003

Subject: Financial Transactions and Reporting - Clerk of the Circuit Court
Audit Finding: Material Weakness

Condition

There were several deficiencies in the internal control system of the Clerk of the Circuit Court (Clerk) related to financial transactions and reporting and cash and investment.

1. Lack of Segregation of Duties: The Clerk's office had not separated incompatible activities related to financial transactions and reporting and cash and investment.

Financial Transactions and Reporting: The Clerk had not separated incompatible activities related to receipts and disbursements. One employee was responsible for preparing and making bank deposits, reconciling daily cash collections, and issuing checks.

Cash and Investment: One employee was responsible for performing the reconciliation of the depository account balance with the record balance. There were no controls in place such as an oversight, review, or approval process of the bank reconciliations.

2. Monitoring of Controls: The Clerk had no process to identify or communicate corrective actions to improve controls. Effective internal controls over financial reporting would have required the Clerk to monitor and assess the quality of the internal control system.

FAYETTE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Context

The lack of controls was a systemic problem throughout the audit period.

Criteria

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

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

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

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

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

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

Management remediates identified issues. . . ."

Cause

The Clerk had not established a proper system of internal control over financial transactions and recording and cash and investment.

Effect

The failure to establish controls could have enabled material misstatements or irregularities to remain undetected.

Recommendation

We recommended that the Clerk establish controls, including proper segregation of duties, and monitor those controls.

FAYETTE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Views of Responsible Officials

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

FINDING 2014-004

Subject: Financial Transactions and Reporting - County Treasurer
Audit Finding: Material Weakness

Condition

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

1. Lack of Segregation of Duties: The County Treasurer had not separated incompatible activities related to cash and investment. The County Treasurer's bank reconcilements were prepared by one individual. There were no controls in place such as an oversight, review, or approval process of the bank reconcilements.

Context

The lack of controls was a systemic problem throughout the audit period.

Criteria

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

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

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

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

Cause

Management of the County had not established a proper system of internal controls over financial transactions and reporting and cash and investment.

FAYETTE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Effect

The failure to establish controls could have enabled material misstatements in the financial statements to occur and remain undetected.

Recommendation

We recommended that the County's management establish controls, including proper segregation of duties, and monitor those controls.

Views of Responsible Officials

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

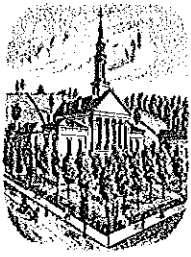
Section III - Federal Award Findings and Questioned Costs

No matters are reportable.

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AUDITEE-PREPARED DOCUMENT

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



FAYETTE COUNTY, INDIANA
OFFICE OF THE AUDITOR, JANE E. DOWNARD

401 N. CENTRAL AVENUE, CONNERSVILLE, IN 47331
(765) 825-8987 OFFICE; (765) 827-4936 FAX

CORRECTIVE ACTION PLAN

FINDING 2014-001

Contact Person Responsible for Corrective Action: Jane Downard
Contact Phone Number: (765) 825-8987

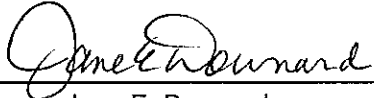
We concur with Finding 2014-001.

Description of Corrective Action Plan:

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).

Going forward, prior to submitting the Annual Financial Report, Auditor will have a member of county council and, when appropriate, the county's grant administrator, review the Schedule of Expenditures of Federal Awards.

Anticipated Completion Date: This will be done in 2018 when the Annual Financial Report for 2017 is prepared and submitted.



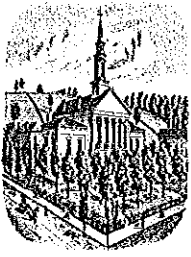
Jane E. Downard

Auditor

Title

12/13/2017

Date



FAYETTE COUNTY, INDIANA
OFFICE OF THE AUDITOR, JANE E. DOWNARD

401 N. CENTRAL AVENUE, CONNERSVILLE, IN 47331
(765) 825-8987 OFFICE; (765) 827-4936 FAX

CORRECTIVE ACTION PLAN

FINDING 2014-002

Contact Person Responsible for Corrective Action: Jane Downard
Contact Phone Number: (765) 825-8987

We concur with Finding 2014-002.

Description of Corrective Action Plan:

The County did not have an effective system of internal control in place over the Annual Financial Report.

Going forward, prior to submitting the Annual Financial Report, Auditor will have a member of county council and, when appropriate, the county's grant administrator, review the Annual Financial Report.

Anticipated Completion Date: This will be done in 2018 when the Annual Financial Report for 2017 is prepared and submitted.



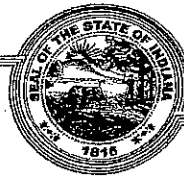
Jane E. Downard

Auditor

Title

12/13/2017

Date



Fayette County Government Center
401 Central Avenue
Connersville, IN 47331

Phone: 765-825-1813
Fax: 765-827-4902
Email: clerk@co.fayette.in.us

CORRECTIVE ACTION PLAN

RE: FINDING 2014-003

Melinda Sudhoff, Fayette County Clerk
Contact Phone Number: 765-222-1554

To Whom it may Concern:

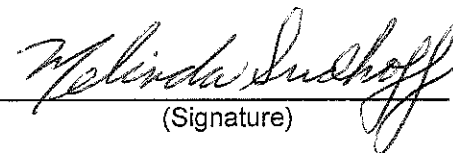
Upon receiving notice of the lack of segregation of duties and the deficiencies of the monitoring of controls from the State Board of Accounts, I have reviewed the finding and concur with the audit.

Description of Corrective Action Plan:

In order to correct the deficiencies, we have implemented a segregation of duties. One person is no longer responsible for the complete daily closeout of financial transactions. We have four persons who have been trained to perform these duties. Each transaction is assigned randomly and is never the same individual daily. As an example: when one person prints checks then another person verifies the check register and the amounts of each check while another individual deposits the checks in the mail. There is no longer an established "routine". Bank reconcilements are also reviewed by several individuals. Our daily deposits are verified upon the return of the individual by another individual who thereby initials the deposit slip.

Concerning the monitoring of Controls, I as Clerk of the Circuit Court have established the implementation of the above practices in order to monitor these controls. Each employee will be reviewed to ascertain that procedures are being adhered to.

Anticipated Completion Date: The segregation of duties and the monitoring of controls have been established and are hereby completed as of this date.


(Signature)

Fayette County Clerk
(Title)

12/11/2017
(Date)

Fayette County Treasurer

Lavonda M. Glover, Treasurer
401 Central Avenue
Connersville, IN 47331

CORRECTIVE ACTION PLAN

FINDING 2014-004

Contact Person Responsible for Corrective Action: Lavonda M. Glover
Contact Phone Number: 765-825-1013

Views of Responsible Official: Based upon the reviews of the prior Treasurer, I concur with the Findings.

Description of Corrective Action Plan: Corrective efforts will be put into place from the date of this letter moving forward and be in pursuant to the Corrective Action Plan.

Segregation of Duties: The bank's reconcilements will be performed by the 2nd deputy and printed in hard copy, and reviewed and stamped and dated by the Treasurer before filing away. Bank reconcilements will be performed to balance with the cash book on a monthly basis and maintain all bank accounts be recorded on cash book as noted. Measures will be taken in the Treasurer's Office to correct this and prevent future deficiencies as a part of internal controls. Complete and accurate reconciliation is the highest priority of this office. I, as treasurer, will seek out the assistance needed to maintain accurate monthly reports as to be distributed to the appropriate offices.

Anticipated Completion Date: The corrective action plan will begin immediately and continue from this audit forward.



(Signature)

Treasurer

(Title)

December 12, 2017

(Date)

OTHER REPORTS

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