

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

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



**FILED**  
04/20/2018



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Phyllis Orman Amy L. Tolbert	01-01-13 to 12-31-16 01-01-17 to 12-31-20
County Treasurer	Wendy Farley Florinda A. Pruitt	01-01-13 to 12-31-16 01-01-17 to 12-31-20
Clerk of the Circuit Court	Florinda A. Pruitt Amy Griffin	01-01-11 to 12-31-14 01-01-15 to 12-31-18
County Sheriff	Robert J. Spence Michael Phelps	01-01-11 to 12-31-14 01-01-15 to 12-31-18
County Recorder	Lori Porter Marge Hennis	01-01-11 to 12-31-14 01-01-15 to 12-31-18
President of the Board of County Commissioners	Tim J. Wilson	01-01-14 to 12-31-18
President of the County Council	Michael A. Carty Michael Costello Jill Wesch Michael A. Carty	01-01-14 to 12-31-15 01-01-16 to 12-31-16 01-01-17 to 12-31-17 01-01-18 to 12-31-18



## INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF VERMILLION COUNTY, INDIANA

### **Report on the Financial Statement**

We have audited the accompanying financial statement of Vermillion 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 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 March 8, 2018, 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 solely 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 effectiveness of the County's 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

March 8, 2018



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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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 VERMILLION 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 Vermillion 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 March 8, 2018, 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 a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

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 deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2014-001 to be a material weakness.

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

**Compliance and Other Matters**


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

**Vermillion 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

March 8, 2018

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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.

VERMILLION 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
Sheriff Inmate Trust	\$ 3,793	\$ 108,731	\$ 106,321	\$ 6,203
Clerk Trust	257,102	1,260,228	1,239,168	278,162
Sheriff Commissary Trust	7,171	73,992	72,352	8,811
Recorder Trust	50	-	-	50
General Fund	6,862,180	7,086,401	7,047,975	6,900,606
Accident and Report Fund	1,368	165	1,228	305
Campaign Fin Enforcement	210	-	-	210
CEDIT	-	575,040	575,040	-
City and Town Court Costs	66,633	2,424	-	69,057
Clerk Record Perpetuation	15,355	6,534	-	21,889
Congressional School Interest	52,922	14	1,692	51,244
Congressional School Principal	3,202	-	-	3,202
Assessment Train Fund Sdf	6,951	1,855	2,087	6,719
Covered Bridge	38,274	5,550	9,418	34,406
Cumulative Bridge	932,634	332,415	698,295	566,754
Cumulative Cap Development	929,985	163,502	96,969	996,518
Cumulative Jail	57,808	-	1,069	56,739
Drug Free Community	22,707	17,392	17,699	22,400
Economic Development	589,443	294,141	170,072	713,512
LCL Emerg Plan Right to Know	13,484	6,595	5,847	14,232
Extradition Fund	17,118	245	-	17,363
Health-County	339,317	143,672	136,530	346,459
Identification Security Protec	13,017	1,218	6,880	7,355
Levy Excess	35,240	-	-	35,240
Local Health Maintenance	67,253	33,139	41,688	58,704
Local Road & Street	46,400	130,998	143,192	34,206
Misdemeanant	37,903	14,050	1,628	50,325
Motor Vehicle Highway	432,359	1,678,667	1,548,225	562,801
Park Non-Reverting Operating	113,986	18,055	-	132,041
Area Plan Commission Fund	37,571	7,865	4,868	40,568
Plat Book	5,580	4,820	-	10,400
Rainy Day	3,615,225	1,978	-	3,617,203
Recorder's Record Perpetuation	63,109	22,151	31,901	53,359
Riverboat	151,635	80,921	119,039	113,517
Surplus Tax	35,012	42,059	44,865	32,206
Surveyor's Corner Perpetuation	65,968	3,985	-	69,953
Tax Sale Fees	52,985	16,570	28,402	41,153
Tax Sale Redemption	4,673	23,730	28,403	-
Tax Sale Surplus	84,777	24,921	24,953	84,745
LHD Trust Account	49,039	15,211	5,777	58,473
Unsafe Building	8,804	2,459	4,280	6,983
Victims Assistance	9,484	27,647	27,647	9,484
GAL/CASA	5,225	-	-	5,225
HHS Grant 93.617	18,392	19,811	18,392	19,811
Auditors Ineligible Deductions	21,770	1,857	275	23,352
County Elected Officials Train	2,380	1,218	155	3,443
Statewide 911	917,013	213,932	34,951	1,095,994
Adult Probation Users Fee	188,308	65,842	39,366	214,784
Juvenile Probation Administrat	28,484	1,890	-	30,374
Probation Administration	44,340	10,656	35,075	19,921
Users Fee Fund	71,184	7,553	2,668	76,069
Drainage Maintenance	91,514	2,715	14,777	79,452
Public Health Coordinator	33	-	-	33
Incarceration Fee Fund	6,430	-	-	6,430
Supp Public Def Service Fund	98,652	13,270	-	111,922

VERMILLION 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 Clearing	-	1,071,181	1,071,181	-
State Settlement	-	17,213,743	17,213,743	-
Wheel Tax/Surtax	1,480	241,973	242,213	1,240
Com Vehicle Excise Tax	200	112,834	112,834	200
Clinton City Sewage Collection	402	-	-	402
Financial Inst. Franchise Tax	-	69,246	69,246	-
Fines And Forfeitures	847	1,898	2,657	88
Infraction Judgement	1,516	11,148	10,729	1,935
Overweight Vehicles Fines	75	196	222	49
Special Death Fee/Bonds-St	295	1,525	1,420	400
State Sales Disclosure Fee	290	1,855	1,800	345
Coroners Cont Ed	414	2,595	2,573	436
Interstate Compact Fund	-	250	-	250
Mortgage Fee Fund	198	1,015	1,053	160
DLGF 1% Ineligible deduction	6	2	7	1
Child Restraint System Fines	100	575	650	25
Inheritance Tax	-	39,876	36,198	3,678
Education Plate Fee Fund	-	319	319	-
Riverboat Wagering Sharing	-	192,077	192,077	-
Convent/ Recreation & Visit	5,156	5,231	3,700	6,687
Prose IV-D post 99 93.563	43,547	11,135	262	54,420
Clerk IV-D Post 99 93.563	1,920	7,399	5,177	4,142
Treasurer's Trust	605,669	584,234	605,669	584,234
Health Trust	75	-	-	75
Sheriff Evidence Trust	3,907	2,337	-	6,244
Firearms Training Fund	19,371	5,500	13,341	11,530
Bail Agency Pre-Trial Source	118,443	-	-	118,443
Vermillion County Seized Asset	3,265	-	-	3,265
Drug Abuse Interdiction Fund	13,798	1,003	7,301	7,500
Allocation Fund	161,545	14,264	31,650	144,159
Family Court Grant	4,519	2,000	-	6,519
Common School Fund	2,030	-	-	2,030
Verm Co Jail Building Corp	2,500	-	-	2,500
County Poor Relief	225	-	-	225
Welfare Reform Local Planning	2,786	-	-	2,786
Cumulative Reassessment- 2017	1,897,440	106,077	215,445	1,788,072
Sheriff Pension Trust	-	5,689	5,444	245
Hea1001-2008 Homestead	407	-	-	407
Section 102 Funds (Hava)	1,900	-	-	1,900
Bioterrorism Grant	8,197	-	1,816	6,381
PHPER CFDA 93.069	(3,358)	18,975	16,625	(1,008)
County Health Vaccine Fund	11,713	3,800	4,799	10,714
Jail Preservation Grant 14.228	-	307,430	307,430	-
Domestic Violence Prev 16.575	2,610	-	-	2,610
Highway Capital Improvement	85,533	251,446	95,850	241,129
Pre-Trial Diversion	185,202	63,844	51,271	197,775
Law Enforcement Continuing Edu	22,013	573	40	22,546
Alternative Dispute Resolution	1,204	1,635	1,095	1,744
Buy Money	4,511	661	2,751	2,421
County IV-D Incentive 93.563	24,900	7,399	12,665	19,634
Totals	<u>\$ 19,878,303</u>	<u>\$ 32,931,024</u>	<u>\$ 32,730,422</u>	<u>\$ 20,078,905</u>

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

VERMILLION 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.

VERMILLION COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

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

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

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

**E. Disbursements**

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

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

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

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

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

*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.

VERMILLION 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.

VERMILLION 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 statements. 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.

VERMILLION 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 statements. 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 statements. 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 Deficit**

The financial statement contains one fund with a deficit in cash. This is a result of the reimbursement for expenditures made by the County not being received by December 31, 2014.

#### OTHER INFORMATION - UNAUDITED

The County's Annual Financial Report information can be found on the Indiana Gateway for Government Units 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.

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

	Sheriff Inmate Trust	Clerk Trust	Sheriff Commissary Trust	Recorder Trust	General Fund	Accident and Report Fund	Campaign Fin Enforcement
Cash and investments - beginning	\$ 3,793	\$ 257,102	\$ 7,171	\$ 50	\$ 6,862,180	\$ 1,368	\$ 210
Receipts:							
Taxes	-	-	-	-	6,354,988	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	45,362	-	-
Charges for services	-	-	-	-	271,353	165	-
Fines and forfeits	-	-	-	-	136,167	-	-
Other receipts	108,731	1,260,228	73,992	-	278,531	-	-
Total receipts	108,731	1,260,228	73,992	-	7,086,401	165	-
Disbursements:							
Personal services	-	-	-	-	4,205,240	-	-
Supplies	-	-	-	-	335,912	-	-
Other services and charges	-	-	-	-	1,900,500	1,228	-
Capital outlay	-	-	-	-	606,323	-	-
Other disbursements	106,321	1,239,168	72,352	-	-	-	-
Total disbursements	106,321	1,239,168	72,352	-	7,047,975	1,228	-
Excess (deficiency) of receipts over disbursements	2,410	21,060	1,640	-	38,426	(1,063)	-
Cash and investments - ending	\$ 6,203	\$ 278,162	\$ 8,811	\$ 50	\$ 6,900,606	\$ 305	\$ 210

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

	CEDIT	City and Town Court Costs	Clerk Record Perpetuation	Congressional School Interest	Congressional School Principal	Assessment Train Fund Sdf	Covered Bridge
Cash and investments - beginning	\$ -	\$ 66,633	\$ 15,355	\$ 52,922	\$ 3,202	\$ 6,951	\$ 38,274
Receipts:							
Taxes	575,040	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	670	6,529	-	-	1,845	-
Fines and forfeits	-	1,754	-	-	-	10	-
Other receipts	-	-	5	14	-	-	5,550
Total receipts	575,040	2,424	6,534	14	-	1,855	5,550
Disbursements:							
Personal services	-	-	-	-	-	2,087	-
Supplies	-	-	-	-	-	-	9,418
Other services and charges	575,040	-	-	1,692	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	575,040	-	-	1,692	-	2,087	9,418
Excess (deficiency) of receipts over disbursements	-	2,424	6,534	(1,678)	-	(232)	(3,868)
Cash and investments - ending	\$ -	\$ 69,057	\$ 21,889	\$ 51,244	\$ 3,202	\$ 6,719	\$ 34,406

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

	Cumulative Bridge	Cumulative Cap Development	Cumulative Jail	Drug Free Community	Economic Development	LCL Emerg Plan Right to Know	Extradition Fund
Cash and investments - beginning	\$ 932,634	\$ 929,985	\$ 57,808	\$ 22,707	\$ 589,443	\$ 13,484	\$ 17,118
Receipts:							
Taxes	300,419	161,951	-	-	230,492	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	2,162	1,166	-	-	-	-	-
Charges for services	29,491	-	-	17,383	20,954	-	-
Fines and forfeits	-	-	-	-	-	-	245
Other receipts	343	385	-	9	42,695	6,595	-
Total receipts	332,415	163,502	-	17,392	294,141	6,595	245
Disbursements:							
Personal services	-	-	-	-	63,909	2,190	-
Supplies	163,262	-	-	-	746	100	-
Other services and charges	242,841	87,068	1,069	17,699	49,976	3,557	-
Capital outlay	292,192	9,901	-	-	55,441	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	698,295	96,969	1,069	17,699	170,072	5,847	-
Excess (deficiency) of receipts over disbursements	(365,880)	66,533	(1,069)	(307)	124,069	748	245
Cash and investments - ending	\$ 566,754	\$ 996,518	\$ 56,739	\$ 22,400	\$ 713,512	\$ 14,232	\$ 17,363

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

	Health-County	Identification Security Protec	Levy Excess	Local Health Maintenance	Local Road & Street	Misdemeanant	Motor Vehicle Highway
Cash and investments - beginning	\$ 339,317	\$ 13,017	\$ 35,240	\$ 67,253	\$ 46,400	\$ 37,903	\$ 432,359
Receipts:							
Taxes	134,419	-	-	-	-	-	180,923
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	967	-	-	-	130,998	-	1,485,293
Charges for services	7,868	1,218	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	418	-	-	33,139	-	14,050	12,451
Total receipts	143,672	1,218	-	33,139	130,998	14,050	1,678,667
Disbursements:							
Personal services	113,629	4,262	-	19,829	-	-	798,170
Supplies	2,988	-	-	3,266	-	-	205,166
Other services and charges	19,913	618	-	790	-	1,628	541,024
Capital outlay	-	2,000	-	17,803	143,192	-	3,865
Other disbursements	-	-	-	-	-	-	-
Total disbursements	136,530	6,880	-	41,688	143,192	1,628	1,548,225
Excess (deficiency) of receipts over disbursements	7,142	(5,662)	-	(8,549)	(12,194)	12,422	130,442
Cash and investments - ending	\$ 346,459	\$ 7,355	\$ 35,240	\$ 58,704	\$ 34,206	\$ 50,325	\$ 562,801

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

	Park Non-Reverting Operating	Area Plan Commission Fund	Plat Book	Rainy Day	Recorder's Record Perpetuation	Riverboat	Surplus Tax
Cash and investments - beginning	\$ 113,986	\$ 37,571	\$ 5,580	\$ 3,615,225	\$ 63,109	\$ 151,635	\$ 35,012
Receipts:							
Taxes	-	-	-	-	-	-	36,158
Licenses and permits	-	7,865	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	5	-	22,151	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	18,055	-	4,815	1,978	-	80,921	5,901
Total receipts	18,055	7,865	4,820	1,978	22,151	80,921	42,059
Disbursements:							
Personal services	-	4,278	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	590	-	-	31,901	119,039	44,865
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	-	4,868	-	-	31,901	119,039	44,865
Excess (deficiency) of receipts over disbursements	18,055	2,997	4,820	1,978	(9,750)	(38,118)	(2,806)
Cash and investments - ending	\$ 132,041	\$ 40,568	\$ 10,400	\$ 3,617,203	\$ 53,359	\$ 113,517	\$ 32,206

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

	Surveyor's Corner Perpetuation	Tax Sale Fees	Tax Sale Redemption	Tax Sale Surplus	LHD Trust Account	Unsafe Building	Victims Assistance
Cash and investments - beginning	\$ 65,988	\$ 52,985	\$ 4,673	\$ 84,777	\$ 49,039	\$ 8,804	\$ 9,484
Receipts:							
Taxes	-	12,670	-	-	-	2,459	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	20,784
Charges for services	3,985	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	3,900	23,730	24,921	15,211	-	6,863
Total receipts	3,985	16,570	23,730	24,921	15,211	2,459	27,647
Disbursements:							
Personal services	-	-	-	-	1,897	-	27,647
Supplies	-	-	-	-	2,856	-	-
Other services and charges	-	28,402	28,403	24,953	796	4,280	-
Capital outlay	-	-	-	-	228	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	-	28,402	28,403	24,953	5,777	4,280	27,647
Excess (deficiency) of receipts over disbursements	3,985	(11,832)	(4,673)	(32)	9,434	(1,821)	-
Cash and investments - ending	\$ 69,953	\$ 41,153	\$ -	\$ 84,745	\$ 58,473	\$ 6,983	\$ 9,484

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

	GAL/CASA	HHS Grant 93,617	Auditors Ineligible Deductions	County Elected Officials Train	Statewide 911	Adult Probation Users Fee	Juvenile Probation Administrat
Cash and investments - beginning	\$ 5,225	\$ 18,392	\$ 21,770	\$ 2,380	\$ 917,013	\$ 188,308	\$ 28,484
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	1,218	125,777	65,729	1,633
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	19,811	1,857	-	88,155	113	257
Total receipts	-	19,811	1,857	1,218	213,932	65,842	1,890
Disbursements:							
Personal services	-	-	-	-	11,357	35,285	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	18,392	275	155	23,594	4,081	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	-	18,392	275	155	34,951	39,366	-
Excess (deficiency) of receipts over disbursements	-	1,419	1,582	1,063	178,981	26,476	1,890
Cash and investments - ending	\$ 5,225	\$ 19,811	\$ 23,352	\$ 3,443	\$ 1,095,994	\$ 214,784	\$ 30,374

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

	Probation Administration	Users Fee Fund	Drainage Maintenance	Public Health Coordinator	Incarceration Fee Fund	Supp Public Def Service Fund	Payroll Clearing
Cash and investments - beginning	\$ 44,340	\$ 71,184	\$ 91,514	\$ 33	\$ 6,430	\$ 98,652	\$ -
Receipts:							
Taxes	-	-	2,676	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	10,551	3,841	-	-	-	13,270	-
Fines and forfeits	-	3,712	-	-	-	-	-
Other receipts	105	-	39	-	-	-	1,071,181
Total receipts	10,656	7,553	2,715	-	-	13,270	1,071,181
Disbursements:							
Personal services	35,075	-	-	-	-	-	1,071,181
Supplies	-	-	-	-	-	-	-
Other services and charges	-	2,668	14,777	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	35,075	2,668	14,777	-	-	-	1,071,181
Excess (deficiency) of receipts over disbursements	(24,419)	4,885	(12,062)	-	-	13,270	-
Cash and investments - ending	\$ 19,921	\$ 76,069	\$ 79,452	\$ 33	\$ 6,430	\$ 111,922	\$ -

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

	State Settlement	Wheel Tax/Surtax	Com Vehicle Excise Tax	Clinton City Sewage Collection	Financial Inst. Franchise Tax	Fines And Forfeitures	Infraction Judgement
Cash and investments - beginning	\$ -	\$ 1,480	\$ 200	\$ 402	\$ -	\$ 847	\$ 1,516
Receipts:							
Taxes	17,213,743	241,973	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	112,834	-	69,246	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	1,898	11,148
Other receipts	-	-	-	-	-	-	-
Total receipts	17,213,743	241,973	112,834	-	69,246	1,898	11,148
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	17,213,743	242,213	112,834	-	69,246	2,657	10,729
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	17,213,743	242,213	112,834	-	69,246	2,657	10,729
Excess (deficiency) of receipts over disbursements	-	(240)	-	-	-	(759)	419
Cash and investments - ending	\$ -	\$ 1,240	\$ 200	\$ 402	\$ -	\$ 88	\$ 1,935

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

	Overweight Vehicles Fines	Special Death Fee/Bonds-St	State Sales Disclosure Fee	Coroners Cont Ed	Interstate Compact Fund	Mortgage Fee Fund	DLGF 1% Ineligible deduction
Cash and investments - beginning	\$ 75	\$ 295	\$ 290	\$ 414	\$ -	\$ 198	\$ 6
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	1,525	20	2,595	-	1,015	-
Fines and forfeits	196	-	1,835	-	250	-	-
Other receipts	-	-	-	-	-	-	2
Total receipts	196	1,525	1,855	2,595	250	1,015	2
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	222	1,420	1,800	2,573	-	1,053	7
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	222	1,420	1,800	2,573	-	1,053	7
Excess (deficiency) of receipts over disbursements	(26)	105	55	22	250	(38)	(5)
Cash and investments - ending	\$ 49	\$ 400	\$ 345	\$ 436	\$ 250	\$ 160	\$ 1

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

	Child Restraint System Fines	Inheritance Tax	Education Plate Fee Fund	Riverboat Wagering Sharing	Convent/ Recreation & Visit	Prose IV-D post 99 93,563
Cash and investments - beginning	\$ 100	\$ -	\$ -	\$ -	\$ 5,156	\$ 43,547
Receipts:						
Taxes	-	-	-	-	5,082	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	39,876	-	-	-	-
Fines and forfeits	575	-	-	-	-	-
Other receipts	-	-	319	192,077	149	11,135
Total receipts	575	39,876	319	192,077	5,231	11,135
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	650	36,198	319	192,077	3,700	262
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	650	36,198	319	192,077	3,700	262
Excess (deficiency) of receipts over disbursements	(75)	3,678	-	-	1,531	10,873
Cash and investments - ending	\$ 25	\$ 3,678	\$ -	\$ -	\$ 6,687	\$ 54,420

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

	Clerk IV-D Post 99 93,563	Treasurer's Trust	Health Trust	Sheriff Evidence Trust	Firearms Training Fund	Bail Agency Pre-Trial Source
Cash and investments - beginning	\$ 1,920	\$ 605,669	\$ 75	\$ 3,907	\$ 19,371	\$ 118,443
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	5,500	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	7,399	584,234	-	2,337	-	-
Total receipts	7,399	584,234	-	2,337	5,500	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	5,177	-	-	-	13,341	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	605,669	-	-	-	-
Total disbursements	5,177	605,669	-	-	13,341	-
Excess (deficiency) of receipts over disbursements	2,222	(21,435)	-	2,337	(7,841)	-
Cash and investments - ending	\$ 4,142	\$ 584,234	\$ 75	\$ 6,244	\$ 11,530	\$ 118,443

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

	Vermillion County Seized Asset	Drug Abuse Interdiction Fund	Allocation Fund	Family Court Grant	Common School Fund	Verm Co Jail Building Corp
Cash and investments - beginning	\$ 3,265	\$ 13,798	\$ 161,545	\$ 4,519	\$ 2,030	\$ 2,500
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	1,000	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	3	14,264	2,000	-	-
Total receipts	-	1,003	14,264	2,000	-	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	7,301	31,650	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	7,301	31,650	-	-	-
Excess (deficiency) of receipts over disbursements	-	(6,298)	(17,386)	2,000	-	-
Cash and investments - ending	\$ 3,265	\$ 7,500	\$ 144,159	\$ 6,519	\$ 2,030	\$ 2,500

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

	County Poor Relief	Welfare Reform Local Planning	Cumulative Reassessment- 2017	Sheriff Pension Trust	Hea1001-2008 Homestead	Section 102 Funds (Hava)
Cash and investments - beginning	\$ 225	\$ 2,786	\$ 1,897,440	\$ -	\$ 407	\$ 1,900
Receipts:						
Taxes	-	-	104,458	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	752	-	-	-
Charges for services	-	-	-	5,444	-	-
Fines and forfeits	-	-	-	245	-	-
Other receipts	-	-	867	-	-	-
Total receipts	-	-	106,077	5,689	-	-
Disbursements:						
Personal services	-	-	35,618	-	-	-
Supplies	-	-	2,052	-	-	-
Other services and charges	-	-	177,775	5,444	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	-	215,445	5,444	-	-
Excess (deficiency) of receipts over disbursements	-	-	(109,368)	245	-	-
Cash and investments - ending	\$ 225	\$ 2,786	\$ 1,788,072	\$ 245	\$ 407	\$ 1,900

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

	Bioterrorism Grant	PHPER CFDA 93.069	County Health Vaccine Fund	Jail Preservation Grant 14.228	Domestic Violence Prev 16.575	Highway Capital Improvement
Cash and investments - beginning	\$ 8,197	\$ (3,358)	\$ 11,713	\$ -	\$ 2,610	\$ 85,533
Receipts:						
Taxes	-	-	-	-	-	230,492
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	3,800	-	-	20,954
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	18,975	-	307,430	-	-
Total receipts	-	18,975	3,800	307,430	-	251,446
Disbursements:						
Personal services	-	13,169	-	-	-	-
Supplies	1,816	263	4,789	-	-	-
Other services and charges	-	3,193	10	307,430	-	95,850
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	1,816	16,625	4,799	307,430	-	95,850
Excess (deficiency) of receipts over disbursements	(1,816)	2,350	(999)	-	-	155,596
Cash and investments - ending	\$ 6,381	\$ (1,008)	\$ 10,714	\$ -	\$ 2,610	\$ 241,129

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

	Pre-Trial Diversion	Law Enforcement Continuing Edu	Alternative Dispute Resolution	Buy Money	County IV-D Incentive 93.563	Totals
Cash and investments - beginning	\$ 185,202	\$ 22,013	\$ 1,204	\$ 4,511	\$ 24,900	\$ 19,878,303
Receipts:						
Taxes	-	-	-	-	-	25,787,943
Licenses and permits	-	-	-	-	-	7,865
Intergovernmental receipts	-	-	-	-	-	1,869,564
Charges for services	60,901	573	-	-	-	748,839
Fines and forfeits	-	-	-	-	-	158,035
Other receipts	2,943	-	1,635	661	7,399	4,358,778
Total receipts	63,844	573	1,635	661	7,399	32,931,024
Disbursements:						
Personal services	8,697	-	-	-	-	6,453,520
Supplies	5,783	-	99	-	-	738,516
Other services and charges	28,986	40	996	-	12,665	22,373,375
Capital outlay	7,805	-	-	-	-	1,138,750
Other disbursements	-	-	-	2,751	-	2,026,261
Total disbursements	51,271	40	1,095	2,751	12,665	32,730,422
Excess (deficiency) of receipts over disbursements	12,573	533	540	(2,090)	(5,266)	200,602
Cash and investments - ending	\$ 197,775	\$ 22,546	\$ 1,744	\$ 2,421	\$ 19,634	\$ 20,078,905

VERMILLION COUNTY  
 SCHEDULE OF LEASES AND DEBT  
 December 31, 2014

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Catepillar Financial Services Corp	Equipment lease	\$ 110,337	1/1/2014	12/31/2014
City of Clinton	Rental of building	<u>7,000</u>	1/1/2014	12/31/2014
Total governmental activities		<u>117,337</u>		
Total of annual lease payments		<u>\$ 117,337</u>		

VERMILLION 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	\$ 4,191,156
Infrastructure	9,724,594
Buildings	11,899,368
Improvements other than buildings	685,392
Machinery, equipment, and vehicles	<u>4,632,393</u>
Total governmental activities	<u>31,132,903</u>
Total capital assets	<u>\$ 31,132,903</u>

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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

TO: THE OFFICIALS OF VERMILLION COUNTY, INDIANA

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

We have audited Vermillion 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 its major federal program for the year ended December 31, 2014. The County's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

Management is responsible for compliance with 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 the County's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 the major federal program. However, our audit does not provide a legal determination of the County's compliance.

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

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

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


**Report on Internal Control over Compliance**

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with 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

March 8, 2018

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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.

VERMILLION 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 12-31-14	Total Federal Awards Expended 12-31-14
<u>Department of Commerce</u>					
State Broadband Data and Development Grant Program Technology	Indiana Office of Technology	11.558	067Broadband0000	\$ -	\$ 2,000
Total - Department of Commerce				-	2,000
<u>Department of Housing and Urban Development</u>					
CDBG - State-Administered CDBG Cluster Community Development Block Grants/State's program and Non-entitlement Grants in Hawaii Historical Jail grant	Indiana Dept. of Housing and Urban Development	14.228	B-12-DC-18-001	-	307,430
Total - CDBG - State-Administered CDBG Cluster				-	307,430
Total - Department of Housing and Urban Development				-	307,430
<u>Department of Justice</u>					
Crime Victim Assistance Victims Assistance	Indiana Criminal Justice Institute	16.575	11VAPR174 2001-VA-GX	-	27,647
Total - Department of Justice				-	27,647
<u>Department of Transportation</u>					
Highway Planning and Construction Cluster Highway Planning and Construction Bridge	Indiana Dept of Transportation	20.205	2014	-	29,491
Total - Highway Planning and Construction Cluster				-	29,491
Interagency Hazardous Materials Public Sector Training and Planning Grants LEPRTK	Indiana Dept of Homeland Security	20.703	C44P-2-190A	-	3,515
Total - Department of Transportation				-	33,006
<u>Department of Health and Human Services</u>					
Public Health Emergency Preparedness PHPER	Indiana Dept of Health and Human Services	93.069	BRPS-182-70	-	18,975
Child Support Enforcement Child Support	Indiana Dept. of Child Services	93.563	2014	-	161,412
Total - Department of Health and Human Services				-	180,387
<u>Department of Homeland Security</u>					
Emergency Management Performance Grants EOC	Indiana Criminal Justice Institute	97.042	38511EMPCOMPEMA 3851	-	20,613
Total - Department of Homeland Security				-	20,613
Total federal awards expended				\$ -	\$ 571,083

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

VERMILLION COUNTY  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the County under programs of the federal government for the year ended December 31, 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 County, it is not intended to and does not present the financial position of the County.

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

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in 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.

VERMILLION 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 weakness identified?	yes
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major program:	
Material weakness identified?	no
Significant deficiency identified?	none reported
Type of auditor's report issued on compliance for major program:	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 Program:

\_\_\_\_\_ Name of Federal Program or Cluster \_\_\_\_\_  
CDBG - State-Administered CDBG Cluster

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, Noncompliance

*Condition*

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

VERMILLION COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Context*

The SEFA contained the following error:

CFDA 93.563, Child Support Enforcement, was overstated by \$34,109.

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.
- (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.

VERMILLION COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
- (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 related to the preparation of the SEFA.

*Views of Responsible Officials*

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

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

No matters are reportable.

AUDITEE-PREPARED DOCUMENT

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

# Amy Tolbert Vermillion County Auditor

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**Stephanie Simpson -Chief Deputy Auditor**  
Tonya Lewis-Deputy Auditor

Becky Julian/Anita Fultz-Payroll Deputy Auditor  
Annie Wickens/Anita Fultz-Claims Deputy Auditor

## CORRECTIVE ACTION PLAN

### FINDING 2014-001

Contact Person: Amy Tolbert  
Contact Number: 765-492-5300

#### View of Responsible Official:

While not in compliance for the period identified in Finding 2014-001, The county has recognized the need for additional training and reinforcement of internal controls to ensure proper reporting of the SEFA. Our internal controls were not proper in the prevention, or detection of errors on the Schedule of Expenditures of Federal Awards (SEFA). CFDA 93.563 Child Support Enforcement was overstated \$34,109.

#### Description of Corrective Action Plan:

The County will implement an internal control procedure to provide oversight, review, and approval of the County's Child Support Enforcement SEFA. The Auditor will designate one individual in the Auditor's office to provide all Child Enforcement SEFA data to the Auditor. The Auditor will review the data and approve it prior to submission in Gateway.

Anticipated Completion Date: Completed



Amy L. Tolbert  
Auditor Vermillion County  
03/08/2018

#### 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/>.