

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF
LAGRANGE COUNTY, INDIANA
January 1, 2017 to December 31, 2017



FILED
10/17/2018

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Kay Myers	01-01-15 to 12-31-18
County Treasurer	Jamesi Lemon	01-01-17 to 12-31-20
Clerk of the Circuit Court	Bonnie Brown	01-01-17 to 12-31-20
County Sheriff	Jeffrey Campos	01-01-15 to 12-31-18
County Recorder	Jennifer McBride	01-01-17 to 12-31-20
President of the Board of County Commissioners	Larry Miller	01-01-17 to 12-31-18
President of the County Council	Peter Cook	01-01-17 to 12-31-18



INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF LAGRANGE COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of LaGrange County (County), which comprises the financial position and results of operations for the year ended December 31, 2017, 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, 2017.

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, 2017, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Supplementary Information

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


Other Information

Our audit was conducted for the purpose of forming an opinion on the County's financial statement. The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated September 10, 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

September 10, 2018



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 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 LAGRANGE 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 LaGrange County (County), which comprises the financial position and results of operations for the year ended December 31, 2017, and the related notes to the financial statement, and have issued our report thereon dated September 10, 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.

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

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


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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

September 10, 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.

LAGRANGE COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2017

Fund	Cash and Investments		Cash and Investments	
	01-01-17	Receipts	Disbursements	12-31-17
General	\$ 901,691	\$ 13,192,790	\$ 10,278,913	\$ 3,815,568
Accident Report	3,847	1,845	2,782	2,910
CAGIT County Certified Shares	1,760,577	-	1,760,577	-
LIT County Shares Economic Development	2,649,749	1,432,919	1,159,118	2,923,550
Child Advocacy	250	-	-	250
City and Town Court Costs	81,210	11,603	-	92,813
Clerk's Records Perpetuation	52,601	34,041	12,234	74,408
Prisoner Reimbursement For Incarceration	-	63,788	-	63,788
Sales Disclosure - County Share	12,293	6,185	8,661	9,817
Cumulative Bridge	928,669	293,470	201,742	1,020,397
Cumulative Capital Development	527,505	749,729	246,277	1,030,957
Drug Free Community	20,929	15,553	14,232	22,250
Economic Development Fee	5,409	1,439	-	6,848
Emergency Planning/Right to Know	16,675	3,752	6,260	14,167
Extradition and Sheriff's Assistance	33,847	3,425	22,057	15,215
Firearms Training	31,739	9,670	16,976	24,433
General Drain Improvement	62,604	77,140	60,075	79,669
Health	45,118	358,218	342,537	60,799
Identification Security Protection	12,974	5,410	1,278	17,106
Local Health Maintenance	124,203	17,265	37,751	103,717
Local Road and Street	51,527	370,303	-	421,830
Major Moves Construction	20,567,705	544,877	611,422	20,501,160
Medical Care for Inmates	21,530	9,136	9,984	20,682
Misdemeanant	55,619	22,459	48,714	29,364
Motor Vehicle Highway	1,712,985	3,967,494	2,913,196	2,767,283
Park Nonreverting Operating	88,280	83,026	93,638	77,668
Plat Book	27,931	13,075	10,495	30,511
Rainy Day	1,250,889	20,188	130,242	1,140,835
Reassessment - 2015	443,888	212,199	207,551	448,536
Recorder's Records Perpetuation	132,666	85,913	64,332	154,247
Riverboat	38,118	190,884	205,677	23,325
Sex and Violent Offender Administration	13,135	4,167	5,026	12,276
Sheriff's Pension Trust	27,634	11,656	10,000	29,290
Supplemental Public Defender Services	18,325	4,453	-	22,778
Surplus Tax	111,801	69,656	116,078	65,379
Surveyor's Corner Perpetuation	30,516	21,705	3,266	48,955
Tax Sale Redemption	-	15,422	14,819	603
Tax Sale Surplus	144,986	243,851	78,366	310,471
Unsafe Building	39,096	-	-	39,096
GAL/CASA	-	19,033	19,033	-
Auditors Ineligible Deductions	12,644	5,334	3,717	14,261
County Elected Officials Training	11,587	5,660	3,431	13,816
Park and Recreation	34,829	427,525	427,654	34,700
Statewide 911	116,502	477,818	448,278	146,042
LIT Special Distribution	2,347,784	-	1,941,610	406,174
Adult Probation Administrative	31,197	18,402	19,508	30,091
Juvenile Probation Administrative	1,924	11,031	-	12,955
Supplemental Adult Probation Services	57,250	85,552	103,373	39,429
Supplemental Juvenile Probation Services	30,393	29,691	19,604	40,480
County User Fee	66,442	13,464	7,265	72,641
Drain Maintenance	1,089,784	174,994	93,389	1,171,389
Court Interpreter Grant	1,329	-	350	979
Payroll Clearing	6,709	3,135,234	3,136,181	5,762
Settlement	-	22,094,306	22,094,306	-
Wheel Tax	752	74,643	74,619	776
Sur Tax	5,478	290,960	290,952	5,486
CVET Agency	-	124,732	124,732	-
Sewage Collections	(3,072)	106,818	103,746	-
Financial Institution Tax	-	140,183	140,183	-
CEDIT Homestead Credit	27,000	-	27,000	-
Local Income Tax-Property Tax Relief	-	1,210,861	1,157,239	53,622
State Fines and Forfeitures	6,007	24,882	24,803	6,086
Infraction Judgements	16,175	148,278	144,791	19,662
Overweight Vehicle Fines	59	416	475	-
Special Death Benefit	555	3,490	3,490	555
Sales Disclosure - State Share	490	6,185	5,910	765
Coroners Training & Con't Education	265	2,960	2,986	239
Interstate Compact - State Share	200	250	450	-
Mortgage Recording Fees - State Share	723	4,225	4,295	653
DLGF Homestead Property Database	-	5	3	2
Sex and Violent Offender Admin - State	62	463	460	65
Child Restraint Violation Fines	350	3,425	3,500	275
Inheritance Tax	110	-	-	110
Education Plate Fees Agency	-	375	375	-
Riverboat Revenue Sharing	-	219,943	219,943	-
Innkeepers Tax Collections	9,247	631,921	641,168	-
LIT Certified Shares	-	7,639,031	7,639,031	-
LIT Economic Development	-	1,970,161	1,970,161	-
Drug Court Program	-	1,220	-	1,220

LAGRANGE COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2017

Fund	Cash and Investments 01-01-17	Receipts	Disbursements	Cash and Investments 12-31-17
10.577 WIC NSA 2017/2018	-	4,275	17,687	(13,412)
Community Crossings 2016/2017	(103,755)	1,187,506	939,318	144,433
BPP Late Assessment Penalty	-	7,277	-	7,277
HAVA Title III Grant	21,944	-	-	21,944
Drug Prosecution Grant	-	1,000	-	1,000
Community Corrections Grant 2016/2017	19,159	23,063	42,222	-
Community Corrections Grant 2017/2018	-	76,875	51,482	25,393
Prosecutor's Bad Check Fund	1,227	53,136	52,320	2,043
Clerk's Trust Account	290,870	2,735,626	2,725,790	300,706
Inmate Trust Account	888	131,498	129,459	2,927
Commissary	36,487	118,553	94,296	60,744
Sheriff's Cashbook	8,317	751,565	751,609	8,273
After Settlement Collections	666,121	979,768	666,122	979,767
Jury Pay	97,038	7,814	4,574	100,278
Canine Donation	4,998	2,160	3,344	3,814
Immunization Donation	29,511	41,076	35,687	34,900
Gifts To Animal Shelter	556	50	441	165
Economic Development Area #1	142,371	26,594	67	168,898
Economic Development Area #2	464,481	179,154	136,165	507,470
Economic Development Area #3	177,658	82,560	67	260,151
Economic Development Area #4	6,257	8,373	-	14,630
Jail Lease Rental	388,606	736,675	757,000	368,281
General Obligation Bond	98,173	192,812	190,055	100,930
Self Insurance	963,180	1,959,301	1,681,760	1,240,721
Wells Fargo Self Insurance	44,782	1,297,977	1,297,986	44,773
Contractor Registration	22,836	42,150	35,688	29,298
Gazebo	640	-	582	58
Summer Day Camp Program	4,618	5,550	5,998	4,170
Zoning Compliance Cert. Fee	10,331	37,000	24,078	23,253
Pretrial Diversion	49,133	28,207	-	77,340
Deferral Program	140,806	98,381	148,702	90,485
Information Technology Equipment	1,733	150	1,388	495
Geographic Information System	1,735	55	-	1,790
Special Vehicle Inspection	7,625	2,305	1,000	8,930
GED Program	10,483	5,000	4,568	10,915
Shop With a Cop	9,535	4,133	2,149	11,519
Critical Response Team	3,885	1,000	-	4,885
Sheriff Continuing Education	17,229	914	7,092	11,051
Rape Aggression Defense	973	-	-	973
Dive Team	904	-	-	904
Work Release Maintenance Fee	12,579	6,030	6,479	12,130
Sheriff D & E	886	-	-	886
Honor Guard	4,333	1,547	557	5,323
E911 Education	621	-	621	-
LaGrange County Redevelopment Commission	152,410	-	-	152,410
Lambright Property	67,397	17,063	3,844	80,616
Commissioner's Certificate Sale	13,253	-	-	13,253
Revolving Loan	1,350,000	13,741	-	1,363,741
Home Detention Program	44,371	-	8,500	35,871
Alcohol & Drug Court Program	25,715	14,765	7,820	32,660
Hospital Nonexpendable Principal	1,295,053	45,185	349,000	991,238
Rogers Home Principal	165,550	-	-	165,550
Rogers Home Income	84,701	1,954	3,520	83,135
Cloid Duff Trust	96,905	539	50,260	47,184
Myrtle M Greenwalt Trust	1,790	-	-	1,790
Myrtle Greenwalt Trust Intere	57	-	-	57
Excise Tax Allocations	-	1,183,548	1,183,548	-
10.557 WIC PC 2017/2018	-	263	1,197	(934)
10.557 WIC	(13,931)	94,468	80,537	-
10.557 WIC Breastfeeding	(834)	5,792	4,958	-
16.575 Victim's Crime Act 2016/2018	(7,190)	34,081	34,945	(8,054)
93.074 Public Health Grant 2016/2017	-	11,149	11,149	-
93.074 Public Health Grant 2017/2018	-	280	1,742	(1,462)
Bio-terrorism Grant	18,318	-	-	18,318
93.563 County IV-D Incentive	18,267	10,057	6,240	22,084
93.563 Pros IV-D Inc Oct 99	20,465	15,134	25,505	10,094
93.563 Clerk IV-D Inc Oct 99	6,221	10,057	7,800	8,478
15.916 Land & Water Conservation Grant	(71,699)	98,835	27,136	-
Tobacco Settlement	195,264	10,955	37,213	169,006
Council on Aging Transportation Grant	-	493,743	493,743	-
JDAI Comm. Corrections 14/15	41,502	30,750	72,252	-
JDAI Comm. Corrections 15/16	-	37,720	41,138	(3,418)
Emergency Response Team	420	-	-	420
Totals	<u>\$ 43,085,055</u>	<u>\$ 74,239,366</u>	<u>\$ 71,860,687</u>	<u>\$ 45,463,734</u>

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

LAGRANGE 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 nonbusinesses 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,

LAGRANGE COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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.

LAGRANGE COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

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

F. Interfund Transfers

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the County in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's 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.

LAGRANGE COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana, at year end, should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

LAGRANGE COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

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

Funding Policy and Annual Pension Cost

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

B. County Police Retirement Plan

Plan Description

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

Funding Policy

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

C. County Police Benefit Plan

Plan Description

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

Funding Policy

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

LAGRANGE COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of funds being set up for reimbursable grants and the reimbursement for expenditures made by the County not being received by December 31, 2017.

Note 8. Holding Corporation

The County has entered into a capital lease with LaGrange County Jail Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the County. The lessor has been determined to be a related-party of the County. Lease payments during the year 2017 totaled \$757,000.

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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.

LAGRANGE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	General	Accident Report	CAGIT County Certified Shares	LIT County Shares Economic Development	Child Advocacy	City and Town Court Costs	Clerk's Records Perpetuation
Cash and investments - beginning	\$ 901,691	\$ 3,847	\$ 1,760,577	\$ 2,649,749	\$ 250	\$ 81,210	\$ 52,601
Receipts:							
Taxes	4,402,164	-	-	1,384,382	-	-	-
Licenses and permits	629,242	-	-	-	-	-	-
Intergovernmental receipts	4,739,692	-	-	-	-	-	-
Charges for services	429,705	-	-	-	-	11,603	33,466
Fines and forfeits	122,928	-	-	-	-	-	-
Other receipts	2,869,059	1,845	-	48,537	-	-	575
Total receipts	13,192,790	1,845	-	1,432,919	-	11,603	34,041
Disbursements:							
Personal services	6,162,786	-	-	391,844	-	-	12,234
Supplies	264,644	2,063	-	-	-	-	-
Other services and charges	3,240,042	-	-	471,436	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	113,876	719	-	295,838	-	-	-
Other disbursements	497,565	-	1,760,577	-	-	-	-
Total disbursements	10,278,913	2,782	1,760,577	1,159,118	-	-	12,234
Excess (deficiency) of receipts over disbursements	2,913,877	(937)	(1,760,577)	273,801	-	11,603	21,807
Cash and investments - ending	\$ 3,815,568	\$ 2,910	\$ -	\$ 2,923,550	\$ 250	\$ 92,813	\$ 74,408

LAGRANGE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	Prisoner Reimbursement For Incarceration	Sales Disclosure - County Share	Cumulative Bridge	Cumulative Capital Development	Drug Free Community	Economic Development Fee	Emergency Planning/Right to Know
Cash and investments - beginning	\$ -	\$ 12,293	\$ 928,669	\$ 527,505	\$ 20,929	\$ 5,409	\$ 16,675
Receipts:							
Taxes	-	-	285,954	647,898	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	2,033	51,341	-	-	3,752
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	63,788	6,185	5,483	50,490	15,553	1,439	-
Total receipts	63,788	6,185	293,470	749,729	15,553	1,439	3,752
Disbursements:							
Personal services	-	5,969	-	-	-	-	-
Supplies	-	-	7,392	-	-	-	-
Other services and charges	-	2,412	183,181	-	14,232	-	6,260
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	280	11,169	246,277	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	-	8,661	201,742	246,277	14,232	-	6,260
Excess (deficiency) of receipts over disbursements	63,788	(2,476)	91,728	503,452	1,321	1,439	(2,508)
Cash and investments - ending	\$ 63,788	\$ 9,817	\$ 1,020,397	\$ 1,030,957	\$ 22,250	\$ 6,848	\$ 14,167

LAGRANGE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	Extradition and Sheriff's Assistance	Firearms Training	General Drain Improvement	Health	Identification Security Protection	Local Health Maintenance	Local Road and Street
Cash and investments - beginning	\$ 33,847	\$ 31,739	\$ 62,604	\$ 45,118	\$ 12,974	\$ 124,203	\$ 51,527
Receipts:							
Taxes	-	-	-	254,135	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	104,083	-	-	370,303
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	3,425	9,670	77,140	-	5,410	17,265	-
Total receipts	3,425	9,670	77,140	358,218	5,410	17,265	370,303
Disbursements:							
Personal services	-	-	-	342,537	-	16,800	-
Supplies	-	16,251	-	-	-	5,496	-
Other services and charges	20,785	725	60,075	-	1,278	15,405	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	1,272	-	-	-	-	50	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	22,057	16,976	60,075	342,537	1,278	37,751	-
Excess (deficiency) of receipts over disbursements	(18,632)	(7,306)	17,065	15,681	4,132	(20,486)	370,303
Cash and investments - ending	\$ 15,215	\$ 24,433	\$ 79,669	\$ 60,799	\$ 17,106	\$ 103,717	\$ 421,830

LAGRANGE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	Major Moves Construction	Medical Care for Inmates	Misdemeanant	Motor Vehicle Highway	Park Nonreverting Operating	Plat Book	Rainy Day
Cash and investments - beginning	\$ 20,567,705	\$ 21,530	\$ 55,619	\$ 1,712,985	\$ 88,280	\$ 27,931	\$ 1,250,889
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	25,045	-	-	-
Intergovernmental receipts	-	-	-	3,363,149	-	-	-
Charges for services	-	-	-	700	18,717	13,075	-
Fines and forfeits	-	-	-	-	-	-	12,725
Other receipts	544,877	9,136	22,459	578,600	64,309	-	7,463
Total receipts	544,877	9,136	22,459	3,967,494	83,026	13,075	20,188
Disbursements:							
Personal services	-	-	-	1,541,600	11,140	-	-
Supplies	-	-	11,409	1,101,101	12,521	495	-
Other services and charges	43,778	9,984	16,890	162,358	37,501	10,000	2,457
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	567,644	-	20,415	108,137	32,376	-	127,785
Other disbursements	-	-	-	-	100	-	-
Total disbursements	611,422	9,984	48,714	2,913,196	93,638	10,495	130,242
Excess (deficiency) of receipts over disbursements	(66,545)	(848)	(26,255)	1,054,298	(10,612)	2,580	(110,054)
Cash and investments - ending	\$ 20,501,160	\$ 20,682	\$ 29,364	\$ 2,767,283	\$ 77,668	\$ 30,511	\$ 1,140,835

LAGRANGE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	Reassessment - 2015	Recorder's Records Perpetuation	Riverboat	Sex and Violent Offender Administration	Sheriff's Pension Trust	Supplemental Public Defender Services	Surplus Tax
Cash and investments - beginning	\$ 443,888	\$ 132,666	\$ 38,118	\$ 13,135	\$ 27,634	\$ 18,325	\$ 111,801
Receipts:							
Taxes	192,695	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	15,268	-	-	-	-	-	-
Charges for services	-	13,539	-	-	-	-	-
Fines and forfeits	-	-	-	4,167	11,656	-	-
Other receipts	4,236	72,374	190,884	-	-	4,453	69,656
Total receipts	212,199	85,913	190,884	4,167	11,656	4,453	69,656
Disbursements:							
Personal services	-	60,412	288	3,744	10,000	-	-
Supplies	10,421	144	1,200	986	-	-	-
Other services and charges	197,130	3,776	202,194	-	-	-	116,078
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	1,995	296	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	207,551	64,332	205,677	5,026	10,000	-	116,078
Excess (deficiency) of receipts over disbursements	4,648	21,581	(14,793)	(859)	1,656	4,453	(46,422)
Cash and investments - ending	\$ 448,536	\$ 154,247	\$ 23,325	\$ 12,276	\$ 29,290	\$ 22,778	\$ 65,379

LAGRANGE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	Surveyor's Corner Perpetuation	Tax Sale Redemption	Tax Sale Surplus	Unsafe Building	GAL/CASA	Auditors Ineligible Deductions	County Elected Officials Training
Cash and investments - beginning	\$ 30,516	\$ -	\$ 144,986	\$ 39,096	\$ -	\$ 12,644	\$ 11,587
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	15,902	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	21,705	15,422	243,851	-	3,131	5,334	5,660
Total receipts	21,705	15,422	243,851	-	19,033	5,334	5,660
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	2,176	-	-	-	-	1,996	-
Other services and charges	1,090	14,819	78,366	-	-	1,721	3,431
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	19,033	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	3,266	14,819	78,366	-	19,033	3,717	3,431
Excess (deficiency) of receipts over disbursements	18,439	603	165,485	-	-	1,617	2,229
Cash and investments - ending	\$ 48,955	\$ 603	\$ 310,471	\$ 39,096	\$ -	\$ 14,261	\$ 13,816

LAGRANGE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	Park and Recreation	Statewide 911	LIT Special Distribution	Adult Probation Administrative	Juvenile Probation Administrative	Supplemental Adult Probation Services	Supplemental Juvenile Probation Services
Cash and investments - beginning	\$ 34,829	\$ 116,502	\$ 2,347,784	\$ 31,197	\$ 1,924	\$ 57,250	\$ 30,393
Receipts:							
Taxes	397,056	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	30,229	-	-	-	-	-	-
Charges for services	-	477,818	-	-	-	4,249	965
Fines and forfeits	-	-	-	18,402	11,031	81,303	28,726
Other receipts	240	-	-	-	-	-	-
Total receipts	427,525	477,818	-	18,402	11,031	85,552	29,691
Disbursements:							
Personal services	326,782	448,278	-	9,478	-	96,889	9,051
Supplies	37,456	-	500,000	5,088	-	375	964
Other services and charges	34,364	-	-	4,942	-	6,109	9,589
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	29,052	-	847,857	-	-	-	-
Other disbursements	-	-	593,753	-	-	-	-
Total disbursements	427,654	448,278	1,941,610	19,508	-	103,373	19,604
Excess (deficiency) of receipts over disbursements	(129)	29,540	(1,941,610)	(1,106)	11,031	(17,821)	10,087
Cash and investments - ending	\$ 34,700	\$ 146,042	\$ 406,174	\$ 30,091	\$ 12,955	\$ 39,429	\$ 40,480

LAGRANGE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	County User Fee	Drain Maintenance	Court Interpreter Grant	Payroll Clearing	Settlement	Wheel Tax	Sur Tax
Cash and investments - beginning	\$ 66,442	\$ 1,089,784	\$ 1,329	\$ 6,709	\$ -	\$ 752	\$ 5,478
Receipts:							
Taxes	-	-	-	-	20,796,979	74,643	290,960
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	1,297,327	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	13,464	174,994	-	3,135,234	-	-	-
Total receipts	13,464	174,994	-	3,135,234	22,094,306	74,643	290,960
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	7,265	31,596	350	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	61,793	-	3,136,181	22,094,306	74,619	290,952
Total disbursements	7,265	93,389	350	3,136,181	22,094,306	74,619	290,952
Excess (deficiency) of receipts over disbursements	6,199	81,605	(350)	(947)	-	24	8
Cash and investments - ending	\$ 72,641	\$ 1,171,389	\$ 979	\$ 5,762	\$ -	\$ 776	\$ 5,486

LAGRANGE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	CVET Agency	Sewage Collections	Financial Institution Tax	CEDIT Homestead Credit	Local Income Tax-Property Tax Relief	State Fines and Forfeitures	Infraction Judgements
Cash and investments - beginning	\$ -	\$ (3,072)	\$ -	\$ 27,000	\$ -	\$ 6,007	\$ 16,175
Receipts:							
Taxes	-	-	-	-	1,183,861	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	103,746	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	24,882	-
Other receipts	124,732	3,072	140,183	-	27,000	-	148,278
Total receipts	124,732	106,818	140,183	-	1,210,861	24,882	148,278
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	124,732	103,746	140,183	27,000	1,157,239	24,803	144,791
Total disbursements	124,732	103,746	140,183	27,000	1,157,239	24,803	144,791
Excess (deficiency) of receipts over disbursements	-	3,072	-	(27,000)	53,622	79	3,487
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ 53,622	\$ 6,086	\$ 19,662

LAGRANGE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	Overweight Vehicle Fines	Special Death Benefit	Sales Disclosure - State Share	Coroners Training & Con't Education	Interstate Compact - State Share	Mortgage Recording Fees - State Share	DLGF Homestead Property Database
Cash and investments - beginning	\$ 59	\$ 555	\$ 490	\$ 265	\$ 200	\$ 723	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	2,960	250	4,225	-
Other receipts	416	3,490	6,185	-	-	-	5
Total receipts	416	3,490	6,185	2,960	250	4,225	5
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	475	-	-	-	-	-	-
Other disbursements	-	3,490	5,910	2,986	450	4,295	3
Total disbursements	475	3,490	5,910	2,986	450	4,295	3
Excess (deficiency) of receipts over disbursements	(59)	-	275	(26)	(200)	(70)	2
Cash and investments - ending	\$ -	\$ 555	\$ 765	\$ 239	\$ -	\$ 653	\$ 2

LAGRANGE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	Sex and Violent Offender Admin - State	Child Restraint Violation Fines	Inheritance Tax	Education Plate Fees Agency	Riverboat Revenue Sharing	Innkeepers Tax Collections	LIT Certified Shares
Cash and investments - beginning	\$ 62	\$ 350	\$ 110	\$ -	\$ -	\$ 9,247	\$ -
Receipts:							
Taxes	-	-	-	-	-	631,921	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	7,639,031
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	463	3,425	-	375	219,943	-	-
Total receipts	463	3,425	-	375	219,943	631,921	7,639,031
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	375	219,943	641,168	-
Other disbursements	460	3,500	-	-	-	-	7,639,031
Total disbursements	460	3,500	-	375	219,943	641,168	7,639,031
Excess (deficiency) of receipts over disbursements	3	(75)	-	-	-	(9,247)	-
Cash and investments - ending	\$ 65	\$ 275	\$ 110	\$ -	\$ -	\$ -	\$ -

LAGRANGE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	LIT Economic Development	Drug Court Program	10.577 WIC NSA 2017/2018	Community Crossings 2016/2017	BPP Late Assessment Penalty	HAVA Title III Grant	Drug Prosecution Grant
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ (103,755)	\$ -	\$ 21,944	\$ -
Receipts:							
Taxes	-	-	-	-	7,277	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	1,970,161	-	4,275	593,753	-	-	1,000
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	1,220	-	-	-	-	-
Other receipts	-	-	-	593,753	-	-	-
Total receipts	1,970,161	1,220	4,275	1,187,506	7,277	-	1,000
Disbursements:							
Personal services	-	-	16,185	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	1,502	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	939,318	-	-	-
Other disbursements	1,970,161	-	-	-	-	-	-
Total disbursements	1,970,161	-	17,687	939,318	-	-	-
Excess (deficiency) of receipts over disbursements	-	1,220	(13,412)	248,188	7,277	-	1,000
Cash and investments - ending	\$ -	\$ 1,220	\$ (13,412)	\$ 144,433	\$ 7,277	\$ 21,944	\$ 1,000

LAGRANGE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	Community Corrections Grant 2016/2017	Community Corrections Grant 2017/2018	Prosecutor's Bad Check	Clerk's Trust Account	Inmate Trust Account	Commissary	Sheriff's Cashbook
Cash and investments - beginning	\$ 19,159	\$ -	\$ 1,227	\$ 290,870	\$ 888	\$ 36,487	\$ 8,317
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	23,063	76,875	-	-	-	-	-
Charges for services	-	-	-	-	-	118,553	751,565
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	53,136	2,735,626	131,498	-	-
Total receipts	23,063	76,875	53,136	2,735,626	131,498	118,553	751,565
Disbursements:							
Personal services	34,331	51,482	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	94,296	751,609
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	7,891	-	52,320	2,725,790	129,459	-	-
Total disbursements	42,222	51,482	52,320	2,725,790	129,459	94,296	751,609
Excess (deficiency) of receipts over disbursements	(19,159)	25,393	816	9,836	2,039	24,257	(44)
Cash and investments - ending	\$ -	\$ 25,393	\$ 2,043	\$ 300,706	\$ 2,927	\$ 60,744	\$ 8,273

LAGRANGE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	After Settlement Collections	Jury Pay	Canine Donation	Immunization Donation	Gifts To Animal Shelter	Economic Development Area # 1	Economic Development Area # 2
Cash and investments - beginning	\$ 666,121	\$ 97,038	\$ 4,998	\$ 29,511	\$ 556	\$ 142,371	\$ 464,481
Receipts:							
Taxes	979,768	-	-	-	-	26,594	179,154
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	7,814	2,160	41,076	50	-	-
Total receipts	979,768	7,814	2,160	41,076	50	26,594	179,154
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	170	65	25,834	441	-	-
Other services and charges	-	3,421	500	8,853	-	67	136,165
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	983	2,779	1,000	-	-	-
Other disbursements	666,122	-	-	-	-	-	-
Total disbursements	666,122	4,574	3,344	35,687	441	67	136,165
Excess (deficiency) of receipts over disbursements	313,646	3,240	(1,184)	5,389	(391)	26,527	42,989
Cash and investments - ending	\$ 979,767	\$ 100,278	\$ 3,814	\$ 34,900	\$ 165	\$ 168,898	\$ 507,470

LAGRANGE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	Economic Development Area # 3	Economic Development Area # 4	Jail Lease Rental	General Obligation Bond	Self Insurance	Wells Fargo Self Insurance	Contractor Registration
Cash and investments - beginning	\$ 177,658	\$ 6,257	\$ 388,606	\$ 98,173	\$ 963,180	\$ 44,782	\$ 22,836
Receipts:							
Taxes	82,560	8,373	687,996	178,718	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	48,679	14,094	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	1,959,301	1,297,977	42,150
Total receipts	82,560	8,373	736,675	192,812	1,959,301	1,297,977	42,150
Disbursements:							
Personal services	-	-	-	-	-	-	35,688
Supplies	-	-	-	-	-	-	-
Other services and charges	67	-	757,000	750	-	-	-
Debt service - principal and interest	-	-	-	189,305	-	-	-
Capital outlay	-	-	-	-	1,681,760	1,297,986	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	67	-	757,000	190,055	1,681,760	1,297,986	35,688
Excess (deficiency) of receipts over disbursements	82,493	8,373	(20,325)	2,757	277,541	(9)	6,462
Cash and investments - ending	\$ 260,151	\$ 14,630	\$ 368,281	\$ 100,930	\$ 1,240,721	\$ 44,773	\$ 29,298

LAGRANGE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	Gazebo	Summer Day Camp Program	Zoning Compliance Cert. Fee	Pretrial Diversion	Deferral Program	Information Technology Equipment	Geographic Information System
Cash and investments - beginning	\$ 640	\$ 4,618	\$ 10,331	\$ 49,133	\$ 140,806	\$ 1,733	\$ 1,735
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	37,000	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	5,550	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	55
Other receipts	-	-	-	28,207	98,381	150	-
Total receipts	-	5,550	37,000	28,207	98,381	150	55
Disbursements:							
Personal services	-	5,282	-	-	108,599	-	-
Supplies	-	194	-	-	3,350	-	-
Other services and charges	582	522	24,078	-	19,966	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	16,787	1,388	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	582	5,998	24,078	-	148,702	1,388	-
Excess (deficiency) of receipts over disbursements	(582)	(448)	12,922	28,207	(50,321)	(1,238)	55
Cash and investments - ending	\$ 58	\$ 4,170	\$ 23,253	\$ 77,340	\$ 90,485	\$ 495	\$ 1,790

LAGRANGE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	Special Vehicle Inspection	GED Program	Shop With A Cop	Critical Response Team	Sheriff Continuing Education	Rape Aggression Defense	Dive Team
Cash and investments - beginning	\$ 7,625	\$ 10,483	\$ 9,535	\$ 3,885	\$ 17,229	\$ 973	\$ 904
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	2,305	5,000	4,133	1,000	914	-	-
Total receipts	2,305	5,000	4,133	1,000	914	-	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	2,149	-	-	-	-
Other services and charges	1,000	4,568	-	-	7,092	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	1,000	4,568	2,149	-	7,092	-	-
Excess (deficiency) of receipts over disbursements	1,305	432	1,984	1,000	(6,178)	-	-
Cash and investments - ending	\$ 8,930	\$ 10,915	\$ 11,519	\$ 4,885	\$ 11,051	\$ 973	\$ 904

LAGRANGE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	Work Release Maintenance Fee	Sheriff D & E	Honor Guard	E911 Education	LaGrange County Redevelopment Commission	Lambright Property	Commissioner's Certificate Sale
Cash and investments - beginning	\$ 12,579	\$ 886	\$ 4,333	\$ 621	\$ 152,410	\$ 67,397	\$ 13,253
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	17,063	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	6,030	-	1,547	-	-	-	-
Total receipts	6,030	-	1,547	-	-	17,063	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	3,753	-	557	-	-	355	-
Other services and charges	1,537	-	-	621	-	3,489	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	1,189	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	6,479	-	557	621	-	3,844	-
Excess (deficiency) of receipts over disbursements	(449)	-	990	(621)	-	13,219	-
Cash and investments - ending	\$ 12,130	\$ 886	\$ 5,323	\$ -	\$ 152,410	\$ 80,616	\$ 13,253

LAGRANGE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	Revolving Loan	Home Detention Program	Alcohol & Drug Court Program	Hospital Nonexpendable Principal	Rogers Home Principal	Rogers Home Income	Cloid Duff Trust
Cash and investments - beginning	\$ 1,350,000	\$ 44,371	\$ 25,715	\$ 1,295,053	\$ 165,550	\$ 84,701	\$ 96,905
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	14,765	-	-	-	-
Other receipts	13,741	-	-	45,185	-	1,954	539
Total receipts	13,741	-	14,765	45,185	-	1,954	539
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	8,500	7,820	349,000	-	3,520	50,260
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	-	8,500	7,820	349,000	-	3,520	50,260
Excess (deficiency) of receipts over disbursements	13,741	(8,500)	6,945	(303,815)	-	(1,566)	(49,721)
Cash and investments - ending	\$ 1,363,741	\$ 35,871	\$ 32,660	\$ 991,238	\$ 165,550	\$ 83,135	\$ 47,184

LAGRANGE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	Myrtle M Greenwalt Trust	Myrtle Greenwalt Trust Intere	Excise Tax Allocations	10.557 WIC PC 2017/2018	10.557 WIC	10.557 WIC Breastfeeding	16.575 Victim's Crime Act 2016/2018
Cash and investments - beginning	\$ 1,790	\$ 57	\$ -	\$ -	\$ (13,931)	\$ (834)	\$ (7,190)
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	1,183,548	263	94,468	5,792	32,796
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	1,285
Total receipts	-	-	1,183,548	263	94,468	5,792	34,081
Disbursements:							
Personal services	-	-	-	1,023	68,229	4,377	33,609
Supplies	-	-	-	-	4,827	-	179
Other services and charges	-	-	-	174	2,236	581	1,157
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	1,183,548	-	5,245	-	-
Total disbursements	-	-	1,183,548	1,197	80,537	4,958	34,945
Excess (deficiency) of receipts over disbursements	-	-	-	(934)	13,931	834	(864)
Cash and investments - ending	\$ 1,790	\$ 57	\$ -	\$ (934)	\$ -	\$ -	\$ (8,054)

LAGRANGE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	93.074 Public Health Grant 2016/2017	93.074 Public Health Grant 2017/2018	Bio-terrorism Grant	93.563 County IV-D Incentive	93.563 PROS IV-D INC Oct 99	93.563 CLERK IV-D INC Oct 99	15.916 Land & Water Conservation Grant
Cash and investments - beginning	\$ -	\$ -	\$ 18,318	\$ 18,267	\$ 20,465	\$ 6,221	\$ (71,699)
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	11,149	280	-	-	-	-	98,835
Charges for services	-	-	-	10,057	-	10,057	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	15,134	-	-
Total receipts	11,149	280	-	10,057	15,134	10,057	98,835
Disbursements:							
Personal services	-	-	-	-	25,200	-	-
Supplies	195	-	-	-	-	-	-
Other services and charges	-	1,742	-	5,200	-	7,800	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	10,954	-	-	1,040	305	-	27,136
Other disbursements	-	-	-	-	-	-	-
Total disbursements	11,149	1,742	-	6,240	25,505	7,800	27,136
Excess (deficiency) of receipts over disbursements	-	(1,462)	-	3,817	(10,371)	2,257	71,699
Cash and investments - ending	\$ -	\$ (1,462)	\$ 18,318	\$ 22,084	\$ 10,094	\$ 8,478	\$ -

LAGRANGE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	Tobacco Settlement	Council on Aging Transportation Grant	JDAI Comm. Corrections 14/15	JDAI Comm. Corrections 15/16	Emergency Response Team	Totals
Cash and investments - beginning	\$ 195,264	\$ -	\$ 41,502	\$ -	\$ 420	\$ 43,085,055
Receipts:						
Taxes	-	-	-	-	-	32,693,088
Licenses and permits	-	-	-	-	-	691,287
Intergovernmental receipts	10,955	-	30,750	37,720	-	21,870,566
Charges for services	-	-	-	-	-	2,020,428
Fines and forfeits	-	-	-	-	-	339,295
Other receipts	-	493,743	-	-	-	16,624,702
Total receipts	10,955	493,743	30,750	37,720	-	74,239,366
Disbursements:						
Personal services	28,415	-	-	-	-	9,862,252
Supplies	-	-	2,768	2,712	-	2,029,727
Other services and charges	8,798	-	62,043	35,610	-	7,373,745
Debt service - principal and interest	-	-	-	-	-	189,305
Capital outlay	-	493,743	3,819	2,816	-	7,769,035
Other disbursements	-	-	3,622	-	-	44,636,623
Total disbursements	37,213	493,743	72,252	41,138	-	71,860,687
Excess (deficiency) of receipts over disbursements	(26,258)	-	(41,502)	(3,418)	-	2,378,679
Cash and investments - ending	\$ 169,006	\$ -	\$ -	\$ (3,418)	\$ 420	\$ 45,463,734

LAGRANGE COUNTY
SCHEDULE OF PAYABLES AND RECEIVABLES
December 31, 2017

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 660,890</u>	<u>\$ 405,567</u>

LAGRANGE COUNTY
 SCHEDULE OF LEASES AND DEBT
 December 31, 2017

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
LaGrange County Jail Building Corporation	Construction of County Jail	<u>\$ 757,000</u>	02/24/2015	10/01/2021

Type of Debt	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General Obligation Bonds	Technology Purchases	<u>\$ 475,000</u>	<u>\$ 192,190</u>

LAGRANGE COUNTY
SCHEDULE OF CAPITAL ASSETS
December 31, 2017

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	\$ 3,431,363
Infrastructure	94,095,006
Buildings	5,941,440
Improvements other than buildings	1,485,360
Machinery, equipment, and vehicles	<u>10,118,728</u>
Total capital assets	<u>\$ 115,071,897</u>

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

TO: THE OFFICIALS OF LAGRANGE COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited LaGrange County's (County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017. The County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2017-001. Our opinion on each major federal program is not modified with respect to these matters.

The County's response to the noncompliance findings identified in our audit is described in the accompanying Corrective Action Plan. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2017-001, that we consider to be a material weakness.

The County's response to the internal control over compliance findings identified in our audit is described in the accompanying Corrective Action Plan. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

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

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

September 10, 2018

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.

LAGRANGE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2017

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	Passed Through to Subrecipient	Total Federal Awards Expended
<u>Department of Agriculture</u>					
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	Indiana State Department of Health	10.557			
			40010557WICAD16	\$ -	\$ 8,082
			40010557WPCG016	-	2,216
			40010557WICAD17	-	86,386
			40010557WPCG017	-	3,575
			40010557WICAD18	-	4,275
			40010557WPCG018	-	263
Total - WIC Special Supplemental Nutrition Program for Women, Infants, and Children				-	104,797
Total - Department of Agriculture				-	104,797
<u>Department of the Interior</u>					
Outdoor Recreation Acquisition, Development and Planning	Indiana Department of Natural Resources	15.916			
			E10-5-1800585	-	98,835
Total - Department of the Interior				-	98,835
<u>Department of Justice</u>					
Crime Victim Assistance	Indiana Criminal Justice Institute	16.575			
			D3-17-11466	-	32,796
Total - Department of Justice				-	32,796
<u>Department of Transportation</u>					
Formula Grants for Rural Areas	Indiana Department of Transportation	20.509			
			A249-16-G150157	53,576	53,576
			A249-17-G160279	207,202	207,202
			A249-17-G160031	28,250	28,250
Total - Formula Grants for Rural Areas				289,028	289,028
Total - Department of Transportation				289,028	289,028
<u>Department of Health and Human Services</u>					
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	Department of Health and Human Services	93.074			
			FY 2017	-	11,149
			FY 2018	-	280
Total - Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements				-	11,429
Child Support Enforcement	Indiana Department of Child Services	93.563			
			FY 2017	-	211,468
Total - Department of Health and Human Services				-	222,897
<u>Department of Homeland Security</u>					
Emergency Management Performance Grants	Indiana Department of Homeland Security	97.042			
			EMC-2016-EP-00006	-	21,250
Total - Department of Homeland Security				-	21,250
Total federal awards expended				\$ 289,028	\$ 769,603

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

LAGRANGE 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, 2017. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the County, it is not intended to and does not present the financial position of the County.

Note 2. Summary of Significant Accounting Policies

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

LAGRANGE 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?	no
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weakness identified?	yes
Significant deficiency identified?	none reported
Any audit finding disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	yes

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

CFDA Number	Name of Federal Program or Cluster	Opinion Issued
10.557	WIC Special Supplemental Nutrition Program for Women, Infants, and Children	Unmodified
20.509	Formula Grants for Rural Areas	Unmodified

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

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

No matters are reportable.

LAGRANGE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III - Federal Award Findings and Questioned Costs

FINDING 2017-001

Subject: WIC Special Supplemental Nutrition Program for Women,
Infants, and Children - Cash Management

Federal Agency: Department of Agriculture

Federal Program: WIC Special Supplemental Nutrition Program for Women, Infants, and Children

CFDA Number: 10.557

Federal Award Numbers and Years (or Other Identifying Numbers): 40010557WICAD16, 40010557WPCG016,
40010557WICAD17, 40010557WPCG017,
40010557WICAD18, 40010557WPCG018

Pass-Through Entity: Indiana State Department of Health

Compliance Requirement: Cash Management

Audit Findings: Material Weakness, Other Matters

Condition

An effective internal control system was not in place at the County in order to ensure compliance with requirements related to the grant agreement and the Cash Management compliance requirement. The County did not have effective controls to monitor the net cash resources of the funds and failed to ensure that the expenditures had occurred prior to submitting the expenditures on the monthly reimbursement requests. The Requests for Reimbursement included monthly space and communication costs that were incurred but not paid by the County.

Context

The lack of internal controls and noncompliance were systemic issues during the entire audit period.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.305(b) states in part:

"For non-Federal entities other than states, payments methods must minimize the time elapsing between the transfer of funds from the United States Treasury or the pass-through entity and the disbursement by the non-Federal entity whether the payment is made by electronic funds transfer, or issuance or redemption of checks, warrants, or payment by other means. . . ."

LAGRANGE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- (3) Reimbursement is the preferred method when the requirements in paragraph (b) cannot be met, when the Federal awarding agency sets a specific condition per § 200.207 Specific conditions, or when the non-Federal entity requests payment by reimbursement. This method may be used on any Federal award for construction, or if the major portion of the construction project is accomplished through private market financing or Federal loans, and the Federal award constitutes a minor portion of the project. . . ."

Cause

Management had not developed a system of internal controls that would have ensured compliance with the Cash Management compliance requirement.

Effect

The failure to establish an effective internal control system enabled noncompliance with the grant agreement and the Cash Management compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the County's management establish controls related to the grant agreement and the Cash Management compliance requirement.

Views of Responsible Officials

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

AUDITEE-PREPARED DOCUMENT

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

LaGrange County WIC Program
304 N. Townline Rd.
LaGrange, IN 46761
260-499-4182 ext 3

CORRECTIVE ACTION PLAN

FINDING 2017-001

Contact Person Responsible for Corrective Action: Michelle Tennant, RN, WIC Coordinator

Contact Phone Number: 260-499-4182

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Requests for Space Costs reimbursement will not be submitted until the WIC Coordinator has received and reviewed a Transaction Report from the LaGrange County Auditor's Office which includes charges the County of LaGrange has paid for utilities and/or services incurred by the LaGrange County Health Department Building at 304 North Townline Road, LaGrange IN 46761. The request for reimbursement will then be calculated as a percentage of the total charges consistent with the percentage of the building the LaGrange County WIC Office occupies.

Anticipated Completion Date: Immediately

Michelle Tennant, RN
LaGrange County WIC Coordinator
August 9, 2018

Michelle Tennant, RN
(Signature)

WIC Coordinator
(Title)

8/9/18
(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/>.