

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

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





TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Independent Auditor's Report .....	3-5
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 <i>Government Auditing Standards</i> .....	6-7
Financial Statement and Accompanying Notes:	
Statement of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis .....	10-12
Notes to Financial Statement .....	13-18
Other Information - Unaudited:	
Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis .....	20-46
Schedule of Payables and Receivables .....	47
Schedule of Leases and Debt .....	48
Schedule of Capital Assets .....	49
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance .....	52-54
Schedule of Expenditures of Federal Awards and Accompanying Notes:	
Schedule of Expenditures of Federal Awards .....	56
Notes to Schedule of Expenditures of Federal Awards .....	57
Schedule of Findings and Questioned Costs .....	58-68
Auditee-Prepared Documents:	
Summary Schedule of Prior Audit Findings .....	70-71
Corrective Action Plan .....	72-74
Other Reports .....	75

### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Patricia A. French	01-01-15 to 12-31-18
County Treasurer	Byron G. Bundy	01-01-15 to 12-31-18
Clerk of the Circuit Court	Debra A. Walker	01-01-15 to 12-31-18
County Sheriff	Ric McCorkle	01-01-15 to 12-31-18
County Recorder	Linda C. Winchester	01-01-15 to 12-31-18
President of the Board of County Commissioners	Joseph Yanos Bruce (Butch) Baker	01-01-16 to 12-31-16 01-01-17 to 12-31-18
President of the County Council	Nate LaMar	01-01-16 to 12-31-18



## INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF HENRY COUNTY, INDIANA

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

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

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

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (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, 2016.

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

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

***Other Matters***

*Supplementary Information*

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

*Other Information*

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated September 18, 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 18, 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](http://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 HENRY 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 Henry County (County), which comprises the financial position and results of operations for the year ended December 31, 2016, and the related notes to the financial statement, and have issued our report thereon dated September 18, 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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2016-001, that we consider 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 2016-001.

**Henry County's Response to Findings**

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

**Purpose of This Report**

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

  
Paul D. Joyce, CPA  
State Examiner

September 18, 2018

(This page intentionally left blank.)

## 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.

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

Fund	Cash and Investments 01-01-16	Receipts	Disbursements	Cash and Investments 12-31-16
Sheriff's Inmate Trust	\$ 12,377	\$ 833,362	\$ 830,109	\$ 15,630
Jail Commissary	24,701	215,378	226,825	13,254
Clerk's Trust	555,001	4,074,974	4,019,381	610,594
General	41,159	9,220,563	9,125,590	136,132
Accident Report	1,435	4,164	5,334	265
Child Advocacy	6,085	100	-	6,185
City And Town Court Costs	68,700	14,219	-	82,919
Clerk's Records Perpetuation	38,741	48,689	17,530	69,900
Community Corrections	62,229	135,653	197,882	-
Community Transition Program	92,612	41,525	-	134,137
Congressional School Interest	1,630	-	-	1,630
Congressional School Principal	21,969	-	-	21,969
Sales Disclosure - County Share	3,776	5,680	4,674	4,782
Cumulative Bridge	382,215	534,538	335,714	581,039
Cumulative Capital Development	145	229,002	229,147	-
Drug Free Community	52,853	62,496	55,415	59,934
Electronic Map Generation	1,464	656	286	1,834
Emergency Planning/Right To Know	18,902	4,368	11,287	11,983
Emergency Telephone System	45,575	552,475	462,872	135,178
Firearms Training	17,577	34,460	23,250	28,787
Food And Beverage Tax	-	585,092	585,092	-
General Drain Improvement	46,129	95,407	60,213	81,323
Health	7,169	479,207	479,784	6,592
Identification Security Protection	58,886	4,130	10,486	52,530
Local Health Maintenance	46,966	78,282	95,177	30,071
Local Road And Street	234,737	415,598	355,236	295,099
Medical Care For Inmates	1,071	3,873	4,655	289
Misdemeanant	6,819	33,346	28,697	11,468
Motor Vehicle Highway	924,470	3,052,898	3,163,002	814,366
Park Nonreverting Operating	55,092	136,129	191,221	-
Plat Book	62,898	14,428	122	77,204
Rainy Day	203,519	-	-	203,519
Reassessment - 2015	2,013	280,185	233,444	48,754
Recorder'S Records Perpetuation	202,376	84,832	98,646	188,562
Sex And Violent Offender Administration	10,557	4,480	14,300	737
Supplemental Public Defender Services	3,901	12,540	13,774	2,667
Surplus Tax	113,876	111,167	93,035	132,008
Surveyor'S Corner Perpetuation	52,134	10,185	7,023	55,296
Tax Sale Redemption	6,070	217,562	198,171	25,461
Tax Sale Surplus	418,714	468,231	506,891	380,054
Local Health Department Trust Account	17,034	38,801	22,982	32,853
Vehicle Inspection	112	1,173	1,029	256
Gal/Casa	28,169	57,766	49,779	36,156
County Elected Officials Training	14,389	4,129	1,367	17,151
County Offender Transportation Fund	3,473	500	-	3,973
Adult Probation Administrative	1,176	147,416	148,592	-
Juvenile Probation Administrative	-	9,415	7,033	2,382
Supplemental Juvenile Probation Services	30,971	-	-	30,971
County User Fee	4,999	13,377	16,349	2,027
Drainage Maintenance	1,225,141	673,015	410,276	1,487,880
Drug Task Force	62,353	71,358	107,566	26,145
Collection Agency Fees	204	-	-	204
Donations	24,391	22,880	16,071	31,200
Tif Capital Projects	-	1,378,622	1,378,622	-
Debt Service	749,405	1,360,236	1,376,000	733,641
Self-Insurance	198,374	3,414,193	3,603,953	8,614
Payroll Clearing	-	4,506,424	4,495,747	10,677
Settlement	-	29,895,906	29,895,906	-
Wheel Tax / Surtax Combined	153,650	1,011,513	943,779	221,384
Wheel Tax	4,855	104,487	108,803	539

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

Fund	Cash and Investments 01-01-16	Receipts	Disbursements	Cash and Investments 12-31-16
Sur Tax	91,057	1,123,625	1,214,681	1
Cvet Agency	-	181,660	181,660	-
Financial Institution Tax	-	313,266	313,266	-
Cedit Homestead Credit	34,653	2,020,901	2,013,766	41,788
Homestead Credit Rebate	665	-	-	665
State Fines And Forfeitures	1,531	11,881	11,448	1,964
Infraction Judgements	5,210	69,684	70,568	4,326
Overweight Vehicle Fines	-	2,278	1,812	466
Special Death Benefit	385	5,232	5,272	345
Sales Disclosure - State Share	590	5,680	5,690	580
Coroners Training & Con't Education	721	4,352	4,581	492
Mortgage Recording Fees - State Share	220	3,655	3,513	362
Child Restraint Violations Fines	75	700	725	50
Inheritance Tax	993	-	-	993
Education Plate Fees Agency	38	469	488	19
Innkeepers Tax Collections	19,250	54,240	35,351	38,139
Coit Distribution	-	8,077,998	8,077,998	-
93.563 Prosecutor Pca	10,410	7,897	5,359	12,948
93.563 Arra Prosecutor Iv-D Incentive	13,589	-	-	13,589
93.563 Arra Clerk Iv-D Incentive	16,203	-	9,446	6,757
93.563 Title Iv-D Incentive	4,141	12,793	562	16,372
93.563 Prosecutor Iv-D Incentive-Prior To Oct '99	4,748	-	-	4,748
93.563 Prosecutor Iv-D Incentive-Post Oct '99	193,620	29,995	75,149	148,466
93.563 Clerk Iv-D Incentive-Post Oct '99	60,513	19,937	14,409	66,041
Juvenile Programs-Probation	5,379	-	-	5,379
Henry County Youth League	2,000	-	-	2,000
Levy Excess	5,189	-	-	5,189
Comm Corrections-User Fee	509,768	276,328	283,549	502,547
Pre-Trial Diversion	77,938	47,465	60,900	64,503
Supplemental/Cc li	15,498	14,396	9,828	20,066
Jury Payfund	10,038	7,894	9,455	8,477
Co Law Enf Cont Education	1,246	2,920	4,166	-
D.A.R.E. Fund	1,771	14,041	14,660	1,152
Health Dept Donations	7	-	-	7
Park Commemorative Fund	510	1,000	1,022	488
Ema Donation Fund	5,847	5,684	3,771	7,760
Ivy Tech Donation Fund	1,500	-	-	1,500
Health Dept Enforcement Fund	6,189	25	875	5,339
Treasurer Technology Fund	681	2,100	300	2,481
Food & Beverage-First Merchants	1,436,115	2,216,984	950,362	2,702,737
Community Correction-0600	45	278,603	251,552	27,096
Pace Forfeiture Fund	162,014	-	162,014	-
Sheriff Critical Care	314,689	1,497,833	1,469,778	342,744
Haz-Mat Fund	681	-	17	664
Dui Impactfund	33,434	7,000	3,574	36,860
National Road Heritage Trail	524	21,999	22,000	523
Court Alcohol & Drug Program	4,319	51,861	45,756	10,424
Common School Trust Fund	1,064	-	-	1,064
Golf Course Non-Reverting	495,447	14,000	-	509,447
Alter Dispute Resolution	8,113	4,701	8,760	4,054
Medicare Supplemental Retirement	6,405	82,654	83,467	5,592
Retirement-Under 65	2,178	46,010	45,507	2,681
Drug Force Forfeiture	51,264	4,352	33,306	22,310
Bio-Terrorism Grant	-	42,434	23,645	18,789
H1N1 Vaccine Grant	1,773	-	-	1,773
Airport Project Grant	8,009	545,716	549,538	4,187
Rural Correctional Grant	710	-	-	710
Lep Sub-Grant	69	-	-	69
Ema Fire Training/Infrastructure	9	-	-	9
Ema-Let Gis/07 Grant	142	-	135	7

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

Fund	Cash and Investments 01-01-16	Receipts	Disbursements	Cash and Investments 12-31-16
Ema Enhancement Grant	4,188	-	-	4,188
Naccho Health Grant	5,172	-	3,112	2,060
Haz-Mat Response Team Grant	105	-	-	105
Young Women Prg/Just Us	66	-	66	-
Family Court Project Fund	3,353	-	800	2,553
Family Court Grant	866	-	-	866
Park Community Foundation Grant	-	11,869	11,474	395
Ema/Community Foundation Grant	1,200	-	-	1,200
Health Dept Grant Fund	15	-	-	15
Treasurer	1,355,479	1,213,841	1,355,479	1,213,841
Redevelopment Capital Projects	1,449,787	1,001,879	825,898	1,625,768
Redevelopment Debt Service	718,315	93,578	350,225	461,668
Henry Co Redevelopment Commission	122,662	54,614	40,276	137,000
County Option Income Tax Fund	46,932	4,135,008	4,176,941	4,999
Cc Ii Supplemental Pd	1,342	3,565	483	4,424
Planning Enforcement Fund	8,066	-	240	7,826
Wilbur Wright Trails	664	23,530	-	24,194
Airport Leased Ground	28,292	8,138	1,986	34,444
Probation Interstate Fee Fund	63	500	500	63
Riverboat Gambling-Rev Share	-	292,998	292,998	-
Henry Co E-911 Wireless Fund	854	-	-	854
Auditor Ineligible Deduction	9,304	2,497	-	11,801
E-911 City Reimbursement Fund	116,683	247,447	227,005	137,125
Surveyor Drainage Fee Fund	15,157	4,925	561	19,521
Homestead Ineligible-State	3	-	-	3
Hccc Jag Grant/Substance Abuse	4,341	19,687	11,665	12,363
Ema Hazardous Materials Grant	-	7,100	7,100	-
Jdai Grant Fund	70,590	31,479	102,069	-
Campaign Finance Enforcement Fund	750	750	-	1,500
Henry Co Wind Farm Expense	385	-	-	385
Pace State Forfeiture Fund	94,255	119,529	117,311	96,473
Drug Testing/Probation	1,137	8,533	3,821	5,849
Epa Brownfields Grant	-	94,363	94,363	-
Bond Forfeiture Fund	2,000	-	-	2,000
Iedc Motorsports Grant	400,000	-	360,000	40,000
Cc/Prob Reinvestment Grant	104,700	210	84,702	20,208
Loit/Public Safety	-	1,067,345	681,158	386,187
Co Police Pension Trust	4,000	-	-	4,000
Ema/Empg Base Shsp Gant	(1,456)	5,027	3,247	324
Cji/Community Corrections 9 Mo	(335)	11,578	11,243	-
Cji/Community Corrections 3 Mo	(1,960)	2,555	595	-
Edc Donation Fund	-	1,500	-	1,500
Go Bonds 2016	-	2,000,000	67,746	1,932,254
Heritage Barn Fund	-	50	-	50
State Adtf Forfeiture Fund	-	31,151	1,529	29,622
Homeland Security/Cbp	-	26,753	-	26,753
Loit Distribution Fund	-	2,571,121	2,571,121	-
Henry Regional Waste Grant	-	3,780	-	3,780
Ema/Competitive/Nixle	-	11,206	11,206	-
Community Corrections/Tanf	-	9,684	9,014	670
Jabg 1 Yr Cc Grant	-	18,797	17,757	1,040
Veteran"S Court Grant	-	49,207	-	49,207
Probation Reinvestment Grant	-	66,703	29,381	37,322
Loit Special Distribution	-	289,547	-	289,547
2016-17 Jdai Grant	-	51,223	16,945	34,278
Sema	13,433	-	-	13,433
Totals	<u>\$ 14,634,824</u>	<u>\$ 95,536,595</u>	<u>\$ 91,841,817</u>	<u>\$ 18,329,602</u>

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

HENRY COUNTY  
NOTES TO FINANCIAL STATEMENT

**Note 1. Summary of Significant Accounting Policies**

**A. Reporting Entity**

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

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

**B. Basis of Accounting**

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

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

**C. Cash and Investments**

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

**D. Receipts**

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

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

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

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

HENRY 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.

*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.

HENRY 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.

HENRY COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

**Note 5. Risk Management**

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

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

**Note 6. Pension Plans**

*A. Public Employees' Retirement Fund*

*Plan Description*

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

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

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

*Funding Policy and Annual Pension Cost*

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

HENRY COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*B. County Police Retirement Plan*

*Plan Description*

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

*Funding Policy*

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

*C. County Police Benefit Plan*

*Plan Description*

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

*Funding Policy*

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

**Note 7. Restatements**

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

Fund	Balance as of December 31, 2015	Prior Period Adjustment	Balance as of January 1, 2016
Clerk's Trust	\$ 614,730	\$ (59,729)	\$ 555,001
Sheriff's Cash Book	127	(127)	-

HENRY COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 8. *Holding Corporation***

The County has entered into a capital lease with the Henry County Government Center Building Corporation (the lessor). The lessor was organized as a for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the County. The lessor has been determined to be a related-party of the County. Lease payments during the year 2016 totaled \$1,376,000.

**Note 9. *Other Postemployment Benefits***

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

#### 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.

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

	Sheriffs Inmate Trust	Jail Commissary	Clerk's Trust	General	Accident Report	Child Advocacy	City And Town Court Costs
Cash and investments - beginning	\$ 12,377	\$ 24,701	\$ 555,001	\$ 41,159	\$ 1,435	\$ 6,085	\$ 68,700
Receipts:							
Taxes	-	-	-	6,509,723	-	-	-
Licenses and permits	-	-	-	225,131	-	-	-
Intergovernmental receipts	-	-	-	1,135,500	-	-	-
Charges for services	833,362	215,378	-	612,978	4,164	-	-
Fines and forfeits	-	-	4,074,974	217,678	-	100	14,219
Other receipts	-	-	-	519,553	-	-	-
Total receipts	833,362	215,378	4,074,974	9,220,563	4,164	100	14,219
Disbursements:							
Personal services	-	-	-	7,084,717	-	-	-
Supplies	-	-	-	238,412	-	-	-
Other services and charges	-	-	-	1,556,313	-	-	-
Capital outlay	-	-	-	107,787	-	-	-
Other disbursements	830,109	226,825	4,019,381	138,361	5,334	-	-
Total disbursements	830,109	226,825	4,019,381	9,125,590	5,334	-	-
Excess (deficiency) of receipts over disbursements	3,253	(11,447)	55,593	94,973	(1,170)	100	14,219
Cash and investments - ending	\$ 15,630	\$ 13,254	\$ 610,594	\$ 136,132	\$ 265	\$ 6,185	\$ 82,919

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

	Clerk's Records Perpetuation	Community Corrections	Community Transition Program	Congressional School Interest	Congressional School Principal	Sales Disclosure - County Share	Cumulative Bridge
Cash and investments - beginning	\$ 38,741	\$ 62,229	\$ 92,612	\$ 1,630	\$ 21,969	\$ 3,776	\$ 382,215
Receipts:							
Taxes	-	-	-	-	-	-	317,211
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	135,653	41,525	-	-	-	109,194
Charges for services	43,795	-	-	-	-	5,680	-
Fines and forfeits	2,935	-	-	-	-	-	-
Other receipts	1,959	-	-	-	-	-	108,133
Total receipts	48,689	135,653	41,525	-	-	5,680	534,538
Disbursements:							
Personal services	-	137,405	-	-	-	-	79,477
Supplies	-	8,934	-	-	-	-	-
Other services and charges	-	51,543	-	-	-	4,674	-
Capital outlay	-	-	-	-	-	-	256,237
Other disbursements	17,530	-	-	-	-	-	-
Total disbursements	17,530	197,882	-	-	-	4,674	335,714
Excess (deficiency) of receipts over disbursements	31,159	(62,229)	41,525	-	-	1,006	198,824
Cash and investments - ending	\$ 69,900	\$ -	\$ 134,137	\$ 1,630	\$ 21,969	\$ 4,782	\$ 581,039

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

	Cumulative Capital Development	Drug Free Community	Electronic Map Generation	Emergency Planning/Right To Know	Emergency Telephone System	Firearms Training	Food And Beverage Tax
Cash and investments - beginning	\$ 145	\$ 52,853	\$ 1,464	\$ 18,902	\$ 45,575	\$ 17,577	\$ -
Receipts:							
Taxes	203,168	-	-	-	-	-	585,092
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	21,649	-	-	4,368	-	-	-
Charges for services	-	-	656	-	552,475	34,460	-
Fines and forfeits	-	62,496	-	-	-	-	-
Other receipts	4,185	-	-	-	-	-	-
Total receipts	229,002	62,496	656	4,368	552,475	34,460	585,092
Disbursements:							
Personal services	-	-	-	-	444,816	-	-
Supplies	-	-	-	-	1,087	-	-
Other services and charges	229,147	55,415	-	10,139	16,734	-	-
Capital outlay	-	-	-	1,148	235	-	-
Other disbursements	-	-	286	-	-	23,250	585,092
Total disbursements	229,147	55,415	286	11,287	462,872	23,250	585,092
Excess (deficiency) of receipts over disbursements	(145)	7,081	370	(6,919)	89,603	11,210	-
Cash and investments - ending	\$ -	\$ 59,934	\$ 1,834	\$ 11,983	\$ 135,178	\$ 28,787	\$ -

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

	General Drain Improvement	Health	Identification Security Protection	Local Health Maintenance	Local Road And Street	Medical Care For Inmates	Misdemeanant
Cash and investments - beginning	\$ 46,129	\$ 7,169	\$ 58,886	\$ 46,966	\$ 234,737	\$ 1,071	\$ 6,819
Receipts:							
Taxes	-	360,402	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	38,405	-	49,709	415,598	-	33,346
Charges for services	95,407	80,400	4,130	-	-	3,873	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	28,573	-	-	-
Total receipts	95,407	479,207	4,130	78,282	415,598	3,873	33,346
Disbursements:							
Personal services	-	479,784	-	36,274	-	-	-
Supplies	-	-	-	30,546	-	-	-
Other services and charges	-	-	-	28,357	-	-	28,697
Capital outlay	-	-	-	-	355,236	-	-
Other disbursements	60,213	-	10,486	-	-	4,655	-
Total disbursements	60,213	479,784	10,486	95,177	355,236	4,655	28,697
Excess (deficiency) of receipts over disbursements	35,194	(577)	(6,356)	(16,895)	60,362	(782)	4,649
Cash and investments - ending	\$ 81,323	\$ 6,592	\$ 52,530	\$ 30,071	\$ 295,099	\$ 289	\$ 11,468

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

	Motor Vehicle Highway	Park Nonreverting Operating	Plat Book	Rainy Day	Reassessment - 2015	Recorder'S Records Perpetuation	Sex And Violent Offender Administration
Cash and investments - beginning	\$ 924,470	\$ 55,092	\$ 62,898	\$ 203,519	\$ 2,013	\$ 202,376	\$ 10,557
Receipts:							
Taxes	-	89,221	-	-	251,801	-	-
Licenses and permits	2,125	-	-	-	-	-	-
Intergovernmental receipts	2,985,437	9,490	-	-	26,839	-	-
Charges for services	10,398	36,865	14,428	-	1,545	84,635	-
Fines and forfeits	-	-	-	-	-	-	4,480
Other receipts	54,938	553	-	-	-	197	-
Total receipts	3,052,898	136,129	14,428	-	280,185	84,832	4,480
Disbursements:							
Personal services	1,537,390	160,443	-	-	17,915	-	-
Supplies	1,227,431	1,005	-	-	9,633	-	-
Other services and charges	234,311	29,773	-	-	177,536	-	-
Capital outlay	163,870	-	-	-	28,360	-	-
Other disbursements	-	-	122	-	-	98,646	14,300
Total disbursements	3,163,002	191,221	122	-	233,444	98,646	14,300
Excess (deficiency) of receipts over disbursements	(110,104)	(55,092)	14,306	-	46,741	(13,814)	(9,820)
Cash and investments - ending	\$ 814,366	\$ -	\$ 77,204	\$ 203,519	\$ 48,754	\$ 188,562	\$ 737

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

	Supplemental Public Defender Services	Surplus Tax	Surveyor'S Corner Perpetuation	Tax Sale Redemption	Tax Sale Surplus	Local Health Department Trust Account	Vehicle Inspection
Cash and investments - beginning	\$ 3,901	\$ 113,876	\$ 52,134	\$ 6,070	\$ 418,714	\$ 17,034	\$ 112
Receipts:							
Taxes	-	111,167	-	-	468,231	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	38,801	-
Charges for services	-	-	10,185	-	-	-	1,173
Fines and forfeits	12,540	-	-	-	-	-	-
Other receipts	-	-	-	217,562	-	-	-
Total receipts	12,540	111,167	10,185	217,562	468,231	38,801	1,173
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	13,774	93,035	7,023	198,171	506,891	22,982	1,029
Total disbursements	13,774	93,035	7,023	198,171	506,891	22,982	1,029
Excess (deficiency) of receipts over disbursements	(1,234)	18,132	3,162	19,391	(38,660)	15,819	144
Cash and investments - ending	\$ 2,667	\$ 132,008	\$ 55,296	\$ 25,461	\$ 380,054	\$ 32,853	\$ 256

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

	Gal/Casa	County Elected Officials Training	County Offender Transportation Fund	Adult Probation Administrative	Juvenile Probation Administrative	Supplemental Juvenile Probation Services	County User Fee
Cash and investments - beginning	\$ 28,169	\$ 14,389	\$ 3,473	\$ 1,176	\$ -	\$ 30,971	\$ 4,999
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	23,116	-	-	-	-	-	-
Charges for services	1,450	4,129	500	147,416	9,415	-	13,377
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	33,200	-	-	-	-	-	-
Total receipts	57,766	4,129	500	147,416	9,415	-	13,377
Disbursements:							
Personal services	-	-	-	147,905	7,033	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	49,779	1,367	-	687	-	-	16,349
Total disbursements	49,779	1,367	-	148,592	7,033	-	16,349
Excess (deficiency) of receipts over disbursements	7,987	2,762	500	(1,176)	2,382	-	(2,972)
Cash and investments - ending	\$ 36,156	\$ 17,151	\$ 3,973	\$ -	\$ 2,382	\$ 30,971	\$ 2,027

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

	Drainage Maintenance	Drug Task Force	Collection Agency Fees	Donations	Tif Capital Projects	Debt Service	Self-Insurance
Cash and investments - beginning	\$ 1,225,141	\$ 62,353	\$ 204	\$ 24,391	\$ -	\$ 749,405	\$ 198,374
Receipts:							
Taxes	673,015	-	-	-	1,378,622	1,242,353	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	117,883	-
Charges for services	-	71,358	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	22,880	-	-	3,414,193
Total receipts	673,015	71,358	-	22,880	1,378,622	1,360,236	3,414,193
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	107,566	-	-	-	-	3,603,953
Capital outlay	410,276	-	-	-	-	1,376,000	-
Other disbursements	-	-	-	16,071	1,378,622	-	-
Total disbursements	410,276	107,566	-	16,071	1,378,622	1,376,000	3,603,953
Excess (deficiency) of receipts over disbursements	262,739	(36,208)	-	6,809	-	(15,764)	(189,760)
Cash and investments - ending	\$ 1,487,880	\$ 26,145	\$ 204	\$ 31,200	\$ -	\$ 733,641	\$ 8,614

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

	Payroll Clearing	Settlement	Wheel Tax / Surtax Combined	Wheel Tax	Sur Tax	Cvet Agency	Financial Institution Tax
Cash and investments - beginning	\$ -	\$ -	\$ 153,650	\$ 4,855	\$ 91,057	\$ -	\$ -
Receipts:							
Taxes	-	29,895,906	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	1,011,513	104,487	1,123,625	181,660	313,266
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	4,506,424	-	-	-	-	-	-
Total receipts	4,506,424	29,895,906	1,011,513	104,487	1,123,625	181,660	313,266
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	943,779	-	-	-	-
Other disbursements	4,495,747	29,895,906	-	108,803	1,214,681	181,660	313,266
Total disbursements	4,495,747	29,895,906	943,779	108,803	1,214,681	181,660	313,266
Excess (deficiency) of receipts over disbursements	10,677	-	67,734	(4,316)	(91,056)	-	-
Cash and investments - ending	\$ 10,677	\$ -	\$ 221,384	\$ 539	\$ 1	\$ -	\$ -

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

	Cedit Homestead Credit	Homestead Credit Rebate	State Fines And Forfeitures	Infraction Judgements	Overweight Vehicle Fines	Special Death Benefit	Sales Disclosure - State Share
Cash and investments - beginning	\$ 34,653	\$ 665	\$ 1,531	\$ 5,210	\$ -	\$ 385	\$ 590
Receipts:							
Taxes	2,020,901	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	5,232	5,680
Fines and forfeits	-	-	11,881	69,684	2,278	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	2,020,901	-	11,881	69,684	2,278	5,232	5,680
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	2,013,766	-	11,448	70,568	1,812	5,272	5,690
Total disbursements	2,013,766	-	11,448	70,568	1,812	5,272	5,690
Excess (deficiency) of receipts over disbursements	7,135	-	433	(884)	466	(40)	(10)
Cash and investments - ending	\$ 41,788	\$ 665	\$ 1,964	\$ 4,326	\$ 466	\$ 345	\$ 580

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

	Coroners Training & Con't Education	Mortgage Recording Fees - State Share	Child Restraint Violations Fines	Inheritance Tax	Education Plate Fees Agency	Innkeepers Tax Collections	Coit Distribution
Cash and investments - beginning	\$ 721	\$ 220	\$ 75	\$ 993	\$ 38	\$ 19,250	\$ -
Receipts:							
Taxes	-	-	-	-	-	54,240	8,077,998
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	4,352	3,655	-	-	469	-	-
Fines and forfeits	-	-	700	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	4,352	3,655	700	-	469	54,240	8,077,998
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	4,581	3,513	725	-	488	35,351	8,077,998
Total disbursements	4,581	3,513	725	-	488	35,351	8,077,998
Excess (deficiency) of receipts over disbursements	(229)	142	(25)	-	(19)	18,889	-
Cash and investments - ending	\$ 492	\$ 362	\$ 50	\$ 993	\$ 19	\$ 38,139	\$ -

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

	93.563 Prosecutor Pca	93.563 Arra Prosecutor Iv-D Incentive	93.563 Arra Clerk Iv-D Incentive	93.563 Title Iv-D Incentive	93.563 Prosecutor Iv-D Incentive-Prior To Oct '99	93.563 Prosecutor Iv-D Incentive-Post Oct '99	93.563 Clerk Iv-D Incentive-Post Oct '99
Cash and investments - beginning	\$ 10,410	\$ 13,589	\$ 16,203	\$ 4,141	\$ 4,748	\$ 193,620	\$ 60,513
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	12,793	-	29,995	19,937
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	7,897	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	7,897	-	-	12,793	-	29,995	19,937
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	5,359	-	9,446	562	-	75,149	14,409
Total disbursements	5,359	-	9,446	562	-	75,149	14,409
Excess (deficiency) of receipts over disbursements	2,538	-	(9,446)	12,231	-	(45,154)	5,528
Cash and investments - ending	\$ 12,948	\$ 13,589	\$ 6,757	\$ 16,372	\$ 4,748	\$ 148,466	\$ 66,041

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

	Juvenile Programs-Probation	Henry County Youth League	Levy Excess	Comm Corrections-User Fee	Pre-Trial Diversion	Supplemental/Cc li	Jury Payfund
Cash and investments - beginning	\$ 5,379	\$ 2,000	\$ 5,189	\$ 509,768	\$ 77,938	\$ 15,498	\$ 10,038
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	276,258	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	47,044	14,396	7,747
Other receipts	-	-	-	70	421	-	147
Total receipts	-	-	-	276,328	47,465	14,396	7,894
Disbursements:							
Personal services	-	-	-	145,774	23,687	-	-
Supplies	-	-	-	12,455	5,000	-	-
Other services and charges	-	-	-	102,593	28,620	-	-
Capital outlay	-	-	-	18,113	3,593	-	-
Other disbursements	-	-	-	4,614	-	9,828	9,455
Total disbursements	-	-	-	283,549	60,900	9,828	9,455
Excess (deficiency) of receipts over disbursements	-	-	-	(7,221)	(13,435)	4,568	(1,561)
Cash and investments - ending	\$ 5,379	\$ 2,000	\$ 5,189	\$ 502,547	\$ 64,503	\$ 20,066	\$ 8,477

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

	Co Law Enf Cont Education	D.A.R.E. Fund	Health Dept Donations	Park Commemorative Fund	Ema Donation Fund	Ivy Tech Donation Fund	Health Dept Enforcement Fund
Cash and investments - beginning	\$ 1,246	\$ 1,771	\$ 7	\$ 510	\$ 5,847	\$ 1,500	\$ 6,189
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	2,920	-	-	-	-	-	25
Other receipts	-	14,041	-	1,000	5,684	-	-
Total receipts	2,920	14,041	-	1,000	5,684	-	25
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	4,166	14,660	-	1,022	3,771	-	875
Total disbursements	4,166	14,660	-	1,022	3,771	-	875
Excess (deficiency) of receipts over disbursements	(1,246)	(619)	-	(22)	1,913	-	(850)
Cash and investments - ending	\$ -	\$ 1,152	\$ 7	\$ 488	\$ 7,760	\$ 1,500	\$ 5,339

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

	Treasurer Technology Fund	Food & Beverage-First Merchants	Community Correction-0600	Pace Forfeiture Fund	Sheriff Critical Care	Haz-Mat Fund	Dui Impactfund
Cash and investments - beginning	\$ 681	\$ 1,436,115	\$ 45	\$ 162,014	\$ 314,689	\$ 681	\$ 33,434
Receipts:							
Taxes	-	2,212,864	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	278,603	-	-	-	-
Charges for services	2,100	-	-	-	1,480,344	-	-
Fines and forfeits	-	-	-	-	-	-	6,930
Other receipts	-	4,120	-	-	17,489	-	70
Total receipts	2,100	2,216,984	278,603	-	1,497,833	-	7,000
Disbursements:							
Personal services	-	-	169,601	-	937,086	-	-
Supplies	-	-	1,377	-	-	-	-
Other services and charges	-	-	80,529	-	-	-	-
Capital outlay	-	950,362	-	-	-	-	-
Other disbursements	300	-	45	162,014	532,692	17	3,574
Total disbursements	300	950,362	251,552	162,014	1,469,778	17	3,574
Excess (deficiency) of receipts over disbursements	1,800	1,266,622	27,051	(162,014)	28,055	(17)	3,426
Cash and investments - ending	\$ 2,481	\$ 2,702,737	\$ 27,096	\$ -	\$ 342,744	\$ 664	\$ 36,860

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

	National Road Heritage Trail	Court Alcohol & Drug Program	Common School Trust Fund	Golf Course Non-Reverting	Alter Dispute Resolution	Medicare Supplemental Retirement
Cash and investments - beginning	\$ 524	\$ 4,319	\$ 1,064	\$ 495,447	\$ 8,113	\$ 6,405
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	21,999	546	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	51,315	-	-	4,701	-
Other receipts	-	-	-	14,000	-	82,654
Total receipts	21,999	51,861	-	14,000	4,701	82,654
Disbursements:						
Personal services	-	-	-	-	-	83,467
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	22,000	45,756	-	-	8,760	-
Total disbursements	22,000	45,756	-	-	8,760	83,467
Excess (deficiency) of receipts over disbursements	(1)	6,105	-	14,000	(4,059)	(813)
Cash and investments - ending	\$ 523	\$ 10,424	\$ 1,064	\$ 509,447	\$ 4,054	\$ 5,592

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

	Retirement-Under 65	Drug Force Forfeiture	Bio-Terrorism Grant	H1N1 Vaccine Grant	Airport Project Grant	Rural Correctional Grant
Cash and investments - beginning	\$ 2,178	\$ 51,264	\$ -	\$ 1,773	\$ 8,009	\$ 710
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	4,352	42,434	-	545,716	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	46,010	-	-	-	-	-
Total receipts	46,010	4,352	42,434	-	545,716	-
Disbursements:						
Personal services	45,507	-	23,645	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	549,538	-
Other disbursements	-	33,306	-	-	-	-
Total disbursements	45,507	33,306	23,645	-	549,538	-
Excess (deficiency) of receipts over disbursements	503	(28,954)	18,789	-	(3,822)	-
Cash and investments - ending	\$ 2,681	\$ 22,310	\$ 18,789	\$ 1,773	\$ 4,187	\$ 710

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

	Lep Sub-Grant	Ema Fire Training/Infrastructure	Ema-Let Gis/07 Grant	Ema Enhancement Grant	Naccho Health Grant	Haz-Mat Response Team Grant
Cash and investments - beginning	\$ 69	\$ 9	\$ 142	\$ 4,188	\$ 5,172	\$ 105
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-
Disbursements:						
Personal services	-	-	-	-	3,112	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	135	-	-	-
Total disbursements	-	-	135	-	3,112	-
Excess (deficiency) of receipts over disbursements	-	-	(135)	-	(3,112)	-
Cash and investments - ending	\$ 69	\$ 9	\$ 7	\$ 4,188	\$ 2,060	\$ 105

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

	Young Women Prg/Just Us	Family Court Project Fund	Family Court Grant	Park Community Foundation Grant	Ema/Community Foundation Grant	Health Dept Grant Fund
Cash and investments - beginning	\$ 66	\$ 3,353	\$ 866	\$ -	\$ 1,200	\$ 15
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	11,869	-	-
Total receipts	-	-	-	11,869	-	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	66	800	-	11,474	-	-
Total disbursements	66	800	-	11,474	-	-
Excess (deficiency) of receipts over disbursements	(66)	(800)	-	395	-	-
Cash and investments - ending	\$ -	\$ 2,553	\$ 866	\$ 395	\$ 1,200	\$ 15

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

	Treasurer	Redevelopment Capital Projects	Redevelopment Debt Service	Henry Co Redevelopment Commission	County Option Income Tax Fund	Cc li Supplemental Pd
Cash and investments - beginning	\$ 1,355,479	\$ 1,449,787	\$ 718,315	\$ 122,662	\$ 46,932	\$ 1,342
Receipts:						
Taxes	-	-	-	-	4,112,311	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	1,213,841	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	3,565
Other receipts	-	1,001,879	93,578	54,614	22,697	-
Total receipts	1,213,841	1,001,879	93,578	54,614	4,135,008	3,565
Disbursements:						
Personal services	-	-	-	-	376,251	-
Supplies	-	-	-	-	33,687	-
Other services and charges	-	-	-	-	3,207,719	-
Capital outlay	-	-	-	-	202,378	-
Other disbursements	1,355,479	825,898	350,225	40,276	356,906	483
Total disbursements	1,355,479	825,898	350,225	40,276	4,176,941	483
Excess (deficiency) of receipts over disbursements	(141,638)	175,981	(256,647)	14,338	(41,933)	3,082
Cash and investments - ending	\$ 1,213,841	\$ 1,625,768	\$ 461,668	\$ 137,000	\$ 4,999	\$ 4,424

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

	Planning Enforcement Fund	Wilbur Wright Trails	Airport Leased Ground	Probation Interstate Fee Fund	Riverboat Gambling-Rev Share	Henry Co E-911 Wireless Fund
Cash and investments - beginning	\$ 8,066	\$ 664	\$ 28,292	\$ 63	\$ -	\$ 854
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	23,530	-	-	292,998	-
Charges for services	-	-	-	500	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	8,138	-	-	-
Total receipts	-	23,530	8,138	500	292,998	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	240	-	1,986	500	292,998	-
Total disbursements	240	-	1,986	500	292,998	-
Excess (deficiency) of receipts over disbursements	(240)	23,530	6,152	-	-	-
Cash and investments - ending	\$ 7,826	\$ 24,194	\$ 34,444	\$ 63	\$ -	\$ 854

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

	Auditor Ineligible Deduction	E-911 City Reimbursement Fund	Surveyor Drainage Fee Fund	Homestead Ineligible-State	Hccc Jag Grant/Substance Abuse	Ema Hazardous Materials Grant
Cash and investments - beginning	\$ 9,304	\$ 116,683	\$ 15,157	\$ 3	\$ 4,341	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	19,687	6,940
Charges for services	2,497	-	4,925	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	247,447	-	-	-	160
Total receipts	2,497	247,447	4,925	-	19,687	7,100
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	227,005	561	-	11,665	7,100
Total disbursements	-	227,005	561	-	11,665	7,100
Excess (deficiency) of receipts over disbursements	2,497	20,442	4,364	-	8,022	-
Cash and investments - ending	\$ 11,801	\$ 137,125	\$ 19,521	\$ 3	\$ 12,363	\$ -

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

	Jdai Grant Fund	Campaign Finance Enforcement Fund	Henry Co Wind Farm Expense	Pace State Forfeiture Fund	Drug Testing/Probation	Epa Brownfields Grant
Cash and investments - beginning	\$ 70,590	\$ 750	\$ 385	\$ 94,255	\$ 1,137	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	31,479	-	-	44,512	-	94,363
Charges for services	-	-	-	-	8,533	-
Fines and forfeits	-	750	-	-	-	-
Other receipts	-	-	-	75,017	-	-
Total receipts	31,479	750	-	119,529	8,533	94,363
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	102,069	-	-	117,311	3,821	94,363
Total disbursements	102,069	-	-	117,311	3,821	94,363
Excess (deficiency) of receipts over disbursements	(70,590)	750	-	2,218	4,712	-
Cash and investments - ending	\$ -	\$ 1,500	\$ 385	\$ 96,473	\$ 5,849	\$ -

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

	Bond Forfeiture Fund	ledc Motorsports Grant	Cc/Prob Reinvestment Grant	Loit/Public Safety	Co Police Pension Trust	Ema/Empg Base Shsp Gant
Cash and investments - beginning	\$ 2,000	\$ 400,000	\$ 104,700	\$ -	\$ 4,000	\$ (1,456)
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	210	1,067,345	-	5,027
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	-	-	210	1,067,345	-	5,027
Disbursements:						
Personal services	-	-	-	132,698	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	112,246	-	-
Capital outlay	-	-	-	436,214	-	-
Other disbursements	-	360,000	84,702	-	-	3,247
Total disbursements	-	360,000	84,702	681,158	-	3,247
Excess (deficiency) of receipts over disbursements	-	(360,000)	(84,492)	386,187	-	1,780
Cash and investments - ending	\$ 2,000	\$ 40,000	\$ 20,208	\$ 386,187	\$ 4,000	\$ 324

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

	Cji/Community Corrections 9 Mo	Cji/Community Corrections 3 Mo	Edc Donation Fund	Go Bonds 2016	Heritage Barn Fund	State Adtf Forfeiture Fund
Cash and investments - beginning	\$ (335)	\$ (1,960)	\$ -	\$ -	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	11,578	2,555	-	-	-	31,151
Charges for services	-	-	-	-	50	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	1,500	2,000,000	-	-
Total receipts	11,578	2,555	1,500	2,000,000	50	31,151
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	67,746	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	11,243	595	-	-	-	1,529
Total disbursements	11,243	595	-	67,746	-	1,529
Excess (deficiency) of receipts over disbursements	335	1,960	1,500	1,932,254	50	29,622
Cash and investments - ending	\$ -	\$ -	\$ 1,500	\$ 1,932,254	\$ 50	\$ 29,622

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

	Homeland Security/Cbp	Loit Distribution Fund	Henry Regional Waste Grant	Ema/Competitive/Nixle	Community Corrections/Tanf	Jabg 1 Yr Cc Grant
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	26,753	2,571,121	3,780	11,206	9,684	17,757
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	-	1,040
Total receipts	26,753	2,571,121	3,780	11,206	9,684	18,797
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	2,571,121	-	11,206	9,014	17,757
Total disbursements	-	2,571,121	-	11,206	9,014	17,757
Excess (deficiency) of receipts over disbursements	26,753	-	3,780	-	670	1,040
Cash and investments - ending	\$ 26,753	\$ -	\$ 3,780	\$ -	\$ 670	\$ 1,040

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

	Veteran'S Court Grant	Probation Reinvestment Grant	Loit Special Distribution	2016-17 Jdai Grant	Sema	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 13,433	\$ 14,634,824
Receipts:						
Taxes	-	-	-	-	-	58,564,226
Licenses and permits	-	-	-	-	-	227,256
Intergovernmental receipts	49,122	66,563	289,547	51,223	-	13,881,828
Charges for services	-	-	-	-	-	5,625,810
Fines and forfeits	-	-	-	-	-	4,621,255
Other receipts	85	140	-	-	-	12,616,220
Total receipts	49,207	66,703	289,547	51,223	-	95,536,595
Disbursements:						
Personal services	-	21,049	-	-	-	12,095,036
Supplies	-	1,743	-	-	-	1,571,310
Other services and charges	-	2,052	-	-	-	9,735,663
Capital outlay	-	4,537	-	-	-	5,807,663
Other disbursements	-	-	-	16,945	-	62,632,145
Total disbursements	-	29,381	-	16,945	-	91,841,817
Excess (deficiency) of receipts over disbursements	49,207	37,322	289,547	34,278	-	3,694,778
Cash and investments - ending	\$ 49,207	\$ 37,322	\$ 289,547	\$ 34,278	\$ 13,433	\$ 18,329,602

HENRY COUNTY  
SCHEDULE OF PAYABLES AND RECEIVABLES  
December 31, 2016

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 547,266</u>	<u>\$ -</u>

HENRY COUNTY  
SCHEDULE OF LEASES AND DEBT  
December 31, 2016

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Henry County Government Center Building Corporation	Improvements to the Government Center	<u>\$ 1,376,000</u>	07/01/2011	01/10/2024

Type	Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	GENERAL OBLIGATION BONDS 2016	\$ 2,000,000	\$ 340,362
Revenue bonds	REDEVELOPMENT DISTRICT TAX INCREMENT REVENUE BONDS OF 2011	2,195,000	209,488
Revenue bonds	REDEVELOPMENT DISTRICT TAXABLE INCREMENT REVENUE BONDS OF 2011	1,010,000	109,850
Revenue bonds	REDEVELOPMENT DISTRICT TAXABLE TAX INCREMENT REFUNDING BONDS OF 2015	755,000	111,902
Revenue bonds	REDEVELOPMENT DISTRICT TAXABLE TAX INCREMENT REVENUE BONDS OF 2015	1,125,000	74,544
Revenue bonds	ECONOMIC DEVELOPEMENT REVENUE BOND SERIES 2014/BOARSHEAD	12,220,000	-
Revenue bonds	FOOD & BEVERAGE TAX REVENUE & REFUNDING BONDS 2012	1,795,000	182,588
Revenue bonds	FOOD & BEVERAGE TAX REVENUE BONDS 2015	1,610,000	64,644
Notes and loans payable	CLERK ELECTION POLL BOOKS	42,589	11,217
Notes and loans payable	E-911 EQUIPMENT LEASE AGREEMENT	849,454	130,742
Notes and loans payable	2010 LOAN 090202653 / AMBULANCE	9,917	10,018
Notes and loans payable	2013 AMBULANCE LOAN	148,356	42,738
Notes and loans payable	2014 CHIP SPREADER	103,615	36,297
Notes and loans payable	2014 HIGHWAY FREIGHTLINERS	102,687	52,949
Notes and loans payable	2014 PARK LOAN	17,430	17,874
Notes and loans payable	HIGHWAY RECYLER 2016	<u>276,500</u>	<u>58,412</u>
Totals		<u>\$ 24,260,548</u>	<u>\$ 1,453,625</u>

HENRY COUNTY  
SCHEDULE OF CAPITAL ASSETS  
December 31, 2016

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 1,204,710
Infrastructure	32,008,364
Buildings	24,941,264
Improvements other than buildings	2,585,372
Machinery, equipment, and vehicles	<u>14,917,357</u>
Total capital assets	<u>\$ 75,657,067</u>

(This page intentionally left blank.)

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 HENRY COUNTY, INDIANA

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

We have audited Henry 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, 2016. 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.

***Basis for Qualified Opinion on Equitable Sharing Program***

As described in items 2016-003, 2016-004, and 2016-005 in the accompanying Schedule of Findings and Questioned Costs, the County did not comply with requirements regarding Activities Allowed or Unallowed, Subrecipient Monitoring, and Special Tests and Provisions that are applicable to its Equitable Sharing Program. Compliance with such requirements is necessary, in our opinion, for the County to comply with requirements applicable to that program.

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

***Qualified Opinion on Equitable Sharing Program***

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Equitable Sharing Program* paragraph, 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 the Equitable Sharing Program for the year ended December 31, 2016.

***Unmodified Opinion on Each of the Other Major Federal Programs***

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 other major federal programs identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the year ended December 31, 2016.

***Other 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 items 2016-002, 2016-003, 2016-004, and 2016-005, that we consider to be material weaknesses.

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

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

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

  
Paul D. Joyce, CPA  
State Examiner

September 18, 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.

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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient	Total Federal Awards Expended
<u>Department of Justice</u>					
Juvenile Accountability Block Grants	Indiana Criminal Justice Institute	16.523	EDS #D3-16-10020 EDS #D3-16-10275 EDS #D3-16-10281	\$ - - -	\$ 17,757 2,555 11,578
Total - Juvenile Accountability Block Grants				-	31,890
Edward Byrne Memorial Justice Assistance Grant Program	Indiana Criminal Justice Institute	16.738	2013-DJ-BX-0039	-	19,687
Equitable Sharing Program	Direct	16.922	IN0330000-2016	81,381	88,838
Total - Department of Justice				81,381	140,415
<u>Department of Transportation</u>					
Highway Planning and Construction Cluster Highway Planning and Construction Cumulative Bridge	Indiana Department of Transportation	20.205	DES#1173179	-	75,386
Total - Highway Planning and Construction Cluster				-	75,386
Airport Improvement Program	Direct	20.106	3-18-0061-14 3-18-0061-15 3-18-0061-16	- - -	11,450 175,451 293,846
Total - Airport Improvement Program				-	480,747
Interagency Hazardous Materials Public Sector Training and Planning Grants EMA Hazardous Materials	Indiana Department of Homeland Security	20.703	CC4P-6-038B	-	6,940
Total - Department of Transportation				-	563,073
<u>Environmental Protection Agency</u>					
Brownfields Assessment and Cleanup Cooperative Agreements	Direct	66.818	BF00E01550	-	94,363
Total - Environmental Protection Agency				-	94,363
<u>Department of Health and Human Services</u>					
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements Bio-Terrorism Bio-Terrorism	Indiana Department of Health	93.074	FY2016 PHPER2016	- -	14,919 27,515
Total - Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements				-	42,434
Child Support Enforcement	Indiana Department of Child Services	93.563	1504INCSES 1604INCSES 1604INCSES 1704INCSES 1604INCSES 1704INCSES 1604INCSES 1704INCSES 1404IN4005 1504INCSES 1404IN4005 1504INCSES 1404IN4005 1504INCSES	- - - - - - - - - - - - - -	23,852 6,435 128,870 26,188 135,471 47,527 83,169 24,092 3,841 16,096 721 12,072 5,771 24,224
Total - Child Support Enforcement				-	538,329
Total - Department of Health and Human Services				-	580,763
<u>Department of Homeland Security</u>					
Emergency Management Performance Grants EMPG Base SHSP Grant	Indiana Department of Homeland Security	97.042	EWP-2015-EP-00037 38515EMPG000000	- -	8,120 5,027
Total - Emergency Management Performance Grants				-	13,147
Homeland Security Grant Program EMA-NIXLE	Indiana Department of Homeland Security	97.067	EMW-2015-SS-00049-S01	-	11,206
Total - Department of Homeland Security				-	24,353
Total federal awards expended				\$ 81,381	\$ 1,402,967

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

HENRY COUNTY  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1. Basis of Presentation**

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

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

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

HENRY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**Section I - Summary of Auditor's Results**

Financial Statement:

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

Federal Awards:

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

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

CFDA Number	Name of Federal Program or Cluster	Opinion Issued
16.922	Equitable Sharing Program	Qualified
20.106	Airport Improvement Program	Unmodified

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

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

**Section II - Financial Statement Findings**

**FINDING 2016-001**

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

*Repeat Finding*

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2015-001.

*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).

HENRY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

The County had not established effective internal controls over the federal award information entered into the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source of the County's SEFA. The Deputy County Auditor prepared the federal award information entered into Gateway without a control in place to prevent, or detect and correct, errors prior to submission.

*Context*

The SEFA presented for audit contained the following errors:

1. Subrecipient amounts reported for the Equitable Sharing program totaling \$81,381 were not included.
2. State and other non-federal expenditures were included, causing an overstatement of \$31,947.
3. Expenditures for the Child Support Enforcement Program were overstated by \$33,143.
4. Program names, pass-through entities, identifying numbers, and CFDA numbers were not always accurate.

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. . . .

The Green Book identifies a list of control activity categories that are meant only to illustrate the range and variety of control activities; the list is by no means all inclusive, but is reproduced here for reference purposes: . . .

- Accurate and timely recording of transactions. . . ."

2 CFR 200.508 states in part: "The auditee must: . . . (b) Prepare appropriate financial statements, including the schedule of expenditures of Federal Awards in accordance with § 200.510 Financial statements. . . ."

HENRY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

2 CFR 200.510(b) states:

*"Schedule of expenditures of Federal awards.* The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502 Basis for determining Federal awards expended. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

- (1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within a cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available. For a cluster of programs also provide the total for the cluster.
- (4) Include the total amount provided to subrecipients from each Federal program.
- (5) For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.
- (6) Include notes that describe that significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in § 200.414 Indirect (F&A) costs."

*Cause*

The County's management had not established a system of internal control that would have ensured proper reporting of the SEFA.

*Effect*

The failure to establish and properly implement internal controls enabled material misstatements to go undetected. The SEFA contained the error identified in the *Context*.

*Recommendation*

We recommended that the County's management establish controls to ensure accurate reporting of the SEFA.

HENRY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Views of Responsible Officials*

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

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

**FINDING 2016-002**

Subject: Equitable Sharing Program - Level of Effort,  
Reporting, Suspension and Debarment  
Federal Agency: Department of Justice  
Federal Program: Equitable Sharing Program  
CFDA Number: 16.922  
Federal Award Number and Year (or Other Identifying Number): IN0330000-2016  
Compliance Requirements: Matching, Level of Effort, Earmarking; Reporting;  
Procurement and Suspension and Debarment  
Audit Finding: Material Weakness

*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 compliance requirements listed above.

*Level of Effort*

The County had one employee primarily responsible for monitoring compliance with level of effort requirements. There was no segregation of duties documented, such as an oversight, review or approval process, or other compensating control.

*Reporting*

An error was initially submitted on the Equitable Sharing Agreement and Certification and was resubmitted subsequent to the audit period to correct the information reported. Internal controls were ineffective in detecting this error.

*Suspension and Debarment*

The County had one employee primarily responsible for verifying that entities were not suspended or debarred when entering into covered transactions. There was no segregation of duties, such as an oversight, review or approval process, or other compensating control.

*Context*

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

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

HENRY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

(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). . . ."

*Cause*

Management had not developed a system of internal controls that would have ensured compliance with the level of effort, reporting, and suspension and debarment requirements.

*Effect*

The failure to establish an effective internal control system placed the County at risk of non-compliance with the grant agreement and the level of effort, reporting, and suspension and debarment requirements.

*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 compliance requirements listed above.

*Views of Responsible Officials*

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

**FINDING 2016-003**

Subject: Equitable Sharing Program - Activities Allowed or Unallowed  
Federal Agency: Department of Justice  
Federal Program: Equitable Sharing Program  
CFDA Number: 16.922  
Federal Award Number and Year (or Other Identifying Number): IN0330000-2016  
Compliance Requirement: Activities Allowed or Unallowed  
Audit Findings: Material Weakness, Modified Opinion

*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 Activities Allowed or Unallowed compliance requirement. Grant expenditures were reviewed by the department head and the Board of County Commissioners; however, the controls in place did not detect noncompliance.

HENRY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

The County did not comply with the Activities Allowed or Unallowed compliance requirement. The subrecipient of the County paid the salary and fringe benefits of an officer assigned to the PACE team from program funds. These costs of \$22,015 were unallowed and were considered questioned costs because equitable sharing funds may not be used to pay the salaries and benefits of sworn or non-sworn law enforcement personnel.

*Context*

The lack of internal controls and noncompliance were systemic issue throughout the audit period.

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

The U.S. Department of Justice's Guide to Equitable Sharing for State and Local Law Enforcement Agencies pp. 17-22 states in part:

"Shared funds may be used for any permissible agency expenditure and may be used by both sworn and non-sworn law enforcement personnel, except as noted in salaries. The fact that shared property was forfeited by a particular unit or as a result of a particular federal violation does not limit its use to purchases only for that unit or to further investigations only for that particular federal violation. If an agency wishes to support a multi-agency expenditure, such as a new payroll system or city municipal building, with a non-law enforcement agency, the law enforcement agency's costs based on its use may be calculated on a pro-rata basis. . . ."

**3. Salaries**

**Equitable sharing funds may not be used to pay the salaries and benefits of sworn or non-sworn law enforcement personnel.** The purpose of this rule is to protect the integrity of the Asset Forfeiture and Equitable Sharing Programs so that the prospect of receiving equitable sharing funds does not influence, or appear to influence, law enforcement decisions.

**Exceptions:** Equitable sharing funds may be used to pay the salaries and benefits of current law enforcement officers and personnel in the limited situations listed below.

Task force agencies may only pay salaries as a match to a federal grant or officer overtime. To avoid a conflict of interest, at no time can a task force member's full salary be paid with equitable sharing funds.

(1) **Matching federal grants**—Shared funds may be used to pay the match requirement for the salaries and benefits of current sworn and non-sworn law enforcement personnel funded by federal grant programs.

HENRY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

(2) **Overtime of officers and investigators**—Shared funds may be used to pay the overtime and benefits of current sworn and non-sworn law enforcement personnel involved in law enforcement operations.

(3) **Salary of an officer hired to replace an officer assigned to a task force**—Shared funds may be used to pay the salary and benefits of current, sworn law enforcement officers hired to fill vacancies created when a law enforcement agency assigns officers to a task force. The replacement officer cannot engage in the seizure of assets or narcotics law enforcement as a principal duty. A principal duty is a duty that the officer is expected to perform regularly.

In order to pay the replacement officer's salary with equitably shared funds, the task force to which the agency assigned an officer must be a law enforcement entity constituted under federal, state, or local law that is primarily engaged in specific and targeted law enforcement activities involving more than one law enforcement agency. In addition, the chief law enforcement officer of the agency assigning an officer must not maintain direct day-to-day operational control of the task force although he or she may participate in the policy-level control of such task force.

When a law enforcement agency has assigned an officer and paid for the replacement as specified above, and it becomes necessary to return the officer from the task force, the law enforcement agency may continue to use forfeited funds to pay for the salary and benefits of the replacement officer for a period not to exceed six months. . . ."

*Cause*

Management had not developed a system of internal controls that would have ensured compliance with the Activities Allowed or Unallowed compliance requirement.

*Effect*

The failure to establish an effective internal control system placed the County in noncompliance with the grant agreement and the Activities Allowed or Unallowed compliance requirement.

*Questioned Costs*

Known questioned costs of \$22,015 were identified.

*Recommendation*

We recommended that the County's management establish controls related to the grant agreement and the Activities Allowed or Unallowed compliance requirement.

*Views of Responsible Officials*

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

HENRY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

***FINDING 2016-004***

Subject: Equitable Sharing Program - Subrecipient Monitoring  
Federal Agency: Department of Justice  
Federal Program: Equitable Sharing Program  
CFDA Number: 16.922  
Federal Award Number and Year (or Other Identifying Number): IN033000-2016  
Compliance Requirement: Subrecipient Monitoring  
Audit Findings: Material Weakness, Modified Opinion

*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 Subrecipient Monitoring compliance requirement.

A portion of equitable sharing funds received by the County was transferred to other law enforcement agencies who participated on the PACE team. The County did not comply with subrecipient monitoring requirements to ensure that the law enforcement agencies complied with federal requirements. The County reviewed reimbursement requests submitted by the law enforcement agencies, but the supporting documentation presented was not sufficient to ensure that the law enforcement agencies complied with the program requirements. No evidence of site visits or other monitoring procedures was presented for audit.

The County's monitoring procedures did not detect that funds transferred to other law enforcement agencies were used for unallowable purposes. Salary and fringe benefits of \$22,015 were paid to an officer assigned to the PACE team as discussed in Finding 2016-003.

*Context*

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

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.331 states in part:

"All pass-through entities must: . . .

(d) Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved. . . ."

HENRY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Cause*

Management had not developed a system of internal controls that would have ensured compliance with the subrecipient monitoring requirements.

*Effect*

The failure to establish an effective internal control system placed the County in noncompliance with the grant agreement and the Subrecipient Monitoring compliance requirement.

*Questioned Costs*

Known questioned costs of \$22,015 were identified as discussed in Finding 2016-003.

*Recommendation*

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

*Views of Responsible Officials*

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

**FINDING 2016-005**

Subject: Equitable Sharing Program - Special Tests and Provisions  
Federal Agency: Department of Justice  
Federal Program: Equitable Sharing Program  
CFDA Number: 16.922  
Federal Award Number and Year (or Other Identifying Number): IN033000-2016  
Compliance Requirement: Special Tests and Provisions  
Audit Findings: Material Weakness, Modified Opinion

*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 Special Tests and Provisions compliance requirement. The County did not comply with the special tests and provisions as follows:

1. The County did not maintain separate revenue accounts or accounting codes to be used solely for Equitable Sharing Program funds.
2. Equitable Sharing Program funds were commingled with funds from other sources.
3. Interest income earned on Equitable Sharing Program funds was not receipted into the funds used to account for the shared funds.

*Context*

The lack of internal controls and noncompliance were systemic issues, which occurred throughout the audit period.

HENRY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*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). . . ."

The U.S. Department of Justice's Guide to Equitable Sharing for State and Local Law Enforcement Agencies p. 26 states in part:

"The state or local participating law enforcement agency must:

1. Establish a separate revenue account or accounting code through the agency's finance department for the proceeds from the Department of Justice Equitable Sharing Program. This account or accounting code will be used solely for funds from the Department of Justice Equitable Sharing Program. No other funds may be included in this account or with this accounting code. . . .
2. Not commingle Department of Justice equitable sharing funds with funds from any other source. Corrective measures must be taken if this occurs.
3. Deposit any interest income earned on equitably shared funds in the same revenue account or under the accounting code established solely for the shared funds.
4. Maintain a log and copies of all Forms DAG-71 forwarded to the Department of Justice. A consecutive numbering system should be used for control purposes. The log should contain seizure type (property or currency), amount, share amount requested, amount received, and date received.
5. Update the log when an E-Share notification is received. The amount received may differ from the amount requested. . . ."

*Cause*

Management had not developed a system of internal controls that would have ensured compliance with the Special Tests and Provisions compliance requirement.

*Effect*

The failure to establish an effective internal control system placed the County in noncompliance with the grant agreement and the Special Tests and Provisions compliance requirement.

*Questioned Costs*

There were no questioned costs identified.

HENRY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Recommendation*

We recommended that the County's management establish controls related to the grant agreement and the Special Tests and Provisions 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 DOCUMENTS

The subsequent documents were provided by management of the County. The documents are presented as intended by the County.

Patricia A. French  
Henry County Auditor  
101 South Main Street  
New Castle IN 47362  
(765) 529-2800

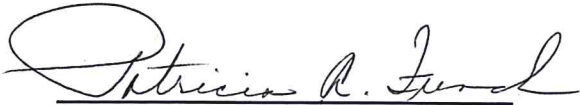
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

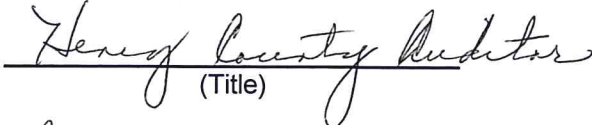
**FINDING 2015-001**

Fiscal year in which the finding initially occurred: 2015  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: IN0330000-2015  
Contact Person Responsible for Corrective Action: Patricia A. French  
Contact Phone Number: (765) 529-2800

Status of Audit Finding:

We concur with the finding. Due to being audited for two (2) consecutive years, we had no opportunity to correct the SEFA schedule timely. The Equitable Sharing Program was audited in 2018 for years 2016 and 2017 with audit adjustments being made to the SEFA report at that time. The Auditor and the Chief Deputy Auditor for internal controls both separately check the SEFA schedule so it is monitored and reviewed. There were no SEFA findings for 2017.

  
(Signature)

  
(Title)

  
(Date)

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)

**HENRY COUNTY TREASURER  
101 SOUTH MAIN STREET  
NEW CASTLE IN 47362  
765-529-4404**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**FINDING 2015-002**

Fiscal year in which the finding initially occurred:	2015
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct:	N/A
Contact Person Responsible for Corrective Action:	Byron Gene Bundy, Jr.
Contact Phone Number:	765-529-4404

**Status of Audit Finding:**

The CAR-1 report now includes the Excise Tax and Cedit Tax, to insure proper and correct control. When the CAR-1 report goes to the Auditors Office the financial statement now contains all the required information that was suggested by the State Board of accounts to provide a more secure checks and balance system.

  
(Signature)

Henry County Treasurer  
(Title)

8-28-18

(Date)

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)

Patricia A. French  
Henry County Auditor  
101 South Main Street  
New Castle IN 47362  
(765) 529-2800

CORRECTIVE ACTION PLAN

**FINDING 2016-001**

Contact Person Responsible for Corrective Action: Patricia A. French  
Contact Phone Number: (765) 529-2800

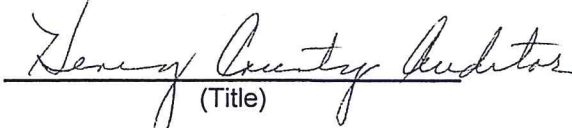
Views of Responsible Official: Patricia A. French

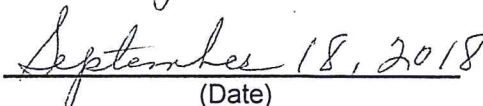
Description of Corrective Action Plan:

We concur with the finding. The SEFA schedule for 2016 has been corrected. Unfortunately, the timeliness of our audit, we had no opportunity to correct the SEFA schedule. The Auditor and the Chief Deputy Auditor for internal controls both separately check the SEFA schedule so it is monitored and reviewed. We have always strived to adhere to internal control procedures for Henry County.

Anticipated Completion Date: Correction completed in 2017.

  
Patricia A. French  
(Signature)

  
Henry County Auditor  
(Title)

  
September 18, 2018  
(Date)



RIC McCORKLE  
SHERIFF

## OFFICE OF HENRY COUNTY SHERIFF

127 North 12<sup>th</sup> Street New Castle, IN 47362

Law Enforcement Division

112 S Main Street, New Castle, IN 47362

September 11, 2018

### Corrective Action Plan

***Finding 2016-002***

Fiscal year in which the finding initially occurred: 2016

Federal Grantor Agency: Department of Justice

Contact Person Responsible for Corrective Action: Sheriff Ric McCorkle, Matron Rebecca Baker, Sgt James Goodwin

Contact Phone Number: 765-521-7033

Status of Audit Finding:

Asset Forfeiture and Seizure Fund Management 16-1-37 implemented 4-25-18 to include subrecipient monitoring and management and all employees who may handle income or disbursements have completed and signed off on training. A copy of the status of each participating agency shall be included with the claim submitted for payment to the auditor for control and verification.

***Finding 2016-003***

Fiscal year in which the finding initially occurred: 2014

Federal Grantor Agency: Department of Justice

Contact Person Responsible for Corrective Action: Sheriff Ric McCorkle, Matron Rebecca Baker, Sgt James Goodwin

Contact Phone Number: 765-521-7033

Status of Audit Finding:

Asset Forfeiture and Seizure Fund Management 16-1-37 implemented 4-25-18 to include internal controls that reference the Guide to Equitable Sharing allowable purchases. The Matron shall as the identified accounting contact for the US Dept of Justice shall insure all updates and or changes are made to 16-1-37 if applicable and meet the federal requirements.

**Finding 2016-004**

Fiscal year in which the finding initially occurred: 2014

Federal Grantor Agency: Department of Justice

Contact Person Responsible for Corrective Action: Sheriff Ric McCorkle, Matron Rebecca Baker, Sgt James Goodwin

Contact Phone Number: 765-521-7033

Status of Audit Finding:

Asset Forfeiture and Seizure Fund Management 16-1-37 implemented 4-25-18 to include internal controls that reference the Guide to Equitable Sharing allowable purchases and sub recipient monitoring. Participating agencies shall and have agreed to provide a monthly report of expenditures and claims for verification.

**Finding 2016-005**

Fiscal year in which the finding initially occurred: 2014

Federal Grantor Agency: Department of Justice

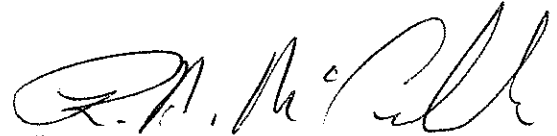
Contact Person Responsible for Corrective Action: Sheriff Ric McCorkle, Matron Rebecca Baker, Sgt James Goodwin

Contact Phone Number: 765-521-7033

Status of Audit Finding:

Asset Forfeiture and Seizure Fund Management 16-1-37 implemented 4-25-18 to include internal controls to verify the funds received, budgeted and spent are reported correctly. The treasurer opened a savings account for fund 4929 to store federal funds received on 4/25/2018 from the US Dept of Justice and shall provide a copy of the monthly bank statement for review to the matron and the auditor shall provide a transaction history by account to insure the interest is deposited.

The HC Auditor has set up a separate revenue account for US Department of Justice Funds and the HC Treasurer has deposited these funds in a separate interest-bearing bank account and interest earned shall be recorded and verified monthly from the transaction history report provided to the matron on a monthly basis. The county ordinance was also updated to reflect the separate funds and shall be monitored according the Asset Forfeiture and Seizure Fund Management 16-1-37 implemented 4-25-18. Annually, the council will be asked to state in an email that no federal forfeiture funds have been appropriated for controls.



(Signature)



(Title)



(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/>.