

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF
ORANGE COUNTY, INDIANA
January 1, 2018 to December 31, 2018



FILED
06/28/2019

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	10-11
Notes to Financial Statement	12-16
Other Information - Unaudited:	
Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis	18-42
Schedule of Payables and Receivables	43
Schedule of Leases and Debt	44
Schedule of Capital Assets.....	45
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance for the Major Federal Program and on Internal Control over Compliance	48-49
Schedule of Expenditures of Federal Awards and Accompanying Notes:	
Schedule of Expenditures of Federal Awards.....	52
Notes to Schedule of Expenditures of Federal Awards	53
Schedule of Findings and Questioned Costs	54-55
Auditee-Prepared Document:	
Corrective Action Plan	58
Other Reports.....	59

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Lonnie Stroud	01-01-17 to 12-31-20
County Treasurer	Billie Deel	01-01-17 to 12-31-20
Clerk of the Circuit Court	Beth Jones	01-01-17 to 12-31-20
County Sheriff	Joshua Babcock	01-01-15 to 12-31-22
County Recorder	Sandy Hill	01-01-17 to 12-31-20
President of the Board of County Commissioners	Richard W. Dixon	01-01-18 to 12-31-19
President of the County Council	Robin Stackhouse Matt Henderson	01-01-18 to 12-31-18 01-01-19 to 12-31-19



INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF ORANGE COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of Orange County (County), which comprises the financial position and results of operations for the year ended December 31, 2018, 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, 2018.

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, 2018, 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 May 14, 2019, 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

May 14, 2019



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 ORANGE 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 Orange County (County), which comprises the financial position and results of operations for the year ended December 31, 2018, and the related notes to the financial statement, and have issued our report thereon dated May 14, 2019, 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 2018-001, 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Orange 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

May 14, 2019

(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.

ORANGE COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND
INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2018

Fund	Cash and Investments		Cash and Investments	
	01-01-18	Receipts	Disbursements	12-31-18
General	\$ 457,499	\$ 4,412,246	\$ 4,010,167	\$ 859,578
Accident Report	7,317	1,427	-	8,744
CEDIT County Share	195,039	495,838	529,273	161,604
City and Town Court Costs	97,845	5,690	-	103,535
Clerk's Records Perpetuation	39,422	12,050	886	50,586
Sales Disclosure - County Share	13,982	3,035	-	17,017
Cumulative Bridge	997,739	639,767	992,002	645,504
Cumulative Capital Development	479,884	295,893	216,459	559,318
Cumulative Courthouse	5,523	-	5,523	-
Drug Free Community	34,192	41,485	64,000	11,677
Emergency Planning/Right to Know	17,809	-	-	17,809
Enhanced Access Fund	1,258	4,762	5,363	657
Firearms Training	21,403	7,838	14,288	14,953
Health	23,924	103,695	110,726	16,893
Identification Security Protection	15,002	3,276	13,236	5,042
Levy Excess	99	-	99	-
Local Health Maintenance	14,938	39,423	46,249	8,112
Local Road and Street	118,124	307,250	130,752	294,622
LOIT Public Safety - County Share	-	940,012	751,374	188,638
Misdemeanant	20,773	12,985	8,954	24,804
Motor Vehicle Highway	806,036	2,921,235	2,726,375	1,000,896
Park Nonreverting Operating	25,705	5,065	8,854	21,916
Plat Book	9,952	9,100	4,770	14,282
Rainy Day	786	-	-	786
Reassessment - 2015	353,951	266,349	268,259	352,041
Recorder's Records Perpetuation	28,426	48,084	5,230	71,280
Riverboat	1,120,654	1,604,237	821,512	1,903,379
Sex and Violent Offender Administration	4,456	1,484	207	5,733
Supplemental Public Defender Services	9,039	39,225	5,507	42,757
Surplus Tax	22,652	16,309	35,626	3,335
Surveyor's Corner Perpetuation	37,297	16,255	1,641	51,911
Tax Sale Redemption	11,764	10,545	22,309	-
Tax Sale Surplus	215,625	119,259	51,275	283,609
Local Health Department Trust Account	735	16,364	6,440	10,659
Vehicle Inspection	5,289	5	-	5,294
Victim Impact Program	2	-	-	2
GAL/CASA	-	96,902	26,040	70,862
County Elected Officials Training	2,775	3,277	1,873	4,179
Statewide 911	197,949	375,822	357,298	216,473
Corrections LIT	-	40,574	40,574	-
Adult Probation Administrative	42,193	206,306	117,628	130,871
Juvenile Probation Administrative	6,009	7,140	3,912	9,237
Alternative Dispute Resolution	24,667	2,100	1,699	25,068
User-Drug Treatment Program	192,043	131,560	92,525	231,078
Convention Center Operating	13,418	43,425	40,695	16,148
Payroll Clearing	-	573,186	573,186	-
Payroll Withholding - Insurance	15,667	1,027,679	1,034,913	8,433
Payroll Withholding - Deferred Compensation	-	1,300	1,300	-
Payroll Withholding - Federal	363	287,454	287,817	-
Settlement	-	15,129,103	15,129,103	-
CVET Agency	-	206,423	206,423	-
Sewage Collections	2,008	28,439	25,567	4,880
Financial Institution Tax	-	98,177	98,177	-
State Fines and Forfeitures	94	401	433	62
Infraction Judgment	744	6,004	6,637	111
Special Death Benefit	325	2,330	2,540	115
Sales Disclosure - State Share	300	3,035	3,050	285
Coroners Training & Con't Education	91	1,660	1,562	189
Interstate Compact - State Share	225	810	795	240
Mortgage Recording Fees - State Share	125	1,718	1,665	178
Sex and Violent Offender Admin - State	20	165	175	10
Inheritance Tax	249	-	-	249
Education Plate Fees Agency	244	262	506	-
Riverboat Revenue Sharing	-	2,582,974	2,582,974	-
Innkeepers Tax Collections	899,158	1,202,868	1,046,630	1,055,396

ORANGE COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND
INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2018

Fund	Cash and Investments 01-01-18	Receipts	Disbursements	Cash and Investments 12-31-18
93.563 ARRA Clerk IV-D Incentive	386	-	386	-
93.563 Prosecutor IV-D Incentive-Post Oct '99	2,866	12,659	5,750	9,775
93.563 Clerk IV-D Incentive-Post Oct '99	28,292	8,425	4,129	32,588
14.228 CDBG PF-15-200	-	500,000	500,000	-
CFDA 97.047 Pre-Disaster Mitigation	(16,656)	16,656	-	-
Community Crossing Grant	-	639,100	637,737	1,363
User - Pre-Trial Diversion	159,362	64,392	36,951	186,803
User - Law Enforcement Education	43,613	3,324	4,013	42,924
User - Jury Duty	3,136	1,917	-	5,053
User - Pros. Drug Investigation	7,950	9,953	13,873	4,030
County Drug Fund - Probation	26,538	14,658	11,230	29,966
American Family Insurance	870	12,317	13,187	-
Conseco Insurance	-	9,083	9,083	-
Dental	2,634	32,655	31,741	3,548
Life Insurance	1,253	16,271	17,320	204
Boston Mutual Life Insurance	-	4,631	4,631	-
Vision	313	6,742	6,111	944
Air Evac	-	3,929	3,929	-
Liberty National	-	14,929	14,929	-
Unemployment	-	2,628	2,628	-
AUL Retirement	-	39,570	39,570	-
Colonial Life	-	687	687	-
Pre-Paid Legal Inc	-	311	311	-
Indiana Sheriff's 457(b) Plan	-	520	520	-
Hooiser Start	-	3,192	3,192	-
Withholding - PERF	1,254	444,845	446,099	-
Withholding - State Tax	-	188,759	188,759	-
Garnishment	-	24,823	24,823	-
Sheriff's Pension	1,925	25,880	27,805	-
LIT Certified Share Clearing Fund	-	3,223,256	3,223,256	-
LIT Public Safety Clearing Fund	-	1,611,628	1,611,628	-
LIT EDIT Clearing Fund	-	810,158	810,158	-
Courthouse Bond Redemption	1,042,728	61,335	-	1,104,063
After Settlement Collections	615,464	513,339	615,464	513,339
Inmate Trust Fund	14,253	347,142	319,897	41,498
Commissary	132,885	275,594	220,376	188,103
Circuit Court Clerk Child Support	1,099	357,769	355,696	3,172
Clerk Acct #4712010	153,486	15	2,000	151,501
Clerk Odyssey #107702810	759,985	1,811,336	1,785,249	786,072
Orange Co Law Enforcement Cont	1,062	1,317	1,086	1,293
Region 15 Planning	483	8,966	8,928	521
Wolfe Cemetery Fund	10,000	151	151	10,000
Sheriff Donations	189	-	176	13
Truck Hauling Permits	4,553	675	-	5,228
Sheriff Walmart Grant	188	-	-	188
Rule 5 Fund	1,447	450	1,735	162
911 PSAP - County Share	-	80,582	19,441	61,141
Personal Property Business Audit	46,911	40,699	14,255	73,355
Payment in Lieu of Taxes	-	107,529	107,529	-
French Lick Airport Road 300 S	(28,537)	-	-	(28,537)
97.042 EMPGCOMPENMA	144	-	-	144
Operation Pullover	1,392	-	-	1,392
Section 5311 Transportation	-	310,107	310,107	-
Emergency Preparedness Grant	(4,150)	13,995	13,989	(4,144)
Probation Grant Salary	17,883	63,000	60,646	20,237
Title IV-D Incentive	59,384	8,436	18,957	48,863
Adapt - Substance Abuse Program	3,346	-	-	3,346
Clerk HHS Grant	2,459	-	-	2,459
Drug Testing - Probation	549	-	-	549
Totals	<u>\$ 9,713,747</u>	<u>\$ 46,211,617</u>	<u>\$ 44,093,171</u>	<u>\$ 11,832,193</u>

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

ORANGE COUNTY
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

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

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

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

ORANGE COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

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

E. Disbursements

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

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

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

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

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

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

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.

ORANGE 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.

ORANGE 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.

ORANGE COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

B. County Police Retirement Plan

Plan Description

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

Funding Policy

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

C. County Police Benefit Plan

Plan Description

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

Funding Policy

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

Note 7. Cash Balance Deficits

The financial statement contains two funds with deficits in cash. For the Emergency Preparedness Grant fund, this is a result of the fund being set up as a reimbursable grant, and the reimbursements for expenditures had not been received by December 31, 2018. The deficit balance in the French Lick Airport Road 300 S fund was the result of expenses exceeding revenues for which the County is trying to recover.

Note 8. Combined Funds

Funds related to the Riverboat Admission Tax fund and the Riverboat Revenue Sharing fund were reported individually in the prior financial statement, but were combined into one fund, the Riverboat Revenue Sharing fund, for the current financial statement.

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.

ORANGE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	General	Accident Report	CEDIT County Share	City and Town Court Costs	Clerk's Records Perpetuation
Cash and investments - beginning	\$ 457,499	\$ 7,317	\$ 195,039	\$ 97,845	\$ 39,422
Receipts:					
Taxes	2,010,950	-	495,838	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	1,736,400	-	-	-	-
Charges for services	420,339	862	-	-	-
Fines and forfeits	61,008	-	-	5,690	12,050
Other receipts	183,549	565	-	-	-
Total receipts	<u>4,412,246</u>	<u>1,427</u>	<u>495,838</u>	<u>5,690</u>	<u>12,050</u>
Disbursements:					
Personal services	2,316,546	-	-	-	-
Supplies	210,277	-	-	-	-
Other services and charges	1,450,358	-	529,273	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	10,927	-	-	-	886
Other disbursements	22,059	-	-	-	-
Total disbursements	<u>4,010,167</u>	<u>-</u>	<u>529,273</u>	<u>-</u>	<u>886</u>
Excess (deficiency) of receipts over disbursements	<u>402,079</u>	<u>1,427</u>	<u>(33,435)</u>	<u>5,690</u>	<u>11,164</u>
Cash and investments - ending	<u>\$ 859,578</u>	<u>\$ 8,744</u>	<u>\$ 161,604</u>	<u>\$ 103,535</u>	<u>\$ 50,586</u>

ORANGE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Sales Disclosure - County Share	Cumulative Bridge	Cumulative Capital Development	Cumulative Courthouse	Drug Free Community
Cash and investments - beginning	\$ 13,982	\$ 997,739	\$ 479,884	\$ 5,523	\$ 34,192
Receipts:					
Taxes	-	458,560	261,808	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	180,614	34,085	-	-
Charges for services	3,035	-	-	-	-
Fines and forfeits	-	40	-	-	41,485
Other receipts	-	553	-	-	-
Total receipts	<u>3,035</u>	<u>639,767</u>	<u>295,893</u>	<u>-</u>	<u>41,485</u>
Disbursements:					
Personal services	-	204,739	-	-	-
Supplies	-	188,112	-	-	-
Other services and charges	-	156,600	128,228	-	64,000
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	442,551	88,231	-	-
Other disbursements	-	-	-	5,523	-
Total disbursements	<u>-</u>	<u>992,002</u>	<u>216,459</u>	<u>5,523</u>	<u>64,000</u>
Excess (deficiency) of receipts over disbursements	<u>3,035</u>	<u>(352,235)</u>	<u>79,434</u>	<u>(5,523)</u>	<u>(22,515)</u>
Cash and investments - ending	<u>\$ 17,017</u>	<u>\$ 645,504</u>	<u>\$ 559,318</u>	<u>\$ -</u>	<u>\$ 11,677</u>

ORANGE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Emergency Planning/ Right to Know	Enhanced Access Fund	Firearms Training	Health	Identification Security Protection
Cash and investments - beginning	\$ 17,809	\$ 1,258	\$ 21,403	\$ 23,924	\$ 15,002
Receipts:					
Taxes	-	-	-	58,707	-
Licenses and permits	-	-	2,618	-	-
Intergovernmental receipts	-	-	-	7,643	-
Charges for services	-	4,762	5,220	35,620	3,276
Fines and forfeits	-	-	-	-	-
Other receipts	-	-	-	1,725	-
Total receipts	-	4,762	7,838	103,695	3,276
Disbursements:					
Personal services	-	-	-	105,633	-
Supplies	-	-	-	1,923	-
Other services and charges	-	-	-	3,170	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	-	5,363	14,288	-	13,236
Total disbursements	-	5,363	14,288	110,726	13,236
Excess (deficiency) of receipts over disbursements	-	(601)	(6,450)	(7,031)	(9,960)
Cash and investments - ending	\$ 17,809	\$ 657	\$ 14,953	\$ 16,893	\$ 5,042

ORANGE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Levy Excess	Local Health Maintenance	Local Road and Street	LOIT Public Safety - County Share	Misdemeanant
Cash and investments - beginning	\$ 99	\$ 14,938	\$ 118,124	\$ -	\$ 20,773
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	39,423	306,626	934,369	12,985
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Other receipts	-	-	624	5,643	-
Total receipts	<u>-</u>	<u>39,423</u>	<u>307,250</u>	<u>940,012</u>	<u>12,985</u>
Disbursements:					
Personal services	-	41,869	-	541,209	8,954
Supplies	-	4,293	103,422	68,681	-
Other services and charges	-	87	27,330	81,898	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	59,586	-
Other disbursements	99	-	-	-	-
Total disbursements	<u>99</u>	<u>46,249</u>	<u>130,752</u>	<u>751,374</u>	<u>8,954</u>
Excess (deficiency) of receipts over disbursements	<u>(99)</u>	<u>(6,826)</u>	<u>176,498</u>	<u>188,638</u>	<u>4,031</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 8,112</u>	<u>\$ 294,622</u>	<u>\$ 188,638</u>	<u>\$ 24,804</u>

ORANGE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Motor Vehicle Highway	Park Nonreverting Operating	Plat Book	Rainy Day	Reassessment - 2015
Cash and investments - beginning	\$ 806,036	\$ 25,705	\$ 9,952	\$ 786	\$ 353,951
Receipts:					
Taxes	36,267	2,380	-	-	235,627
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	2,866,259	310	-	-	30,679
Charges for services	-	2,375	9,100	-	-
Fines and forfeits	-	-	-	-	-
Other receipts	18,709	-	-	-	43
Total receipts	<u>2,921,235</u>	<u>5,065</u>	<u>9,100</u>	<u>-</u>	<u>266,349</u>
Disbursements:					
Personal services	1,222,929	1,500	-	-	134,410
Supplies	1,022,546	430	-	-	1,533
Other services and charges	336,864	5,946	-	-	132,316
Debt service - principal and interest	142,034	-	-	-	-
Capital outlay	2,002	978	4,770	-	-
Other disbursements	-	-	-	-	-
Total disbursements	<u>2,726,375</u>	<u>8,854</u>	<u>4,770</u>	<u>-</u>	<u>268,259</u>
Excess (deficiency) of receipts over disbursements	<u>194,860</u>	<u>(3,789)</u>	<u>4,330</u>	<u>-</u>	<u>(1,910)</u>
Cash and investments - ending	<u>\$ 1,000,896</u>	<u>\$ 21,916</u>	<u>\$ 14,282</u>	<u>\$ 786</u>	<u>\$ 352,041</u>

ORANGE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Recorder's Records Perpetuation	Riverboat	Sex and Violent Offender Administration	Supplemental Public Defender Services	Surplus Tax
Cash and investments - beginning	\$ 28,426	\$ 1,120,654	\$ 4,456	\$ 9,039	\$ 22,652
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	1,390,787	-	-	-
Charges for services	48,084	213,450	1,484	-	-
Fines and forfeits	-	-	-	-	-
Other receipts	-	-	-	39,225	16,309
Total receipts	48,084	1,604,237	1,484	39,225	16,309
Disbursements:					
Personal services	2,530	536,016	-	-	-
Supplies	-	13,609	-	-	-
Other services and charges	-	23,353	-	4,997	-
Debt service - principal and interest	-	188,056	-	-	-
Capital outlay	2,700	20,478	-	-	-
Other disbursements	-	40,000	207	510	35,626
Total disbursements	5,230	821,512	207	5,507	35,626
Excess (deficiency) of receipts over disbursements	42,854	782,725	1,277	33,718	(19,317)
Cash and investments - ending	\$ 71,280	\$ 1,903,379	\$ 5,733	\$ 42,757	\$ 3,335

ORANGE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Surveyor's Corner Perpetuation	Tax Sale Redemption	Tax Sale Surplus	Local Health Department Trust Account	Vehicle Inspection
Cash and investments - beginning	\$ 37,297	\$ 11,764	\$ 215,625	\$ 735	\$ 5,289
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	16,364	-
Charges for services	16,255	-	-	-	5
Fines and forfeits	-	-	-	-	-
Other receipts	-	10,545	119,259	-	-
Total receipts	16,255	10,545	119,259	16,364	5
Disbursements:					
Personal services	-	-	-	2,818	-
Supplies	-	-	-	654	-
Other services and charges	1,230	5,000	-	2,090	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	411	-	-	878	-
Other disbursements	-	17,309	51,275	-	-
Total disbursements	1,641	22,309	51,275	6,440	-
Excess (deficiency) of receipts over disbursements	14,614	(11,764)	67,984	9,924	5
Cash and investments - ending	\$ 51,911	\$ -	\$ 283,609	\$ 10,659	\$ 5,294

ORANGE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Victim Impact Program	GAL/CASA	County Elected Officials Training	Statewide 911	Corrections LIT
Cash and investments - beginning	\$ 2	\$ -	\$ 2,775	\$ 197,949	\$ -
Receipts:					
Taxes	-	-	-	-	40,574
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	26,128	-	-	-
Charges for services	-	-	3,276	361,139	-
Fines and forfeits	-	-	-	-	-
Other receipts	-	70,774	1	14,683	-
Total receipts	-	96,902	3,277	375,822	40,574
Disbursements:					
Personal services	-	17,775	-	288,718	-
Supplies	-	1,205	-	-	-
Other services and charges	-	5,529	1,873	67,736	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	1,531	-	844	-
Other disbursements	-	-	-	-	40,574
Total disbursements	-	26,040	1,873	357,298	40,574
Excess (deficiency) of receipts over disbursements	-	70,862	1,404	18,524	-
Cash and investments - ending	\$ 2	\$ 70,862	\$ 4,179	\$ 216,473	\$ -

ORANGE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Adult Probation Administrative	Juvenile Probation Administrative	Alternative Dispute Resolution	User-Drug Treatment Program	Convention Center Operating
Cash and investments - beginning	\$ 42,193	\$ 6,009	\$ 24,667	\$ 192,043	\$ 13,418
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	206,306	7,140	2,100	131,560	-
Other receipts	-	-	-	-	43,425
Total receipts	<u>206,306</u>	<u>7,140</u>	<u>2,100</u>	<u>131,560</u>	<u>43,425</u>
Disbursements:					
Personal services	64,388	-	-	75,299	8,261
Supplies	6,069	-	-	2,721	4,309
Other services and charges	44,151	1,587	-	11,417	28,125
Debt service - principal and interest	-	-	-	-	-
Capital outlay	2,665	2,325	-	2,126	-
Other disbursements	355	-	1,699	962	-
Total disbursements	<u>117,628</u>	<u>3,912</u>	<u>1,699</u>	<u>92,525</u>	<u>40,695</u>
Excess (deficiency) of receipts over disbursements	<u>88,678</u>	<u>3,228</u>	<u>401</u>	<u>39,035</u>	<u>2,730</u>
Cash and investments - ending	<u>\$ 130,871</u>	<u>\$ 9,237</u>	<u>\$ 25,068</u>	<u>\$ 231,078</u>	<u>\$ 16,148</u>

ORANGE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Payroll Clearing	Payroll Withholding - Insurance	Payroll Withholding - Deferred Compensation	Payroll Withholding - Federal	Settlement
Cash and investments - beginning	\$ -	\$ 15,667	\$ -	\$ 363	\$ -
Receipts:					
Taxes	-	-	-	-	15,129,103
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Other receipts	573,186	1,027,679	1,300	287,454	-
Total receipts	573,186	1,027,679	1,300	287,454	15,129,103
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	1,034,913	-	287,817	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	573,186	-	1,300	-	15,129,103
Total disbursements	573,186	1,034,913	1,300	287,817	15,129,103
Excess (deficiency) of receipts over disbursements	-	(7,234)	-	(363)	-
Cash and investments - ending	\$ -	\$ 8,433	\$ -	\$ -	\$ -

ORANGE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	CVET Agency	Sewage Collections	Financial Institution Tax	State Fines and Forfeitures	Infraction Judgment
Cash and investments - beginning	\$ -	\$ 2,008	\$ -	\$ 94	\$ 744
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	401	6,004
Other receipts	206,423	28,439	98,177	-	-
Total receipts	206,423	28,439	98,177	401	6,004
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	206,423	25,567	98,177	433	6,637
Total disbursements	206,423	25,567	98,177	433	6,637
Excess (deficiency) of receipts over disbursements	-	2,872	-	(32)	(633)
Cash and investments - ending	\$ -	\$ 4,880	\$ -	\$ 62	\$ 111

ORANGE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Special Death Benefit	Sales Disclosure - State Share	Coroners Training & Con't Education	Interstate Compact - State Share	Mortgage Recording Fees - State Share
Cash and investments - beginning	\$ 325	\$ 300	\$ 91	\$ 225	\$ 125
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	3,035	1,660	-	1,718
Fines and forfeits	2,330	-	-	810	-
Other receipts	-	-	-	-	-
Total receipts	<u>2,330</u>	<u>3,035</u>	<u>1,660</u>	<u>810</u>	<u>1,718</u>
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	1,665
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	2,540	3,050	1,562	795	-
Total disbursements	<u>2,540</u>	<u>3,050</u>	<u>1,562</u>	<u>795</u>	<u>1,665</u>
Excess (deficiency) of receipts over disbursements	<u>(210)</u>	<u>(15)</u>	<u>98</u>	<u>15</u>	<u>53</u>
Cash and investments - ending	<u>\$ 115</u>	<u>\$ 285</u>	<u>\$ 189</u>	<u>\$ 240</u>	<u>\$ 178</u>

ORANGE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Sex and Violent Offender Admin - State	Inheritance Tax	Education Plate Fees Agency	Riverboat Revenue Sharing	Innkeepers Tax Collections
Cash and investments - beginning	\$ 20	\$ 249	\$ 244	\$ -	\$ 899,158
Receipts:					
Taxes	-	-	-	2,212,974	1,202,868
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	370,000	-
Charges for services	165	-	-	-	-
Fines and forfeits	-	-	-	-	-
Other receipts	-	-	262	-	-
Total receipts	<u>165</u>	<u>-</u>	<u>262</u>	<u>2,582,974</u>	<u>1,202,868</u>
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	175	-	-	-	1,046,630
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	-	-	506	2,582,974	-
Total disbursements	<u>175</u>	<u>-</u>	<u>506</u>	<u>2,582,974</u>	<u>1,046,630</u>
Excess (deficiency) of receipts over disbursements	<u>(10)</u>	<u>-</u>	<u>(244)</u>	<u>-</u>	<u>156,238</u>
Cash and investments - ending	<u>\$ 10</u>	<u>\$ 249</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,055,396</u>

ORANGE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	93.563 ARRA Clerk IV-D Incentive	93.563 Prosecutor IV-D Incentive-Post Oct '99	93.563 Clerk IV-D Incentive-Post Oct '99	14.228 CDBG PF-15-200	CFDA 97.047 Pre-Disaster Mitigation
Cash and investments - beginning	\$ 386	\$ 2,866	\$ 28,292	\$ -	\$ (16,656)
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	12,652	8,407	-	-
Charges for services	-	-	-	-	16,656
Fines and forfeits	-	-	-	-	-
Other receipts	-	7	18	500,000	-
Total receipts	-	12,659	8,425	500,000	16,656
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	386	5,750	4,129	500,000	-
Total disbursements	386	5,750	4,129	500,000	-
Excess (deficiency) of receipts over disbursements	(386)	6,909	4,296	-	16,656
Cash and investments - ending	\$ -	\$ 9,775	\$ 32,588	\$ -	\$ -

ORANGE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Community Crossing Grant	User - Pre-Trial Diversion	User - Law Enforcement Education	User - Jury Duty	User - Pros. Drug Investigation
Cash and investments - beginning	\$ -	\$ 159,362	\$ 43,613	\$ 3,136	\$ 7,950
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	64,392	3,324	1,917	9,953
Other receipts	639,100	-	-	-	-
Total receipts	<u>639,100</u>	<u>64,392</u>	<u>3,324</u>	<u>1,917</u>	<u>9,953</u>
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	637,737	-	-	-	-
Other disbursements	-	36,951	4,013	-	13,873
Total disbursements	<u>637,737</u>	<u>36,951</u>	<u>4,013</u>	<u>-</u>	<u>13,873</u>
Excess (deficiency) of receipts over disbursements	<u>1,363</u>	<u>27,441</u>	<u>(689)</u>	<u>1,917</u>	<u>(3,920)</u>
Cash and investments - ending	<u>\$ 1,363</u>	<u>\$ 186,803</u>	<u>\$ 42,924</u>	<u>\$ 5,053</u>	<u>\$ 4,030</u>

ORANGE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	County Drug Fund - Probation	American Family Insurance	Conseco Insurance	Dental	Life Insurance
Cash and investments - beginning	\$ 26,538	\$ 870	\$ -	\$ 2,634	\$ 1,253
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	14,658	-	-	-	-
Other receipts	-	12,317	9,083	32,655	16,271
Total receipts	14,658	12,317	9,083	32,655	16,271
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	11,230	13,187	9,083	31,741	17,320
Total disbursements	11,230	13,187	9,083	31,741	17,320
Excess (deficiency) of receipts over disbursements	3,428	(870)	-	914	(1,049)
Cash and investments - ending	\$ 29,966	\$ -	\$ -	\$ 3,548	\$ 204

ORANGE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Boston Mutual Life Insurance	Vision	Air Evac	Liberty National	Unemployment
Cash and investments - beginning	\$ -	\$ 313	\$ -	\$ -	\$ -
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Other receipts	4,631	6,742	3,929	14,929	2,628
Total receipts	4,631	6,742	3,929	14,929	2,628
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	4,631	6,111	3,929	14,929	2,628
Total disbursements	4,631	6,111	3,929	14,929	2,628
Excess (deficiency) of receipts over disbursements	-	631	-	-	-
Cash and investments - ending	\$ -	\$ 944	\$ -	\$ -	\$ -

ORANGE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	AUL Retirement	Colonial Life	Pre-Paid Legal Inc	Indiana Sheriffs 457(b) Plan	Hooiser Start
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Other receipts	39,570	687	311	520	3,192
Total receipts	<u>39,570</u>	<u>687</u>	<u>311</u>	<u>520</u>	<u>3,192</u>
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	39,570	687	311	520	3,192
Total disbursements	<u>39,570</u>	<u>687</u>	<u>311</u>	<u>520</u>	<u>3,192</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ORANGE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Withholding - PERF	Withholding - State Tax	Garnishment	Sheriff's Pension	LIT Certified Share Clearing Fund
Cash and investments - beginning	\$ 1,254	\$ -	\$ -	\$ 1,925	\$ -
Receipts:					
Taxes	-	-	-	-	3,223,256
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Other receipts	444,845	188,759	24,823	25,880	-
Total receipts	<u>444,845</u>	<u>188,759</u>	<u>24,823</u>	<u>25,880</u>	<u>3,223,256</u>
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	446,099	188,759	24,823	27,805	3,223,256
Total disbursements	<u>446,099</u>	<u>188,759</u>	<u>24,823</u>	<u>27,805</u>	<u>3,223,256</u>
Excess (deficiency) of receipts over disbursements	<u>(1,254)</u>	<u>-</u>	<u>-</u>	<u>(1,925)</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ORANGE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	LIT Public Safety Clearing Fund	LIT EDIT Clearing Fund	Courthouse Bond Redemption	After Settlement Collections	Inmate Trust Fund
Cash and investments - beginning	\$ -	\$ -	\$ 1,042,728	\$ 615,464	\$ 14,253
Receipts:					
Taxes	-	810,158	-	513,339	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	1,611,628	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Other receipts	-	-	61,335	-	347,142
Total receipts	<u>1,611,628</u>	<u>810,158</u>	<u>61,335</u>	<u>513,339</u>	<u>347,142</u>
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	1,611,628	810,158	-	615,464	319,897
Total disbursements	<u>1,611,628</u>	<u>810,158</u>	<u>-</u>	<u>615,464</u>	<u>319,897</u>
Excess (deficiency) of receipts over disbursements	-	-	61,335	(102,125)	27,245
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,104,063</u>	<u>\$ 513,339</u>	<u>\$ 41,498</u>

ORANGE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Commissary	Circuit Court Clerk Child Support	Clerk Acct #4712010	Clerk Odyssey #107702810	Orange Co Law Enforcement Cont
Cash and investments - beginning	\$ 132,885	\$ 1,099	\$ 153,486	\$ 759,985	\$ 1,062
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	54
Other receipts	275,594	357,769	15	1,811,336	1,263
Total receipts	275,594	357,769	15	1,811,336	1,317
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	1,086
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	220,376	355,696	2,000	1,785,249	-
Total disbursements	220,376	355,696	2,000	1,785,249	1,086
Excess (deficiency) of receipts over disbursements	55,218	2,073	(1,985)	26,087	231
Cash and investments - ending	\$ 188,103	\$ 3,172	\$ 151,501	\$ 786,072	\$ 1,293

ORANGE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Region 15 Planning	Wolfe Cemetery Fund	Sheriff Donations	Truck Hauling Permits	Sheriff Walmart Grant
Cash and investments - beginning	\$ 483	\$ 10,000	\$ 189	\$ 4,553	\$ 188
Receipts:					
Taxes	7,934	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	1,032	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Other receipts	-	151	-	675	-
Total receipts	<u>8,966</u>	<u>151</u>	<u>-</u>	<u>675</u>	<u>-</u>
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	8,928	-	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	-	151	176	-	-
Total disbursements	<u>8,928</u>	<u>151</u>	<u>176</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>38</u>	<u>-</u>	<u>(176)</u>	<u>675</u>	<u>-</u>
Cash and investments - ending	<u>\$ 521</u>	<u>\$ 10,000</u>	<u>\$ 13</u>	<u>\$ 5,228</u>	<u>\$ 188</u>

ORANGE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Rule 5 Fund	911 PSAP - County Share	Personal Property Business Audit	Payment in Lieu of Taxes	French Lick Airport Road 300 S
Cash and investments - beginning	\$ 1,447	\$ -	\$ 46,911	\$ -	\$ (28,537)
Receipts:					
Taxes	-	-	40,699	107,529	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	80,582	-	-	-
Charges for services	450	-	-	-	-
Fines and forfeits	-	-	-	-	-
Other receipts	-	-	-	-	-
Total receipts	<u>450</u>	<u>80,582</u>	<u>40,699</u>	<u>107,529</u>	<u>-</u>
Disbursements:					
Personal services	1,735	15,416	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	4,025	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	-	-	14,255	107,529	-
Total disbursements	<u>1,735</u>	<u>19,441</u>	<u>14,255</u>	<u>107,529</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(1,285)</u>	<u>61,141</u>	<u>26,444</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 162</u>	<u>\$ 61,141</u>	<u>\$ 73,355</u>	<u>\$ -</u>	<u>\$ (28,537)</u>

ORANGE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	97.042 EMPGCOMPEMA	Operation Pullover	Section 5311 Transportation	Emergency Preparedness Grant	Probation Grant Salary
Cash and investments - beginning	\$ 144	\$ 1,392	\$ -	\$ (4,150)	\$ 17,883
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	16,784	13,995	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Other receipts	-	-	293,323	-	63,000
Total receipts	-	-	310,107	13,995	63,000
Disbursements:					
Personal services	-	-	-	9,000	44,694
Supplies	-	-	-	2,160	-
Other services and charges	-	-	-	390	15,477
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	16,784	2,439	-
Other disbursements	-	-	293,323	-	475
Total disbursements	-	-	310,107	13,989	60,646
Excess (deficiency) of receipts over disbursements	-	-	-	6	2,354
Cash and investments - ending	\$ 144	\$ 1,392	\$ -	\$ (4,144)	\$ 20,237

ORANGE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Title IV-D Incentive	Adapt - Substance Abuse Program	Clerk HHS Grant	Drug Testing - Probation	Totals
Cash and investments - beginning	\$ 59,384	\$ 3,346	\$ 2,459	\$ 549	\$ 9,713,747
Receipts:					
Taxes	-	-	-	-	26,848,571
Licenses and permits	-	-	-	-	2,618
Intergovernmental receipts	8,407	-	-	-	9,706,159
Charges for services	-	-	-	-	1,151,966
Fines and forfeits	-	-	-	-	571,222
Other receipts	29	-	-	-	7,931,081
Total receipts	8,436	-	-	-	46,211,617
Disbursements:					
Personal services	-	-	-	-	5,644,439
Supplies	-	-	-	-	1,631,944
Other services and charges	15,757	-	-	-	5,530,021
Debt service - principal and interest	-	-	-	-	330,090
Capital outlay	-	-	-	-	1,300,849
Other disbursements	3,200	-	-	-	29,655,828
Total disbursements	18,957	-	-	-	44,093,171
Excess (deficiency) of receipts over disbursements	(10,521)	-	-	-	2,118,446
Cash and investments - ending	\$ 48,863	\$ 3,346	\$ 2,459	\$ 549	\$ 11,832,193

ORANGE COUNTY
SCHEDULE OF PAYABLES AND RECEIVABLES
December 31, 2018

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 648,420</u>	<u>\$ -</u>

ORANGE COUNTY
 SCHEDULE OF LEASES AND DEBT
 December 31, 2018

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Hoosier Hills Credit Union	Ambulance Lease	\$ 34,796	11/10/2016	11/10/2020
Springs Valley Bank & Trust Company	Highway Trucks	<u>74,146</u>	8/15/2018	4/1/2023
Total governmental activities		<u>108,942</u>		
Total of annual lease payments		<u>\$ 108,942</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	Paver	\$ 158,262	\$ 65,568
Revenue bonds	Courthouse Renovation	<u>1,340,000</u>	<u>186,432</u>
Total governmental activities		<u>1,498,262</u>	<u>252,000</u>
Totals		<u>\$ 1,498,262</u>	<u>\$ 252,000</u>

ORANGE COUNTY
SCHEDULE OF CAPITAL ASSETS
December 31, 2018

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	\$ 1,283,500
Infrastructure	25,930,800
Buildings	3,530,400
Machinery, equipment, and vehicles	<u>5,429,951</u>
Total governmental activities	<u>36,174,651</u>
Total capital assets	<u><u>\$ 36,174,651</u></u>

(This page intentionally left blank.)

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

TO: THE OFFICIALS OF ORANGE COUNTY, INDIANA

Report on Compliance for the Major Federal Program

We have audited Orange County's (County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended December 31, 2018. The County's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on the Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2018.

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


Report on Internal Control over Compliance

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

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

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

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


Paul D. Joyce, CPA
State Examiner

May 14, 2019

(This page intentionally left blank.)

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.

ORANGE COUNTY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended December 31, 2018

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
Department of Housing and Urban Development					
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii First Chance Facility Rehabilitation Grant PF-15-200	Indiana Office of Community and Rural Affairs	14.228	A192-17-PF-15-200	\$ 500,000	\$ 500,000
Total - Department of Housing and Urban Development				500,000	500,000
Department of Transportation					
Highway Planning and Construction Cluster Highway Planning and Construction Bridge Inspection	Indiana Department of Transportation	20.205	A249-18-L180063, DES 159299	-	120,913
Total - Highway Planning and Construction Cluster				-	120,913
Formula Grants for Rural Areas Orange County Transit	Indiana Department of Transportation	20.509	1803529O 1803629D 1803629O	32,818 16,784 151,659	32,818 16,784 151,659
Total - Formula Grants for Rural Areas				201,261	201,261
Total - Department of Transportation				201,261	322,174
Department of Health and Human Services					
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements Public Health and Preparedness	Indiana Department of Health	93.074	40093074PHEPA18	-	13,995
Child Support Enforcement Child Support Enforcement 93.563 Title IV-D Incentive 93.563 Clerk IV-D Incentive Post 99 93.563 Prosecutor Title IV-D Incentive Post 99	Indiana Department of Child Services	93.563	2018 2018 2018 2018	- - - -	53,171 18,957 4,515 5,750
Total - Child Support Enforcement				-	82,393
Total - Department of Health and Human Services				-	96,388
Department of Homeland Security					
Emergency Management Performance Grants 97.042 Homeland Security Grant	Indiana Department of Homeland Security	97.042	EMC-2017-EP-00002	-	16,053
Pre-Disaster Mitigation 97.047 Homeland Security Grant	Indiana Department of Homeland Security	97.047	EMC-2015-PC-0010	-	16,656
Total - Department of Homeland Security				-	32,709
Total federal awards expended				\$ 701,261	\$ 951,271

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

ORANGE 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, 2018. 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.

ORANGE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weakness identified?	yes
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major program:	
Material weakness identified?	no
Significant deficiency identified?	none reported
Any audit finding disclosed that is required to be reported in accordance with section 2 CFR 200.516(a)?	no

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

CFDA Number	Name of Federal Program or Cluster	Opinion Issued
14.228	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	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 2018-001

Subject: Financial Transactions and Reporting
Audit Finding: Material Weakness

Condition

The Clerk of the Circuit Court (Clerk) had not established an adequate internal control system related to financial transactions and reporting. The Clerk had not separated incompatible activities related to receipts and disbursements. One person was responsible for collecting money, preparing receipts, preparing the bank deposit, depositing the funds, and posting transactions to the ledger. Additionally, the same person was responsible for all steps within the disbursements process, including preparing and mailing checks and posting disbursements to the ledger. There were no independent review, oversight, or approval processes in place over the receipting and disbursing functions to ensure proper reporting in the Clerk's financial reporting system.

ORANGE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Context

The lack of controls was a systemic issue, which occurred throughout the audit period.

Criteria

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

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

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

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

Cause

The Clerk had not established a proper system of internal controls to ensure proper reporting of receipts and disbursements.

Effect

The failure to establish a system of internal controls could have enabled misstatements of the receipts and disbursements within the financial reporting system of the Clerk to occur and remain undetected.

Recommendation

We recommended that the Clerk establish a system of internal controls related to financial transactions and reporting to ensure proper reporting of receipts and disbursements.

Views of Responsible Officials

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

Section III - Federal Award Findings and Questioned Costs

No matters are reportable.

(This page intentionally left blank.)

AUDITEE-PREPARED DOCUMENT

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

BETH JONES
ORANGE CIRCUIT COURT CLERK
1 COURT STREET
PAOLI, IN 47454
812 723-2649
812 723-0239
countyclerk@co.orange.in.us

CORRECTIVE ACTION PLAN

Finding 2018-001

Contact Person Responsible for Corrective Action: Beth Jones
Contact Phone Number: 812 723-2649

Views of Responsible Official: I concur with the finding

Description of Corrective Action Plan:

The Clerk has established the following internal controls process for daily deposits. Employees alternate preparing the daily deposits. One employee prepares it, and another employee reviews the deposit, initials the deposit, and delivers the deposit to the bank. The Clerk has also established the following internal controls for checks that are printed and mailed daily. The bookkeeper prints the daily check register reports for Odyssey and for ISETS and the Clerk reviews them and signs off on them daily.

Anticipated Completion Date:

We did not have enough time after our previous audit to implement the changes for this audit period; but, these processes have been implemented beginning January 2, 2019.

Beth Jones
Signature

Clerk
Title

4-29-19
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/>.