

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

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



FILED
07/16/2019

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Jody Edwards	01-01-17 to 12-31-20
County Treasurer	Paula R. Stewart	01-01-17 to 12-31-20
Clerk of the Circuit Court	Billie Turney	01-01-17 to 12-31-20
County Sheriff	Michael Branham	01-01-17 to 12-31-20
County Recorder	Myron D. Rainey	01-01-17 to 12-31-20
President of the Board of County Commissioners	Rodney Fish Dustin Gabhart	01-01-18 to 12-31-18 01-01-19 to 12-31-19
President of the County Council	Sam Craig Julie J. Hewetson	01-01-18 to 12-31-18 01-01-19 to 12-31-19



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF LAWRENCE COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of Lawrence 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 June 19, 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

June 19, 2019



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

TO: THE OFFICIALS OF LAWRENCE 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 Lawrence 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 June 19, 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 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 2018-001.

Lawrence 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

June 19, 2019

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

The financial statement and accompanying notes were approved by management of the County. The financial statement and notes are presented as intended by the County.

LAWRENCE 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
Indiana Sup Court Problem Solving Grant	\$ 5,768	\$ 10,000	\$ 6,967	\$ 8,801
JCC Discretionary Grant	-	12,750	5,120	7,630
Omitted Property Audits	10	210,935	-	210,945
Prosecutor's Bad Check Collections	774	15,622	13,156	3,240
General	4,501,191	13,003,922	14,257,645	3,247,468
Accident Report	8,775	6,420	3,470	11,725
Aviation	101,093	155,528	133,465	123,156
Bid Deposits and Bonds Holding	140	-	-	140
CAGIT - Special Legislation	224,686	-	-	224,686
LIT Certified Shares	54,349	8,885,457	8,939,806	-
Campaign Finance Enforcement - County	-	250	-	250
LOIT 2016 Special Distribution	235,126	-	-	235,126
Child Advocacy	200	-	-	200
City and Town Court Costs	26,905	10,123	866	36,162
Clerk's Records Perpetuation	14,993	30,961	12,097	33,857
Community Corrections	31,950	385,346	468,224	(50,928)
Community Transition Program	86,495	52,275	85,594	53,176
Sales Disclosure - County Share	13,972	6,605	5,500	15,077
Covered Bridge	36,698	1,850	-	38,548
Cumulative Bridge	1,816,689	1,080,270	1,616,712	1,280,247
Cumulative Capital Development	1,189,676	199,055	63,522	1,325,209
Drug Free Community	38,190	46,887	42,690	42,387
Economic Development Fee	475	217,241	217,241	475
Emergency Planning/Right to Know	15,920	4,215	7,092	13,043
Firearms Training	70,524	18,421	70,240	18,705
Health	211,082	374,131	285,688	299,525
Local Health Maintenance	101,679	33,139	27,947	106,871
Local Road and Street	506,868	682,659	570,393	619,134
LOIT Public Safety - County Share	46,543	1,310,341	1,337,859	19,025
Misdemeanant	63,599	50,973	51,432	63,140
Motor Vehicle Highway	1,836,490	4,583,768	4,397,565	2,022,693
Plat Book	22,269	11,675	-	33,944
Rainy Day	2,317,851	250,000	250,000	2,317,851
Recorder's Records Perpetuation	86,939	111,963	66,042	132,860
Riverboat	400,119	161,109	213,642	347,586
Sex and Violent Offender Administration	9,871	2,642	9,207	3,306
Sheriff's Pension Trust	11,674	43,715	11,674	43,715
Supplemental Public Defender Services	43,958	14,165	34,432	23,691
Surplus Tax	75,682	102,772	78,038	100,416
Surveyor's Corner Perpetuation	65,229	36,430	27,875	73,784
Tax Sale Fees	720,672	636,105	986,771	370,006
Tax Sale Redemption	12,277	109,826	107,905	14,198
2010 Tax Sale Surplus	-	67	67	-
Guardian Ad Litem	66,474	34,320	36,029	64,765
Auditors Ineligible Deductions	85,626	735	12,444	73,917
County Elected Officials Training	15,593	7,441	2,836	20,198
County Offender Transportation Fund	563	125	-	688
Statewide 911	532,643	566,324	421,845	677,122
Reassessment	633,939	631,260	378,764	886,435
Adult Probation Administrative	375	97,913	81,529	16,759
Juvenile Probation Administrative	17,193	5,698	9,385	13,506
Alternative Dispute Resolution	10,215	5,400	9,850	5,765
County User Fee	655,438	585,608	442,028	799,018
Sheriff Sale Administration	124,105	22,418	12,100	134,423
Donations	13,837	8,761	10,438	12,160
TIF Capital Projects	110	-	-	110
Debt Service	198,931	283,771	260,275	222,427

LAWRENCE 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
Self-Insurance	100,850	3,588,418	2,311,048	1,378,220
Payroll Clearing	281,911	6,569,925	6,821,626	30,210
Settlement	36	42,497,332	42,497,368	-
LOIT Public Safety	-	529	-	529
Wheel Tax / Surtax Combined	104	1,244,638	1,244,313	429
CVET Agency	-	275,717	275,717	-
Financial Institution Tax	-	277,701	277,701	-
Homestead Credit Rebate	81	-	-	81
LOIT PTRC	93,513	-	93,513	-
State Fines and Forfeitures	415	630	424	621
Infraction Judgements	1,754	32,055	32,590	1,219
Special Death Benefit	210	2,950	2,865	295
Sales Disclosure - State Share	425	6,605	6,275	755
Coroners Training and Continuing Education	224	4,616	4,451	389
Interstate Compact - State Share	-	125	125	-
Mortgage Recording Fees - State Share	398	4,143	4,123	418
Sex and Violent Offender Admin - State	7	294	300	1
Child Restraint Violation Fines	100	825	925	-
Education Plate Fees Agency	461	394	450	405
Riverboat Revenue Sharing	2,002	273,294	273,294	2,002
Innkeepers Tax Collections	3	293,000	293,000	3
CAGIT Distribution	-	2,151,958	2,150,552	1,406
93.563 Prosecutor PCA	10,027	956	574	10,409
93.563 ARRA Clerk IV-D Incentive	10	-	10	-
93.563 Title IV-D Incentive	120,289	16,346	13,472	123,163
93.563 Prosecutor IV-D Incentive-Post Oct '99	229,733	24,597	13,505	240,825
93.563 Clerk IV-D Incentive-Post Oct '99	124,473	16,356	17,031	123,798
Sheriff's Inmate Trust	26,679	548,966	557,237	18,408
Sheriff's Commissary Fund	21,716	245,135	246,580	20,271
Clerk Trust CSI/ Odyssey	651,521	1,865,272	1,813,929	702,864
Clerks ISETS	5,059	649,753	641,307	13,505
Treasurer Cash Book	1,047,695	1,467,290	1,047,695	1,467,290
D25-17-338 Juvenile Comm Corrections	2,917	32,226	43,486	(8,343)
Welfare Trust	42,656	-	-	42,656
LIT PTRC	54,349	5,066,633	4,821,541	299,441
Excess Cagit	3	-	-	3
2010 Tax Sale Surplus	26,184	-	-	26,184
2010 Tax Sale Redemption	882	-	-	882
Surplus Dog	1,987	-	-	1,987
Start the Peace Grant	11	-	-	11
GED/Level I & II Alcohol	-	1,250	710	540
Justice Reinvestment Grant CRP	-	66,544	60,994	5,550
Juvenile Project Income	-	4,176	-	4,176
PD Mental Health & Addiction	-	12,147	62,153	(50,006)
Lawrence County Redevelopment	236,837	-	-	236,837
Aviation Fuel Fund	547	2,310	874	1,983
Prosecutor CEF	2,018	-	64	1,954
Drug Seizure	3,645	3,954	7,599	-
ISP Marijuana Extrication	77	-	-	77
Immunization	58,954	111,395	105,902	64,447
Pandemic Flu	729	-	-	729
Safe Haven NLCS Grant	128	-	-	128
PCA Child Support Enforcement	575	-	-	575
2008 Tax Sale Surplus	2,840	-	-	2,840
Dunn County Rental	200,034	-	-	200,034
DH Post Closing	295,782	33,096	-	328,878

LAWRENCE 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
Old Project Income	900	-	-	900
Investigators Cash Fund	572	-	-	572
Tax Sale Reimbursement	21,218	-	-	21,218
Emergency Management	66,116	68,915	74,663	60,368
Airport Local Match Fund	766	-	-	766
Economic Development Fund	1,040,822	15,000	-	1,055,822
Seized Asset Fund (Prosecutor)	5,074	15,336	18,624	1,786
Surveyor Oversize Color Copies	1,725	245	-	1,970
Runway Paving Grant	27,171	217,427	218,378	26,220
HAVA Title III Grant	3,428	-	3,428	-
06JF017 Juvenile Detention	5,702	-	-	5,702
Victim Assistance Grant	(24,788)	66,628	54,382	(12,542)
Law Co HD NACCHO Award (MRC)	502	-	-	502
Immunization & Vaccines PNFLU	(5,290)	66,489	66,605	(5,406)
LEP Subgrant FEMA - Planning	16	-	-	16
Bio-Terrorism Preparedness	1,226	-	-	1,226
Bio-Terrorism District Grant	66	-	-	66
Bio-Terrorism District Part 2	324	-	-	324
08A-DJ-057 OVWI Drug Court	33,791	14,962	14,834	33,919
BPRS 146-2 Public Health Coord	8,132	-	-	8,132
Homeland Security 2006 Grant	71	-	-	71
06ST063 DV/Sexual Assault Prevention	3	-	-	3
Family Court Grant	3,055	5,000	2,650	5,405
K8-2011-03-03-19 Operation Pull-Over	2,069	8,423	8,205	2,287
022T IN Supreme Court Grant	1,753	-	-	1,753
09-JF-012 Juvenile Detention	71	-	-	71
Public Health Preparedness Grant	(485)	17,651	18,414	(1,248)
TAP-TEG ERT Training (LLC)	2,100	-	390	1,710
SHSP Grant	3	-	-	3
HD-009-011 Indiana Housing Grant	1	-	-	1
Tobacco Settlement Grant	27,861	-	-	27,861
MRC Gr. Medical Reserve Corps	(10,566)	-	-	(10,566)
C44P-3-126B Dist Fire Training	400	-	-	400
IN Local Health Dept Trust Account	70,529	24,800	28,419	66,910
DUI Task Force Grant	(2,764)	15,000	14,801	(2,565)
PD Survey Grant (Ed Byrne JAG)	267	-	-	267
Problem Solving Court Superior I	(470)	-	-	(470)
Counsel in the Court Grant	1,345	-	-	1,345
Problem Solving Superior I	5,152	4,038	7,309	1,881
SIAGS Grant	-	60,000	60,000	-
Ebola	696	-	-	696
EDS#D-3-17-11635 JAG PD	(14,084)	18,217	5,068	(935)
Community Crossings Grant	108,877	596,062	531,900	173,039
Justice Reinvestment Grant	42,716	310,856	287,844	65,728
022T Supreme Court Grant	4,482	8,261	5,889	6,854
ISP Marijuana Ext Police Equipment	13,405	790	-	14,195
2013/14 Data Share Grant	1,000	-	-	1,000
Justice Reinvestment Grant	10	-	-	10
CFDA 14.228 Huron Blight	-	139,690	139,690	-
Housing Rehabilitation- CDBG	-	5,519	5,519	-
Lawrence County Tourism Commission	68,674	331,290	306,209	93,755
Totals	<u>\$ 22,526,938</u>	<u>\$ 104,523,537</u>	<u>\$ 103,702,011</u>	<u>\$ 23,348,464</u>

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

LAWRENCE 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.

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

LAWRENCE COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

LAWRENCE 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 December 31 of the year preceding the budget year or January 15 of the budget year if the County is issuing debt after December 1 or intends on filing a shortfall appeal. These rates were based upon the assessed valuations adjusted for various tax credits from the preceding year's lien date of January 1. 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.

LAWRENCE 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) Defined Benefit Plan is a cost-sharing multiple-employer defined benefit plan and provides retirement, disability, and survivor benefits to plan members. PERF is administered through the Indiana Public Retirement System (INPRS) Board in accordance with state statutes (IC 5-10.2, IC 5-10.3) and administrative code (35 IAC 1.2), which governs most requirements of the system and gives the County authority to contribute to the plan.

My Choice: Retirement Savings Plan for Public Employees (My Choice) is a multiple-employer defined contribution plan. It is administered through the Indiana Public Retirement System (INPRS) Board in accordance with state statutes (IC 5-10.2, IC 5-10.3) and administrative code (35 IAC 1.2), which governs most requirements of the system and gives the County authority to contribute to the plan.

New employees hired have a one-time election to join either the Public Employees' Hybrid Plan (PERF Hybrid) or the My Choice: Retirement Savings Plan for Public Employees (My Choice), which is a multiple-employer defined contribution plan. PERF Hybrid consists of two components: PERF DB, the employer-funded monthly defined benefit component, and the Public Employees' Hybrid Members Defined Contribution Account, the defined contribution component.

Financial Report

INPRS 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:

LAWRENCE COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (844) 464-6777

Contributions

Members' contributions are set by state statute at 3 percent of compensation for both the defined contribution component of PERF Hybrid and My Choice. The employer may elect to make the contribution on behalf of the member of the defined contribution component of PERF Hybrid and My Choice members may receive additional employer contribution in lieu of the PERF DB. Contributions to the PERF DB are determined by INPRS Board based on actuarial valuation.

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.

LAWRENCE COUNTY
 NOTES TO FINANCIAL STATEMENT
 (Continued)

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of grants functioning on a reimbursement basis. The reimbursements for expenditures made by the County were not received by December 31, 2018.

Note 8. Restatement

For the year ended December 31, 2017, certain changes have been made to one of the beginning balances in the financial statement to more appropriately reflect financial activity of the County. The following schedule presents a summary of the restated beginning balance:

Fund Name	Balance as of December 31, 2017	Prior Period Adjustment	Balance as of January 1, 2018
Lawrence County Tourism Commission	\$	-	\$ 68,674
		\$ 68,674	\$ 68,674

Note 9. Holding Corporation

The County has entered into a capital lease with Courthouse Annex Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the County. The lessor has been determined to be a related-party of the County. Lease payments during the year 2018 totaled \$260,275, respectively.

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.

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

	Indiana Sup Court Problem Solving Grant	JCC Discretionary Grant	Omitted Property Audits	Prosecutor's Bad Check Collections	General
Cash and investments - beginning	\$ 5,768	\$ -	\$ 10	\$ 774	\$ 4,501,191
Receipts:					
Taxes	-	-	210,935	-	9,253,844
Intergovernmental receipts	10,000	12,750	-	-	727,693
Charges for services	-	-	-	-	1,369,184
Fines and forfeits	-	-	-	15,622	136,801
Other receipts	-	-	-	-	1,516,400
Total receipts	10,000	12,750	210,935	15,622	13,003,922
Disbursements:					
Personal services	2,380	-	-	-	10,465,906
Supplies	3,768	3,437	-	-	150,674
Other services and charges	819	1,683	-	-	2,408,260
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	24,084
Other disbursements	-	-	-	13,156	1,208,721
Total disbursements	6,967	5,120	-	13,156	14,257,645
Excess (deficiency) of receipts over disbursements	3,033	7,630	210,935	2,466	(1,253,723)
Cash and investments - ending	\$ 8,801	\$ 7,630	\$ 210,945	\$ 3,240	\$ 3,247,468

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

	Accident Report	Aviation	Bid Deposits and Bonds Holding	CAGIT - Special Legislation	LIT Certified Shares
Cash and investments - beginning	\$ 8,775	\$ 101,093	\$ 140	\$ 224,686	\$ 54,349
Receipts:					
Taxes	-	95,050	-	-	-
Intergovernmental receipts	-	11,668	-	-	8,885,457
Charges for services	6,420	39,375	-	-	-
Fines and forfeits	-	-	-	-	-
Other receipts	-	9,435	-	-	-
Total receipts	<u>6,420</u>	<u>155,528</u>	<u>-</u>	<u>-</u>	<u>8,885,457</u>
Disbursements:					
Personal services	-	24,235	-	-	-
Supplies	-	22,312	-	-	-
Other services and charges	3,470	69,602	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	14,536	-	-	-
Other disbursements	-	2,780	-	-	8,939,806
Total disbursements	<u>3,470</u>	<u>133,465</u>	<u>-</u>	<u>-</u>	<u>8,939,806</u>
Excess (deficiency) of receipts over disbursements	<u>2,950</u>	<u>22,063</u>	<u>-</u>	<u>-</u>	<u>(54,349)</u>
Cash and investments - ending	<u>\$ 11,725</u>	<u>\$ 123,156</u>	<u>\$ 140</u>	<u>\$ 224,686</u>	<u>\$ -</u>

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

	Campaign Finance Enforcement - County	LOIT 2016 Special Distribution	Child Advocacy	City and Town Court Costs	Clerk's Records Perpetuation
Cash and investments - beginning	\$ -	\$ 235,126	\$ 200	\$ 26,905	\$ 14,993
Receipts:					
Taxes	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	250	-	-	-	-
Fines and forfeits	-	-	-	10,123	30,961
Other receipts	-	-	-	-	-
Total receipts	250	-	-	10,123	30,961
Disbursements:					
Personal services	-	-	-	-	469
Supplies	-	-	-	-	2,943
Other services and charges	-	-	-	-	6,137
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	2,548
Other disbursements	-	-	-	866	-
Total disbursements	-	-	-	866	12,097
Excess (deficiency) of receipts over disbursements	250	-	-	9,257	18,864
Cash and investments - ending	\$ 250	\$ 235,126	\$ 200	\$ 36,162	\$ 33,857

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

	Community Corrections	Community Transition Program	Sales Disclosure - County Share	Covered Bridge	Cumulative Bridge
Cash and investments - beginning	\$ 31,950	\$ 86,495	\$ 13,972	\$ 36,698	\$ 1,816,689
Receipts:					
Taxes	-	-	-	-	872,867
Intergovernmental receipts	385,346	52,275	-	-	107,382
Charges for services	-	-	6,605	-	-
Fines and forfeits	-	-	-	-	-
Other receipts	-	-	-	1,850	100,021
Total receipts	<u>385,346</u>	<u>52,275</u>	<u>6,605</u>	<u>1,850</u>	<u>1,080,270</u>
Disbursements:					
Personal services	410,178	-	-	-	258,984
Supplies	17,745	-	-	-	236,794
Other services and charges	40,301	-	5,500	-	210,374
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	910,560
Other disbursements	-	85,594	-	-	-
Total disbursements	<u>468,224</u>	<u>85,594</u>	<u>5,500</u>	<u>-</u>	<u>1,616,712</u>
Excess (deficiency) of receipts over disbursements	<u>(82,878)</u>	<u>(33,319)</u>	<u>1,105</u>	<u>1,850</u>	<u>(536,442)</u>
Cash and investments - ending	<u>\$ (50,928)</u>	<u>\$ 53,176</u>	<u>\$ 15,077</u>	<u>\$ 38,548</u>	<u>\$ 1,280,247</u>

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

	Cumulative Capital Development	Drug Free Community	Economic Development Fee	Emergency Planning/Right to Know	Firearms Training
Cash and investments - beginning	\$ 1,189,676	\$ 38,190	\$ 475	\$ 15,920	\$ 70,524
Receipts:					
Taxes	177,240	-	-	-	-
Intergovernmental receipts	21,815	-	-	4,215	-
Charges for services	-	-	-	-	18,421
Fines and forfeits	-	46,887	-	-	-
Other receipts	-	-	217,241	-	-
Total receipts	<u>199,055</u>	<u>46,887</u>	<u>217,241</u>	<u>4,215</u>	<u>18,421</u>
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	18,866	42,690	-	7,092	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	44,656	-	-	-	-
Other disbursements	-	-	217,241	-	70,240
Total disbursements	<u>63,522</u>	<u>42,690</u>	<u>217,241</u>	<u>7,092</u>	<u>70,240</u>
Excess (deficiency) of receipts over disbursements	<u>135,533</u>	<u>4,197</u>	<u>-</u>	<u>(2,877)</u>	<u>(51,819)</u>
Cash and investments - ending	<u>\$ 1,325,209</u>	<u>\$ 42,387</u>	<u>\$ 475</u>	<u>\$ 13,043</u>	<u>\$ 18,705</u>

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

	Health	Local Health Maintenance	Local Road and Street	LOIT Public Safety - County Share	Misdemeanant
Cash and investments - beginning	\$ 211,082	\$ 101,679	\$ 506,868	\$ 46,543	\$ 63,599
Receipts:					
Taxes	233,719	-	-	1,310,341	-
Intergovernmental receipts	28,748	33,139	682,659	-	-
Charges for services	94,162	-	-	-	-
Fines and forfeits	-	-	-	-	-
Other receipts	17,502	-	-	-	50,973
Total receipts	<u>374,131</u>	<u>33,139</u>	<u>682,659</u>	<u>1,310,341</u>	<u>50,973</u>
Disbursements:					
Personal services	275,630	-	-	411,029	-
Supplies	1,736	2,453	419,714	152,129	16,150
Other services and charges	8,322	25,494	-	711,201	2,782
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	150,679	63,500	32,500
Other disbursements	-	-	-	-	-
Total disbursements	<u>285,688</u>	<u>27,947</u>	<u>570,393</u>	<u>1,337,859</u>	<u>51,432</u>
Excess (deficiency) of receipts over disbursements	<u>88,443</u>	<u>5,192</u>	<u>112,266</u>	<u>(27,518)</u>	<u>(459)</u>
Cash and investments - ending	<u>\$ 299,525</u>	<u>\$ 106,871</u>	<u>\$ 619,134</u>	<u>\$ 19,025</u>	<u>\$ 63,140</u>

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

	Motor Vehicle Highway	Plat Book	Rainy Day	Recorder's Records Perpetuation	Riverboat
Cash and investments - beginning	\$ 1,836,490	\$ 22,269	\$ 2,317,851	\$ 86,939	\$ 400,119
Receipts:					
Taxes	975,757	-	-	-	-
Intergovernmental receipts	3,574,395	-	-	-	161,109
Charges for services	-	11,675	-	111,963	-
Fines and forfeits	-	-	-	-	-
Other receipts	33,616	-	250,000	-	-
Total receipts	<u>4,583,768</u>	<u>11,675</u>	<u>250,000</u>	<u>111,963</u>	<u>161,109</u>
Disbursements:					
Personal services	1,434,591	-	-	-	-
Supplies	1,709,077	-	-	-	-
Other services and charges	1,243,992	-	-	66,042	38,436
Debt service - principal and interest	-	-	-	-	-
Capital outlay	9,905	-	-	-	175,206
Other disbursements	-	-	250,000	-	-
Total disbursements	<u>4,397,565</u>	<u>-</u>	<u>250,000</u>	<u>66,042</u>	<u>213,642</u>
Excess (deficiency) of receipts over disbursements	<u>186,203</u>	<u>11,675</u>	<u>-</u>	<u>45,921</u>	<u>(52,533)</u>
Cash and investments - ending	<u>\$ 2,022,693</u>	<u>\$ 33,944</u>	<u>\$ 2,317,851</u>	<u>\$ 132,860</u>	<u>\$ 347,586</u>

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

	Sex and Violent Offender Administration	Sheriff's Pension Trust	Supplemental Public Defender Services	Surplus Tax	Surveyor's Corner Perpetuation
Cash and investments - beginning	\$ 9,871	\$ 11,674	\$ 43,958	\$ 75,682	\$ 65,229
Receipts:					
Taxes	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	2,642	43,715	-	-	36,430
Fines and forfeits	-	-	14,165	-	-
Other receipts	-	-	-	102,772	-
Total receipts	<u>2,642</u>	<u>43,715</u>	<u>14,165</u>	<u>102,772</u>	<u>36,430</u>
Disbursements:					
Personal services	-	-	-	-	4,103
Supplies	913	-	3,000	-	5,856
Other services and charges	8,294	11,674	3,000	78,038	16,506
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	1,410
Other disbursements	-	-	28,432	-	-
Total disbursements	<u>9,207</u>	<u>11,674</u>	<u>34,432</u>	<u>78,038</u>	<u>27,875</u>
Excess (deficiency) of receipts over disbursements	<u>(6,565)</u>	<u>32,041</u>	<u>(20,267)</u>	<u>24,734</u>	<u>8,555</u>
Cash and investments - ending	<u>\$ 3,306</u>	<u>\$ 43,715</u>	<u>\$ 23,691</u>	<u>\$ 100,416</u>	<u>\$ 73,784</u>

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

	Tax Sale Fees	Tax Sale Redemption	2010 Tax Sale Surplus	Guardian Ad Litem	Auditors Ineligible Deductions
Cash and investments - beginning	\$ 720,672	\$ 12,277	\$ -	\$ 66,474	\$ 85,626
Receipts:					
Taxes	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	34,013	-
Fines and forfeits	-	-	-	-	-
Other receipts	636,105	109,826	67	307	735
Total receipts	636,105	109,826	67	34,320	735
Disbursements:					
Personal services	-	-	-	-	10,496
Supplies	-	-	-	-	-
Other services and charges	986,771	107,905	-	36,029	132
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	1,816
Other disbursements	-	-	67	-	-
Total disbursements	986,771	107,905	67	36,029	12,444
Excess (deficiency) of receipts over disbursements	(350,666)	1,921	-	(1,709)	(11,709)
Cash and investments - ending	\$ 370,006	\$ 14,198	\$ -	\$ 64,765	\$ 73,917

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

	County Elected Officials Training	County Offender Transportation Fund	Statewide 911	Reassessment	Adult Probation Administrative
Cash and investments - beginning	\$ 15,593	\$ 563	\$ 532,643	\$ 633,939	\$ 375
Receipts:					
Taxes	-	-	-	562,096	-
Intergovernmental receipts	-	-	-	69,164	-
Charges for services	-	-	566,324	-	-
Fines and forfeits	-	-	-	-	97,913
Other receipts	7,441	125	-	-	-
Total receipts	7,441	125	566,324	631,260	97,913
Disbursements:					
Personal services	-	-	60,191	45,958	81,529
Supplies	-	-	-	3,063	-
Other services and charges	2,836	-	296,114	324,918	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	65,540	4,825	-
Other disbursements	-	-	-	-	-
Total disbursements	2,836	-	421,845	378,764	81,529
Excess (deficiency) of receipts over disbursements	4,605	125	144,479	252,496	16,384
Cash and investments - ending	\$ 20,198	\$ 688	\$ 677,122	\$ 886,435	\$ 16,759

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

	Juvenile Probation Administrative	Alternative Dispute Resolution	County User Fee	Sheriff Sale Administration	Donations
Cash and investments - beginning	\$ 17,193	\$ 10,215	\$ 655,438	\$ 124,105	\$ 13,837
Receipts:					
Taxes	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	534,801	-	-
Fines and forfeits	5,698	5,400	50,807	-	-
Other receipts	-	-	-	22,418	8,761
Total receipts	5,698	5,400	585,608	22,418	8,761
Disbursements:					
Personal services	9,380	9,850	172,199	-	-
Supplies	-	-	25,390	-	-
Other services and charges	5	-	129,032	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	51,103	-	-
Other disbursements	-	-	64,304	12,100	10,438
Total disbursements	9,385	9,850	442,028	12,100	10,438
Excess (deficiency) of receipts over disbursements	(3,687)	(4,450)	143,580	10,318	(1,677)
Cash and investments - ending	\$ 13,506	\$ 5,765	\$ 799,018	\$ 134,423	\$ 12,160

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

	TIF Capital Projects	Debt Service	Self-Insurance	Payroll Clearing	Settlement
Cash and investments - beginning	\$ 110	\$ 198,931	\$ 100,850	\$ 281,911	\$ 36
Receipts:					
Taxes	-	254,516	-	-	37,337,741
Intergovernmental receipts	-	29,255	-	-	3,526,613
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Other receipts	-	-	3,588,418	6,569,925	1,632,978
Total receipts	-	283,771	3,588,418	6,569,925	42,497,332
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	-	260,275	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	-	-	2,311,048	6,821,626	42,497,368
Total disbursements	-	260,275	2,311,048	6,821,626	42,497,368
Excess (deficiency) of receipts over disbursements	-	23,496	1,277,370	(251,701)	(36)
Cash and investments - ending	\$ 110	\$ 222,427	\$ 1,378,220	\$ 30,210	\$ -

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

	LOIT Public Safety	Wheel Tax / Surtax Combined	CVET Agency	Financial Institution Tax	Homestead Credit Rebate
Cash and investments - beginning	\$ -	\$ 104	\$ -	\$ -	\$ 81
Receipts:					
Taxes	-	-	-	-	-
Intergovernmental receipts	529	1,244,638	275,717	277,701	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Other receipts	-	-	-	-	-
Total receipts	<u>529</u>	<u>1,244,638</u>	<u>275,717</u>	<u>277,701</u>	<u>-</u>
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	-	1,244,313	275,717	277,701	-
Total disbursements	<u>-</u>	<u>1,244,313</u>	<u>275,717</u>	<u>277,701</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>529</u>	<u>325</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 529</u>	<u>\$ 429</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 81</u>

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

	LOIT PTRC	State Fines and Forfeitures	Infraction Judgements	Special Death Benefit	Sales Disclosure - State Share
Cash and investments - beginning	\$ 93,513	\$ 415	\$ 1,754	\$ 210	\$ 425
Receipts:					
Taxes	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	-	6,605
Fines and forfeits	-	630	32,055	2,950	-
Other receipts	-	-	-	-	-
Total receipts	-	630	32,055	2,950	6,605
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	93,513	424	32,590	2,865	6,275
Total disbursements	93,513	424	32,590	2,865	6,275
Excess (deficiency) of receipts over disbursements	(93,513)	206	(535)	85	330
Cash and investments - ending	\$ -	\$ 621	\$ 1,219	\$ 295	\$ 755

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

	Coroners Training and Continuing Education	Interstate Compact - State Share	Mortgage Recording Fees - State Share	Sex and Violent Offender Admin - State	Child Restraint Violation Fines
Cash and investments - beginning	\$ 224	\$ -	\$ 398	\$ 7	\$ 100
Receipts:					
Taxes	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	4,616	-	4,143	-	-
Fines and forfeits	-	125	-	294	825
Other receipts	-	-	-	-	-
Total receipts	<u>4,616</u>	<u>125</u>	<u>4,143</u>	<u>294</u>	<u>825</u>
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	4,451	125	4,123	300	925
Total disbursements	<u>4,451</u>	<u>125</u>	<u>4,123</u>	<u>300</u>	<u>925</u>
Excess (deficiency) of receipts over disbursements	<u>165</u>	<u>-</u>	<u>20</u>	<u>(6)</u>	<u>(100)</u>
Cash and investments - ending	<u>\$ 389</u>	<u>\$ -</u>	<u>\$ 418</u>	<u>\$ 1</u>	<u>\$ -</u>

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

	Education Plate Fees Agency	Riverboat Revenue Sharing	Innkeepers Tax Collections	CAGIT Distribution	93.563 Prosecutor PCA
Cash and investments - beginning	\$ 461	\$ 2,002	\$ 3	\$ -	\$ 10,027
Receipts:					
Taxes	-	-	293,000	-	-
Intergovernmental receipts	394	-	-	2,151,958	-
Charges for services	-	-	-	-	956
Fines and forfeits	-	-	-	-	-
Other receipts	-	273,294	-	-	-
Total receipts	394	273,294	293,000	2,151,958	956
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	574
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	450	273,294	293,000	2,150,552	-
Total disbursements	450	273,294	293,000	2,150,552	574
Excess (deficiency) of receipts over disbursements	(56)	-	-	1,406	382
Cash and investments - ending	\$ 405	\$ 2,002	\$ 3	\$ 1,406	\$ 10,409

LAWRENCE 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 Title IV-D Incentive	93.563 Prosecutor IV-D Incentive-Post Oct '99	93.563 Clerk IV-D Incentive-Post Oct '99	Sheriff's Inmate Trust
Cash and investments - beginning	\$ 10	\$ 120,289	\$ 229,733	\$ 124,473	\$ 26,679
Receipts:					
Taxes	-	-	-	-	-
Intergovernmental receipts	-	16,346	24,597	16,356	-
Charges for services	-	-	-	-	548,966
Fines and forfeits	-	-	-	-	-
Other receipts	-	-	-	-	-
Total receipts	-	16,346	24,597	16,356	548,966
Disbursements:					
Personal services	-	-	-	7,293	-
Supplies	-	13,472	-	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	10	-	13,505	9,738	557,237
Total disbursements	10	13,472	13,505	17,031	557,237
Excess (deficiency) of receipts over disbursements	(10)	2,874	11,092	(675)	(8,271)
Cash and investments - ending	\$ -	\$ 123,163	\$ 240,825	\$ 123,798	\$ 18,408

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

	Sheriffs Commissary Fund	Clerk Trust CSI/ Odyssey	Clerks ISETS	Treasurer Cash Book	D25-17-338 Juvenile Comm Corrections
Cash and investments - beginning	\$ 21,716	\$ 651,521	\$ 5,059	\$ 1,047,695	\$ 2,917
Receipts:					
Taxes	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	32,226
Charges for services	245,135	-	-	1,467,290	-
Fines and forfeits	-	1,865,272	649,753	-	-
Other receipts	-	-	-	-	-
Total receipts	<u>245,135</u>	<u>1,865,272</u>	<u>649,753</u>	<u>1,467,290</u>	<u>32,226</u>
Disbursements:					
Personal services	-	-	-	-	43,326
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	160
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	246,580	1,813,929	641,307	1,047,695	-
Total disbursements	<u>246,580</u>	<u>1,813,929</u>	<u>641,307</u>	<u>1,047,695</u>	<u>43,486</u>
Excess (deficiency) of receipts over disbursements	<u>(1,445)</u>	<u>51,343</u>	<u>8,446</u>	<u>419,595</u>	<u>(11,260)</u>
Cash and investments - ending	<u>\$ 20,271</u>	<u>\$ 702,864</u>	<u>\$ 13,505</u>	<u>\$ 1,467,290</u>	<u>\$ (8,343)</u>

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

	Welfare Trust	LIT PTRC	Excess Cagit	2010 Tax Sale Surplus	2010 Tax Sale Redemption
Cash and investments - beginning	\$ 42,656	\$ 54,349	\$ 3	\$ 26,184	\$ 882
Receipts:					
Taxes	-	-	-	-	-
Intergovernmental receipts	-	5,066,633	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Other receipts	-	-	-	-	-
Total receipts	-	5,066,633	-	-	-
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	-	4,821,541	-	-	-
Total disbursements	-	4,821,541	-	-	-
Excess (deficiency) of receipts over disbursements	-	245,092	-	-	-
Cash and investments - ending	\$ 42,656	\$ 299,441	\$ 3	\$ 26,184	\$ 882

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

	Surplus Dog	Start the Peace Grant	GED/Level I & II Alcohol	Justice Reinvestment Grant CRP	Juvenile Project Income
Cash and investments - beginning	\$ 1,987	\$ 11	\$ -	\$ -	\$ -
Receipts:					
Taxes	-	-	-	-	-
Intergovernmental receipts	-	-	-	66,544	4,176
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Other receipts	-	-	1,250	-	-
Total receipts	-	-	1,250	66,544	4,176
Disbursements:					
Personal services	-	-	-	60,994	-
Supplies	-	-	500	-	-
Other services and charges	-	-	210	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	-	-	710	60,994	-
Excess (deficiency) of receipts over disbursements	-	-	540	5,550	4,176
Cash and investments - ending	\$ 1,987	\$ 11	\$ 540	\$ 5,550	\$ 4,176

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

	PD Mental Health & Addiction	Lawrence County Redevelopment	Aviation Fuel Fund	Prosecutor CEF	Drug Seizure
Cash and investments - beginning	\$ -	\$ 236,837	\$ 547	\$ 2,018	\$ 3,645
Receipts:					
Taxes	-	-	-	-	-
Intergovernmental receipts	12,147	-	-	-	-
Charges for services	-	-	2,310	-	3,954
Fines and forfeits	-	-	-	-	-
Other receipts	-	-	-	-	-
Total receipts	<u>12,147</u>	<u>-</u>	<u>2,310</u>	<u>-</u>	<u>3,954</u>
Disbursements:					
Personal services	51,580	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	8,513	-	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	2,060	-	-	-	-
Other disbursements	-	-	874	64	7,599
Total disbursements	<u>62,153</u>	<u>-</u>	<u>874</u>	<u>64</u>	<u>7,599</u>
Excess (deficiency) of receipts over disbursements	<u>(50,006)</u>	<u>-</u>	<u>1,436</u>	<u>(64)</u>	<u>(3,645)</u>
Cash and investments - ending	<u>\$ (50,006)</u>	<u>\$ 236,837</u>	<u>\$ 1,983</u>	<u>\$ 1,954</u>	<u>\$ -</u>

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

	ISP Marijuana Extrication	Immunization	Pandemic Flu	Safe Haven NLCS Grant	PCA Child Support Enforcement
Cash and investments - beginning	\$ 77	\$ 58,954	\$ 729	\$ 128	\$ 575
Receipts:					
Taxes	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	111,395	-	-	-
Fines and forfeits	-	-	-	-	-
Other receipts	-	-	-	-	-
Total receipts	-	111,395	-	-	-
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	-	105,902	-	-	-
Total disbursements	-	105,902	-	-	-
Excess (deficiency) of receipts over disbursements	-	5,493	-	-	-
Cash and investments - ending	\$ 77	\$ 64,447	\$ 729	\$ 128	\$ 575

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

	2008 Tax Sale Surplus	Dunn County Rental	DH Post Closing	Old Project Income	Investigators Cash Fund
Cash and investments - beginning	\$ 2,840	\$ 200,034	\$ 295,782	\$ 900	\$ 572
Receipts:					
Taxes	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Other receipts	-	-	33,096	-	-
Total receipts	-	-	33,096	-	-
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	-	33,096	-	-
Cash and investments - ending	\$ 2,840	\$ 200,034	\$ 328,878	\$ 900	\$ 572

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

	Tax Sale Reimbursement	Emergency Management	Airport Local Match Fund	Economic Development Fund	Seized Asset Fund (Prosecutor)
Cash and investments - beginning	\$ 21,218	\$ 66,116	\$ 766	\$ 1,040,822	\$ 5,074
Receipts:					
Taxes	-	46,836	-	-	-
Intergovernmental receipts	-	5,750	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Other receipts	-	16,329	-	15,000	15,336
Total receipts	-	68,915	-	15,000	15,336
Disbursements:					
Personal services	-	50,704	-	-	-
Supplies	-	941	-	-	-
Other services and charges	-	19,654	-	-	18,624
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	3,364	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	-	74,663	-	-	18,624
Excess (deficiency) of receipts over disbursements	-	(5,748)	-	15,000	(3,288)
Cash and investments - ending	\$ 21,218	\$ 60,368	\$ 766	\$ 1,055,822	\$ 1,786

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

	Surveyor Oversize Color Copies	Runway Paving Grant	HAVA Title III Grant	06JF017 Juvenile Detention	Victim Assistance Grant
Cash and investments - beginning	\$ 1,725	\$ 27,171	\$ 3,428	\$ 5,702	\$ (24,788)
Receipts:					
Taxes	-	-	-	-	-
Intergovernmental receipts	-	217,427	-	-	66,628
Charges for services	245	-	-	-	-
Fines and forfeits	-	-	-	-	-
Other receipts	-	-	-	-	-
Total receipts	245	217,427	-	-	66,628
Disbursements:					
Personal services	-	-	-	-	37,728
Supplies	-	-	-	-	-
Other services and charges	-	218,378	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	-	-	3,428	-	16,654
Total disbursements	-	218,378	3,428	-	54,382
Excess (deficiency) of receipts over disbursements	245	(951)	(3,428)	-	12,246
Cash and investments - ending	\$ 1,970	\$ 26,220	\$ -	\$ 5,702	\$ (12,542)

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

	Law Co HD HD NACCHO Award (MRC)	Immunization & Vaccines PNFLU	LEP Subgrant FEMA - Planning	Bio-Terrorism Preparedness	Bio-Terrorism District Grant
Cash and investments - beginning	\$ 502	\$ (5,290)	\$ 16	\$ 1,226	\$ 66
Receipts:					
Taxes	-	-	-	-	-
Intergovernmental receipts	-	66,489	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Other receipts	-	-	-	-	-
Total receipts	-	66,489	-	-	-
Disbursements:					
Personal services	-	21,262	-	-	-
Supplies	-	5,142	-	-	-
Other services and charges	-	40,201	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	-	66,605	-	-	-
Excess (deficiency) of receipts over disbursements	-	(116)	-	-	-
Cash and investments - ending	\$ 502	\$ (5,406)	\$ 16	\$ 1,226	\$ 66

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

	Bio-Terrorism District Part 2	08A-DJ-057 OVWI Drug Court	BPRS 146-2 Public Health Coord	Homeland Security 2006 Grant	06ST063 DV/Sexual Assault Prevention
Cash and investments - beginning	\$ 324	\$ 33,791	\$ 8,132	\$ 71	\$ 3
Receipts:					
Taxes	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	14,962	-	-	-
Other receipts	-	-	-	-	-
Total receipts	-	14,962	-	-	-
Disbursements:					
Personal services	-	6,134	-	-	-
Supplies	-	8,700	-	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	-	14,834	-	-	-
Excess (deficiency) of receipts over disbursements	-	128	-	-	-
Cash and investments - ending	\$ 324	\$ 33,919	\$ 8,132	\$ 71	\$ 3

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

	Family Court Grant	K8-2011-03-03-19 Operation Pull-Over	022T IN Supreme Court Grant	09-JF-012 Juvenile Detention	Public Health Preparedness Grant
Cash and investments - beginning	\$ 3,055	\$ 2,069	\$ 1,753	\$ 71	\$ (485)
Receipts:					
Taxes	-	-	-	-	-
Intergovernmental receipts	5,000	8,423	-	-	17,651
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Other receipts	-	-	-	-	-
Total receipts	5,000	8,423	-	-	17,651
Disbursements:					
Personal services	2,650	8,205	-	-	5,748
Supplies	-	-	-	-	8,048
Other services and charges	-	-	-	-	2,547
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	2,071
Other disbursements	-	-	-	-	-
Total disbursements	2,650	8,205	-	-	18,414
Excess (deficiency) of receipts over disbursements	2,350	218	-	-	(763)
Cash and investments - ending	\$ 5,405	\$ 2,287	\$ 1,753	\$ 71	\$ (1,248)

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

	TAP-TEG ERT Training (LLC)	SHSP Grant	HD-009-011 Indiana Housing Grant	Tobacco Settlement Grant	MRC Gr. Medical Reserve Corps
Cash and investments - beginning	\$ 2,100	\$ 3	\$ 1	\$ 27,861	\$ (10,566)
Receipts:					
Taxes	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Other receipts	-	-	-	-	-
Total receipts	-	-	-	-	-
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	390	-	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	390	-	-	-	-
Excess (deficiency) of receipts over disbursements	(390)	-	-	-	-
Cash and investments - ending	\$ 1,710	\$ 3	\$ 1	\$ 27,861	\$ (10,566)

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

	C44P-3-126B Dist Fire Training	IN Local Health Dept Trust Account	DUI Task Force Grant	PD Survey Grant (Ed Byrne JAG)	Problem Solving Court Superior I
Cash and investments - beginning	\$ 400	\$ 70,529	\$ (2,764)	\$ 267	\$ (470)
Receipts:					
Taxes	-	-	-	-	-
Intergovernmental receipts	-	24,800	15,000	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Other receipts	-	-	-	-	-
Total receipts	-	24,800	15,000	-	-
Disbursements:					
Personal services	-	15,030	14,801	-	-
Supplies	-	1,996	-	-	-
Other services and charges	-	11,393	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	-	28,419	14,801	-	-
Excess (deficiency) of receipts over disbursements	-	(3,619)	199	-	-
Cash and investments - ending	\$ 400	\$ 66,910	\$ (2,565)	\$ 267	\$ (470)

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

	Counsel in the Court Grant	Problem Solving Superior I	SIAGS Grant	Ebola	EDS#D-3-17-11635 JAG PD
Cash and investments - beginning	\$ 1,345	\$ 5,152	\$ -	\$ 696	\$ (14,084)
Receipts:					
Taxes	-	-	-	-	-
Intergovernmental receipts	-	4,038	60,000	-	18,217
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Other receipts	-	-	-	-	-
Total receipts	-	4,038	60,000	-	18,217
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	1,909	37,500	-	-
Other services and charges	-	5,400	22,500	-	5,068
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	-	7,309	60,000	-	5,068
Excess (deficiency) of receipts over disbursements	-	(3,271)	-	-	13,149
Cash and investments - ending	\$ 1,345	\$ 1,881	\$ -	\$ 696	\$ (935)

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

	Community Crossings Grant	Justice Reinvestment Grant	022T Supreme Court Grant	ISP Marijuana Ext Police Equipment	2013/14 Data Share Grant
Cash and investments - beginning	\$ 108,877	\$ 42,716	\$ 4,482	\$ 13,405	\$ 1,000
Receipts:					
Taxes	-	-	-	-	-
Intergovernmental receipts	596,062	310,856	8,261	-	-
Charges for services	-	-	-	790	-
Fines and forfeits	-	-	-	-	-
Other receipts	-	-	-	-	-
Total receipts	<u>596,062</u>	<u>310,856</u>	<u>8,261</u>	<u>790</u>	<u>-</u>
Disbursements:					
Personal services	-	282,844	2,889	-	-
Supplies	-	5,000	3,000	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	531,900	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	<u>531,900</u>	<u>287,844</u>	<u>5,889</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>64,162</u>	<u>23,012</u>	<u>2,372</u>	<u>790</u>	<u>-</u>
Cash and investments - ending	<u>\$ 173,039</u>	<u>\$ 65,728</u>	<u>\$ 6,854</u>	<u>\$ 14,195</u>	<u>\$ 1,000</u>

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

	Justice Reinvestment Grant	CFDA 14.228 Huron Blight	Housing Rehabilitation- CDBG	Lawrence County Tourism Commission	Totals
Cash and investments - beginning	\$ 10	\$ -	\$ -	\$ 68,674	\$ 22,526,938
Receipts:					
Taxes	-	-	-	-	51,623,942
Intergovernmental receipts	-	139,690	5,519	-	29,083,456
Charges for services	-	-	-	-	5,272,385
Fines and forfeits	-	-	-	-	2,981,243
Other receipts	-	-	-	331,290	15,562,511
Total receipts	<u>-</u>	<u>139,690</u>	<u>5,519</u>	<u>331,290</u>	<u>104,523,537</u>
Disbursements:					
Personal services	-	-	-	-	14,288,296
Supplies	-	-	-	-	2,863,362
Other services and charges	-	139,690	5,519	-	7,411,138
Debt service - principal and interest	-	-	-	-	260,275
Capital outlay	-	-	-	-	2,092,263
Other disbursements	-	-	-	306,209	76,786,677
Total disbursements	<u>-</u>	<u>139,690</u>	<u>5,519</u>	<u>306,209</u>	<u>103,702,011</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,081</u>	<u>821,526</u>
Cash and investments - ending	<u>\$ 10</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 93,755</u>	<u>\$ 23,348,464</u>

LAWRENCE 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>\$ 531,386</u>	<u>\$ 57,891</u>

LAWRENCE COUNTY
 SCHEDULE OF LEASES AND DEBT
 December 31, 2018

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities: Courthouse Annex Building Corporation	Courthouse Plaza Lease	\$ 260,150	7/15/2002	1/15/2023
Total of annual lease payments		<u>\$ 260,150</u>		

LAWRENCE 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	\$ 5,063,036
Infrastructure	75,000,000
Buildings	49,121,013
Machinery, equipment, and vehicles	<u>9,292,509</u>
Total governmental activities	<u>138,476,558</u>
Total capital assets	<u><u>\$ 138,476,558</u></u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

TO: THE OFFICIALS OF LAWRENCE COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited Lawrence 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, 2018. The County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2018-002. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control over Compliance

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


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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2018-002, that we consider to be a material weakness.

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

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

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


Paul D. Joyce, CPA
State Examiner

June 19, 2019

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.

LAWRENCE 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	Total Federal Awards Expended
<u>Department of Housing and Urban Development</u>				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii CFDA14.228 Huron School Blight Housing Rehabilitation	Office of Community and Rural Affairs Indiana Housing and Community Development Authority	14.228	B13DC B-16-DC-18-001	\$ 139,690 <u>3,962</u>
Total - Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii				<u>143,652</u>
Total - Department of Housing and Urban Development				<u>143,652</u>
<u>Department of Justice</u>				
Crime Victim Assistance Victim Assistance	Indiana Criminal Justice Institute	16.575	D3-13-7844	<u>55,365</u>
Edward Byrne Memorial Justice Assistance Grant Program EDS #D-3-17-11635 JAGS PD PD Mental Health & Addiction	Indiana Criminal Justice Institute	16.738	2016-DJ-BX-0402 2017-DJ-BY-1071	18,217 <u>27,937</u>
Total - Edward Byrne Memorial Justice Assistance Grant Program				<u>46,154</u>
Total - Department of Justice				<u>101,519</u>
<u>Department of Transportation</u>				
Highway Planning and Construction Cluster Highway Planning and Construction Bridge Inspection	Indiana Department of Transportation	20.205	DES#1382191	<u>55,471</u>
Total - Highway Planning and Construction Cluster				<u>55,471</u>
Highway Safety Cluster State and Community Highway Safety DUI Taskforce Indiana	Indiana Criminal Justice Institute	20.600	5826	<u>15,000</u>
Total - Highway Safety Cluster				<u>15,000</u>
Airport Improvement Program Runway Paving	Direct Grant	20.106	D3-17-11471	<u>199,771</u>
Minimum Penalties for Repeat Offenders for Driving While Intoxicated Operation Pullover	Indiana Criminal Justice Institute	20.608	D3-17-11095	<u>8,423</u>
Total - Department of Transportation				<u>278,665</u>
<u>Department of Health and Human Services</u>				
Public Health Emergency Preparedness Public Health Preparedness	Indiana State Department of Health	93.069	A70-3-0532117	<u>17,651</u>
Immunization Cooperative Agreements Immunization and Vaccines PNFLU	Indiana State Department of Health	93.268	A70-5-073162 (IP)	<u>65,861</u>
Child Support Enforcement 2000 4-D Circuit Court 2000 4-D County Clerk 2000 4-D Prosecutor Child Support Indirect Cost Court Incentive Fund County Elected Officials Training Prosecutor Incentive Fund Clerk Incentive Fund Clerk's Perpetuation	Indiana Department of Child Services	93.563	FY18 FY18 FY18 FY18 FY18 FY18 FY18 FY18 FY18	40,616 24,127 167,487 30,734 13,471 104 13,505 17,031 <u>747</u>
Total Child Support Enforcement				<u>307,822</u>
Total - Department of Health and Human Services				<u>391,334</u>
<u>Department of Homeland Security</u>				
Emergency Mangement Performance Grants EMPG-Salary Reimb	Indiana Department of Homeland Security	97.042	C44P-3-102B	<u>16,329</u>
Total - Department of Homeland Security				<u>16,329</u>
Total federal awards expended				<u>\$ 931,499</u>

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

LAWRENCE 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.

LAWRENCE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

Internal control over major programs:	
Material weakness identified?	yes
Significant deficiency 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
20.106	Airport Improvement Program	Unmodified
93.563	Child Support Enforcement	Unmodified

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

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

FINDING 2018-001

Subject: Preparation of the Schedule of Expenditures of Federal Awards
Audit Finding: Material Weakness

Repeat Finding

This is a repeat of Finding 2017-002 from the immediately prior audit.

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). The Bookkeeper enters the County's federal grant information into the Indiana Gateway for Government Units financial reporting system, which was the source for the SEFA. The County Auditor then reviews the information for accuracy and submits the County's Annual Financial Report. The review did not identify the material errors on the SEFA so that they could be corrected prior to submission.

LAWRENCE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Context

The SEFA contained the following errors:

1. The federal expenditures for three programs were understated and the federal expenditures for one program was overstated. In total, federal expenditures presented on the SEFA were understated by \$201,673.
2. Several federal programs were either reported with the incorrect program title, pass-through agency, CFDA number, or project number.

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. . . ."

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. . . ."

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:

LAWRENCE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- (1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the 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

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

Effect

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

Recommendation

We recommended that the County's management establish controls related to the preparation of the SEFA.

Views of Responsible Officials

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

LAWRENCE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III - Federal Award Findings and Questioned Costs

FINDING 2018-002

Subject: Airport Improvement Program - Suspension and Debarment
Federal Agency: Department of Transportation
Federal Program: Airport Improvement Program
CFDA Number: 20.106
Federal Award Number and Year (or Other Identifying Number): D3-17-11471
Compliance Requirement: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Other Matters

Condition

An effective internal control system was not in place at the County in order to ensure compliance with requirements related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

The County did not have any procedures in place to provide assurance that all vendors had not been excluded or disqualified from participating in a federal program. No verification was performed for one of the Airport's two contractual vendors during the audit period.

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 180.300 states:

"When you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified.

You do this by:

- (a) Checking the SAM Exclusions; or
- (b) Collecting a certification from that person; or
- (c) Adding a clause or condition to the covered transaction with that person."

LAWRENCE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Cause

Management had not developed an effective internal control system that would have ensured compliance with the Procurement and Suspension and Debarment compliance requirement.

Effect

The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement could have resulted in the loss of federal funds to the County.

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 Procurement and Suspension and Debarment 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.



OFFICE OF
AUDITOR OF LAWRENCE COUNTY
JODY EDWARDS
916 15TH STREET, SUITE 28
BEDFORD, INDIANA 47421

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2017-001

Fiscal year in which the finding initially occurred: 2016
Contact Person Responsible for Corrective Action: Auditor Jody Edwards
Contact Phone Number: 812-275-3111

Status of Audit Finding:

We are continuing to improve the reporting in Gateway. The employee responsible for this reporting is learning, and with more experience these problems will resolve. We have attended trainings to help with the application of the Gateway system.

Description of Corrective Action Plan:

We will continue working with Harris Financial System with the reporting into the upload feature. The information will be reviewed by the Bookkeeper and myself to insure the information is reported correctly. Cross training will continue with the bookkeepers, as one bookkeeper is new to the position. We have adopted an Auditor's Office Internal Control Policy and will be updated as needed.

Anticipated Completion Date:

The anticipated completion date of this plan will be with the filing of the 2019 Financial Report on February 28th, 2020.

Jody Edwards
Lawrence County Auditor
June 5, 2019



OFFICE OF
AUDITOR OF LAWRENCE COUNTY
JODY EDWARDS
916 15TH STREET, SUITE 28
BEDFORD, INDIANA 47421

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2017-002

Fiscal year in which the finding initially occurred: 2016
Contact Person Responsible for Corrective Action: Auditor Jody Edwards
Contact Phone Number: 812-275-3111

Status of Audit Finding:

I feel that the SEFA reporting has greatly improved since the audit in 2017. There is still room for improvement however, and I believe we have taken great strides in the reporting.

Description of Corrective Action Plan:

We will continue to require county offices that acquire a federal or state grant to file the grant information with the bookkeeper in the Auditor's office. We have adopted a Grant Policy, which follows:

LAWRENCE COUNTY GRANT POLICY

Effective January 1, 2019

The department will present the grant proposal to the County Commissioners and County Council for approval at a regularly schedule public meeting.

The department will complete and remit the grant application and all other required information to the grantor agency for approval. The grant application will be signed by the County Commissioners.

Once approval has been obtained from the grantor agency, the department will present the approval of the grant to the County Commissioners and County Council at a regularly scheduled public meeting.

Grant Recordkeeping

The auditor will establish a separate fund and file for each grant.

The department will provide the Auditor's Office with the following: grant application, grant award letter, grant agreement, budget, claim vouchers will supporting invoices, requests for advances, supporting the distribution should be attached to the form.

The department will also maintain a grant file with all grant documents that have been remitted to the auditor.

The department must complete a Grant Monies Requested Form (see form) each time the county is to receive grant funding. The claim vouchers and request for advances supporting the distribution should be attached to the form.

It is the responsibility of the department to comply with the grantor's reporting requirements. Final reports, with supporting documentation, will be provided to the auditor. (The funds ledger is generally used to support financial reports)

Report detailing receipts, disbursements and balances of the grant funds will be provided to the department monthly.

Grant Reporting into Gateway

The bookkeeper will generate reports from our financial system and compare the financial reports to information in the grant files monthly.

The bookkeeper will enter information into Gateway from information obtained from the financial records, grant files, etc.

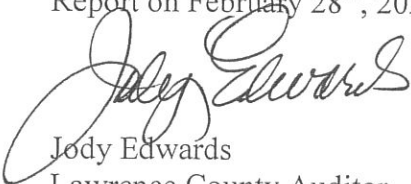
The Auditor will review and check the accuracy of the grant information by comparing it to supporting documentation used to input the information before submission. The review should include documentation of the review. (Initials, tick marks indicating procedures performed, records traced to)

The Auditor will send the gateway report to the department for their review. The department will verify the information and will include documentation of the review (initials, tick marks indicating procedures performed, records traced to). The department will verify all information, and make any corrections if necessary.

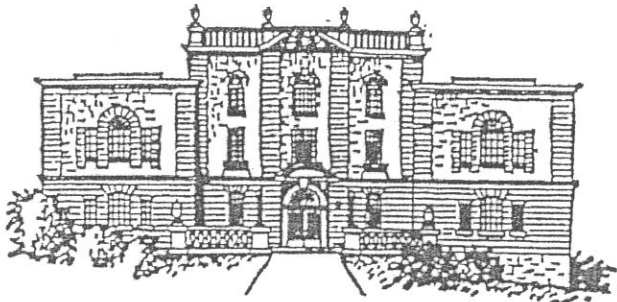
Differences noted by the department will be reviewed by the Auditor before changes are made to the Gateway information.

Anticipated Completion Date:

The anticipated completion date of this plan will be with the filing of the 2019 Financial Report on February 28th, 2020.



Jody Edwards
Lawrence County Auditor
June 5, 2019



LIMESTONE CAPITAL OF THE WORLD

OFFICE OF
AUDITOR OF LAWRENCE COUNTY
JODY EDWARDS
916 15TH STREET, SUITE 28
BEDFORD, INDIANA 47421

CORRECTIVE ACTION PLAN

FINDING 2018-001

Contact Person Responsible for Corrective Action: Auditor Jody Edwards
Contact Phone Number: 812-275-3111

Views of Responsible Official:

I feel that we have made great strides in grant reporting, that being said, there is room for improvement from all county offices that obtain grants informing my office of grant activity.

Description of Corrective Action Plan:

We will continue to require county offices that acquire a federal or state grant to file the grant information with the bookkeeper in the Auditor's office. We have adopted a Grant Policy, which follows:

LAWRENCE COUNTY GRANT POLICY

Effective January 1, 2019

The department will present the grant proposal to the County Commissioners and County Council for approval at a regularly schedule public meeting.

The department will complete and remit the grant application and all other required information to the grantor agency for approval. The grant application will be signed by the County Commissioners.

Once approval has been obtained from the grantor agency, the department will present the approval of the grant to the County Commissioners and County Council at a regularly scheduled public meeting.

Grant Recordkeeping

The auditor will establish a separate fund and file for each grant.

The department will provide the Auditor's Office with the following: grant application, grant award letter, grant agreement, budget, claim vouchers with supporting invoices, requests for advances, supporting the distribution should be attached to the form.

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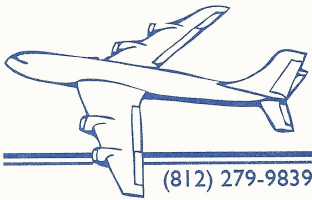
The anticipated completion date of this plan will be with the filing of the 2019 Financial Report on February 28th, 2020.

A handwritten signature in black ink that reads "Jody Edwards". The signature is written in a cursive, flowing style.

Jody Edwards

Lawrence County Auditor

June 12, 2019



Board of Aviation Commissioners
Lawrence County, Indiana



3213 TUNNELTON ROAD • BEDFORD, INDIANA 47421

CORRECTIVE ACTION PLAN

FINDING 2018-002

Contact Person Responsible for Corrective Action: BOAC President Jeffrey J. Lytton
Contact Phone Number: 812-278-6324

Views of Responsible Official:

The BOAC concurs with the finding.

Description of Corrective Action Plan:

Effective at its monthly meeting to be held on June 20, 2019, the BOAC will adopt the following:

“The Lawrence County Board of Aviation Commissioners of The Grissom Memorial Airport agrees to comply with 2 CFR Part 1200 and 2 CFR Par 180, Subpart C by administering each lower tier subcontract that exceeds \$25,000 as a “covered transaction”. As such, the BOAC must verify each lower tier participant of a “covered transaction” as to any service provided pursuant to the Master Agreement or any subsequent Task Order is not presently debarred or otherwise disqualified from participation in any federally assisted project. Engineer shall accomplish this by:

- (a) Checking the Exclusion Extract located on the System for Award Management (SAM) at <http://sam.gov>.
- (b) Collecting a certification statement similar to paragraph (a) above ,or
- (c) Inserting a clause or condition in the covered transaction with the lower tier contract.”

Anticipated Completion Date:

June 20, 2019

Jeffrey J. Lytton, President
Board of Aviation Commissioners
June 13, 2019

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/>.