

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF  
JAY COUNTY, INDIANA  
January 1, 2013 to December 31, 2013



**FILED**  
12/12/2014



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Nancy J. Culy	01-01-11 to 12-31-14
Treasurer	Robin Alberson	01-01-13 to 12-31-16
Clerk	Ellen Coats	01-01-13 to 12-31-16
Sheriff	Larry R. Newton, Jr.	01-01-11 to 12-31-14
Recorder	Beverly D. Myers	01-01-11 to 12-31-14
President of the Board of County Commissioners	Milo M. Miller, Jr.	01-01-13 to 12-31-14
President of the County Council	Michael Leonhard	01-01-13 to 12-31-14



**STATE OF INDIANA**  
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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF JAY COUNTY, INDIANA

***Report on the Financial Statement***

We have audited the accompanying financial statement of Jay County (County), which comprises the financial position and results of operations for the year ended December 31, 2013, and the related notes to the financial statement.

***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 of 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 of 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, 2013.

***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, 2013, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated November 10, 2014, 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 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 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.

***Accompanying Information***

*Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the County's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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

  
Paul D. Joyce, CPA  
State Examiner

November 10, 2014



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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 JAY 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 Jay County (County), which comprises the financial position and results of operations for the year ended December 31, 2013, and the related notes to the financial statement, and have issued our report thereon dated November 10, 2014, wherein we noted the County followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statement, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2013-001 to be a material weakness.

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

***Compliance and Other Matters***

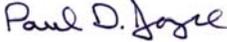
As part of obtaining reasonable assurance about whether the County's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2013-001.

***Jay 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

November 10, 2014

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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.

JAY COUNTY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended December 31, 2013

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13
General	\$ 1,124,294	\$ 6,508,653	\$ 6,576,417	\$ 1,056,530
Accident Report	978	2,770	-	3,748
CAGIT Certified Shares	-	2,270,324	2,270,324	-
County Economic Development Income Tax	614,827	540,832	370,620	785,039
City and Town Court Costs	78,916	2,722	-	81,638
Clerk's Perpetuation	33,258	5,043	-	38,301
Community Corrections Home Detention/Project Income	-	56,756	50,960	5,796
Community Transition Program	35,093	52,720	20,000	67,813
Congressional School Interest	8,204	81	456	7,829
Innkeepers Tax	92,060	86,975	92,060	86,975
County Disclosure	7,668	2,545	798	9,415
Cumulative Bridge	1,047,740	526,615	250,968	1,323,387
Cumulative Capital Development	498,936	401,745	383,105	517,576
Drug Free Community	14,498	14,410	14,498	14,410
Electronic Map Generation	5,152	73	-	5,225
Jay Emergency Medical Services	151,673	1,264,951	1,134,018	282,606
Emergency Planning and Right to Know	1,845	3,571	2,805	2,611
County Extradition	2,332	-	-	2,332
Firearms Training	8,970	7,810	6,185	10,595
General Drain Improvement	54,621	200,298	216,256	38,663
Health	20,053	384,838	237,184	167,707
Excess Levy	48,251	-	43,033	5,218
Health Maintenance	31,343	44,748	48,383	27,708
Local Road and Street	207,540	184,152	194,464	197,228
LOIT Public Safety	282,788	403,123	599,795	86,116
Medical Care of Inmates	3,494	3,017	5,428	1,083
Highway	1,394,284	2,474,188	2,156,412	1,712,060
Plat Book	77,802	6,375	15,000	69,177
Rainy Day	2,524,787	983,459	940,664	2,567,582
Property Reassessment	1	-	1	-
2017 Reassessment	193,000	108,131	83,662	217,469
Recorder's Records Perpetuation	179,036	33,216	18,351	193,901
Riverboat Tax Distribution	-	125,901	125,901	-
Sex and Violent Offenders Administration	200	1,605	1,655	150
Supplement Public Defender Service	18,432	5,225	-	23,657
Surplus Tax	1,192	28,241	22,904	6,529
Surveyor's Corner Perpetuation	3,155	4,970	2,499	5,626
Tax Sale Redemption	1,203	63,225	54,030	10,398
Surplus Tax Sale	38,229	57,575	50,146	45,658
Tobacco Settlement	38,957	8,409	15,336	32,030
VIN Checks	3,771	1,185	-	4,956
County Elected Officials Training	2,777	1,890	-	4,667
Statewide 911	275,653	286,079	270,749	290,983
Probation User Fee-Administrative	170	-	-	170
Juvenile Probation Services	9,857	-	-	9,857
Drainage Maintenance	402,759	489,938	591,585	301,112
Court Interpreters	6,287	-	372	5,915
Payroll	51,258	6,527,119	6,520,870	57,507
Tax Distribution	-	15,663,039	15,663,039	-
LOIT Public Safety Clearing	29,850	423,164	453,014	-
Operating Levy Freeze LOIT Stabilization	790,467	258,437	-	1,048,904
Wheel Tax	720	101,825	102,545	-
Surtax	-	264,354	264,354	-
Commercial Vehicle Excise Tax	-	92,438	92,438	-
Delinquent Sewer	-	44,371	44,371	-
Financial Institution Tax	-	96,765	96,765	-
CEDIT Homestead Credit	43,312	306,495	340,641	9,166
HEA 1001-2008 State Homestead Credit	(491)	-	-	(491)
Local Option PTRC	-	759,735	756,774	2,961
LOIT PTRC	318,058	1,513,549	1,784,823	46,784
State Fines and Forfeitures	2,019	15,392	14,835	2,576
Infraction Judgments	1,628	28,912	28,686	1,854

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

JAY COUNTY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended December 31, 2013  
(Continued)

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13
Overweight Vehicle Fines	-	3,210	2,140	1,070
Special Death Benefit	160	2,455	2,480	135
State Disclosure Fees	350	2,545	2,670	225
Coroners Training and Continuing Education	65	2,056	1,953	168
Mortgage Recording Fee	285	2,133	2,258	160
Child Restraint Violations Fines	-	350	300	50
Inheritance Tax	63,222	337,106	400,328	-
Education Plate Fees	-	319	319	-
93.563 ARRA Prosecutor	17,561	23	8,422	9,162
93.563 ARRA Clerk	16,117	-	15,682	435
93.563 Title IV-D Incentive	34,670	11,956	-	46,626
93.563 Prosecutor Title IV-D	63,553	18,103	-	81,656
93.563 Clerk Title IV-D	65,195	11,956	1,805	75,346
Community Corrections Home Detention	149,051	77,331	78,747	147,635
Deferral Program	28,252	9,707	5,364	32,595
User Fees	7,659	769	797	7,631
Probation User Fees	228,856	52,509	66,660	214,705
Jury Fees	10,770	2,923	9,049	4,644
Premier Ethanol TIF Dist	220,474	789,556	1,010,030	-
Clerk Trust	258,791	2,096,424	2,162,497	192,718
Drug Fee Sheriff	665	4,500	3,400	1,765
County Economic Development Income Tax	37,556	525,677	563,233	-
Community Corrections	8,396	45,223	53,619	-
After Settlement Collections	511,372	484,338	511,372	484,338
Sheriff Inmate Trust	6,528	146,437	150,123	2,842
Sheriff Commissary	19,782	100,733	105,083	15,432
County Home Welfare Trust	4,550	218,626	219,528	3,648
Congressional Principal	22,822	-	-	22,822
Local Option Certified Shares	-	1,232,268	1,214,712	17,556
Wind Farms/Expense Fund	-	65,000	65,000	-
State Homeland Security	-	1,025	2,817	(1,792)
EMPG Performance Grant	-	4,053	4,053	-
Sheriff Drug Buy Money	4,090	-	4,079	11
20.509 Rural Transportation Grant	4	662,123	662,123	4
Misdemeanant Housing	23,284	15,647	13,914	25,017
Backhoe Repair and Replacement	95,185	64,714	44,119	115,780
Infrastructure	853,298	383,930	415,903	821,325
20.609 Operation Pullover	-	2,562	2,562	-
Retirement Center Donations	4,799	7	-	4,806
Jail Lease Payments	-	916,493	799,000	117,493
Tile Inventory	1,921	60,196	62,061	56
Ambulance Replacement	54,451	-	-	54,451
Redevelopment District Capital	155,186	798	34,153	121,831
County Forfeiture	2,720	-	-	2,720
5% Host Fees-Infrastructure	140,984	18,344	-	159,328
Court ASAAE	16,449	24,906	30,400	10,955
Commissioner's Certificate Sale	788	18,734	16,874	2,648
Redacting Fee	16,702	1,890	675	17,917
Marijuana Eradication	829	-	-	829
TIF Bond General	267,859	-	-	267,859
TIF Bond Reserve	125,575	-	-	125,575
HEA	180,272	46,939	121,489	105,722
LOIT Operating Levy Freeze	150,189	1,513,549	1,663,738	-
16.575 Victim Assistant Grant	(5,800)	18,747	17,889	(4,942)
93.069 Bioterrorism Grant	11,245	24,120	27,413	7,952
Bulletproof Vests	3,492	-	-	3,492
Jury Pay	98	-	-	98
Pre Trial Diversion	10,668	1,874	-	12,542
County Sheriff Continuing Education	4,291	1,338	1,485	4,144
Sheriff	-	743,050	743,050	-
<b>Totals</b>	<b>\$ 14,678,188</b>	<b>\$ 54,513,251</b>	<b>\$ 54,355,547</b>	<b>\$ 14,835,892</b>

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

JAY 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 may include the following sources:

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

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

JAY COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine 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 which include receipts derived 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 which include amounts received from various sources which can include, but are 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 may include the following uses:

Personal services include outflows 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 which include 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 office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Other disbursements which include, but are 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.

JAY COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*F. Interfund Transfers*

The County may, from time to time, transfer money 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 money 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 money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

**Note 2. Budgets**

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

**Note 3. Property Taxes**

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the County in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

**Note 4. Deposits and Investments**

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

JAY COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

**Note 5. Risk Management**

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

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

**Note 6. Pension Plans**

*A. Public Employees' Retirement Fund*

*Plan Description*

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

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

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

*Funding Policy and Annual Pension Cost*

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

JAY COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*B. County Police Retirement Plan*

*Plan Description*

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

*Funding Policy*

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

*C. County Police Benefit Plan*

*Plan Description*

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

*Funding Policy*

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

**Note 7. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash. This is a result of reimbursements for expenditures made by the County that were not received by December 31, 2013.

## SUPPLEMENTARY INFORMATION - UNAUDITED

For additional financial information, the County's Annual Report information can be found on the Gateway 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 Annual Report of the County which is 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 supplementary information presented was approved by management of the County. It is presented as intended by the County.

JAY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013

	General	Accident Report	CAGIT Certified Shares	County Economic Development Income Tax	City and Town Court Costs	Clerk's Perpetuation	Community Corrections Home Detention/Project Income
Cash and investments - beginning	\$ 1,124,294	\$ 978	\$ -	\$ 614,827	\$ 78,916	\$ 33,258	\$ -
Receipts:							
Taxes	3,636,953	-	-	517,509	-	-	-
Licenses and permits	39,199	-	-	-	-	-	-
Intergovernmental	707,401	-	2,270,324	-	-	-	56,756
Charges for services	840,383	2,770	-	-	-	2,679	-
Fines and forfeits	111,160	-	-	-	2,722	2,364	-
Other receipts	1,173,557	-	-	23,323	-	-	-
Total receipts	<u>6,508,653</u>	<u>2,770</u>	<u>2,270,324</u>	<u>540,832</u>	<u>2,722</u>	<u>5,043</u>	<u>56,756</u>
Disbursements:							
Personal services	3,819,676	-	-	-	-	-	48,212
Supplies	528,357	-	-	-	-	-	-
Other services and charges	1,005,509	-	-	297,820	-	-	2,748
Capital outlay	115,520	-	-	72,800	-	-	-
Other disbursements	1,107,355	-	2,270,324	-	-	-	-
Total disbursements	<u>6,576,417</u>	<u>-</u>	<u>2,270,324</u>	<u>370,620</u>	<u>-</u>	<u>-</u>	<u>50,960</u>
Excess (deficiency) of receipts over disbursements	<u>(67,764)</u>	<u>2,770</u>	<u>-</u>	<u>170,212</u>	<u>2,722</u>	<u>5,043</u>	<u>5,796</u>
Cash and investments - ending	<u>\$ 1,056,530</u>	<u>\$ 3,748</u>	<u>\$ -</u>	<u>\$ 785,039</u>	<u>\$ 81,638</u>	<u>\$ 38,301</u>	<u>\$ 5,796</u>

JAY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Community Transition Program	Congressional School Interest	Innkeepers Tax	County Disclosure	Cumulative Bridge	Cumulative Capital Development	Drug Free Community
Cash and investments - beginning	\$ 35,093	\$ 8,204	\$ 92,060	\$ 7,668	\$ 1,047,740	\$ 498,936	\$ 14,498
Receipts:							
Taxes	-	-	86,975	-	492,570	376,816	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	32,587	24,929	-
Charges for services	52,720	-	-	2,545	1,458	-	-
Fines and forfeits	-	-	-	-	-	-	14,410
Other receipts	-	81	-	-	-	-	-
Total receipts	<u>52,720</u>	<u>81</u>	<u>86,975</u>	<u>2,545</u>	<u>526,615</u>	<u>401,745</u>	<u>14,410</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	16,603	-	-
Other services and charges	-	-	92,060	798	788	-	14,498
Capital outlay	-	-	-	-	233,577	383,105	-
Other disbursements	20,000	456	-	-	-	-	-
Total disbursements	<u>20,000</u>	<u>456</u>	<u>92,060</u>	<u>798</u>	<u>250,968</u>	<u>383,105</u>	<u>14,498</u>
Excess (deficiency) of receipts over disbursements	<u>32,720</u>	<u>(375)</u>	<u>(5,085)</u>	<u>1,747</u>	<u>275,647</u>	<u>18,640</u>	<u>(88)</u>
Cash and investments - ending	<u>\$ 67,813</u>	<u>\$ 7,829</u>	<u>\$ 86,975</u>	<u>\$ 9,415</u>	<u>\$ 1,323,387</u>	<u>\$ 517,576</u>	<u>\$ 14,410</u>

JAY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Electronic Map Generation	Jay Emergency Medical Services	Emergency Planning and Right to Know	County Extradition	Firearms Training	General Drain Improvement	Health
Cash and investments - beginning	\$ 5,152	\$ 151,673	\$ 1,845	\$ 2,332	\$ 8,970	\$ 54,621	\$ 20,053
Receipts:							
Taxes	-	368,607	-	-	-	-	221,657
Licenses and permits	-	-	-	-	7,810	-	-
Intergovernmental	-	24,386	3,571	-	-	-	14,664
Charges for services	73	861,583	-	-	-	57,943	27,649
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	10,375	-	-	-	142,355	120,868
Total receipts	<u>73</u>	<u>1,264,951</u>	<u>3,571</u>	<u>-</u>	<u>7,810</u>	<u>200,298</u>	<u>384,838</u>
Disbursements:							
Personal services	-	997,531	-	-	-	-	189,520
Supplies	-	92,360	700	-	-	-	7,078
Other services and charges	-	39,447	2,105	-	-	-	40,586
Capital outlay	-	4,630	-	-	6,185	-	-
Other disbursements	-	50	-	-	-	216,256	-
Total disbursements	<u>-</u>	<u>1,134,018</u>	<u>2,805</u>	<u>-</u>	<u>6,185</u>	<u>216,256</u>	<u>237,184</u>
Excess (deficiency) of receipts over disbursements	<u>73</u>	<u>130,933</u>	<u>766</u>	<u>-</u>	<u>1,625</u>	<u>(15,958)</u>	<u>147,654</u>
Cash and investments - ending	<u>\$ 5,225</u>	<u>\$ 282,606</u>	<u>\$ 2,611</u>	<u>\$ 2,332</u>	<u>\$ 10,595</u>	<u>\$ 38,663</u>	<u>\$ 167,707</u>

JAY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Excess Levy	Health Maintenance	Local Road and Street	LOIT Public Safety	Medical Care of Inmates	Highway	Plat Book
Cash and investments - beginning	\$ 48,251	\$ 31,343	\$ 207,540	\$ 282,788	\$ 3,494	\$ 1,394,284	\$ 77,802
Receipts:							
Taxes	-	-	-	395,623	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	33,139	184,152	-	-	2,316,205	-
Charges for services	-	11,557	-	-	3,017	137,533	6,375
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	52	-	7,500	-	20,450	-
Total receipts	-	44,748	184,152	403,123	3,017	2,474,188	6,375
Disbursements:							
Personal services	-	47,573	-	540,295	-	894,471	-
Supplies	-	794	-	-	5,428	881,442	-
Other services and charges	-	16	-	-	-	216,537	15,000
Capital outlay	-	-	194,464	59,500	-	163,962	-
Other disbursements	43,033	-	-	-	-	-	-
Total disbursements	43,033	48,383	194,464	599,795	5,428	2,156,412	15,000
Excess (deficiency) of receipts over disbursements	(43,033)	(3,635)	(10,312)	(196,672)	(2,411)	317,776	(8,625)
Cash and investments - ending	\$ 5,218	\$ 27,708	\$ 197,228	\$ 86,116	\$ 1,083	\$ 1,712,060	\$ 69,177

JAY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Rainy Day	Property Reassessment	2017 Reassessment	Recorder's Records Perpetuation	Riverboat Tax Distribution	Sex and Violent Offenders Administration	Supplement Public Defender Service
Cash and investments - beginning	\$ 2,524,787	\$ 1	\$ 193,000	\$ 179,036	\$ -	\$ 200	\$ 18,432
Receipts:							
Taxes	-	-	90,305	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	5,974	-	125,901	-	-
Charges for services	-	-	-	33,216	-	1,605	-
Fines and forfeits	-	-	-	-	-	-	5,225
Other receipts	983,459	-	11,852	-	-	-	-
Total receipts	983,459	-	108,131	33,216	125,901	1,605	5,225
Disbursements:							
Personal services	-	-	2,862	1,975	-	-	-
Supplies	-	1	-	-	-	-	-
Other services and charges	-	-	23,425	-	-	-	-
Capital outlay	40,664	-	57,375	-	-	-	-
Other disbursements	900,000	-	-	16,376	125,901	1,655	-
Total disbursements	940,664	1	83,662	18,351	125,901	1,655	-
Excess (deficiency) of receipts over disbursements	42,795	(1)	24,469	14,865	-	(50)	5,225
Cash and investments - ending	\$ 2,567,582	\$ -	\$ 217,469	\$ 193,901	\$ -	\$ 150	\$ 23,657

JAY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Surplus Tax	Surveyor's Corner Perpetuation	Tax Sale Redemption	Surplus Tax Sale	Tobacco Settlement	VIN Checks	County Elected Officials Training
Cash and investments - beginning	\$ 1,192	\$ 3,155	\$ 1,203	\$ 38,229	\$ 38,957	\$ 3,771	\$ 2,777
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	8,409	-	-
Charges for services	-	4,970	-	-	-	1,185	1,890
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	28,241	-	63,225	57,575	-	-	-
Total receipts	<u>28,241</u>	<u>4,970</u>	<u>63,225</u>	<u>57,575</u>	<u>8,409</u>	<u>1,185</u>	<u>1,890</u>
Disbursements:							
Personal services	-	-	-	-	2,589	-	-
Supplies	-	-	-	-	450	-	-
Other services and charges	-	2,499	-	-	3,697	-	-
Capital outlay	-	-	-	-	8,600	-	-
Other disbursements	22,904	-	54,030	50,146	-	-	-
Total disbursements	<u>22,904</u>	<u>2,499</u>	<u>54,030</u>	<u>50,146</u>	<u>15,336</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>5,337</u>	<u>2,471</u>	<u>9,195</u>	<u>7,429</u>	<u>(6,927)</u>	<u>1,185</u>	<u>1,890</u>
Cash and investments - ending	<u>\$ 6,529</u>	<u>\$ 5,626</u>	<u>\$ 10,398</u>	<u>\$ 45,658</u>	<u>\$ 32,030</u>	<u>\$ 4,956</u>	<u>\$ 4,667</u>

JAY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Statewide 911	Probation User Fee-Administrative	Juvenile Probation Services	Drainage Maintenance	Court Interpreters	Payroll	Tax Distribution
Cash and investments - beginning	\$ 275,653	\$ 170	\$ 9,857	\$ 402,759	\$ 6,287	\$ 51,258	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	15,663,039
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	284,761	-	-	482,040	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	1,318	-	-	7,898	-	6,527,119	-
Total receipts	<u>286,079</u>	<u>-</u>	<u>-</u>	<u>489,938</u>	<u>-</u>	<u>6,527,119</u>	<u>15,663,039</u>
Disbursements:							
Personal services	166,697	-	-	-	-	-	-
Supplies	1,818	-	-	-	-	-	-
Other services and charges	97,234	-	-	-	372	-	-
Capital outlay	5,000	-	-	-	-	-	-
Other disbursements	-	-	-	591,585	-	6,520,870	15,663,039
Total disbursements	<u>270,749</u>	<u>-</u>	<u>-</u>	<u>591,585</u>	<u>372</u>	<u>6,520,870</u>	<u>15,663,039</u>
Excess (deficiency) of receipts over disbursements	<u>15,330</u>	<u>-</u>	<u>-</u>	<u>(101,647)</u>	<u>(372)</u>	<u>6,249</u>	<u>-</u>
Cash and investments - ending	<u>\$ 290,983</u>	<u>\$ 170</u>	<u>\$ 9,857</u>	<u>\$ 301,112</u>	<u>\$ 5,915</u>	<u>\$ 57,507</u>	<u>\$ -</u>

JAY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	LOIT Public Safety Clearing	Operating Levy Freeze LOIT Stabilization	Wheel Tax	Surtax	Commercial Vehicle Excise Tax	Delinquent Sewer	Financial Institution Tax
Cash and investments - beginning	\$ 29,850	\$ 790,467	\$ 720	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	4,080	-	-	44,371	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	423,164	258,437	97,745	264,354	92,438	-	96,765
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>423,164</u>	<u>258,437</u>	<u>101,825</u>	<u>264,354</u>	<u>92,438</u>	<u>44,371</u>	<u>96,765</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	453,014	-	102,545	264,354	92,438	44,371	96,765
Total disbursements	<u>453,014</u>	<u>-</u>	<u>102,545</u>	<u>264,354</u>	<u>92,438</u>	<u>44,371</u>	<u>96,765</u>
Excess (deficiency) of receipts over disbursements	<u>(29,850)</u>	<u>258,437</u>	<u>(720)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 1,048,904</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

JAY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	CEDIT Homestead Credit	HEA 1001-2008 State Homestead Credit	Local Option PTRC	LOIT PTRC	State Fines and Forfeitures	Infraction Judgments	Overweight Vehicle Fines
Cash and investments - beginning	\$ 43,312	\$ (491)	\$ -	\$ 318,058	\$ 2,019	\$ 1,628	\$ -
Receipts:							
Taxes	306,495	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	759,735	1,513,549	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	15,392	28,912	3,210
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>306,495</u>	<u>-</u>	<u>759,735</u>	<u>1,513,549</u>	<u>15,392</u>	<u>28,912</u>	<u>3,210</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	340,641	-	756,774	1,784,823	14,835	28,686	2,140
Total disbursements	<u>340,641</u>	<u>-</u>	<u>756,774</u>	<u>1,784,823</u>	<u>14,835</u>	<u>28,686</u>	<u>2,140</u>
Excess (deficiency) of receipts over disbursements	<u>(34,146)</u>	<u>-</u>	<u>2,961</u>	<u>(271,274)</u>	<u>557</u>	<u>226</u>	<u>1,070</u>
Cash and investments - ending	<u>\$ 9,166</u>	<u>\$ (491)</u>	<u>\$ 2,961</u>	<u>\$ 46,784</u>	<u>\$ 2,576</u>	<u>\$ 1,854</u>	<u>\$ 1,070</u>

JAY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Special Death Benefit	State Disclosure Fees	Coroners Training and Continuing Education	Mortgage Recording Fee	Child Restraint Violations Fines	Inheritance Tax
Cash and investments - beginning	\$ 160	\$ 350	\$ 65	\$ 285	\$ -	\$ 63,222
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	337,106
Charges for services	2,455	2,545	2,056	2,133	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	350	-
Total receipts	<u>2,455</u>	<u>2,545</u>	<u>2,056</u>	<u>2,133</u>	<u>350</u>	<u>337,106</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	2,480	2,670	1,953	2,258	300	400,328
Total disbursements	<u>2,480</u>	<u>2,670</u>	<u>1,953</u>	<u>2,258</u>	<u>300</u>	<u>400,328</u>
Excess (deficiency) of receipts over disbursements	<u>(25)</u>	<u>(125)</u>	<u>103</u>	<u>(125)</u>	<u>50</u>	<u>(63,222)</u>
Cash and investments - ending	<u>\$ 135</u>	<u>\$ 225</u>	<u>\$ 168</u>	<u>\$ 160</u>	<u>\$ 50</u>	<u>\$ -</u>

JAY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Education Plate Fees	93.563 ARRA Prosecutor	93.563 ARRA Clerk	93.563 Title IV-D Incentive	93.563 Prosecutor Title IV-D	93.563 Clerk Title IV-D
Cash and investments - beginning	\$ -	\$ 17,561	\$ 16,117	\$ 34,670	\$ 63,553	\$ 65,195
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	11,956	17,990	11,956
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	319	23	-	-	113	-
Total receipts	<u>319</u>	<u>23</u>	<u>-</u>	<u>11,956</u>	<u>18,103</u>	<u>11,956</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	319	8,422	15,682	-	-	1,805
Total disbursements	<u>319</u>	<u>8,422</u>	<u>15,682</u>	<u>-</u>	<u>-</u>	<u>1,805</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(8,399)</u>	<u>(15,682)</u>	<u>11,956</u>	<u>18,103</u>	<u>10,151</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 9,162</u>	<u>\$ 435</u>	<u>\$ 46,626</u>	<u>\$ 81,656</u>	<u>\$ 75,346</u>

JAY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Community Corrections Home Detention	Deferral Program	User Fees	Probation User Fees	Jury Fees	Premier Ethanol TIF Dist
Cash and investments - beginning	\$ 149,051	\$ 28,252	\$ 7,659	\$ 228,856	\$ 10,770	\$ 220,474
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	77,331	9,707	-	-	-	-
Fines and forfeits	-	-	769	52,509	386	-
Other receipts	-	-	-	-	2,537	789,556
Total receipts	<u>77,331</u>	<u>9,707</u>	<u>769</u>	<u>52,509</u>	<u>2,923</u>	<u>789,556</u>
Disbursements:						
Personal services	32,127	1,381	-	57,530	9,049	-
Supplies	5,655	-	-	2,357	-	-
Other services and charges	38,601	1,896	-	3,155	-	-
Capital outlay	984	-	-	3,618	-	-
Other disbursements	1,380	2,087	797	-	-	1,010,030
Total disbursements	<u>78,747</u>	<u>5,364</u>	<u>797</u>	<u>66,660</u>	<u>9,049</u>	<u>1,010,030</u>
Excess (deficiency) of receipts over disbursements	<u>(1,416)</u>	<u>4,343</u>	<u>(28)</u>	<u>(14,151)</u>	<u>(6,126)</u>	<u>(220,474)</u>
Cash and investments - ending	<u>\$ 147,635</u>	<u>\$ 32,595</u>	<u>\$ 7,631</u>	<u>\$ 214,705</u>	<u>\$ 4,644</u>	<u>\$ -</u>

JAY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Clerk Trust	Drug Fee Sheriff	County Economic Development Income Tax	Community Corrections	After Settlement Collections	Sheriff Inmate Trust
Cash and investments - beginning	\$ 258,791	\$ 665	\$ 37,556	\$ 8,396	\$ 511,372	\$ 6,528
Receipts:						
Taxes	-	-	-	-	484,338	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	525,677	45,055	-	-
Charges for services	-	-	-	-	-	146,437
Fines and forfeits	2,096,424	-	-	-	-	-
Other receipts	-	4,500	-	168	-	-
Total receipts	<u>2,096,424</u>	<u>4,500</u>	<u>525,677</u>	<u>45,223</u>	<u>484,338</u>	<u>146,437</u>
Disbursements:						
Personal services	-	-	-	47,143	-	-
Supplies	-	-	-	356	-	-
Other services and charges	-	-	-	6,120	-	-
Capital outlay	-	3,400	-	-	-	-
Other disbursements	2,162,497	-	563,233	-	511,372	150,123
Total disbursements	<u>2,162,497</u>	<u>3,400</u>	<u>563,233</u>	<u>53,619</u>	<u>511,372</u>	<u>150,123</u>
Excess (deficiency) of receipts over disbursements	<u>(66,073)</u>	<u>1,100</u>	<u>(37,556)</u>	<u>(8,396)</u>	<u>(27,034)</u>	<u>(3,686)</u>
Cash and investments - ending	<u>\$ 192,718</u>	<u>\$ 1,765</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 484,338</u>	<u>\$ 2,842</u>

JAY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Sheriff Commissary	County Home Welfare Trust	Congressional Principal	Local Option Certified Shares	Wind Farms/Expense Fund	State Homeland Security
Cash and investments - beginning	\$ 19,782	\$ 4,550	\$ 22,822	\$ -	\$ -	\$ -
Receipts:						
Taxes	-	-	-	1,228,796	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	1,025
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	<u>100,733</u>	<u>218,626</u>	<u>-</u>	<u>3,472</u>	<u>65,000</u>	<u>-</u>
Total receipts	<u>100,733</u>	<u>218,626</u>	<u>-</u>	<u>1,232,268</u>	<u>65,000</u>	<u>1,025</u>
Disbursements:						
Personal services	-	-	-	750,796	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	463,916	65,000	-
Capital outlay	-	-	-	-	-	-
Other disbursements	<u>105,083</u>	<u>219,528</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,817</u>
Total disbursements	<u>105,083</u>	<u>219,528</u>	<u>-</u>	<u>1,214,712</u>	<u>65,000</u>	<u>2,817</u>
Excess (deficiency) of receipts over disbursements	<u>(4,350)</u>	<u>(902)</u>	<u>-</u>	<u>17,556</u>	<u>-</u>	<u>(1,792)</u>
Cash and investments - ending	<u>\$ 15,432</u>	<u>\$ 3,648</u>	<u>\$ 22,822</u>	<u>\$ 17,556</u>	<u>\$ -</u>	<u>\$ (1,792)</u>

JAY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	EMPG Performance Grant	Sheriff Drug Buy Money	20.509 Rural Transportation Grant	Misdemeanant Housing	Backhoe Repair and Replacement	Infrastructure
Cash and investments - beginning	\$ -	\$ 4,090	\$ 4	\$ 23,284	\$ 95,185	\$ 853,298
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	35,000
Intergovernmental	4,053	-	662,123	-	-	-
Charges for services	-	-	-	15,647	-	348,543
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	64,714	387
<b>Total receipts</b>	<b>4,053</b>	<b>-</b>	<b>662,123</b>	<b>15,647</b>	<b>64,714</b>	<b>383,930</b>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	11,221	16,292	38,179
Other services and charges	-	-	-	2,693	3,231	69,191
Capital outlay	-	-	-	-	24,596	308,533
Other disbursements	4,053	4,079	662,123	-	-	-
<b>Total disbursements</b>	<b>4,053</b>	<b>4,079</b>	<b>662,123</b>	<b>13,914</b>	<b>44,119</b>	<b>415,903</b>
Excess (deficiency) of receipts over disbursements	-	(4,079)	-	1,733	20,595	(31,973)
Cash and investments - ending	<u>\$ -</u>	<u>\$ 11</u>	<u>\$ 4</u>	<u>\$ 25,017</u>	<u>\$ 115,780</u>	<u>\$ 821,325</u>

JAY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	20.609 Operation Pullover	Retirement Center Donations	Jail Lease Payments	Tile Inventory	Ambulance Replacement	Redevelopment District Capital
Cash and investments - beginning	\$ -	\$ 4,799	\$ -	\$ 1,921	\$ 54,451	\$ 155,186
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	2,562	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	7	916,493	60,196	-	798
Total receipts	<u>2,562</u>	<u>7</u>	<u>916,493</u>	<u>60,196</u>	<u>-</u>	<u>798</u>
Disbursements:						
Personal services	2,562	-	-	-	-	-
Supplies	-	-	-	62,061	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	799,000	-	-	34,153
Total disbursements	<u>2,562</u>	<u>-</u>	<u>799,000</u>	<u>62,061</u>	<u>-</u>	<u>34,153</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>7</u>	<u>117,493</u>	<u>(1,865)</u>	<u>-</u>	<u>(33,355)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 4,806</u>	<u>\$ 117,493</u>	<u>\$ 56</u>	<u>\$ 54,451</u>	<u>\$ 121,831</u>

JAY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	County Forfeiture	5% Host Fees-Infrastructure	Court ASAAE	Commissioner's Certificate Sale	Redacting Fee	Marijuana Eradication
Cash and investments - beginning	\$ 2,720	\$ 140,984	\$ 16,449	\$ 788	\$ 16,702	\$ 829
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	18,344	150	-	1,890	-
Fines and forfeits	-	-	24,756	-	-	-
Other receipts	-	-	-	18,734	-	-
Total receipts	-	18,344	24,906	18,734	1,890	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	30,400	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	16,874	675	-
Total disbursements	-	-	30,400	16,874	675	-
Excess (deficiency) of receipts over disbursements	-	18,344	(5,494)	1,860	1,215	-
Cash and investments - ending	\$ 2,720	\$ 159,328	\$ 10,955	\$ 2,648	\$ 17,917	\$ 829

JAY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	TIF Bond General	TIF Bond Reserve	HEA	LOIT Operating Levy Freeze	16.575 Victim Assistant Grant	93.069 Bioterrorism Grant
Cash and investments - beginning	\$ 267,859	\$ 125,575	\$ 180,272	\$ 150,189	\$ (5,800)	\$ 11,245
Receipts:						
Taxes	-	-	-	1,513,549	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	18,747	-
Charges for services	-	-	-	-	-	24,120
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	46,939	-	-	-
Total receipts	<u>-</u>	<u>-</u>	<u>46,939</u>	<u>1,513,549</u>	<u>18,747</u>	<u>24,120</u>
Disbursements:						
Personal services	-	-	-	-	17,889	-
Supplies	-	-	-	-	-	3,735
Other services and charges	-	-	-	-	-	11,799
Capital outlay	-	-	-	-	-	11,879
Other disbursements	-	-	121,489	1,663,738	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>121,489</u>	<u>1,663,738</u>	<u>17,889</u>	<u>27,413</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>(74,550)</u>	<u>(150,189)</u>	<u>858</u>	<u>(3,293)</u>
Cash and investments - ending	<u>\$ 267,859</u>	<u>\$ 125,575</u>	<u>\$ 105,722</u>	<u>\$ -</u>	<u>\$ (4,942)</u>	<u>\$ 7,952</u>

JAY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Bulletproof Vests	Jury Pay	Pre Trial Diversion	County Sheriff Continuing Education	Sheriff	Totals
Cash and investments - beginning	\$ 3,492	\$ 98	\$ 10,668	\$ 4,291	\$ -	\$ 14,678,188
Receipts:						
Taxes	-	-	-	-	-	25,431,683
Licenses and permits	-	-	-	-	-	82,009
Intergovernmental	-	-	-	-	-	10,952,835
Charges for services	-	-	1,874	1,338	-	3,472,522
Fines and forfeits	-	-	-	-	-	2,358,239
Other receipts	-	-	-	-	743,050	12,215,963
Total receipts	-	-	1,874	1,338	743,050	54,513,251
Disbursements:						
Personal services	-	-	-	-	-	7,629,878
Supplies	-	-	-	-	-	1,674,887
Other services and charges	-	-	-	1,485	-	2,552,626
Capital outlay	-	-	-	-	-	1,698,392
Other disbursements	-	-	-	-	743,050	40,799,764
Total disbursements	-	-	-	1,485	743,050	54,355,547
Excess (deficiency) of receipts over disbursements	-	-	1,874	(147)	-	157,704
Cash and investments - ending	\$ 3,492	\$ 98	\$ 12,542	\$ 4,144	\$ -	\$ 14,835,892

JAY COUNTY  
 SCHEDULE OF LEASES AND DEBT  
 December 31, 2013

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
General obligation bonds	Jail	\$ 8,750,000	\$ 398,000
Notes and loans payable	Surveyor Excavator	59,569	24,596
Notes and loans payable	Chip & Seal Equipment	<u>251,994</u>	<u>65,762</u>
Totals		<u>\$ 9,061,563</u>	<u>\$ 488,358</u>

JAY COUNTY  
SCHEDULE OF CAPITAL ASSETS  
December 31, 2013

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	\$ 796,302
Buildings	13,948,710
Improvements other than buildings	20,381,966
Machinery, equipment, and vehicles	<u>9,553,214</u>
Total capital assets	<u>\$ 44,680,192</u>

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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

TO: THE OFFICIALS OF JAY COUNTY, INDIANA

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

We have audited Jay County's (County) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended December 31, 2013. The County's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for the County's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2013.

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

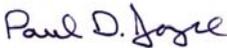
***Report on Internal Control Over Compliance***

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

  
Paul D. Joyce, CPA  
State Examiner

November 10, 2014

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

The Schedule of Expenditures of Federal Awards and accompanying notes presented were approved by management of the County. The schedule and notes are presented as intended by the County.

JAY COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2013

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 Justice</u>				
Crime Victim Assistance Victim Assistance	Indiana Criminal Justice Institute	16.575	2012-VOCA-01-1408	\$ 18,747
Total - Department of Justice				<u>18,747</u>
<u>Department of Transportation</u>				
Highway Planning and Construction Cluster Highway Planning and Construction	Indiana Department of Transportation	20.205	0902197	<u>1,458</u>
Total - Highway Planning and Construction Cluster				<u>1,458</u>
Formula Grants for Rural Areas	Indiana Department of Transportation	20.509	A249-12-320298 A249-13-320319	98,774 <u>354,802</u>
Total - Formula Grants for Rural Areas				<u>453,576</u>
Highway Safety Cluster State and Community Highway Safety	Blackford County	20.600	K42012090307	<u>2,562</u>
Total - Department of Transportation				<u>457,596</u>
<u>Department of Health and Human Services</u>				
Public Health Emergency Preparedness Bioterrorism Preparedness and Response	Indiana State Department of Health	93.069	BPRS 137-70	<u>9,756</u>
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	Indiana State Department of Health	93.074	BPRS 137-75	<u>11,718</u>
Centers For Disease Control and Prevention - Investigations and Technical Assistance	Indiana State Department of Health	93.283	BPRS-137-2	<u>2,646</u>
Child Support Enforcement	Indiana Department of Child Services	93.563	FY 2013	<u>162,499</u>
Total - Department of Health and Human Services				<u>186,619</u>
<u>Department of Homeland Security</u>				
Disaster Grants - Public Assistance (Presidentially Declared Disasters) Hurricane Sandy Relief New Jersey	Indiana Department of Homeland Security	97.036	315-REQA-1040	<u>5,874</u>
Emergency Management Performance Grants	Indiana Department of Homeland Security	97.042	C44P-2-345A	<u>31,332</u>
Homeland Security Grant Program	Indiana Department of Homeland Security	97.067	C44P-3-155B	<u>1,025</u>
Total - Department of Homeland Security				<u>38,231</u>
Total federal awards expended				<u>\$ 701,193</u>

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

JAY COUNTY  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the County and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

**Note 2. Subrecipients**

Of the federal expenditures presented in the schedule, the County provided federal awards to subrecipients as follows for the year ended December 31, 2013:

Program Title	Federal CFDA Number	2013
Formula Grants for Rural Areas	20.509	\$ <u>453,576</u>

JAY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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

Financial Statement:

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

Federal Awards:

Internal control over major program:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	no

Identification of Major Program:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
20.509	Formula Grants for Rural Areas

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

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

**FINDING 2013-001 - PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

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 County should have proper controls in place over the preparation of the SEFA to ensure accurate reporting of federal awards. Without a proper system of internal control in place that operates effectively, material misstatements of the SEFA could remain undetected.

During the audit of the SEFA, we noted the following errors: (a) total federal expenditures were incorrectly reported with expenditures being overstated by \$167,982; (b) amounts reported for 10 of 11 grant awards were incorrect; and (c) information such as grantor agency, program title, pass-through entity, Catalog of Federal Domestic Assistance (CFDA) number, and pass-through identifying number were incorrect or omitted for some grant awards.

JAY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

We believe the deficiencies discussed above constitute a material weakness. The errors and omissions on the SEFA were partially caused by a lack of sufficient internal controls over the preparation of the SEFA and due to insufficient familiarity with some of the required elements of the SEFA. Audit adjustments were proposed, accepted by the County, and made to the SEFA presented in this report.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

OMB Circular A-133, Subpart C, section .300 states in part: "The auditee shall: . . . (d) Prepare appropriate financial statements, including the schedule of expenditures of Federal Awards in accordance with section .310."

OMB Circular A-133, Subpart C, section .310(b) states:

"Schedule of expenditures of Federal awards: The auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple award years, the auditee may list the amount of Federal awards expended for each award year separately. At a minimum, the schedule shall:

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide the total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.

JAY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

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

No matters are reportable.

#### AUDITEE PREPARED DOCUMENTS

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



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October 27, 2014  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Original SBA Audit Report number: B42451

Fiscal Year: 1/1/2012 – 12/31/2012

Auditee Contact Person: Nancy J Culy

Title of Contact Person: Jay County Auditor

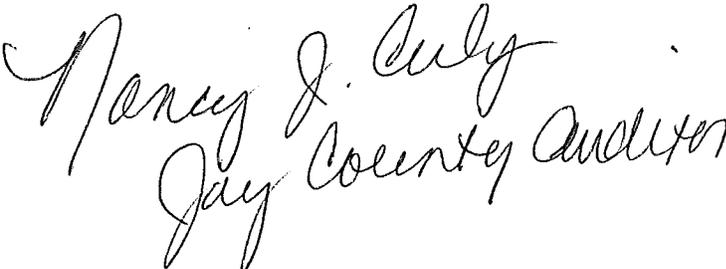
Phone: (260)726-7575

Status of Finding 2012-1: Internal Controls over Financial Transactions and Reporting – Schedule of Expenditures of Federal Rewards (SEFA)

Jay County Auditor's Office is now checking the CFDA numbers against the website to make sure the titles for the grants are correct.

Status of Finding 2012-2: Sub-recipient Monitoring  
Formula Grants for Other than Urbanized Areas  
Pass-Through Indiana Department of Transportation

The Jay County Auditor sat down with the CFO of Lifestream Services, Tony Miller, and discussed the findings of the audit. The county auditor expressed the concerns of the audit and what could be done to make sure the information needed was provided to the county auditor. Mr. Miller has been very forth coming with the information and there is now an open communication between the two offices which in turn has provided the needed information to the county of Jay.



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### CORRECTIVE ACTION PLAN

#### **FINDING 2013-001**

Nancy J Culy, Auditor:  
(260)726-6937:

#### Description of Corrective Action Plan:

To rectify Finding 2013-001, the Jay County Auditor's office will be starting a spreadsheet which will be kept for all grants that come into the county. On the spreadsheet there will be a tab for each grant that comes into the county, noting what it is for, the amount the grant is for, and the CFDA or SEFA number associated with that grant. We will also be requiring each grant recipient to file with the Auditor's office a form describing the grant, giving the number for the grant and title of the grant. This will put in the folder with each grant that comes into the county.

When the CAR is ready for submission, the County Auditor, President of Commissioners, or an appointed person, will verify the information for each grant on the SEFA that is reported and verify beginning and ending balances.

The auditor's office will be going back to the beginning of 2014 and cataloging the grants that have been disbursed for the current year, and any grants that have a balance from a previous year.

Anticipated Completion Date: 12/31/2014

Nancy J Culy  
(Signature)

Auditor  
(Title)

10/29/14  
(Date)

#### OTHER REPORT

In addition to this report, a Supplemental Compliance Report has been issued for the County. That report can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.