

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF  
JACKSON COUNTY, INDIANA  
January 1, 2012 to December 31, 2012



**FILED**  
11/18/2013



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Debra F. Eggeman Kathy S. Hohenstreiter	01-01-09 to 12-31-12 01-01-13 to 12-31-16
Treasurer	Kathy S. Hohenstreiter Maria L. Fisher	01-01-09 to 12-31-12 01-01-13 to 12-31-16
Clerk	Amanda Lowery	01-01-11 to 12-31-14
Sheriff	Mike Crothers	01-01-11 to 12-31-14
Recorder	Linda Jo Auleman	01-01-11 to 12-31-14
President of the Board of County Commissioners	Jerry Hounshel	01-01-12 to 12-31-13
President of the County Council	Charles S. Murphy	01-01-12 to 12-31-13



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF JACKSON COUNTY, INDIANA

***Report on the Financial Statement***

We have audited the accompanying financial statement of Jackson County (County), which comprises the financial position and results of operations for the year ended December 31, 2012, 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, 2012.

***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, 2012, 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 13, 2013, 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.

*Other Information*

Included in the financial statement are the receipts and disbursements activity from emergency telephone system fees (IC 36-8-16), enhanced wireless emergency telephone fees (IC 36-8-16.5), and statewide 911 services fees (IC 36-8-16.7). In accordance with Indiana Code 36-8-16-14, Indiana Code 36-8-16.5-41, and Indiana Code 36-8-16.7-38, these fees have been subject to an annual audit performed by the Indiana State Board of Accounts and, in our opinion, are fairly stated, in all material respects, in relation to the financial statement taken as a whole.

  
Paul D. Joyce, CPA  
State Examiner

November 13, 2013



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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 JACKSON 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 Jackson County (County), which comprises the financial position and results of operations for the year ended December 31, 2012, and the related notes to the financial statement, and have issued our report thereon dated November 13, 2013, 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 material weaknesses.

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 2012-1 to be a material weakness.

***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

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)

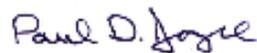
was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2012-1.

***Jackson 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 13, 2013

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## FINANCIAL STATEMENT

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.

JACKSON COUNTY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For The Year Ended December 31, 2012

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12
General	\$ 3,554,911	\$ 11,348,249	\$ 12,839,680	\$ 2,063,480
Motor Vehicle Highway	508,181	2,214,338	2,057,996	664,523
H1N1 Vaccine Fund	82	2	81	3
Health	34,817	500,173	472,385	62,605
Juvenile Probation Service	18,440	2,784	4,413	16,811
Adult Probation Services	21,263	24,937	26,436	19,764
Property Reassessment	-	293,167	293,167	-
Supplemental Public Defender Services	188,091	29,883	-	217,974
Emergency Medical Services Ambulance	1,074,276	2,048,244	2,071,022	1,051,498
Township Assistance Agency	-	138,614	138,614	-
Accident Report	3,818	4,545	5,675	2,688
Handgun License Application	14,582	18,950	17,440	16,092
Misdemeanant	50,295	45,550	45,500	50,345
Convention And Tourism	580,932	414,592	350,747	644,777
Alcohol And Drug Services	73	137,899	145,561	(7,589)
Covered Bridge Maintenance	5,206	3,710	-	8,916
Emergency Planning/Right To Know	35,328	12,028	9,834	37,522
IV-D Impact	23,989	-	-	23,989
City Of Seymour Ordinance	5,563	-	-	5,563
Health Maintenance	905	47,406	32,672	15,639
Cumulative Bridge	2,854,149	537,239	1,091,169	2,300,219
Local Road And Street	49,143	360,459	372,093	37,509
Emergency Telephone System	563,374	223,660	735,822	51,212
Project Income	82,271	265,624	251,773	96,122
County Assessors Copy Fund	3,653	-	-	3,653
Plat Book	28,667	6,175	309	34,533
Courthouse Annex Renovation	362	-	-	362
Education Plate Fees Agency	-	581	581	-
Sales Disclosure	28,867	4,117	1,905	31,079
State Settlement	-	4,305	4,305	-
Cedit Homestead Credit	28,413	1,305,979	896,511	437,881
Recorder's Records Perpetuation	73,757	88,345	109,812	52,290
Surveyor's Corner Perpetuation	16,191	8,245	4,379	20,057
Child Advocacy	200	-	-	200
Tobacco Settlement	70,889	-	70,888	1
Crime Control	8,441	9,283	8,503	9,221
Alternative Dispute Res	11,233	6,160	9,600	7,793
Cumulative Building	567	-	-	567
Legal Fees Ppj	5	-	-	5
School Pension Debt	-	679,020	679,020	-
General Obligation Bonds Series 2010	719,154	1,350	412,014	308,490
Prosecutors Collections	3,248	1,593	736	4,105
Law Enforcement Continuing Education	103	305	-	408
Prosecutors Victim Assistance	(18,440)	54,218	45,474	(9,696)
Health Insurance	354,807	703,496	1,057,471	832
Juvenile Home Kids To Camp	1,568	-	585	983
Cedit Agency	893,452	3,180,388	3,902,391	171,449
Surplus Tax	173,037	345,992	165,546	353,483
Tax Sale Redemption	1,467	58,045	59,512	-
Surplus Tax Sale	92,500	529,286	99,794	521,992
Surplus Dog Tax Special Revenue	422	-	-	422
Fines And Forfeitures	3,330	23,450	25,195	1,585
Certified It	1,274	-	-	1,274
Inheritance Tax	964,381	1,304,791	1,661,058	608,114
Drug Free Community	44,398	33,298	44,383	33,313
Coroners Education	504	4,230	4,340	394
Police Pension	109,453	108,353	103,594	114,212
Probation Users Fees	1,341	158,197	152,304	7,234
Sales Disclosure #2	450	4,110	4,240	320
Overweight Vehicle Fines	-	27,562	27,562	-
Probation	7,741	6,338	8,546	5,533
Cvet	38	308,563	308,563	38

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

JACKSON COUNTY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For The Year Ended December 31, 2012  
(Continued)

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12
Bus Replacement	-	597,151	597,151	-
Issac Levy	-	886	886	-
Sewage Collections	-	271,868	271,868	-
Carr Township Special Fire Territory	-	30,771	30,771	-
Riverboat Tax Distribution	-	251,032	-	251,032
Bio Terrorism Preparedness	3,950	8,500	12,450	-
Infraction Deferral	15,749	58,534	71,479	2,804
Drainage Maintenance	331,861	95,837	115,675	312,023
Drainage Maintenance #4	12,661	250	-	12,911
City And Town Court Costs	71,048	16,154	-	87,202
Agency On Aging	13,102	-	-	13,102
Clerk Title IV-D #1	59,554	20,834	-	80,388
Prosecutor Title IV-D #1	112,410	31,359	-	143,769
Electronic Map Generation	11,260	3,017	411	13,866
Mortgage Fees-State Share	4,188	55,830	55,307	4,711
Townships	-	227,217	227,217	-
Firefighting	-	25,806	25,806	-
Burkhart Drive I65 TIF	-	361,813	561,813	(200,000)
School Transportation	-	2,419,900	2,419,900	-
Corporation General City	-	7,585,097	7,585,097	-
Park And Recreation Agency	-	514,176	514,176	-
Libraries	-	1,495,665	1,495,665	-
Community Corrections	(3,092)	3,092	-	-
Library Debt	-	115,747	115,747	-
Cumulative Fire-City	-	21,453	21,453	-
School Debt Services	-	5,954,630	5,954,630	-
Street City/Town	-	384,205	384,205	-
Juvenile Home Tutoring	2,416	-	-	2,416
Juvenile Home Counseling	6,296	-	690	5,606
Cumulative Courthouse	48	-	-	48
City Cumulative Capital Development	-	299,564	299,564	-
Capital Projects School	-	5,338,300	5,338,300	-
Guardian Ad Litem/Court	30,231	96,184	66,084	60,331
Financial Institution Tax	-	191,131	191,131	-
CAGIT Certified Shares	-	8,694,971	8,694,647	324
Clerk's Records Perpetuation	69,071	16,632	26,480	59,223
Cumulative Fire Twps	-	22,119	22,119	-
Pershing Township Special Fire District	-	54,370	54,370	-
Corporation Debt Service	-	737,705	737,705	-
Cumulative Jail	4,205	-	-	4,205
Cumulative Capital Development	1,083,105	402,060	418,540	1,066,625
City Bond #2	-	29,221	29,221	-
Juvenile Detention Center Grant	196	-	-	196
Welfare Excise Tax	-	1,331,068	1,331,068	-
Users Fee Agency	31,367	74,174	87,459	18,082
Pretrial Diversion	45,952	72,016	111,804	6,164
Deferral Program	38,794	27,940	20,000	46,734
Jury Pay	15,442	9,201	24,578	65
Law Enforcement	128,646	12,665	11,269	130,042
Emergency Management Special Appropriation	13,361	14,932	8,971	19,322
Rainy Day	2,538,591	712,836	100,538	3,150,889
Interstate Compact	125	1,280	1,280	125
Community Corrections Adult	239	-	239	-
Community Correction Juvenile	(15,544)	213	-	(15,331)
Seat Belt Violations	6,200	31,275	36,475	1,000
Child Restraint Special Revenue	-	2,125	2,100	25
Help America Vote Act	2,138	-	1,747	391
Special Death Benefit	295	4,085	3,820	560
Pershing Township Volunteer Fire Dept	47,278	474,740	513,707	8,311
Identification Security Protection	203	4,614	1,345	3,472
Capital Improvement Bond	25,067	-	25,067	-
Lease Rental Payment	4,839	356,205	314,500	46,544

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

JACKSON COUNTY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For The Year Ended December 31, 2012  
(Continued)

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12
Capital Projects Fund	155,451	318	77,504	78,265
Interstate Compact County	2,025	-	-	2,025
Capital Improvement Bond	31,628	1,007,333	793,460	245,501
Homestead Credit Rebate	9,874	-	-	9,874
Community Corrections Drug Free Monies	629	-	629	-
Child in Need of Service	661,655	169,998	103,662	727,991
Hea 1001-2008 State Homestead Credit	(1,453)	-	638	(2,091)
Community Corrections Grant	9,999	116,291	124,100	2,190
Bullet Proof Vest Grant	198	-	-	198
Weed Lien Fund	-	26,521	26,521	-
Wireless 911 Revenue	470,279	85,279	85,279	470,279
Community Corrections Grant	(7,704)	79,991	72,287	-
Community Transition Program	19,915	6,250	1,460	24,705
Levy Excess Fund	25,009	93,124	-	118,133
Interpreter Grant	20,511	540	3,095	17,956
Prosecutor ARRA Reimb	13,138	6	4,459	8,685
Clerk ARRA Reimb	1,390	1	-	1,391
Health Dept H1N1 Extension	2	-	2	-
County General IV-D Fund	50,053	20,796	20,087	50,762
Ordinance Violation Fund	11,900	43,145	20,248	34,797
Special Fire General	-	392,303	392,303	-
Special Fire Cumulative	-	254,264	254,264	-
2017 Reassessment	122,604	124,480	-	247,084
Elected Officials Training Fund	1,909	4,609	523	5,995
Asset Forfeiture Fund	19,363	-	6,240	13,123
Commissioner Sale Fund	-	13,300	8,550	4,750
Special Fire Debt Expense	-	43,473	43,473	-
Indiana Local Health Dept. Trust	-	23,594	12,969	10,625
Public Health Preparedness Grant	-	3,950	2,521	1,429
ILHDTA Excess Funds	-	54,245	13,825	40,420
Statewide 911	-	687,621	35,618	652,003
Clerks Supplement	887,330	2,738,519	3,584,958	40,891
Convention and Tourism Supplemental	4,434	7,030	6,522	4,942
Sheriff Commissary	94,374	119,884	69,526	144,732
County Treasurer Supplemental	932,296	1,194,029	932,296	1,194,029
County Prosecutor Supplemental Bad Check Program	(8)	2,495	2,487	-
Juvenile Home Supplement	7,403	17,988	18,056	7,335
Sheriff Supplemental Drug Buy Money	2,035	2,817	1,505	3,347
Juvenile Detention Center Supplement	56	561	560	57
Juvenile Detention Center Auxiliary	917	6,090	6,186	821
Payroll	33,488	-	-	33,488
Federal Withholding	21	860,412	860,412	21
Fica And Medicare Withholding	(513)	454,336	454,342	(519)
State Withholding	30,864	273,802	283,694	20,972
Siho Post-Tax	942	6,260	7,000	202
Colonial Ins Withholding	4,643	46,439	47,592	3,490
Aflac Post-Tax	6,405	40,591	46,996	-
Cagit Withholding	13,880	123,533	127,951	9,462
Garnishment Withholding	(5,764)	53,275	53,004	(5,493)
Great West Insurance	-	50,807	50,807	-
United Fund	-	4,837	4,837	-
Credit Union	-	98,295	98,295	-
Great-West Insurance	-	3,300	3,300	-
Voluntary Perf	461	10,460	10,460	461
Siho Pre Tax	36,114	348,499	383,661	952
Boston Mutual	3,245	16,974	17,081	3,138
Aflac Pre-Tax	2,726	30,769	33,427	68
Ameritas Dental/Eye	4,436	125,573	130,022	(13)
Hsa Vol Amount Pre-Tax	-	3,443	3,443	-
Liberty Pre-Tax	260	4,996	4,545	711
Liberty Post-Tax	277	782	999	60
Pre-Paid Legal Services	215	1,268	1,411	72

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

JACKSON COUNTY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For The Year Ended December 31, 2012  
(Continued)

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12
Colonial Ins Pre-Tax	2,478	12,742	14,156	1,064
Clerk Supplemental Odyssey Acct	-	4,105,803	2,855,115	1,250,688
Visitor Center Supplemental-Cash Fund	-	1,592	1,592	-
Sheriff Supplemental Inmate Trust	13,070	391,932	382,051	22,951
Totals	<u>\$ 21,700,874</u>	<u>\$ 81,611,843</u>	<u>\$ 82,369,732</u>	<u>\$ 20,942,985</u>

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

JACKSON 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 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.

JACKSON 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 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.

Debt service principal and interest which include 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.

JACKSON COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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.

*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.

JACKSON COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 4. Deposits and Investments**

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

State statutes authorize the County to invest in securities including, but not limited to, 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 Capital Street, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

JACKSON COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*Funding Policy and Annual Pension Cost*

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

**B. County Police Retirement Plan**

*Plan Description*

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

*Funding Policy*

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

**C. County Police Benefit Plan**

*Plan Description*

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

*Funding Policy*

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

**Note 7. Restatement of County Offices**

Certain funds that were included on the prior-year financial statement have been omitted from the current-year financial statement to more accurately reflect the financial activity of the County. These funds account for receipts and disbursements of County offices that are also eventually accounted for in the County's general ledger and financial statement.

JACKSON COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 8. Restatements**

For the year ended December 31, 2012, certain changes have been made to some of the beginning balances of the financial statement to more appropriately reflect financial activity of the County. The following schedule presents a summary of restated beginning balances.

Fund Name	Balance as of December 31, 2011	Prior Period Adjustment	Balance as of January 1, 2012
County Prosecutor Supplemental Bad Check Program	\$ -	\$ (8)	\$ (8)
Sheriff Supplemental Drug Buy Money	-	2,035	2,035

**Note 9. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash. This is a result of expenditures exceeding receipts and will be offset with future receipts.

**Note 10. Holding Corporation**

The County has entered into capital leases with Jackson County 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 2012 totaled \$1,503,994.

**Note 11. Subsequent Event**

On March 20, 2013, the Jackson County Commissioners passed Ordinance No. 2 Council Bill No. 1 (2013), Ordinance of the Jackson County Council Authorizing The Issuance Of General Obligation Bonds For The Purpose Of Providing Funds To Be Applied For The Purchase Of Equipment For Certain County Facilities, Improvements To Certain County Facilities, And Incidental Expenses In Connection Therewith And On Account Of The Issuance Of The Bonds.

The General Obligation Bond Issue was for \$1,980,000. Proceeds from the loan were receipted into Fund 53, Jackson Co 2013 GOB Series Fund, on April 23, 2013. As of November 6, 2013, \$397,882.72 of bond proceed was disbursed for various assets and improvements.

**Note 12. Other Postemployment Benefits**

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

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## 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.

JACKSON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012

	General	Motor Vehicle Highway	H1N1 Vaccine Fund	Health	Juvenile Probation Service	Adult Probation Services	Property Reassessment
Cash and investments - beginning	\$ 3,554,911	\$ 508,181	\$ 82	\$ 34,817	\$ 18,440	\$ 21,263	\$ -
Receipts:							
Taxes	8,021,383	-	-	295,185	-	-	121,357
Licenses and permits	21,964	-	-	-	-	-	-
Intergovernmental	1,101,639	2,025,741	-	26,549	-	-	8,810
Charges for services	374,452	-	-	178,125	2,784	24,937	-
Fines and forfeits	140,403	-	-	-	-	-	-
Other receipts	1,688,408	188,597	2	314	-	-	163,000
Total receipts	<u>11,348,249</u>	<u>2,214,338</u>	<u>2</u>	<u>500,173</u>	<u>2,784</u>	<u>24,937</u>	<u>293,167</u>
Disbursements:							
Personal services	7,974,896	800,767	-	316,507	3,863	24,588	37,335
Supplies	455,829	809,381	-	54,453	-	578	472
Other services and charges	2,150,732	299,678	-	41,425	550	600	255,360
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	1,906	5,670	81	-	-	-	-
Other disbursements	2,256,317	142,500	-	60,000	-	670	-
Total disbursements	<u>12,839,680</u>	<u>2,057,996</u>	<u>81</u>	<u>472,385</u>	<u>4,413</u>	<u>26,436</u>	<u>293,167</u>
Excess (deficiency) of receipts over disbursements	<u>(1,491,431)</u>	<u>156,342</u>	<u>(79)</u>	<u>27,788</u>	<u>(1,629)</u>	<u>(1,499)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 2,063,480</u>	<u>\$ 664,523</u>	<u>\$ 3</u>	<u>\$ 62,605</u>	<u>\$ 16,811</u>	<u>\$ 19,764</u>	<u>\$ -</u>

JACKSON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Supplemental Public Defender Services	Emergency Medical Services Ambulance	Township Assistance Agency	Accident Report	Handgun License Application	Misdemeanant	Convention And Tourism
Cash and investments - beginning	\$ 188,091	\$ 1,074,276	\$ -	\$ 3,818	\$ 14,582	\$ 50,295	\$ 580,932
Receipts:							
Taxes	-	96,638	138,614	-	-	-	408,926
Licenses and permits	-	-	-	-	18,950	-	-
Intergovernmental	-	8,692	-	-	-	-	-
Charges for services	-	1,918,139	-	4,545	-	45,550	-
Fines and forfeits	29,883	-	-	-	-	-	-
Other receipts	-	24,775	-	-	-	-	5,666
Total receipts	<u>29,883</u>	<u>2,048,244</u>	<u>138,614</u>	<u>4,545</u>	<u>18,950</u>	<u>45,550</u>	<u>414,592</u>
Disbursements:							
Personal services	-	1,374,705	-	-	-	-	123,196
Supplies	-	213,242	-	-	17,440	-	10,933
Other services and charges	-	216,366	-	5,675	-	40,500	75,925
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	59,091	-	-	-	5,000	36,793
Other disbursements	-	207,618	138,614	-	-	-	103,900
Total disbursements	<u>-</u>	<u>2,071,022</u>	<u>138,614</u>	<u>5,675</u>	<u>17,440</u>	<u>45,500</u>	<u>350,747</u>
Excess (deficiency) of receipts over disbursements	<u>29,883</u>	<u>(22,778)</u>	<u>-</u>	<u>(1,130)</u>	<u>1,510</u>	<u>50</u>	<u>63,845</u>
Cash and investments - ending	<u>\$ 217,974</u>	<u>\$ 1,051,498</u>	<u>\$ -</u>	<u>\$ 2,688</u>	<u>\$ 16,092</u>	<u>\$ 50,345</u>	<u>\$ 644,777</u>

JACKSON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Alcohol And Drug Services	Covered Bridge Maintenance	Emergency Planning/Right To Know	IV-D Impact	City Of Seymour Ordinance	Health Maintenance	Cumulative Bridge
Cash and investments - beginning	\$ 73	\$ 5,206	\$ 35,328	\$ 23,989	\$ 5,563	\$ 905	\$ 2,854,149
Receipts:							
Taxes	-	3,700	-	-	-	-	351,411
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	24,741	31,606
Charges for services	-	-	10,689	-	-	7,931	137,969
Fines and forfeits	131,304	-	-	-	-	-	-
Other receipts	6,595	10	1,339	-	-	14,734	16,253
<b>Total receipts</b>	<b>137,899</b>	<b>3,710</b>	<b>12,028</b>	<b>-</b>	<b>-</b>	<b>47,406</b>	<b>537,239</b>
Disbursements:							
Personal services	136,184	-	118	-	-	20,053	120,406
Supplies	1,686	-	3,813	-	-	-	-
Other services and charges	7,691	-	5,303	-	-	12,305	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	600	-	-	-	948,263
Other disbursements	-	-	-	-	-	314	22,500
<b>Total disbursements</b>	<b>145,561</b>	<b>-</b>	<b>9,834</b>	<b>-</b>	<b>-</b>	<b>32,672</b>	<b>1,091,169</b>
Excess (deficiency) of receipts over disbursements	(7,662)	3,710	2,194	-	-	14,734	(553,930)
Cash and investments - ending	\$ (7,589)	\$ 8,916	\$ 37,522	\$ 23,989	\$ 5,563	\$ 15,639	\$ 2,300,219

JACKSON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Local Road And Street	Emergency Telephone System	Project Income	County Assessors Copy Fund	Plat Book	Courthouse Annex Renovation	Education Plate Fees Agency
Cash and investments - beginning	\$ 49,143	\$ 563,374	\$ 82,271	\$ 3,653	\$ 28,667	\$ 362	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	360,459	-	-	-	-	-	-
Charges for services	-	222,448	265,624	-	6,175	-	-
Fines and forfeits	-	-	-	-	-	-	581
Other receipts	-	1,212	-	-	-	-	-
Total receipts	<u>360,459</u>	<u>223,660</u>	<u>265,624</u>	<u>-</u>	<u>6,175</u>	<u>-</u>	<u>581</u>
Disbursements:							
Personal services	-	111,423	116,210	-	309	-	-
Supplies	372,093	3,964	6,130	-	-	-	-
Other services and charges	-	126,009	98,199	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	33,450	5,668	-	-	-	-
Other disbursements	-	460,976	25,566	-	-	-	581
Total disbursements	<u>372,093</u>	<u>735,822</u>	<u>251,773</u>	<u>-</u>	<u>309</u>	<u>-</u>	<u>581</u>
Excess (deficiency) of receipts over disbursements	<u>(11,634)</u>	<u>(512,162)</u>	<u>13,851</u>	<u>-</u>	<u>5,866</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 37,509</u>	<u>\$ 51,212</u>	<u>\$ 96,122</u>	<u>\$ 3,653</u>	<u>\$ 34,533</u>	<u>\$ 362</u>	<u>\$ -</u>

JACKSON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Sales Disclosure	State Settlement	Cedit Homestead Credit	Recorder's Records Perpetuation	Surveyor's Corner Perpetuation	Child Advocacy	Tobacco Settlement
Cash and investments - beginning	\$ 28,867	\$ -	\$ 28,413	\$ 73,757	\$ 16,191	\$ 200	\$ 70,889
Receipts:							
Taxes	-	4,305	1,305,979	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	4,117	-	-	88,345	8,245	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>4,117</u>	<u>4,305</u>	<u>1,305,979</u>	<u>88,345</u>	<u>8,245</u>	<u>-</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	18,812	628	-	-
Supplies	-	-	-	-	376	-	506
Other services and charges	-	-	-	-	1,800	-	1,404
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	1,575	-	-
Other disbursements	1,905	4,305	896,511	91,000	-	-	68,978
Total disbursements	<u>1,905</u>	<u>4,305</u>	<u>896,511</u>	<u>109,812</u>	<u>4,379</u>	<u>-</u>	<u>70,888</u>
Excess (deficiency) of receipts over disbursements	<u>2,212</u>	<u>-</u>	<u>409,468</u>	<u>(21,467)</u>	<u>3,866</u>	<u>-</u>	<u>(70,888)</u>
Cash and investments - ending	<u>\$ 31,079</u>	<u>\$ -</u>	<u>\$ 437,881</u>	<u>\$ 52,290</u>	<u>\$ 20,057</u>	<u>\$ 200</u>	<u>\$ 1</u>

JACKSON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Crime Control	Alternative Dispute Res	Cumulative Building	Legal Fees Ppj	School Pension Debt	General Obligation Bonds Series 2010	Prosecutors Collections
Cash and investments - beginning	\$ 8,441	\$ 11,233	\$ 567	\$ 5	\$ -	\$ 719,154	\$ 3,248
Receipts:							
Taxes	-	-	-	-	679,020	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	6,160	-	-	-	-	1,593
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	9,283	-	-	-	-	1,350	-
Total receipts	9,283	6,160	-	-	679,020	1,350	1,593
Disbursements:							
Personal services	-	9,600	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	8,503	-	-	-	-	14,135	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	397,879	-
Other disbursements	-	-	-	-	679,020	-	736
Total disbursements	8,503	9,600	-	-	679,020	412,014	736
Excess (deficiency) of receipts over disbursements	780	(3,440)	-	-	-	(410,664)	857
Cash and investments - ending	\$ 9,221	\$ 7,793	\$ 567	\$ 5	\$ -	\$ 308,490	\$ 4,105

JACKSON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Law Enforcement Continuing Education	Prosecutors Victim Assistance	Health Insurance	Juvenile Home Kids To Camp	Cedit Agency	Surplus Tax	Tax Sale Redemption
Cash and investments - beginning	\$ 103	\$ (18,440)	\$ 354,807	\$ 1,568	\$ 893,452	\$ 173,037	\$ 1,467
Receipts:							
Taxes	-	-	-	-	3,180,388	345,992	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	54,218	-	-	-	-	-
Charges for services	305	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	703,496	-	-	-	58,045
Total receipts	<u>305</u>	<u>54,218</u>	<u>703,496</u>	<u>-</u>	<u>3,180,388</u>	<u>345,992</u>	<u>58,045</u>
Disbursements:							
Personal services	-	37,974	1,057,471	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	585	-	165,546	59,512
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	1,924,780	-	-
Other disbursements	-	7,500	-	-	1,977,611	-	-
Total disbursements	<u>-</u>	<u>45,474</u>	<u>1,057,471</u>	<u>585</u>	<u>3,902,391</u>	<u>165,546</u>	<u>59,512</u>
Excess (deficiency) of receipts over disbursements	<u>305</u>	<u>8,744</u>	<u>(353,975)</u>	<u>(585)</u>	<u>(722,003)</u>	<u>180,446</u>	<u>(1,467)</u>
Cash and investments - ending	<u>\$ 408</u>	<u>\$ (9,696)</u>	<u>\$ 832</u>	<u>\$ 983</u>	<u>\$ 171,449</u>	<u>\$ 353,483</u>	<u>\$ -</u>

JACKSON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Surplus Tax Sale	Surplus Dog Tax Special Revenue	Fines And Forfeitures	Certified It	Inheritance Tax	Drug Free Community	Coroners Education
Cash and investments - beginning	\$ 92,500	\$ 422	\$ 3,330	\$ 1,274	\$ 964,381	\$ 44,398	\$ 504
Receipts:							
Taxes	529,286	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	1,304,791	-	-
Charges for services	-	-	-	-	-	33,298	4,230
Fines and forfeits	-	-	23,450	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>529,286</u>	<u>-</u>	<u>23,450</u>	<u>-</u>	<u>1,304,791</u>	<u>33,298</u>	<u>4,230</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	99,794	-	-	-	-	44,383	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	25,195	-	1,661,058	-	4,340
Total disbursements	<u>99,794</u>	<u>-</u>	<u>25,195</u>	<u>-</u>	<u>1,661,058</u>	<u>44,383</u>	<u>4,340</u>
Excess (deficiency) of receipts over disbursements	<u>429,492</u>	<u>-</u>	<u>(1,745)</u>	<u>-</u>	<u>(356,267)</u>	<u>(11,085)</u>	<u>(110)</u>
Cash and investments - ending	<u>\$ 521,992</u>	<u>\$ 422</u>	<u>\$ 1,585</u>	<u>\$ 1,274</u>	<u>\$ 608,114</u>	<u>\$ 33,313</u>	<u>\$ 394</u>

JACKSON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Police Pension	Probation Users Fees	Sales Disclosure #2	Overweight Vehicle Fines	Probation	Cvet	Bus Replacement
Cash and investments - beginning	\$ 109,453	\$ 1,341	\$ 450	\$ -	\$ 7,741	\$ 38	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	597,151
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	308,563	-
Charges for services	-	117,527	4,110	-	-	-	-
Fines and forfeits	-	-	-	27,562	6,338	-	-
Other receipts	108,353	40,670	-	-	-	-	-
Total receipts	108,353	158,197	4,110	27,562	6,338	308,563	597,151
Disbursements:							
Personal services	103,594	150,178	-	-	8,546	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	2,126	4,240	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	27,562	-	308,563	597,151
Total disbursements	103,594	152,304	4,240	27,562	8,546	308,563	597,151
Excess (deficiency) of receipts over disbursements	4,759	5,893	(130)	-	(2,208)	-	-
Cash and investments - ending	\$ 114,212	\$ 7,234	\$ 320	\$ -	\$ 5,533	\$ 38	\$ -

JACKSON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Issac Levy	Sewage Collections	Carr Township Special Fire Territory	Riverboat Tax Distribution	Bio Terrorism Preparedness	Infraction Deferral	Drainage Maintenance
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 3,950	\$ 15,749	\$ 331,861
Receipts:							
Taxes	886	271,868	30,771	-	-	-	95,837
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	251,032	8,500	-	-
Charges for services	-	-	-	-	-	58,534	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>886</u>	<u>271,868</u>	<u>30,771</u>	<u>251,032</u>	<u>8,500</u>	<u>58,534</u>	<u>95,837</u>
Disbursements:							
Personal services	-	-	-	-	8,500	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	886	-	-	-	-	-	-
Other disbursements	-	271,868	30,771	-	3,950	71,479	115,675
Total disbursements	<u>886</u>	<u>271,868</u>	<u>30,771</u>	<u>-</u>	<u>12,450</u>	<u>71,479</u>	<u>115,675</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>251,032</u>	<u>(3,950)</u>	<u>(12,945)</u>	<u>(19,838)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 251,032</u>	<u>\$ -</u>	<u>\$ 2,804</u>	<u>\$ 312,023</u>

JACKSON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Drainage Maintenance #4	City And Town Court Costs	Agency On Aging	Clerk Title IV-D #1	Prosecutor Title IV-D #1	Electronic Map Generation	Mortgage Fees-State Share
Cash and investments - beginning	\$ 12,661	\$ 71,048	\$ 13,102	\$ 59,554	\$ 112,410	\$ 11,260	\$ 4,188
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	20,796	31,289	-	-
Charges for services	-	16,154	-	-	-	-	55,830
Fines and forfeits	250	-	-	-	-	2,500	-
Other receipts	-	-	-	38	70	517	-
Total receipts	<u>250</u>	<u>16,154</u>	<u>-</u>	<u>20,834</u>	<u>31,359</u>	<u>3,017</u>	<u>55,830</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	411	55,307
Total disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>411</u>	<u>55,307</u>
Excess (deficiency) of receipts over disbursements	<u>250</u>	<u>16,154</u>	<u>-</u>	<u>20,834</u>	<u>31,359</u>	<u>2,606</u>	<u>523</u>
Cash and investments - ending	<u>\$ 12,911</u>	<u>\$ 87,202</u>	<u>\$ 13,102</u>	<u>\$ 80,388</u>	<u>\$ 143,769</u>	<u>\$ 13,866</u>	<u>\$ 4,711</u>

JACKSON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Townships	Firefighting	Burkhart Drive I65 TIF	School Transportation	Corporation General City	Park And Recreation Agency	Libraries
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	227,217	25,806	361,813	2,419,900	7,585,097	514,176	1,495,665
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>227,217</u>	<u>25,806</u>	<u>361,813</u>	<u>2,419,900</u>	<u>7,585,097</u>	<u>514,176</u>	<u>1,495,665</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	<u>227,217</u>	<u>25,806</u>	<u>561,813</u>	<u>2,419,900</u>	<u>7,585,097</u>	<u>514,176</u>	<u>1,495,665</u>
Total disbursements	<u>227,217</u>	<u>25,806</u>	<u>561,813</u>	<u>2,419,900</u>	<u>7,585,097</u>	<u>514,176</u>	<u>1,495,665</u>
Excess (deficiency) of receipts over disbursements	-	-	(200,000)	-	-	-	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (200,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

JACKSON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Community Corrections	Library Debt	Cumulative Fire-City	School Debt Services	Street City/Town	Juvenile Home Tutoring	Juvenile Home Counseling
Cash and investments - beginning	\$ (3,092)	\$ -	\$ -	\$ -	\$ -	\$ 2,416	\$ 6,296
Receipts:							
Taxes	-	115,747	21,453	5,954,630	384,205	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	2,853	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	239	-	-	-	-	-	-
Total receipts	<u>3,092</u>	<u>115,747</u>	<u>21,453</u>	<u>5,954,630</u>	<u>384,205</u>	<u>-</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	115,747	21,453	5,954,630	384,205	-	690
Total disbursements	<u>-</u>	<u>115,747</u>	<u>21,453</u>	<u>5,954,630</u>	<u>384,205</u>	<u>-</u>	<u>690</u>
Excess (deficiency) of receipts over disbursements	<u>3,092</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(690)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,416</u>	<u>\$ 5,606</u>

JACKSON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Cumulative Courthouse	City Cumulative Capital Development	Capital Projects School	Guardian Ad Litem/Court	Financial Institution Tax	CAGIT Certified Shares	Clerk's Records Perpetuation
Cash and investments - beginning	\$ 48	\$ -	\$ -	\$ 30,231	\$ -	\$ -	\$ 69,071
Receipts:							
Taxes	-	299,564	5,338,300	-	-	5,852,352	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	191,131	2,842,494	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	16,632
Other receipts	-	-	-	96,184	-	125	-
Total receipts	-	299,564	5,338,300	96,184	191,131	8,694,971	16,632
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	66,084	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	299,564	5,338,300	-	191,131	8,694,647	26,480
Total disbursements	-	299,564	5,338,300	66,084	191,131	8,694,647	26,480
Excess (deficiency) of receipts over disbursements	-	-	-	30,100	-	324	(9,848)
Cash and investments - ending	\$ 48	\$ -	\$ -	\$ 60,331	\$ -	\$ 324	\$ 59,223

JACKSON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Cumulative Fire Twps	Pershing Township Special Fire District	Corporation Debt Service	Cumulative Jail	Cumulative Capital Development	City Bond #2	Juvenile Detention Center Grant
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 4,205	\$ 1,083,105	\$ -	\$ 196
Receipts:							
Taxes	22,119	54,370	737,705	-	312,277	29,221	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	3,712	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	86,071	-	-
<b>Total receipts</b>	<b>22,119</b>	<b>54,370</b>	<b>737,705</b>	<b>-</b>	<b>402,060</b>	<b>29,221</b>	<b>-</b>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	418,540	-	-
Other disbursements	22,119	54,370	737,705	-	-	29,221	-
<b>Total disbursements</b>	<b>22,119</b>	<b>54,370</b>	<b>737,705</b>	<b>-</b>	<b>418,540</b>	<b>29,221</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	-	-	-	-	(16,480)	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 4,205	\$ 1,066,625	\$ -	\$ 196

JACKSON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Welfare Excise Tax	Users Fee Agency	Pretrial Diversion	Deferral Program	Jury Pay	Law Enforcement	Emergency Management Special Appropriation
Cash and investments - beginning	\$ -	\$ 31,367	\$ 45,952	\$ 38,794	\$ 15,442	\$ 128,646	\$ 13,361
Receipts:							
Taxes	1,331,068	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	14,932
Fines and forfeits	-	74,174	52,016	27,940	9,201	12,665	-
Other receipts	-	-	20,000	-	-	-	-
Total receipts	<u>1,331,068</u>	<u>74,174</u>	<u>72,016</u>	<u>27,940</u>	<u>9,201</u>	<u>12,665</u>	<u>14,932</u>
Disbursements:							
Personal services	-	-	73,818	-	24,578	-	-
Supplies	-	-	7,842	-	-	-	8,971
Other services and charges	-	80,864	7,589	-	-	11,269	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	22,555	-	-	-	-
Other disbursements	1,331,068	6,595	-	20,000	-	-	-
Total disbursements	<u>1,331,068</u>	<u>87,459</u>	<u>111,804</u>	<u>20,000</u>	<u>24,578</u>	<u>11,269</u>	<u>8,971</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(13,285)</u>	<u>(39,788)</u>	<u>7,940</u>	<u>(15,377)</u>	<u>1,396</u>	<u>5,961</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 18,082</u>	<u>\$ 6,164</u>	<u>\$ 46,734</u>	<u>\$ 65</u>	<u>\$ 130,042</u>	<u>\$ 19,322</u>

JACKSON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Rainy Day	Interstate Compact	Community Corrections Adult	Community Correction Juvenile	Seat Belt Violations	Child Restraint Special Revenue	Help America Vote Act
Cash and investments - beginning	\$ 2,538,591	\$ 125	\$ 239	\$ (15,544)	\$ 6,200	\$ -	\$ 2,138
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	213	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	1,280	-	-	31,275	2,125	-
Other receipts	712,836	-	-	-	-	-	-
Total receipts	712,836	1,280	-	213	31,275	2,125	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	81,300	-	-	-	-	-	1,747
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	19,238	1,280	239	-	36,475	2,100	-
Total disbursements	100,538	1,280	239	-	36,475	2,100	1,747
Excess (deficiency) of receipts over disbursements	612,298	-	(239)	213	(5,200)	25	(1,747)
Cash and investments - ending	\$ 3,150,889	\$ 125	\$ -	\$ (15,331)	\$ 1,000	\$ 25	\$ 391

JACKSON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Special Death Benefit	Pershing Township Volunteer Fire Dept	Identification Security Protection	Capital Improvement Bond	Lease Rental Payment	Capital Projects Fund	Interstate Compact County
Cash and investments - beginning	\$ 295	\$ 47,278	\$ 203	\$ 25,067	\$ 4,839	\$ 155,451	\$ 2,025
Receipts:							
Taxes	-	-	-	-	352,021	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	4,184	-	-
Charges for services	4,085	-	4,614	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	474,740	-	-	-	318	-
Total receipts	<u>4,085</u>	<u>474,740</u>	<u>4,614</u>	<u>-</u>	<u>356,205</u>	<u>318</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	513,707	-	-	1,912	8,524	-
Debt service - principal and interest	-	-	-	-	312,588	-	-
Capital outlay	-	-	-	25,067	-	68,980	-
Other disbursements	3,820	-	1,345	-	-	-	-
Total disbursements	<u>3,820</u>	<u>513,707</u>	<u>1,345</u>	<u>25,067</u>	<u>314,500</u>	<u>77,504</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>265</u>	<u>(38,967)</u>	<u>3,269</u>	<u>(25,067)</u>	<u>41,705</u>	<u>(77,186)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 560</u>	<u>\$ 8,311</u>	<u>\$ 3,472</u>	<u>\$ -</u>	<u>\$ 46,544</u>	<u>\$ 78,265</u>	<u>\$ 2,025</u>

JACKSON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Capital Improvement Bond	Homestead Credit Rebate	Community Corrections Drug Free Monies	Child in Need of Service	Hea 1001-2008 State Homestead Credit	Community Corrections Grant	Bullet Proof Vest Grant
Cash and investments - beginning	\$ 31,628	\$ 9,874	\$ 629	\$ 661,655	\$ (1,453)	\$ 9,999	\$ 198
Receipts:							
Taxes	995,501	-	-	169,462	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	11,832	-	-	-	-	116,291	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	536	-	-	-
Total receipts	<u>1,007,333</u>	<u>-</u>	<u>-</u>	<u>169,998</u>	<u>-</u>	<u>116,291</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	-	-	92,921	-
Supplies	-	-	-	-	-	7,316	-
Other services and charges	-	-	629	-	-	22,798	-
Debt service - principal and interest	793,460	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	103,662	638	1,065	-
Total disbursements	<u>793,460</u>	<u>-</u>	<u>629</u>	<u>103,662</u>	<u>638</u>	<u>124,100</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>213,873</u>	<u>-</u>	<u>(629)</u>	<u>66,336</u>	<u>(638)</u>	<u>(7,809)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 245,501</u>	<u>\$ 9,874</u>	<u>\$ -</u>	<u>\$ 727,991</u>	<u>\$ (2,091)</u>	<u>\$ 2,190</u>	<u>\$ 198</u>

JACKSON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Weed Lien Fund	Wireless 911 Revenue	Community Corrections Grant	Community Transition Program	Levy Excess Fund	Interpreter Grant	Prosecutor ARRA Reimb
Cash and investments - beginning	\$ -	\$ 470,279	\$ (7,704)	\$ 19,915	\$ 25,009	\$ 20,511	\$ 13,138
Receipts:							
Taxes	26,521	85,279	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	79,991	5,185	93,124	540	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	1,065	-	-	6
Total receipts	<u>26,521</u>	<u>85,279</u>	<u>79,991</u>	<u>6,250</u>	<u>93,124</u>	<u>540</u>	<u>6</u>
Disbursements:							
Personal services	-	-	52,391	-	-	3,095	-
Supplies	-	-	3,254	-	-	-	-
Other services and charges	-	-	1,642	421	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	1,039	-	-	-
Other disbursements	26,521	85,279	15,000	-	-	-	4,459
Total disbursements	<u>26,521</u>	<u>85,279</u>	<u>72,287</u>	<u>1,460</u>	<u>-</u>	<u>3,095</u>	<u>4,459</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>7,704</u>	<u>4,790</u>	<u>93,124</u>	<u>(2,555)</u>	<u>(4,453)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 470,279</u>	<u>\$ -</u>	<u>\$ 24,705</u>	<u>\$ 118,133</u>	<u>\$ 17,956</u>	<u>\$ 8,685</u>

JACKSON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Clerk ARRA Reimb	Health Dept H1N1 Extension	County General IV-D Fund	Ordinance Violation Fund	Special Fire General	Special Fire Cumulative	2017 Reassessment
Cash and investments - beginning	\$ 1,390	\$ 2	\$ 50,053	\$ 11,900	\$ -	\$ -	\$ 122,604
Receipts:							
Taxes	-	-	-	-	392,303	254,264	123,018
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	20,796	-	-	-	1,462
Charges for services	-	-	-	43,145	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	1	-	-	-	-	-	-
Total receipts	<u>1</u>	<u>-</u>	<u>20,796</u>	<u>43,145</u>	<u>392,303</u>	<u>254,264</u>	<u>124,480</u>
Disbursements:							
Personal services	-	-	-	20,233	-	-	-
Supplies	-	2	-	-	-	-	-
Other services and charges	-	-	20,087	15	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	392,303	254,264	-
Total disbursements	<u>-</u>	<u>2</u>	<u>20,087</u>	<u>20,248</u>	<u>392,303</u>	<u>254,264</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>1</u>	<u>(2)</u>	<u>709</u>	<u>22,897</u>	<u>-</u>	<u>-</u>	<u>124,480</u>
Cash and investments - ending	<u>\$ 1,391</u>	<u>\$ -</u>	<u>\$ 50,762</u>	<u>\$ 34,797</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 247,084</u>

JACKSON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Elected Officials Training Fund	Asset Forfeiture Fund	Commissioner Sale Fund	Special Fire Debt Expense	Indiana Local Health Dept. Trust	Public Health Preparedness Grant	ILHDTA Excess Funds
Cash and investments - beginning	\$ 1,909	\$ 19,363	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	43,473	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	23,594	-	-
Charges for services	4,609	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	13,300	-	-	3,950	54,245
Total receipts	<u>4,609</u>	<u>-</u>	<u>13,300</u>	<u>43,473</u>	<u>23,594</u>	<u>3,950</u>	<u>54,245</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	9,495	-	-
Other services and charges	-	-	-	-	1,690	641	160
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	6,240	-	-	1,784	1,880	13,665
Other disbursements	523	-	8,550	43,473	-	-	-
Total disbursements	<u>523</u>	<u>6,240</u>	<u>8,550</u>	<u>43,473</u>	<u>12,969</u>	<u>2,521</u>	<u>13,825</u>
Excess (deficiency) of receipts over disbursements	<u>4,086</u>	<u>(6,240)</u>	<u>4,750</u>	<u>-</u>	<u>10,625</u>	<u>1,429</u>	<u>40,420</u>
Cash and investments - ending	<u>\$ 5,995</u>	<u>\$ 13,123</u>	<u>\$ 4,750</u>	<u>\$ -</u>	<u>\$ 10,625</u>	<u>\$ 1,429</u>	<u>\$ 40,420</u>

JACKSON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Statewide 911	Clerks Supplement	Convention and Tourism Supplemental	Sheriff Commissary	County Treasurer Supplemental	County Prosecutor Supplemental Bad Check Program	Juvenile Home Supplement
Cash and investments - beginning	\$ -	\$ 887,330	\$ 4,434	\$ 94,374	\$ 932,296	\$ (8)	\$ 7,403
Receipts:							
Taxes	687,621	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	2,738,519	7,030	119,884	1,194,029	2,495	17,988
Total receipts	<u>687,621</u>	<u>2,738,519</u>	<u>7,030</u>	<u>119,884</u>	<u>1,194,029</u>	<u>2,495</u>	<u>17,988</u>
Disbursements:							
Personal services	4,497	-	-	-	-	-	-
Supplies	962	-	-	-	-	-	-
Other services and charges	22,559	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	7,600	-	-	-	-	-	-
Other disbursements	-	3,584,958	6,522	69,526	932,296	2,487	18,056
Total disbursements	<u>35,618</u>	<u>3,584,958</u>	<u>6,522</u>	<u>69,526</u>	<u>932,296</u>	<u>2,487</u>	<u>18,056</u>
Excess (deficiency) of receipts over disbursements	<u>652,003</u>	<u>(846,439)</u>	<u>508</u>	<u>50,358</u>	<u>261,733</u>	<u>8</u>	<u>(68)</u>
Cash and investments - ending	<u>\$ 652,003</u>	<u>\$ 40,891</u>	<u>\$ 4,942</u>	<u>\$ 144,732</u>	<u>\$ 1,194,029</u>	<u>\$ -</u>	<u>\$ 7,335</u>

JACKSON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Sheriff Supplemental Drug Buy Money	Juvenile Detention Center Supplement	Juvenile Detention Center Auxiliary	Payroll	Federal Withholding	Fica And Medicare Withholding
Cash and investments - beginning	\$ 2,035	\$ 56	\$ 917	\$ 33,488	\$ 21	\$ (513)
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	2,817	561	6,090	-	860,412	454,336
Total receipts	2,817	561	6,090	-	860,412	454,336
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	1,505	560	6,186	-	860,412	454,342
Total disbursements	1,505	560	6,186	-	860,412	454,342
Excess (deficiency) of receipts over disbursements	1,312	1	(96)	-	-	(6)
Cash and investments - ending	\$ 3,347	\$ 57	\$ 821	\$ 33,488	\$ 21	\$ (519)

JACKSON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	State Withholding	Siho Post-Tax	Colonial Ins Withholding	Aflac Post-Tax	Cagit Withholding	Garnishment Withholding
Cash and investments - beginning	\$ 30,864	\$ 942	\$ 4,643	\$ 6,405	\$ 13,880	\$ (5,764)
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	<u>273,802</u>	<u>6,260</u>	<u>46,439</u>	<u>40,591</u>	<u>123,533</u>	<u>53,275</u>
Total receipts	<u>273,802</u>	<u>6,260</u>	<u>46,439</u>	<u>40,591</u>	<u>123,533</u>	<u>53,275</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	<u>283,694</u>	<u>7,000</u>	<u>47,592</u>	<u>46,996</u>	<u>127,951</u>	<u>53,004</u>
Total disbursements	<u>283,694</u>	<u>7,000</u>	<u>47,592</u>	<u>46,996</u>	<u>127,951</u>	<u>53,004</u>
Excess (deficiency) of receipts over disbursements	<u>(9,892)</u>	<u>(740)</u>	<u>(1,153)</u>	<u>(6,405)</u>	<u>(4,418)</u>	<u>271</u>
Cash and investments - ending	<u>\$ 20,972</u>	<u>\$ 202</u>	<u>\$ 3,490</u>	<u>\$ -</u>	<u>\$ 9,462</u>	<u>\$ (5,493)</u>

JACKSON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Great West Insurance	United Fund	Credit Union	Great-West Insurance	Voluntary Perf	Siho Pre Tax
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 461	\$ 36,114
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	50,807	4,837	98,295	3,300	10,460	348,499
Total receipts	50,807	4,837	98,295	3,300	10,460	348,499
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	50,807	4,837	98,295	3,300	10,460	383,661
Total disbursements	50,807	4,837	98,295	3,300	10,460	383,661
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	(35,162)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ 461	\$ 952

JACKSON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Boston Mutual	Aflac Pre-Tax	Ameritas Dental/Eye	Hsa Vol Amount Pre-Tax	Liberty Pre-Tax	Liberty Post-Tax
Cash and investments - beginning	\$ 3,245	\$ 2,726	\$ 4,436	\$ -	\$ 260	\$ 277
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	16,974	30,769	125,573	3,443	4,996	782
Total receipts	16,974	30,769	125,573	3,443	4,996	782
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	17,081	33,427	130,022	3,443	4,545	999
Total disbursements	17,081	33,427	130,022	3,443	4,545	999
Excess (deficiency) of receipts over disbursements	(107)	(2,658)	(4,449)	-	451	(217)
Cash and investments - ending	\$ 3,138	\$ 68	\$ (13)	\$ -	\$ 711	\$ 60

JACKSON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Pre-Paid Legal Services	Colonial Ins Pre-Tax	Clerk Supplemental Odyssey Acct	Visitor Center Supplemental-Cash Fund	Sheriff Supplemental Inmate Trust	Totals
Cash and investments - beginning	\$ 215	\$ 2,478	\$ -	\$ -	\$ 13,070	\$ 21,700,874
Receipts:						
Taxes	-	-	-	-	-	52,690,845
Licenses and permits	-	-	-	-	-	40,914
Intergovernmental	-	-	-	-	-	8,964,828
Charges for services	-	-	-	-	-	3,669,201
Fines and forfeits	-	-	-	-	-	589,579
Other receipts	<u>1,268</u>	<u>12,742</u>	<u>4,105,803</u>	<u>1,592</u>	<u>391,932</u>	<u>15,656,476</u>
Total receipts	<u>1,268</u>	<u>12,742</u>	<u>4,105,803</u>	<u>1,592</u>	<u>391,932</u>	<u>81,611,843</u>
Disbursements:						
Personal services	-	-	-	-	-	12,827,396
Supplies	-	-	-	-	-	1,988,738
Other services and charges	-	-	-	-	-	4,581,984
Debt service - principal and interest	-	-	-	-	-	1,106,048
Capital outlay	-	-	-	-	-	3,988,992
Other disbursements	<u>1,411</u>	<u>14,156</u>	<u>2,855,115</u>	<u>1,592</u>	<u>382,051</u>	<u>57,876,574</u>
Total disbursements	<u>1,411</u>	<u>14,156</u>	<u>2,855,115</u>	<u>1,592</u>	<u>382,051</u>	<u>82,369,732</u>
Excess (deficiency) of receipts over disbursements	<u>(143)</u>	<u>(1,414)</u>	<u>1,250,688</u>	<u>-</u>	<u>9,881</u>	<u>(757,889)</u>
Cash and investments - ending	<u>\$ 72</u>	<u>\$ 1,064</u>	<u>\$ 1,250,688</u>	<u>\$ -</u>	<u>\$ 22,951</u>	<u>\$ 20,942,985</u>

JACKSON COUNTY  
SCHEDULE OF LEASES AND DEBT  
December 31, 2012

Lessor	Purpose	Annual Lease	Lease Beginning	Lease Ending
Governmental activities:				
Jackson County Building Corporation	Jail Lease/Rental Payments	\$ 735,750	08-01-07	02-01-20
Jackson County Building Corporation	Courthouse Lease/Rental Payment	<u>277,000</u>	07-01-03	01-01-22
Total governmental activities		<u>1,012,750</u>		
Total of annual lease payments		<u>\$ 1,012,750</u>		

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
General obligation bonds	Capital Improvements	\$ 520,000	\$ 530,917
Totals		<u>\$ 520,000</u>	<u>\$ 530,917</u>

JACKSON COUNTY  
SCHEDULE OF CAPITAL ASSETS  
December 31, 2012

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	\$ 497,000
Buildings	22,614,129
Machinery, equipment, and vehicles	<u>2,713,392</u>
Total governmental activities	<u>25,824,521</u>
Total capital assets	<u>\$ 25,824,521</u>

JACKSON COUNTY  
OTHER REPORT

The annual report presented herein was prepared in addition to the other official report prepared for the individual County office listed below:

County Auditor

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
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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 JACKSON COUNTY, INDIANA

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

We have audited Jackson 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 each of its major federal programs for the year ended December 31, 2012. 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 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 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 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 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, 2012.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH 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 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 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph 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. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2012-2 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.

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 13, 2013

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## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

JACKSON COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Year Ended December 31, 2012

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 Agriculture</u>				
Child Nutrition Cluster				
National School Lunch Program	Indiana Department of Education	10.555		\$ 34,367
<u>Department of Commerce</u>				
ARRA - State Broadband Data and Development Grant Program GIS	Indiana Office of Technology	11.558	EDS# D20-2-7748	1,500
<u>Department of Housing and Urban Development</u>				
CDBG - State-Administered CDBG Cluster				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii Pershing Township VFD - New Fire Station	Indiana Office of Community and Rural Affairs	14.228	CF-11-107	463,814
<u>Department of Justice</u>				
Crime Victim Assistance	Indiana Criminal Justice Institute	16.575	10-VA-PR-179 11-VA-PR-142	10,138 44,080
Total Crime Victim Assistance				54,218
<u>Department of Transportation</u>				
Highway Planning and Construction Cluster	Indiana Department of Transportation			
Highway Planning and Construction Rehabilitation/Replacement County Road 550 E Bridge Shieldstown Covered Bridge Rehabilitation		20.205	Des No. 1005701 Des No. 0701687	92,849 45,120
Total - Highway Planning and Construction Cluster				137,969
Interagency Hazardous Materials Public Sector Training and Planning Grants	Indiana Department of Homeland Security	20.703	EDS# C44P-2-172A	4,795
Total - Department of Transportation				142,764
<u>Department of Health and Human Services</u>				
Public Health Emergency Preparedness	Indiana State Department of Health	93.069	EDS# A70-2-0531850	11,000
Child Support Enforcement	Indiana Department of Child Services	93.563		227,509
Total - Department of Health and Human Services				238,509
<u>Department of Homeland Security</u>				
Disaster Grants - Public Assistance (Presidentially Declared Disasters) April 2011 Storm	Indiana Department of Homeland Security	97.036	385-PA-1997	97,471
Emergency Management Performance Grants	Indiana Department of Homeland Security	97.042	EDS# C44P-3-032B EDS# C44P-2-099A EDS# C44P-2-343A	365 3,623 26,697
Total - Emergency Management Performance Grants				30,685
Interoperable Emergency Communications	Indiana Department of Homeland Security	97.055	EDS# C44P-2-200A	975
Total - Department of Homeland Security				128,156
Total federal awards expended				\$ 1,064,303

The accompanying note is an integral part of the Schedule of Expenditures of Federal Awards.

JACKSON COUNTY  
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

***Basis of Presentation***

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Jackson 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.

JACKSON COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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

Financial Statement:

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

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	yes

Identification of Major Programs:

\_\_\_\_\_  
Name of Federal Program or Cluster

CDBG – State-Administered CDBG Cluster  
Highway Planning and Construction Cluster

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

Auditee qualified as low-risk auditee? no

**Section II – Financial Statement Findings**

**FINDING 2012-1 - INTERNAL CONTROLS OVER 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:

1. Ten federal grants with a total of \$518,347 in expenditures were not reported.

JACKSON COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

2. The federal grant expenditures reported by the County were overstated by \$65,170.
3. State grant expenditures were reported as federal grant expenditures in the amount of \$308,760.
4. The pass-through entity and identifying number assigned by the pass-through entity for some federal programs were not always included or were incorrect.
5. The amounts reported for federal awards expended for some individual federal programs were not correct.
6. The federal awards reported for some individual federal programs did not include the CFDA number.

Audit adjustments were proposed, accepted by the County, and made to the SEFA. These adjustments resulted in a presentation of the SEFA that is materially correct in relation to the financial statement.

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.

JACKSON COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

- (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.
- (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.
- (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**

**FINDING 2012-2 - INTERNAL CONTROLS OVER DAVIS-BACON REQUIREMENTS**

Federal Agency: Department of Housing and Urban Development  
Federal Program: Community Development Block Grants/State's Program  
and Non-Entitlement Grants in Hawaii  
CFDA Number: 14.228  
Federal Award Number and Year (or Other Identifying Number): CF-11-107  
Pass-Through Entity: Indiana Office of Community and Rural Affairs

Management of Jackson County has not established an effective internal control system, which would include monitoring activities of paid consultants, related to the grant agreement and the compliance requirement for Davis-Bacon which has a direct and material effect to the program. The failure to establish an effective internal control system places the County at risk of noncompliance with the grant agreement and the compliance requirements. This lack of an effective internal control system could allow the misuse and mismanagement of federal funds and assets by not having proper oversight, and reviews over the activities of the grant.

An internal control system, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement, or a type of compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, the activities of independent consultants need to be monitored by the County. This is accomplished by ensuring there are proper reviews, oversight, and approvals taking place, as well as ensuring the governing board is informed about any deficiencies to allow appropriate follow up action to be taken. The County did not have a system in place to ensure the work product provided by the consultant, employed by the Indiana Office of Community and Rural Affairs, was in compliance with the Davis-Bacon Act and that the work product was adequate, complete, and accurate.

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

JACKSON COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

The failure to establish internal controls could enable material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirements that have a direct and material effect to the program could result in the loss of federal funds to the County.

We recommended that the County's management establish controls, to effectively monitor the activities of consultants employed, to ensure compliance related to the grant agreement and compliance requirements that have a direct and material effect to the program.

*Jackson County Auditor  
111 South Main Street  
Brownstown, In. 47220  
Phone 812-358-6161  
Fax 812-358-6172*

November 12, 2013

**Response and Corrective Action to Finding 2012-01 Internal Controls Over the Schedule of Expenditures of Federal Awards.**

When entering the information into the Gateway system for the annual report, information was entered for all grants-federal, state and local. Some information entered was incomplete and this was unintentional. The newly elected Auditor entering the information was not knowledgeable enough with the grant information/process. To correct future reporting, only Federal information will be entered into Gateway and each department that has a federal grant will be given a Grant Summary sheet for each grant to be completed including the CFDA# and the award amounts. A spreadsheet will be used to track the revenue deposits for each of the federal grants. Before final submission into the Gateway system, each department officer that is in charge of Grants, for their department, will be contacted for a final review of the information that will be reported for any errors or corrections.

**Response and Corrective Action to Finding 2012-02 Internal Controls Over Davis Bacon Requirements.**

Our county has Administrative Resources Association (ARA) to assist with grant approvals and administration of grant guidelines when a grant has been approved. The Auditor has been made aware of the need for county representation to be more involved in the ongoing construction during a project and also the monitoring of certified payroll contracts and employee interviews. The Auditor working with the Commissioners, will appoint a contact who is employed by the county to work directly with the grant manager who has knowledge of the project process, familiar with grant requests and review documentation pertaining to project progress, certified payroll contracts and employee interviews on a regular basis with signed documentation of the review. The County did not have a proper system in place but with the new process implemented will be in compliance with Davis Bacon and the work product will be adequate, complete and accurate.

Thank you so much for your consideration.

Sincerely,



Kathy S. Hohenstreiter  
Jackson County Auditor

JACKSON COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on November 13, 2013, with Jerry Hounshel, President of the Board of County Commissioners; Brian H. Thompson, Vice President of the County Council; and Kathy S. Hohenstreiter, Auditor.