

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

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



**FILED**  
07/18/2014



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Mary Ann Lenkensdofer	01-01-11 to 12-31-14
Treasurer	Jane A. Grove	01-01-11 to 12-31-14
Clerk	Laura J. Martin	01-01-13 to 12-31-16
Sheriff	Ken Hendrickson	01-01-11 to 12-31-14
Recorder	Debbie L. Preston	01-01-11 to 12-31-14
Area Planning Director	Jaime Stump	01-01-13 to 12-31-14
Airport Manager	Eric L. Livingston	01-01-13 to 12-31-14
President of the Board of County Commissioners	William H. Terrell Michael Wickersham	01-01-13 to 12-31-13 01-01-14 to 12-31-14
President of the County Council	Max Holaday Gary Friend	01-01-13 to 12-31-13 01-01-14 to 12-31-14



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

TO: THE OFFICIALS OF RANDOLPH COUNTY, INDIANA

***Report on the Financial Statement***

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

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

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As discussed in Note 1 of the financial statement, the County prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the County for the year ended December 31, 2013.

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

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the County for the year ended December 31, 2013, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated May 22, 2014, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.


***Accompanying Information***

*Supplementary Information*

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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

  
Paul D. Joyce, CPA  
State Examiner

May 22, 2014



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

TO: THE OFFICIALS OF RANDOLPH 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 Randolph County (County), which comprises the financial position and results of operations for the year ended December 31, 2013, and the related notes to the financial statement, and have issued our report thereon dated May 22, 2014, wherein we noted the County followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

***Internal Control Over Financial Reporting***

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

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be 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 2013-001 to be material weaknesses.



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

***Compliance and Other Matters***


As part of obtaining reasonable assurance about whether the County's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Randolph County's Response to Findings***

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

***Purpose of This Report***

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

  
Paul D. Joyce, CPA  
State Examiner

May 22, 2014

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## FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

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

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13
After Settlement Collections	\$ 390,214	\$ 660,674	\$ 389,714	\$ 661,174
Inmate Trust	3,860	127,496	127,731	3,625
Jail Commissary	81,165	117,755	126,985	71,935
Clerk Trust	181,049	2,349,792	2,308,481	222,360
Sheriff's Cash Book	-	476,075	476,075	-
General	1,874,659	6,902,299	7,233,989	1,542,969
Accident Report	4,041	2,782	3,990	2,833
CAGIT Certified Shares Fund	-	1,582,315	1,078,541	503,774
CEDIT/ County Unit	1,571,184	638,107	639,554	1,569,737
Special CEDIT Legislation	1,374,167	1,018,558	1,060,505	1,332,220
City/ Town Court Costs	23,658	3,783	-	27,441
Clerk Records Perpetuation	12,977	6,514	6,471	13,020
Community Corrections Grant	17,263	154,492	162,544	9,211
Community Transition Program	14,383	17,980	11,559	20,804
Congressional School Interest	101,074	-	101,074	-
Congressional School Principal	32,845	-	32,845	-
Prisoner Reimbursement for Incarceration	2,439	2,685	-	5,124
County Sales Disclosure	14,234	3,195	5,324	12,105
Cumulative Bridge	769,382	420,851	691,113	499,120
Cumulative Capital Development	1,485,562	433,880	412,117	1,507,325
County Drug Free Community	14,477	15,150	14,477	15,150
Electronic Map Generation	7,300	1,200	-	8,500
Local Emergency Planning E-911	4,699	3,571	1,325	6,945
Handgun Permit	-	46,986	46,986	-
General Drain Improvement	20,972	11,400	941	31,431
Health Department	195,474	116,163	171,131	140,506
Health Department	142,217	152,487	217,141	77,563
County Identity Security	4,394	3,056	4,300	3,150
Levy Excess	31,982	-	31,982	-
Health Maintenance	16,954	33,139	26,905	23,188
Local Road and Street	160,626	230,363	300,000	90,989
Major Moves	37,292	-	-	37,292
County Misdemeanant	60,851	19,364	21,682	58,533
Highway	1,398,999	2,546,517	2,268,915	1,676,601
Auditors Platbook	21,111	11,385	16,698	15,798
Rainy Day	1,377,926	645,708	848,774	1,174,860
Property Reassessment	913	-	913	-
Property Reassessment- 2015	392,125	199,927	80,440	511,612
Recorder's Records Perpetuation	90,417	62,782	58,961	94,238
Public Defender Reimburse	31,932	65,111	71,485	25,558
Surplus Tax	35,715	40,196	23,121	52,790
Surveyor's Corner Perpetuation	8,721	6,165	5,000	9,886
Tax Sale Redemption	24	73,667	73,690	1
Tax Sale Surplus	163,732	294,602	235,855	222,479
Health Department Trust	13,968	9,198	18,543	4,623
VIN Inspections	1,900	955	1,800	1,055
Children's Advocate Program	14,642	16,792	21,329	10,105
Elected Official Training	3,214	3,056	2,126	4,144
Statewide 911 Fund	178,537	455,023	466,334	167,226
Probation Administrative Fee	16,785	12,117	13,000	15,902
Supplemental Adult Probation Fee	13,103	64,815	69,262	8,656
Supplemental Juvenile Probation Fee	2,345	859	-	3,204
County User Fee	47,486	65,707	45,390	67,803
Ditch Maintenance	1,098,067	620,316	475,487	1,242,896
Criminal Justice Program Income	10,565	3,517	4,064	10,018
Donations	10,910	11,469	10,945	11,434
Jail Bond	179,389	376,111	555,500	-
Health Ins/ Non-Reverting	1,578,353	1,537,393	1,547,095	1,568,651
Clerk's Scanning Fund	44,258	-	33,965	10,293
Payroll	-	5,130,467	5,130,467	-
Sheriff Retirement- Withholding	5,621	21,987	27,608	-
Tax Distributions	343,870	17,183,416	17,165,660	361,626
Wheel Tax	620	818,219	818,839	-

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

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

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13
Commercial Vehicle Excise Tax	-	161,568	161,568	-
Sewage Liens	-	81,967	81,967	-
Financial Institution Tax	-	77,295	77,295	-
HEA 1001-2008 Homestead Credit	1,434	-	-	1,434
Fines & Forfeitures	1,617	16,256	6,338	11,535
Infraction Judgements	4,874	40,278	43,260	1,892
Overweight Vehicle Fines	230	9,631	9,861	-
PERF Special Death Benefit	65	3,040	2,685	420
State Sales Disclosure	365	3,130	3,070	425
Coroner Continuing Education	147	2,132	2,047	232
Interstate Compact Fee	-	250	250	-
Mortgage Fee	405	2,308	2,348	365
States V.O. Administrator	13	272	267	18
Child Restraint System Fines	75	325	400	-
Inheritance Tax	393,953	556,905	927,936	22,922
Education Plate Fee	-	656	600	56
Riverboat Revenue Sharing	-	155,035	155,035	-
Inkeepers Tax	3,035	43,014	41,941	4,108
Local Option Cert	1,153	2,995,212	2,996,365	-
93.563 ARRA Clerk IV-D Incent	269	-	-	269
93.563 Title IV-D Incentive	26,795	13,373	15,210	24,958
Prosecutor Incentive	61,404	20,125	32,758	48,771
Clerks Incentive	71,445	13,373	30,860	53,958
Sheriff Continuing Education	2,191	1,204	-	3,395
D.A.R.E.	6,071	-	3,452	2,619
Courthouse Bond	639,780	112,263	639,500	112,543
Sheriff's Office Supply	43	-	-	43
Prosecuting Attorney Trust	643	6,248	6,584	307
Jury Pay	43,515	3,354	10,946	35,923
Landfill Host Fee	366,352	216,391	514,018	68,725
Airport Fly-in Breakfast	4,375	2,679	1,660	5,394
Community Corrections Project Income	126,579	176,768	158,122	145,225
County S.V.O. Administrator	4,345	2,448	2,239	4,554
Election Non Reverting	108,903	-	19,088	89,815
Sheriff Dept Training	3,491	2,690	3,473	2,708
County Wheel Tax	368,681	682,180	859,286	191,575
DOC Loan Redemption	43,366	21	-	43,387
Dog Control Fund	75	135	-	210
Operation Pullover	1,326	7,147	8,473	-
CEDIT/ Winchester	-	176,589	176,589	-
CEDIT/ Union	-	157,853	157,853	-
CEDIT/ Albany	-	1,034	1,034	-
CEDIT/ Farmland	-	19,444	19,444	-
CEDIT/ Losantville	-	5,773	5,773	-
CEDIT/ Lynn	-	17,817	17,817	-
CEDIT/ Modoc	-	3,193	3,193	-
CEDIT/ Parker City	-	14,952	14,952	-
CEDIT/ Ridgeville	-	11,825	11,825	-
CEDIT/ Saratoga	-	5,898	5,898	-
Local Option/ PTRC	231	998,403	998,633	1
#20.106 Airport Runway	-	1,484,637	1,471,125	13,512
#16.738 Drug Task Force Grant	3,094	22,682	25,776	-
#97.042 2012 EMA Competitive G	-	8,026	3,972	4,054
14.228 YMCA CDBG	-	4,167	4,167	-
E.On Climate/ Expense Payments	-	65,000	65,000	-
NextEra Expense Payments	-	65,000	65,000	-
EDP Renewables Expense Payments	-	65,000	65,000	-
Health Department H1N1 Grant	5,947	-	-	5,947
IDOC Escrow/UC Body Loan	111,075	59,915	-	170,990
EMA Radio- Sprint	-	6,666	6,124	542
<b>Totals</b>	<b>\$ 18,144,004</b>	<b>\$ 54,433,136</b>	<b>\$ 55,734,825</b>	<b>\$ 16,842,315</b>

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

RANDOLPH 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.

RANDOLPH 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, over-time 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.

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

RANDOLPH COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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.



RANDOLPH 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 Capitol Street, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

RANDOLPH 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. Holding Corporations**

The County has entered into a capital lease with the Randolph 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 2013 totaled \$1,699,419.

## 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.

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

	After Settlement Collections	Inmate Trust	Jail Commissary	Clerk Trust	Sheriff's Cash Book	General	Accident Report
Cash and investments - beginning	\$ 390,214	\$ 3,860	\$ 81,165	\$ 181,049	\$ -	\$ 1,874,659	\$ 4,041
Receipts:							
Taxes	660,674	-	-	-	-	4,332,728	-
Licenses and permits	-	-	-	-	-	56,811	-
Intergovernmental	-	-	-	-	-	410,933	-
Charges for services	-	127,496	117,755	-	476,075	1,066,324	2,782
Fines and forfeits	-	-	-	2,349,792	-	91,959	-
Other receipts	-	-	-	-	-	943,544	-
Total receipts	<u>660,674</u>	<u>127,496</u>	<u>117,755</u>	<u>2,349,792</u>	<u>476,075</u>	<u>6,902,299</u>	<u>2,782</u>
Disbursements:							
Personal services	-	-	-	-	-	4,608,577	-
Supplies	-	-	-	-	-	384,643	3,990
Other services and charges	-	127,731	126,985	2,308,481	476,075	2,222,898	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	17,871	-
Other disbursements	<u>389,714</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total disbursements	<u>389,714</u>	<u>127,731</u>	<u>126,985</u>	<u>2,308,481</u>	<u>476,075</u>	<u>7,233,989</u>	<u>3,990</u>
Excess (deficiency) of receipts over disbursements	<u>270,960</u>	<u>(235)</u>	<u>(9,230)</u>	<u>41,311</u>	<u>-</u>	<u>(331,690)</u>	<u>(1,208)</u>
Cash and investments - ending	<u>\$ 661,174</u>	<u>\$ 3,625</u>	<u>\$ 71,935</u>	<u>\$ 222,360</u>	<u>\$ -</u>	<u>\$ 1,542,969</u>	<u>\$ 2,833</u>

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

	CAGIT Certified Shares Fund	CEDIT/ County Unit	Special CEDIT Legislation	City/ Town Court Costs	Clerk Records Perpetuation	Community Corrections Grant	Community Transition Program
Cash and investments - beginning	\$ -	\$ 1,571,184	\$ 1,374,167	\$ 23,658	\$ 12,977	\$ 17,263	\$ 14,383
Receipts:							
Taxes	1,582,315	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	20,490	5	-	-	-	-
Fines and forfeits	-	-	-	3,783	6,497	-	-
Other receipts	-	617,617	1,018,553	-	17	154,492	17,980
Total receipts	<u>1,582,315</u>	<u>638,107</u>	<u>1,018,558</u>	<u>3,783</u>	<u>6,514</u>	<u>154,492</u>	<u>17,980</u>
Disbursements:							
Personal services	863,642	-	-	-	-	128,874	2,620
Supplies	7,283	-	-	-	1,881	6,393	354
Other services and charges	195,167	13,556	423,005	-	4,590	27,277	8,585
Debt service - principal and interest	-	-	637,500	-	-	-	-
Capital outlay	12,449	60,000	-	-	-	-	-
Other disbursements	-	565,998	-	-	-	-	-
Total disbursements	<u>1,078,541</u>	<u>639,554</u>	<u>1,060,505</u>	<u>-</u>	<u>6,471</u>	<u>162,544</u>	<u>11,559</u>
Excess (deficiency) of receipts over disbursements	<u>503,774</u>	<u>(1,447)</u>	<u>(41,947)</u>	<u>3,783</u>	<u>43</u>	<u>(8,052)</u>	<u>6,421</u>
Cash and investments - ending	<u>\$ 503,774</u>	<u>\$ 1,569,737</u>	<u>\$ 1,332,220</u>	<u>\$ 27,441</u>	<u>\$ 13,020</u>	<u>\$ 9,211</u>	<u>\$ 20,804</u>

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

	Congressional School Interest	Congressional School Principal	Prisoner Reimbursement for Incarceration	County Sales Disclosure	Cumulative Bridge	Cumulative Capital Development	County Drug Free Community
Cash and investments - beginning	\$ 101,074	\$ 32,845	\$ 2,439	\$ 14,234	\$ 769,382	\$ 1,485,562	\$ 14,477
Receipts:							
Taxes	-	-	-	-	332,388	181,389	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	24,813	13,541	-
Charges for services	-	-	-	3,120	63,550	-	-
Fines and forfeits	-	-	-	-	-	-	15,150
Other receipts	-	-	2,685	75	100	238,950	-
Total receipts	-	-	2,685	3,195	420,851	433,880	15,150
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	101,074	32,845	-	5,324	691,113	412,117	14,477
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	101,074	32,845	-	5,324	691,113	412,117	14,477
Excess (deficiency) of receipts over disbursements	(101,074)	(32,845)	2,685	(2,129)	(270,262)	21,763	673
Cash and investments - ending	\$ -	\$ -	\$ 5,124	\$ 12,105	\$ 499,120	\$ 1,507,325	\$ 15,150

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

	Electronic Map Generation	Local Emergency Planning	E-911	Handgun Permit	General Drain Improvement	Health Department	County Identity Security
Cash and investments - beginning	\$ 7,300	\$ 4,699	\$ -	\$ 20,972	\$ 195,474	\$ 142,217	\$ 4,394
Receipts:							
Taxes	-	-	-	-	-	93,069	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	6,948	-
Charges for services	-	3,571	-	11,400	-	52,464	3,056
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	1,200	-	46,986	-	116,163	6	-
Total receipts	<u>1,200</u>	<u>3,571</u>	<u>46,986</u>	<u>11,400</u>	<u>116,163</u>	<u>152,487</u>	<u>3,056</u>
Disbursements:							
Personal services	-	-	-	-	-	196,995	-
Supplies	-	159	-	-	-	1,830	-
Other services and charges	-	619	46,986	941	-	18,316	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	547	-	-	-	-	4,300
Other disbursements	-	-	-	-	171,131	-	-
Total disbursements	<u>-</u>	<u>1,325</u>	<u>46,986</u>	<u>941</u>	<u>171,131</u>	<u>217,141</u>	<u>4,300</u>
Excess (deficiency) of receipts over disbursements	<u>1,200</u>	<u>2,246</u>	<u>-</u>	<u>10,459</u>	<u>(54,968)</u>	<u>(64,654)</u>	<u>(1,244)</u>
Cash and investments - ending	<u>\$ 8,500</u>	<u>\$ 6,945</u>	<u>\$ -</u>	<u>\$ 31,431</u>	<u>\$ 140,506</u>	<u>\$ 77,563</u>	<u>\$ 3,150</u>

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

	Levy Excess	Health Maintenance	Local Road and Street	Major Moves	County Misdemeanant	Highway	Auditors Platbook
Cash and investments - beginning	\$ 31,982	\$ 16,954	\$ 160,626	\$ 37,292	\$ 60,851	\$ 1,398,999	\$ 21,111
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	230,363	-	-	2,416,374	-
Charges for services	-	33,139	-	-	-	-	9,385
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	19,364	130,143	2,000
Total receipts	-	33,139	230,363	-	19,364	2,546,517	11,385
Disbursements:							
Personal services	-	26,797	-	-	808	1,005,055	4,686
Supplies	-	-	-	-	6,707	807,604	1,470
Other services and charges	31,982	108	-	-	14,167	368,546	10,542
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	87,710	-
Other disbursements	-	-	300,000	-	-	-	-
Total disbursements	31,982	26,905	300,000	-	21,682	2,268,915	16,698
Excess (deficiency) of receipts over disbursements	(31,982)	6,234	(69,637)	-	(2,318)	277,602	(5,313)
Cash and investments - ending	\$ -	\$ 23,188	\$ 90,989	\$ 37,292	\$ 58,533	\$ 1,676,601	\$ 15,798



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

	Rainy Day	Property Reassessment	Property Reassessment- 2015	Recorder's Records Perpetuation	Public Defender Reimburse	Surplus Tax	Surveyor's Corner Perpetuation
Cash and investments - beginning	\$ 1,377,926	\$ 913	\$ 392,125	\$ 90,417	\$ 31,932	\$ 35,715	\$ 8,721
Receipts:							
Taxes	-	-	185,187	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	14,740	-	-	-	-
Charges for services	-	-	-	62,782	-	-	6,165
Fines and forfeits	-	-	-	-	65,111	-	-
Other receipts	645,708	-	-	-	-	40,196	-
Total receipts	645,708	-	199,927	62,782	65,111	40,196	6,165
Disbursements:							
Personal services	78,268	-	1,399	-	71,485	-	-
Supplies	4,130	-	1,220	58,961	-	-	-
Other services and charges	732,662	913	77,821	-	-	3,004	5,000
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	9,275	-	-	-	-	-	-
Other disbursements	24,439	-	-	-	-	20,117	-
Total disbursements	848,774	913	80,440	58,961	71,485	23,121	5,000
Excess (deficiency) of receipts over disbursements	(203,066)	(913)	119,487	3,821	(6,374)	17,075	1,165
Cash and investments - ending	\$ 1,174,860	\$ -	\$ 511,612	\$ 94,238	\$ 25,558	\$ 52,790	\$ 9,886

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

	Tax Sale Redemption	Tax Sale Surplus	Health Department Trust	VIN Inspections	Children's Advocate Program	Elected Official Training	Statewide 911 Fund
Cash and investments - beginning	\$ 24	\$ 163,732	\$ 13,968	\$ 1,900	\$ 14,642	\$ 3,214	\$ 178,537
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	955	-	3,056	361,051
Fines and forfeits	-	-	-	-	106	-	-
Other receipts	73,667	294,602	9,198	-	16,686	-	93,972
Total receipts	73,667	294,602	9,198	955	16,792	3,056	455,023
Disbursements:							
Personal services	-	-	12,261	-	15,000	-	348,214
Supplies	-	-	1,802	-	261	-	82
Other services and charges	641	77,417	4,480	1,800	5,632	2,126	104,778
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	436	-	13,260
Other disbursements	73,049	158,438	-	-	-	-	-
Total disbursements	73,690	235,855	18,543	1,800	21,329	2,126	466,334
Excess (deficiency) of receipts over disbursements	(23)	58,747	(9,345)	(845)	(4,537)	930	(11,311)
Cash and investments - ending	\$ 1	\$ 222,479	\$ 4,623	\$ 1,055	\$ 10,105	\$ 4,144	\$ 167,226

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

	Probation Administrative Fee	Supplemental Adult Probation Fee	Supplemental Juvenile Probation Fee	County User Fee	Ditch Maintenance	Criminal Justice Program Income	Donations
Cash and investments - beginning	\$ 16,785	\$ 13,103	\$ 2,345	\$ 47,486	\$ 1,098,067	\$ 10,565	\$ 10,910
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	12,117	48,815	859	33,826	-	3,517	-
Other receipts	-	16,000	-	31,881	620,316	-	11,469
Total receipts	<u>12,117</u>	<u>64,815</u>	<u>859</u>	<u>65,707</u>	<u>620,316</u>	<u>3,517</u>	<u>11,469</u>
Disbursements:							
Personal services	-	67,385	-	24,566	-	-	-
Supplies	-	-	-	7,546	-	201	-
Other services and charges	13,000	1,851	-	10,042	-	3,863	10,550
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	1,056	-	-	395
Other disbursements	-	26	-	2,180	475,487	-	-
Total disbursements	<u>13,000</u>	<u>69,262</u>	<u>-</u>	<u>45,390</u>	<u>475,487</u>	<u>4,064</u>	<u>10,945</u>
Excess (deficiency) of receipts over disbursements	<u>(883)</u>	<u>(4,447)</u>	<u>859</u>	<u>20,317</u>	<u>144,829</u>	<u>(547)</u>	<u>524</u>
Cash and investments - ending	<u>\$ 15,902</u>	<u>\$ 8,656</u>	<u>\$ 3,204</u>	<u>\$ 67,803</u>	<u>\$ 1,242,896</u>	<u>\$ 10,018</u>	<u>\$ 11,434</u>

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

	Jail Bond	Health Ins/ Non-Reverting	Clerk's Scanning Fund	Payroll	Sheriff Retirement- Withholding	Tax Distributions	Wheel Tax
Cash and investments - beginning	\$ 179,389	\$ 1,578,353	\$ 44,258	\$ -	\$ 5,621	\$ 343,870	\$ 620
Receipts:							
Taxes	168,093	-	-	-	-	15,437,925	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	12,548	-	-	-	-	1,721,665	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	195,470	1,537,393	-	5,130,467	21,987	23,826	818,219
Total receipts	376,111	1,537,393	-	5,130,467	21,987	17,183,416	818,219
Disbursements:							
Personal services	-	-	28,716	3,452,974	27,608	-	-
Supplies	-	-	5,249	-	-	-	-
Other services and charges	555,500	-	-	386	-	1,770	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	1,547,095	-	1,677,107	-	17,163,890	818,839
Total disbursements	555,500	1,547,095	33,965	5,130,467	27,608	17,165,660	818,839
Excess (deficiency) of receipts over disbursements	(179,389)	(9,702)	(33,965)	-	(5,621)	17,756	(620)
Cash and investments - ending	\$ -	\$ 1,568,651	\$ 10,293	\$ -	\$ -	\$ 361,626	\$ -

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

	Commercial Vehicle Excise Tax	Sewage Liens	Financial Institution Tax	HEA 1001-2008 Homestead Credit	Fines & Forfeitures	Infraction Judgements	Overweight Vehicle Fines
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 1,434	\$ 1,617	\$ 4,874	\$ 230
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	81,967	-	-	-	-	5
Fines and forfeits	-	-	-	-	16,256	40,278	9,626
Other receipts	161,568	-	77,295	-	-	-	-
Total receipts	161,568	81,967	77,295	-	16,256	40,278	9,631
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	161,568	81,967	77,295	-	6,338	43,260	9,861
Total disbursements	161,568	81,967	77,295	-	6,338	43,260	9,861
Excess (deficiency) of receipts over disbursements	-	-	-	-	9,918	(2,982)	(230)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 1,434	\$ 11,535	\$ 1,892	\$ -

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

	PERF Special Death Benefit	State Sales Disclosure	Coroner Continuing Education	Interstate Compact Fee	Mortgage Fee	States V.O. Administrator	Child Restraint System Fines
Cash and investments - beginning	\$ 65	\$ 365	\$ 147	\$ -	\$ 405	\$ 13	\$ 75
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	2,845	3,130	2,132	-	2,308	272	-
Fines and forfeits	195	-	-	250	-	-	325
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>3,040</u>	<u>3,130</u>	<u>2,132</u>	<u>250</u>	<u>2,308</u>	<u>272</u>	<u>325</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	20	-	-	5	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	2,685	3,050	2,047	250	2,343	267	400
Total disbursements	<u>2,685</u>	<u>3,070</u>	<u>2,047</u>	<u>250</u>	<u>2,348</u>	<u>267</u>	<u>400</u>
Excess (deficiency) of receipts over disbursements	<u>355</u>	<u>60</u>	<u>85</u>	<u>-</u>	<u>(40)</u>	<u>5</u>	<u>(75)</u>
Cash and investments - ending	<u>\$ 420</u>	<u>\$ 425</u>	<u>\$ 232</u>	<u>\$ -</u>	<u>\$ 365</u>	<u>\$ 18</u>	<u>\$ -</u>

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

	Inheritance Tax	Education Plate Fee	Riverboat Revenue Sharing	Innkeepers Tax	Local Option Cert	93.563 ARRA Clerk IV-D Incent	93.563 Title IV-D Incentive
Cash and investments - beginning	\$ 393,953	\$ -	\$ -	\$ 3,035	\$ 1,153	\$ 269	\$ 26,795
Receipts:							
Taxes	556,905	-	-	43,014	2,995,212	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	13,373
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	656	155,035	-	-	-	-
Total receipts	<u>556,905</u>	<u>656</u>	<u>155,035</u>	<u>43,014</u>	<u>2,995,212</u>	<u>-</u>	<u>13,373</u>
Disbursements:							
Personal services	-	-	-	-	-	-	15,210
Supplies	-	-	-	-	-	-	-
Other services and charges	-	600	-	41,941	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	927,936	-	155,035	-	2,996,365	-	-
Total disbursements	<u>927,936</u>	<u>600</u>	<u>155,035</u>	<u>41,941</u>	<u>2,996,365</u>	<u>-</u>	<u>15,210</u>
Excess (deficiency) of receipts over disbursements	<u>(371,031)</u>	<u>56</u>	<u>-</u>	<u>1,073</u>	<u>(1,153)</u>	<u>-</u>	<u>(1,837)</u>
Cash and investments - ending	<u>\$ 22,922</u>	<u>\$ 56</u>	<u>\$ -</u>	<u>\$ 4,108</u>	<u>\$ -</u>	<u>\$ 269</u>	<u>\$ 24,958</u>

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

	Prosecutor Incentive	Clerks Incentive	Sheriff Continuing Education	D.A.R.E.	Courthouse Bond	Sheriff's Office Supply	Prosecuting Attorney Trust
Cash and investments - beginning	\$ 61,404	\$ 71,445	\$ 2,191	\$ 6,071	\$ 639,780	\$ 43	\$ 643
Receipts:							
Taxes	-	-	-	-	104,465	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	20,125	13,373	-	-	7,798	-	-
Charges for services	-	-	1,204	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	6,248
Total receipts	<u>20,125</u>	<u>13,373</u>	<u>1,204</u>	<u>-</u>	<u>112,263</u>	<u>-</u>	<u>6,248</u>
Disbursements:							
Personal services	27,025	15,047	-	-	-	-	-
Supplies	-	1,648	-	3,452	-	-	-
Other services and charges	5,733	14,165	-	-	639,500	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	6,584
Total disbursements	<u>32,758</u>	<u>30,860</u>	<u>-</u>	<u>3,452</u>	<u>639,500</u>	<u>-</u>	<u>6,584</u>
Excess (deficiency) of receipts over disbursements	<u>(12,633)</u>	<u>(17,487)</u>	<u>1,204</u>	<u>(3,452)</u>	<u>(527,237)</u>	<u>-</u>	<u>(336)</u>
Cash and investments - ending	<u>\$ 48,771</u>	<u>\$ 53,958</u>	<u>\$ 3,395</u>	<u>\$ 2,619</u>	<u>\$ 112,543</u>	<u>\$ 43</u>	<u>\$ 307</u>



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

	Jury Pay	Landfill Host Fee	Airport Fly-in Breakfast	Community Corrections Project Income	County S.V.O. Administrator	Election Non Reverting	Sheriff Dept Training
Cash and investments - beginning	\$ 43,515	\$ 366,352	\$ 4,375	\$ 126,579	\$ 4,345	\$ 108,903	\$ 3,491
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	2,448	-	2,690
Fines and forfeits	3,354	-	-	153,768	-	-	-
Other receipts	-	216,391	2,679	23,000	-	-	-
Total receipts	<u>3,354</u>	<u>216,391</u>	<u>2,679</u>	<u>176,768</u>	<u>2,448</u>	<u>-</u>	<u>2,690</u>
Disbursements:							
Personal services	10,946	-	-	92,417	-	9,588	-
Supplies	-	-	-	4,035	-	-	-
Other services and charges	-	514,018	1,660	59,271	2,239	9,500	3,473
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	2,399	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>10,946</u>	<u>514,018</u>	<u>1,660</u>	<u>158,122</u>	<u>2,239</u>	<u>19,088</u>	<u>3,473</u>
Excess (deficiency) of receipts over disbursements	<u>(7,592)</u>	<u>(297,627)</u>	<u>1,019</u>	<u>18,646</u>	<u>209</u>	<u>(19,088)</u>	<u>(783)</u>
Cash and investments - ending	<u>\$ 35,923</u>	<u>\$ 68,725</u>	<u>\$ 5,394</u>	<u>\$ 145,225</u>	<u>\$ 4,554</u>	<u>\$ 89,815</u>	<u>\$ 2,708</u>

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

	County Wheel Tax	DOC Loan Redemption	Dog Control Fund	Operation Pullover	CEDIT/ Winchester	CEDIT/ Union	CEDIT/ Albany
Cash and investments - beginning	\$ 368,681	\$ 43,366	\$ 75	\$ 1,326	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	682,180	21	135	7,147	176,589	157,853	1,034
Total receipts	682,180	21	135	7,147	176,589	157,853	1,034
Disbursements:							
Personal services	-	-	-	8,473	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	859,286	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	176,589	157,853	1,034
Total disbursements	859,286	-	-	8,473	176,589	157,853	1,034
Excess (deficiency) of receipts over disbursements	(177,106)	21	135	(1,326)	-	-	-
Cash and investments - ending	\$ 191,575	\$ 43,387	\$ 210	\$ -	\$ -	\$ -	\$ -

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

	CEDIT/ Farmland	CEDIT/ Losantville	CEDIT/ Lynn	CEDIT/ Modoc	CEDIT/ Parker City	CEDIT/ Ridgeville	CEDIT/ Saratoga
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	19,444	5,773	17,817	3,193	14,952	11,825	5,898
Total receipts	<u>19,444</u>	<u>5,773</u>	<u>17,817</u>	<u>3,193</u>	<u>14,952</u>	<u>11,825</u>	<u>5,898</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	19,444	5,773	17,817	3,193	14,952	11,825	5,898
Total disbursements	<u>19,444</u>	<u>5,773</u>	<u>17,817</u>	<u>3,193</u>	<u>14,952</u>	<u>11,825</u>	<u>5,898</u>
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Local Option/ PTRC	#20.106 Airport Runway	#16.738 Drug Task Force Grant	#97.042 2012 EMA Competitive G	14.228 YMCA CDBG	E.On Climate/ Expense Payments
Cash and investments - beginning	\$ 231	\$ -	\$ 3,094	\$ -	\$ -	\$ -
Receipts:						
Taxes	998,403	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	1,484,637	22,682	8,026	4,167	65,000
Total receipts	<u>998,403</u>	<u>1,484,637</u>	<u>22,682</u>	<u>8,026</u>	<u>4,167</u>	<u>65,000</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	1,471,125	25,776	3,972	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	998,633	-	-	-	4,167	65,000
Total disbursements	<u>998,633</u>	<u>1,471,125</u>	<u>25,776</u>	<u>3,972</u>	<u>4,167</u>	<u>65,000</u>
Excess (deficiency) of receipts over disbursements	<u>(230)</u>	<u>13,512</u>	<u>(3,094)</u>	<u>4,054</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 1</u>	<u>\$ 13,512</u>	<u>\$ -</u>	<u>\$ 4,054</u>	<u>\$ -</u>	<u>\$ -</u>

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

	NextEra Expense Payments	EDP Renewables Expense Payments	Health Department H1N1Grant	IDOC Escrow/UC Body Loan	EMA Radio- Sprint	Totals
Cash and investments - beginning	\$ -	\$ -	\$ 5,947	\$ 111,075	\$ -	\$ 18,144,004
Receipts:						
Taxes	-	-	-	-	-	27,671,767
Licenses and permits	-	-	-	-	-	56,811
Intergovernmental	-	-	-	-	-	4,906,594
Charges for services	-	-	-	-	-	2,523,622
Fines and forfeits	-	-	-	-	-	2,855,584
Other receipts	65,000	65,000	-	59,915	6,666	16,418,758
Total receipts	65,000	65,000	-	59,915	6,666	54,433,136
Disbursements:						
Personal services	-	-	-	-	-	11,144,636
Supplies	-	-	-	-	-	1,310,901
Other services and charges	-	-	-	-	6,124	12,955,151
Debt service - principal and interest	-	-	-	-	-	637,500
Capital outlay	-	-	-	-	-	209,698
Other disbursements	65,000	65,000	-	-	-	29,476,939
Total disbursements	65,000	65,000	-	-	6,124	55,734,825
Excess (deficiency) of receipts over disbursements	-	-	-	59,915	542	(1,301,689)
Cash and investments - ending	\$ -	\$ -	\$ 5,947	\$ 170,990	\$ 542	\$ 16,842,315

RANDOLPH COUNTY  
SCHEDULE OF PAYABLES  
December 31, 2013

<u>Government or Enterprise</u>	<u>Accounts Payable</u>
Governmental activities	<u>\$ 81,686</u>

RANDOLPH COUNTY  
 SCHEDULE OF LEASES AND DEBT  
 December 31, 2013

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Randolph County Building Corporation	RCFFO Building	\$ 420,050	07-15-03	01-15-26
Randolph County Building Corporation	Courthouse	<u>1,275,000</u>	01-15-12	01-15-20
Total governmental activities		<u>1,695,050</u>		
Total of annual lease payments		<u>\$ 1,695,050</u>		

RANDOLPH COUNTY  
 SCHEDULE OF CAPITAL ASSETS  
 December 31, 2013

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

	Ending Balance
Governmental activities:	
Land	\$ 558,028
Buildings	16,284,921
Improvements other than buildings	6,549,105
Machinery, equipment, and vehicles	6,206,456
Total governmental activities	29,598,510
Total capital assets	\$ 29,598,510



SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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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 RANDOLPH COUNTY, INDIANA

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

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

***Management's Responsibility***

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

***Auditor's Responsibility***

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

We believe that our audit provides a reasonable basis for our opinion on compliance for 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, 2013.

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 the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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 deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2013-002 to be material weaknesses.

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

May 22, 2014

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTE

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.

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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>Department of Commerce</u>				
ARRA - State Broadband Data and Development Grant Program, Recovery Act Auditor's Platbook	SBDD- Indiana Office of Technology	11.558	ARRA - 067BROADBAND000	\$ <u>2,000</u>
Total - Department of Commerce				<u>2,000</u>
<u>Department of Housing and Urban Development</u>				
State Administered - CDBG Cluster Community Development Block Grants/States Program and Non Entitlement Grants in Hawaii YMCA - CDBG	Indiana Criminal Justice Institute	14.228	CF - 11- 112	<u>4,167</u>
Total - State Administered CDBG Cluster				<u>4,167</u>
Total - Department of Housing and Urban Development				<u>4,167</u>
<u>Department of Justice</u>				
JAG Program Cluster Edward Byrne Memorial Justice Assistance Grant Program Drug Task Force Grant	Indiana Criminal Justice Institute	16.738	10-DJ-64	<u>22,682</u>
Total - JAG Program Cluster				<u>22,682</u>
Crime Victim Assistance Voca Grant	Indiana Criminal Justice Institute	16.575	2012-VA-GX-0017	<u>23,680</u>
ARRA - Violence Against Women Formula Grant, Recovery Act Stop Grant	Indiana Criminal Justice Institute	16.588	11-STRO-63	<u>11,590</u>
Total - Department of Justice				<u>57,952</u>
<u>Department of Transportation</u>				
Highway Planning and Construction Cluster Highway Planning and Construction Cum Bridge	Indiana Department of Transportation	20.205	RTA-000-1661	<u>63,550</u>
Total - Highway Planning and Construction Cluster				<u>63,550</u>
<u>Federal Aviation Authority</u>				
Airport Improvement Program Airport Grant	Direct Grant	20.106	3-18-0088-015	<u>1,010,265</u>
Airport Improvement Program Airport Grant	Direct Grant	20.106	3-18-0088-014	<u>30,295</u>

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

RANDOLPH COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2013  
(Continued)

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>Federal Aviation Authority (continued)</u>				
Airport Improvement Program Airport Grant	Direct Grant	20.106	3-18-0088-011	<u>50,041</u>
Airport Improvement Program Airport Grant	Direct Grant	20.106	3-18-0088-13	<u>253,187</u>
Total - Federal Aviation Authority				<u>1,407,338</u>
<u>Department of Health and Human Services</u>				
Public Health Emergency Preparedness Preparedness Grant Bio Preparedness & Response Program	Indiana State Department of Health	93.069	BPRS- HLM 167-70 400361032BA2013	15,824 <u>1,852</u>
Total - Public Health Emergency Preparedness				<u>17,676</u>
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements Health-HPP & Phep Cooperative	Indiana State Department of Health	93.074	BPRS 167-70	<u>2,250</u>
Child Support Enforcement Prosecutor Incentive Clerk Incentive County General Incentive Direct Cost Reimbursement Indirect Cost Reimbursement	Indiana Department of Child Services	93.563 93.563 93.563 93.563 93.563	FY 2013 FY 2013 FY 2013 FY 2013 FY 2013	32,757 30,861 15,209 103,500 <u>19,027</u>
Total - Child Support Enforcement				<u>201,354</u>
Total - Department of Health and Human Services				<u>221,280</u>
<u>Department of Homeland Security</u>				
Emergency Management Performance Grants EMA Salary Reimbursement	Indiana Dept. of Homeland Security	97.042	C44P-2-373A	<u>15,828</u>
Emergency Management Performance Grants EMA - EMPG Grant	Indiana Dept. of Homeland Security	97.042	EMW-2011-EP-00036	<u>3,972</u>
Total - Department of Homeland Security				<u>19,800</u>
Total federal awards expended				<u>\$ 1,712,537</u>

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

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



RANDOLPH COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONS CONCERNING 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?	no

Federal Awards:

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

Identification of Major Program:

CFDA Number	Name of Federal Program or Cluster
20.106	Airport Improvement Plan

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 2013-001 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING**

We noted several deficiencies in the internal control system of the County related to financial transactions and reporting. We believe the following deficiencies constitute material weaknesses:

1. Preparing Financial Statements: Effective internal control over financial reporting involves the identification and analysis of the risks of material misstatement to the County's audited financial statement and then determining how those identified risks should be managed. The Chief Deputy Auditor indicates that she reviews the funds ledger monthly but does not have sufficient documentation of the review.

RANDOLPH COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

2. **Monitoring of Controls:** Effective internal control over financial reporting requires the County's Board of Commissioners to monitor and assess the quality of the County's system of internal control. The County's Board of Commissioners has not performed either an ongoing or separate evaluation of their system of internal controls. The failure to exercise their oversight responsibility place the County at risk that controls may not be designed or operating effectively to provide reasonable assurance that controls will prevent, or detect and correct, material misstatements in a timely manner. Additionally, the County has no process to identify or communicate corrective actions to improve controls.

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 Counties of Indiana, Chapter 1)

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

***FINDING 2013-002 - INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO AIRPORT IMPROVEMENT PROGRAM***

Federal Agency: Federal Aviation Authority

Federal Program: Airport Improvement Program

CFDA Number: 20.106

Federal Award Number and Year (or Other Identifying Number): 3-18-0088-011, 3-18-0088-013,  
3-18-0088-014, 3-18-0088-015

Testing of the internal control system revealed that there was no evidence that amounts reimbursed with federal funds were reviewed for Allowability/Cost Principals, Cash Management, Matching, Period of Availability, or Reporting requirements of the grant. In addition, the Davis-Bacon requirements were being monitored by the grant administrator rather than management of the County.

Management of the County has not established an effective internal control system, related to the grant agreement and all of the compliance requirements that have a direct and material effect to the program. This includes the following compliance requirements: Allowable Costs/Cost Principals, Cash Management, Davis-Bacon, Matching, Period of Availability, and Reporting. The failure to establish an effective internal control system places the County at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

An internal control system, including segregation of duties, 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, it is important to have proper segregation of duties. This

RANDOLPH COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

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."

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, including segregation of duties, related to the grant agreement and all compliance requirements that have a direct and material effect to the program.

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AUDITEE PREPARED DOCUMENT

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

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## Randolph County Auditor

Mary Ann Lenkensdofer

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100 S Main Street, Room 102 | Winchester, Indiana 47394 | Phone: 765-584-6700  
[maryann.lenkensdofer@randolphcountyin.net](mailto:maryann.lenkensdofer@randolphcountyin.net)

May 22, 2014

### Corrective Action Plan

Responsible Party: Mary Ann Lenkensdofer, Auditor

Anticipated Completion: End of Month (1) and Year End (2)

Finding: 2013-001

1. Preparing Financial Statements- It has always been a practice in our county to print and review the funds ledger monthly with the Treasurer. In the future both offices will continue to review the funds and initial and date. The ledgers will be taken to the Commissioners/Council boards for their review each month. The financial statement is uploaded from the LOW system into the Gateway by the Chief deputy Auditor and is reviewed and signed by the Auditor.
2. Monitoring of Controls – We will develop a policy with the County Executive board that will assess department by department the internal controls currently in place. Our goal is to develop a plan to include a control of the environment, risk assessment, controled activities, information & communication and monitoring. The first areas to be reviewed will be cash handling, customer service and compliance with the laws and regulations.

Respectfully,



Mary Ann Lenkensdofer  
Randolph County Auditor

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## Randolph County Auditor

Mary Ann Lenkensdofer

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100 S Main Street, Room 102 | Winchester, Indiana 47394 | Phone: 765-584-6700  
[maryann.lenkensdofer@randolphcountyin.net](mailto:maryann.lenkensdofer@randolphcountyin.net)

May 22, 2014

### Corrective Action Plan

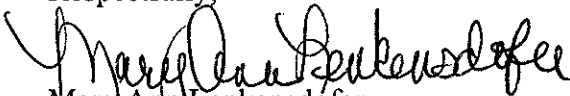
Responsible Party: Mary Ann Lenkensdofer, Auditor

Anticipated Completion: initiated on May 19<sup>th</sup>, 2014

Finding: 2013-002

Internal Control and segregation of duties- In review of internal controls and segregation of duties for federal grants we will supply ledgers containing receipts and disbursements to Commissioners and the Airport Manager for their review. We will have them initial and date the review of these documents. Our office will supply ledgers involving matching dollars which shows the repayment of these dollars to borrowed funds. The County Council will be receiving ledgers showing where all funds have been reimbursed. The Chief Deputy Auditor, Airport Manager, Commissioners and County Council will initial and date all of the reviewed documents for compliance.

Respectfully,



Mary Ann Lenkensdofer  
Randolph County Auditor



*Randolph County Airport  
2937 East State Road 32  
Winchester, IN 47394  
765-584-3611*

**CORRECTIVE ACTION PLAN**

Responsible Party: Randolph County Airport. (Eric Livingston-Airport Manager and BOAC)  
Anticipated Completion: When SEFA Report is prepared.  
Finding: 2013-002

We the owner (Randolph County Airport Board of Aviation Commissioners) hires BF&S (Grant Administrator & Project Engineer) to do on site pay roll interviews and compares with certified payrolls from the contractor. Certified payrolls from the contractor are then checked against project wage rates which are set by Federal Law. Airport Manager does witness the onsite payroll interviews. From this point on, the Airport Manager or BOAC member will also compare certified payrolls against project wage rates which are set by Federal Law (Davis Bacon requirements).

SBA claims that the local community does not have an established effective internal control system with segregation of duties which could place Randolph County at risk of compliance with requirements.

The Randolph County Airport and local community does have a practice in place that provides for segregation of duties to ensure compliance to the FAA Grant Assurances.

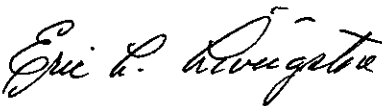
The summary of the process is provided below:

The claims are collected and submitted by either the vendor or Aviation Consultant to the airport for review/approval at the monthly BOAC meetings.

Upon review and approval by the BOAC the Pay Request is submitted electronically to the FAA through the E-Invoicing system by the Grant Administrator of the Aviation Consultant.

The E-Invoicing system provides notification of payments to the Airport Consultant's Grant Administrator, Airport Manager and County Treasurer. This notification provides all entities a notification that deposits have been made and allows for separation of duties as well as redundancy to insure that payments are processed in a timely and efficient manner.

The claims are taken by the Airport Manager to the County Auditor for review, processing and payment.

  
Eric L. Livingston  
Randolph County Airport Manager.

*Dr. William Johnson  
President*

*Dale Moore  
Treasurer*

*Phillip Holliday  
Secretary*

*Daniel Mills  
Member*

*Eric Livingston  
Manager*



#### OTHER REPORT

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