

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

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



FILED
08/22/2014

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Vaneen M. Ide	01-01-13 to 12-31-16
Treasurer	Kathleen Adair	01-01-13 to 12-31-16
Clerk	Beth Liming	01-01-13 to 12-31-16
Sheriff	Randy Prior	01-01-11 to 12-31-14
Recorder	Patricia Williams	01-01-11 to 12-31-14
President of the Board of County Commissioners	David Arnold James L. Sailors	01-01-13 to 12-31-13 01-01-14 to 12-31-14
President of the County Council	George L. Stebbins	01-01-13 to 12-31-14



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF CASS COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of Cass 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 July 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 and Schedule of Leases and Debt, 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

July 22, 2014



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 CASS 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 Cass 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 July 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 items 2013-001 and 2013-002 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 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 items 2013-001 and 2013-002.

Cass 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

July 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.

CASS 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
Inmate Trust Supplemental	\$ 14,759	\$ 498,189	\$ 496,348	\$ 16,600
Sheriff's Commissary Supplemental	79,791	116,884	149,725	46,950
Clerk Trust Supplemental	744,934	5,264,805	5,563,243	446,496
Recorder Supplemental	25	-	-	25
General	1,282,649	9,998,620	8,344,720	2,936,549
Certified Shares County	-	2,425,710	1,805,533	620,177
County Economic Development Income Tax	13,216	1,485,467	1,498,683	-
County Child Advocacy	50	-	-	50
Court Costs	926	11,186	607	11,505
Clerk Perpetuation	30,504	9,289	3,440	36,353
Community Corrections Supplemental	53,734	540,483	508,823	85,394
Community Transition Program	140,329	50,935	-	191,264
Congressional Interest	6,690	77	-	6,767
Congressional Principal	29,625	-	-	29,625
Sheriff's Photo Operating	2,456	645	170	2,931
Surplus Dog	26	-	-	26
County Sales Disclosure	19,280	3,385	2,025	20,640
Cumulative Bridge	1,437,128	545,188	766,732	1,215,584
Capitol Development	393,046	256,560	239,959	409,647
County Drug Free Program	43,042	28,627	41,841	29,828
Electronic Map Generation	3,000	4,000	-	7,000
Local Emergency Plan	3,370	-	-	3,370
Recorder Enhanced Access	1,481	1,554	-	3,035
Extradition	65,360	10,000	7,764	67,596
Firearms Training	15,426	14,581	16,432	13,575
Health	491,453	258,192	332,288	417,357
RE-DACT	53,073	3,068	-	56,141
Levy Excess	80,040	-	80,040	-
Health Maintenance	52,118	33,170	21,191	64,097
Local Road & Street	424,587	328,800	148,408	604,979
LOIT Public Safety County	1,185,872	962,912	1,148,034	1,000,750
Highway	3,748,058	3,312,209	3,232,975	3,827,292
Park & Recreation Non Reverting	81,295	53,902	66,079	69,118
Auditor Plat Book Upkeep	31,322	7,185	2,000	36,507
Rainy Day	2,412,562	202	-	2,412,764
Property Reassessment	63,916	-	63,916	-
Reassessment 2017	194,389	231,138	186,851	238,676
Recorders Perpetuation	160,877	45,842	57,044	149,675
Sex Offender Register State & County Share	29	386	405	10
Police Pension	133,034	39,061	-	172,095
Surplus Tax (Excess)	42,318	71,890	39,119	75,089
Surveyor Corner Perpetuation	21,479	6,720	-	28,199
Tax Sale (fees collected) SRI	23,118	34,371	35,771	21,718
Tax Sale Redemption	12,620	129,903	130,714	11,809
Tax Sale Surplus	171,373	179,179	90,828	259,724
Unsafe Building	11,932	-	11	11,921
Vehicle Inspection	6,609	640	2,919	4,330
Guardian Ad Litem	3,605	20,138	21,615	2,128
Election & Registration	125,417	31,471	59,139	97,749
County Election Official Training	4,397	2,586	625	6,358
911 Statewide	151,432	867,508	725,276	293,664
Care of Juveniles	77,274	-	-	77,274
County User Fee	2,643,261	1,112,354	857,446	2,898,169
General Drain	(1,993)	192,141	47,921	142,227
Drain Maintenance	1,071,155	403,241	368,649	1,105,747
Sheriff Sale Non Reverting	31,119	35,145	25,125	41,139
Park Donation	11,562	-	-	11,562
Forfeiture Seizure Non Reverting	-	5,029	-	5,029
Jail Debt Service	491,639	1,007,253	619,500	879,392
Cass County Self Insurance	3,400,750	2,779,595	1,964,972	4,215,373
Payroll	-	6,878,660	6,878,660	-
Property Replacement	30	28,466,292	28,465,628	694
Wheel Tax/Surtax	2,005	959,879	961,884	-

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

CASS 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
CVET	-	243,241	243,241	-
Excise Tax Allocations	-	1,021,899	1,021,899	-
Financial Institution Tax	-	307,622	307,622	-
CEDIT Homestead Credit	37,847	57	-	37,904
Homestead Credit Rebate	9,823	-	-	9,823
LOIT PTRC	1,289,484	6,084,173	7,146,992	226,665
Fines & Forfeitures	12,243	48,017	55,315	4,945
Infraction Judgment	7,883	89,382	90,429	6,836
Overweight Vehicle	-	2,964	2,664	300
Special Death Benefit	442	4,807	4,904	345
Sales Disclosure Fee (State)	542	3,386	3,558	370
Coroner Training Non-Reverting	273	3,230	3,244	259
Interstate Compact Fee	125	625	750	-
Mortgage Fee	585	2,812	3,020	377
Child Restraint Violation	-	600	575	25
Inheritance Tax	91,623	334,597	423,443	2,777
Riverboat Wagering Tax Revenue	-	230,831	230,831	-
Cass Tourism Promotion	6,084	82,840	73,177	15,747
ARRA Prosecutor Incentive 93.563	840	28	868	-
ARRA Clerk Incentive 93.563	10,262	-	8,806	1,456
Title IV-D Incentive 93.563	55,599	19,139	-	74,738
Prosecutor Incentive Post 93.563	73,666	28,799	34,321	68,144
Clerk Incentive Post 93.563	93,643	19,139	4,814	107,968
Treasurer Supplemental	1,184,393	929,273	1,015,905	1,097,761
Arson Investigation	226	-	-	226
Law Enforcement	2	-	-	2
Cass County Work Crew	5,067	9,274	4,120	10,221
Certificate Tax Sale	3,283	63,570	63,420	3,433
County Redevelop Commission	812,095	477,123	562,108	727,110
Certified Share	366	4,512,962	4,513,176	152
CCEMA Non-Reverting Capital	1,906	-	-	1,906
Transit Authority Grant	241,063	917,282	1,158,345	-
Public Health Bio-Terrorism 93.069	2,999	-	-	2,999
Stop Grant 16.588	1,092	15,007	15,650	449
Victim Advocacy Grant 16.575	8,489	22,553	21,787	9,255
Bulletproof Vest Part Grant	642	-	642	-
HAVA Title III 93.617	91,095	-	-	91,095
EMA Performance 97.042	2,906	-	-	2,906
Clymer's CDBG 14.228	-	30,000	30,000	-
State Deputy Project	96	3,965	3,970	91
Federal CASA Grant 16.547	9,517	-	-	9,517
CAPTA	8,640	15,382	8,541	15,481
SCAAP Grant	12,994	5,956	6,294	12,656
Cass Co Cedit	3,069,472	1,026,243	514,122	3,581,593
Cass County Correction	866	27,818	27,617	1,067
Cass County EMA Grant	348	-	-	348
DUI Task Force Enforce Program	(402)	-	-	(402)
Emergency Gas Award	550	-	-	550
Corrections Grant	(1,830)	615,014	549,830	63,354
Law Enforcement Grant	2,826	-	-	2,826
France Park Planning Grant	194	-	-	194
COMM Correct Project Income	192,354	215,510	289,543	118,321
Adult Protective Services	3,014	156,276	151,180	8,110
Tobacco Education	91,270	11,250	16,174	86,346
Walmart EMA Grant	572	-	-	572
SECTION 102 HAVA	16,834	-	4,166	12,668
GIS Web Feature Grant	2,100	-	-	2,100
Odyssey Imaging Grant	733	-	-	733
Public Health Coordinator Grant	(3,269)	19,404	18,725	(2,590)
Buffer Zone Protection 97.078	49,364	-	49,364	-
Totals	\$ 29,297,405	\$ 87,328,297	\$ 84,766,230	\$ 31,859,472

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

CASS 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.

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.

CASS COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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.

CASS COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

G. Fund Accounting

Separate funds are established, maintained, and reported by the County. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the County. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

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

Note 3. Property Taxes

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

Note 4. Deposits and Investments

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

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.

CASS COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

CASS COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

B. County Police Retirement Plan

Plan Description

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

Funding Policy

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

C. County Police Benefit Plan

Plan Description

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

Funding Policy

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

Note 7. 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.

Note 8. Cash Balance Deficits

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

CASS COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 9. *Holding Corporations*

The County has entered into a capital lease with Cass County Indiana 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 2013 totaled \$619,500.

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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.

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

	Inmate Trust Supplemental	Sheriff's Commissary Supplemental	Clerk Trust Supplemental	Recorder Supplemental	General	Certified Shares County	County Economic Development Income Tax
Cash and investments - beginning	\$ 14,759	\$ 79,791	\$ 744,934	\$ 25	\$ 1,282,649	\$ -	\$ 13,216
Receipts:							
Taxes	-	-	-	-	7,152,179	2,423,698	-
Intergovernmental	-	-	-	-	1,233,034	-	-
Charges for services	-	-	-	-	645,125	-	-
Fines and forfeits	-	-	-	-	91,160	-	-
Other receipts	498,189	116,884	5,264,805	-	877,122	2,012	1,485,467
Total receipts	<u>498,189</u>	<u>116,884</u>	<u>5,264,805</u>	<u>-</u>	<u>9,998,620</u>	<u>2,425,710</u>	<u>1,485,467</u>
Disbursements:							
Personal services	-	-	-	-	5,657,059	1,362,489	-
Supplies	-	-	-	-	334,153	258,302	-
Other services and charges	-	-	-	-	2,170,903	184,742	-
Capital outlay	-	-	-	-	143,845	-	-
Other disbursements	496,348	149,725	5,563,243	-	38,760	-	1,498,683
Total disbursements	<u>496,348</u>	<u>149,725</u>	<u>5,563,243</u>	<u>-</u>	<u>8,344,720</u>	<u>1,805,533</u>	<u>1,498,683</u>
Excess (deficiency) of receipts over disbursements	<u>1,841</u>	<u>(32,841)</u>	<u>(298,438)</u>	<u>-</u>	<u>1,653,900</u>	<u>620,177</u>	<u>(13,216)</u>
Cash and investments - ending	<u>\$ 16,600</u>	<u>\$ 46,950</u>	<u>\$ 446,496</u>	<u>\$ 25</u>	<u>\$ 2,936,549</u>	<u>\$ 620,177</u>	<u>\$ -</u>

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

	County Child Advocacy	Court Costs	Clerk Perpetuation	Community Corrections Supplemental	Community Transition Program	Congressional Interest	Congressional Principal
Cash and investments - beginning	\$ 50	\$ 926	\$ 30,504	\$ 53,734	\$ 140,329	\$ 6,690	\$ 29,625
Receipts:							
Taxes	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	11,186	9,289	540,483	50,935	77	-
Total receipts	-	11,186	9,289	540,483	50,935	77	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	3,440	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	607	-	508,823	-	-	-
Total disbursements	-	607	3,440	508,823	-	-	-
Excess (deficiency) of receipts over disbursements	-	10,579	5,849	31,660	50,935	77	-
Cash and investments - ending	<u>\$ 50</u>	<u>\$ 11,505</u>	<u>\$ 36,353</u>	<u>\$ 85,394</u>	<u>\$ 191,264</u>	<u>\$ 6,767</u>	<u>\$ 29,625</u>

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

	Sheriff's Photo Operating	Surplus Dog	County Sales Disclosure	Cumulative Bridge	Capitol Development	County Drug Free Program	Electronic Map Generation
Cash and investments - beginning	\$ 2,456	\$ 26	\$ 19,280	\$ 1,437,128	\$ 393,046	\$ 43,042	\$ 3,000
Receipts:							
Taxes	-	-	-	434,486	235,899	-	-
Intergovernmental	-	-	-	37,133	20,161	-	-
Charges for services	-	-	3,327	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	645	-	58	73,569	500	28,627	4,000
Total receipts	<u>645</u>	<u>-</u>	<u>3,385</u>	<u>545,188</u>	<u>256,560</u>	<u>28,627</u>	<u>4,000</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	766,732	-	41,203	-
Capital outlay	-	-	-	-	239,102	-	-
Other disbursements	170	-	2,025	-	857	638	-
Total disbursements	<u>170</u>	<u>-</u>	<u>2,025</u>	<u>766,732</u>	<u>239,959</u>	<u>41,841</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>475</u>	<u>-</u>	<u>1,360</u>	<u>(221,544)</u>	<u>16,601</u>	<u>(13,214)</u>	<u>4,000</u>
Cash and investments - ending	<u>\$ 2,931</u>	<u>\$ 26</u>	<u>\$ 20,640</u>	<u>\$ 1,215,584</u>	<u>\$ 409,647</u>	<u>\$ 29,828</u>	<u>\$ 7,000</u>

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

	Local Emergency Plan	Recorder Enhanced Access	Extradition	Firearms Training	Health	RE-DACT	Levy Excess
Cash and investments - beginning	\$ 3,370	\$ 1,481	\$ 65,360	\$ 15,426	\$ 491,453	\$ 53,073	\$ 80,040
Receipts:							
Taxes	-	-	-	-	170,906	-	-
Intergovernmental	-	-	-	-	14,606	-	-
Charges for services	-	-	-	-	72,474	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	1,554	10,000	14,581	206	3,068	-
Total receipts	-	1,554	10,000	14,581	258,192	3,068	-
Disbursements:							
Personal services	-	-	-	-	279,604	-	-
Supplies	-	-	-	-	34,264	-	-
Other services and charges	-	-	-	-	18,420	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	7,764	16,432	-	-	80,040
Total disbursements	-	-	7,764	16,432	332,288	-	80,040
Excess (deficiency) of receipts over disbursements	-	1,554	2,236	(1,851)	(74,096)	3,068	(80,040)
Cash and investments - ending	<u>\$ 3,370</u>	<u>\$ 3,035</u>	<u>\$ 67,596</u>	<u>\$ 13,575</u>	<u>\$ 417,357</u>	<u>\$ 56,141</u>	<u>\$ -</u>

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

	Health Maintenance	Local Road & Street	LOIT Public Safety County	Highway	Park & Recreation Non Reverting	Auditor Plat Book Upkeep	Rainy Day
Cash and investments - beginning	\$ 52,118	\$ 424,587	\$ 1,185,872	\$ 3,748,058	\$ 81,295	\$ 31,322	\$ 2,412,562
Receipts:							
Taxes	-	-	-	762,722	-	-	-
Intergovernmental	-	328,800	-	2,518,675	-	-	-
Charges for services	-	-	-	-	1,174	7,065	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	33,170	-	962,912	30,812	52,728	120	202
Total receipts	<u>33,170</u>	<u>328,800</u>	<u>962,912</u>	<u>3,312,209</u>	<u>53,902</u>	<u>7,185</u>	<u>202</u>
Disbursements:							
Personal services	15,558	-	51,509	1,319,179	-	-	-
Supplies	1,592	148,408	8,833	1,656,268	-	-	-
Other services and charges	4,041	-	410,394	100,714	-	2,000	-
Capital outlay	-	-	-	156,814	-	-	-
Other disbursements	-	-	677,298	-	66,079	-	-
Total disbursements	<u>21,191</u>	<u>148,408</u>	<u>1,148,034</u>	<u>3,232,975</u>	<u>66,079</u>	<u>2,000</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>11,979</u>	<u>180,392</u>	<u>(185,122)</u>	<u>79,234</u>	<u>(12,177)</u>	<u>5,185</u>	<u>202</u>
Cash and investments - ending	<u>\$ 64,097</u>	<u>\$ 604,979</u>	<u>\$ 1,000,750</u>	<u>\$ 3,827,292</u>	<u>\$ 69,118</u>	<u>\$ 36,507</u>	<u>\$ 2,412,764</u>

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

	Property Reassessment	Reassessment 2017	Recorders Perpetuation	Sex Offender Register State & County Share	Police Pension	Surplus Tax (Excess)	Surveyor Corner Perpetuation
Cash and investments - beginning	\$ 63,916	\$ 194,389	\$ 160,877	\$ 29	\$ 133,034	\$ 42,318	\$ 21,479
Receipts:							
Taxes	-	154,056	-	-	-	-	-
Intergovernmental	-	13,166	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	63,916	45,842	386	39,061	71,890	6,720
Total receipts	-	231,138	45,842	386	39,061	71,890	6,720
Disbursements:							
Personal services	-	2,343	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	184,508	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	63,916	-	57,044	405	-	39,119	-
Total disbursements	63,916	186,851	57,044	405	-	39,119	-
Excess (deficiency) of receipts over disbursements	(63,916)	44,287	(11,202)	(19)	39,061	32,771	6,720
Cash and investments - ending	\$ -	\$ 238,676	\$ 149,675	\$ 10	\$ 172,095	\$ 75,089	\$ 28,199

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

	Tax Sale (fees collected) SRI	Tax Sale Redemption	Tax Sale Surplus	Unsafe Building	Vehicle Inspection	Guardian Ad Litem	Election & Registration
Cash and investments - beginning	\$ 23,118	\$ 12,620	\$ 171,373	\$ 11,932	\$ 6,609	\$ 3,605	\$ 125,417
Receipts:							
Taxes	-	-	-	-	-	-	28,885
Intergovernmental	-	-	-	-	-	-	2,469
Charges for services	1,689	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	32,682	129,903	179,179	-	640	20,138	117
Total receipts	<u>34,371</u>	<u>129,903</u>	<u>179,179</u>	<u>-</u>	<u>640</u>	<u>20,138</u>	<u>31,471</u>
Disbursements:							
Personal services	-	-	-	-	-	-	32,780
Supplies	-	-	-	-	-	-	830
Other services and charges	-	-	-	-	-	-	25,529
Capital outlay	-	-	-	-	-	-	-
Other disbursements	35,771	130,714	90,828	11	2,919	21,615	-
Total disbursements	<u>35,771</u>	<u>130,714</u>	<u>90,828</u>	<u>11</u>	<u>2,919</u>	<u>21,615</u>	<u>59,139</u>
Excess (deficiency) of receipts over disbursements	<u>(1,400)</u>	<u>(811)</u>	<u>88,351</u>	<u>(11)</u>	<u>(2,279)</u>	<u>(1,477)</u>	<u>(27,668)</u>
Cash and investments - ending	<u>\$ 21,718</u>	<u>\$ 11,809</u>	<u>\$ 259,724</u>	<u>\$ 11,921</u>	<u>\$ 4,330</u>	<u>\$ 2,128</u>	<u>\$ 97,749</u>

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

	County Election Official Training	911 Statewide	Care of Juveniles	County User Fee	General Drain	Drain Maintenance	Sheriff Sale Non Reverting
Cash and investments - beginning	\$ 4,397	\$ 151,432	\$ 77,274	\$ 2,643,261	\$ (1,993)	\$ 1,071,155	\$ 31,119
Receipts:							
Taxes	-	-	-	-	-	387,585	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	388,570	-	-	-
Fines and forfeits	-	-	-	24,256	-	-	-
Other receipts	2,586	867,508	-	699,528	192,141	15,656	35,145
Total receipts	<u>2,586</u>	<u>867,508</u>	<u>-</u>	<u>1,112,354</u>	<u>192,141</u>	<u>403,241</u>	<u>35,145</u>
Disbursements:							
Personal services	-	685,628	-	448,258	-	-	-
Supplies	-	-	-	15,788	-	-	-
Other services and charges	625	39,648	-	42,853	47,921	368,649	-
Capital outlay	-	-	-	17,717	-	-	-
Other disbursements	-	-	-	332,830	-	-	25,125
Total disbursements	<u>625</u>	<u>725,276</u>	<u>-</u>	<u>857,446</u>	<u>47,921</u>	<u>368,649</u>	<u>25,125</u>
Excess (deficiency) of receipts over disbursements	<u>1,961</u>	<u>142,232</u>	<u>-</u>	<u>254,908</u>	<u>144,220</u>	<u>34,592</u>	<u>10,020</u>
Cash and investments - ending	<u>\$ 6,358</u>	<u>\$ 293,664</u>	<u>\$ 77,274</u>	<u>\$ 2,898,169</u>	<u>\$ 142,227</u>	<u>\$ 1,105,747</u>	<u>\$ 41,139</u>

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

	Park Donation	Forfeiture Seizure Non Reverting	Jail Debt Service	Cass County Self Insurance	Payroll	Property Replacement	Wheel Tax/Surtax
Cash and investments - beginning	\$ 11,562	\$ -	\$ 491,639	\$ 3,400,750	\$ -	\$ 30	\$ 2,005
Receipts:							
Taxes	-	-	927,947	-	-	23,703,283	147,693
Intergovernmental	-	-	79,306	-	-	1,705,003	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	5,029	-	2,779,595	6,878,660	3,058,006	812,186
Total receipts	-	5,029	1,007,253	2,779,595	6,878,660	28,466,292	959,879
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	619,500	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	1,964,972	6,878,660	28,465,628	961,884
Total disbursements	-	-	619,500	1,964,972	6,878,660	28,465,628	961,884
Excess (deficiency) of receipts over disbursements	-	5,029	387,753	814,623	-	664	(2,005)
Cash and investments - ending	<u>\$ 11,562</u>	<u>\$ 5,029</u>	<u>\$ 879,392</u>	<u>\$ 4,215,373</u>	<u>\$ -</u>	<u>\$ 694</u>	<u>\$ -</u>

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

	CVET	Excise Tax Allocations	Financial Institution Tax	CEDIT Homestead Credit	Homestead Credit Rebate	LOIT PTRC	Fines & Forfeitures
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 37,847	\$ 9,823	\$ 1,289,484	\$ 12,243
Receipts:							
Taxes	-	-	-	-	-	-	-
Intergovernmental	-	1,021,899	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	243,241	-	307,622	57	-	6,084,173	48,017
Total receipts	<u>243,241</u>	<u>1,021,899</u>	<u>307,622</u>	<u>57</u>	<u>-</u>	<u>6,084,173</u>	<u>48,017</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	243,241	1,021,899	307,622	-	-	7,146,992	55,315
Total disbursements	<u>243,241</u>	<u>1,021,899</u>	<u>307,622</u>	<u>-</u>	<u>-</u>	<u>7,146,992</u>	<u>55,315</u>
Excess (deficiency) of receipts over disbursements	-	-	-	57	-	(1,062,819)	(7,298)
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,904</u>	<u>\$ 9,823</u>	<u>\$ 226,665</u>	<u>\$ 4,945</u>

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

	Infraction Judgment	Overweight Vehicle	Special Death Benefit	Sales Disclosure Fee (State)	Coroner Training Non-Reverting	Interstate Compact Fee	Mortgage Fee
Cash and investments - beginning	\$ 7,883	\$ -	\$ 442	\$ 542	\$ 273	\$ 125	\$ 585
Receipts:							
Taxes	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	3,328	3,230	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	89,382	2,964	4,807	58	-	625	2,812
Total receipts	<u>89,382</u>	<u>2,964</u>	<u>4,807</u>	<u>3,386</u>	<u>3,230</u>	<u>625</u>	<u>2,812</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	90,429	2,664	4,904	3,558	3,244	750	3,020
Total disbursements	<u>90,429</u>	<u>2,664</u>	<u>4,904</u>	<u>3,558</u>	<u>3,244</u>	<u>750</u>	<u>3,020</u>
Excess (deficiency) of receipts over disbursements	<u>(1,047)</u>	<u>300</u>	<u>(97)</u>	<u>(172)</u>	<u>(14)</u>	<u>(125)</u>	<u>(208)</u>
Cash and investments - ending	<u>\$ 6,836</u>	<u>\$ 300</u>	<u>\$ 345</u>	<u>\$ 370</u>	<u>\$ 259</u>	<u>\$ -</u>	<u>\$ 377</u>

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

	Child Restraint Violation	Inheritance Tax	Riverboat Wagering Tax Revenue	Cass Tourism Promotion	ARRA Prosecutor Incentive 93.563	ARRA Clerk Incentive 93.563	Title IV-D Incentive 93.563
Cash and investments - beginning	\$ -	\$ 91,623	\$ -	\$ 6,084	\$ 840	\$ 10,262	\$ 55,599
Receipts:							
Taxes	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	600	334,597	230,831	82,840	28	-	19,139
Total receipts	600	334,597	230,831	82,840	28	-	19,139
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	575	423,443	230,831	73,177	868	8,806	-
Total disbursements	575	423,443	230,831	73,177	868	8,806	-
Excess (deficiency) of receipts over disbursements	25	(88,846)	-	9,663	(840)	(8,806)	19,139
Cash and investments - ending	<u>\$ 25</u>	<u>\$ 2,777</u>	<u>\$ -</u>	<u>\$ 15,747</u>	<u>\$ -</u>	<u>\$ 1,456</u>	<u>\$ 74,738</u>

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

	Prosecutor Incentive Post 93.563	Clerk Incentive Post 93.563	Treasurer Supplemental	Arson Investigation	Law Enforcement	Cass County Work Crew	Certificate Tax Sale
Cash and investments - beginning	\$ 73,666	\$ 93,643	\$ 1,184,393	\$ 226	\$ 2	\$ 5,067	\$ 3,283
Receipts:							
Taxes	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	28,799	19,139	929,273	-	-	9,274	63,570
Total receipts	<u>28,799</u>	<u>19,139</u>	<u>929,273</u>	<u>-</u>	<u>-</u>	<u>9,274</u>	<u>63,570</u>
Disbursements:							
Personal services	2,446	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	1,716	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	31,875	3,098	1,015,905	-	-	4,120	63,420
Total disbursements	<u>34,321</u>	<u>4,814</u>	<u>1,015,905</u>	<u>-</u>	<u>-</u>	<u>4,120</u>	<u>63,420</u>
Excess (deficiency) of receipts over disbursements	<u>(5,522)</u>	<u>14,325</u>	<u>(86,632)</u>	<u>-</u>	<u>-</u>	<u>5,154</u>	<u>150</u>
Cash and investments - ending	<u>\$ 68,144</u>	<u>\$ 107,968</u>	<u>\$ 1,097,761</u>	<u>\$ 226</u>	<u>\$ 2</u>	<u>\$ 10,221</u>	<u>\$ 3,433</u>

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

	County Redevelop Commission	Certified Share	CCEMA Non-Reverting Capital	Transit Authority Grant	Public Health Bio-Terrorism 93.069	Stop Grant 16.588	Victim Advocacy Grant 16.575
Cash and investments - beginning	\$ 812,095	\$ 366	\$ 1,906	\$ 241,063	\$ 2,999	\$ 1,092	\$ 8,489
Receipts:							
Taxes	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	477,123	4,512,962	-	917,282	-	15,007	22,553
Total receipts	<u>477,123</u>	<u>4,512,962</u>	<u>-</u>	<u>917,282</u>	<u>-</u>	<u>15,007</u>	<u>22,553</u>
Disbursements:							
Personal services	-	-	-	-	-	1,559	379
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	562,108	4,513,176	-	1,158,345	-	14,091	21,408
Total disbursements	<u>562,108</u>	<u>4,513,176</u>	<u>-</u>	<u>1,158,345</u>	<u>-</u>	<u>15,650</u>	<u>21,787</u>
Excess (deficiency) of receipts over disbursements	<u>(84,985)</u>	<u>(214)</u>	<u>-</u>	<u>(241,063)</u>	<u>-</u>	<u>(643)</u>	<u>766</u>
Cash and investments - ending	<u>\$ 727,110</u>	<u>\$ 152</u>	<u>\$ 1,906</u>	<u>\$ -</u>	<u>\$ 2,999</u>	<u>\$ 449</u>	<u>\$ 9,255</u>

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

	Bulletproof Vest Part Grant	HAVA Title III 93.617	EMA Performance 97.042	Clymer's CDBG 14.228	State Deputy Project	Federal CASA Grant 16.547	CAPTA
Cash and investments - beginning	\$ 642	\$ 91,095	\$ 2,906	\$ -	\$ 96	\$ 9,517	\$ 8,640
Receipts:							
Taxes	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	30,000	3,965	-	15,382
Total receipts	-	-	-	30,000	3,965	-	15,382
Disbursements:							
Personal services	-	-	-	-	3,970	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	642	-	-	30,000	-	-	8,541
Total disbursements	642	-	-	30,000	3,970	-	8,541
Excess (deficiency) of receipts over disbursements	(642)	-	-	-	(5)	-	6,841
Cash and investments - ending	\$ -	\$ 91,095	\$ 2,906	\$ -	\$ 91	\$ 9,517	\$ 15,481

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

	SCAAP Grant	Cass Co Cedit	Cass County Correction	Cass County EMA Grant	DUI Task Force Enforce Program	Emergency Gas Award	Corrections Grant
Cash and investments - beginning	\$ 12,994	\$ 3,069,472	\$ 866	\$ 348	\$ (402)	\$ 550	\$ (1,830)
Receipts:							
Taxes	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	5,956	1,026,243	27,818	-	-	-	615,014
Total receipts	5,956	1,026,243	27,818	-	-	-	615,014
Disbursements:							
Personal services	-	13,728	27,617	-	-	-	449,901
Supplies	-	-	-	-	-	-	10,002
Other services and charges	-	493,851	-	-	-	-	56,646
Capital outlay	-	-	-	-	-	-	-
Other disbursements	6,294	6,543	-	-	-	-	33,281
Total disbursements	6,294	514,122	27,617	-	-	-	549,830
Excess (deficiency) of receipts over disbursements	(338)	512,121	201	-	-	-	65,184
Cash and investments - ending	\$ 12,656	\$ 3,581,593	\$ 1,067	\$ 348	\$ (402)	\$ 550	\$ 63,354

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

	Law Enforcement Grant	France Park Planning Grant	COMM Correct Project Income	Adult Protective Services	Tobacco Education	Walmart EMA Grant
Cash and investments - beginning	\$ 2,826	\$ 194	\$ 192,354	\$ 3,014	\$ 91,270	\$ 572
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	205,111	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	10,399	156,276	11,250	-
Total receipts	-	-	215,510	156,276	11,250	-
Disbursements:						
Personal services	-	-	-	7,886	13,451	-
Supplies	-	-	134,562	-	2,486	-
Other services and charges	-	-	105,693	-	237	-
Capital outlay	-	-	49,288	-	-	-
Other disbursements	-	-	-	143,294	-	-
Total disbursements	-	-	289,543	151,180	16,174	-
Excess (deficiency) of receipts over disbursements	-	-	(74,033)	5,096	(4,924)	-
Cash and investments - ending	\$ 2,826	\$ 194	\$ 118,321	\$ 8,110	\$ 86,346	\$ 572

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

	SECTION 102 HAVA	GIS Web Feature Grant	Odyssey Imaging Grant	Public Health Coordinator Grant	Buffer Zone Protection 97.078	Totals
Cash and investments - beginning	\$ 16,834	\$ 2,100	\$ 733	\$ (3,269)	\$ 49,364	\$ 29,297,405
Receipts:						
Taxes	-	-	-	-	-	36,529,339
Intergovernmental	-	-	-	-	-	6,974,252
Charges for services	-	-	-	-	-	1,331,093
Fines and forfeits	-	-	-	-	-	115,416
Other receipts	-	-	-	19,404	-	42,378,197
Total receipts	-	-	-	19,404	-	87,328,297
Disbursements:						
Personal services	-	-	-	18,725	-	10,394,069
Supplies	-	-	-	-	-	2,605,488
Other services and charges	-	-	-	-	-	5,689,965
Capital outlay	-	-	-	-	-	606,766
Other disbursements	4,166	-	-	-	49,364	65,469,942
Total disbursements	4,166	-	-	18,725	49,364	84,766,230
Excess (deficiency) of receipts over disbursements	(4,166)	-	-	679	(49,364)	2,562,067
Cash and investments - ending	<u>\$ 12,668</u>	<u>\$ 2,100</u>	<u>\$ 733</u>	<u>\$ (2,590)</u>	<u>\$ -</u>	<u>\$ 31,859,472</u>

CASS COUNTY
 SCHEDULE OF LEASES AND DEBT
 December 31, 2013

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Cass County Indiana Building Corp.	Jail/Lease Rental	\$ 931,500	01-15-10	07-15-14
Master Equipment Lease/Purchase	Equipment	<u>143,860</u>	09-10-07	12-10-17
Total governmental activities		<u>1,075,360</u>		
Total of annual lease payments		<u><u>\$ 1,075,360</u></u>		

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

TO: THE OFFICIALS OF CASS COUNTY, INDIANA

Report on Compliance for the Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Major Federal Program

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

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


Report on Internal Control Over Compliance

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

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

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

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


Paul D. Joyce, CPA
State Examiner

July 22, 2014

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

CASS 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>				
State Broadband Data and Development Grant Program Electronic Map Generation	Indiana Office of Technology	11.558	FY 2013	\$ 2,000
<u>Department of Housing and Urban Development</u>				
CDBG - State-Administered CDBG Cluster Community Development Block Grants/States Program and Non-Entitlement Grants in Hawaii Clymers Planning Grant	Indiana Office of Community and Rural Affairs	14.228	PL-12-016	30,000
<u>Department of Justice</u>				
Crime Victim Assistance 2012-VA-GX-0017	Indiana Criminal Justice Institute	16.575	2012-VA-GX-007	22,553
Violence Against Women Formula Grants 2012-2013 STOP Grant	Indiana Criminal Justice Institute	16.588	2012-WF-AX-0035	10,807
State Criminal Alien Assistance Program SCAAP Grant	Direct grant	16.606	2011-AP-BX-0690	5,956
Total - Department of Justice				39,316
<u>Department of Transportation</u>				
Highway Planning and Construction Cluster Highway Planning and Construction Highway Railroad Crossings County Road 400 S. Reconstruction FY2013 Bridge Inspection HISP Sign Project	Indiana Department of Transportation	20.205 20.205 20.205 20.205	484223C DES#129540 DES#1006042 DES#1172052	2,250 51,804 71,495 743
Total - Highway Planning and Construction Cluster				126,292
Highway Safety Cluster State and Community Highway Safety State Deputy Project Operation Pull Over Enforcement Grant	Indiana Criminal Justice Institute	20.600 20.600	D3-13-1604 D3-14-8222	2,778 1,188
Total - Highway Safety Cluster				3,966
Formula Grants for Rural Areas Transit Authority	Indiana Department of Transportation	20.509	CY 2013	512,431
Total - Department of Transportation				642,689

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

CASS 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>Department of Health and Human Services</u>				
Public Health Emergency Preparedness Public Health Bio-Terrorism	Indiana State Department of Health	93.069	13554941 BPRS 108-75	<u>3,771</u>
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements Public Health Coordinator Grant	Indiana State Department of Health	93.074	13525576 BPRS 108-70	<u>14,610</u>
Centers for Disease Control and Prevention - Investigations and Technical Assistance Public Health Coordinator Grant	Indiana State Department of Health	93.283	13554941 BPRS 108-75	<u>1,023</u>
Child Support Enforcement Indirect Cost	Indiana State Department of Child Services	93.563	FY 2013	29,931
Clerk Incentive		93.563	FY 2013	12,144
Prosecutor Incentive		93.563	FY 2013	88,911
Title IVD Incentive		93.563	FY 2013	15,856
Prosecutor Incentive Post		93.563	FY 2013	23,852
Clerk Incentive Post		93.563	FY 2013	<u>15,856</u>
Total - Child Support Enforcement				<u>186,550</u>
Social Services Block Grant Adult Protective Services	Indiana State Department of Child Services	93.667	091199119201	<u>703</u>
Total - Department of Health and Human Services				<u>206,657</u>
<u>Department of Homeland Security</u>				
Emergency Management Performance Grants 2011 Emergency Management Performance Grant - Salaries	Indiana Department of Homeland Security	97.042	C44P-2-315A	<u>24,789</u>
Buffer Zone Protection Program (BZPP) 2010 Buffer Zone Protection Program	Indiana Department of Homeland Security	97.078	C44P-2-265A	<u>49,364</u>
Total - Department of Homeland Security				<u>74,153</u>
Total federal awards expended				<u>\$ 994,815</u>

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

CASS COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

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

Note 2. Subrecipients

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

Program Title	Federal CFDA Number	2013
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	\$ 30,000
Formula Grants for Rural Areas	20.509	512,431

CASS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

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

Identification of Major Program:

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

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

Auditee qualified as low-risk auditee?	no
--	----

Section II - Financial Statement Findings

FINDING 2013-001 - INTERNAL CONTROLS AND COMPLIANCE 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. Lack of Segregation of Duties: Control activities should be selected and developed at various levels of the County to reduce risks to the achievement of financial reporting objectives. The County has not separated incompatible activities related to receipts, disbursements, and cash and investment balances. The failure to establish these controls could enable material misstatements or irregularities to remain undetected.

CASS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2. **Preparing Financial Statement:** Effective internal control over financial reporting involves the identification and analysis of the risks of material misstatement to the County's audited financial statements and then determining how those identified risks should be managed. The County has not identified risks to the preparation of a reliable financial statement and as a result has failed to design effective controls over the preparation of the financial statement to prevent or detect material misstatements, including notes to the financial statement. The Auditor independently prepares the financial statement without oversight, review, or approval.
3. **Monitoring of Controls:** Effective internal control over financial reporting requires the Board of County Commissioners to monitor and assess the quality of the County's system of internal control. The Board of County Commissioners has not performed either an ongoing or separate evaluation of their system of internal controls. The failure to exercise their oversight responsibility places the County at risk that controls may not be designed or operating effectively to provide reasonable assurance that controls will prevent or detect material misstatements in a timely manner. Additionally, the County has no process to identify or communicate corrective actions to improve controls.

During the audit of the County's financial statement, we noted several funds which were reported incorrectly. The failure to report fund transactions and balances accurately resulted in the Beginning Cash and Investment Balances, Receipts, Disbursements, and Ending Cash and Investment Balances on the County's financial statement presented for audit to be understated by \$701,302, \$823,144, \$998,631, and \$525,815, respectively. Audit adjustments were proposed, accepted by the County, and made to the financial statement presented in this report. These adjustments resulted in a presentation of the financial statement that is fairly stated in all material respects.

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) (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

Indiana Code 5-11-1-4 states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under IC 5-14-3.8-7."

CASS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

**FINDING 2013-002 - INTERNAL CONTROLS AND COMPLIANCE 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. The Auditor independently prepares the SEFA without oversight, review, or approval.

During the audit of the SEFA, we noted that federal expenditures reported by the County were overstated by \$484,197.87. The County erroneously included expenditures for reimbursement basis grants for which the reimbursements had not yet been received. Audit adjustments were proposed, accepted by the County, and made to the SEFA presented in this report. 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 in part:

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

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide the total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available."

CASS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III - Federal Award Findings and Questioned Costs

No matters are reportable.

AUDITEE PREPARED DOCUMENTS

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

CASS COUNTY AUDITOR

VANEEN M. IDE

200 COURT PARK, RM 105

LOGANSPOUT, IN 46947

574-753-7721

574-753-3512 fax

van.ide@co.cass.in.us

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding Number 2012-1

Original SBA Audit Report Number: B42421
Fiscal Year 2012
Auditee Contact Person Vaneen M. Ide
Title of Contact Person Cass County Auditor
Phone Number (574) 753-7720
Status of Finding: This a work in progress.

Finding Number 2012-2

Original SBA Audit Report Number: B42421
Fiscal Year 2012
Auditee Contact Person Vaneen M. Ide
Title of Contact Person Cass County Auditor
Phone Number (574) 753-7720
Status of Finding: This is a work in progress.

Finding Number 2012-3

Original SBA Audit Report Number: B42421
Fiscal Year 2012
Auditee Contact Person Vaneen M. Ide
Title of Contact Person Cass County Auditor
Phone Number (574) 753-7720
Status of Finding: This situation has been addressed by placing a Commissioner and a Council member on the Area Transit Board.

*Cass County Auditor
Vaneen M. Ide
Cass County Government Building
200 Court Park Room 105
Logansport, IN 46947
574-753-7722
van.ide@co.cass.in.us*

Corrective Action Plan

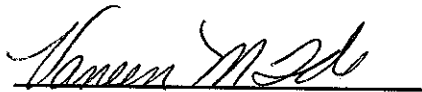
2013-001

Vaneen M. Ide

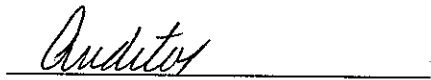
574-753-7722

The following actions will be put into place. All reports concerning funding will be checked by another individual and initialed. The financial statement will be reviewed by another individual before submission. Closer attention will be given to the supplemental reports that are submitted for the financial report from other entities.

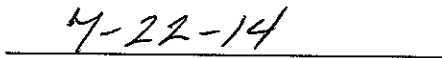
This corrective action will be put in place for the 2014 calendar year.



(Signature)



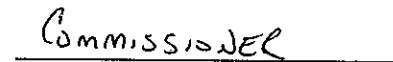
(Title)



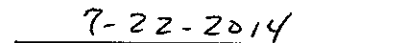
(Date)



(Signature)



(Title)



(Date)

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Corrective Action Plan

*Finding 2013-002
Vaneen M. Ide
574-753-7722*

A spread sheet record will be implemented to track the Federal Grant monies and State monies separately as the monies are received. CFDA numbers will be located with the name of the grant for additional identification.

This corrective action will be put in place for the 2014 calendar year.

Vaneen M. Ide

(Signature)

Auditor

(Title)

7-22-14

(Date)

James L. Sailan

(Signature)

COMMISSIONER

(Title)

7-22-14

(Date)

OTHER REPORT

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