

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

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



FILED
11/21/2014

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Kimberly K. Grow	01-01-13 to 12-31-16
Treasurer	Carla S. Anderson	01-01-13 to 12-31-16
Clerk	Vickie Bozell	01-01-11 to 12-31-14
Sheriff	Terry J. Risner	01-01-11 to 12-31-14
Recorder	Beth A. Warren	01-01-13 to 12-31-16
President of the Board of County Commissioners	Kendell Culp	01-01-13 to 12-31-14
President of the County Council	Ronald G. Sipkema Rein O. Bontreger	01-01-13 to 12-31-13 01-01-14 to 12-31-14



INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF JASPER COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of Jasper 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 September 9, 2014, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.


Accompanying Information

Supplementary Information

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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


Paul D. Joyce, CPA
State Examiner

September 9, 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 JASPER 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 Jasper 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 September 9, 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 item 2013-002.

Jasper 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

September 9, 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.

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

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13
General	\$ 4,496,198	\$ 9,772,211	\$ 9,097,293	\$ 5,171,116
Accident Report	713	2,642	1,971	1,384
Aviation	121,868	-	121,868	-
CAGIT - Special Legislation	4,020,654	1,633,728	2,020,975	3,633,407
CEDIT County Share	1,948,352	1,337,915	1,086,448	2,199,819
City And Town Court Costs	20,271	8,591	-	28,862
Clerk's Records Perpetuation	30,460	13,071	1,463	42,068
Community Corrections Proj Inc	414,600	246,697	211,923	449,374
Community Transition Program	12,845	8,044	-	20,889
Congressional School Interest	145,246	226	2,694	142,778
Congressional School Principal	67,350	-	-	67,350
Sales Disclosure-County Share	45,254	5,876	39,092	12,038
Cumulative Bridge	3,214,265	311,624	546,563	2,979,326
Cumulative Capital Development	2,476,720	511,390	595,790	2,392,320
Cumulative Capital Improvement	482,229	954,148	1,052,250	384,127
Cumulative Jail	269,003	-	-	269,003
Drug Free Community	41,537	36,703	34,749	43,491
Emergency Medical Services	52,825	905,505	909,747	48,583
Emer Planning/Right To Know	67,332	4,262	4,614	66,980
Extradition	59,964	2,437	3,092	59,309
Firearms Training	10,773	20,300	17,657	13,416
General Drain Improvement	423,740	24,927	47,586	401,081
Health	147,836	227,508	251,948	123,396
Identification Security Protec	50,177	3,020	-	53,197
Levy Excess	1,614,058	-	1,436,166	177,892
Local Road and Street	95,109	346,710	235,386	206,433
Misdemeanant	50,738	18,489	17,173	52,054
Motor Vehicle Highway	1,358,247	2,759,880	2,440,234	1,677,893
Rainy Day	7,702,732	594,325	552,841	7,744,216
Reassessment - 2009	29,731	-	29,731	-
Reassessment - 2015	324,044	347,317	155,185	516,176
Recorder's Recds Perpetuation	60,798	53,503	84,052	30,249
Suppl Public Defender Services	8,115	19,855	10,719	17,251
Surplus Property Tax	118,073	60,253	91,839	86,487
Surveyor's Corner Perpetuation	50,624	6,365	226	56,763
Tax Sale Fees	-	5,515	5,515	-
Tax Sale Redemption	218	52,443	42,719	9,942
Tax Sale Surplus	89,504	43,597	35,429	97,672
GAL/CASA	2,044	2,714	3,603	1,155
Auditor's Ineligible Deduction	6,063	22,229	22	28,270
Cnty Elected Officials Training	4,565	3,019	1,881	5,703

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

JASPER 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
Statewide 911	378,962	470,516	422,358	427,120
Adult Probation Administrative	206,078	24,959	-	231,037
Suppl Adult Probation Services	627,280	110,263	88,972	648,571
Suppl Juvenile Prob Services	50,322	4,018	7,045	47,295
Drainage Maintenance	585,031	572,134	172,354	984,811
K-9	559	271	559	271
Court Interpreters	8,315	2,475	4,605	6,185
Settlement	-	33,019,083	33,019,083	-
LOIT Prop Tax Oper Levies Repl	-	2,057,414	2,057,414	-
LOIT Public Safety	-	1,633,728	1,633,728	-
LOIT Stabilization	2,002,189	481,942	-	2,484,131
CVET Agency	-	395,515	395,515	-
Financial Institution Tax	-	266,141	266,141	-
HEA 1001 St Homestead Credit	2,410	-	-	2,410
LOIT PTRC	599,589	6,534,913	7,045,736	88,766
State Fines And Forfeitures	1,702	-	-	1,702
Infraction Judgements	937	15,215	15,021	1,131
Overweight Vehicle Fines	-	12	12	-
Sales Disclosure-State Share	480	3,275	3,410	345
Coroners Training & Con't Educ	492	2,970	2,932	530
Interstate Compact-State Share	62	250	312	-
Mortg Record Fees-State Share	780	3,473	4,025	228
Child Restr Violations Fines	350	8,975	9,000	325
Inheritance Tax	182,283	732,856	885,408	29,731
Education Plate Fees Agency	19	562	581	-
Riverboat Revenue Sharing	-	198,321	198,321	-
Innkeepers Tax Fund	-	135,283	906	134,377
CAGIT Distribution	-	5,990,337	5,990,337	-
CEDIT Distribution	-	1,676,885	1,676,885	-
Cash Account Prosecutor ARRA	13,543	-	13,535	8
Cash Balance Clerk ARRA IV-D	11,119	-	4,711	6,408
Cash Account Title IV-D Incent	52,591	134,403	3,900	183,094
Cash Account Prosecutor IV-D I	139,073	75,786	38,274	176,585
Cash Account Clerk IV-D Incent	117,766	37,085	8,526	146,325
CAR-Clerk	829,063	4,314,481	4,354,480	789,064
CAR-Probation	12,240	107,024	113,471	5,793
After Settlement Collections	814,589	1,019,766	814,589	1,019,766
CAR-Sheriff Commissary	16,897	32,481	29,075	20,303
CAR-Pros Dr Rec	6,858	111,058	5,527	112,389
CAR-Sheriff	27,510	110,992	118,716	19,786
CAR-Inmate Trust	2,071	151,860	152,488	1,443

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

JASPER 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
CAR-Community Corrections	20,925	244,403	243,852	21,476
Cops Universal Grant	464	-	-	464
1999 LCL Law Enf	21	-	-	21
General Local Health Maint.	588	33,139	31,227	2,500
CAGIT County Certified Shares	1,228,963	3,122,289	2,250,318	2,100,934
County's Law Enforc Contin Ed	86,057	6,950	556	92,451
Jury Pay	3,764	4,088	1,660	6,192
LOIT Public Safety-Cnty Share	1,125,662	1,256,310	1,254,316	1,127,656
Marijuana Eradication	23,123	2,944	-	26,067
Pretrial Diversion	6,242	53,620	37,044	22,818
Riverboat	1,000,527	130,946	47,038	1,084,435
PP Judgment Collections	370	-	-	370
County Share IV-D (PL 263-99)	97,318	-	97,318	-
DEA Fund	1,812,346	82	1,313,746	498,682
Partners/Drug Free Community	103	2,614	2,066	651
Sheriff Smoking Cessation	38	-	-	38
IN Local Health Dept Trust Act	9,362	10,370	16,984	2,748
Comm Corr-Work Release	48,891	5,486	13,642	40,735
County User Fee	5,591	63,088	63,548	5,131
Donations Warning Sirens	14,530	-	-	14,530
Donations Animal Shelter	16,293	4,543	245	20,591
Local Comms Cert Tax Sale	1,000	-	-	1,000
Local Jail Prop Proceeds	123,412	-	-	123,412
Payroll Clearing	23,230	3,472,232	3,474,920	20,542
Employee Benefits	506,519	2,465,505	2,678,722	293,302
Special Death Benefit	190	2,895	2,915	170
97.047 Warning Sirens	-	9,368	9,368	-
81.041 Comprehen Dev Block	23,381	-	-	23,381
07.218 Comprehen Dev Block	6,129	-	-	6,129
93.069 Public Health Emer Prev	11,853	47,968	48,438	11,383
20.106 Airport Improvement Grt	-	3,274	-	3,274
Iroquois River Debris Rem	3,585	172,708	175,398	895
Community Correct State Grant	10,165	47,818	57,948	35
Comm Correct State Grant (2)	-	61,481	54,231	7,250
10-CRG-018 Jasper Court Reform	(776)	776	-	-
09VA058 VOCA Grant	-	22,824	22,824	-
H1N1	120	-	-	120
Totals	<u>\$ 43,036,021</u>	<u>\$ 92,051,482</u>	<u>\$ 92,646,720</u>	<u>\$ 42,440,783</u>

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

JASPER 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.

JASPER COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

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

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Fines and forfeits which include receipts derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution, or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

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

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.

JASPER COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

F. Interfund Transfers

The County may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

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

Note 4. Deposits and Investments

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

JASPER COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is a cost-sharing 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.

JASPER 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.

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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.

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

	General	Accident Report	Aviation	CAGIT - Special Legislation	CEDIT County Share	City And Town Court Costs	Clerk's Records Perpetuation	Community Corrections Proj Inc
Cash and investments - beginning	\$ 4,496,198	\$ 713	\$ 121,868	\$ 4,020,654	\$ 1,948,352	\$ 20,271	\$ 30,460	\$ 414,600
Receipts:								
Taxes	6,640,960	-	-	1,361,440	845,954	-	-	-
Licenses and permits	3,258	-	-	-	-	-	-	-
Intergovernmental	206,094	-	-	-	-	-	-	-
Charges for services	477,662	2,642	-	-	-	-	-	243,852
Fines and forfeits	6,745	-	-	-	-	8,591	13,071	-
Other receipts	2,437,492	-	-	272,288	491,961	-	-	2,845
Total receipts	<u>9,772,211</u>	<u>2,642</u>	<u>-</u>	<u>1,633,728</u>	<u>1,337,915</u>	<u>8,591</u>	<u>13,071</u>	<u>246,697</u>
Disbursements:								
Personal services	5,988,455	-	-	-	-	-	-	91,143
Supplies	406,122	-	-	157,542	289,028	-	-	52,075
Other services and charges	1,409,773	-	-	1,181,371	770,745	-	-	68,553
Capital outlay	13,545	-	-	682,062	26,675	-	-	-
Other disbursements	1,279,398	1,971	121,868	-	-	-	1,463	152
Total disbursements	<u>9,097,293</u>	<u>1,971</u>	<u>121,868</u>	<u>2,020,975</u>	<u>1,086,448</u>	<u>-</u>	<u>1,463</u>	<u>211,923</u>
Excess (deficiency) of receipts over disbursements	<u>674,918</u>	<u>671</u>	<u>(121,868)</u>	<u>(387,247)</u>	<u>251,467</u>	<u>8,591</u>	<u>11,608</u>	<u>34,774</u>
Cash and investments - ending	<u>\$ 5,171,116</u>	<u>\$ 1,384</u>	<u>\$ -</u>	<u>\$ 3,633,407</u>	<u>\$ 2,199,819</u>	<u>\$ 28,862</u>	<u>\$ 42,068</u>	<u>\$ 449,374</u>

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

	Community Transition Program	Congressional School Interest	Congressional School Principal	Sales Disclosure- County Share	Cumulative Bridge	Cumulative Capital Development	Cumulative Capital Improvement
Cash and investments - beginning	\$ 12,845	\$ 145,246	\$ 67,350	\$ 45,254	\$ 3,214,265	\$ 2,476,720	\$ 482,229
Receipts:							
Taxes	-	-	-	-	234,940	489,256	903,429
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	8,044	-	-	-	21,193	20,377	37,628
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	226	-	5,876	55,491	1,757	13,091
Total receipts	<u>8,044</u>	<u>226</u>	<u>-</u>	<u>5,876</u>	<u>311,624</u>	<u>511,390</u>	<u>954,148</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	1,014,986
Other services and charges	-	-	-	39,092	-	463,617	-
Capital outlay	-	-	-	-	540,277	119,082	-
Other disbursements	-	2,694	-	-	6,286	13,091	37,264
Total disbursements	<u>-</u>	<u>2,694</u>	<u>-</u>	<u>39,092</u>	<u>546,563</u>	<u>595,790</u>	<u>1,052,250</u>
Excess (deficiency) of receipts over disbursements	<u>8,044</u>	<u>(2,468)</u>	<u>-</u>	<u>(33,216)</u>	<u>(234,939)</u>	<u>(84,400)</u>	<u>(98,102)</u>
Cash and investments - ending	<u>\$ 20,889</u>	<u>\$ 142,778</u>	<u>\$ 67,350</u>	<u>\$ 12,038</u>	<u>\$ 2,979,326</u>	<u>\$ 2,392,320</u>	<u>\$ 384,127</u>

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

	Cumulative Jail	Drug Free Community	Emergency Medical Services	Emer Planning/Right To Know	Extradition	Firearms Training	General Drain Improvement
Cash and investments - beginning	\$ 269,003	\$ 41,537	\$ 52,825	\$ 67,332	\$ 59,964	\$ 10,773	\$ 423,740
Receipts:							
Taxes	-	-	581,294	-	-	-	24,595
Licenses and permits	-	-	-	-	-	20,300	-
Intergovernmental	-	-	24,211	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	35,703	-	-	2,263	-	-
Other receipts	-	1,000	300,000	4,262	174	-	332
Total receipts	-	36,703	905,505	4,262	2,437	20,300	24,927
Disbursements:							
Personal services	-	6,333	-	-	-	-	-
Supplies	-	463	-	873	-	-	-
Other services and charges	-	27,953	594,972	3,741	3,092	-	41,627
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	314,775	-	-	17,657	5,959
Total disbursements	-	34,749	909,747	4,614	3,092	17,657	47,586
Excess (deficiency) of receipts over disbursements	-	1,954	(4,242)	(352)	(655)	2,643	(22,659)
Cash and investments - ending	\$ 269,003	\$ 43,491	\$ 48,583	\$ 66,980	\$ 59,309	\$ 13,416	\$ 401,081

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

	Health	Identification Security Protec	Levy Excess	Local Road and Street	Misdemeanant	Motor Vehicle Highway	Rainy Day
Cash and investments - beginning	\$ 147,836	\$ 50,177	\$ 1,614,058	\$ 95,109	\$ 50,738	\$ 1,358,247	\$ 7,702,732
Receipts:							
Taxes	171,966	-	-	-	-	-	177,892
Licenses and permits	-	-	-	-	-	3,450	-
Intergovernmental	7,162	-	-	346,696	18,489	2,480,320	-
Charges for services	48,380	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	3,020	-	14	-	276,110	416,433
Total receipts	227,508	3,020	-	346,710	18,489	2,759,880	594,325
Disbursements:							
Personal services	232,168	-	-	-	-	1,298,311	-
Supplies	9,003	-	-	-	-	543,703	-
Other services and charges	5,722	-	-	235,386	-	155,513	252,841
Capital outlay	-	-	-	-	10,879	435,344	-
Other disbursements	5,055	-	1,436,166	-	6,294	7,363	300,000
Total disbursements	251,948	-	1,436,166	235,386	17,173	2,440,234	552,841
Excess (deficiency) of receipts over disbursements	(24,440)	3,020	(1,436,166)	111,324	1,316	319,646	41,484
Cash and investments - ending	<u>\$ 123,396</u>	<u>\$ 53,197</u>	<u>\$ 177,892</u>	<u>\$ 206,433</u>	<u>\$ 52,054</u>	<u>\$ 1,677,893</u>	<u>\$ 7,744,216</u>

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

	Reassessment - 2009	Reassessment - 2015	Recorder's Recds Perpetuation	Suppl Public Defender Services	Surplus Property Tax	Surveyor's Corner Perpetuation	Tax Sale Fees
Cash and investments - beginning	\$ 29,731	\$ 324,044	\$ 60,798	\$ 8,115	\$ 118,073	\$ 50,624	\$ -
Receipts:							
Taxes	-	310,024	-	-	59,852	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	12,912	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	19,855	-	-	-
Other receipts	-	24,381	53,503	-	401	6,365	5,515
Total receipts	-	347,317	53,503	19,855	60,253	6,365	5,515
Disbursements:							
Personal services	5,709	152,456	33,853	-	-	-	-
Supplies	-	1,719	-	-	-	96	-
Other services and charges	-	1,010	50,199	8,704	-	-	-
Capital outlay	-	-	-	-	-	130	-
Other disbursements	24,022	-	-	2,015	91,839	-	5,515
Total disbursements	29,731	155,185	84,052	10,719	91,839	226	5,515
Excess (deficiency) of receipts over disbursements	(29,731)	192,132	(30,549)	9,136	(31,586)	6,139	-
Cash and investments - ending	\$ -	\$ 516,176	\$ 30,249	\$ 17,251	\$ 86,487	\$ 56,763	\$ -

JASPER 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	GAL/CASA	Auditor's Ineligible Deduction	Cnty Elected Officials Training	Statewide 911	Adult Probation Administrative
Cash and investments - beginning	\$ 218	\$ 89,504	\$ 2,044	\$ 6,063	\$ 4,565	\$ 378,962	\$ 206,078
Receipts:							
Taxes	-	-	-	-	-	470,516	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	1,577	-	-	-	-
Charges for services	-	-	-	-	-	-	24,959
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	52,443	43,597	1,137	22,229	3,019	-	-
Total receipts	<u>52,443</u>	<u>43,597</u>	<u>2,714</u>	<u>22,229</u>	<u>3,019</u>	<u>470,516</u>	<u>24,959</u>
Disbursements:							
Personal services	-	-	-	-	-	280,525	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	3,603	-	1,881	141,833	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	42,719	35,429	-	22	-	-	-
Total disbursements	<u>42,719</u>	<u>35,429</u>	<u>3,603</u>	<u>22</u>	<u>1,881</u>	<u>422,358</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>9,724</u>	<u>8,168</u>	<u>(889)</u>	<u>22,207</u>	<u>1,138</u>	<u>48,158</u>	<u>24,959</u>
Cash and investments - ending	<u>\$ 9,942</u>	<u>\$ 97,672</u>	<u>\$ 1,155</u>	<u>\$ 28,270</u>	<u>\$ 5,703</u>	<u>\$ 427,120</u>	<u>\$ 231,037</u>

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

	Suppl Adult Probation Services	Suppl Juvenile Prob Services	Drainage Maintenance	K-9	Court Interpreters	Settlement	LOIT Prop Tax Oper Levies Repl
Cash and investments - beginning	\$ 627,280	\$ 50,322	\$ 585,031	\$ 559	\$ 8,315	\$ -	\$ -
Receipts:							
Taxes	-	-	531,667	-	-	29,171,260	2,057,414
Licenses and permits	-	-	-	271	-	-	-
Intergovernmental	-	-	-	-	2,475	3,847,823	-
Charges for services	83,993	4,018	-	-	-	-	-
Fines and forfeits	666	-	-	-	-	-	-
Other receipts	25,604	-	40,467	-	-	-	-
Total receipts	110,263	4,018	572,134	271	2,475	33,019,083	2,057,414
Disbursements:							
Personal services	1,751	145	-	-	-	-	-
Supplies	5,081	3,948	-	-	-	-	-
Other services and charges	15,494	2,952	146,440	559	4,605	-	-
Capital outlay	41,042	-	-	-	-	-	-
Other disbursements	25,604	-	25,914	-	-	33,019,083	2,057,414
Total disbursements	88,972	7,045	172,354	559	4,605	33,019,083	2,057,414
Excess (deficiency) of receipts over disbursements	21,291	(3,027)	399,780	(288)	(2,130)	-	-
Cash and investments - ending	\$ 648,571	\$ 47,295	\$ 984,811	\$ 271	\$ 6,185	\$ -	\$ -

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

	LOIT Public Safety	LOIT Stabilization	CVET Agency	Financial Institution Tax	HEA 1001 St Homestead Credit	LOIT PTRC	State Fines And Forfeitures
Cash and investments - beginning	\$ -	\$ 2,002,189	\$ -	\$ -	\$ 2,410	\$ 599,589	\$ 1,702
Receipts:							
Taxes	-	281,133	-	-	-	6,534,913	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	1,633,728	-	-	266,141	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	200,809	395,515	-	-	-	-
Total receipts	1,633,728	481,942	395,515	266,141	-	6,534,913	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	1,633,728	-	395,515	266,141	-	7,045,736	-
Total disbursements	1,633,728	-	395,515	266,141	-	7,045,736	-
Excess (deficiency) of receipts over disbursements	-	481,942	-	-	-	(510,823)	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ 2,484,131</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,410</u>	<u>\$ 88,766</u>	<u>\$ 1,702</u>

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

	Infraction Judgements	Overweight Vehicle Fines	Sales Disclosure- State Share	Coroners Training & Con't Educ	Interstate Compact- State Share	Mortg Record Fees-State Share	Child Restr Violations Fines
Cash and investments - beginning	\$ 937	\$ -	\$ 480	\$ 492	\$ 62	\$ 780	\$ 350
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	2,970	-	3,473	-
Fines and forfeits	15,215	12	-	-	250	-	8,975
Other receipts	-	-	3,275	-	-	-	-
Total receipts	15,215	12	3,275	2,970	250	3,473	8,975
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	15,021	12	3,410	2,932	312	4,025	9,000
Total disbursements	15,021	12	3,410	2,932	312	4,025	9,000
Excess (deficiency) of receipts over disbursements	194	-	(135)	38	(62)	(552)	(25)
Cash and investments - ending	<u>\$ 1,131</u>	<u>\$ -</u>	<u>\$ 345</u>	<u>\$ 530</u>	<u>\$ -</u>	<u>\$ 228</u>	<u>\$ 325</u>

JASPER 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 Fees Agency	Riverboat Revenue Sharing	Innkeepers Tax Fund	CAGIT Distribution	CEDIT Distribution	Cash Account Prosecutor ARRA
Cash and investments - beginning	\$ 182,283	\$ 19	\$ -	\$ -	\$ -	\$ -	\$ 13,543
Receipts:							
Taxes	704,134	-	-	-	5,990,337	1,676,885	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	28,722	562	198,321	135,283	-	-	-
Total receipts	732,856	562	198,321	135,283	5,990,337	1,676,885	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	885,408	581	198,321	906	5,990,337	1,676,885	13,535
Total disbursements	885,408	581	198,321	906	5,990,337	1,676,885	13,535
Excess (deficiency) of receipts over disbursements	(152,552)	(19)	-	134,377	-	-	(13,535)
Cash and investments - ending	<u>\$ 29,731</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 134,377</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8</u>

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

	Cash Balance Clerk ARRA IV-D	Cash Account Title IV-D Incent	Cash Account Prosecutor IV-D I	Cash Account Clerk IV-D Incent	CAR-Clerk	CAR-Probation	After Settlement Collections
Cash and investments - beginning	\$ 11,119	\$ 52,591	\$ 139,073	\$ 117,766	\$ 829,063	\$ 12,240	\$ 814,589
Receipts:							
Taxes	-	-	-	-	-	-	364,306
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	655,460
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	4,314,481	107,024	-
Other receipts	-	134,403	75,786	37,085	-	-	-
Total receipts	<u>-</u>	<u>134,403</u>	<u>75,786</u>	<u>37,085</u>	<u>4,314,481</u>	<u>107,024</u>	<u>1,019,766</u>
Disbursements:							
Personal services	-	-	27,945	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	1,146	8,379	4,354,480	113,471	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	4,711	3,900	9,183	147	-	-	814,589
Total disbursements	<u>4,711</u>	<u>3,900</u>	<u>38,274</u>	<u>8,526</u>	<u>4,354,480</u>	<u>113,471</u>	<u>814,589</u>
Excess (deficiency) of receipts over disbursements	<u>(4,711)</u>	<u>130,503</u>	<u>37,512</u>	<u>28,559</u>	<u>(39,999)</u>	<u>(6,447)</u>	<u>205,177</u>
Cash and investments - ending	<u>\$ 6,408</u>	<u>\$ 183,094</u>	<u>\$ 176,585</u>	<u>\$ 146,325</u>	<u>\$ 789,064</u>	<u>\$ 5,793</u>	<u>\$ 1,019,766</u>

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

	CAR-Sheriff Commissary	CAR-Pros Dr Rec	CAR-Sheriff	CAR-Inmate Trust	CAR-Community Corrections	Cops Universal Grant	1999 LCL Law Enf
Cash and investments - beginning	\$ 16,897	\$ 6,858	\$ 27,510	\$ 2,071	\$ 20,925	\$ 464	\$ 21
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	110,992	-	-	-	-
Fines and forfeits	-	-	-	-	244,403	-	-
Other receipts	32,481	111,058	-	151,860	-	-	-
Total receipts	32,481	111,058	110,992	151,860	244,403	-	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	29,075	-	118,716	152,488	243,852	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	5,527	-	-	-	-	-
Total disbursements	29,075	5,527	118,716	152,488	243,852	-	-
Excess (deficiency) of receipts over disbursements	3,406	105,531	(7,724)	(628)	551	-	-
Cash and investments - ending	\$ 20,303	\$ 112,389	\$ 19,786	\$ 1,443	\$ 21,476	\$ 464	\$ 21

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

	General Local Health Maint.	CAGIT County Certified Shares	County's Law Enforc Contin Ed	Jury Pay	LOIT Public Safety-Cnty Share	Marijuana Eradication	Pretrial Diversion
Cash and investments - beginning	\$ 588	\$ 1,228,963	\$ 86,057	\$ 3,764	\$ 1,125,662	\$ 23,123	\$ 6,242
Receipts:							
Taxes	-	2,081,526	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	1,256,310	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	6,950	4,022	-	2,944	53,620
Other receipts	33,139	1,040,763	-	66	-	-	-
Total receipts	33,139	3,122,289	6,950	4,088	1,256,310	2,944	53,620
Disbursements:							
Personal services	30,415	2,250,000	-	1,660	1,254,316	-	36,604
Supplies	178	-	-	-	-	-	440
Other services and charges	634	318	556	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	31,227	2,250,318	556	1,660	1,254,316	-	37,044
Excess (deficiency) of receipts over disbursements	1,912	871,971	6,394	2,428	1,994	2,944	16,576
Cash and investments - ending	\$ 2,500	\$ 2,100,934	\$ 92,451	\$ 6,192	\$ 1,127,656	\$ 26,067	\$ 22,818

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

	Riverboat	PP Judgment Collections	County Share IV-D (PL 263-99)	DEA Fund	Partners/Drug Free Community	Sheriff Smoking Cessation	IN Local Health Dept Trust Act
Cash and investments - beginning	\$ 1,000,527	\$ 370	\$ 97,318	\$ 1,812,346	\$ 103	\$ 38	\$ 9,362
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	10,370
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	130,946	-	-	82	2,614	-	-
Total receipts	130,946	-	-	82	2,614	-	10,370
Disbursements:							
Personal services	-	-	-	-	2,066	-	4,079
Supplies	-	-	-	-	-	-	537
Other services and charges	47,038	-	-	131,223	-	-	11,200
Capital outlay	-	-	-	-	-	-	1,168
Other disbursements	-	-	97,318	1,182,523	-	-	-
Total disbursements	47,038	-	97,318	1,313,746	2,066	-	16,984
Excess (deficiency) of receipts over disbursements	83,908	-	(97,318)	(1,313,664)	548	-	(6,614)
Cash and investments - ending	\$ 1,084,435	\$ 370	\$ -	\$ 498,682	\$ 651	\$ 38	\$ 2,748

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

	Comm Corr-Work Release	County User Fee	Donations Warning Sirens	Donations Animal Shelter	Local Commrs Cert Tax Sale	Local Jail Prop Proceeds	Payroll Clearing
Cash and investments - beginning	\$ 48,891	\$ 5,591	\$ 14,530	\$ 16,293	\$ 1,000	\$ 123,412	\$ 23,230
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	5,486	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	61,258	-	-	-	-	-
Other receipts	-	1,830	-	4,543	-	-	3,472,232
Total receipts	5,486	63,088	-	4,543	-	-	3,472,232
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	6,857	-	-	-	-	-	-
Other services and charges	6,281	62,510	-	245	-	-	-
Capital outlay	504	1,038	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	3,474,920
Total disbursements	13,642	63,548	-	245	-	-	3,474,920
Excess (deficiency) of receipts over disbursements	(8,156)	(460)	-	4,298	-	-	(2,688)
Cash and investments - ending	<u>\$ 40,735</u>	<u>\$ 5,131</u>	<u>\$ 14,530</u>	<u>\$ 20,591</u>	<u>\$ 1,000</u>	<u>\$ 123,412</u>	<u>\$ 20,542</u>

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

	Employee Benefits	Special Death Benefit	97.047 Warning Sirens	81.041 Comprehen Dev Block	07.218 Comprehen Dev Block	93.069 Public Health Emer Prev	20.106 Airport Improvement Grt
Cash and investments - beginning	\$ 506,519	\$ 190	\$ -	\$ 23,381	\$ 6,129	\$ 11,853	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	9,368	-	-	46,519	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	2,780	-	-	-	-	-
Other receipts	2,465,505	115	-	-	-	1,449	3,274
Total receipts	2,465,505	2,895	9,368	-	-	47,968	3,274
Disbursements:							
Personal services	2,501,364	-	-	-	-	40,709	-
Supplies	-	-	-	-	-	2,160	-
Other services and charges	-	-	9,368	-	-	1,171	-
Capital outlay	-	-	-	-	-	4,076	-
Other disbursements	177,358	2,915	-	-	-	322	-
Total disbursements	2,678,722	2,915	9,368	-	-	48,438	-
Excess (deficiency) of receipts over disbursements	(213,217)	(20)	-	-	-	(470)	3,274
Cash and investments - ending	<u>\$ 293,302</u>	<u>\$ 170</u>	<u>\$ -</u>	<u>\$ 23,381</u>	<u>\$ 6,129</u>	<u>\$ 11,383</u>	<u>\$ 3,274</u>

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

	Iroquois River Debris Rem	Community Correct State Grant	Comm Correct State Grant (2)	10-CRG-018 Jasper Court Reform	09VA058 VOCA Grant	H1N1	Totals
Cash and investments - beginning	\$ 3,585	\$ 10,165	\$ -	\$ (776)	\$ -	\$ 120	\$ 43,036,021
Receipts:							
Taxes	-	-	-	-	-	-	61,665,693
Licenses and permits	-	-	-	-	-	-	27,279
Intergovernmental	172,708	47,818	61,481	776	22,824	-	11,223,990
Charges for services	-	-	-	-	-	-	1,002,941
Fines and forfeits	-	-	-	-	-	-	4,908,828
Other receipts	-	-	-	-	-	-	13,222,751
Total receipts	172,708	47,818	61,481	776	22,824	-	92,051,482
Disbursements:							
Personal services	-	57,264	54,231	-	-	-	14,351,502
Supplies	-	684	-	-	-	-	2,495,495
Other services and charges	-	-	-	-	22,824	-	10,946,253
Capital outlay	-	-	-	-	-	-	1,875,822
Other disbursements	175,398	-	-	-	-	-	62,977,648
Total disbursements	175,398	57,948	54,231	-	22,824	-	92,646,720
Excess (deficiency) of receipts over disbursements	(2,690)	(10,130)	7,250	776	-	-	(595,238)
Cash and investments - ending	<u>\$ 895</u>	<u>\$ 35</u>	<u>\$ 7,250</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 120</u>	<u>\$ 42,440,783</u>

JASPER COUNTY
 SCHEDULE OF LEASES AND DEBT
 December 31, 2013

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities: General obligation bonds	Jasper County Detention Center	<u>\$ 6,400,000</u>	<u>\$ 871,000</u>

JASPER 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	\$ 625,381
Infrastructure	63,610,300
Buildings	19,067,824
Improvements other than buildings	7,187,517
Machinery, equipment, and vehicles	7,062,274
Books and other	2,263,478
Total capital assets	\$ 99,816,774

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 JASPER COUNTY, INDIANA

Report on Compliance for the Major Federal Program

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

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

Opinion on the Major Federal Program

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR 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 its 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 a material weakness.

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 2013-003 to be a material weakness.

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

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


Paul D. Joyce, CPA
State Examiner

September 9, 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.

JASPER 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 State Broadband and Development Grant	Indiana Department of Commerce	11.558	FY 2013	\$ 2,000
<u>Department of Housing and Urban Development</u>				
CDBG - State-Administered CDBG Cluster Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii Iroquois River Debris Removal	Indiana Office of Community and Rural Affairs	14.228	DR2-09-217	172,708
<u>Department of Justice</u>				
Crime Victim Assistance Jasper County VOCO Grant	Indiana Criminal Justice Institute	16.575	10VANP228	22,824
Equitable Sharing Program Assest Forfeiture Fund	Direct Grant	16.922	NCIC/ORI Tracking IN	1,313,746
Total - Department of Justice				1,336,570
<u>Department of Transportation</u>				
Highway Planning and Construction Cluster Highway Planning and Construction Bridge #126 Bridge #198 Sign Inventory	Indiana Department of Transportation	20.205 20.205 20.205	DES #1000026 DES # 0901135 DES # 01173442	13,236 1,216 990
Total - Department of Transportation				15,442
<u>Department of Health and Human Services</u>				
Public Health Emergency Preparedness Bioterrorism & Response Supplemental Fund	Indiana Department of Health and Human Services	93.069	A70-3-0532109	9,095
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements Bioterrorism & Response Supplemental Fund Bioterrorism & Response Supplemental Fund Public Health Emergency Preparedness	Indiana Department of Health and Human Services	93.074 93.074 93.074	2014(BP)Base LHD BPRS 136-71 EDS#A70-1-0531779	2,845 13,540 19,999
Total - Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements				36,384
Child Support Enforcement Title IV-D Incentive - General Title IV-D Incentive - Clerk Title IV-D Incentive - Prosecutor Title IV-D Indirect Cost Title IV-D 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	19,017 19,017 28,604 32,828 100,070
Total - Child Support Enforcement				199,536
Total - Department of Health and Human Services				245,015
<u>Department of Homeland Security</u>				
Emergency Management Performance Grants Indiana Homeland Security	Indiana Department of Homeland Security	97.042	C44P-3-268B	16,353
Pre-Disaster Mitigation Warning Sirens Grant	Indiana Department of Homeland Security	97.047	C44P-0-397A	9,368
Total - Department of Homeland Security				25,721
Total federal awards expended				\$ 1,797,456

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

JASPER 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.

JASPER 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?	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
16.922	Equitable Sharing Program

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 Statement: 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 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 County Auditor independently prepares the financial statement without oversight, review, or approval.

JASPER COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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

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 controls 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 Deputy Auditor independently prepares the SEFA without oversight, review, or approval.

During the audit of the SEFA, we noted the following errors: federal awards were incorrectly reported, some federal awards were not included, and some state grants were included in error. These errors resulted in the SEFA presented for audit to be understated by \$1,360,305. 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 or 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."

JASPER COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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 total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available."

Section III - Federal Award Findings and Questioned Costs

FINDING 2013-003 - INTERNAL CONTROLS OVER EQUITABLE SHARING PROGRAM

Federal Agency: Department of Justice

Federal Program: Equitable Sharing Program

CFDA Number: 16.922

Federal Award Number and Year (or Other Identifying Number): NCIC/ORI Tracking IN

Direct Grant

Management of the County has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and all of the compliance requirements that have a direct and material effect on the program. These requirements include: Allowable Activities, Allowable Costs, Cash Management, Equipment and Real Property Management, Procurement and Suspension and Debarment, Reporting, and Special Tests and Provisions. 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.

Allowable Activities and Allowable Costs

Although the County has procedures and policies in place for payment of claims, the procedures were not effective in ensuring that claims paid from the Equitable Sharing Program were for allowable costs or activities. There was also no evidence of oversight or review of compliance with these requirements.

JASPER COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Cash Management

The County does not have a policy or standard procedure in place to ensure that the County summarizes in the reports to the oversight agency the expenses that have been paid for the cash received in advance. There was also no evidence of oversight or review of compliance with this requirement.

Equipment and Real Property Management

Although the County does have a policy to in place for determining whether or not a capital asset must be recorded in a capital asset record, the County has no standard procedure or process in place to ensure that the capital assets are being properly recorded. There was also no evidence of oversight or review of compliance with this requirement.

Procurement and Suspension and Debarment

The County does not have a policy or standard procedure in place for determining whether or not a vendor has been suspended or excluded from doing business with the federal government. Records were not maintained to document if the County researched the vendors and whether or not they were suspended or debarred. There was also no evidence of oversight or review of compliance with this requirement.

Reporting

The County does not have a policy or standard procedure in place for determining whether or not a report has been properly filed with the proper authority. There was also no evidence of oversight or review of compliance with this requirement.

Special Tests and Provisions

The County does not have a policy or standard procedure in place for ensuring that federal grants are recorded in separate funds. There was also no evidence of oversight or review of compliance with this requirement.

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 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."

JASPER COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The failure to establish internal controls could enable material noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirements that have a direct and material effect on 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 on the program.

AUDITEE PREPARED DOCUMENTS

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



Kimberly K. Grow

*Auditor of Jasper County
115 W Washington St Suite 200
Rensselaer, IN 47978
Phone (219)866-4930 Fax (219)866-4940*

Summary Schedule of Prior Audit Findings

June 18, 2014

Finding 2012-3

Original SBA Audit Report Number B42683

Fiscal Year 2013

Auditee Contact Person Kimberly K Grow

Title of Contact Person Auditor

Phone Number (219)866-4930

Status of Findings Work in Progress

Jasper County is working on being in compliance with the internal controls over financial transactions and reporting's. Jasper County has gotten a hold of the Sheriff and he is supplying us with a copy of the **EQUITABLE SHARING PROGRAM** funds, records, disbursements etc. Sheriff is aware now that we have to have a copy of the GRANT in my office.

Finding 2012-4

Original SBA Audit Report Number B42683

Fiscal Year 2013

Auditee Contact Person Kimberly K Grow

Title of Contact Person Auditor

Phone Number (219)866-4930

Status of Findings Work in Progress

Jasper County is working on being in compliance with the internal controls over financial transactions and reporting's. We are taking measures to ensure that the money is being spent on allowable expenditures and that we have all paperwork in my office.

Finding 2012-5

Original SBA Audit Report Number B42683

Fiscal Year 2013

Auditee Contact Person Kimberly K Grow

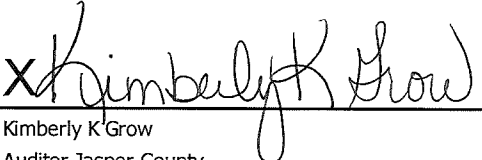
Title of Contact Person Auditor

Phone Number (219)866-4930

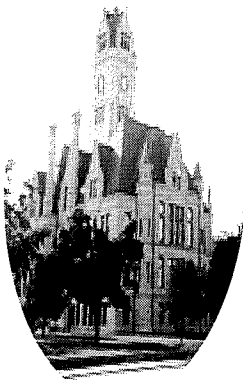
Status of Findings Work in Progress

We have corrected the utilities with an additional appropriation into the CAGIT Special Legislation – Jail fund. We now have a list of allowable expenditures for the grant from the Sheriff.

Thank you,



Kimberly K Grow
Auditor Jasper County



Kimberly K. Grow
Auditor of Jasper County

Date: September 9th, 2014

Section II Findings

FINDING 2013-1 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

The County will implement procedures to ensure segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control.

FINDING 2013-2 - INTERNAL CONTROLS OVER THE SCHEDULE OF FEDERAL AWARDS

The County will implement a proper system of internal controls in place to prevent or detect and correct errors on the Schedule of Expenditures of Federal Awards (SEFA).

Section III Findings

FINDING 2013-3-INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO EQUITABLE SHARING PROGRAM

Federal Agency: U.S. DEPARTMENT OF JUSTICE
Federal Program: Equitable Sharing Program
CFDA Number: 16.922
Federal Award Number and Year (or Other Identifying Number): 2012
Direct Grant

The County will implement procedures to 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.

Commissioner Kendell Culp

Councilman Rein O Bontreger

Auditor Kimberly K. Grow

115 W Washington Street Suite 200 Rensselaer, Indiana 47978
Phone (219) 866-4930 Fax (219) 866-4940

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/>.