

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

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



FILED
01/09/2015

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report	3-5
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 <i>Government Auditing Standards</i>	6-7
Financial Statement and Accompanying Notes:	
Statement of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis	10-12
Notes to Financial Statement	13-17
Supplementary Information - Unaudited:	
Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis	20-40
Schedule of Payables and Receivables	41
Schedule of Capital Assets.....	42
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance.....	44-45
Schedule of Expenditures of Federal Awards and Accompanying Note:	
Schedule of Expenditures of Federal Awards.....	48
Note to Schedule of Expenditures of Federal Awards	49
Schedule of Findings and Questioned Costs	50-54
Auditee Prepared Document:	
Corrective Action Plan	56-57
Other Report	58

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	William Wagner	01-01-11 to 12-31-14
Treasurer	Amy Copeland	01-01-13 to 12-31-16
Clerk	Mary Ann McCoy	01-01-13 to 12-31-16
Sheriff	Thomas Grills (Vacant) Rodney Stratton	01-01-11 to 04-01-14 04-02-14 to 04-14-14 04-15-14 to 12-31-14
Recorder	Ginger Bradford	01-01-13 to 12-31-16
President of the Board of County Commissioners	Robert Reiners	01-01-13 to 12-31-14
President of the County Council	Dephane Smith	01-01-13 to 12-31-14



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF RIPLEY COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of Ripley 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 October 6, 2014, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.


Accompanying Information

Supplementary Information

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

Our audit was conducted for the purpose of forming an opinion on the County's financial statement. The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis, Schedule of Payables and Receivables, 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

October 6, 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 RIPLEY 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 Ripley 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 October 6, 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, 2013-002, and 2013-003 to be material weaknesses.

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

Compliance and Other Matters


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

Ripley 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

October 6, 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.

RIPLEY 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
County General	\$ 3,541,207	\$ 3,957,827	\$ 4,811,947	\$ 2,687,087
Accident Report Fund	8,652	4,822	10,178	3,296
Building Permit Bonds	21,110	-	-	21,110
CAGIT County Certified Shares	-	2,530,007	2,339,397	190,610
Edit Tax	1,115,612	958,886	989,949	1,084,549
City & Town Court Costs	24,917	3,790	4	28,703
Clerk Perpetuation Fund	4,754	4,727	7,307	2,174
County Sales Disclosure Fee	8,512	3,010	3,579	7,943
Covered Bridge Fund	26,750	3,700	-	30,450
Cumulative Bridge	871,031	637,386	802,254	706,163
Co.Cum.Cap.Dev.	408,806	262,034	372,599	298,241
Drug Free	43,430	22,959	35,277	31,112
Emergency Medical Serv. EMS	452,260	499,004	583,230	368,034
Local Emergency Planning	19,700	3,617	7,528	15,789
County Extradition	65	-	-	65
Firearms Training Fund	14,652	17,270	12,797	19,125
County Health Department	62,890	313,729	268,343	108,276
Ident. Security Protection Fd	17,050	2,951	17,977	2,024
Health Maintenance	50,566	33,199	26,111	57,654
Local Road & Streets	14,183	294,536	308,466	253
County Misdemeanant Fund	78,433	19,646	24,041	74,038
Highway Department	871,427	2,205,279	2,228,104	848,602
Plat Book Fund	82,529	5,840	5	88,364
Rainy Day Fund	2,000,000	418	-	2,000,418
Property Reassessment 2017	229,202	164,140	244,768	148,574
Recorders Perp	96,999	47,897	62,149	82,747
Riverboat Gaming Fund	684,814	470,143	510,583	644,374
Supp Pub Def Serv Fund	123,083	5,350	3,464	124,969
Excess Tax	77,072	35,846	40,434	72,484
Co.Surv.Corner Prep. Fund	53,596	6,205	-	59,801
Tax Sale Redemption	-	33,957	32,379	1,578
Surplus Tax Sale	236,398	795,517	648,372	383,543
Health Dept. Trust Acct.	20,021	10,162	23,800	6,383
Gal Casa	13,585	8,040	7,790	13,835
Auditors Ineligible Deductions	55,189	100,251	25,459	129,981
Elected Official Training Fund	3,554	2,950	-	6,504
Park & Recreation	74,045	111,250	115,555	69,740
Statewide 9-1-1	522,236	404,932	412,410	514,758
Adult Probation	84,868	101,995	134,748	52,115
Juvenile Probation	72,215	14,347	25,049	61,513
Adult Administrative Fees	41,918	19,190	12,868	48,240
County User Fee	55,055	4,876	6,997	52,934
Sheriff Sale Administration	251	23,001	10,560	12,692
Victim Assistance Grant	(14,920)	57,262	66,591	(24,249)
Court Ordered Testing	10,146	9,020	11,160	8,006
Batesville I-74 TIF	-	23,543	23,543	-
Micro Loan Program	36,039	4,234	-	40,273
Payroll Clearing	73,382	6,271,598	6,270,747	74,233
County Withholdings	-	66,681	66,666	15
Liberty National Life Ins.	5,681	38,044	41,127	2,598
Deferred Compensation	-	13,780	13,780	-
Fica Withholdings	-	391,694	391,694	-
Perf	114	140,799	140,799	114
Sheriff Retirement	9,859	27,771	26,552	11,078
State Withholdings	-	171,772	171,737	35
Garnishments	222	35,851	35,851	222
Settlement Fund	(1,614)	26	26	(1,614)
Cvet	-	90,308	90,308	-
Delinquent Sewer Fees	354	24,241	24,241	354
Financial Institution	-	161,332	161,332	-
CEDIT For Homestead Credits	124,649	678,252	796,941	5,960
1001-2008 State Homestead Cred	393	-	16	377

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

RIPLEY 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
Fines & Forfeitures	4,072	36,444	33,922	6,594
Infraction Judgments	4,118	36,749	39,614	1,253
Overweight Infractions	-	265	265	-
Sales Disclosure Fee Fund	305	3,010	2,955	360
Coroner's Cont Ed Fund	285	2,081	2,180	186
Interstate Compact Fee Fund	125	1,875	2,000	-
Mortgage Fraud	628	4,033	4,265	396
DLGF Homestead Prop Database	1,325	3,920	5,244	1
Child Passenger Restraint Fees	-	195	195	-
Inheritance Tax	281,510	593,113	863,022	11,601
Education Plate Fee	188	1,144	1,200	132
Riverboat - Beltarra	137,143	150,389	49,181	238,351
Innkeepers Tax	2,602	38,662	38,989	2,275
CAGIT Distribution	-	3,869,500	3,869,500	-
CEDIT - Distribution	-	1,304,331	1,304,331	-
Prosecutor ARRA Fund	13,424	-	13,459	(35)
Clerk ARRA Fund	3,346	-	130	3,216
Title 4-D Incentive	23,275	13,405	21,000	15,680
Prosecutor 4-D Incentive	17,887	20,165	34,536	3,516
Clerk 4-D Incentive	38,316	16,368	13,944	40,740
Treasurer	656,574	623,219	656,574	623,219
Clerk Trust Fund	404,832	1,707,073	1,603,839	508,066
Clerk Support Fund	12,355	538,302	535,339	15,318
Clerk Old Trust	4,058	2	-	4,060
Clerk Court Ordered Acct.	509	-	-	509
Sheriff Commissary	62,765	45,351	78,810	29,306
Substance Abuse Outpatient Pro Pre Trial	6,329	33,533	30,970	8,892
School Supplemental	-	68,719	68,720	(1)
Solid Waste	-	157,953	157,953	-
Township Tax	-	134,307	134,307	-
Juvenile Detention In Home	6,125	735	320	6,540
Community Policing	966	200	426	740
Township Firefighting Tax	-	121,893	121,893	-
Library Tax	-	562,380	562,380	-
Library Debt Payment	-	155,818	155,818	-
Home Incarceration/Work Releas	85,113	929	36,153	49,889
School Debt Service Tax	-	4,496,627	4,496,627	-
Corporation Tax	-	1,771,218	1,771,218	-
School Pension Debt	-	165,279	165,279	-
Motor Vehicle Hwy - St Tax	-	544,010	544,010	-
Township Poor	-	80,233	80,233	-
School Transportation	-	3,047,878	3,047,878	-
School Capital Projects	-	4,045,887	4,045,888	(1)
Memorial Pool Tax	-	55,052	55,052	-
Corporation Park	-	137,409	137,409	-
Corp Cumulative Fire Tax	-	42,787	42,787	-
Corp.Cum.Cap.Development	-	119,979	119,978	1
Fire Territory	-	77,570	77,570	-
Law Enforc.Cont.Ed.Sheriff	274	1,442	664	1,052
State Welfare Allocation	-	1,143,879	1,143,879	-
Bus Replacement	-	739,527	739,527	-
Property Tax Credit	-	1,289,833	1,289,833	-
Riverboat Wagering Tax Rev. Sh	186,014	97,970	-	283,984
Beltarra Revenue Clearing Fund	-	294,748	294,748	-
Wagering Tax Revenue Clearing	-	170,716	170,716	-
Bioterrorism Grant (BPRS-A 69)	3,640	38,280	36,417	5,503
Rc Comm Tobacco Grant	133	-	133	-
HAVATitle III- Nonreverting	40,303	-	-	40,303
Homeland Security Sub Grant	1,060	2,693	2,693	1,060
NACCHO/Ctr for Disease Control	1,310	4,000	4,459	851
RCCF - Tarter Grant	275	-	-	275

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

RIPLEY 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
RCCF - Crum Grant	100	-	-	100
RC Substance Abuse Grant-LLC	1,770	3,300	4,150	920
Juv. Substance Abuse Fund	15,236	475	509	15,202
RCCF-Grant for lighting project	1	-	-	1
Historic Landmarks Foundation	1,500	-	-	1,500
ISDH-MRC Grant	4,580	14,997	14,265	5,312
Standardbred Grandstand/Track	5,086	-	5,086	-
Endowment Fund	22,267	-	5,275	16,992
Court Interpretive Services	118	-	-	118
RCCF-Military Service Fund	700	950	-	1,650
Tornado Relief - Harrison Co.	20,000	-	20,000	-
RSRF-EMS cardiac monitor	31,683	-	31,683	-
Trail-Riders	17,200	-	9,997	7,203
GIS Data Exchange Program	-	6,000	3,000	3,000
CDBG-Delaware F.D. - CF-12-122	-	113,246	113,246	-
Reynolds - Park sound system	-	11,054	-	11,054
RSRF-Grant for scanner	-	14,950	-	14,950
Totals	\$ 14,548,367	\$ 51,150,813	\$ 52,426,385	\$ 13,272,795

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

RIPLEY 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, 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.

RIPLEY 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.

RIPLEY 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.

RIPLEY 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.

RIPLEY COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

B. County Police Retirement Plan

Plan Description

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

Funding Policy

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

C. County Police Benefit Plan

Plan Description

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

Funding Policy

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

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. The Crime Victim Assistance grant and the ARRA - Prosecutor Title IV-D funds are set up as reimbursable grants. The reimbursement for expenditures made by the County was not received by December 31, 2013. The cash balance deficit in the Settlement Fund is the result of a receipting error that occurred in 2010. Taxes that were receipted into the County General fund were remitted to the State from the Settlement Fund, resulting in a negative balance in the Settlement Fund. This error was corrected in July of 2014.

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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.

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

	County General	Accident Report Fund	Building Permit Bonds	CAGIT County Certified Shares	Edit Tax	City & Town Court Costs	Clerk Perpetuation Fund
Cash and investments - beginning	\$ 3,541,207	\$ 8,652	\$ 21,110	\$ -	\$ 1,115,612	\$ 24,917	\$ 4,754
Receipts:							
Taxes	2,575,157	-	-	2,513,527	958,886	-	-
Licenses and permits	51,268	-	-	-	-	-	-
Intergovernmental	243,949	-	-	-	-	-	-
Charges for services	301,213	4,822	-	5,563	-	-	-
Fines and forfeits	18,930	-	-	839	-	-	-
Other receipts	767,310	-	-	10,078	-	3,790	4,727
Total receipts	<u>3,957,827</u>	<u>4,822</u>	<u>-</u>	<u>2,530,007</u>	<u>958,886</u>	<u>3,790</u>	<u>4,727</u>
Disbursements:							
Personal services	2,657,083	-	-	1,887,814	-	-	7,303
Supplies	128,964	-	-	210,615	518	-	-
Other services and charges	1,230,174	-	-	240,968	976,862	-	-
Capital outlay	661,812	-	-	-	12,569	-	-
Other disbursements	133,914	10,178	-	-	-	4	4
Total disbursements	<u>4,811,947</u>	<u>10,178</u>	<u>-</u>	<u>2,339,397</u>	<u>989,949</u>	<u>4</u>	<u>7,307</u>
Excess (deficiency) of receipts over disbursements	<u>(854,120)</u>	<u>(5,356)</u>	<u>-</u>	<u>190,610</u>	<u>(31,063)</u>	<u>3,786</u>	<u>(2,580)</u>
Cash and investments - ending	<u>\$ 2,687,087</u>	<u>\$ 3,296</u>	<u>\$ 21,110</u>	<u>\$ 190,610</u>	<u>\$ 1,084,549</u>	<u>\$ 28,703</u>	<u>\$ 2,174</u>

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

	County Sales Disclosure Fee	Covered Bridge Fund	Cumulative Bridge	Co.Cum. Cap.Dev.	Drug Free	Emergency Medical Serv. EMS	Local Emergency Planning
Cash and investments - beginning	\$ 8,512	\$ 26,750	\$ 871,031	\$ 408,806	\$ 43,430	\$ 452,260	\$ 19,700
Receipts:							
Taxes	-	-	506,154	232,831	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	53,581	24,647	-	-	-
Charges for services	3,010	3,700	70,980	2,556	-	460,233	3,617
Fines and forfeits	-	-	100	-	-	-	-
Other receipts	-	-	6,571	2,000	22,959	38,771	-
Total receipts	<u>3,010</u>	<u>3,700</u>	<u>637,386</u>	<u>262,034</u>	<u>22,959</u>	<u>499,004</u>	<u>3,617</u>
Disbursements:							
Personal services	-	-	181,717	60,362	-	327,865	-
Supplies	932	-	300,993	-	-	22,910	-
Other services and charges	2,142	-	235,213	208,056	35,277	133,983	7,528
Capital outlay	485	-	84,331	104,181	-	97,845	-
Other disbursements	20	-	-	-	-	627	-
Total disbursements	<u>3,579</u>	<u>-</u>	<u>802,254</u>	<u>372,599</u>	<u>35,277</u>	<u>583,230</u>	<u>7,528</u>
Excess (deficiency) of receipts over disbursements	<u>(569)</u>	<u>3,700</u>	<u>(164,868)</u>	<u>(110,565)</u>	<u>(12,318)</u>	<u>(84,226)</u>	<u>(3,911)</u>
Cash and investments - ending	<u>\$ 7,943</u>	<u>\$ 30,450</u>	<u>\$ 706,163</u>	<u>\$ 298,241</u>	<u>\$ 31,112</u>	<u>\$ 368,034</u>	<u>\$ 15,789</u>

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

	County Extradition	Firearms Training Fund	County Health Department	Ident. Security Protection Fd	Health Maintenance	Local Road & Streets	County Misdemeanant Fund
Cash and investments - beginning	\$ 65	\$ 14,652	\$ 62,890	\$ 17,050	\$ 50,566	\$ 14,183	\$ 78,433
Receipts:							
Taxes	-	-	246,750	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	26,121	-	-	279,278	-
Charges for services	-	17,270	40,658	2,951	33,139	-	19,646
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	200	-	60	15,258	-
Total receipts	-	17,270	313,729	2,951	33,199	294,536	19,646
Disbursements:							
Personal services	-	-	257,331	-	14,914	-	-
Supplies	-	-	3,224	-	660	-	6,795
Other services and charges	-	-	7,788	-	4,414	308,466	17,246
Capital outlay	-	-	-	17,977	6,123	-	-
Other disbursements	-	12,797	-	-	-	-	-
Total disbursements	-	12,797	268,343	17,977	26,111	308,466	24,041
Excess (deficiency) of receipts over disbursements	-	4,473	45,386	(15,026)	7,088	(13,930)	(4,395)
Cash and investments - ending	\$ 65	\$ 19,125	\$ 108,276	\$ 2,024	\$ 57,654	\$ 253	\$ 74,038

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

	Highway Department	Plat Book Fund	Rainy Day Fund	Property Reassessment 2017	Recorders Perp	Riverboat Gaming Fund	Supp Pub Def Serv Fund
Cash and investments - beginning	\$ 871,427	\$ 82,529	\$ 2,000,000	\$ 229,202	\$ 96,999	\$ 684,814	\$ 123,083
Receipts:							
Taxes	-	-	-	148,050	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	1,961,557	-	-	15,672	-	470,143	-
Charges for services	225,796	5,840	-	-	47,897	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	17,926	-	418	418	-	-	5,350
Total receipts	<u>2,205,279</u>	<u>5,840</u>	<u>418</u>	<u>164,140</u>	<u>47,897</u>	<u>470,143</u>	<u>5,350</u>
Disbursements:							
Personal services	1,068,486	-	-	69,276	49,787	224,769	-
Supplies	450,937	-	-	355	1,918	-	-
Other services and charges	584,214	-	-	174,347	-	230,314	1,650
Capital outlay	124,467	-	-	790	-	55,500	1,814
Other disbursements	-	5	-	-	10,444	-	-
Total disbursements	<u>2,228,104</u>	<u>5</u>	<u>-</u>	<u>244,768</u>	<u>62,149</u>	<u>510,583</u>	<u>3,464</u>
Excess (deficiency) of receipts over disbursements	<u>(22,825)</u>	<u>5,835</u>	<u>418</u>	<u>(80,628)</u>	<u>(14,252)</u>	<u>(40,440)</u>	<u>1,886</u>
Cash and investments - ending	<u>\$ 848,602</u>	<u>\$ 88,364</u>	<u>\$ 2,000,418</u>	<u>\$ 148,574</u>	<u>\$ 82,747</u>	<u>\$ 644,374</u>	<u>\$ 124,969</u>

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

	Excess Tax	Co.Surv.Corn Prep. Fund	Tax Sale Redemption	Surplus Tax Sale	Health Dept. Trust Acct.	Gal Casa	Auditors Ineligible Deductions
Cash and investments - beginning	\$ 77,072	\$ 53,596	\$ -	\$ 236,398	\$ 20,021	\$ 13,585	\$ 55,189
Receipts:							
Taxes	35,846	-	-	-	-	-	61,777
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	7,540	-
Charges for services	-	6,205	33,957	-	9,622	-	38,474
Fines and forfeits	-	-	-	-	540	-	-
Other receipts	-	-	-	795,517	-	500	-
Total receipts	<u>35,846</u>	<u>6,205</u>	<u>33,957</u>	<u>795,517</u>	<u>10,162</u>	<u>8,040</u>	<u>100,251</u>
Disbursements:							
Personal services	-	-	-	-	12,661	-	-
Supplies	-	-	-	-	6,308	-	2,411
Other services and charges	-	-	12,746	-	240	7,540	23,048
Capital outlay	-	-	-	-	4,591	-	-
Other disbursements	40,434	-	19,633	648,372	-	250	-
Total disbursements	<u>40,434</u>	<u>-</u>	<u>32,379</u>	<u>648,372</u>	<u>23,800</u>	<u>7,790</u>	<u>25,459</u>
Excess (deficiency) of receipts over disbursements	<u>(4,588)</u>	<u>6,205</u>	<u>1,578</u>	<u>147,145</u>	<u>(13,638)</u>	<u>250</u>	<u>74,792</u>
Cash and investments - ending	<u>\$ 72,484</u>	<u>\$ 59,801</u>	<u>\$ 1,578</u>	<u>\$ 383,543</u>	<u>\$ 6,383</u>	<u>\$ 13,835</u>	<u>\$ 129,981</u>

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

	Elected Official Training Fund	Park & Recreation	Statewide 9-1-1	Adult Probation	Juvenile Probation	Adult Administrative Fees	County User Fee
Cash and investments - beginning	\$ 3,554	\$ 74,045	\$ 522,236	\$ 84,868	\$ 72,215	\$ 41,918	\$ 55,055
Receipts:							
Taxes	-	70,862	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	7,501	-	-	-	-	-
Charges for services	2,950	32,887	386,599	101,995	14,347	19,190	-
Fines and forfeits	-	-	14,400	-	-	-	2,578
Other receipts	-	-	3,933	-	-	-	2,298
Total receipts	<u>2,950</u>	<u>111,250</u>	<u>404,932</u>	<u>101,995</u>	<u>14,347</u>	<u>19,190</u>	<u>4,876</u>
Disbursements:							
Personal services	-	58,882	306,245	130,371	24,513	12,868	6,997
Supplies	-	1,841	788	-	-	-	-
Other services and charges	-	54,281	105,377	4,377	536	-	-
Capital outlay	-	441	-	-	-	-	-
Other disbursements	-	110	-	-	-	-	-
Total disbursements	<u>-</u>	<u>115,555</u>	<u>412,410</u>	<u>134,748</u>	<u>25,049</u>	<u>12,868</u>	<u>6,997</u>
Excess (deficiency) of receipts over disbursements	<u>2,950</u>	<u>(4,305)</u>	<u>(7,478)</u>	<u>(32,753)</u>	<u>(10,702)</u>	<u>6,322</u>	<u>(2,121)</u>
Cash and investments - ending	<u>\$ 6,504</u>	<u>\$ 69,740</u>	<u>\$ 514,758</u>	<u>\$ 52,115</u>	<u>\$ 61,513</u>	<u>\$ 48,240</u>	<u>\$ 52,934</u>

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

	Sheriff Sale Administration	Victim Assistance Grant	Court Ordered Testing	Batesville I-74 TIF	Micro Loan Program	Payroll Clearing	County Withholdings
Cash and investments - beginning	\$ 251	\$ (14,920)	\$ 10,146	\$ -	\$ 36,039	\$ 73,382	\$ -
Receipts:							
Taxes	-	-	-	23,543	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	23,001	-	9,020	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	57,262	-	-	4,234	6,271,598	66,681
Total receipts	<u>23,001</u>	<u>57,262</u>	<u>9,020</u>	<u>23,543</u>	<u>4,234</u>	<u>6,271,598</u>	<u>66,681</u>
Disbursements:							
Personal services	260	60,468	-	-	-	-	-
Supplies	-	2,759	-	-	-	-	-
Other services and charges	10,300	3,364	11,160	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	23,543	-	6,270,747	66,666
Total disbursements	<u>10,560</u>	<u>66,591</u>	<u>11,160</u>	<u>23,543</u>	<u>-</u>	<u>6,270,747</u>	<u>66,666</u>
Excess (deficiency) of receipts over disbursements	<u>12,441</u>	<u>(9,329)</u>	<u>(2,140)</u>	<u>-</u>	<u>4,234</u>	<u>851</u>	<u>15</u>
Cash and investments - ending	<u>\$ 12,692</u>	<u>\$ (24,249)</u>	<u>\$ 8,006</u>	<u>\$ -</u>	<u>\$ 40,273</u>	<u>\$ 74,233</u>	<u>\$ 15</u>

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

	Liberty National Life Ins.	Deferred Compensation	Fica Withholdings	Perf	Sheriff Retirement	State Withholdings	Garnishments
Cash and investments - beginning	\$ 5,681	\$ -	\$ -	\$ 114	\$ 9,859	\$ -	\$ 222
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	94	-	-	-	1,560	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	37,950	13,780	391,694	140,799	26,211	171,772	35,851
Total receipts	<u>38,044</u>	<u>13,780</u>	<u>391,694</u>	<u>140,799</u>	<u>27,771</u>	<u>171,772</u>	<u>35,851</u>
Disbursements:							
Personal services	-	-	-	-	10,000	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	41,127	13,780	391,694	140,799	16,552	171,737	35,851
Total disbursements	<u>41,127</u>	<u>13,780</u>	<u>391,694</u>	<u>140,799</u>	<u>26,552</u>	<u>171,737</u>	<u>35,851</u>
Excess (deficiency) of receipts over disbursements	<u>(3,083)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,219</u>	<u>35</u>	<u>-</u>
Cash and investments - ending	<u>\$ 2,598</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 114</u>	<u>\$ 11,078</u>	<u>\$ 35</u>	<u>\$ 222</u>

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

	Settlement Fund	Cvet	Delinquent Sewer Fees	Financial Institution	CEDIT For Homestead Credits	1001-2008 State Homestead Cred	Fines & Forfeitures
Cash and investments - beginning	\$ (1,614)	\$ -	\$ 354	\$ -	\$ 124,649	\$ 393	\$ 4,072
Receipts:							
Taxes	-	-	24,148	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	90,308	-	161,332	-	-	-
Charges for services	-	-	-	-	678,252	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	26	-	93	-	-	-	36,444
Total receipts	<u>26</u>	<u>90,308</u>	<u>24,241</u>	<u>161,332</u>	<u>678,252</u>	<u>-</u>	<u>36,444</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	26	90,308	24,241	161,332	796,941	16	33,922
Total disbursements	<u>26</u>	<u>90,308</u>	<u>24,241</u>	<u>161,332</u>	<u>796,941</u>	<u>16</u>	<u>33,922</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(118,689)</u>	<u>(16)</u>	<u>2,522</u>
Cash and investments - ending	<u>\$ (1,614)</u>	<u>\$ -</u>	<u>\$ 354</u>	<u>\$ -</u>	<u>\$ 5,960</u>	<u>\$ 377</u>	<u>\$ 6,594</u>

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

	Infraction Judgments	Overweight Infractions	Sales Disclosure Fee Fund	Coroner's Cont Ed Fund	Interstate Compact Fee Fund	Mortgage Fraud	DLGF Homestead Prop Database
Cash and investments - beginning	\$ 4,118	\$ -	\$ 305	\$ 285	\$ 125	\$ 628	\$ 1,325
Receipts:							
Taxes	-	-	-	-	-	-	53
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	3,010	2,081	1,875	4,033	334
Fines and forfeits	36,574	265	-	-	-	-	3,533
Other receipts	175	-	-	-	-	-	-
Total receipts	<u>36,749</u>	<u>265</u>	<u>3,010</u>	<u>2,081</u>	<u>1,875</u>	<u>4,033</u>	<u>3,920</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	39,614	265	2,955	2,180	2,000	4,265	5,244
Total disbursements	<u>39,614</u>	<u>265</u>	<u>2,955</u>	<u>2,180</u>	<u>2,000</u>	<u>4,265</u>	<u>5,244</u>
Excess (deficiency) of receipts over disbursements	<u>(2,865)</u>	<u>-</u>	<u>55</u>	<u>(99)</u>	<u>(125)</u>	<u>(232)</u>	<u>(1,324)</u>
Cash and investments - ending	<u>\$ 1,253</u>	<u>\$ -</u>	<u>\$ 360</u>	<u>\$ 186</u>	<u>\$ -</u>	<u>\$ 396</u>	<u>\$ 1</u>

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

	Child Passenger Restraint Fees	Inheritance Tax	Education Plate Fee	Riverboat - Belarra	Innkeepers Tax	CAGIT Distribution	CEDIT - Distribution
Cash and investments - beginning	\$ -	\$ 281,510	\$ 188	\$ 137,143	\$ 2,602	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	38,662	3,869,500	1,304,331
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	195	-	1,144	-	-	-	-
Other receipts	-	593,113	-	150,389	-	-	-
Total receipts	195	593,113	1,144	150,389	38,662	3,869,500	1,304,331
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	38,989	-	-
Capital outlay	-	-	-	49,181	-	-	-
Other disbursements	195	863,022	1,200	-	-	3,869,500	1,304,331
Total disbursements	195	863,022	1,200	49,181	38,989	3,869,500	1,304,331
Excess (deficiency) of receipts over disbursements	-	(269,909)	(56)	101,208	(327)	-	-
Cash and investments - ending	\$ -	\$ 11,601	\$ 132	\$ 238,351	\$ 2,275	\$ -	\$ -

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

	Prosecutor ARRA Fund	Clerk ARRA Fund	Title 4-D Incentive	Prosecutor 4-D Incentive	Clerk 4-D Incentive	Treasurer	Clerk Trust Fund
Cash and investments - beginning	\$ 13,424	\$ 3,346	\$ 23,275	\$ 17,887	\$ 38,316	\$ 656,574	\$ 404,832
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	13,405	20,165	16,368	623,219	1,707,073
Total receipts	-	-	13,405	20,165	16,368	623,219	1,707,073
Disbursements:							
Personal services	236	6	-	5,863	1,837	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	13,223	124	21,000	28,673	12,107	656,574	1,603,839
Total disbursements	13,459	130	21,000	34,536	13,944	656,574	1,603,839
Excess (deficiency) of receipts over disbursements	(13,459)	(130)	(7,595)	(14,371)	2,424	(33,355)	103,234
Cash and investments - ending	\$ (35)	\$ 3,216	\$ 15,680	\$ 3,516	\$ 40,740	\$ 623,219	\$ 508,066

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

	Clerk Support Fund	Clerk Old Trust	Clerk Court Ordered Acct.	Sheriff Commissary	Substance Abuse Outpatient Pro	Pre Trial	School Supplemental
Cash and investments - beginning	\$ 12,355	\$ 4,058	\$ 509	\$ 62,765	\$ -	\$ 6,329	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	63,823
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	4,896
Charges for services	-	-	-	-	16,367	-	-
Fines and forfeits	-	-	-	-	-	15,534	-
Other receipts	538,302	2	-	45,351	5,500	17,999	-
Total receipts	<u>538,302</u>	<u>2</u>	<u>-</u>	<u>45,351</u>	<u>21,867</u>	<u>33,533</u>	<u>68,719</u>
Disbursements:							
Personal services	-	-	-	-	-	5,358	-
Supplies	-	-	-	-	-	3,102	-
Other services and charges	-	-	-	-	9,153	21,880	-
Capital outlay	-	-	-	-	-	630	-
Other disbursements	535,339	-	-	78,810	-	-	68,720
Total disbursements	<u>535,339</u>	<u>-</u>	<u>-</u>	<u>78,810</u>	<u>9,153</u>	<u>30,970</u>	<u>68,720</u>
Excess (deficiency) of receipts over disbursements	<u>2,963</u>	<u>2</u>	<u>-</u>	<u>(33,459)</u>	<u>12,714</u>	<u>2,563</u>	<u>(1)</u>
Cash and investments - ending	<u>\$ 15,318</u>	<u>\$ 4,060</u>	<u>\$ 509</u>	<u>\$ 29,306</u>	<u>\$ 12,714</u>	<u>\$ 8,892</u>	<u>\$ (1)</u>

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

	Solid Waste	Township Tax	Juvenile Detention In Home	Community Policing	Township Firefighting Tax	Library Tax	Library Debt Payment
Cash and investments - beginning	\$ -	\$ -	\$ 6,125	\$ 966	\$ -	\$ -	\$ -
Receipts:							
Taxes	144,254	121,860	-	-	111,174	512,881	139,232
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	13,699	12,447	-	-	10,719	49,499	16,586
Charges for services	-	-	735	200	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>157,953</u>	<u>134,307</u>	<u>735</u>	<u>200</u>	<u>121,893</u>	<u>562,380</u>	<u>155,818</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	320	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	<u>157,953</u>	<u>134,307</u>	<u>-</u>	<u>426</u>	<u>121,893</u>	<u>562,380</u>	<u>155,818</u>
Total disbursements	<u>157,953</u>	<u>134,307</u>	<u>320</u>	<u>426</u>	<u>121,893</u>	<u>562,380</u>	<u>155,818</u>
Excess (deficiency) of receipts over disbursements	-	-	415	(226)	-	-	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,540</u>	<u>\$ 740</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Home Incarceration/ Work Releas	School Debt Service Tax	Corporation Tax	School Pension Debt	Motor Vehicle Hwy - St Tax	Township Poor	School Transportation
Cash and investments - beginning	\$ 85,113	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	4,116,321	1,629,398	153,503	506,293	72,514	2,779,059
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	380,306	141,820	11,776	37,717	7,719	268,819
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	929	-	-	-	-	-	-
Total receipts	<u>929</u>	<u>4,496,627</u>	<u>1,771,218</u>	<u>165,279</u>	<u>544,010</u>	<u>80,233</u>	<u>3,047,878</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	5,082	-	-	-	-	-	-
Other services and charges	15,126	-	-	-	-	-	-
Capital outlay	15,945	-	-	-	-	-	-
Other disbursements	-	4,496,627	1,771,218	165,279	544,010	80,233	3,047,878
Total disbursements	<u>36,153</u>	<u>4,496,627</u>	<u>1,771,218</u>	<u>165,279</u>	<u>544,010</u>	<u>80,233</u>	<u>3,047,878</u>
Excess (deficiency) of receipts over disbursements	<u>(35,224)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 49,889</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	School Capital Projects	Memorial Pool Tax	Corporation Park	Corp Cumulative Fire Tax	Corp.Cum.Cap. Development	Fire Territory	Law Enforc.Cont. Ed.Sheriff
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 274
Receipts:							
Taxes	3,694,819	51,286	127,940	39,860	112,042	69,018	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	351,068	3,766	9,469	2,927	7,937	8,552	-
Charges for services	-	-	-	-	-	-	1,442
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>4,045,887</u>	<u>55,052</u>	<u>137,409</u>	<u>42,787</u>	<u>119,979</u>	<u>77,570</u>	<u>1,442</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	<u>4,045,888</u>	<u>55,052</u>	<u>137,409</u>	<u>42,787</u>	<u>119,978</u>	<u>77,570</u>	<u>664</u>
Total disbursements	<u>4,045,888</u>	<u>55,052</u>	<u>137,409</u>	<u>42,787</u>	<u>119,978</u>	<u>77,570</u>	<u>664</u>
Excess (deficiency) of receipts over disbursements	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>778</u>
Cash and investments - ending	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1,052</u>

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

	State Welfare Allocation	Bus Replacement	Property Tax Credit	Riverboat Wagering Tax Rev. Sh	Belterra Revenue Clearing Fund	Wagering Tax Revenue Clearing
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 186,014	\$ -	\$ -
Receipts:						
Taxes	-	673,348	1,289,833	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	1,143,879	66,179	-	-	294,748	-
Charges for services	-	-	-	97,970	-	170,716
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	1,143,879	739,527	1,289,833	97,970	294,748	170,716
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	1,143,879	739,527	1,289,833	-	294,748	170,716
Total disbursements	1,143,879	739,527	1,289,833	-	294,748	170,716
Excess (deficiency) of receipts over disbursements	-	-	-	97,970	-	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 283,984</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Bioterrorism Grant (BPRS-A 69)	Rc Comm Tobacco Grant	HAVA Title III- Nonreverting	Homeland Security Sub Grant	NACCHO/Ctr for Disease Control	RCCF - Tarter Grant
Cash and investments - beginning	\$ 3,640	\$ 133	\$ 40,303	\$ 1,060	\$ 1,310	\$ 275
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	2,693	-	-
Charges for services	37,871	-	-	-	4,000	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	409	-	-	-	-	-
Total receipts	<u>38,280</u>	<u>-</u>	<u>-</u>	<u>2,693</u>	<u>4,000</u>	<u>-</u>
Disbursements:						
Personal services	9,003	-	-	-	-	-
Supplies	1,729	133	-	-	1,683	-
Other services and charges	1,413	-	-	-	2,776	-
Capital outlay	24,272	-	-	2,693	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>36,417</u>	<u>133</u>	<u>-</u>	<u>2,693</u>	<u>4,459</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>1,863</u>	<u>(133)</u>	<u>-</u>	<u>-</u>	<u>(459)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 5,503</u>	<u>\$ -</u>	<u>\$ 40,303</u>	<u>\$ 1,060</u>	<u>\$ 851</u>	<u>\$ 275</u>

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

	RCCF - Crum Grant	RC Substance Abuse Grant-LLC	Juv. Substance Abuse Fund	RCCF-Grant for lighting project	Historic Landmarks Foundation	ISDH-MRC Grant
Cash and investments - beginning	\$ 100	\$ 1,770	\$ 15,236	\$ 1	\$ 1,500	\$ 4,580
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	475	-	-	14,783
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	3,300	-	-	-	214
Total receipts	-	3,300	475	-	-	14,997
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	13,898
Other services and charges	-	-	509	-	-	367
Capital outlay	-	-	-	-	-	-
Other disbursements	-	4,150	-	-	-	-
Total disbursements	-	4,150	509	-	-	14,265
Excess (deficiency) of receipts over disbursements	-	(850)	(34)	-	-	732
Cash and investments - ending	\$ 100	\$ 920	\$ 15,202	\$ 1	\$ 1,500	\$ 5,312

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

	Standardbred Grandstand/ Track	Endowment Fund	Court Interpretive Services	RCCF-Military Service Fund	Tornado Relief - Harrison Co.	RSRF-EMS cardiac monitor
Cash and investments - beginning	\$ 5,086	\$ 22,267	\$ 118	\$ 700	\$ 20,000	\$ 31,683
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	950	-	-
Total receipts	-	-	-	950	-	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	5,275	-	-	20,000	31,683
Capital outlay	-	-	-	-	-	-
Other disbursements	5,086	-	-	-	-	-
Total disbursements	5,086	5,275	-	-	20,000	31,683
Excess (deficiency) of receipts over disbursements	(5,086)	(5,275)	-	950	(20,000)	(31,683)
Cash and investments - ending	<u>\$ -</u>	<u>\$ 16,992</u>	<u>\$ 118</u>	<u>\$ 1,650</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Trail-Riders	GIS Data Exchange Program	CDBG-Delaware F.D. - CF-12-122	Reynolds - Park sound system	RSRF-Grant for scanner	Totals
Cash and investments - beginning	\$ 17,200	\$ -	\$ -	\$ -	\$ -	\$ 14,548,367
Receipts:						
Taxes	-	-	-	-	-	29,018,535
Licenses and permits	-	-	-	-	-	51,268
Intergovernmental	-	-	-	-	-	6,188,850
Charges for services	-	6,000	113,246	-	-	3,082,182
Fines and forfeits	-	-	-	-	-	94,632
Other receipts	-	-	-	11,054	14,950	12,715,346
Total receipts	-	6,000	113,246	11,054	14,950	51,150,813
Disbursements:						
Personal services	-	-	-	-	-	7,452,275
Supplies	-	-	-	-	-	1,168,555
Other services and charges	9,997	3,000	-	-	-	4,792,099
Capital outlay	-	-	113,246	-	-	1,378,893
Other disbursements	-	-	-	-	-	37,634,563
Total disbursements	9,997	3,000	113,246	-	-	52,426,385
Excess (deficiency) of receipts over disbursements	(9,997)	3,000	-	11,054	14,950	(1,275,572)
Cash and investments - ending	\$ 7,203	\$ 3,000	\$ -	\$ 11,054	\$ 14,950	\$ 13,272,795

RIPLEY COUNTY
SCHEDULE OF PAYABLES AND RECEIVABLES
December 31, 2013

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 227,345</u>	<u>\$ 77,253</u>

RIPLEY COUNTY
SCHEDULE OF CAPITAL ASSETS
December 31, 2013

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 1,008,869
Infrastructure	21,632,647
Buildings	13,133,504
Improvements other than buildings	974,772
Machinery, equipment, and vehicles	<u>6,900,971</u>
Total capital assets	<u>\$ 43,650,763</u>

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

TO: THE OFFICIALS OF RIPLEY COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 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 each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2013-004 and 2013-005 to be material weaknesses.

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

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


Paul D. Joyce, CPA
State Examiner

October 6, 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 prepared by management of the County. The schedule and note are presented as intended by the County.

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

Federal Grantor Agency Cluster Title/Program Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
Department of Commerce				
ARRA-State Broadband Data and Development Grant Program ARRA-IOT Broadband	Indiana Office of Technology	11.558	18-50-M09003	\$ 3,000
Total- Department of Commerce				<u>3,000</u>
Department of Housing and Urban Development				
CDBG - State-Administered CDBG Cluster Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii Delaware Volunteer Fire Department Firehouse	Indiana Office of Community and Rural Affairs	14.228	CF-12-122	113,246
Total- Department of Housing and Urban Development				<u>113,246</u>
Department of Justice				
Crime Victim Assistance Victim Assistance	Indiana Criminal Justice Institute	16.575	03212VAGX001703	45,598
Total- Department of Justice				<u>45,598</u>
Department of Transportation				
Highway Planning and Construction Cluster Highway Planning and Construction Bridge Inspections	Indiana Department of Transportation	20.205	Des #0902282	126,023
Total- Department of Transportation				<u>126,023</u>
Department of Health and Human Services				
Medical Reserve Corps Small Grant Program MRC	National Association of County and City Health Officials	93.008	5MRCSG101005-03	4,000
Public Health Emergency Preparedness Bioterrorism Grant	Indiana State Department of Health	93.069	2U90TP517024-11	22,244
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements Bioterrorism Grant	Indiana State Department of Health	93.074	1U90TP000521-01	20,000
Emergency System for Advance Registration of Volunteer Health Professionals ISDH-MRC Grant	Indiana State Department of Health	93.089	5 ESREP 100014	4,023
Centers for Disease Control and Prevention - Investigations and Technical Assistance Bio Preparedness	Indiana State Department of Health	93.283	BRS-A69	6,033
Child Support Enforcement Title IV-D Expenditures Title IV-D Indirect Costs County Title IV-D Incentive Prosecutor Title IV-D Incentive Clerk Title IV-D Incentive	Indiana Department of Child Services	93.563	FY2013 FY2013 FY2013 FY2013 FY2013	179,519 57,959 21,000 34,536 13,944
Subtotal - Child Support Enforcement				<u>306,958</u>
ARRA - Child Support Enforcement ARRA - Prosecutor Title IV-D ARRA - Clerk Title IV-D			FY2013 FY2013	13,459 130
Subtotal - ARRA - Child Support Enforcement				<u>13,589</u>
Total - Child Support Enforcement				<u>320,547</u>
National Bioterrorism Hospital Preparedness Program Bio Preparedness	Indiana State Department of Health	93.889	ESREP 186-3	977
Total - Department of Health and Human Services				<u>377,824</u>
Department of Homeland Security				
Emergency Management Performance Grants Performance Grant Performance Grant	Indiana Department of Homeland Security	97.042	38511EMPCPEMAZ 38512EMPIOCISAL	4,054 9,647
Total - Emergency Management Performance Grants				<u>13,701</u>
Total - Department of Homeland Security				<u>13,701</u>
Total federal awards expended				<u>\$ 679,392</u>

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

RIPLEY 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.

RIPLEY 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?	none reported

Federal Awards:

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

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
93.563	Child Support Enforcement CDBG - State-Administered CDBG Cluster

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

Auditee qualified as low-risk auditee? no

Section II - Financial Statement Findings

FINDING 2013-001 - INTERNAL CONTROLS OVER THE PREPARATION OF 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. We believe the following deficiency constitutes a material weakness:

RIPLEY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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 preparation of the Schedule of Expenditures of Federal Awards (SEFA). The County Auditor prepares the SEFA. There was no evidence presented that a review of the SEFA was being made by someone other than the person preparing the SEFA. The failure to establish these controls could enable material misstatements or irregularities to remain undetected.

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)

FINDING 2013-002 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING - CLERK

We noted the following deficiencies in the internal control system of the Clerk's Office related to financial transactions and reporting. We believe the following deficiencies constitute material weaknesses:

Lack of Segregation of Duties: Control activities should be selected and developed at various levels of the Clerk's Office to reduce risks to the achievement of financial reporting objectives. The Clerk has not separated incompatible activities related to cash and investment balances, receipts, and disbursements. The failure to establish these controls could enable material misstatements or irregularities to remain undetected.

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 Clerks of Indiana, Chapter 13)

FINDING 2013-003 - INTERNAL CONTROLS OVER THE PREPARATION OF THE FINANCIAL STATEMENT

We noted the following deficiency in the internal control system of the County related to the preparation of the financial statement. We believe the following deficiency constitutes a material weakness:

RIPLEY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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 the preparation of the financial statement. The County Auditor inputs financial information into the Annual Financial Report. There was no evidence presented that the information submitted was reviewed by someone other than the County Auditor. The Annual Financial Report was used to prepare the financial statement presented in this report. The failure to establish these controls could enable material misstatements or irregularities to remain undetected.

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)

Section III - Federal Award Findings and Questioned Costs

FINDING 2013-004 - INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO CHILD SUPPORT ENFORCEMENT

Federal Agency: Department of Health and Human Services
Federal Program: Child Support Enforcement
CFDA Number: 93.563
Federal Award Number and Year (or Other Identifying Number): FY 2013
Pass-Through Entity: Indiana Department of Child Services

Management of the County has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the Special Tests and Provisions compliance requirement that has a direct and material effect to the program. The failure to establish an effective internal control system places the County at risk of noncompliance with the grant agreement and the compliance requirement. A lack of segregation of duties within an internal control system could also allow non-compliance 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.

The Clerk of the Circuit Court (Clerk) performed all reconcilements of County bank accounts used to account for Child Support funds to the Indiana Support Enforcement Tracking System case balances. There were no reviews of the reconcilements by someone other than person preparing the reconciliation.

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

RIPLEY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

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

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

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

We recommended that the County's management establish controls, including segregation of duties, related to the grant agreement and all compliance requirements that have a direct and material effect to the program.

FINDING 2013-005 - PROCUREMENT, SUSPENSION, AND DEBARMENT

Federal Agency: Department of Housing and Urban Development
Federal Program: Community Development Block Grants/State's Program
and Non-Entitlement Grants in Hawaii
CFDA Number: 14.228
Federal Award Number and Year (or Other Identifying Number): CF-12-122
Pass-Through Entity: Indiana Office of Community and Rural Affairs

Management of the County has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and to the Procurement, Suspension, and Debarment compliance requirement that has a direct and material effect on the program. The failure to establish an effective internal control system places the County at risk of noncompliance with the grant agreement and the compliance requirements. 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.

The County did not independently review the subrecipient's status with the federal Systems Awards Management system. The subrecipient did not certify eligibility. There was no documentation of any clauses or conditions wherein the subrecipient was required to be eligible to participate in federal assistance programs.

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."

RIPLEY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2 CFR, Subpart C-Responsibilities of Participants Regarding Transactions Doing Business With Other Persons, 180.300 states:

"What must I do before I enter into a covered transaction with another person at the next lower tier?

When you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified. You do this by:

- (a) Checking the EPLS; or
- (b) Collecting a certification from that person; or
- (c) Adding a clause or condition to the covered transaction with that person."

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

We recommended that the County's management establish controls, including segregation of duties, related to the grant agreement and all compliance requirements that have a direct and material effect to the program.

AUDITEE PREPARED DOCUMENT

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

**WILLAM LEE WAGNER
RIPLEY COUNTY AUDITOR**

P.O. Box 235
Versailles, Indiana 47042

Phone: 812-689-6311
Fax: 812-689-3006

9/23/2014

The following courses of action to correct State Board of Accounts findings are as follows:

- 1) Finding No. 2013-001—Internal controls over the preparation of the schedule of expenditures of federal awards.

Auditor will have a deputy of the Auditor's office review before final submission to verify the accuracy of the entries. Contact: William Lee Wagner —Ripley County Auditor 812-689-6311: Effective completion date 10/1/2014

- 2) Finding No. 2013-003 Internal controls over the preparation of the financial statement.

Auditor will have the entries to the financial statement reviewed by a deputy of the department before submission to verify the accuracy of the entries. Contact: William Lee Wagner—Ripley County Auditor 812-689-6311: Effective completion date 10/1/2014

- 3) Finding 2013-005 Procurement, Suspension and Debarment.

Auditor will have sub-recipients eligibility verified through the Federal Systems Awards Management System for grant eligibility. Auditor will also have a deputy auditor verify compliance for the award. Contact: William Lee Wagner—Ripley County Auditor 812-689-6311: Effective completion date 10/1/2014

William Lee Wagner Ripley County Auditor
William Lee Wagner

Email: auditor@ripleycounty.com

**MARY ANN McCOY
CLERK OF RIPLEY COUNTY COURTS**

P.O. Box 177
Versailles, Indiana 47042

Phone: 812-689-6115
Fax: 812-689-6000

**FINDING NO 2013-002, INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS
AND REPORTING CLERK**

MARY ANN MCCOY, RIPLEY COUNTY CLERK

812-689-6115

Control over the receipting, disbursing, recording and accounting on all the Financials activities (all reports) will be reviewed by a deputy (other than the person preparing) and sign all daily. This will take place immediately.

**FINDING NO. 2013-004, INTERNAL CONTROLS OVER COMPLIANCE
REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO CHILD
SUPPORT ENFORCEMENT.**

MARY ANN MCCOY, CLERK OF RIPLEY COUNTY

812-689-6115

Review of the reconcilements of the County bank accounts (Child Support/Trust Funds) will be made each month by a deputy other than the person preparing the reconciliation, effective immediately.



Mary Ann McCoy, Clerk Ripley County

MARY ANN MCCOY

RIPLEY COUNTY, CLERK

Email: mamccoy@ripleycounty.com

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/>.