

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF  
JENNINGS COUNTY, INDIANA  
January 1, 2014 to December 31, 2014



**FILED**  
05/24/2016



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Janice L. Ramey Kay S. Vance	01-01-11 to 12-31-14 01-01-15 to 12-31-18
County Treasurer	Sandra L. Vance	01-01-13 to 12-31-16
Clerk of the Circuit Court	Mary Dorsett Kilgore	01-01-11 to 12-31-18
County Sheriff	Steve Hoppock Gary M. Driver	01-01-11 to 12-31-14 01-01-15 to 12-31-18
County Recorder	Lisa Jines-Plessinger Janice L. Ramey	01-01-11 to 12-31-14 01-01-15 to 12-31-18
President of the Board of County Commissioners	Matt Sporleder	01-01-14 to 12-31-16
President of the County Council	Howard L. Malcomb	01-01-14 to 12-31-16



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

**INDEPENDENT AUDITOR'S REPORT**

TO: THE OFFICIALS OF JENNINGS COUNTY, INDIANA

**Report on the Financial Statement**

We were engaged to audit the accompanying financial statement of Jennings County (County), which comprises the financial position and results of operations for the year ended December 31, 2014, and the related notes to the financial statement as listed in the Table of Contents.

***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 conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the *Basis for Disclaimer of Opinion* paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

***Basis for Disclaimer of Opinion***

The County Auditor and County Treasurer did not properly maintain accounting records. The Clerk of the Circuit Court (Clerk) did not provide accounting records for the Indiana Support Enforcement Tracking System (ISETS) and Clerk MHI Trust. Also, the Clerk did not properly maintain accounting records through the court records accounting system (Odyssey). The County's records do not permit the application of other auditing procedures to ascertain if the financial statement is fairly stated.

***Disclaimer of Opinion***

Because of the significance of the matter discussed in the *Basis for Disclaimer of Opinion* paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on this financial statement.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

**Other Matters**

*Supplementary Information*

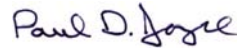
Our audit was conducted for the purpose of forming an opinion on the County's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statement. Because of the significance of the matters described in the *Disclaimer of Opinion* paragraph and because federal grant monies were not accurately and separately identified in the financial ledgers, it is inappropriate to and we do not express an opinion on the Schedule of Expenditures of Federal Awards referred to above.

*Other Information*

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 Leases and Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures and, accordingly, we express no opinion on them.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued a report dated February 23, 2016, 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.

  
Paul D. Joyce, CPA  
State Examiner

February 23, 2016



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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 JENNINGS 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 Jennings County (County), which comprises the financial position and results of operations for the year ended December 31, 2014, and the related notes to the financial statement, and have issued our report thereon dated February 23, 2016, 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. The opinion to the financial statement relative to the regulatory basis of accounting was disclaimed due to the County Auditor, County Treasurer, and Clerk of the Circuit Court not properly maintaining the County's financial ledgers and records during the audit period. The County's records did not permit the application of other auditing procedures to ascertain whether the financial statement was fairly stated; therefore, we were unable to express an opinion on the financial statement.

**Internal Control Over Financial Reporting**

In connection with our engagement to audit 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 2014-001, 2014-002, 2014-003, and 2014-004 to be material weaknesses.

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

**Compliance and Other Matters**


As part of obtaining reasonable assurance about whether the County's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2014-001, 2014-002, 2014-003, and 2014-004.

**Jennings 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

February 23, 2016



## 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.

JENNINGS COUNTY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended December 31, 2014

Fund	Cash and Investments 01-01-14 (Restated)	Receipts	Disbursements	Cash and Investments 12-31-14
Jury Fee	\$ 5,231	\$ 1,660	\$ 4,696	\$ 2,195
Law Enforcement Continuing Ed	35,639	3,043	2,391	36,291
County General	282,424	5,348,160	5,257,116	373,468
Accident Report	7,582	4,515	4,446	7,651
Animal Control	(2)	21,318	96,125	(74,809)
Courthouse Bond	779,508	362,760	1,142,268	-
CAGIT County Certified Shares	95,080	2,202,032	2,251,583	45,529
CEDIT County Share	69,966	729,452	777,325	22,093
City and Town Court Cost	14,597	6,162	-	20,759
Squire Lakes Big Lake Dam	(6,860)	33,930	27,070	-
State Welfare Excise	2	811,366	811,366	2
Surplus County Dog Tax	442	-	-	442
Nonreverting Prisoner Reim	16,009	6,775	1,413	21,371
Sales Disclosure Local	14,295	5,760	8,242	11,813
Covered Bridge	30,619	3,700	-	34,319
Cumulative Courthouse	450,102	-	214,903	235,199
Alcohol & Drug	72,122	24,729	-	96,851
CEDIT Distributions	-	1,056,809	857,868	198,941
Electronic Map Generation	2,000	-	-	2,000
Rescue 20 - FEMA	585	-	-	585
Jennings County LEPC	17,436	3,396	3,276	17,556
E911 Landline	8,734	333,507	387,882	(45,641)
Security Protection	13,506	2,133	878	14,761
Firearms Training	-	9,950	9,172	778
Health	87,695	189,439	256,989	20,145
Identity Theft Protection	94	682	731	45
JC Landfill Closure	10,148	-	-	10,148
Health Maintenance	70,127	33,139	43,546	59,720
Local Road and Street	163,431	273,403	421,164	15,670
CAGIT Distribution	1,068	4,222,889	4,222,888	1,069
Inmate Med Care Reimbursement	-	104	-	104
Misdemeanant Fund	11,157	18,126	9,485	19,798
Highway	622,453	2,520,341	2,346,462	796,332
County Park Non-Reverting	47,744	50,513	32,880	65,377
Local Rainy Day	306,956	-	145,315	161,641
Reassessment	2,403	-	-	2,403
2015 Reassessment	370,443	152,367	144,524	378,286
Recorder's Perpetuation	47,014	38,215	41,470	43,759
Riverboat	19,063	168,980	88,955	99,088
Sex & Violent Offender Admin	2,061	2,250	-	4,311
Superior Supplemental Public Defender Services	6,179	3,166	1,637	7,708
Surplus Tax	23,422	38,851	26,101	36,172
Surveyor's Corner Perpetuation	35,537	6,050	7,887	33,700
Tax Sale Costs	10,534	-	46,323	(35,789)
Tax Sale Redemption	9,578	147,006	156,953	(369)
Tax Sale Surplus	636,818	273,168	512,659	397,327
IN Local Health Dept Trust	(549)	19,151	15,254	3,348
Vehicle Inspection	1,595	570	-	2,165
Community Service	2,360	4,924	-	7,284
E911 Wireless	172	-	-	172
Child Abuse Prevention	15	-	-	15
GAL/CASA	-	5,043	47,002	(41,959)
Elected Officials Training	3,003	2,169	2,594	2,578
Interstate Probation Fee	1,325	1,030	-	2,355
E911 - General	57,082	225,950	221,811	61,221
Juvenile Probation	64,437	1,682	12,351	53,768
Circuit Adult Probation	99,795	69,795	70,026	99,564
Supplemental Juvenile Probation Services	2,946	3,434	-	6,380
Alternate Dispute Resolution	780	12,773	12,066	1,487
Equitable Share Law Enforcement	66	-	-	66
Sheriff Drug Free	43	-	-	43
Recycling Center	(13,470)	62,368	77,143	(28,245)
Public Health Preparedness Co	1,049	20,875	21,376	548
Sheriff Continuing Education	108	1,939	-	2,047
WTH Web Feature Service	2,000	-	-	2,000
Courthouse Security Grant	45	-	-	45
2013 GO Bond Debt Service Pymt	18,389	350,883	18,389	350,883
United Way	1,249	5,052	4,932	1,369
Insurance Deductions	61,474	367,622	366,534	62,562
Payroll - Child Support	-	7,494	7,322	172
457 Retirement	13,751	201,953	201,951	13,753
Payroll Federal Tax	(492)	687,770	677,561	9,717
Payroll FICA	(34,906)	787,717	769,650	(16,839)
Unreimbursed Medical	-	4,685	3,991	694
Payroll County Tax Withholding	20,841	63,435	72,116	12,160
Payroll State Tax Withholding	59,793	181,241	247,433	(6,399)
Uniforms	429	1,659	1,731	357
SC Garnishee Service Fee	77	512	-	589
Sheriff's Retirement	5,566	20,825	5,566	20,825

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

JENNINGS COUNTY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended December 31, 2014  
(Continued)

Fund	Cash and Investments 01-01-14 (Restated)	Receipts	Disbursements	Cash and Investments 12-31-14
Settlement	-	21,770,881	21,750,084	20,797
CVET	93,446	175,050	304,280	(35,784)
MUTC Sewer	(185,975)	940,069	744,488	9,606
Financial Institution Tax	54,919	104,769	159,688	-
HEA State Homestead Credit	1,745	280	-	2,025
State Fines and Forfeitures	12,875	16,589	-	29,464
Infraction Judgement Fines	3,169	10,792	13,453	508
Overweight Vehicles Fines	-	53	53	-
Special Death Benefit	(1,715)	-	-	(1,715)
Sales Disclosure Fees State	330	3,345	3,365	310
Coroners Continuing Education	(2,463)	1,605	-	(858)
Interstate Compact Fees	68	1,088	1,156	-
Mortgage Recording Fees	423	2,023	2,326	120
Sex & Violent Offender State	102	250	-	352
Child Restraint Fee	(50)	375	325	-
Inheritance Tax	22,097	1,057	4,751	18,403
Education Plate Fee	582	262	-	844
Innkeepers Tax Collections	30,094	28,916	30,000	29,010
Title IV-D Incentive Fund	76,418	16,164	-	92,582
Prosecutor IV-D Incentive Fund	62,541	24,596	39,663	47,474
Clerk IV-D Incentive Fund	113,434	16,164	11,119	118,479
Fairgrounds Non-Revert	33,170	55,562	58,332	30,400
Emergency Manage Non-Revert	100,861	33,926	46,480	88,307
Law Enforcement	821	-	-	821
Jennings Co Christmas Light	50	-	-	50
North Vernon Sewer	(2,957)	-	-	(2,957)
Sharps Fund	-	100	100	-
Circuit Supplemental Public	35,347	9,225	1,885	42,687
Operation Pull Over	1,130	-	-	1,130
Public Defender Services	117,790	109,138	28,094	198,834
Campbell Sewer Lien	1,856	-	-	1,856
Deferral Fee	11,821	9,613	11,038	10,396
Death Benefit	12,135	1,580	-	13,715
Superior Adult Probation	43,753	40,453	39,524	44,682
Court Security	2,185	14,253	35,717	(19,279)
Asset Forfeiture	38,830	-	31,053	7,777
Area Plan Non Revert	-	10,266	-	10,266
Criminal Background Check	159	-	-	159
Victim of Crime Assistance	9,324	4,360	-	13,684
Paramedic Training	735	9,827	6,469	4,093
Document Storage Fee	10,926	7,908	16,688	2,146
Transportation	-	188	-	188
Jennings Drug Free Community	26,413	15,852	23,000	19,265
Pretrial Diversion	11,336	32,553	30,403	13,486
Local DNR Law Enforcement	505	-	419	86
Supple Circuit Probation Service	21,735	14,946	11,283	25,398
Supple Superior Probation Service	11,469	8,764	-	20,233
2008 IN Natural Disaster	146	-	-	146
Sales Disclosure Local	6,347	2,985	3,750	5,582
NV Redevelopment - CR350 N	19,773	-	-	19,773
EMPG Competitive EMA	-	7,853	-	7,853
Health Assessment Incentive	1,000	-	-	1,000
November 2011 Certificate Sale	1,285	-	-	1,285
EMS HSCP Grant	-	-	7,853	(7,853)
2013 GO Bond Project Fund	1,621,212	112,903	973,485	760,630
2013 RDC TIF Bond Project	507,676	-	335,860	171,816
2013 RDC TIF Bond Debt Service	-	74,808	18,926	55,882
2013 RDC TIF Bond Debt Reserve	41,824	-	-	41,824
Home Detention Fees	1,017	2,009	-	3,026
Payroll Medicare	(8,305)	185,750	124,135	53,310
Credit Union	730	19,538	17,654	2,614
Garnishments	(1,452)	24,425	23,773	(800)
County Misdemeanant Fund	(602)	-	-	(602)
Donations Sheriff	2,039	-	-	2,039
Corp Debt Service	2,528	-	-	2,528
Corporation General	8,155	-	-	8,155
Payroll - AFLAC	-	12,107	13,230	(1,123)
Payroll - Boston	-	2,738	2,738	-
Cumulative Bridge	410,283	439,256	420,040	429,499
Carnegie Library Plan Grant	(570)	95	-	(475)
Interpreter Grant	4,475	1,000	200	5,275
FEMA Disaster Fund	33,354	-	-	33,354
Clerk of the Circuit Court Odyssey	876,767	4,489,179	4,399,723	966,223
Sheriff's Commissary	10,486	98,210	95,251	13,445
Sheriff's Inmate Trust Fund	25,027	222,496	212,307	35,216
Treasurer's After Settlement Collections	582,534	669,623	582,534	669,623
Totals	\$ 9,679,078	\$ 52,080,214	\$ 53,857,483	\$ 7,901,809

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

JENNINGS COUNTY  
NOTES TO FINANCIAL STATEMENT

**Note 1. Summary of Significant Accounting Policies**

**A. Reporting Entity**

The County was established under the laws of the State of Indiana. The County operates under a Council-Commissioner form of government and provides some or all of the following services: public safety (police), highways and streets, health welfare and social services, culture and recreation, public improvements, planning and zoning, and general administrative services.

The accompanying financial statement presents the financial information for the County.

**B. Basis of Accounting**

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

**C. Cash and Investments**

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

**D. Receipts**

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the County.

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

JENNINGS COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

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

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

*E. Disbursements*

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

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

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

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

Debt service principal and interest which include fixed obligations resulting from financial transactions previously entered into by the County. It includes all expenditures for the reduction of the principal and interest of the County's general obligation indebtedness.

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

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.

JENNINGS 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.

JENNINGS 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. 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.

*B. 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

JENNINGS COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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.

*C. Additional Pension Plan*

The County also contributes to an additional pension plan unique to the County. Information regarding this plan may be obtained from the County.

**Note 7. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash. This is a result of posting errors, reimbursements for grant expenditures not received by December 31, and expenditures exceeding revenues.

**Note 8. Holding Corporation**

The County has entered into a capital lease with Jennings County Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the County. The lessor has been determined to be a related party of the County. Lease payments during the year 2014 totaled \$1,153,000. The lease was paid off during 2014.

**Note 9. Combined Funds**

Funds related to Payroll FICA and Payroll Medicare were combined in the prior financial statement, but were reported individually in the current financial statement.

**Note 10. Restatements**

For the year ended December 31, 2014, certain changes have been made to some of the beginning balances of the financial statement to more appropriately reflect financial activity of the County. The following schedule presents a summary of restated beginning balances.

New Fund	Balance as of December 31, 2013	Prior Period Adjustment	Balance as of January 1, 2014
Clerk of the Circuit Court Odyssey	\$ -	\$ 876,767	\$ 876,767
Sheriff's Commissary	-	10,486	10,486
Sheriff's Inmate Trust Fund	-	25,027	25,027
Treasurer's After Settlement Collections	-	582,534	582,534



#### OTHER INFORMATION - UNAUDITED

The County's Annual Financial 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 Financial 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 other information presented was approved by management of the County. It is presented as intended by the County.

JENNINGS COUNTY  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2014

	Jury Fee	Law Enforcement Continuing Ed	County General	Accident Report	Animal Control	Courthouse Bond	CAGIT County Certified Shares	CEDIT County Share
Cash and investments - beginning	\$ 5,231	\$ 35,639	\$ 282,424	\$ 7,582	\$ (2)	\$ 779,508	\$ 95,080	\$ 69,966
Receipts:								
Taxes	-	-	3,902,071	-	-	331,776	-	-
Intergovernmental	-	-	341,590	-	-	30,984	-	-
Charges for services	-	-	741,827	-	-	-	-	-
Fines and forfeits	-	-	204,444	-	-	-	-	-
Other receipts	1,660	3,043	158,228	4,515	21,318	-	2,202,032	729,452
Total receipts	1,660	3,043	5,348,160	4,515	21,318	362,760	2,202,032	729,452
Disbursements:								
Personal services	-	-	3,876,373	-	10,164	-	1,499,718	713,689
Supplies	-	-	186,209	-	8,110	-	27,024	-
Other services and charges	4,696	2,391	1,037,153	4,446	76,354	-	667,700	63,636
Debt service - principal and interest	-	-	-	-	-	1,142,268	-	-
Capital outlay	-	-	112,426	-	1,497	-	55,841	-
Other disbursements	-	-	44,955	-	-	-	1,300	-
Total disbursements	4,696	2,391	5,257,116	4,446	96,125	1,142,268	2,251,583	777,325
Excess (deficiency) of receipts over disbursements	(3,036)	652	91,044	69	(74,807)	(779,508)	(49,551)	(47,873)
Cash and investments - ending	\$ 2,195	\$ 36,291	\$ 373,468	\$ 7,651	\$ (74,809)	\$ -	\$ 45,529	\$ 22,093

JENNINGS COUNTY  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2014  
(Continued)

	City and Town Court Cost	Squire Lakes Big Lake Dam	State Welfare Excise	Surplus County Dog Tax	Nonreverting Prisoner Reim	Sales Disclosure Local	Covered Bridge	Cumulative Courthouse
Cash and investments - beginning	\$ 14,597	\$ (6,860)	\$ 2	\$ 442	\$ 16,009	\$ 14,295	\$ 30,619	\$ 450,102
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	6,775	5,760	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Other receipts	6,162	33,930	811,366	-	-	-	3,700	-
Total receipts	6,162	33,930	811,366	-	6,775	5,760	3,700	-
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	27,070	811,366	-	1,413	8,242	-	214,903
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-	-
Total disbursements	-	27,070	811,366	-	1,413	8,242	-	214,903
Excess (deficiency) of receipts over disbursements	6,162	6,860	-	-	5,362	(2,482)	3,700	(214,903)
Cash and investments - ending	\$ 20,759	\$ -	\$ 2	\$ 442	\$ 21,371	\$ 11,813	\$ 34,319	\$ 235,199

JENNINGS COUNTY  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2014  
(Continued)

	Alcohol & Drug	CEDIT Distributions	Electronic Map Generation	Rescue 20 - FEMA	Jennings County LEPC	E911 Landline	Security Protection
Cash and investments - beginning	\$ 72,122	\$ -	\$ 2,000	\$ 585	\$ 17,436	\$ 8,734	\$ 13,506
Receipts:							
Taxes	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	24,729	-	-	-	-	-	-
Other receipts	-	1,056,809	-	-	3,396	333,507	2,133
Total receipts	24,729	1,056,809	-	-	3,396	333,507	2,133
Disbursements:							
Personal services	-	-	-	-	-	181,078	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	857,868	-	-	3,276	206,804	878
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	-	857,868	-	-	3,276	387,882	878
Excess (deficiency) of receipts over disbursements	24,729	198,941	-	-	120	(54,375)	1,255
Cash and investments - ending	\$ 96,851	\$ 198,941	\$ 2,000	\$ 585	\$ 17,556	\$ (45,641)	\$ 14,761

JENNINGS COUNTY  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2014  
(Continued)

	Firearms Training	Health	Identity Theft Protection	JC Landfill Closure	Health Maintenance	Local Road and Street	CAGIT Distribution
Cash and investments - beginning	\$ -	\$ 87,695	\$ 94	\$ 10,148	\$ 70,127	\$ 163,431	\$ 1,068
Receipts:							
Taxes	-	129,305	-	-	-	-	-
Intergovernmental	-	12,534	-	-	33,139	273,403	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	9,950	47,600	682	-	-	-	4,222,889
Total receipts	9,950	189,439	682	-	33,139	273,403	4,222,889
Disbursements:							
Personal services	-	234,861	-	-	-	-	-
Supplies	-	19,265	-	-	4,023	317,070	-
Other services and charges	9,172	2,863	-	-	39,523	104,094	4,222,888
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	731	-	-	-	-
Total disbursements	9,172	256,989	731	-	43,546	421,164	4,222,888
Excess (deficiency) of receipts over disbursements	778	(67,550)	(49)	-	(10,407)	(147,761)	1
Cash and investments - ending	\$ 778	\$ 20,145	\$ 45	\$ 10,148	\$ 59,720	\$ 15,670	\$ 1,069

JENNINGS COUNTY  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2014  
(Continued)

	Inmate Med Care Reimbursement	Misdemeanant Fund	Highway	County Park Non-Reverting	Local Rainy Day	Reassessment	2015 Reassessment
Cash and investments - beginning	\$ -	\$ 11,157	\$ 622,453	\$ 47,744	\$ 306,956	\$ 2,403	\$ 370,443
Receipts:							
Taxes	-	-	-	-	-	-	151,259
Intergovernmental	-	-	2,431,440	-	-	-	1,006
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	104	18,126	88,901	50,513	-	-	102
Total receipts	104	18,126	2,520,341	50,513	-	-	152,367
Disbursements:							
Personal services	-	-	965,059	15,906	-	-	20,810
Supplies	-	-	430,822	-	-	-	23,474
Other services and charges	-	9,485	771,755	16,974	145,315	-	100,240
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	178,826	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	-	9,485	2,346,462	32,880	145,315	-	144,524
Excess (deficiency) of receipts over disbursements	104	8,641	173,879	17,633	(145,315)	-	7,843
Cash and investments - ending	\$ 104	\$ 19,798	\$ 796,332	\$ 65,377	\$ 161,641	\$ 2,403	\$ 378,286

JENNINGS COUNTY  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2014  
(Continued)

	Recorder's Perpetuation	Riverboat	Sex & Violent Offender Admin	Superior Supplemental Public Defender Services	Surplus Tax	Surveyor's Corner Perpetuation	Tax Sale Costs
Cash and investments - beginning	\$ 47,014	\$ 19,063	\$ 2,061	\$ 6,179	\$ 23,422	\$ 35,537	\$ 10,534
Receipts:							
Taxes	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	3,166	-	-	-
Other receipts	38,215	168,980	2,250	-	38,851	6,050	-
Total receipts	38,215	168,980	2,250	3,166	38,851	6,050	-
Disbursements:							
Personal services	18,310	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	23,160	88,955	-	1,637	26,101	7,887	46,323
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	41,470	88,955	-	1,637	26,101	7,887	46,323
Excess (deficiency) of receipts over disbursements	(3,255)	80,025	2,250	1,529	12,750	(1,837)	(46,323)
Cash and investments - ending	\$ 43,759	\$ 99,088	\$ 4,311	\$ 7,708	\$ 36,172	\$ 33,700	\$ (35,789)

JENNINGS COUNTY  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2014  
(Continued)

	Tax Sale Redemption	Tax Sale Surplus	IN Local Health Dept Trust	Vehicle Inspection	Community Service	E911 Wireless	Child Abuse Prevention
Cash and investments - beginning	\$ 9,578	\$ 636,818	\$ (549)	\$ 1,595	\$ 2,360	\$ 172	\$ 15
Receipts:							
Taxes	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	4,924	-	-
Other receipts	147,006	273,168	19,151	570	-	-	-
Total receipts	147,006	273,168	19,151	570	4,924	-	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	156,953	512,659	15,254	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	156,953	512,659	15,254	-	-	-	-
Excess (deficiency) of receipts over disbursements	(9,947)	(239,491)	3,897	570	4,924	-	-
Cash and investments - ending	\$ (369)	\$ 397,327	\$ 3,348	\$ 2,165	\$ 7,284	\$ 172	\$ 15



JENNINGS COUNTY  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2014  
(Continued)

	GAL/CASA	Elected Officials Training	Interstate Probation Fee	E911 - General	Juvenile Probation	Circuit Adult Probation	Supplemental Juvenile Probation Services
Cash and investments - beginning	\$ -	\$ 3,003	\$ 1,325	\$ 57,082	\$ 64,437	\$ 99,795	\$ 2,946
Receipts:							
Taxes	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	69,795	-
Other receipts	5,043	2,169	1,030	225,950	1,682	-	3,434
Total receipts	5,043	2,169	1,030	225,950	1,682	69,795	3,434
Disbursements:							
Personal services	-	-	-	88,803	-	41,641	-
Supplies	-	-	-	8,296	-	3,673	-
Other services and charges	47,002	2,594	-	122,965	12,351	24,712	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	1,747	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	47,002	2,594	-	221,811	12,351	70,026	-
Excess (deficiency) of receipts over disbursements	(41,959)	(425)	1,030	4,139	(10,669)	(231)	3,434
Cash and investments - ending	\$ (41,959)	\$ 2,578	\$ 2,355	\$ 61,221	\$ 53,768	\$ 99,564	\$ 6,380

JENNINGS COUNTY  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2014  
(Continued)

	Alternate Dispute Resolution	Equitable Share Law Enforcement	Sheriff Drug Free	Recycling Center	Public Health Preparedness Co	Sheriff Continuing Education	WTH Web Feature Service
Cash and investments - beginning	\$ 780	\$ 66	\$ 43	\$ (13,470)	\$ 1,049	\$ 108	\$ 2,000
Receipts:							
Taxes	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	12,773	-	-	62,368	20,875	1,939	-
Total receipts	12,773	-	-	62,368	20,875	1,939	-
Disbursements:							
Personal services	-	-	-	30,691	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	12,066	-	-	46,452	21,376	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	12,066	-	-	77,143	21,376	-	-
Excess (deficiency) of receipts over disbursements	707	-	-	(14,775)	(501)	1,939	-
Cash and investments - ending	\$ 1,487	\$ 66	\$ 43	\$ (28,245)	\$ 548	\$ 2,047	\$ 2,000

JENNINGS COUNTY  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2014  
(Continued)

	Courthouse Security Grant	2013 GO Bond Debt Service Pymt	United Way	Insurance Deductions	Payroll - Child Support	457 Retirement	Payroll Federal Tax
Cash and investments - beginning	\$ 45	\$ 18,389	\$ 1,249	\$ 61,474	\$ -	\$ 13,751	\$ (492)
Receipts:							
Taxes	-	320,911	-	-	-	-	-
Intergovernmental	-	29,972	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	5,052	367,622	7,494	201,953	687,770
Total receipts	-	350,883	5,052	367,622	7,494	201,953	687,770
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	18,389	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	4,932	366,534	7,322	201,951	677,561
Total disbursements	-	18,389	4,932	366,534	7,322	201,951	677,561
Excess (deficiency) of receipts over disbursements	-	332,494	120	1,088	172	2	10,209
Cash and investments - ending	\$ 45	\$ 350,883	\$ 1,369	\$ 62,562	\$ 172	\$ 13,753	\$ 9,717

JENNINGS COUNTY  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2014  
(Continued)

	Payroll FICA	Unreimbursed Medical	Payroll County Tax Withholding	Payroll State Tax Withholding	Uniforms	SC Garnishee Service Fee	Sheriff's Retirement
Cash and investments - beginning	\$ (34,906)	\$ -	\$ 20,841	\$ 59,793	\$ 429	\$ 77	\$ 5,566
Receipts:							
Taxes	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	512	-
Other receipts	787,717	4,685	63,435	181,241	1,659	-	20,825
Total receipts	787,717	4,685	63,435	181,241	1,659	512	20,825
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	769,650	3,991	72,116	247,433	1,731	-	5,566
Total disbursements	769,650	3,991	72,116	247,433	1,731	-	5,566
Excess (deficiency) of receipts over disbursements	18,067	694	(8,681)	(66,192)	(72)	512	15,259
Cash and investments - ending	\$ (16,839)	\$ 694	\$ 12,160	\$ (6,399)	\$ 357	\$ 589	\$ 20,825

JENNINGS COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2014  
 (Continued)

	Settlement	CVET	MUTC Sewer	Financial Institution Tax	HEA State Homestead Credit	State Fines and Forfeitures	Infraction Judgement Fines
Cash and investments - beginning	\$ -	\$ 93,446	\$ (185,975)	\$ 54,919	\$ 1,745	\$ 12,875	\$ 3,169
Receipts:							
Taxes	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	21,770,881	175,050	940,069	104,769	280	16,589	10,792
Total receipts	21,770,881	175,050	940,069	104,769	280	16,589	10,792
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	21,750,084	304,280	744,488	159,688	-	-	13,453
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	21,750,084	304,280	744,488	159,688	-	-	13,453
Excess (deficiency) of receipts over disbursements	20,797	(129,230)	195,581	(54,919)	280	16,589	(2,661)
Cash and investments - ending	\$ 20,797	\$ (35,784)	\$ 9,606	\$ -	\$ 2,025	\$ 29,464	\$ 508

JENNINGS COUNTY  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2014  
(Continued)

	Overweight Vehicles Fines	Special Death Benefit	Sales Disclosure Fees State	Coroners Continuing Education	Interstate Compact Fees	Mortgage Recording Fees	Sex & Violent Offender State
Cash and investments - beginning	\$ -	\$ (1,715)	\$ 330	\$ (2,463)	\$ 68	\$ 423	\$ 102
Receipts:							
Taxes	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	53	-	3,345	1,605	1,088	2,023	250
Total receipts	53	-	3,345	1,605	1,088	2,023	250
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	53	-	3,365	-	1,156	2,326	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	53	-	3,365	-	1,156	2,326	-
Excess (deficiency) of receipts over disbursements	-	-	(20)	1,605	(68)	(303)	250
Cash and investments - ending	\$ -	\$ (1,715)	\$ 310	\$ (858)	\$ -	\$ 120	\$ 352

JENNINGS COUNTY  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2014  
(Continued)

	Child Restraint Fee	Inheritance Tax	Education Plate Fee	Innkeepers Tax Collections	Title IV-D Incentive Fund	Prosecutor IV-D Incentive Fund	Clerk IV-D Incentive Fund
Cash and investments - beginning	\$ (50)	\$ 22,097	\$ 582	\$ 30,094	\$ 76,418	\$ 62,541	\$ 113,434
Receipts:							
Taxes	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	375	1,057	262	28,916	16,164	24,596	16,164
Total receipts	375	1,057	262	28,916	16,164	24,596	16,164
Disbursements:							
Personal services	-	-	-	-	-	17,733	110
Supplies	-	-	-	-	-	-	-
Other services and charges	325	4,751	-	30,000	-	21,930	11,009
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	325	4,751	-	30,000	-	39,663	11,119
Excess (deficiency) of receipts over disbursements	50	(3,694)	262	(1,084)	16,164	(15,067)	5,045
Cash and investments - ending	\$ -	\$ 18,403	\$ 844	\$ 29,010	\$ 92,582	\$ 47,474	\$ 118,479

JENNINGS COUNTY  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2014  
(Continued)

	Fairgrounds Non-Revert	Emergency Manage Non-Revert	Law Enforcement	Jennings Co Christmas Light	North Vernon Sewer	Sharps Fund	Circuit Supplemental Public
Cash and investments - beginning	\$ 33,170	\$ 100,861	\$ 821	\$ 50	\$ (2,957)	\$ -	\$ 35,347
Receipts:							
Taxes	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	100	-
Charges for services	55,562	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	9,225
Other receipts	-	33,926	-	-	-	-	-
Total receipts	55,562	33,926	-	-	-	100	9,225
Disbursements:							
Personal services	-	13,005	-	-	-	-	-
Supplies	-	200	-	-	-	-	-
Other services and charges	58,332	9,196	-	-	-	100	1,885
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	24,079	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	58,332	46,480	-	-	-	100	1,885
Excess (deficiency) of receipts over disbursements	(2,770)	(12,554)	-	-	-	-	7,340
Cash and investments - ending	\$ 30,400	\$ 88,307	\$ 821	\$ 50	\$ (2,957)	\$ -	\$ 42,687



JENNINGS COUNTY  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2014  
(Continued)

	Operation Pull Over	Public Defender Services	Campbell Sewer Lien	Deferral Fee	Death Benefit	Superior Adult Probation	Court Security
Cash and investments - beginning	\$ 1,130	\$ 117,790	\$ 1,856	\$ 11,821	\$ 12,135	\$ 43,753	\$ 2,185
Receipts:							
Taxes	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	109,138	-	9,613	1,580	40,453	14,253
Other receipts	-	-	-	-	-	-	-
Total receipts	-	109,138	-	9,613	1,580	40,453	14,253
Disbursements:							
Personal services	-	-	-	543	-	13,669	35,717
Supplies	-	-	-	-	-	7,500	-
Other services and charges	-	-	-	10,495	-	18,355	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	28,094	-	-	-	-	-
Total disbursements	-	28,094	-	11,038	-	39,524	35,717
Excess (deficiency) of receipts over disbursements	-	81,044	-	(1,425)	1,580	929	(21,464)
Cash and investments - ending	\$ 1,130	\$ 198,834	\$ 1,856	\$ 10,396	\$ 13,715	\$ 44,682	\$ (19,279)

JENNINGS COUNTY  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2014  
(Continued)

	Asset Forfeiture	Area Plan Non Revert	Criminal Background Check	Victim of Crime Assistance	Paramedic Training	Document Storage Fee	Transportation
Cash and investments - beginning	\$ 38,830	\$ -	\$ 159	\$ 9,324	\$ 735	\$ 10,926	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	10,266	-	-	9,827	7,908	188
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	4,360	-	-	-
Total receipts	-	10,266	-	4,360	9,827	7,908	188
Disbursements:							
Personal services	31,053	-	-	-	-	16,688	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	6,469	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	31,053	-	-	-	6,469	16,688	-
Excess (deficiency) of receipts over disbursements	(31,053)	10,266	-	4,360	3,358	(8,780)	188
Cash and investments - ending	\$ 7,777	\$ 10,266	\$ 159	\$ 13,684	\$ 4,093	\$ 2,146	\$ 188

JENNINGS COUNTY  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2014  
(Continued)

	Jennings Drug Free Community	Pretrial Diversion	Local DNR Law Enforcement	Supple Circuit Probation Service	Supple Superior Probation Service	2008 IN Natural Disaster	Sales Disclosure Local
Cash and investments - beginning	\$ 26,413	\$ 11,336	\$ 505	\$ 21,735	\$ 11,469	\$ 146	\$ 6,347
Receipts:							
Taxes	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	2,985
Fines and forfeits	15,852	-	-	14,946	8,764	-	-
Other receipts	-	32,553	-	-	-	-	-
Total receipts	15,852	32,553	-	14,946	8,764	-	2,985
Disbursements:							
Personal services	-	30,403	-	11,283	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	419	-	-	-	3,750
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	23,000	-	-	-	-	-	-
Total disbursements	23,000	30,403	419	11,283	-	-	3,750
Excess (deficiency) of receipts over disbursements	(7,148)	2,150	(419)	3,663	8,764	-	(765)
Cash and investments - ending	\$ 19,265	\$ 13,486	\$ 86	\$ 25,398	\$ 20,233	\$ 146	\$ 5,582

JENNINGS COUNTY  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2014  
(Continued)

	NV Redevelopment - CR350 N	EMPG Competitive EMA	Health Assessment Incentive	November 2011 Certificate Sale	EMS HSCP Grant	2013 GO Bond Project Fund	2013 RDC TIF Bond Project
Cash and investments - beginning	\$ 19,773	\$ -	\$ 1,000	\$ 1,285	\$ -	\$ 1,621,212	\$ 507,676
Receipts:							
Taxes	-	-	-	-	-	-	-
Intergovernmental	-	7,853	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	112,903	-
Total receipts	-	7,853	-	-	-	112,903	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	335,860
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	851,478	-
Other disbursements	-	-	-	-	7,853	122,007	-
Total disbursements	-	-	-	-	7,853	973,485	335,860
Excess (deficiency) of receipts over disbursements	-	7,853	-	-	(7,853)	(860,582)	(335,860)
Cash and investments - ending	\$ 19,773	\$ 7,853	\$ 1,000	\$ 1,285	\$ (7,853)	\$ 760,630	\$ 171,816

JENNINGS COUNTY  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2014  
(Continued)

	2013 RDC TIF Bond Debt Service	2013 RDC TIF Bond Debt Reserve	Home Detention Fees	Payroll Medicare	Credit Union	Garnishments	County Misdemeanant Fund
Cash and investments - beginning	\$ -	\$ 41,824	\$ 1,017	\$ (8,305)	\$ 730	\$ (1,452)	\$ (602)
Receipts:							
Taxes	68,016	-	-	-	-	-	-
Intergovernmental	6,792	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	2,009	-	-	-	-
Other receipts	-	-	-	185,750	19,538	24,425	-
Total receipts	74,808	-	2,009	185,750	19,538	24,425	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	18,926	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	124,135	17,654	23,773	-
Total disbursements	18,926	-	-	124,135	17,654	23,773	-
Excess (deficiency) of receipts over disbursements	55,882	-	2,009	61,615	1,884	652	-
Cash and investments - ending	\$ 55,882	\$ 41,824	\$ 3,026	\$ 53,310	\$ 2,614	\$ (800)	\$ (602)

JENNINGS COUNTY  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2014  
(Continued)

	Donations Sheriff	Corp Debt Service	Corporation General	Payroll - AFLAC	Payroll - Boston	Cumulative Bridge	Carnegie Library Plan Grant
Cash and investments - beginning	\$ 2,039	\$ 2,528	\$ 8,155	\$ -	\$ -	\$ 410,283	\$ (570)
Receipts:							
Taxes	-	-	-	-	-	390,563	-
Intergovernmental	-	-	-	-	-	2,617	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	12,107	2,738	46,076	95
Total receipts	-	-	-	12,107	2,738	439,256	95
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	62,014	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	358,026	-
Other disbursements	-	-	-	13,230	2,738	-	-
Total disbursements	-	-	-	13,230	2,738	420,040	-
Excess (deficiency) of receipts over disbursements	-	-	-	(1,123)	-	19,216	95
Cash and investments - ending	\$ 2,039	\$ 2,528	\$ 8,155	\$ (1,123)	\$ -	\$ 429,499	\$ (475)

JENNINGS COUNTY  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2014  
(Continued)

	Interpreter Grant	FEMA Disaster Fund	Clerk of the Circuit Court Odyssey	Sheriff's Commissary	Sheriff's Inmate Trust Fund	Treasurer's After Settlement Collections	Totals
Cash and investments - beginning	\$ 4,475	\$ 33,354	\$ 876,767	\$ 10,486	\$ 25,027	\$ 582,534	\$ 9,679,078
Receipts:							
Taxes	-	-	-	-	-	-	5,293,901
Intergovernmental	-	-	-	-	-	-	3,171,430
Charges for services	-	-	-	-	-	-	841,098
Fines and forfeits	-	-	-	-	-	-	533,403
Other receipts	1,000	-	4,489,179	98,210	222,496	669,623	42,240,382
Total receipts	1,000	-	4,489,179	98,210	222,496	669,623	52,080,214
Disbursements:							
Personal services	-	-	-	-	-	-	7,867,307
Supplies	-	-	-	-	-	-	1,035,666
Other services and charges	200	-	-	-	-	-	34,132,935
Debt service - principal and interest	-	-	-	-	-	-	1,179,583
Capital outlay	-	-	-	-	-	-	1,583,920
Other disbursements	-	-	4,399,723	95,251	212,307	582,534	8,058,072
Total disbursements	200	-	4,399,723	95,251	212,307	582,534	53,857,483
Excess (deficiency) of receipts over disbursements	800	-	89,456	2,959	10,189	87,089	(1,777,269)
Cash and investments - ending	\$ 5,275	\$ 33,354	\$ 966,223	\$ 13,445	\$ 35,216	\$ 669,623	\$ 7,901,809

JENNINGS COUNTY  
SCHEDULE OF PAYABLES AND RECEIVABLES  
December 31, 2014

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 418,319</u>	<u>\$ -</u>



JENNINGS COUNTY  
SCHEDULE OF LEASES AND DEBT  
December 31, 2014

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
General obligation bonds	General Obligation Bonds Series 2013	\$ 1,640,000	\$ 484,786
Revenue bonds	Tax Increment Revenue Bonds Series 2013	540,000	58,093
Notes and loans payable	E911 Radios	83,829	44,901
Notes and loans payable	Tractor	20,515	10,756
Notes and loans payable	Tractor	21,016	10,950
Notes and loans payable	Truck	13,234	13,461
Notes and loans payable	Truck	27,068	14,653
Notes and loans payable	Gradall	74,048	26,296
Notes and loans payable	Gradall	79,902	28,375
Totals		\$ 2,499,612	\$ 692,271

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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

TO: THE OFFICIALS OF JENNINGS COUNTY, INDIANA

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

We have audited Jennings 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, 2014. The County's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

***Opinion on 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, 2014.

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

**Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2014-006. Our opinion on the major federal program is not modified with respect to these matters.

The County's response to the noncompliance 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.

**Report on Internal Control Over Compliance**

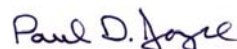
Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types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

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2014-005 and 2014-006 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

February 23, 2016

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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.

JENNINGS COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2014

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>				
Economic Development Cluster				
Investments for Public Works and Economic Development Facilities	Direct Grant	11.300	06-01-05376	\$ 726,901
ARRA - State Broadband Data and Development Grant Program	Indiana Office of Technology	11.558	2014	2,000
Total - Department of Commerce				728,901
<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 Squire Lakes Big Lake Dam	Indiana Office of Community Rural Affairs	14.228	EDS# A192-11-DR2-09-214	27,070
Total - Department of Housing and Urban Development				27,070
<u>Department of Justice</u>				
Crime Victim Assistance	Indiana Criminal Justice Institute	16.575	13-VA-GX-0036	18,824
Equitable Sharing Program	Direct Grant	16.922	2014	31,053
Total - Department of Justice				49,877
<u>Department of Transportation</u>				
Highway Planning and Construction Cluster				
Highway Planning and Construction	Indiana Department of Transportation	20.205		
Bridge Inspection Des. 1006064			Des. 1006064	3,034
Bridge Inspection Des. 1382875			Des. 1382875	22,643
Bridge Inspection Des. 9302170			Des. 9302170	68,850
Total - Highway Planning and Construction Cluster				94,527
Total - Department of Transportation				94,527
<u>Department of Health and Human Services</u>				
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	Indiana State Department of Health	93.074		
Public Health Preparedness 7/1/13 to 6/30/14			EDS# A70-4-0532266	15,000
Public Health Preparedness 7/1/14 to 6/30/15			EDS# A70-5-0532444	5,875
Total - Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements				20,875
Child Support Enforcement	Indiana Department of Child Services	93.563		
Title IV-D County Prosecutor			2014	131,926
Title IV-D County Clerk			2014	40,261
Title IV-D Indirect Costs			2014	49,560
IV-D Incentive - County Prosecutor			2014	39,663
IV-D Incentive - County Clerk			2014	11,119
Total - Child Support Enforcement				272,529
Total - Department of Health and Human Services				293,404
<u>Department of Homeland Security</u>				
Emergency Management Performance Grants	Indiana Department of Homeland Security	97.042		
Competitive Grant Program			EDS# C44P-4-368B	5,161
Salary Reimbursement			EDS# C44P-5-041B	6,495
Total - Emergency Management Performance Grants				11,656
Homeland Security Grant Program County Based Projects	Indiana Department of Homeland Security	97.067	EDS# C44P-4-067B	10,000
Total - Department of Homeland Security				21,656
Total federal awards expended				\$ 1,215,435

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



JENNINGS 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.

JENNINGS 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; Disclaimer as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

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

Identification of Major Programs:

Name of Federal Program or Cluster

Economic Development 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 2014-001 - SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - COUNTY AUDITOR**

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 Auditor relies on each department to report their federal financial assistance activities for use in preparing the SEFA. The County Auditor inputs the grant information received from the departments into the grant schedule section of the Annual Financial Report from which the SEFA is prepared. No evidence was provided that the information presented by each department to the County Auditor was verified to the financial records prior to entering the information in the Annual Financial Report. Additionally, no evidence was presented that there was oversight, review, approval, or other compensating controls to verify the accuracy of the information and amounts reported in the Annual Financial Report.

JENNINGS COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

The County should have proper controls in place over the preparation of the SEFA to ensure accurate reporting of federal awards. Without a proper system of internal control in place that operates effectively, material misstatements of the SEFA could remain undetected.

During the audit of the SEFA, we noted the following errors:

1. Six federal grants with a total of \$1,057,183 in expenditures were not reported.
2. The expenditures were overstated on three grants reported in the amount of \$35,439.

These errors resulted in the expenditures reported in the SEFA being understated in the amount of \$1,021,744.

Audit adjustments were proposed, accepted by the County, and made to the SEFA presented in this report.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements, and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

OMB Circular A-133, Subpart C, section .300 states in part: "The auditee shall: . . . (d) Prepare appropriate financial statements, including the schedule of expenditures of Federal Awards in accordance with section .310."

OMB Circular A-133, Subpart C, section .310(b) states:

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

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.

JENNINGS COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.
- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

***FINDING 2014-002 - FINANCIAL TRANSACTIONS AND REPORTING - COUNTY TREASURER***

The County Treasurer's Office is responsible for maintaining the County Treasurer's Daily Balance of Cash and Depositories (Cash Book). The Cash Book reflects the daily receipts and disbursements, the total amount of cash and investments, and a proof of the financial condition of the office at the close of each day. We noted several deficiencies in the internal control system of the County Treasurer's Office related to the Cash Book and financial transactions.

1. There was a lack of segregation of duties in that the Bookkeeper receipted money, voided receipts, balanced the day's business in the financial software, posted the County Treasurer's Cash Book, made adjustments, made bank deposits, and prepared reconciliation reports. The Bookkeeper also prepared the settlement documents. There was no documented oversight or review of the Bookkeeper's work. The staff consisted of the County Treasurer, the Bookkeeper, and a part-time staff person. All staff collected property tax payments.
2. No evidence of verification that the property tax collection reports were reconciled with the Cash Book balances on a regular basis.
3. There were not sufficient controls over the property tax settlement process. There was no supporting documentation to reconcile the amounts posted to the Cash Book to the supporting property tax settlement worksheets for both receipts and the subsequent disbursements, to ensure that all amounts had been properly posted.
4. From January 2013 through December 31, 2015, bank reconciliations of the bank statement balances to the County Treasurer's Daily Balance of Cash and Depositories ("Cash Book") balances were not prepared. Similar issues of the County Treasurer not reconciling the County's bank accounts with the County Treasurer's Cash Book were included in prior reports since 2009.
5. Due to lack of controls, electronic fund transfers (EFT's) identified in the prior audit had not been posted to the County Auditor's Funds ledger or the County Treasurer's Cash Book.

Due to the weaknesses in internal controls and the condition of records as noted above, material misstatements of the financial statement were identified; however, additional misstatements may exist and remain undetected.

JENNINGS COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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 Treasurers of Indiana, Chapter 10)

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers of Indiana, Chapter 10)

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

***FINDING 2014-003 - FINANCIAL TRANSACTIONS AND REPORTING - COUNTY AUDITOR***

*Condition of Records*

The County failed to design and implement effective internal controls over its financial records to prevent, or detect and correct, material misstatements. We consider the issues in internal controls to be a material weakness.

The following deficiencies in internal controls related to the financial records were noted:

1. Sufficient evidence was not provided to show that the financial records were reviewed and monitored to ensure that transactions were authorized, recorded to the correct funds, recorded for the correct amounts, and that all transactions were recorded to the records.
2. Proper procedures were not in place to ensure that receipts were issued for all monies received.
3. Sufficient evidence was not provided to show there was proper oversight of the cash balances of individual funds to prevent overdrawn cash balances. As a result, several cash fund balances were reported as negative amounts.
4. Sufficient internal controls were not in place to ensure that distributions to countywide governmental units were made in a timely manner and did not remain in the cash fund balance of the County. As a result, there were multiple instances where distributions were not made properly.
5. Sufficient internal controls were not in place over the property tax and excise tax settlement to ensure that adequate documentation was maintained to support the settlement process.

JENNINGS COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Financial Reporting*

The County failed to design and implement effective internal controls over the preparation of the financial statement, including Notes to Financial Statement, in order to prevent, or detect and correct, material misstatements. We consider the issues in internal controls to be a material weakness.

The following deficiencies in internal controls related to financial transactions and reporting were noted:

1. The County did not have procedures in place to identify risks to the preparation of a reliable financial statement.
2. The County did not have adequate procedures in place to ensure the financial information provided in the Annual Financial Report, which is used to compile the financial statement, was accurate.
3. The County did not have adequate procedures in place to ensure that all departments were included on the County's financial statement.

As a result, financial transactions and cash balances for the following departments were not included in the financial statement: County Treasurer, Clerk of the Circuit Court, and County Sheriff. Due to the conditions of records, we were not able to propose adjustments for the Clerk of the Circuit Court's ISETS and MCH Funds and that information was not included in the financial statement presented in this report.

*Financial Transactions*

The County failed to design and implement effective controls over the recording of financial transactions, including adjusting entries, to prevent, or detect and correct, material misstatements. We consider the issues in internal controls to be a material weakness.

During 2014, numerous transactions were recorded in the County Auditor's Funds Ledger as reclassifications or adjustments. Many of these transactions were based on the management reports; however, the documentation provided for audit was not adequate to determine whether the entries were made based upon the management reports or as a result of decisions made by employees of the County Auditor's Office. Many of the software reports detailing recorded transactions were not retained for audit. As a result, we were not able to determine who recorded the transactions or why the transactions were recorded. There was no evidence that these transactions were subjected to a review or approval process.

Additionally, the County did not have proper procedures in place to ensure that all receipt and disbursement transactions were recorded in the County Auditor's Funds Ledger or recorded in a timely manner.

*Disbursements*

The County failed to design and implement effective controls over disbursements to prevent, or detect and correct, material misstatements. We consider the issues in internal controls to be a material weakness.

The County Auditor did not have sufficient internal controls to ensure that adequate documentation was maintained to support the validity of disbursement transactions.

JENNINGS COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Payroll*

The County failed to design and implement effective controls over payroll to prevent, or detect and correct, material misstatements. We consider the issues in internal controls to be a material weakness.

The County Auditor did not have sufficient internal controls to ensure that adequate documentation was maintained to support the validity of payroll transactions.

Due to the weaknesses in internal controls and the condition of records as noted for Condition of Records, Financial Reporting, Financial Transactions, Disbursements and Payroll, material misstatements of the financial statement were identified; however, additional misstatements may exist and 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)

Accounting records and other public records must be maintained in a manner that will support accurate financial statements. Anything other than an unqualified opinion on the Independent Auditors Report on the financial statements may have adverse financial consequences with the possibility of an increase in interest rate cost to the taxpayers of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

Regardless of the source of a receipt or the purpose of a disbursement, all funds of the county must be accounted for in the records of the county auditor and reconciled with the records of the county treasurer. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 5)

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

***FINDING 2014-004 - FINANCIAL TRANSACTIONS AND REPORTING - CLERK OF THE CIRCUIT COURT***

We noted several deficiencies in the internal control system of the Clerk of the Circuit Court's Office related to financial transactions and reporting.

JENNINGS COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

The Clerk of Circuit Court could not present for audit bank account reconciliations for any month for any of the funds that the Clerk of Circuit Court's Office was responsible. That includes the Odyssey Trust Account, ISETS, and MHI, which is the former trust account. Detailed information for the Odyssey Trust Account activity and account balances was available; however, no reconciliations were provided. The ISETS account reconciliation did not have adequate supporting documentation, including outstanding check lists or deposits in transit. No detailed information supporting the activity of the MHI account was provided, including outstanding check lists, deposits in transit, or a trust account balance. Therefore, we were unable to verify bank reconciliations as of December 31, 2014.

There were no controls in place to document when cash bonds purchased at the Jennings County Jail were transferred from the County Sheriff's Department to the Clerk of the Circuit Court's Office. The Clerk does not write a receipt to the County Sheriff when the collections are received. The Clerk of the Circuit Court does issue a receipt to the person purchasing the bond at the time the receipt is entered into the Odyssey System. There was an instance when 37 days elapsed between the payment of the cash bond and the receipt written to the individual.

There is a lack of segregation of duties in financial transactions. The Clerk of the Circuit Court's Bookkeeper can collect payments, issue receipts, count the daily collections from the cashiers, create bank deposit slips, and make bank deposits. Another employee opens the mail, receipts in all mail items, handles the garnishments, and issues the checks.

There were no internal controls in place to ensure that each person was actually logging in to the Odyssey software under their own login ID and password in order to issue receipts.

All employees can process payments and share one cash drawer.

There was a lack of segregation of duties. Control activities should be selected and developed at various levels of the Clerk of the Circuit Court's Office to reduce risks to the achievement of financial reporting objectives. The Clerk of the Circuit Court has not separated incompatible activities related to receipts, disbursements, and cash balances.

Without the proper system of internal controls in place that operates effectively, material misstatements of the financial statement could occur and remain undetected. We consider the above lack of internal controls to be material weaknesses.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Clerk of the Circuit Courts of Indiana, Chapter 13)

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

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.



JENNINGS COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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 Clerks of the Circuit Courts of Indiana, Chapter 13)

Access to information stored on the computer must be protected through the use of user identification codes and confidential passwords. These passwords must meet the following criteria: Each user must have a unique user identification code and password. . . . User identification codes and passwords may not be shared. . . . (Accounting and Uniform Compliance Guidelines Manual for Clerks of the Circuit Courts of Indiana, Chapter 14)

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

***FINDING 2014-005 - ACTIVITIES ALLOWED OR UNALLOWED; ALLOWABLE COSTS/COST PRINCIPLES; CASH MANAGEMENT; DAVIS-BACON ACT; MATCHING, LEVEL OF EFFORT, EARMARKING; AND PERIOD OF AVAILABILITY OF FEDERAL FUNDS***

Federal Agency: Department of Commerce

Federal Program: Investments for Public Works and Economic Development Facilities

CFDA Number: 11.300

Federal Award Number and Year (or Other Identifying Number): 06-01-05376

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 the following compliance requirements that have a direct and material effect to the program. Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Cash Management; Davis-Bacon Act; Matching, Level of Effort, Earmarking; and Period of Availability of Federal Funds.

The County hired a consultant to administer all aspects of the grant program. The County Officials relied upon the Grant Administrator to ensure compliance with the requirements that have a direct and material effect on the program. An oversight or review process was not established to verify that the Grant Administrator or contracted engineer ensured compliance with all applicable requirements. The President of the Board of County Commissioners signed reports and paperwork; however, there was no evidence of review by anyone other than the person preparing the reports or paperwork.

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 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.

JENNINGS COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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 an effective internal control system could enable material noncompliance with the grant agreement and the compliance requirements to go undetected. 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. Noncompliance of the grant agreement or the compliance requirements 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 compliance requirements listed above.

***FINDING 2014-006 - REPORTING***

Federal Agency: Department of Commerce

Federal Program: Investments for Public Works and Economic Development Facilities

CFDA Number: 11.300

Federal Award Number and Year (or Other Identifying Number): 06-01-05376

Direct Grant

The County has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the compliance requirement over Reporting.

The County hired a consultant to administer all aspects of the grant program. The County Officials relied upon the Grant Administrator and the contracted engineer to ensure compliance with the requirements that have a direct and material effect on the program. An oversight or review process was not established to verify that the Grant Administrator or the contracted engineer ensured compliance with all applicable requirements.

The County Auditor established separate funds to account for the financial activity for each grant; however, the fund established for the Community Development Block Grant (CDBG) was comingled with the Investments for Public Works and Economic Development Facilities grant and local matching funds. Receipts and disbursements related to the grant were also receipted to and paid from other County funds in error. Several correcting entries were recorded to move those transactions to this fund, but not all transactions were corrected. Separate accounting for the Investments for Public Works and Economic Development Facilities grant funds was not established within the fund to identify the various receipt and disbursement transactions related to this grant.

The contracted grant consultant maintained the federal cash control register and the contractor expenditure ledgers for each contract. A reconciliation of the consultant's financial records with the County's financial records and the County Auditor's Funds ledger was not performed to ensure the reporting information was accurate. The financial reports prepared by the grant consultant were based on their federal cash control register and not on the County Auditor's Funds Ledger. The President of the Board of the County Commissioners signed reports and paperwork; however, there was no evidence that the reports or paperwork were reviewed and/or verified to supporting documentation.

JENNINGS COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

The semiannual Federal Financial Form (Form 425) submitted on April 4, 2014, for the period ending March 31, 2014, and the Final Federal Financial Report (Form 425) submitted on July 10, 2014, were incorrect. The amounts reported for recipient share of expenditures were incorrect.

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."

15 CFR 24.20(b) states in part:

"The financial management systems of other grantees and subgrantees must meet the following standards:

- (1) *Financial reporting.* Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant.
- (2) *Accounting records.* Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income.
- (3) *Internal control.* Effective control and accountability must be maintained for all grant and subgrant cash, real and personal property, and other assets. Grantees and subgrantees must adequately safeguard all such property and must assure that it is used solely for authorized purposes.
- (4) *Budget control.* Actual expenditures or outlays must be compared with budgeted amounts . . ."

The County did not have adequate internal control system in place which resulted in noncompliance with the federal requirement for Reporting.

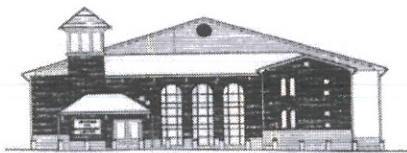
Noncompliance with the grant agreement or the compliance requirements that have a direct and material effect on the program could result in the loss of federal funds.

We recommended that the County comply with the grant agreement and federal requirement for Reporting.

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#### AUDITEE PREPARED DOCUMENTS

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



**Kay S Vance**  
Auditor of Jennings County  
200 East Brown Street  
P.O. Box 383

Jennings County Government Center  
200 East Brown Street, Vernon, IN 47282  
SCHEDULE OF PRIOR AUDIT FINDINGS  
Phone: (812) 352-3021 Fax: (812) 352-3032

**FINDING 2013-010**

Original Assigned SBA Audit Report Number: B45648  
Report Period: January 1, 2013 to December 31, 2013  
Pass-Through Entity or Federal Grantor Agency: Indiana Office of Community and Rural Affairs  
Contact Person Responsible for Corrective Action:  
Contact Phone Number:

**FINDING 2013-011**

Original Assigned SBA Audit Report Number: B45648  
Report Period: January 1, 2013 to December 31, 2013  
Pass-Through Entity or Federal Grantor Agency: Indiana Office of Community and Rural Affairs  
Contact Person Responsible for Corrective Action:  
Contact Phone Number:

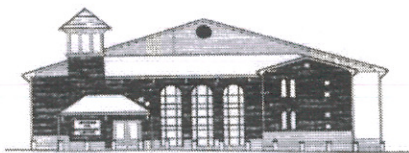
**FINDING 2013-012**

Original Assigned SBA Audit Report Number: B45648  
Report Period: January 1, 2013 to December 31, 2013  
Pass-Through Entity or Federal Grantor Agency: Indiana Office of Community and Rural Affairs  
Contact Person Responsible for Corrective Action:  
Contact Phone Number:

Status of Findings:

*CSL Big Rock Dam Project was closed  
with the State as of 4/2014.*

*Kay Sue Vance*  
*Auditor*



Jennings County Government Center  
200 East Brown Street, Vernon, IN 47282

**Kay S Vance**  
Auditor of Jennings County  
200 East Brown Street  
P.O. Box 383  
Vernon, IN 47282  
Phone: (812) 352-3021 Fax: (812) 352-3032

**FINDING 2013-013**

Original Assigned SBA Audit Report Number: B45648  
Report Period: January 1, 2013 to December 31, 2013  
Pass-Through Entity or Federal Grantor Agency: U.S. Department of Commerce  
Contact Person Responsible for Corrective Action:  
Contact Phone Number:

**FINDING 2013-014**

Original Assigned SBA Audit Report Number: B45648  
Report Period: January 1, 2013 to December 31, 2013  
Pass-Through Entity or Federal Grantor Agency: U.S. Department of Commerce  
Contact Person Responsible for Corrective Action:  
Contact Phone Number:

**FINDING 2013-015**

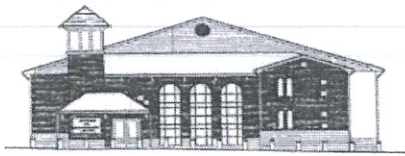
Original Assigned SBA Audit Report Number: B45648  
Report Period: January 1, 2013 to December 31, 2013  
Pass-Through Entity or Federal Grantor Agency: U.S. Department of Commerce  
Contact Person Responsible for Corrective Action:  
Contact Phone Number:

Status of Findings:

*MUTC Sewer project was closed with  
the State as of June 2014.*

*Kay Sue Vance*  
*Auditor*





Jennings County Government Center  
200 East Brown Street, Vernon, IN 47282

*Kay S Vance - Contact Person*  
*Auditor of Jennings County*  
200 East Brown Street  
P.O. Box 383  
Vernon, IN 47282  
Phone: (812) 352-3021 Fax: (812) 352-3032

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February 22, 2016

**Finding 2014 – 001 - Schedule of Expenditures of Federal Awards - County Auditor**

The Auditor will prepare a worksheet of Federal Awards to keep track of receipts and disbursements being made.

**Finding 2014 – 003 – Financial Transactions and Reporting – County Auditor**

The Auditor has hired a new Claims Deputy who has been instructed and trained to document everything thoroughly. Claims are to be fully filled out and properly signed and verified prior to payment.

The Settlement Deputy is new to this procedure but has taken training and instruction to help with the process.

The Auditor has hired a new Payroll Deputy who has been in constant contact with the SBOA and the IRS to ensure proper procedures and correct withholdings have been followed.

The Auditor has the Claims Deputy balancing the Fund Account monthly.

The County Council had hired a financial firm prior to the Auditor taking office and so they handled the adjustments that needed to be made for 2014.

**Finding 2014 – 005 - Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Cash Management; Davis Bacon Act; Matching, Level of Effort, Earmarking; and Period of Availability of Federal funds and Finding 2014 – 006 Reporting**

The grant mentioned in this finding was for the Butlerville sewer project and this project has since closed out. The Auditor shall make sure proper receipts and disbursement accounts on future projects be accounted for on a worksheet and keep in constant contact with the Grant Administrator.

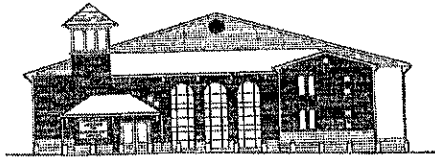


As Auditor, I intend to have these findings resolved by the end of 2016. I am the contact person and all my contact information is shown above.

Kay Sue Vance  
Kay Sue Vance

Auditor  
Title

Feb. 22, 2016  
Date



Jennings County Government Center  
200 East Brown Street, Vernon, IN 47282

*Sandra L. Vance*  
*Treasurer of Jennings County*  
200 East Brown Street  
P.O. Box 368 Vernon, IN 47282  
slvance@jenningscounty-in.gov  
Phone: (812) 352-3060 Fax: (812) 352-3064

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### **Corrective Action Plan**

February 17, 2016

Finding 2014-002

Sandra L. Vance

812-352-3060

We've implemented new procedures to address the segregation of duties and other items mentioned in the report including changes in personal.

Sincerely,

Sandra L. Vance

A handwritten signature in cursive script that reads "Sandra L. Vance". The signature is fluid and matches the printed name above it.

Treasurer of Jennings County



MARY DORSETT KILGORE JENNINGS COUNTY  
CLERK OF THE CIRCUIT & SUPERIOR COURTS

## Corrective Action Plan

Finding 2014-004

Contact Person for Corrective Action Plan: Mary Dorsett Kilgore

Contact Phone Number : (812)352-3073

"The Clerk could not present for audit bank account reconciliations for any month for any of the funds that the Clerk's office was responsible. That includes the Odyssey Trust Account, ISETS, and MHI, which is the former trust account. Detailed information for the Odyssey Trust Account activity and account balances was available, however, no reconciliations were provided. The ISETS account reconciliation did not have adequate supporting documentation, including outstanding check lists or deposits in transit. No detailed information supporting the activity of the MHI account was provided, including outstanding checklists, deposits in transit, or a trust account balance. Therefore, we were unable to verify bank reconciliations as of December 31, 2014."

Response & Corrective Plan: This office was trained to do month and year end financial reporting by Odyssey representatives. The reports required to complete task were told to us by the same. Any report not presented for audit reconciliation was solely because this office was not made aware of its requirement. As always, upon request, reports from Odyssey can be made available in minutes starting from our initial "go-live date," to present day. As far as the current Clerk can discern, the clerk's accounts have not been reconciled as far back as 1999. See Report B32043. Because the current administration has implemented Odyssey, we believe we will be able to reach reconciliation with regard to activity in that system that began in December 2011. We are working toward this goal.

*Also, the staff that did not reconcile the records in the previous administration have been replaced.*

"There were no controls in place to document when cash bonds purchased at the Jennings County Jail were transferred from the Sheriff's Department to the Clerk's office. The Clerk does not write a receipt to the Sheriff when the collections are received. The Clerk does issue a receipt to the person purchasing the bond at the time the receipt is entered into the Odyssey System. There was an instance when thirty seven days elapsed between the payment of the cash bond and the receipt written to the individual."

Response & Corrective Plan: Odyssey automatically generates a receipt on the day the money is entered. It is the Clerk's office practice to enter these immediately. The Sheriff's dept. has not asked for receipts until February 2016. Since SBOA has discussed this with us, we are discussing with Sheriff's department that SBOA is recommending we issue a hand written receipt upon acceptance of bond monies.

Jennings County Clerk  
25 Pike Street  
Box 385  
Vernon, IN 47282  
812-352-3070

"There is a lack of segregation of duties in financial transactions. The Clerk's bookkeeper can collect payments, issue receipts, count the daily collections from the cashiers, create bank deposit slips, and make bank deposits. Another employee opens the mail, receipts in all mail items, handles the garnishments, and issues the checks. " "There was a lack of segregation of duties. Control activities should be selected and developed at various levels of the Clerk of the Circuit Court's office to reduce risks to the achievement of financial reporting objectives. The Clerk of the Circuit Court has not separated incompatible activities related to receipts, disbursements, and cash balances."

Response: In this office, "lack of segregation of duties," is not to be confused with employees being cross-trained. Due to budgeting and limited staffing, this office strives for quality public service by ensuring that every employee has the required knowledge to best serve the public in the event an employee is absent whom usually handles that specific request. If each duty listed in this condition had a dedicated staff person, it would require a staff of more than 11 separate staff persons for the financial aspects of this office alone. The financial workings are just a small percentage of the day to day obligations this office has.

Corrective Plan: Continue to spread duties when adequate staffing is available but not to defer providing quality service to the public of Jennings County.

"There were no internal controls in place to ensure that each person was actually logging in to the Odyssey software under their own log in ID and password in order to issue receipts."

Response & Corrective Plan: This was on the last audit. It is 100% not accurate. All seven staff members are required to log into and log out of a new session of Odyssey when using either of the two front counter terminals. The same when they are away from their desks

"All employees can process payments and share one cash drawer."

Response & Corrective Plan: Potentially, Council would have to provide funds to purchase separate drawers for each staff. This may not be a practical procedure due to the time consuming nature of closing 6 separate tills at the end of each day.

Anticipated Completion Date: September 30, 2016

Respectfully Submitted,



Mary Dorsett Kilgore  
Clerk of Jennings County Circuit & Superior Courts  
February 23, 2016

Jennings County Clerk  
25 Pike Street  
Box 385  
Vernon, IN 47282  
812-352-3070

#### OTHER REPORTS

In addition to this report, other reports may have been issued for the County. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.