

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

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



**FILED**  
09/29/2016



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Independent Auditor's Report .....	3-5
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statement Performed in Accordance with <i>Government Auditing Standards</i> .....	6-7
Financial Statement and Accompanying Notes:	
Statement of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis .....	10-11
Notes to Financial Statement .....	12-17
Other Information - Unaudited:	
Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis .....	20-37
Schedule of Leases and Debt .....	38
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance for the Major Federal Program and on Internal Control over Compliance .....	40-41
Schedule of Expenditures of Federal Awards and Accompanying Notes:	
Schedule of Expenditures of Federal Awards .....	44-45
Notes to Schedule of Expenditures of Federal Awards .....	46
Schedule of Findings and Questioned Costs .....	47-51
Auditee-Prepared Document:	
Corrective Action Plan .....	54-56
Other Reports .....	57

### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Vaneen M. Ide	01-01-13 to 12-31-16
County Treasurer	Kathleen Adair	01-01-13 to 12-31-16
Clerk of the Circuit Court	Beth Liming	01-01-13 to 12-31-16
County Sheriff	Randy Prior	01-01-11 to 12-31-18
County Recorder	Patricia Williams Cindy Howard	01-01-11 to 12-31-14 01-01-15 to 12-31-18
County Prosecutor	Kevin Enyeart Lisa Swaim	01-01-11 to 12-31-14 01-01-15 to 12-31-18
President of the Board of County Commissioners	James L. Sailors	01-01-14 to 12-31-16
President of the County Council	George L. Stebbins	01-01-14 to 12-31-16



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

TO: THE OFFICIALS OF CASS COUNTY, INDIANA

**Report on the Financial Statement**

We have audited the accompanying financial statement of Cass County (County), which comprises the financial position and results of operations for the year ended December 31, 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 our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

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

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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

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

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

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

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the County for the year ended December 31, 2014.

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

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the County for the year ended December 31, 2014, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

***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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.


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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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

In accordance with *Government Auditing Standards*, we have also issued a report dated August 29, 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

August 29, 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 CASS COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of Cass County (County), which comprises the financial position and results of operations for the year ended December 31, 2014, and the related notes to the financial statement, and have issued our report thereon dated August 29, 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.

**Internal Control over Financial Reporting**

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2014-001 to be a material weakness.

**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



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)


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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2015-001.

**Cass County's Response to Finding**

The County's response to the finding 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

August 29, 2016

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## FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

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

Fund	Cash and Investments 01-01-14	Receipts	Disbursements	Cash and Investments 12-31-14
General	\$ 2,936,549	\$ 8,508,559	\$ 9,877,769	\$ 1,567,339
Certified Shares - County	620,177	2,643,047	1,859,798	1,403,426
Co Econ Dev Income Tax	-	1,485,543	1,485,543	-
Co Child Advocacy Fund	50	-	-	50
Court Costs	11,505	10,926	21,636	795
Clerk Perpetuation	36,353	9,425	3,845	41,933
Community Transition Program	191,264	83,660	42,671	232,253
Congressional Interest	6,767	41	-	6,808
Congressional Principal	29,625	-	-	29,625
Sheriff's Photo Operating	2,931	715	-	3,646
Surplus Dog	26	-	-	26
County Sales Disclosure	20,640	3,896	2,530	22,006
Cumulative Bridge	1,215,584	444,190	344,241	1,315,533
Capitol Development	409,647	241,009	213,858	436,798
Co Drug Free Program	29,828	28,979	28,182	30,625
Electronic Map Generation Fund	7,000	2,000	5,000	4,000
Local Emergency Plan	3,370	-	-	3,370
Recorder Enhanced Access	3,035	2,202	-	5,237
Extradition	67,596	8,700	800	75,496
Firearms Training	13,575	9,130	14,395	8,310
Health	417,357	202,299	358,071	261,585
RE-DACT	56,141	2,598	-	58,739
Health Maint	64,097	33,139	12,951	84,285
Local Road	604,979	330,950	428,123	507,806
LOIT Public Safety COUNTY	1,000,750	1,073,671	240,660	1,833,761
Highway	3,827,292	4,036,134	3,797,258	4,066,168
Park & Rec Non Reverting	69,118	256,872	122,342	203,648
Auditor Plat Bk Upkeep	36,507	7,515	13,662	30,360
Rainy Day Fund	2,412,764	1,000,000	-	3,412,764
Reassessment 2017	238,676	-	238,676	-
Recorders Perpetuation	149,675	44,139	45,147	148,667
Sex Offender Reg State Share	10	363	318	55
Police Pension	172,095	42,941	-	215,036
Surplus Tax (Excess)	75,089	58,751	47,979	85,861
Surveyor Corner Perpetuation	28,199	7,210	15,000	20,409
Tax Sale (fees collected)SRI	21,718	31,142	27,585	25,275
Tax Sale Redemption	11,809	97,523	105,161	4,171
Tax Sale Surplus	259,724	211,653	245,846	225,531
Unsafe Building Fund	11,921	5,000	-	16,921
Vehicle Inspection	4,330	561	-	4,891
Guardian Ad Litem	2,128	27,672	22,661	7,139
Election & Registration	97,749	103,050	102,832	97,967
Co Elect Official Training	6,358	2,638	438	8,558
911 Statewide	293,664	797,571	816,719	274,516
Care of Juveniles	77,274	-	-	77,274
Capital Non-Reverting	2,898,169	1,242,820	947,277	3,193,712
General Drain	142,227	46,423	118,465	70,185
Drain Maintenance	1,105,747	468,282	152,661	1,421,368
EMA/Sprint Rebanding	-	39,410	-	39,410
Sheriff Sale Non Reverting	41,139	27,264	23,341	45,062
Park Donation	11,562	-	-	11,562
Forfeiture Seizure Non Revert	5,029	1,250	2,214	4,065
Jail Debt Service	879,392	68,925	931,500	16,817
Cass Co Self Insurance	4,215,373	2,697,567	1,960,674	4,952,266
Payroll	-	7,203,787	7,203,787	-
Property Replacement	694	29,482,927	29,483,583	38
Wheel tax/Surtax	-	1,091,350	1,090,991	359
CVET	-	227,817	227,817	-
Excise Tax Allocations	-	1,073,840	1,073,840	-
Financial Institution Tax	-	325,752	325,752	-
CEDIT HSC	37,904	-	-	37,904
HOMESTEAD CR REBATE FD	9,823	-	-	9,823
LOIT PTRC	226,665	6,437,425	6,511,072	153,018

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

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

Fund	Cash and Investments 01-01-14	Receipts	Disbursements	Cash and Investments 12-31-14
Fines & Forfeitures	4,945	20,306	20,855	4,396
Infraction Judgement	6,836	82,714	75,563	13,987
Overweight Vehicle	300	17,225	15,565	1,960
Special Death Benefit	345	6,300	5,440	1,205
Sales Disclosure Fee (State)	370	3,830	3,465	735
Coroner Training Non-Reverting	259	3,497	3,199	557
Interstate Compact Fee Fd	-	250	250	-
Mortgage Fee Fund	377	2,610	2,240	747
Child Restraint Violation	25	603	403	225
Forest Restoration Fund	-	1,069	925	144
Inheritance Tax	2,777	-	2,777	-
Riverboat Wagering Tax Rev	-	230,831	230,831	-
Cass Tourism Promotion Fund	15,747	93,966	102,820	6,893
93.563 ARRA Clerk Incentive	1,456	100	1,517	39
93.563 Title IV-D Incentive	74,738	18,638	-	93,376
93.563 Pros Incentive Post	68,144	28,048	21,620	74,572
93.563 Clerk Incentive Post	107,968	18,638	2,832	123,774
Clerk Supplemental	446,496	4,054,238	3,589,675	911,059
Treasurer Supplemental	1,097,761	1,247,367	1,097,761	1,247,367
Community Corrections Supplemental	85,394	607,627	657,364	35,657
Sheriff Commissary Supplemental	46,950	149,229	129,382	66,797
Sheriff Inmate Trust Supplemental	16,600	571,500	573,509	14,591
Recorders Supplemental	25	-	-	25
Reassessment	-	950,767	219,871	730,896
Arson Investigation	226	-	-	226
Law Enforcement	2	-	-	2
Cass County Work Crew -NA	10,221	6,116	9,863	6,474
Certificate Tax Sale	3,433	52,000	48,764	6,669
E911 Subsidy	-	20,000	2,041	17,959
Bond # 2 Expense	-	-	67,000	(67,000)
County Redevelop Commission	727,110	575,257	997,449	304,918
Certified Share	152	4,821,652	4,821,652	152
CCEMA Non-Reverting Capital	1,906	-	-	1,906
Transit Authority Grant	-	903,049	903,049	-
93.069 Public Health Bio-Terro	2,999	-	-	2,999
16.588 Stop Grant - NA	449	15,305	19,873	(4,119)
16.575 Victim Advoc Grant	9,255	23,544	2,701	30,098
93.617 HAVA Title III	91,095	-	41,812	49,283
EMA Performance CFDA 97.042	2,906	-	-	2,906
14.228 Clymers CDBG	-	20,000	20,000	-
93.074 Hospital Prep Grant	-	3,000	-	-
State Deputy Project-NA	91	3,867	3,883	75
16.547 Federal CASA Grant	9,517	7,867	-	17,384
CAPTA	15,481	946	9,928	6,499
SCAAP Grant	12,656	4,519	10,906	6,269
Cass Co Cedit	3,581,593	1,196,191	471,293	4,306,491
Cass County Correction	1,067	27,818	27,617	1,268
CCEMA Grant	348	-	-	348
DUI Task Force Enforce Program	(402)	-	-	(402)
Emergency Gas Award	550	-	-	550
Corrections Grant- NA	63,354	583,461	613,406	33,409
Law Enforcement Grant	2,826	-	-	2,826
France Park Planning Grant	194	-	-	194
COMM Correct Project Income-NA	118,321	293,410	235,786	175,945
Adult Protective Services - NA	8,110	115,167	147,637	(24,360)
Tobacco Education	86,346	11,250	13,026	84,570
Walmart EMA Grant	572	-	-	572
SECTION 102 HAVA	12,668	-	-	12,668
GIS Web Feature Grant	2,100	-	-	2,100
Odyssey Imaging Grant	733	-	-	733
Public Health Coordinator Gran	(2,590)	25,991	9,754	13,647
<b>Totals</b>	<b>\$ 31,859,472</b>	<b>\$ 89,110,016</b>	<b>\$ 85,832,975</b>	<b>\$ 35,136,513</b>

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

CASS COUNTY  
NOTES TO FINANCIAL STATEMENT

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

*A. Reporting Entity*

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

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

*B. Basis of Accounting*

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

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

*C. Cash and Investments*

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

*D. Receipts*

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

Taxes, which can include one or more of the following: property tax, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeeper's 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 these types of receipts include, but are not limited to, the following: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distributions received from the state, local road and street distributions received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the County.

CASS COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

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

Other receipts, which include amounts received from various sources including, but 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, which 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, the following: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

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

Other disbursements, which include, but are not limited to, the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

*F. Interfund Transfers*

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

CASS COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*G. Fund Accounting*

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

**Note 2. Budgets**

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

**Note 3. Property Taxes**

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

**Note 4. Deposits and Investments**

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

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



CASS COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 5. Risk Management**

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

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

**Note 6. Pension Plan**

*A. Public Employees' Retirement Fund*

*Plan Description*

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

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

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

*Funding Policy and Annual Pension Cost*

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

CASS COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*B. County Police Retirement Plan*

*Plan Description*

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

*Funding Policy*

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

*C. County Police Benefit Plan*

*Plan Description*

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

*Funding Policy*

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

**Note 7. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash. Some were the result of the funds being set up for reimbursable grants. The reimbursements for expenditures made by the County were not received by December 31, 2014. Other funds with cash deficits were due to expenditures exceeding available cash balances and current-year receipts.

CASS COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 8. *Holding Corporation***

The County entered into a capital lease with Cass County Indiana Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the County. The lessor has been determined to be a related-party of the County. Lease payments during the year 2014 totaled \$931,500. The lease was paid in full in July of 2014.

**Note 9. *Subsequent Event***

In the fall of 2015, the County received bids for renovation projects to the County building, jail and annex building. The total project cost was estimated at \$10,544,675. In September of 2015, bonds were sold totaling \$8,665,000. Construction started in September of 2015 and is estimated to be substantially completed by November 1, 2016.

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#### 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 County's Annual Financial Report 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.

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

	General	Certified Shares - County	Co Econ Dev Income Tax	Co Child Advocacy Fund	Court Costs	Clerk Perpetuation	Community Transition Program
Cash and investments - beginning	\$ 2,936,549	\$ 620,177	\$ -	\$ 50	\$ 11,505	\$ 36,353	\$ 191,264
Receipts:							
Taxes	6,322,561	2,639,593	-	-	-	-	-
Intergovernmental receipts	1,231,347	-	-	-	-	-	-
Charges for services	526,682	-	-	-	-	-	-
Fines and forfeits	118,981	-	-	-	-	-	-
Other receipts	308,988	3,454	1,485,543	-	10,926	9,425	83,660
Total receipts	<u>8,508,559</u>	<u>2,643,047</u>	<u>1,485,543</u>	<u>-</u>	<u>10,926</u>	<u>9,425</u>	<u>83,660</u>
Disbursements:							
Personal services	5,941,359	1,371,390	-	-	-	-	-
Supplies	325,518	268,751	-	-	-	-	6,815
Other services and charges	2,448,890	219,657	-	-	-	3,845	-
Capital outlay	112,239	-	-	-	-	-	35,856
Other disbursements	1,049,763	-	1,485,543	-	21,636	-	-
Total disbursements	<u>9,877,769</u>	<u>1,859,798</u>	<u>1,485,543</u>	<u>-</u>	<u>21,636</u>	<u>3,845</u>	<u>42,671</u>
Excess (deficiency) of receipts over disbursements	<u>(1,369,210)</u>	<u>783,249</u>	<u>-</u>	<u>-</u>	<u>(10,710)</u>	<u>5,580</u>	<u>40,989</u>
Cash and investments - ending	<u>\$ 1,567,339</u>	<u>\$ 1,403,426</u>	<u>\$ -</u>	<u>\$ 50</u>	<u>\$ 795</u>	<u>\$ 41,933</u>	<u>\$ 232,253</u>

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

	Congressional Interest	Congressional Principal	Sheriff's Photo Operating	Surplus Dog	County Sales Disclosure	Cumulative Bridge	Capitol Development
Cash and investments - beginning	\$ 6,767	\$ 29,625	\$ 2,931	\$ 26	\$ 20,640	\$ 1,215,584	\$ 409,647
Receipts:							
Taxes	-	-	-	-	-	406,310	221,020
Intergovernmental receipts	-	-	-	-	-	37,880	19,989
Charges for services	-	-	-	-	3,830	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	41	-	715	-	66	-	-
Total receipts	41	-	715	-	3,896	444,190	241,009
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	344,241	-
Capital outlay	-	-	-	-	-	-	213,858
Other disbursements	-	-	-	-	2,530	-	-
Total disbursements	-	-	-	-	2,530	344,241	213,858
Excess (deficiency) of receipts over disbursements	41	-	715	-	1,366	99,949	27,151
Cash and investments - ending	<u>\$ 6,808</u>	<u>\$ 29,625</u>	<u>\$ 3,646</u>	<u>\$ 26</u>	<u>\$ 22,006</u>	<u>\$ 1,315,533</u>	<u>\$ 436,798</u>

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

	Co Drug Free Program	Electronic Map Generation Fund	Local Emergency Plan	Recorder Enhanced Access	Extradition	Firearms Training	Health
Cash and investments - beginning	\$ 29,828	\$ 7,000	\$ 3,370	\$ 3,035	\$ 67,596	\$ 13,575	\$ 417,357
Receipts:							
Taxes	-	-	-	-	-	-	120,249
Intergovernmental receipts	-	-	-	-	-	-	11,204
Charges for services	-	-	-	-	-	-	70,796
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	28,979	2,000	-	2,202	8,700	9,130	50
Total receipts	28,979	2,000	-	2,202	8,700	9,130	202,299
Disbursements:							
Personal services	-	-	-	-	-	-	322,488
Supplies	-	-	-	-	-	-	18,242
Other services and charges	28,182	-	-	-	-	-	17,341
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	5,000	-	-	800	14,395	-
Total disbursements	28,182	5,000	-	-	800	14,395	358,071
Excess (deficiency) of receipts over disbursements	797	(3,000)	-	2,202	7,900	(5,265)	(155,772)
Cash and investments - ending	<u>\$ 30,625</u>	<u>\$ 4,000</u>	<u>\$ 3,370</u>	<u>\$ 5,237</u>	<u>\$ 75,496</u>	<u>\$ 8,310</u>	<u>\$ 261,585</u>



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

	RE-DACT	Health Maint	Local Road	LOIT Public Safety COUNTY	Highway	Park & Rec Non Reverting	Auditor Plat Bk Upkeep
Cash and investments - beginning	\$ 56,141	\$ 64,097	\$ 604,979	\$ 1,000,750	\$ 3,827,292	\$ 69,118	\$ 36,507
Receipts:							
Taxes	-	-	-	-	865,096	-	-
Intergovernmental receipts	-	-	303,931	-	2,888,404	-	-
Charges for services	-	-	-	-	-	207,385	7,515
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	2,598	33,139	27,019	1,073,671	282,634	49,487	-
Total receipts	2,598	33,139	330,950	1,073,671	4,036,134	256,872	7,515
Disbursements:							
Personal services	-	11,635	-	59,456	1,433,838	-	-
Supplies	-	718	304,932	15,362	2,021,660	-	-
Other services and charges	-	598	25,442	142,972	114,477	-	13,662
Capital outlay	-	-	97,749	22,870	227,283	-	-
Other disbursements	-	-	-	-	-	122,342	-
Total disbursements	-	12,951	428,123	240,660	3,797,258	122,342	13,662
Excess (deficiency) of receipts over disbursements	2,598	20,188	(97,173)	833,011	238,876	134,530	(6,147)
Cash and investments - ending	\$ 58,739	\$ 84,285	\$ 507,806	\$ 1,833,761	\$ 4,066,168	\$ 203,648	\$ 30,360

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

	Rainy Day Fund	Reassessment 2017	Recorders Perpetuation	Sex Offender Reg State Share	Police Pension	Surplus Tax (Excess)	Surveyor Corner Perpetuation
Cash and investments - beginning	\$ 2,412,764	\$ 238,676	\$ 149,675	\$ 10	\$ 172,095	\$ 75,089	\$ 28,199
Receipts:							
Taxes	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	1,000,000	-	44,139	363	42,941	58,751	7,210
Total receipts	<u>1,000,000</u>	<u>-</u>	<u>44,139</u>	<u>363</u>	<u>42,941</u>	<u>58,751</u>	<u>7,210</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	238,676	45,147	318	-	47,979	15,000
Total disbursements	<u>-</u>	<u>238,676</u>	<u>45,147</u>	<u>318</u>	<u>-</u>	<u>47,979</u>	<u>15,000</u>
Excess (deficiency) of receipts over disbursements	<u>1,000,000</u>	<u>(238,676)</u>	<u>(1,008)</u>	<u>45</u>	<u>42,941</u>	<u>10,772</u>	<u>(7,790)</u>
Cash and investments - ending	<u>\$ 3,412,764</u>	<u>\$ -</u>	<u>\$ 148,667</u>	<u>\$ 55</u>	<u>\$ 215,036</u>	<u>\$ 85,861</u>	<u>\$ 20,409</u>

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

	Tax Sale (fees collected)SRI	Tax Sale Redemption	Tax Sale Surplus	Unsafe Building Fund	Vehicle Inspection	Guardian Ad Litem	Election & Registration
Cash and investments - beginning	\$ 21,718	\$ 11,809	\$ 259,724	\$ 11,921	\$ 4,330	\$ 2,128	\$ 97,749
Receipts:							
Taxes	-	-	-	-	-	-	93,909
Intergovernmental receipts	-	-	-	-	-	-	8,750
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	31,142	97,523	211,653	5,000	561	27,672	391
Total receipts	<u>31,142</u>	<u>97,523</u>	<u>211,653</u>	<u>5,000</u>	<u>561</u>	<u>27,672</u>	<u>103,050</u>
Disbursements:							
Personal services	-	-	-	-	-	-	81,330
Supplies	-	-	-	-	-	-	6,150
Other services and charges	-	-	-	-	-	-	15,352
Capital outlay	-	-	-	-	-	-	-
Other disbursements	27,585	105,161	245,846	-	-	22,661	-
Total disbursements	<u>27,585</u>	<u>105,161</u>	<u>245,846</u>	<u>-</u>	<u>-</u>	<u>22,661</u>	<u>102,832</u>
Excess (deficiency) of receipts over disbursements	<u>3,557</u>	<u>(7,638)</u>	<u>(34,193)</u>	<u>5,000</u>	<u>561</u>	<u>5,011</u>	<u>218</u>
Cash and investments - ending	<u>\$ 25,275</u>	<u>\$ 4,171</u>	<u>\$ 225,531</u>	<u>\$ 16,921</u>	<u>\$ 4,891</u>	<u>\$ 7,139</u>	<u>\$ 97,967</u>

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

	Co Elect Official Training	911 Statewide	Care of Juveniles	Capital Non-Reverting	General Drain	Drain Maintenance	EMA/Sprint Rebanding
Cash and investments - beginning	\$ 6,358	\$ 293,664	\$ 77,274	\$ 2,898,169	\$ 142,227	\$ 1,105,747	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	605	-	-	-
Charges for services	-	-	-	536,803	-	-	-
Fines and forfeits	-	-	-	28,123	-	-	-
Other receipts	2,638	797,571	-	677,289	46,423	468,282	39,410
Total receipts	2,638	797,571	-	1,242,820	46,423	468,282	39,410
Disbursements:							
Personal services	-	681,299	-	432,299	-	-	-
Supplies	-	-	-	16,156	-	-	-
Other services and charges	438	135,420	-	133,026	118,465	152,661	-
Capital outlay	-	-	-	39,170	-	-	-
Other disbursements	-	-	-	326,626	-	-	-
Total disbursements	438	816,719	-	947,277	118,465	152,661	-
Excess (deficiency) of receipts over disbursements	2,200	(19,148)	-	295,543	(72,042)	315,621	39,410
Cash and investments - ending	\$ 8,558	\$ 274,516	\$ 77,274	\$ 3,193,712	\$ 70,185	\$ 1,421,368	\$ 39,410

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

	Sheriff Sale Non Reverting	Park Donation	Forfeiture Seizure Non Revert	Jail Debt Service	Cass Co Self Insurance	Payroll	Property Replacement
Cash and investments - beginning	\$ 41,139	\$ 11,562	\$ 5,029	\$ 879,392	\$ 4,215,373	\$ -	\$ 694
Receipts:							
Taxes	-	-	-	52,282	-	-	24,359,627
Intergovernmental receipts	-	-	-	4,482	-	-	1,858,281
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	27,264	-	1,250	12,161	2,697,567	7,203,787	3,265,019
Total receipts	27,264	-	1,250	68,925	2,697,567	7,203,787	29,482,927
Disbursements:							
Personal services	-	-	-	-	-	4,229	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	931,500	-	925	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	23,341	-	2,214	-	1,960,674	7,198,633	29,483,583
Total disbursements	23,341	-	2,214	931,500	1,960,674	7,203,787	29,483,583
Excess (deficiency) of receipts over disbursements	3,923	-	(964)	(862,575)	736,893	-	(656)
Cash and investments - ending	<u>\$ 45,062</u>	<u>\$ 11,562</u>	<u>\$ 4,065</u>	<u>\$ 16,817</u>	<u>\$ 4,952,266</u>	<u>\$ -</u>	<u>\$ 38</u>

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

	Wheel tax/Surtax	CVET	Excise Tax Allocations	Financial Institution Tax	CEDIT HSC	HOMESTEAD CR REBATE FD	LOIT PTRC
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 37,904	\$ 9,823	\$ 226,665
Receipts:							
Taxes	982,050	-	-	-	-	-	-
Intergovernmental receipts	-	-	1,073,840	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	109,300	227,817	-	325,752	-	-	6,437,425
Total receipts	<u>1,091,350</u>	<u>227,817</u>	<u>1,073,840</u>	<u>325,752</u>	<u>-</u>	<u>-</u>	<u>6,437,425</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	1,090,991	227,817	1,073,840	325,752	-	-	6,511,072
Total disbursements	<u>1,090,991</u>	<u>227,817</u>	<u>1,073,840</u>	<u>325,752</u>	<u>-</u>	<u>-</u>	<u>6,511,072</u>
Excess (deficiency) of receipts over disbursements	<u>359</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(73,647)</u>
Cash and investments - ending	<u>\$ 359</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,904</u>	<u>\$ 9,823</u>	<u>\$ 153,018</u>

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

	Fines & Forfeitures	Infraction Judgement	Overweight Vehicle	Special Death Benefit	Sales Disclosure Fee (State)	Coroner Training Non-Reverting	Interstate Compact Fee Fd
Cash and investments - beginning	\$ 4,945	\$ 6,836	\$ 300	\$ 345	\$ 370	\$ 259	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	3,830	3,497	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	20,306	82,714	17,225	6,300	-	-	250
Total receipts	<u>20,306</u>	<u>82,714</u>	<u>17,225</u>	<u>6,300</u>	<u>3,830</u>	<u>3,497</u>	<u>250</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	20,855	75,563	15,565	5,440	3,465	3,199	250
Total disbursements	<u>20,855</u>	<u>75,563</u>	<u>15,565</u>	<u>5,440</u>	<u>3,465</u>	<u>3,199</u>	<u>250</u>
Excess (deficiency) of receipts over disbursements	<u>(549)</u>	<u>7,151</u>	<u>1,660</u>	<u>860</u>	<u>365</u>	<u>298</u>	<u>-</u>
Cash and investments - ending	<u>\$ 4,396</u>	<u>\$ 13,987</u>	<u>\$ 1,960</u>	<u>\$ 1,205</u>	<u>\$ 735</u>	<u>\$ 557</u>	<u>\$ -</u>

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

	Mortgage Fee Fund	Child Restraint Violation	Forest Restoration Fund	Inheritance Tax	Riverboat Wagering Tax Rev	Cass Tourism Promotion Fund	93.563 ARRA Clerk Incentive
Cash and investments - beginning	\$ 377	\$ 25	\$ -	\$ 2,777	\$ -	\$ 15,747	\$ 1,456
Receipts:							
Taxes	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	2,610	603	1,069	-	230,831	93,966	100
Total receipts	<u>2,610</u>	<u>603</u>	<u>1,069</u>	<u>-</u>	<u>230,831</u>	<u>93,966</u>	<u>100</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	2,240	403	925	2,777	230,831	102,820	1,517
Total disbursements	<u>2,240</u>	<u>403</u>	<u>925</u>	<u>2,777</u>	<u>230,831</u>	<u>102,820</u>	<u>1,517</u>
Excess (deficiency) of receipts over disbursements	<u>370</u>	<u>200</u>	<u>144</u>	<u>(2,777)</u>	<u>-</u>	<u>(8,854)</u>	<u>(1,417)</u>
Cash and investments - ending	<u>\$ 747</u>	<u>\$ 225</u>	<u>\$ 144</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,893</u>	<u>\$ 39</u>



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

	93.563 Title IV-D Incentive	93.563 Pros Incentive Post	93.563 Clerk Incentive Post	Clerk Supplemental	Treasurer Supplemental	Community Corrections Supplemental	Sheriff Commissary Supplemental
Cash and investments - beginning	\$ 74,738	\$ 68,144	\$ 107,968	\$ 446,496	\$ 1,097,761	\$ 85,394	\$ 46,950
Receipts:							
Taxes	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	<u>18,638</u>	<u>28,048</u>	<u>18,638</u>	<u>4,054,238</u>	<u>1,247,367</u>	<u>607,627</u>	<u>149,229</u>
Total receipts	<u>18,638</u>	<u>28,048</u>	<u>18,638</u>	<u>4,054,238</u>	<u>1,247,367</u>	<u>607,627</u>	<u>149,229</u>
Disbursements:							
Personal services	-	2,652	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	1,872	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	<u>-</u>	<u>18,968</u>	<u>960</u>	<u>3,589,675</u>	<u>1,097,761</u>	<u>657,364</u>	<u>129,382</u>
Total disbursements	<u>-</u>	<u>21,620</u>	<u>2,832</u>	<u>3,589,675</u>	<u>1,097,761</u>	<u>657,364</u>	<u>129,382</u>
Excess (deficiency) of receipts over disbursements	<u>18,638</u>	<u>6,428</u>	<u>15,806</u>	<u>464,563</u>	<u>149,606</u>	<u>(49,737)</u>	<u>19,847</u>
Cash and investments - ending	<u>\$ 93,376</u>	<u>\$ 74,572</u>	<u>\$ 123,774</u>	<u>\$ 911,059</u>	<u>\$ 1,247,367</u>	<u>\$ 35,657</u>	<u>\$ 66,797</u>

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

	Sheriff Inmate Trust Supplemental	Recorders Supplemental	Reassessment	Arson Investigation	Law Enforcement	Cass County Work Crew -NA	Certificate Tax Sale
Cash and investments - beginning	\$ 16,600	\$ 25	\$ -	\$ 226	\$ 2	\$ 10,221	\$ 3,433
Receipts:							
Taxes	-	-	651,376	-	-	-	-
Intergovernmental receipts	-	-	60,715	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	571,500	-	238,676	-	-	6,116	52,000
Total receipts	571,500	-	950,767	-	-	6,116	52,000
Disbursements:							
Personal services	-	-	2,373	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	217,498	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	573,509	-	-	-	-	9,863	48,764
Total disbursements	573,509	-	219,871	-	-	9,863	48,764
Excess (deficiency) of receipts over disbursements	(2,009)	-	730,896	-	-	(3,747)	3,236
Cash and investments - ending	<u>\$ 14,591</u>	<u>\$ 25</u>	<u>\$ 730,896</u>	<u>\$ 226</u>	<u>\$ 2</u>	<u>\$ 6,474</u>	<u>\$ 6,669</u>

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

	E911 Subsidy	Bond # 2 Expense	County Redevelop Commission	Certified Share	CCEMA Non-Reverting Capital	Transit Authority Grant	93.069 Public Health Bio-Terro
Cash and investments - beginning	\$ -	\$ -	\$ 727,110	\$ 152	\$ 1,906	\$ -	\$ 2,999
Receipts:							
Taxes	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	20,000	-	575,257	4,821,652	-	903,049	-
Total receipts	<u>20,000</u>	<u>-</u>	<u>575,257</u>	<u>4,821,652</u>	<u>-</u>	<u>903,049</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	2,041	67,000	997,449	4,821,652	-	903,049	-
Total disbursements	<u>2,041</u>	<u>67,000</u>	<u>997,449</u>	<u>4,821,652</u>	<u>-</u>	<u>903,049</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>17,959</u>	<u>(67,000)</u>	<u>(422,192)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 17,959</u>	<u>\$ (67,000)</u>	<u>\$ 304,918</u>	<u>\$ 152</u>	<u>\$ 1,906</u>	<u>\$ -</u>	<u>\$ 2,999</u>

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

	16.588 Stop Grant - NA	16.575 Victim Advoc Grant	93.617 HAVA Title III	EMA Performance CFDA 97.042	14.228 Clymers CDBG	93.074 Hospital Prep Grant	State Deputy Project-NA
Cash and investments - beginning	\$ 449	\$ 9,255	\$ 91,095	\$ 2,906	\$ -	\$ -	\$ 91
Receipts:							
Taxes	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	15,305	23,544	-	-	20,000	3,000	3,867
Total receipts	<u>15,305</u>	<u>23,544</u>	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>3,000</u>	<u>3,867</u>
Disbursements:							
Personal services	2,442	635	-	-	-	-	3,883
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	34,662	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	17,431	2,066	7,150	-	20,000	3,000	-
Total disbursements	<u>19,873</u>	<u>2,701</u>	<u>41,812</u>	<u>-</u>	<u>20,000</u>	<u>3,000</u>	<u>3,883</u>
Excess (deficiency) of receipts over disbursements	<u>(4,568)</u>	<u>20,843</u>	<u>(41,812)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16)</u>
Cash and investments - ending	<u>\$ (4,119)</u>	<u>\$ 30,098</u>	<u>\$ 49,283</u>	<u>\$ 2,906</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75</u>

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

	16.547 Federal CASA Grant	CAPTA	SCAAP Grant	Cass Co Cedit	Cass County Correction	CCEMA Grant	DUI Task Force Enforce Program
Cash and investments - beginning	\$ 9,517	\$ 15,481	\$ 12,656	\$ 3,581,593	\$ 1,067	\$ 348	\$ (402)
Receipts:							
Taxes	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	7,867	946	4,519	1,196,191	27,818	-	-
Total receipts	<u>7,867</u>	<u>946</u>	<u>4,519</u>	<u>1,196,191</u>	<u>27,818</u>	<u>-</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	86,375	27,617	-	-
Supplies	-	-	-	4,055	-	-	-
Other services and charges	-	-	-	378,763	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	9,928	10,906	2,100	-	-	-
Total disbursements	<u>-</u>	<u>9,928</u>	<u>10,906</u>	<u>471,293</u>	<u>27,617</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>7,867</u>	<u>(8,982)</u>	<u>(6,387)</u>	<u>724,898</u>	<u>201</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 17,384</u>	<u>\$ 6,499</u>	<u>\$ 6,269</u>	<u>\$ 4,306,491</u>	<u>\$ 1,268</u>	<u>\$ 348</u>	<u>\$ (402)</u>

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

	Emergency Gas Award	Corrections Grant- NA	Law Enforcement Grant	France Park Planning Grant	COMM Correct Project Income-NA	Adult Protective Services - NA	Tobacco Education
Cash and investments - beginning	\$ 550	\$ 63,354	\$ 2,826	\$ 194	\$ 118,321	\$ 8,110	\$ 86,346
Receipts:							
Taxes	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	266,385	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	583,461	-	-	27,025	115,167	11,250
Total receipts	-	583,461	-	-	293,410	115,167	11,250
Disbursements:							
Personal services	-	538,297	-	-	-	7,961	12,585
Supplies	-	-	-	-	127,766	-	325
Other services and charges	-	-	-	-	80,182	-	116
Capital outlay	-	-	-	-	27,165	-	-
Other disbursements	-	75,109	-	-	673	139,676	-
Total disbursements	-	613,406	-	-	235,786	147,637	13,026
Excess (deficiency) of receipts over disbursements	-	(29,945)	-	-	57,624	(32,470)	(1,776)
Cash and investments - ending	<u>\$ 550</u>	<u>\$ 33,409</u>	<u>\$ 2,826</u>	<u>\$ 194</u>	<u>\$ 175,945</u>	<u>\$ (24,360)</u>	<u>\$ 84,570</u>

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

	Walmart EMA Grant	SECTION 102 HAVA	GIS Web Feature Grant	Odyssey Imaging Grant	Public Health Coordinator Gran	Totals
Cash and investments - beginning	\$ 572	\$ 12,668	\$ 2,100	\$ 733	\$ (2,590)	\$ 31,859,472
Receipts:						
Taxes	-	-	-	-	-	36,714,073
Intergovernmental receipts	-	-	-	-	-	7,499,428
Charges for services	-	-	-	-	-	1,626,723
Fines and forfeits	-	-	-	-	-	147,104
Other receipts	-	-	-	-	25,991	43,122,688
Total receipts	-	-	-	-	25,991	89,110,016
Disbursements:						
Personal services	-	-	-	-	-	11,024,143
Supplies	-	-	-	-	6,124	3,122,574
Other services and charges	-	-	-	-	-	5,560,187
Capital outlay	-	-	-	-	-	776,190
Other disbursements	-	-	-	-	3,630	65,349,881
Total disbursements	-	-	-	-	9,754	85,832,975
Excess (deficiency) of receipts over disbursements	-	-	-	-	16,237	3,277,041
Cash and investments - ending	<u>\$ 572</u>	<u>\$ 12,668</u>	<u>\$ 2,100</u>	<u>\$ 733</u>	<u>\$ 13,647</u>	<u>\$ 35,136,513</u>

CASS COUNTY  
SCHEDULE OF LEASES AND DEBT  
December 31, 2014

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Master Equipment Lease/Purchase	Equipment	<u>\$ 143,856</u>	9/10/2007	12/10/2017

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
Notes and loans payable	Equipment	<u>\$ 403,616</u>	<u>\$ 143,859</u>



SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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

TO: THE OFFICIALS OF CASS COUNTY, INDIANA

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

We have audited Cass County's (County) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on its major federal programs for the year ended December 31, 2014. The County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

***Opinion on the Major Federal Programs***

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 programs 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)

**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 programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the major federal programs 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 2014-002 and 2014-003 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

August 29, 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.

CASS 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	Pass-Through to Subrecipient	Total Federal Awards Expended
<u>Department of Commerce</u>					
State Broadband Data and Development Grant Program Electronic Map General	Indiana Office of Technology	11.558	101-2014	\$ -	\$ 2,000
Total - Department of Commerce				-	2,000
<u>Department of Housing and Urban Development</u>					
CDBG - State-Administered CDBG Cluster Community Development Block Grants/States program and Non-Entitlement Grants in Hawaii Clymers Planning Grant	Indiana Office of Community and Rural Affairs	14.228	B-12-DC-18-0001	20,000	20,000
Total - CDBG - State-Administered CDBG Cluster				20,000	20,000
Total - Department of Housing and Urban Development				20,000	20,000
<u>Department of Justice</u>					
Crime Victim Assistance Victim Advocacy Grant	Indiana Criminal Justice Institute	16.575	2013-VA-GX-0036	-	22,544
Violence Against Women Formula Grants STOP Grant	Indiana Criminal Justice Institute	16.588	2013-WF-AX-0010	-	14,355
State Criminal Alien Assistance Program SCAAP Grant	Direct grant	16.606	2014APBX0362	-	4,519
Total - Department of Justice				-	41,418
<u>Department of Transportation</u>					
Highway Planning and Construction Cluster Highway Planning and Construction County Road 300 S. Reconstruction HISP Sign Project County Road 400 S. Reconstruction Safe Routes to School County Road 400 S. Reconstruction PH 2	Indiana Department of Transportation	20.205	DES0801015 DES1172052 DES1297540 DES0800017 DES1383352	- - - - -	9,872 30,120 137,721 25,627 19,396
Total - Highway Planning and Construction Cluster				-	222,736

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

CASS COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2014  
(Continued)

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through to Subrecipient	Total Federal Awards Expended
<u>Department of Transportation (continued)</u>					
Formula Grants for Rural Areas Transit Authority	Indiana Department of Transportation	20.509	PO14811134	431,742	431,742
Highway Safety Cluster State and Community Highway Safety 2014 Operation Pull Over Operation Pull Over / DUI Equipment	Indiana Criminal Justice Institute	20.600	2014 2492 D3-14-8712	-	3,867 7,000
Total - Highway Safety Cluster				-	10,867
Total - Department of Transportation				431,742	665,345
<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	16508586	-	17,741
Child Support Enforcement Indirect Costs Clerk Incentive Prosecutor PCA Title IVD Incentive Prosecutor Incentive Post Clerk Incentive Post	Indiana Department of Child Services	93.563	FY 2014 FY 2014 FY 2014 FY 2014 FY 2014 FY 2014	-	27,683 47,826 67,756 18,638 28,048 18,638
Total - Child Support Enforcement				-	208,589
Total - Department of Health and Human Services				-	226,330
<u>Department of Homeland Security</u>					
Emergency Management Performance Grants 2011 Emergency Management Performance Grant - Salaries	Indiana Department of Homeland Security	97.042	C44P-5-009B	-	21,846
Total - Department of Homeland Security				-	21,846
Total federal awards expended				\$ 451,742	\$ 976,939

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

CASS COUNTY  
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

***Basis of Presentation***

The accompanying Schedule of Expenditures of Federal Awards (SEFA) 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.



CASS COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**Section I - Summary of Auditor's Results**

Financial Statement:

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

Federal Awards:

Internal control over major 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?	no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
20.509	Formula Grants for Rural Areas
93.563	Child Support Enforcement

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**

*Condition*

The County did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). One person was solely responsible for preparing and submitting the SEFA without oversight, review, or approval. The SEFA presented for audit contained the following errors:

1. State Broadband Data and Development Grant Program expenditures were overstated \$3,000.

CASS COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

2. Crime Victim Assistance expenditures were understated \$19,843.
3. Violence Against Women Formula Grants expenditures were overstated \$5,217.
4. State Criminal Alien Assistance Program expenditures were overstated \$6,387.
5. Highway Planning and Construction expenditures were understated \$126,391.
6. State and Community Highway Safety expenditures were understated \$6,984.
7. Formula Grants for Rural Areas expenditures were understated \$122,693.
8. Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements expenditures were understated \$17,741.
9. Child Support Enforcement expenditures were understated \$184,136.
10. State grants totaling \$157,391 were included in error.

Audit adjustments were proposed, accepted by the County, and made to the SEFA.

*Criteria*

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

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

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

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

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

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

CASS COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.  
... "

*Cause*

Management had not established a system of internal control that would have ensured proper reporting of the SEFA.

*Effect*

Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA could have remained undetected. The SEFA contained the errors identified in the *Condition*.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

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

**FINDING 2014-002 - CASH MANAGEMENT**

Federal Agency: Department of Transportation  
Federal Program: Formula Grants for Rural Areas  
CFDA Number: 20.509  
Federal Award Number and Year (or Other Identifying Number): PO14811134  
Pass-Through Entity: Indiana Department of Transportation

*Condition*

An effective internal control system, which would have included segregation of duties, was not in place at the County in order to ensure compliance with requirements related to the grant agreement and Cash Management compliance requirement.

The County had not designed or implemented adequate policies and procedures to ensure that the reimbursement checks received were issued to the subrecipient timely.

*Context*

There was a lack of controls for the entire audit period which affected all quarterly program funds received.

CASS COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Criteria*

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. . . ."

*Cause*

Management had not developed a system of internal controls that segregated key functions.

*Effect*

The failure to establish an effective internal control system placed the County at risk of noncompliance with the grant agreement and the compliance requirement. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the County's management establish controls, including segregation of duties, related to the grant agreement and the Cash Management compliance requirement.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

***FINDING 2014-003 - CASH MANAGEMENT AND REPORTING***

Federal Agency: Department of Health and Human Services  
Federal Program: Child Support Enforcement  
CFDA Number: 93.563  
Federal Award Number and Year (or Other Identifying Number): FY 2014  
Pass-Through Entity: Indiana Department of Child Services

*Condition*

An effective internal control system, which would have included segregation of duties, was not in place at the County Prosecutor's office in order to ensure compliance with requirements related to the grant agreement and Cash Management and Reporting compliance requirements.

CASS COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

The County Prosecutor's office relied on the Office Manager and the Title IV-D Administrator to prepare the Monthly Expense Claims (reimbursement requests) and Quarterly Incentive Expenditure Reports. There were no controls in place to ensure that the expenses claimed for reimbursement were paid or that the reports were complete and accurate before submission.

*Context*

None of the County Prosecutor's office reimbursement requests or expenditure reports presented for audit contained evidence of a control to ensure compliance with Cash Management and Reporting requirements.

*Criteria*

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. . . ."

*Cause*

Management had not developed a system of internal controls that segregated key functions.

*Effect*

The failure to establish an effective internal control system placed the County at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the County Prosecutor's office establish controls, including segregation of duties, related to the grant agreement and the Cash Management and Reporting compliance requirements.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

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AUDITEE-PREPARED DOCUMENT

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

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

**CORRECTIVE ACTION PLAN**

***FINDING 2014-001***

Contact Person Responsible for Corrective Action: Vaneen M. Ide, Auditor  
Contact Phone Number: 574-753-7722

Views of Responsible Official:  
We concur with the finding.

Description of Corrective Action Plan:  
The corrective plan of action will include a copy of each EFT notice with the grant CFDA number that will be placed in the grant file for accounting purposes by the bookkeeper. Prior to final submission, another employee will review and document their review of the SEFA.

Anticipated Completion Date:  
This will start immediately.

*Vaneen M Ide*  
*Auditor*  
*8-29-2014*



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

**CORRECTIVE ACTION PLAN**

***FINDING 2014-002***

Contact Person Responsible for Corrective Action: Vaneen M. Ide, Auditor  
Contact Phone Number: 574-753-7722

Views of Responsible Official:

We concur with the finding.

Description of Corrective Action Plan:

The County bookkeeper will send an email to the director and to the bookkeeper of Cass Area Transit informing them that their monies have been received and a check will be processed and waiting for them to pick up. A copy of the email will be placed in the grant folder for audit purposes.

Anticipated Completion Date:

This will start immediately.

*Vaneen M Ide*

*Auditor*

*8-29-2016*



STATE OF INDIANA  
OFFICE OF THE PROSECUTING ATTORNEY, CASS COUNTY  
29TH JUDICIAL CIRCUIT

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LISA L. SWAIM  
PROSECUTOR

CORRECTIVE ACTION PLAN

**FINDING 2014-003**

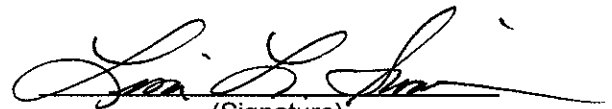
Contact Person Responsible for Corrective Action: Lisa Swaim  
Contact Phone Number: 574-753-7790


Views of Responsible Official: We have corrected the issue in regard to the finding.

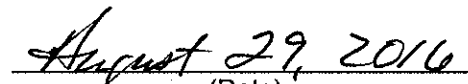
Description of Corrective Action Plan:

The Cass County Prosecutor/Title IV-d Office is set up on electronic submission of the monthly and quarterly claim reports. The claims are completed and submitted by the Manager(quarterly) and Administrator(monthly) and then sent to the Prosecutor, Chief Deputy Prosecutor or Office Manager to be reviewed and approved.

Anticipated Completion Date: We have already complied with the requirements and will continue in future to comply.

  
(Signature)

  
(Title)

  
(Date)

#### 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/>.