

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF
JASPER COUNTY, INDIANA
January 1, 2012 to December 31, 2012



FILED
09/25/2013

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Donya Jordan Kimberly Grow	01-01-09 to 12-31-12 01-01-13 to 12-31-16
Treasurer	Carla Anderson	01-01-09 to 12-31-16
Clerk	Vicki Bozell	01-01-11 to 12-31-14
Sheriff	Terry Risner	01-01-11 to 12-31-14
Recorder	Phyllis Lanoue Beth Warren	01-01-09 to 12-31-12 01-01-13 to 12-31-16
President of the Board of County Commissioners	Kendell Culp	01-01-12 to 12-31-13
President of the County Council	Ronald Siphema	01-01-12 to 12-31-13



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF JASPER COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of Jasper County (County), which comprises the financial position and results of operations for the year ended December 31, 2012, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the County for the year ended December 31, 2012.

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, 2012, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated September 19, 2013, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Accompanying Information

Supplementary Information

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

Other Information

Included in the financial statement are the receipts and disbursements activity from emergency telephone system fees (IC 36-8-16), enhanced wireless emergency telephone fees (IC 36-8-16.5), and statewide 911 services fees (IC 36-8-16.7). In accordance with Indiana Code 36-8-16-14, Indiana Code 36-8-16.5-41, and Indiana Code 36-8-16.7-38, these fees have been subject to an annual audit performed by the Indiana State Board of Accounts and, in our opinion, are fairly stated, in all material respects, in relation to the financial statement taken as a whole.



Bruce Hartman
State Examiner

September 19, 2013



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

TO: THE OFFICIALS OF JASPER COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of Jasper County (County), which comprises the financial position and results of operations for the year ended December 31, 2012, and the related notes to the financial statement, and have issued our report thereon dated September 19, 2013, wherein we noted the County followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2012-1 and 2012-2 to be material weaknesses.

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Jasper County's Response to Findings

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Bruce Hartman
State Examiner

September 19, 2013

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FINANCIAL STATEMENT

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

JASPER COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2012

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12
General	\$ 4,128,585	\$ 10,670,581	\$ 10,302,968	\$ 4,496,198
Accident Report	3,054	2,886	5,227	713
Aviation	160,133	145,846	184,111	121,868
CAGIT - Special Legislation	3,665,523	1,687,114	1,331,983	4,020,654
CEDIT County Share	1,796,593	1,541,941	1,390,182	1,948,352
City And Town Court Costs	9,459	10,812	-	20,271
Clerk's Records Perpetuation	14,505	20,363	4,408	30,460
Community Corrections Proj Inc	346,244	254,484	186,128	414,600
Community Transition Program	1,205	13,131	1,491	12,845
Congressional School Interest	147,314	626	2,694	145,246
Congressional School Principal	67,350	-	-	67,350
Sales Disclosure County Share	43,632	3,605	1,983	45,254
Cumulative Bridge	3,017,979	339,501	143,215	3,214,265
Cumulative Capital Development	2,394,654	554,943	472,877	2,476,720
Cumulative Capital Improvement	187,737	971,367	676,875	482,229
Cumulative Jail	268,604	399	-	269,003
Drug Free Community	35,137	36,320	29,920	41,537
Emergency Medical Services	55,484	742,313	744,972	52,825
Emergency Planning/Right To Know	63,908	4,799	1,375	67,332
Emergency Telephone System	66,724	134,665	201,389	-
Extradition	64,018	-	4,054	59,964
Firearms Training	4,454	21,625	15,306	10,773
General Drain Improvement	405,359	32,846	14,465	423,740
Health	135,146	254,735	242,045	147,836
Identification Security Protec	46,467	3,710	-	50,177
Levy Excess	1,614,058	-	-	1,614,058
Local Road and Street	82,331	344,671	331,893	95,109
Misdemeanant	58,379	18,489	26,130	50,738
Motor Vehicle Highway	976,100	2,375,070	1,992,923	1,358,247
Rainy Day	8,750,110	150,523	1,197,901	7,702,732
Reassessment 2009	172,073	263,567	405,909	29,731
Reassessment 2015	323,573	471	-	324,044
Recorder's Records Perpetuation	47,726	64,111	51,039	60,798
Suppl Public Defender Services	13,325	16,661	21,871	8,115
Surplus Property Tax	186,367	41,526	109,820	118,073
Surveyor's Corner Perpetuation	54,704	7,540	11,620	50,624
Tax Sale Fees	-	4,745	4,745	-
Tax Sale Redemption	218	18,430	18,430	218
Tax Sale Surplus	93,708	58,311	62,515	89,504
GAL/CASA	9,536	7,710	15,202	2,044
Auditor's Ineligible Deduction	1,316	5,666	919	6,063
County Elected Officials Training	1,178	3,387	-	4,565
Statewide 911	-	635,576	256,614	378,962
Adult Probation Administrative	180,087	25,991	-	206,078
Suppl Adult Probation Services	587,104	85,230	45,054	627,280
Suppl Juvenile Prob Services	49,333	5,444	4,455	50,322
Drainage Maintenance	438,170	412,184	265,323	585,031
K-9	309	250	-	559
Court Interpreters	6,286	6,150	4,121	8,315
Settlement	-	33,845,291	33,845,291	-
LOIT Prop Tax Oper Levies Repl	-	2,424,341	2,424,341	-
LOIT Public Safety	-	1,562,220	1,562,220	-
LOIT Stabilization	1,474,615	527,574	-	2,002,189
CVET Agency	-	394,802	394,802	-
Financial Institution Tax	-	215,102	215,102	-
HEA 1001 St Homestead Credit	2,402	8	-	2,410
LOIT PTRC	123,406	6,748,044	6,271,861	599,589
State Fines And Forfeitures	1,986	10,684	10,407	2,263
Infraction Judgements	(371)	20,262	18,954	937
Overweight Vehicle Fines	1,106	805	1,911	-
Sales Disclosure State Share	488	3,665	3,673	480

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

JASPER COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2012
(Continued)

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12
Coroners Training & Con't Educ	245	3,017	2,770	492
Interstate Compact State Share	(63)	375	250	62
Mortg Record Fees-State Share	(5)	4,178	3,393	780
Child Restr Violations Fines	25	8,477	8,152	350
Inheritance Tax	443,039	976,756	1,237,512	182,283
Education Plate Fees Agency	-	863	844	19
Riverboat Revenue Sharing	-	198,321	198,321	-
CAGIT Distribution	-	6,748,044	6,748,044	-
CEDIT Distribution	-	1,753,759	1,753,759	-
After Settlement Collections	886,242	814,589	886,242	814,589
CAR Community Corrections	35,141	276,165	273,484	37,822
CAR Sheriff Commissary	28,106	146,100	146,696	27,510
CAR Prosecutor	6,963	4,000	4,105	6,858
CAR Probation	5,744	123,407	116,911	12,240
CAR Clerk	733,902	3,996,919	3,901,758	829,063
CAR Sheriff Inmate Trust	949	187,485	186,363	2,071
General Local Health Maintenance	680	32,672	32,764	588
CAGIT County Certified Shares	-	1,228,963	-	1,228,963
County's Law Enforc Contin Ed	77,534	9,230	707	86,057
Jury Pay	5,627	6,871	8,734	3,764
LOIT Public Safety County Share	1,055,488	1,323,643	1,253,469	1,125,662
Marijuana Eradication	19,628	3,681	186	23,123
Pretrial Diversion	9,760	65,364	68,882	6,242
Riverboat	921,907	137,312	58,692	1,000,527
Wireless Emergency Telephone System	367,171	57,176	424,347	-
PP Judgement Collections	47	323	-	370
County Share IV-D	97,318	-	-	97,318
DEA Fund	183	2,258,089	445,926	1,812,346
Partners/Drug Free Community	1,417	2,400	3,714	103
Sheriff Smoking Cessation	38	-	-	38
IN Local Health Dept Trust	21,086	20,740	32,464	9,362
Comm-Corr Work Release	98,934	10,860	60,903	48,891
County User Fee	22,708	67,600	84,717	5,591
Donation Warning Sirens	14,530	-	-	14,530
Donation Animal Shelter	11,797	4,681	185	16,293
Local PP Collections	-	16	16	-
Local Comms Cert Tax Sale	1,000	-	-	1,000
Local Jail Prop Proceeds	123,412	-	-	123,412
Payroll Clearing	184,564	3,394,030	3,555,364	23,230
Employee Benefits	751,590	2,682,771	2,927,842	506,519
Special Death Benefit	10	2,860	2,680	190
93.563 Title IV-D ARRA (Clerk)	10,417	1,611	909	11,119
93.563 Title IV-D ARRA (Pros)	10,092	3,451	-	13,543
93.563 Title IV-D (Gen)	462,029	47,554	456,992	52,591
93.563 Title IV-D (Clerk)	108,275	20,360	10,869	117,766
93.563 Title IV-D (Pros)	132,367	31,092	24,386	139,073
97.047 Warning Sirens	-	7,140	7,140	-
81.041 Comprehen Dev Block	23,381	-	-	23,381
07.218 Compreh Dev Lock	6,129	-	-	6,129
93.069 Public Health Emer Prev	9,832	24,324	22,303	11,853
20.106 Airport Improvement Grant	-	4,307	4,307	-
14.228 Walker Twp Fire Truck	38,938	75,000	113,938	-
XX.XXX COPS Universal Grant	464	-	-	464
XX.XXX 1999 Local Law Enforcement	21	-	-	21
Iroquois River Debris Rem	-	20,085	16,500	3,585
Community Corrections State Grant	17,392	109,298	116,525	10,165
10-CRG-018 Jasper Court Reform	4,568	-	5,344	(776)
09VA058 VOCA Grant	-	22,824	22,824	-
H1N1	120	-	-	120
Totals	\$ 39,129,633	\$ 94,671,896	\$ 90,764,947	\$ 43,036,582

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

JASPER COUNTY
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the 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. Receipts are recorded when received and disbursements are recorded when paid.

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 may include the following sources:

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

Licenses and permits which include amounts received from businesses, occupations, or nonbusinesses that must be licensed before doing business within the government's jurisdiction or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include: peddler licenses, dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

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,

JASPER COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

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

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

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

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements may 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.

JASPER COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

F. Interfund Transfers

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

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

Note 4. Deposits and Investments

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

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.

JASPER COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

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.

JASPER COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

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 a fund with a deficit in cash. This is a result of a reimbursable grant where expenditures were made by the County that were not reimbursed by December 31, 2012.

Note 8. Restatement of County Offices

Certain funds that were included on the prior year financial statement have been omitted from the current year financial statement to more accurately reflect the financial activity of the County. These funds account for receipts and disbursements of County offices that are also eventually accounted for in the County's general ledger and financial statement.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the County's Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Annual Report of the County which is referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The supplementary information presented was approved by management of the County. It is presented as intended by the County.

JASPER COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012

	General	Accident Report	Aviation	CAGIT - Special Legislation	CEDIT County Share	City And Town Court Costs	Clerk's Records Perpetuation	Community Corrections Proj Inc
Cash and investments - beginning	\$ 4,128,585	\$ 3,054	\$ 160,133	\$ 3,665,523	\$ 1,796,593	\$ 9,459	\$ 14,505	\$ 346,244
Receipts:								
Taxes	8,760,649	-	-	1,687,011	1,337,347	-	-	-
Licenses and permits	2,677	-	-	-	-	-	-	-
Intergovernmental	458,051	-	-	-	-	-	-	-
Charges for services	530,142	2,886	145,846	-	-	-	-	252,711
Fines and forfeits	669	-	-	-	-	10,812	9,116	-
Other receipts	918,393	-	-	103	204,594	-	11,247	1,773
Total receipts	<u>10,670,581</u>	<u>2,886</u>	<u>145,846</u>	<u>1,687,114</u>	<u>1,541,941</u>	<u>10,812</u>	<u>20,363</u>	<u>254,484</u>
Disbursements:								
Personal services	6,036,741	-	4,590	-	-	-	-	88,527
Supplies	418,508	-	141,391	164,867	271,265	-	3,500	52,935
Other services and charges	1,147,610	-	37,874	1,167,116	1,083,567	-	-	44,086
Capital outlay	18,507	-	256	-	35,350	-	-	-
Other disbursements	2,681,602	5,227	-	-	-	-	908	580
Total disbursements	<u>10,302,968</u>	<u>5,227</u>	<u>184,111</u>	<u>1,331,983</u>	<u>1,390,182</u>	<u>-</u>	<u>4,408</u>	<u>186,128</u>
Excess (deficiency) of receipts over disbursements	<u>367,613</u>	<u>(2,341)</u>	<u>(38,265)</u>	<u>355,131</u>	<u>151,759</u>	<u>10,812</u>	<u>15,955</u>	<u>68,356</u>
Cash and investments - ending	<u>\$ 4,496,198</u>	<u>\$ 713</u>	<u>\$ 121,868</u>	<u>\$ 4,020,654</u>	<u>\$ 1,948,352</u>	<u>\$ 20,271</u>	<u>\$ 30,460</u>	<u>\$ 414,600</u>

JASPER COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Community Transition Program	Congressional School Interest	Congressional School Principal	Sales Disclosure County Share	Cumulative Bridge	Cumulative Capital Development	Cumulative Capital Improvement	Cumulative Jail
Cash and investments - beginning	\$ 1,205	\$ 147,314	\$ 67,350	\$ 43,632	\$ 3,017,979	\$ 2,394,654	\$ 187,737	\$ 268,604
Receipts:								
Taxes	-	-	-	-	232,760	484,718	895,048	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	9,765	-	-	-	105,201	40,051	76,319	3
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Other receipts	3,366	626	-	3,605	1,540	30,174	-	396
Total receipts	13,131	626	-	3,605	339,501	554,943	971,367	399
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	24,957	676,875	-
Other services and charges	1,491	-	-	-	-	276,096	-	-
Capital outlay	-	-	-	-	143,215	171,824	-	-
Other disbursements	-	2,694	-	1,983	-	-	-	-
Total disbursements	1,491	2,694	-	1,983	143,215	472,877	676,875	-
Excess (deficiency) of receipts over disbursements	11,640	(2,068)	-	1,622	196,286	82,066	294,492	399
Cash and investments - ending	\$ 12,845	\$ 145,246	\$ 67,350	\$ 45,254	\$ 3,214,265	\$ 2,476,720	\$ 482,229	\$ 269,003

JASPER COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Drug Free Community	Emergency Medical Services	Emergency Planning/Right To Know	Emergency Telephone System	Extradition	Firearms Training	General Drain Improvement
Cash and investments - beginning	\$ 35,137	\$ 55,484	\$ 63,908	\$ 66,724	\$ 64,018	\$ 4,454	\$ 405,359
Receipts:							
Taxes	-	543,648	-	-	-	-	6,888
Licenses and permits	-	-	-	-	-	21,625	-
Intergovernmental	-	48,665	-	-	-	-	-
Charges for services	-	-	-	134,665	-	-	-
Fines and forfeits	36,320	-	-	-	-	-	-
Other receipts	-	150,000	4,799	-	-	-	25,958
Total receipts	<u>36,320</u>	<u>742,313</u>	<u>4,799</u>	<u>134,665</u>	<u>-</u>	<u>21,625</u>	<u>32,846</u>
Disbursements:							
Personal services	5,000	-	-	119,530	-	-	-
Supplies	1,381	-	-	-	-	-	-
Other services and charges	23,539	594,972	1,375	72,422	4,054	-	14,465
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	150,000	-	9,437	-	15,306	-
Total disbursements	<u>29,920</u>	<u>744,972</u>	<u>1,375</u>	<u>201,389</u>	<u>4,054</u>	<u>15,306</u>	<u>14,465</u>
Excess (deficiency) of receipts over disbursements	<u>6,400</u>	<u>(2,659)</u>	<u>3,424</u>	<u>(66,724)</u>	<u>(4,054)</u>	<u>6,319</u>	<u>18,381</u>
Cash and investments - ending	<u>\$ 41,537</u>	<u>\$ 52,825</u>	<u>\$ 67,332</u>	<u>\$ -</u>	<u>\$ 59,964</u>	<u>\$ 10,773</u>	<u>\$ 423,740</u>

JASPER COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Health	Identification Security Protec	Levy Excess	Local Road and Street	Misdemeanant	Motor Vehicle Highway	Rainy Day
Cash and investments - beginning	\$ 135,146	\$ 46,467	\$ 1,614,058	\$ 82,331	\$ 58,379	\$ 976,100	\$ 8,750,110
Receipts:							
Taxes	187,168	-	-	-	-	-	523
Licenses and permits	-	-	-	-	-	2,450	-
Intergovernmental	15,465	-	-	344,663	18,489	2,178,715	-
Charges for services	52,088	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	14	3,710	-	8	-	193,905	150,000
Total receipts	<u>254,735</u>	<u>3,710</u>	<u>-</u>	<u>344,671</u>	<u>18,489</u>	<u>2,375,070</u>	<u>150,523</u>
Disbursements:							
Personal services	229,689	-	-	-	-	1,317,809	-
Supplies	3,690	-	-	-	-	408,048	-
Other services and charges	5,950	-	-	331,893	-	126,980	1,047,901
Capital outlay	352	-	-	-	26,130	134,284	-
Other disbursements	2,364	-	-	-	-	5,802	150,000
Total disbursements	<u>242,045</u>	<u>-</u>	<u>-</u>	<u>331,893</u>	<u>26,130</u>	<u>1,992,923</u>	<u>1,197,901</u>
Excess (deficiency) of receipts over disbursements	<u>12,690</u>	<u>3,710</u>	<u>-</u>	<u>12,778</u>	<u>(7,641)</u>	<u>382,147</u>	<u>(1,047,378)</u>
Cash and investments - ending	<u>\$ 147,836</u>	<u>\$ 50,177</u>	<u>\$ 1,614,058</u>	<u>\$ 95,109</u>	<u>\$ 50,738</u>	<u>\$ 1,358,247</u>	<u>\$ 7,702,732</u>

JASPER COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Reassessment 2009	Reassessment 2015	Recorder's Records Perpetuation	Suppl Public Defender Services	Surplus Property Tax	Surveyor's Corner Perpetuation	Tax Sale Fees
Cash and investments - beginning	\$ 172,073	\$ 323,573	\$ 47,726	\$ 13,325	\$ 186,367	\$ 54,704	\$ -
Receipts:							
Taxes	-	-	-	-	40,983	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	16,661	-	-	-
Other receipts	263,567	471	64,111	-	543	7,540	4,745
Total receipts	<u>263,567</u>	<u>471</u>	<u>64,111</u>	<u>16,661</u>	<u>41,526</u>	<u>7,540</u>	<u>4,745</u>
Disbursements:							
Personal services	139,959	-	40,490	-	-	-	-
Supplies	2,652	-	-	-	-	716	-
Other services and charges	-	-	10,195	3,770	-	300	-
Capital outlay	-	-	-	-	-	10,604	-
Other disbursements	263,298	-	354	18,101	109,820	-	4,745
Total disbursements	<u>405,909</u>	<u>-</u>	<u>51,039</u>	<u>21,871</u>	<u>109,820</u>	<u>11,620</u>	<u>4,745</u>
Excess (deficiency) of receipts over disbursements	<u>(142,342)</u>	<u>471</u>	<u>13,072</u>	<u>(5,210)</u>	<u>(68,294)</u>	<u>(4,080)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 29,731</u>	<u>\$ 324,044</u>	<u>\$ 60,798</u>	<u>\$ 8,115</u>	<u>\$ 118,073</u>	<u>\$ 50,624</u>	<u>\$ -</u>

JASPER COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Tax Sale Redemption	Tax Sale Surplus	GAL/CASA	Auditor's Ineligible Deduction	County Elected Officials Training	Statewide 911	Adult Probation Administrative
Cash and investments - beginning	\$ 218	\$ 93,708	\$ 9,536	\$ 1,316	\$ 1,178	\$ -	\$ 180,087
Receipts:							
Taxes	-	-	-	-	-	195,183	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	25,991
Fines and forfeits	-	-	-	-	-	14,169	-
Other receipts	18,430	58,311	7,710	5,666	3,387	426,224	-
Total receipts	<u>18,430</u>	<u>58,311</u>	<u>7,710</u>	<u>5,666</u>	<u>3,387</u>	<u>635,576</u>	<u>25,991</u>
Disbursements:							
Personal services	-	-	-	-	-	120,912	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	15,202	-	-	135,702	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	18,430	62,515	-	919	-	-	-
Total disbursements	<u>18,430</u>	<u>62,515</u>	<u>15,202</u>	<u>919</u>	<u>-</u>	<u>256,614</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(4,204)</u>	<u>(7,492)</u>	<u>4,747</u>	<u>3,387</u>	<u>378,962</u>	<u>25,991</u>
Cash and investments - ending	<u>\$ 218</u>	<u>\$ 89,504</u>	<u>\$ 2,044</u>	<u>\$ 6,063</u>	<u>\$ 4,565</u>	<u>\$ 378,962</u>	<u>\$ 206,078</u>

JASPER COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Suppl Adult Probation Services	Suppl Juvenile Prob Services	Drainage Maintenance	K-9	Court Interpreters	Settlement	LOIT Prop Tax Oper Levies Repl
Cash and investments - beginning	\$ 587,104	\$ 49,333	\$ 438,170	\$ 309	\$ 6,286	\$ -	\$ -
Receipts:							
Taxes	-	-	412,090	-	-	29,993,287	2,424,341
Licenses and permits	-	-	-	250	-	-	-
Intergovernmental	-	-	-	-	6,150	3,852,004	-
Charges for services	85,102	5,444	-	-	-	-	-
Fines and forfeits	78	-	-	-	-	-	-
Other receipts	50	-	94	-	-	-	-
Total receipts	<u>85,230</u>	<u>5,444</u>	<u>412,184</u>	<u>250</u>	<u>6,150</u>	<u>33,845,291</u>	<u>2,424,341</u>
Disbursements:							
Personal services	-	176	-	-	-	-	-
Supplies	2,479	1,500	-	-	-	-	-
Other services and charges	19,901	2,779	236,974	-	4,121	-	-
Capital outlay	20,613	-	-	-	-	-	-
Other disbursements	2,061	-	28,349	-	-	33,845,291	2,424,341
Total disbursements	<u>45,054</u>	<u>4,455</u>	<u>265,323</u>	<u>-</u>	<u>4,121</u>	<u>33,845,291</u>	<u>2,424,341</u>
Excess (deficiency) of receipts over disbursements	<u>40,176</u>	<u>989</u>	<u>146,861</u>	<u>250</u>	<u>2,029</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 627,280</u>	<u>\$ 50,322</u>	<u>\$ 585,031</u>	<u>\$ 559</u>	<u>\$ 8,315</u>	<u>\$ -</u>	<u>\$ -</u>

JASPER COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	LOIT Public Safety	LOIT Stabilization	CVET Agency	Financial Institution Tax	HEA 1001 St Homestead Credit	LOIT PTRC	State Fines And Forfeitures
Cash and investments - beginning	\$ -	\$ 1,474,615	\$ -	\$ -	\$ 2,402	\$ 123,406	\$ 1,986
Receipts:							
Taxes	-	527,574	-	-	-	6,748,044	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	1,562,220	-	-	215,102	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	10,684
Other receipts	-	-	394,802	-	8	-	-
Total receipts	<u>1,562,220</u>	<u>527,574</u>	<u>394,802</u>	<u>215,102</u>	<u>8</u>	<u>6,748,044</u>	<u>10,684</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	1,562,220	-	394,802	215,102	-	6,271,861	10,407
Total disbursements	<u>1,562,220</u>	<u>-</u>	<u>394,802</u>	<u>215,102</u>	<u>-</u>	<u>6,271,861</u>	<u>10,407</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>527,574</u>	<u>-</u>	<u>-</u>	<u>8</u>	<u>476,183</u>	<u>277</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 2,002,189</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,410</u>	<u>\$ 599,589</u>	<u>\$ 2,263</u>

JASPER COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Infraction Judgements	Overweight Vehicle Fines	Sales Disclosure State Share	Coroners Training & Con't Educ	Interstate Compact State Share	Mortg Record Fees-State Share	Child Restr Violations Fines
Cash and investments - beginning	\$ (371)	\$ 1,106	\$ 488	\$ 245	\$ (63)	\$ (5)	\$ 25
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	3,017	-	4,178	-
Fines and forfeits	20,262	805	-	-	375	-	8,477
Other receipts	-	-	3,665	-	-	-	-
Total receipts	<u>20,262</u>	<u>805</u>	<u>3,665</u>	<u>3,017</u>	<u>375</u>	<u>4,178</u>	<u>8,477</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	18,954	1,911	3,673	2,770	250	3,393	8,152
Total disbursements	<u>18,954</u>	<u>1,911</u>	<u>3,673</u>	<u>2,770</u>	<u>250</u>	<u>3,393</u>	<u>8,152</u>
Excess (deficiency) of receipts over disbursements	<u>1,308</u>	<u>(1,106)</u>	<u>(8)</u>	<u>247</u>	<u>125</u>	<u>785</u>	<u>325</u>
Cash and investments - ending	<u>\$ 937</u>	<u>\$ -</u>	<u>\$ 480</u>	<u>\$ 492</u>	<u>\$ 62</u>	<u>\$ 780</u>	<u>\$ 350</u>

JASPER COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Inheritance Tax	Education Plate Fees Agency	Riverboat Revenue Sharing	CAGIT Distribution	CEDIT Distribution	After Settlement Collections	CAR Community Corrections
Cash and investments - beginning	\$ 443,039	\$ -	\$ -	\$ -	\$ -	\$ 886,242	\$ 35,141
Receipts:							
Taxes	972,321	-	-	6,748,044	1,753,759	311,898	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	502,691	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	4,435	863	198,321	-	-	-	276,165
Total receipts	<u>976,756</u>	<u>863</u>	<u>198,321</u>	<u>6,748,044</u>	<u>1,753,759</u>	<u>814,589</u>	<u>276,165</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	273,484
Capital outlay	-	-	-	-	-	-	-
Other disbursements	1,237,512	844	198,321	6,748,044	1,753,759	886,242	-
Total disbursements	<u>1,237,512</u>	<u>844</u>	<u>198,321</u>	<u>6,748,044</u>	<u>1,753,759</u>	<u>886,242</u>	<u>273,484</u>
Excess (deficiency) of receipts over disbursements	<u>(260,756)</u>	<u>19</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(71,653)</u>	<u>2,681</u>
Cash and investments - ending	<u>\$ 182,283</u>	<u>\$ 19</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 814,589</u>	<u>\$ 37,822</u>

JASPER COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	CAR Sheriff Commissary	CAR Prosecutor	CAR Probation	CAR Clerk	CAR Sheriff Inmate Trust	General Local Health Maintenance	CAGIT County Certified Shares
Cash and investments - beginning	\$ 28,106	\$ 6,963	\$ 5,744	\$ 733,902	\$ 949	\$ 680	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	1,228,963
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	32,672	-
Charges for services	-	4,000	-	-	187,485	-	-
Fines and forfeits	-	-	123,407	-	-	-	-
Other receipts	146,100	-	-	3,996,919	-	-	-
Total receipts	<u>146,100</u>	<u>4,000</u>	<u>123,407</u>	<u>3,996,919</u>	<u>187,485</u>	<u>32,672</u>	<u>1,228,963</u>
Disbursements:							
Personal services	-	-	-	-	-	32,158	-
Supplies	-	-	-	-	-	-	-
Other services and charges	146,696	4,105	116,911	3,901,758	186,363	606	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>146,696</u>	<u>4,105</u>	<u>116,911</u>	<u>3,901,758</u>	<u>186,363</u>	<u>32,764</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(596)</u>	<u>(105)</u>	<u>6,496</u>	<u>95,161</u>	<u>1,122</u>	<u>(92)</u>	<u>1,228,963</u>
Cash and investments - ending	<u>\$ 27,510</u>	<u>\$ 6,858</u>	<u>\$ 12,240</u>	<u>\$ 829,063</u>	<u>\$ 2,071</u>	<u>\$ 588</u>	<u>\$ 1,228,963</u>

JASPER COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	County's Law Enforc Contin Ed	Jury Pay	LOIT Public Safety County Share	Marijuana Eradication	Pretrial Diversion	Riverboat	Wireless Emergency Telephone System
Cash and investments - beginning	\$ 77,534	\$ 5,627	\$ 1,055,488	\$ 19,628	\$ 9,760	\$ 921,907	\$ 367,171
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	1,296,575	-	-	-	-
Charges for services	-	-	-	-	-	-	10,876
Fines and forfeits	9,230	5,307	-	3,681	65,364	-	-
Other receipts	-	1,564	27,068	-	-	137,312	46,300
Total receipts	<u>9,230</u>	<u>6,871</u>	<u>1,323,643</u>	<u>3,681</u>	<u>65,364</u>	<u>137,312</u>	<u>57,176</u>
Disbursements:							
Personal services	-	8,734	1,195,211	-	68,540	-	-
Supplies	-	-	-	186	342	-	-
Other services and charges	707	-	58,258	-	-	58,692	7,560
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	416,787
Total disbursements	<u>707</u>	<u>8,734</u>	<u>1,253,469</u>	<u>186</u>	<u>68,882</u>	<u>58,692</u>	<u>424,347</u>
Excess (deficiency) of receipts over disbursements	<u>8,523</u>	<u>(1,863)</u>	<u>70,174</u>	<u>3,495</u>	<u>(3,518)</u>	<u>78,620</u>	<u>(367,171)</u>
Cash and investments - ending	<u>\$ 86,057</u>	<u>\$ 3,764</u>	<u>\$ 1,125,662</u>	<u>\$ 23,123</u>	<u>\$ 6,242</u>	<u>\$ 1,000,527</u>	<u>\$ -</u>

JASPER COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	PP Judgement Collections	County Share IV-D	DEA Fund	Partners/Drug Free Community	Sheriff Smoking Cessation	IN Local Health Dept Trust	Comm-Corr Work Release
Cash and investments - beginning	\$ 47	\$ 97,318	\$ 183	\$ 1,417	\$ 38	\$ 21,086	\$ 98,934
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	20,740	10,860
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	323	-	2,258,089	2,400	-	-	-
Total receipts	323	-	2,258,089	2,400	-	20,740	10,860
Disbursements:							
Personal services	-	-	-	3,714	-	7,551	3,235
Supplies	-	-	-	-	-	20,146	7,265
Other services and charges	-	-	61,390	-	-	4,657	48,807
Capital outlay	-	-	-	-	-	110	1,596
Other disbursements	-	-	384,536	-	-	-	-
Total disbursements	-	-	445,926	3,714	-	32,464	60,903
Excess (deficiency) of receipts over disbursements	323	-	1,812,163	(1,314)	-	(11,724)	(50,043)
Cash and investments - ending	\$ 370	\$ 97,318	\$ 1,812,346	\$ 103	\$ 38	\$ 9,362	\$ 48,891

JASPER COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	County User Fee	Donation Warning Sirens	Donation Animal Shelter	Local PP Collections	Local Comms Cert Tax Sale	Local Jail Prop Proceeds	Payroll Clearing
Cash and investments - beginning	\$ 22,708	\$ 14,530	\$ 11,797	\$ -	\$ 1,000	\$ 123,412	\$ 184,564
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	361	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	66,861	-	-	-	-	-	-
Other receipts	739	-	4,320	16	-	-	3,394,030
Total receipts	<u>67,600</u>	<u>-</u>	<u>4,681</u>	<u>16</u>	<u>-</u>	<u>-</u>	<u>3,394,030</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	78,016	-	185	-	-	-	-
Capital outlay	6,701	-	-	-	-	-	-
Other disbursements	-	-	-	16	-	-	3,555,364
Total disbursements	<u>84,717</u>	<u>-</u>	<u>185</u>	<u>16</u>	<u>-</u>	<u>-</u>	<u>3,555,364</u>
Excess (deficiency) of receipts over disbursements	<u>(17,117)</u>	<u>-</u>	<u>4,496</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(161,334)</u>
Cash and investments - ending	<u>\$ 5,591</u>	<u>\$ 14,530</u>	<u>\$ 16,293</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 123,412</u>	<u>\$ 23,230</u>

JASPER COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Employee Benefits	Special Death Benefit	93.563 Title IV-D ARRA (Clerk)	93.563 Title IV-D ARRA (Pros)	93.563 Title IV-D (Gen)	93.563 Title IV-D (Clerk)	93.563 Title IV-D (Pros)
Cash and investments - beginning	\$ 751,590	\$ 10	\$ 10,417	\$ 10,092	\$ 462,029	\$ 108,275	\$ 132,367
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	2,860	-	-	-	-	-
Other receipts	2,682,771	-	1,611	3,451	47,554	20,360	31,092
Total receipts	2,682,771	2,860	1,611	3,451	47,554	20,360	31,092
Disbursements:							
Personal services	-	-	-	-	-	-	20,235
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	10,869	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	2,927,842	2,680	909	-	456,992	-	4,151
Total disbursements	2,927,842	2,680	909	-	456,992	10,869	24,386
Excess (deficiency) of receipts over disbursements	(245,071)	180	702	3,451	(409,438)	9,491	6,706
Cash and investments - ending	\$ 506,519	\$ 190	\$ 11,119	\$ 13,543	\$ 52,591	\$ 117,766	\$ 139,073

JASPER COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	97.047 Warning Sirens	81.041 Comprehen Dev Block	07.218 Compreh Dev Lock	93.069 Public Health Emer Prev	20.106 Airport Improvement Grant	14.228 Walker Twp Fire Truck	XX.XXX COPS Universal Grant
Cash and investments - beginning	\$ -	\$ 23,381	\$ 6,129	\$ 9,832	\$ -	\$ 38,938	\$ 464
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	7,140	-	-	24,324	4,307	75,000	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>7,140</u>	<u>-</u>	<u>-</u>	<u>24,324</u>	<u>4,307</u>	<u>75,000</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	17,146	-	-	-
Supplies	-	-	-	554	-	-	-
Other services and charges	-	-	-	643	4,307	-	-
Capital outlay	7,140	-	-	3,960	-	-	-
Other disbursements	-	-	-	-	-	113,938	-
Total disbursements	<u>7,140</u>	<u>-</u>	<u>-</u>	<u>22,303</u>	<u>4,307</u>	<u>113,938</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,021</u>	<u>-</u>	<u>(38,938)</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 23,381</u>	<u>\$ 6,129</u>	<u>\$ 11,853</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 464</u>

JASPER COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	XX.XXX 1999 Local Law Enforcement	Iroquois River Debris Rem	Community Corrections State Grant	10-CRG-018 Jasper Court Reform	09VA058 VOCA Grant	H1N1	Totals
Cash and investments - beginning	\$ 21	\$ -	\$ 17,392	\$ 4,568	\$ -	\$ 120	\$ 39,129,633
Receipts:							
Taxes	-	-	-	-	-	-	65,492,247
Licenses and permits	-	-	-	-	-	-	27,363
Intergovernmental	-	20,085	109,298	-	22,824	-	11,057,379
Charges for services	-	-	-	-	-	-	1,444,431
Fines and forfeits	-	-	-	-	-	-	405,138
Other receipts	-	-	-	-	-	-	16,245,338
Total receipts	-	20,085	109,298	-	22,824	-	94,671,896
Disbursements:							
Personal services	-	-	110,222	5,344	-	-	9,575,513
Supplies	-	-	1,492	-	-	-	2,204,749
Other services and charges	-	-	134	-	22,824	-	11,397,307
Capital outlay	-	-	-	-	-	-	580,642
Other disbursements	-	16,500	4,677	-	-	-	67,006,736
Total disbursements	-	16,500	116,525	5,344	22,824	-	90,764,947
Excess (deficiency) of receipts over disbursements	-	3,585	(7,227)	(5,344)	-	-	3,906,949
Cash and investments - ending	\$ 21	\$ 3,585	\$ 10,165	\$ (776)	\$ -	\$ 120	\$ 43,036,582

JASPER COUNTY
 SCHEDULE OF LEASES AND DEBT
 December 31, 2012

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
General obligation bonds	Jasper County Detention Center	\$ 6,995,000	\$ 867,083
Totals		<u>\$ 6,995,000</u>	<u>\$ 867,083</u>

JASPER COUNTY
SCHEDULE OF CAPITAL ASSETS
December 31, 2012

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 625,381
Buildings	19,067,824
Improvements other than buildings	7,187,517
Machinery, equipment, and vehicles	<u>8,383,812</u>
Total governmental activities	<u>35,264,534</u>
Total capital assets	<u><u>\$ 35,264,534</u></u>

JASPER COUNTY
OTHER REPORT

The annual report presented herein was prepared in addition to the other official report prepared for the individual County office listed below:

Auditor

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

TO: THE OFFICIALS OF JASPER COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited Jasper County's (County) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012. The County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Basis for Qualified Opinion on the Equitable Sharing Program

As described in item 2012-5 in the accompanying Schedule of Findings and Questioned Costs, the County did not comply with requirements regarding Allowable Costs that are applicable to its Equitable Sharing Program. Compliance with such requirements is necessary, in our opinion, for the County to comply with requirements applicable to that program.

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

Qualified Opinion on the Equitable Sharing Program

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion* paragraph, 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 the Equitable Sharing Program for the year ended December 31, 2012.

Unmodified Opinion on Each of the Other 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 each of its other major federal programs identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the year ended December 31, 2012.

Other 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 each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2012-3, 2012-4, and 2012-5 to be material weaknesses.

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

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.



Bruce Hartman
State Examiner

September 19, 2013

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

JASPER COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2012

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 Housing and Urban Development</u>				
CDBG-State-Administered CDBG Cluster Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii Walker Township Fire Truck	Office of Lieutenant Governor	14.228	FF-10-102	\$ 75,000
<u>Department of Justice</u>				
Equitable Sharing Program	Direct Grant	16.922	-	438,727
Crime Victim Assistance	Indiana Criminal Justice Institute	16.575	10VANP228	22,824
Total - Department of Justice				461,551
<u>Department of Transportation</u>				
Airport Improvement Program	Direct Grant			
Highway Planning and Construction Cluster Highway Planning and Construction Bridge Inspections	Indiana Department of Transportation	20.106	3-18-0070-07	4,251
		20.205	PE10901135	85,969
Total - Department of Transportation				90,220
<u>Department of Health and Human Services</u>				
Public Health Emergency Preparedness	Indiana State Department of Health	93.069	EDS#A70-1-0531779	22,303
Child Support Enforcement	Indiana Department of Child Services			
General		93.563	-	61,606
Clerk		93.563	-	72,856
Prosecutor		93.563	-	171,729
Total - Child Support Enforcement				306,191
Voting Access for Individuals with Disabilities - Grants to States American Voting Grant	Indiana State Department of Health	93.617	-	4,580
Total - Department of Health and Human Services				333,074
<u>Department of Homeland Security</u>				
Pre-Disaster Mitigation Warning Sirens Grant	Indiana Department of Homeland Security	97.047	-	7,140
Total federal awards expended				\$ 966,985

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

JASPER COUNTY
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

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

JASPER COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

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:	Qualified for Equitable Sharing Program Unmodified for Child Support Enforcement

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:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
16.922	Equitable Sharing Program
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 2012-1 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

We noted several deficiencies in the internal control system of the County related to financial transactions and reporting. We believe the following deficiencies constitute material weaknesses:

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

JASPER COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2. **Preparing Financial Statements:** Effective internal control over financial reporting involves the identification and analysis of the risks of material misstatement to the County's audited financial statement and then determining how those identified risks should be managed. The County has not identified risks to the preparation of a reliable financial statement and as a result has failed to design effective controls over the preparation of the financial statement to prevent or detect material misstatements, including notes to the financial statement.
3. **Monitoring of Controls:** Effective internal control over financial reporting requires the County Commissioners to monitor and assess the quality of the County's system of internal control. The County Commissioners has not performed either an ongoing or separate evaluation of their system of internal controls. The failure to exercise their oversight responsibility places the County at risk that controls may not be designed or operating effectively to provide reasonable assurance that controls will prevent or detect material misstatements in a timely manner. Additionally, the County has no process to identify or communicate corrective actions to improve controls.

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

Controls over the receipting, disbursing, recording and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

FINDING 2012-2 - INTERNAL CONTROLS OVER THE SCHEDULE OF FEDERAL AWARDS

The County did not have a proper system of internal controls in place to prevent or detect and correct errors on the Schedule of Expenditures of Federal Awards (SEFA). The County should have proper controls in place over the preparation of the SEFA to ensure accurate reporting of federal awards. Without a proper system of internal control in place that operates effectively, material misstatements of the SEFA could remain undetected.

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

Controls over the receipting, disbursing, recording and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

JASPER COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III – Federal Award Findings and Questioned Costs

FINDING 2012-3 - INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO EQUITABLE SHARING PROGRAM

Federal Agency: Department of Justice
Federal Program: Equitable Sharing Program
CFDA Number: 16.922
Federal Award Number and Year (or Other Identifying Number): 2012

Management of the County has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and all of the compliance requirements that have a direct and material effect to the program. This includes the following compliance requirements: Allowable Activities, Cash Management, Equipment and Real Property Management, Period of Availability, Reporting and Special Tests and Provisions. The failure to establish an effective internal control system places the County at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the grant.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement, or a type of compliance requirement of a federal program will be prevented, detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

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

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

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

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

FINDING 2012-4 - INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO CHILD SUPPORT ENFORCEMENT

Federal Agency: Department of Health and Human Services
Federal Program: Child Support Enforcement
CFDA Number: 93.563
Federal Award Number and Year (or Other Identifying Number): 2012
Pass-Through Entity: Indiana Department of Child Services

JASPER COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Management of the County has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and all of the compliance requirements that have a direct and material effect to the program. This includes the following compliance requirements: Allowable Activities, Allowable Costs, Cash Management, Level of Effort, and Reporting. The failure to establish an effective internal control system places the County at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the grant.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement, or a type of compliance requirement of a federal program will be prevented, detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

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

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

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

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

FINDING 2012-5 - UNALLOWABLE COSTS

Federal Agency: Department of Justice
Federal Program: Equitable Sharing Program
CFDA Number: 16.922
Federal Award Number and Year (or Other Identifying Number): 2012

The County used the Equitable Sharing Grant funds to pay a total of \$ 4,875 for utilities expenses of the jail and fuel used by the police department in the normal operation of their agency. This expenditure did not add any new benefit to the department and accordingly served to supplant rather than supplement the operations of the department. This is unallowable per federal guidelines.

Page 22, item B, of the U.S. Department of Justice's *Guide to Equitable Sharing for State and Local Law Enforcement Agencies* states:

"Sharing must be used to increase or supplement the resources of the receiving state or local law enforcement agency or any other ultimate recipient agency. Shared resources **shall not be used** to replace or supplant the appropriated resources of the recipient. The recipient agency

JASPER COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

must benefit directly from the sharing. In determining whether supplantation has occurred, the Department of Justice will examine the law enforcement agency's budget as a whole and allow agencies to use equitable sharing funds for any permissible purpose as long as shared funds **increase the entire law enforcement budget**. The department of Justice may terminate sharing with law enforcement agencies that are not permitted by their governing authorities to benefit directly from equitable sharing."

Management of Jasper has not established an effective internal control system, which would include segregation of duties, related to the allowable costs compliance requirement which has a direct and material effect on the program. A lack of segregation of duties within an internal control system could also allow non-compliance with compliance requirement and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the grant.

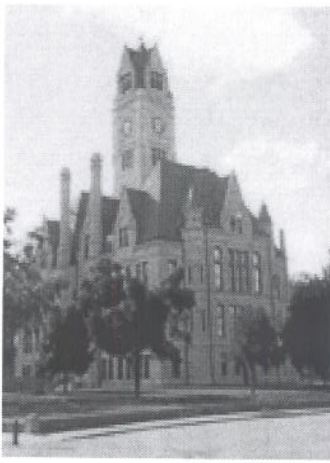
An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement, or a type of compliance requirement of a federal program will be prevented, detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

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

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

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

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



Kimberly K. Grow
Auditor of Jasper County

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

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding 2011-1
Original SBA Audit Report Number B39112
Fiscal Year 2012
Auditee Contact Person Kimberly K. Grow
Title of Contact Person Auditor
Phone Number (219)-866-4930
Status of Findings Work in Progress

Jasper County is working on being in compliance with the internal controls over financial transactions and reportings.

Finding 2011-2
Original SBA Audit Report Number: B39112
Fiscal Year 2011
Auditee Contact Person: Kimberly K. Grow
Title of Contact Person: Auditor
Phone Number: 219-866-4930

PUBLIC PURCHASES LAW

Federal Agency: U.S. Department of Homeland Security

Federal Program: Pre-Disaster Mitigation

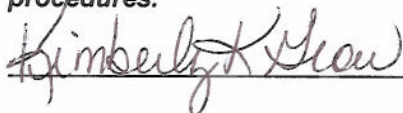
CFDA: 97.047

Pass-Through: Indiana Department of Homeland Security

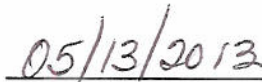
Jasper County Emergency Management Agency (EMA) in March 2011 purchased 14 outdoor warning sirens. These purchases were funded by proceeds from the Pre-Disaster Mitigation grant. The total cost of the sirens was \$198,492. No evidence was presented for audit to indicate bids had been taken prior to the purchase of the sirens in accordance with IC 5-22-7-2. No internal control procedures were in place to ensure compliance with these requirements. 44 CFR 13.36 (b) states: "Grantees and subgrantees will use their own procurement procedures which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this section." Compliance requirements related to purchases made by governmental entities in the State of Indiana are located in IC 5-22-7-2. This law, which applies to public purchases in excess of \$150,000 states, "A purchasing agent shall issue an invitation of bids." OMB Circular A-133 Section 300(b) states that the auditee shall: "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." A failure to follow the required procurement laws of the State of Indiana could result in excessive amounts paid for products purchased. Additionally, a failure to follow the compliance requirements of the federal grant could jeopardize future grants. We recommended that County officials develop internal control procedures to ensure that compliance requirements related to procurement are communicated to the individuals responsible for monitoring grant activities to ensure that equipment is purchased in compliance with applicable state and federal requirements in the future.

Status of Finding

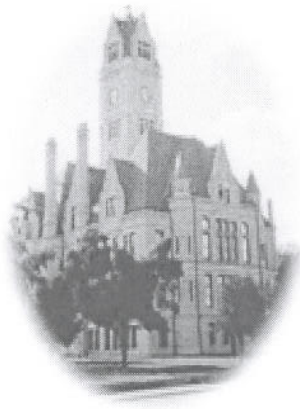
The Emergency Management Agency issue has been resolved and is aware of the correct bidding procedures.



Kimberly K. Grow, Auditor



Date



Kimberly K. Grow
Auditor of Jasper County

Corrective Action Plan:

Section II Findings

FINDING 2012-1 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

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

FINDING 2012-2 - INTERNAL CONTROLS OVER THE SCHEDULE OF FEDERAL AWARDS

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

Section III Findings

FINDING 2012-3 - INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO EQUITABLE SHARING PROGRAM

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

FINDING 2012-4 - INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO CHILD SUPPORT ENFORCEMENT

Federal Agency: U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
Federal Program: Child Support Enforcement
CFDA Number: 93.563
Federal Award Number and Year (or Other Identifying Number): 2012
Pass-Through Entity: Indiana Child Services
FINDING 2012-5 - UNALLOWABLE COSTS

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

The County will implement procedures to establish controls, including segregation of duties, related to the grant agreement and all compliance requirements that have a direct and material effect to the program.

Signature

Kimberly K. Grow

Date:

9/19/2013

JASPER COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 19, 2013, with Kendell Culp, President of the Board of County Commissioners, and Kimberly Grow, Auditor.