

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

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



FILED
06/09/2017

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	12-16
Other Information - Unaudited:	
Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis	18-35
Schedule of Payables and Receivables	36
Schedule of Leases and Debt	37
Schedule of Capital Assets	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
Notes to Schedule of Expenditures of Federal Awards	45
Schedule of Findings and Questioned Costs	46-49
Auditee-Prepared Document:	
Corrective Action Plan	52-53
Other Reports	54

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Nancy J. Culy Anna Culy	01-01-11 to 12-31-14 01-01-15 to 12-31-18
County Treasurer	Robin Alberson Paula Miller	01-01-13 to 12-31-16 01-01-17 to 12-31-20
Clerk of the Circuit Court	Ellen Coats Jon Eads	01-01-13 to 12-31-16 01-01-17 to 12-31-20
County Sheriff	Larry R. Newton, Jr. Dwane Ford	01-01-11 to 12-31-14 01-01-15 to 12-31-18
County Recorder	Beverly D. Myers Betty St. Myers	01-01-11 to 12-31-14 01-01-15 to 12-31-18
President of the Board of County Commissioners	Milo M. Miller, Jr. Faron Parr Douglas L. Inman	01-01-14 to 12-31-14 01-01-15 to 12-31-16 01-01-17 to 12-31-17
President of the County Council	Michael Leonhard Jeanne Houchins	01-01-14 to 12-31-16 01-01-17 to 12-31-17



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF JAY COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of Jay 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 from 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 to 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, Schedule of Payables and Receivables, 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.

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 April 25, 2017, 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

April 25, 2017



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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 JAY 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 Jay 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 April 25, 2017, 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2014-001 and 2014-002 to be material weaknesses.

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

Compliance and Other Matters


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

Jay County's Response to Findings

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

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

April 25, 2017

(This page intentionally left blank.)

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.

JAY 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 Fund	\$ 1,056,530	\$ 6,278,856	\$ 7,046,005	\$ 289,381
Accident Report	3,748	3,575	5,357	1,966
Local Option Certified Shares	17,556	1,281,463	1,294,901	4,118
County Economic Development Income Tax	785,039	529,282	449,025	865,296
City and Town Court Costs	81,638	2,847	-	84,485
Clerks Perpetuation Fund	38,301	6,055	10,465	33,891
Community Corrections Home Detention	147,635	101,480	83,880	165,235
Community Transition Program	67,813	23,810	10,000	81,623
Congressional School Interest	7,829	44	-	7,873
Innkeepers Tax	86,975	94,598	86,975	94,598
County Disclosure	9,415	2,641	1,075	10,981
Cumulative Bridge	1,323,387	649,894	355,045	1,618,236
Cumulative Capital Development	517,576	411,204	107,715	821,065
Drug Free Community	14,410	18,054	16,279	16,185
Electronic Map Generation	5,225	81	-	5,306
Jay Emergency Medical Services	282,606	1,417,122	1,336,382	363,346
Emergency Planning and Right to Know	2,611	3,872	1,877	4,606
County Extradition	2,332	-	-	2,332
Firearms Training	10,595	4,391	7,319	7,667
General Drain Improvement	38,663	161,370	172,631	27,402
Health	167,707	233,289	257,858	143,138
Excess Levy	5,218	-	-	5,218
Health Maintenance	27,708	50,875	50,607	27,976
Local Road and Street	197,228	186,592	-	383,820
LOIT Public Safety	86,116	392,457	345,941	132,632
Medical Care of Inmates	1,083	3,493	3,539	1,037
Highway	1,712,060	2,946,312	2,674,140	1,984,232
Plat Book	69,177	6,815	16,245	59,747
Rainy Day	2,567,582	958,113	1,150,000	2,375,695
2017 Reassessment	217,469	97,070	77,025	237,514
Recorder's Records Perpetuation	193,901	33,548	18,209	209,240
Riverboat Tax Distribution	-	125,901	125,901	-
Sex and Violent Offenders Administration	150	1,566	1,540	176
Sheriff's Pension Trust	-	5,798	5,798	-
Supplement Public Defender Service	23,657	4,041	-	27,698
Surplus Tax	6,529	21,637	21,452	6,714
Surveyor's Corner Perpetuation	5,626	5,245	2,329	8,542
Tax Sale Redemption	10,398	32,907	35,562	7,743
Surplus Tax Sale	45,658	217,872	10,503	253,027
Tobacco Settlement	32,030	17,685	14,306	35,409
VIN Checks	4,956	960	5,056	860
County Elected Officials Training	4,667	1,778	324	6,121
Statewide 911	290,983	272,873	285,707	278,149
Probation User Fee-Administration	170	-	-	170
Juvenile Probation Services	9,857	249	-	10,106
Deferral Program	32,595	5,912	6,813	31,694
Drainage Maintenance	301,112	490,832	512,059	279,885
Court Interpreters	5,915	-	698	5,217
TIF Debt Service	-	763,788	763,788	-
Payroll	57,507	6,845,597	6,854,043	49,061
Settlements	-	15,912,846	15,912,846	-
LOIT Public Safety - Clearing	-	634,801	634,801	-
Operating Levy Freeze LOIT Stabilization	1,048,904	166,991	-	1,215,895
Wheel Tax	-	127,066	127,066	-
County Surtax	-	284,727	284,727	-
CVET	-	86,576	86,576	-
Sewer (Delinquent Tax)	-	36,723	36,723	-
Financial Institution Tax	-	102,723	102,723	-
CEDIT Homestead Credit	9,166	321,121	322,991	7,296
HEA 1001-2008 State Homestead Credit	(491)	491	-	-
Local Option PTRC	2,961	793,501	796,462	-
LOIT PTRC	46,784	1,589,964	1,593,915	42,833

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

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

Fund	Cash and Investments		Cash and Investments	
	01-01-14	Receipts	Disbursements	12-31-14
State Fines and Forfeitures	2,576	46,852	47,254	2,174
Infraction Judgments	1,854	23,792	23,734	1,912
Overweight Vehicle Fines	1,070	1,090	2,160	-
Special Death Benefit	135	2,355	2,165	325
State Disclosure Fees	225	2,640	2,570	295
Coroners Training and Continuing Education	168	1,818	1,758	228
Interstate Compact - State Share	-	125	125	-
Mortgage Recording Fee	160	2,035	1,968	227
Child Restraint Violations Fines	50	275	325	-
Inheritance Tax	-	110	110	-
Education Plate Fees	-	300	300	-
CAGIT Distribution	-	2,380,504	2,380,504	-
CEDIT Distribution	-	802,803	802,803	-
93.563 ARRA Prosecutor	9,162	12	4,479	4,695
93.563 ARRA Clerk	435	-	435	-
93.563 Title IV-D Incentive	46,626	11,647	-	58,273
93.563 Prosecutor Title IV-D	81,656	17,659	-	99,315
93.563 Clerk Title IV-D	75,346	11,648	454	86,540
User Fees	7,631	879	692	7,818
Probation User Fees	214,705	53,618	66,621	201,702
Jury Fees	4,644	2,709	5,418	1,935
Drug Free (Sheriff)	1,765	3,788	3,500	2,053
State Homeland Security	(1,792)	1,792	-	-
EMPG Performance Grant	-	5,180	5,180	-
Comm Corr 08-09	-	61,851	53,956	7,895
Community Corrections Home Detention/Project Income	5,796	70,097	75,893	-
Clerk Trust	192,718	1,189,382	1,239,984	142,116
After Settlement Collections	484,338	565,385	484,338	565,385
Sheriff Inmate Trust Fund	2,842	152,524	154,570	796
Sheriff Commissary	15,432	118,517	121,171	12,778
County Home Welfare Trust	3,648	186,946	186,625	3,969
Congressional Principal	22,822	-	-	22,822
Sheriff Drug Buy Money	11	1,988	1,386	613
20.509 Rural Transportation Grant	4	690,148	690,148	4
Misdemeanor Housing	25,017	15,646	15,360	25,303
Salamonia River Cleanup	-	43,219	46,817	(3,598)
Backhoe Repair and Replacement	115,780	40,754	43,407	113,127
Infrastructure	821,325	388,702	590,229	619,798
Retirement Center Donations	4,806	7	-	4,813
Jail Lease Payments	117,493	831,718	796,000	153,211
Tile Inventory	56	43,966	44,022	-
Ambulance Replacement	54,451	141,216	195,667	-
Redevelopment District Capital	121,831	17,850	33,775	105,906
County Forfeiture	2,720	-	-	2,720
5% Host Fees-Infrastructure	159,328	18,617	-	177,945
Court ASAAE	10,955	27,751	32,150	6,556
Commissioner's Certificate Sale	2,648	11,464	14,112	-
Redacting Fee	17,917	1,779	675	19,021
Marijuana Eradication	829	-	-	829
TIF Bond General	267,859	-	-	267,859
TIF Bond Reserve	125,575	-	-	125,575
HEA	105,722	99,663	70,502	134,883
LOIT Operating Levy Freeze	-	1,269,602	1,269,602	-
16.575 Victim Assistant Grant	(4,942)	4,646	-	(296)
93.069 Bioterrorism Grant	7,952	22,515	19,274	11,193
Bulletproof Vests	3,492	-	-	3,492
IDVA EHB 1387 GRANT	-	968	968	-
Jury Pay	98	-	-	98
Pre-Trial Diversion	12,542	1,599	-	14,141
County Sheriff Continuing Education	4,144	1,015	-	5,159
Totals	<u>\$ 14,835,892</u>	<u>\$ 54,164,540</u>	<u>\$ 53,656,390</u>	<u>\$ 15,344,042</u>

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

JAY 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. Amounts received from 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.

Licenses and permits. 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 the following: peddler licenses, animal licenses, auctioneer licenses, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

JAY COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Intergovernmental receipts. Amounts received from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of intergovernmental 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.

Charges for services. Amounts received for services including, but not limited to, the following: planning commission charges, building department charges, copies of public records, copy machines 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. Amounts received 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. 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. Amounts disbursed 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. Amounts disbursed for 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, but are not limited to, the following: office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges. Amounts disbursed for services including, but not limited to, the following: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service - principal and interest. Amounts disbursed for 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.

JAY COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Capital outlay. Amounts disbursed for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Other disbursements. Amounts disbursed for various other purposes including, but 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, make transfers 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 amounts 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 amounts 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.

JAY COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

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

JAY COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

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. 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. This is a 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 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.

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

	General Fund	Accident Report	Local Option Certified Shares	County Economic Development Income Tax	City and Town Court Costs	Clerks Perpetuation Fund	Community Corrections Home Detention
Cash and investments - beginning	\$ 1,056,530	\$ 3,748	\$ 17,556	\$ 785,039	\$ 81,638	\$ 38,301	\$ 147,635
Receipts:							
Taxes	3,722,027	-	1,280,596	498,398	-	-	-
Licenses and permits	41,793	-	-	-	-	-	-
Intergovernmental receipts	705,904	-	-	-	-	-	-
Charges for services	630,476	3,575	-	-	-	3,436	101,480
Fines and forfeits	124,819	-	-	-	2,847	2,307	-
Other receipts	1,053,837	-	867	30,884	-	312	-
Total receipts	<u>6,278,856</u>	<u>3,575</u>	<u>1,281,463</u>	<u>529,282</u>	<u>2,847</u>	<u>6,055</u>	<u>101,480</u>
Disbursements:							
Personal services	4,322,387	-	745,439	-	-	10,465	29,418
Supplies	548,923	-	-	-	-	-	4,792
Other services and charges	956,458	5,357	449,801	447,820	-	-	45,746
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	99,606	-	-	1,205	-	-	1,393
Other disbursements	1,118,631	-	99,661	-	-	-	2,531
Total disbursements	<u>7,046,005</u>	<u>5,357</u>	<u>1,294,901</u>	<u>449,025</u>	<u>-</u>	<u>10,465</u>	<u>83,880</u>
Excess (deficiency) of receipts over disbursements	<u>(767,149)</u>	<u>(1,782)</u>	<u>(13,438)</u>	<u>80,257</u>	<u>2,847</u>	<u>(4,410)</u>	<u>17,600</u>
Cash and investments - ending	<u>\$ 289,381</u>	<u>\$ 1,966</u>	<u>\$ 4,118</u>	<u>\$ 865,296</u>	<u>\$ 84,485</u>	<u>\$ 33,891</u>	<u>\$ 165,235</u>

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

	Community Transition Program	Congressional School Interest	Innkeepers Tax	County Disclosure	Cumulative Bridge	Cumulative Capital Development	Drug Free Community
Cash and investments - beginning	\$ 67,813	\$ 7,829	\$ 86,975	\$ 9,415	\$ 1,323,387	\$ 517,576	\$ 14,410
Receipts:							
Taxes	-	-	94,598	-	504,827	386,193	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	32,694	25,011	-
Charges for services	23,810	-	-	2,641	108,800	-	-
Fines and forfeits	-	-	-	-	-	-	18,054
Other receipts	-	44	-	-	3,573	-	-
Total receipts	<u>23,810</u>	<u>44</u>	<u>94,598</u>	<u>2,641</u>	<u>649,894</u>	<u>411,204</u>	<u>18,054</u>
Disbursements:							
Personal services	-	-	-	921	-	-	-
Supplies	-	-	-	-	7,894	-	-
Other services and charges	10,000	-	86,975	154	388	-	16,279
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	346,763	107,715	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>10,000</u>	<u>-</u>	<u>86,975</u>	<u>1,075</u>	<u>355,045</u>	<u>107,715</u>	<u>16,279</u>
Excess (deficiency) of receipts over disbursements	<u>13,810</u>	<u>44</u>	<u>7,623</u>	<u>1,566</u>	<u>294,849</u>	<u>303,489</u>	<u>1,775</u>
Cash and investments - ending	<u>\$ 81,623</u>	<u>\$ 7,873</u>	<u>\$ 94,598</u>	<u>\$ 10,981</u>	<u>\$ 1,618,236</u>	<u>\$ 821,065</u>	<u>\$ 16,185</u>

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

	Electronic Map Generation	Jay Emergency Medical Services	Emergency Planning and Right to Know	County Extradition	Firearms Training	General Drain Improvement	Health
Cash and investments - beginning	\$ 5,225	\$ 282,606	\$ 2,611	\$ 2,332	\$ 10,595	\$ 38,663	\$ 167,707
Receipts:							
Taxes	-	328,979	-	-	-	-	185,103
Licenses and permits	-	-	-	-	4,391	-	-
Intergovernmental receipts	-	21,420	3,872	-	-	-	12,086
Charges for services	81	613,158	-	-	-	-	24,333
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	453,565	-	-	-	161,370	11,767
Total receipts	<u>81</u>	<u>1,417,122</u>	<u>3,872</u>	<u>-</u>	<u>4,391</u>	<u>161,370</u>	<u>233,289</u>
Disbursements:							
Personal services	-	1,042,508	-	-	-	45,904	193,241
Supplies	-	93,853	1,052	-	-	33,201	5,989
Other services and charges	-	48,772	825	-	-	55,539	54,199
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	6,378	-	-	7,319	-	242
Other disbursements	-	144,871	-	-	-	37,987	4,187
Total disbursements	<u>-</u>	<u>1,336,382</u>	<u>1,877</u>	<u>-</u>	<u>7,319</u>	<u>172,631</u>	<u>257,858</u>
Excess (deficiency) of receipts over disbursements	<u>81</u>	<u>80,740</u>	<u>1,995</u>	<u>-</u>	<u>(2,928)</u>	<u>(11,261)</u>	<u>(24,569)</u>
Cash and investments - ending	<u>\$ 5,306</u>	<u>\$ 363,346</u>	<u>\$ 4,606</u>	<u>\$ 2,332</u>	<u>\$ 7,667</u>	<u>\$ 27,402</u>	<u>\$ 143,138</u>

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

	Excess Levy	Health Maintenance	Local Road and Street	LOIT Public Safety	Medical Care of Inmates	Highway	Plat Book
Cash and investments - beginning	\$ 5,218	\$ 27,708	\$ 197,228	\$ 86,116	\$ 1,083	\$ 1,712,060	\$ 69,177
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	33,139	186,592	392,063	-	2,807,940	-
Charges for services	-	17,685	-	-	3,493	112,801	6,815
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	51	-	394	-	25,571	-
Total receipts	-	50,875	186,592	392,457	3,493	2,946,312	6,815
Disbursements:							
Personal services	-	49,694	-	293,941	-	930,628	-
Supplies	-	819	-	-	3,539	1,302,623	-
Other services and charges	-	94	-	-	-	338,818	16,245
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	52,000	-	102,071	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	-	50,607	-	345,941	3,539	2,674,140	16,245
Excess (deficiency) of receipts over disbursements	-	268	186,592	46,516	(46)	272,172	(9,430)
Cash and investments - ending	\$ 5,218	\$ 27,976	\$ 383,820	\$ 132,632	\$ 1,037	\$ 1,984,232	\$ 59,747

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

	Rainy Day	2017 Reassessment	Recorder's Records Perpetuation	Riverboat Tax Distribution	Sex and Violent Offenders Administration	Sheriff's Pension Trust	Supplement Public Defender Service
Cash and investments - beginning	\$ 2,567,582	\$ 217,469	\$ 193,901	\$ -	\$ 150	\$ -	\$ 23,657
Receipts:							
Taxes	-	90,869	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	5,889	-	-	-	-	-
Charges for services	-	-	33,468	-	1,566	-	-
Fines and forfeits	-	-	-	-	-	5,798	4,041
Other receipts	958,113	312	80	125,901	-	-	-
Total receipts	<u>958,113</u>	<u>97,070</u>	<u>33,548</u>	<u>125,901</u>	<u>1,566</u>	<u>5,798</u>	<u>4,041</u>
Disbursements:							
Personal services	-	2,112	1,682	-	-	-	-
Supplies	-	315	198	-	-	-	-
Other services and charges	-	39,723	16,329	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	34,875	-	-	-	-	-
Other disbursements	1,150,000	-	-	125,901	1,540	5,798	-
Total disbursements	<u>1,150,000</u>	<u>77,025</u>	<u>18,209</u>	<u>125,901</u>	<u>1,540</u>	<u>5,798</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(191,887)</u>	<u>20,045</u>	<u>15,339</u>	<u>-</u>	<u>26</u>	<u>-</u>	<u>4,041</u>
Cash and investments - ending	<u>\$ 2,375,695</u>	<u>\$ 237,514</u>	<u>\$ 209,240</u>	<u>\$ -</u>	<u>\$ 176</u>	<u>\$ -</u>	<u>\$ 27,698</u>

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

	Surplus Tax	Surveyor's Corner Perpetuation	Tax Sale Redemption	Surplus Tax Sale	Tobacco Settlement	VIN Checks	County Elected Officials Training
Cash and investments - beginning	\$ 6,529	\$ 5,626	\$ 10,398	\$ 45,658	\$ 32,030	\$ 4,956	\$ 4,667
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	16,818	-	-
Charges for services	-	5,245	-	-	867	960	1,778
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	21,637	-	32,907	217,872	-	-	-
Total receipts	<u>21,637</u>	<u>5,245</u>	<u>32,907</u>	<u>217,872</u>	<u>17,685</u>	<u>960</u>	<u>1,778</u>
Disbursements:							
Personal services	-	-	-	-	2,317	-	-
Supplies	-	-	-	-	7,367	-	-
Other services and charges	-	2,329	-	-	3,756	-	324
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	5,056	-
Other disbursements	21,452	-	35,562	10,503	866	-	-
Total disbursements	<u>21,452</u>	<u>2,329</u>	<u>35,562</u>	<u>10,503</u>	<u>14,306</u>	<u>5,056</u>	<u>324</u>
Excess (deficiency) of receipts over disbursements	<u>185</u>	<u>2,916</u>	<u>(2,655)</u>	<u>207,369</u>	<u>3,379</u>	<u>(4,096)</u>	<u>1,454</u>
Cash and investments - ending	<u>\$ 6,714</u>	<u>\$ 8,542</u>	<u>\$ 7,743</u>	<u>\$ 253,027</u>	<u>\$ 35,409</u>	<u>\$ 860</u>	<u>\$ 6,121</u>

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

	Statewide 911	Probation User Fee- Administration	Juvenile Probation Services	Deferral Program	Drainage Maintenance	Court Interpreters	TIF Debt Service
Cash and investments - beginning	\$ 290,983	\$ 170	\$ 9,857	\$ 32,595	\$ 301,112	\$ 5,915	\$ -
Receipts:							
Taxes	-	-	-	-	480,314	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	272,873	-	-	5,912	-	-	-
Fines and forfeits	-	-	249	-	-	-	-
Other receipts	-	-	-	-	10,518	-	763,788
Total receipts	<u>272,873</u>	<u>-</u>	<u>249</u>	<u>5,912</u>	<u>490,832</u>	<u>-</u>	<u>763,788</u>
Disbursements:							
Personal services	161,839	-	-	-	92,878	-	-
Supplies	-	-	-	-	77,337	-	-
Other services and charges	60,970	-	-	1,282	81,983	698	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	42,355	-	-	-	-	-	-
Other disbursements	20,543	-	-	5,531	259,861	-	763,788
Total disbursements	<u>285,707</u>	<u>-</u>	<u>-</u>	<u>6,813</u>	<u>512,059</u>	<u>698</u>	<u>763,788</u>
Excess (deficiency) of receipts over disbursements	<u>(12,834)</u>	<u>-</u>	<u>249</u>	<u>(901)</u>	<u>(21,227)</u>	<u>(698)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 278,149</u>	<u>\$ 170</u>	<u>\$ 10,106</u>	<u>\$ 31,694</u>	<u>\$ 279,885</u>	<u>\$ 5,217</u>	<u>\$ -</u>

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

	Payroll	Settlements	LOIT Public Safety - Clearing	Operating Levy Freeze LOIT Stabilization	Wheel Tax	County Surtax	CVET
Cash and investments - beginning	\$ 57,507	\$ -	\$ -	\$ 1,048,904	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	6,845,597	15,912,846	634,801	166,991	127,066	284,727	86,576
Total receipts	<u>6,845,597</u>	<u>15,912,846</u>	<u>634,801</u>	<u>166,991</u>	<u>127,066</u>	<u>284,727</u>	<u>86,576</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	6,854,043	15,912,846	634,801	-	127,066	284,727	86,576
Total disbursements	<u>6,854,043</u>	<u>15,912,846</u>	<u>634,801</u>	<u>-</u>	<u>127,066</u>	<u>284,727</u>	<u>86,576</u>
Excess (deficiency) of receipts over disbursements	<u>(8,446)</u>	<u>-</u>	<u>-</u>	<u>166,991</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 49,061</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,215,895</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Sewer (Delinquent Tax)	Financial Institution Tax	CEDIT Homestead Credit	HEA 1001-2008 State Homestead Credit	Local Option PTRC	LOIT PTRC	State Fines and Forfeitures
Cash and investments - beginning	\$ -	\$ -	\$ 9,166	\$ (491)	\$ 2,961	\$ 46,784	\$ 2,576
Receipts:							
Taxes	-	-	-	-	-	1,589,964	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	36,723	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	46,852
Other receipts	-	102,723	321,121	491	793,501	-	-
Total receipts	<u>36,723</u>	<u>102,723</u>	<u>321,121</u>	<u>491</u>	<u>793,501</u>	<u>1,589,964</u>	<u>46,852</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	36,723	102,723	322,991	-	796,462	1,593,915	47,254
Total disbursements	<u>36,723</u>	<u>102,723</u>	<u>322,991</u>	<u>-</u>	<u>796,462</u>	<u>1,593,915</u>	<u>47,254</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>(1,870)</u>	<u>491</u>	<u>(2,961)</u>	<u>(3,951)</u>	<u>(402)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,296</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,833</u>	<u>\$ 2,174</u>

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

	Infraction Judgments	Overweight Vehicle Fines	Special Death Benefit	State Disclosure Fees	Coroners Training and Continuing Education	Interstate Compact- State Share	Mortgage Recording Fee
Cash and investments - beginning	\$ 1,854	\$ 1,070	\$ 135	\$ 225	\$ 168	\$ -	\$ 160
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	2,355	2,640	1,818	-	2,035
Fines and forfeits	23,792	1,090	-	-	-	125	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>23,792</u>	<u>1,090</u>	<u>2,355</u>	<u>2,640</u>	<u>1,818</u>	<u>125</u>	<u>2,035</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	23,734	2,160	2,165	2,570	1,758	125	1,968
Total disbursements	<u>23,734</u>	<u>2,160</u>	<u>2,165</u>	<u>2,570</u>	<u>1,758</u>	<u>125</u>	<u>1,968</u>
Excess (deficiency) of receipts over disbursements	<u>58</u>	<u>(1,070)</u>	<u>190</u>	<u>70</u>	<u>60</u>	<u>-</u>	<u>67</u>
Cash and investments - ending	<u>\$ 1,912</u>	<u>\$ -</u>	<u>\$ 325</u>	<u>\$ 295</u>	<u>\$ 228</u>	<u>\$ -</u>	<u>\$ 227</u>

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

	Child Restraint Violations Fines	Inheritance Tax	Education Plate Fees	CAGIT Distribution	CEDIT Distribution	93.563 ARRA Prosecutor	93.563 ARRA Clerk
Cash and investments - beginning	\$ 50	\$ -	\$ -	\$ -	\$ -	\$ 9,162	\$ 435
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	275	110	300	2,380,504	802,803	12	-
Total receipts	275	110	300	2,380,504	802,803	12	-
Disbursements:							
Personal services	-	-	-	-	-	-	435
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	325	110	300	2,380,504	802,803	4,479	-
Total disbursements	325	110	300	2,380,504	802,803	4,479	435
Excess (deficiency) of receipts over disbursements	(50)	-	-	-	-	(4,467)	(435)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,695	\$ -

JAY 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 Prosecutor Title IV-D	93.563 Clerk Title IV-D	User Fees	Probation User Fees	Jury Fees	Drug Free (Sheriff)
Cash and investments - beginning	\$ 46,626	\$ 81,656	\$ 75,346	\$ 7,631	\$ 214,705	\$ 4,644	\$ 1,765
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	11,647	17,522	11,648	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	879	53,618	390	-
Other receipts	-	137	-	-	-	2,319	3,788
Total receipts	<u>11,647</u>	<u>17,659</u>	<u>11,648</u>	<u>879</u>	<u>53,618</u>	<u>2,709</u>	<u>3,788</u>
Disbursements:							
Personal services	-	-	-	-	59,970	-	-
Supplies	-	-	-	-	2,687	-	-
Other services and charges	-	-	-	-	2,940	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	1,024	-	3,500
Other disbursements	-	-	454	692	-	5,418	-
Total disbursements	<u>-</u>	<u>-</u>	<u>454</u>	<u>692</u>	<u>66,621</u>	<u>5,418</u>	<u>3,500</u>
Excess (deficiency) of receipts over disbursements	<u>11,647</u>	<u>17,659</u>	<u>11,194</u>	<u>187</u>	<u>(13,003)</u>	<u>(2,709)</u>	<u>288</u>
Cash and investments - ending	<u>\$ 58,273</u>	<u>\$ 99,315</u>	<u>\$ 86,540</u>	<u>\$ 7,818</u>	<u>\$ 201,702</u>	<u>\$ 1,935</u>	<u>\$ 2,053</u>

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

	State Homeland Security	EMPG Performance Grant	Comm Corr 08-09	Community Corrections Home Detention/Project Income	Clerk Trust	After Settlement Collections	Sheriff Inmate Trust Fund
Cash and investments - beginning	\$ (1,792)	\$ -	\$ -	\$ 5,796	\$ 192,718	\$ 484,338	\$ 2,842
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	1,792	5,180	61,517	65,077	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	334	5,020	1,189,382	565,385	152,524
Total receipts	<u>1,792</u>	<u>5,180</u>	<u>61,851</u>	<u>70,097</u>	<u>1,189,382</u>	<u>565,385</u>	<u>152,524</u>
Disbursements:							
Personal services	-	-	50,729	52,759	-	-	-
Supplies	-	-	754	-	-	-	-
Other services and charges	-	-	2,473	2,202	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	5,180	-	-	-	-	-
Other disbursements	-	-	-	20,932	1,239,984	484,338	154,570
Total disbursements	<u>-</u>	<u>5,180</u>	<u>53,956</u>	<u>75,893</u>	<u>1,239,984</u>	<u>484,338</u>	<u>154,570</u>
Excess (deficiency) of receipts over disbursements	<u>1,792</u>	<u>-</u>	<u>7,895</u>	<u>(5,796)</u>	<u>(50,602)</u>	<u>81,047</u>	<u>(2,046)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,895</u>	<u>\$ -</u>	<u>\$ 142,116</u>	<u>\$ 565,385</u>	<u>\$ 796</u>

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

	Sheriff Commissary	County Home Welfare Trust	Congressional Principal	Sheriff Drug Buy Money	20.509 Rural Transportation Grant	Misdemeanant Housing	Salamonia River Cleanup
Cash and investments - beginning	\$ 15,432	\$ 3,648	\$ 22,822	\$ 11	\$ 4	\$ 25,017	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	690,148	-	43,219
Charges for services	-	-	-	-	-	15,646	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	118,517	186,946	-	1,988	-	-	-
Total receipts	<u>118,517</u>	<u>186,946</u>	<u>-</u>	<u>1,988</u>	<u>690,148</u>	<u>15,646</u>	<u>43,219</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	11,860	1,400
Other services and charges	-	-	-	-	-	3,500	42,019
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	3,398
Other disbursements	121,171	186,625	-	1,386	690,148	-	-
Total disbursements	<u>121,171</u>	<u>186,625</u>	<u>-</u>	<u>1,386</u>	<u>690,148</u>	<u>15,360</u>	<u>46,817</u>
Excess (deficiency) of receipts over disbursements	<u>(2,654)</u>	<u>321</u>	<u>-</u>	<u>602</u>	<u>-</u>	<u>286</u>	<u>(3,598)</u>
Cash and investments - ending	<u>\$ 12,778</u>	<u>\$ 3,969</u>	<u>\$ 22,822</u>	<u>\$ 613</u>	<u>\$ 4</u>	<u>\$ 25,303</u>	<u>\$ (3,598)</u>

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

	Backhoe Repair and Replacement	Infrastructure	Retirement Center Donations	Jail Lease Payments	Tile Inventory	Ambulance Replacement	Redevelopment District Capital
Cash and investments - beginning	\$ 115,780	\$ 821,325	\$ 4,806	\$ 117,493	\$ 56	\$ 54,451	\$ 121,831
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	35,000	-	-	-	-	-
Intergovernmental receipts	-	-	-	2,889	-	-	-
Charges for services	-	353,702	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	40,754	-	7	828,829	43,966	141,216	17,850
Total receipts	40,754	388,702	7	831,718	43,966	141,216	17,850
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	12,370	70,405	-	-	44,022	-	-
Other services and charges	6,441	213,732	-	-	-	-	-
Debt service - principal and interest	24,596	-	-	796,000	-	-	-
Capital outlay	-	306,092	-	-	-	146,851	-
Other disbursements	-	-	-	-	-	48,816	33,775
Total disbursements	43,407	590,229	-	796,000	44,022	195,667	33,775
Excess (deficiency) of receipts over disbursements	(2,653)	(201,527)	7	35,718	(56)	(54,451)	(15,925)
Cash and investments - ending	\$ 113,127	\$ 619,798	\$ 4,813	\$ 153,211	\$ -	\$ -	\$ 105,906

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

	County Forfeiture	5% Host Fees- Infrastructure	Court ASAAE	Commissioner's Certificate Sale	Redacting Fee	Marijuana Eradication
Cash and investments - beginning	\$ 2,720	\$ 159,328	\$ 10,955	\$ 2,648	\$ 17,917	\$ 829
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	18,617	-	-	1,779	-
Fines and forfeits	-	-	27,751	-	-	-
Other receipts	-	-	-	11,464	-	-
Total receipts	-	18,617	27,751	11,464	1,779	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	32,150	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	14,112	675	-
Total disbursements	-	-	32,150	14,112	675	-
Excess (deficiency) of receipts over disbursements	-	18,617	(4,399)	(2,648)	1,104	-
Cash and investments - ending	\$ 2,720	\$ 177,945	\$ 6,556	\$ -	\$ 19,021	\$ 829

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

	TIF Bond General	TIF Bond Reserve	HEA	LOIT Operating Levy Freeze	16.575 Victim Assistant Grant	93.069 Bioterrorism Grant
Cash and investments - beginning	\$ 267,859	\$ 125,575	\$ 105,722	\$ -	\$ (4,942)	\$ 7,952
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	4,646	-
Charges for services	-	-	-	-	-	22,515
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	99,663	1,269,602	-	-
Total receipts	-	-	99,663	1,269,602	4,646	22,515
Disbursements:						
Personal services	-	-	70,502	-	-	-
Supplies	-	-	-	-	-	3,618
Other services and charges	-	-	-	-	-	11,531
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	4,125
Other disbursements	-	-	-	1,269,602	-	-
Total disbursements	-	-	70,502	1,269,602	-	19,274
Excess (deficiency) of receipts over disbursements	-	-	29,161	-	4,646	3,241
Cash and investments - ending	\$ 267,859	\$ 125,575	\$ 134,883	\$ -	\$ (296)	\$ 11,193

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

	Bulletproof Vests	IDVA EHB 1387 GRANT	Jury Pay	Pre-Trial Diversion	County Sheriff Continuing Education	Totals
Cash and investments - beginning	\$ 3,492	\$ -	\$ 98	\$ 12,542	\$ 4,144	\$ 14,835,892
Receipts:						
Taxes	-	-	-	-	-	9,161,868
Licenses and permits	-	-	-	-	-	81,184
Intergovernmental receipts	-	968	-	-	-	5,159,681
Charges for services	-	-	-	-	1,015	2,434,098
Fines and forfeits	-	-	-	1,599	-	314,211
Other receipts	-	-	-	-	-	37,013,498
Total receipts	-	968	-	1,599	1,015	54,164,540
Disbursements:						
Personal services	-	-	-	-	-	8,159,769
Supplies	-	-	-	-	-	2,235,018
Other services and charges	-	-	-	-	-	3,057,852
Debt service - principal and interest	-	-	-	-	-	820,596
Capital outlay	-	968	-	-	-	1,278,116
Other disbursements	-	-	-	-	-	38,105,039
Total disbursements	-	968	-	-	-	53,656,390
Excess (deficiency) of receipts over disbursements	-	-	-	1,599	1,015	508,150
Cash and investments - ending	\$ 3,492	\$ -	\$ 98	\$ 14,141	\$ 5,159	\$ 15,344,042

JAY COUNTY
SCHEDULE OF PAYABLES AND RECEIVABLES
December 31, 2014

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 132,950</u>	<u>\$ -</u>

JAY COUNTY
SCHEDULE OF LEASES AND DEBT
December 31, 2014

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
General obligation bonds	Jail	\$ 8,305,000	\$ 401,000
Notes and loans payable	Surveyor Excavator	36,120	24,596
Notes and loans payable	Chip & Seal Equipment	<u>190,613</u>	<u>65,762</u>
Totals		<u>\$ 8,531,733</u>	<u>\$ 491,358</u>

JAY COUNTY
SCHEDULE OF CAPITAL ASSETS
December 31, 2014

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	\$ 848,402
Buildings	13,948,710
Improvements other than buildings	20,496,907
Machinery, equipment, and vehicles	<u>13,683,941</u>
Total capital assets	<u>\$ 48,977,960</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 JAY COUNTY, INDIANA

Report on Compliance for the Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on the Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2014.

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


Report on Internal Control over Compliance

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

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 a 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. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

April 25, 2017

(This page intentionally left blank.)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

JAY 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 Justice</u>					
Crime Victim Assistance	Indiana Criminal Justice Institute	16.575	2013-VA-GX-0036	\$ -	\$ 4,646
Total - Department of Justice				-	4,646
<u>Department of Transportation</u>					
Highway Planning and Construction Cluster Highway Planning and Construction	Indiana Department of Transportation	20.205	1382082	-	108,800
Total - Highway Planning and Construction Cluster				-	108,800
Formula Grants for Rural Areas	Indiana Department of Transportation	20.509	1803044 O 1803244 O	171,283 354,208	171,283 354,208
Total - Formula Grants for Rural Areas				525,491	525,491
Total - Department of Transportation				525,491	634,291
<u>Environmental Protection Agency</u>					
Nonpoint Source Implementation Grants	Indiana Department of Environmental Management	66.460	A305-3-122	-	43,219
Total - Environmental Protection Agency				-	43,219
<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	A70-4-0532276 A70-5-0532421	- -	14,982 7,532
Total - Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements				-	22,514
Child Support Enforcement County Clerk Incentive County Clerk's Expenditures County Prosecutor's Expenditures Indirect Costs	Indiana Department of Child Services	93.563	FY 2014 FY 2014 FY 2014 FY 2014	- - - -	454 52,251 60,704 12,505
Total - Child Support Enforcement				-	125,914
Total - Department of Health and Human Services				-	148,428
<u>Department of Homeland Security</u>					
Emergency Management Performance Grants	Indiana Department of Homeland Security	97.042	C44P-5-039B C44P-4-458B	- -	28,644 5,180
Total - Emergency Management Performance Grants				-	33,824
Homeland Security Grant Program	Indiana Department of Homeland Security	97.067	C44P-3-155B	-	1,675
Total - Department of Homeland Security				-	35,499
Total federal awards expended				\$ 525,491	\$ 866,083

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

JAY COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the County under programs of the federal government for the year ended December 31, 2014. The information in the SEFA is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the SEFA presents only a select portion of the operations of the County, it is not intended to and does not present the financial position of the County.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

JAY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

Internal control over major program:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section .510(a) of OMB Circular A-133?	no

Identification of Major Program:

CFDA Number	Name of Federal Program or Cluster
20.509	Formula Grants for Rural Areas

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 - PREPARATION OF THE 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.

During the audit of the SEFA, there were the following errors:

1. The Formula Grants for Rural Areas was overstated by \$106,864.

JAY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2. The Child Support Enforcement grant was understated by \$14,254.

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

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

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

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

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

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

JAY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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

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 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.

FINDING 2014-002 - FINANCIAL TRANSACTIONS AND REPORTING

Condition

There were deficiencies in the internal control system of the County related to financial transactions and reporting. The County had not separated incompatible activities related to financial transactions and reporting. The County Auditor entered the financial information into the Indiana Gateway for Government Units financial reporting system (Gateway), which is the source of the Annual Financial Report (AFR) and the financial statement. The County did not have effective controls to verify the accuracy of the financial information entered prior to submission.

Financial transactions for six funds were omitted from the AFR and the financial statement. As a result, total receipts were understated by \$2,214,742, total disbursements were understated by \$2,188,074, and the ending balance was understated by \$725,657. Audit adjustments were proposed, accepted by the County, and made to the AFR and the financial statement.

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

JAY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under IC 5-14-3.8-7."

Cause

Management of the County had not established a proper system of internal control.

Effect

The failure to establish controls enabled material misstatements or irregularities to remain undetected.

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

No matters are reportable.

(This page intentionally left blank.)

AUDITEE-PREPARED DOCUMENT

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

Jay County Auditor's Office
120 N Court St, Suite 202
Portland, IN 47371
(260) 726-7575

April 25, 2017

CORRECTIVE ACTION PLAN

Finding 2014-001

Contact Person Responsible for Corrective Action: Anna Culy, Auditor
Contact Phone Number: 260-726-6937

Views of Responsible Official:

As county auditor, it is important to have sufficient preparation of the schedule of expenditures of federal awards.

Description of Corrective Action Plan:

In regards to future preparation of the schedule of expenditures of federal awards, Jay County will ensure that all appropriate personnel will oversee the schedule of expenditures for all grants and other federal monies that are receipted and/or disbursed as to be in compliance with the Indiana State Board of Accounts requirements.

Anticipated Completion Date:

Corrective action has already been put in place and will continue to be implemented in the future for all awards.

Anna Culy

Signature

AUDITOR

Title

4-25-2017

Date

Jay County Auditor's Office
120 N Court St, Suite 202
Portland, IN 47371
(260) 726-7575

April 25, 2017

CORRECTIVE ACTION PLAN

Finding 2014-002

Contact Person Responsible for Corrective Action: Anna Culy, Auditor

Contact Phone Number: 260-726-6937

Views of Responsible Official:

As county auditor, it is important to have sufficient preparation of the County Annual Financial Report.

Description of Corrective Action Plan:

In regards to future preparation of the County Annual Financial Report, Jay County will ensure that all appropriate personnel will oversee the correct preparation and uploading of the County Annual Financial Report to the Department of Local Government Finance website known as the Gateway. The county will ensure that in addition to the financial information accounted for in the county financial software, supplemental reports will be placed on the DLGF site as well.

Anticipated Completion Date:

The corrective action plan has already been implemented and subsequent years reported on the DLGF Gateway site have the supplemental information on the website. From this point forward, the County will continue to report said information until such a time as it is no longer necessary.

Anna Culy

Signature

Auditor

Title

4-25-2017

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/>.