

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF
JACKSON COUNTY, INDIANA
January 1, 2015 to December 31, 2015



FILED
07/28/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Kathy S. Hohenstreiter	01-01-13 to 12-31-20
County Treasurer	Maria L. Fisher Roger D. Hurt	01-01-13 to 12-31-16 01-01-17 to 12-31-20
Clerk of the Circuit Court	Amanda L. Lowery	01-01-15 to 12-31-18
County Sheriff	Michael E. Carothers	01-01-15 to 12-31-18
County Recorder	Linda Jo Auleman	01-01-15 to 12-31-18
President of the Board of County Commissioners	Jerry Hounshel Matt Reedy	01-01-15 to 12-31-15 01-01-16 to 12-31-17
President of the County Council	Leon Pottschmidt Charlie S. Murphy Bridey K. Jacobi	01-01-15 to 12-31-15 01-01-16 to 12-31-16 01-01-17 to 12-31-17



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF JACKSON COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of Jackson County (County), which comprises the financial position and results of operations for the year ended December 31, 2015, 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 (Indiana Code 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, 2015.

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, 2015, 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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, and Schedule of Leases and Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated May 15, 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

May 15, 2017



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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 JACKSON 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 Jackson County (County), which comprises the financial position and results of operations for the year ended December 31, 2015, and the related notes to the financial statement, and have issued our report thereon dated May 15, 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.

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 County's financial statement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2015-001, 2015-002, and 2015-003, that we consider to be material weaknesses.

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

Compliance and Other Matters


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

Jackson 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

May 15, 2017

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

JACKSON COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended December 31, 2015

Fund	Cash and Investments 01-01-15	Receipts	Disbursements	Cash and Investments 12-31-15
County General	\$ 1,592,005	\$ 9,109,430	\$ 8,773,235	\$ 1,928,200
Accident Report	5,243	4,130	3,407	5,966
Juv Det Center/Jail Cagit	10,408	818,406	826,778	2,036
New Cagit Cert Shares Fund	28,078	2,500,117	2,517,289	10,906
CEDIT Fund/98	653	1,229,687	1,223,750	6,590
Cities And Towns Clerk Rece	797	14,728	14,472	1,053
Clerk's Perpetuation	68,662	22,302	5,908	85,056
Comm.Corr.Project Income	213,379	392,767	338,656	267,490
Community Transition Program	13,739	7,700	10,590	10,849
Conv.Visitor/Innkeepers Tax	698,241	437,006	392,232	743,015
Co Sales Disclosure Fund	39,418	6,680	5	46,093
Covered Bridge Maintenance	16,322	3,700	400	19,622
Cumulative Bridge	1,497,051	707,422	801,349	1,403,124
Cum.Ct.Hs.Or Cum Bldg	429	-	-	429
County Cum Capital Development	1,181,805	637,268	705,422	1,113,651
Jackson Co Drug Free Grant Fun	29,256	33,216	31,609	30,863
Electronic Map Fund	15,989	2,000	3,735	14,254
Jack.Co. Ambulance Auth Serv	646,510	1,976,304	2,229,827	392,987
Local Emerg.Plan.& Rt.To Know	38,072	8,501	10,337	36,236
County Health	88,402	532,810	517,442	103,770
ID Security Protection	2,341	4,804	2,211	4,934
Local Health Maintenance	7,484	33,139	40,277	346
Local Road & Street	15,559	379,342	371,526	23,375
County Misdemeanant Fund	50,673	44,183	45,500	49,356
County Highway	940,310	2,931,927	3,027,260	844,977
Auditor's Plat Book Fund	47,571	11,394	1,520	57,445
JCVC Gift Shop	-	769	345	424
Rainy Day Fund	2,179,514	-	435,112	1,744,402
Recorders Records Perpetuat	42,622	98,591	67,436	73,777
Police Pension Trust Fund	59,587	145,070	128,622	76,035
Supp. Public Defender Serv	223,461	39,924	46,395	216,990
Surplus Tax	101,093	81,300	68,302	114,091
Surveyors Cornerstone Fund	19,740	9,095	3,432	25,403
Tax Sale Redemption	-	83,335	75,142	8,193
Tax Sale Surplus	513,417	496,073	532,303	477,187
Ind.Local Health Dept. Trust	10,801	32,381	43,178	4
Guardian Ad Litem CASA	67,363	72,408	77,879	61,892
Elected Officials Training	13,751	4,821	364	18,208
County Offender Transportation	2,703	875	-	3,578
Statewide 911	895,530	540,626	745,848	690,308
Reassessment	101,720	237,006	293,469	45,257
Probation Adm Fee Adult	12,343	30,054	19,729	22,668
Probation Adm Fee Juvenile	4,893	990	5,008	875
Probation Fee Adult	70,328	114,677	91,994	93,011
Probation Fee Juvenile	1,062	3,540	1,294	3,308
Alternative Dispute Resolution	2,693	5,520	7,200	1,013
User Fees	71,167	100,485	39,681	131,971
Co. General Drain Improvement	12,656	-	1,035	11,621
Drainage Maintenance	351,127	96,921	134,868	313,180
JCSD Ed. & Crime Prevention	10,159	8,628	4,426	14,361
Ordinance Violation Fund	25,298	67,960	50,442	42,816
Debt Pmt Bond Issue	135,518	689,507	671,925	153,100
United Fund	-	7,112	7,112	-
Insurance payroll acct's 5200-5211	5,890	835,512	832,401	9,001
Pre-Paid Legal Services Inc.	-	801	765	36
Federal Withholding	-	887,944	887,944	-
FICA and Medicare Withholding	-	653,259	653,259	-
CAGIT Withholding	-	134,123	134,123	-
PERF Voluntary	-	17,899	17,899	-
Sheriff/Jail 457B Retirement	-	13,476	13,476	-
State Withholding	-	281,794	281,794	-
Garnishment Withholding	-	28,330	28,330	-
Settlement	-	42,731,731	42,731,731	-
CVET	-	325,144	325,144	-
Financial Institution Tax	-	259,203	259,203	-
CEDIT Homestead Credit Fund	28,989	2,051,568	2,049,114	31,443
Fines & Forfeitures	900	8,581	8,614	867

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

JACKSON COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS

For the Year Ended December 31, 2015

(Continued)

Fund	Cash and Investments 01-01-15	Receipts	Disbursements	Cash and Investments 12-31-15
Infraction Judgements	2,348	30,831	30,915	2,264
Overweight Vehicles Fines	1,040	39,634	39,106	1,568
Death Benefit Fund	320	3,290	3,335	275
St. Sales Disclosure Fee Fund	570	5,185	5,150	605
Coroners Cont.Ed. Fees Fund	356	4,308	4,334	330
Interstate Compact Fee-State	63	875	625	313
Mortgage Fee Fund	213	4,010	3,933	290
Child Restraint Sys Violation	24	725	674	75
Inheritance Tax	3,331	44,855	18,232	29,954
Education Plate Fund	1,514	469	1,945	38
Riverboat Revenue	-	251,032	251,032	-
Cert Shares/Prop Tax Replaceme	-	9,002,204	9,002,204	-
CEDIT Distribution	-	2,051,568	2,051,568	-
93.563 Prosecutor PCA	8,510	5,529	4,348	9,691
ARRA Reimb To Clerk	167	-	167	-
County General IV-D Funds	91,750	17,369	9,000	100,119
Prosecutor's IV-D After 10/99	152,428	26,132	25,662	152,898
Clerk's IV-D After 10/99	59,349	17,369	-	76,718
User Fees Jury Fees	12	7,147	-	7,159
User Fees Law Enforcement	134,726	21,879	9,528	147,077
User Fees Alcohol & Drug	21,079	119,399	124,558	15,920
Clerk Ordinance Fund Collection	34	-	-	34
L/R Payment	127,474	291,182	278,000	140,656
After Settlement Collections	1,749,490	1,056,809	1,749,490	1,056,809
Sheriff's Inmate Trust	17,813	450,452	448,484	19,781
Prosecutors Check Deception Program	1	798	798	1
Juvenile Detention Trust (Auxillary Acct)	1,058	1	354	705
Jail Commissary	156,226	108,343	77,152	187,417
Sheriff Drug Buy Money -Supplemental	8,041	10,015	1,000	17,056
Juvenile Home -Supplemental	3,793	31,313	27,739	7,367
Juvenile Det Ctr-Cash Acct-Supplemental	60	2,910	2,909	61
Clerk MHI Acct/Issets -Supplemental	27,826	1,185,811	1,188,030	25,607
Visitor Center-Checking Acct -Supplemental	4,245	1,825	1,892	4,178
Visitor Center-Cash Fund-Supplemental	46	1,142	1,011	177
Clerk's Trust	1,112,133	4,673,286	4,793,675	991,744
Sheriff Cashbook	-	103,716	103,716	-
Help America Vote Act	391	-	-	391
Health Ins Fund-Employer Share	1,470	1,313,744	1,271,908	43,306
Co. Sheriff Law Enf.Cont.Ed	602	382	-	984
Handgun License Application	9,924	14,510	1,530	22,904
Jackson Co 2010 GOB Series	81,048	-	75,721	5,327
Jackson Co 2013 GOB Series	906,876	30	798,726	108,180
JC Sheriff Forfeiture Fund	-	11,831	11,831	-
County Assessors Copy Fund	2,060	12	-	2,072
Juvenile Home Tutoring Grant	876	-	-	876
Juvenile Home Counseling Grant	5,359	-	-	5,359
Vallonia Storm Drain Grant	609	-	-	609
Asset Forfeiture Fund	21,419	200	2,027	19,592
Commissioner Sale Fund	2,200	6,343	8,543	-
Wildlife Refuge	-	25,945	25,945	-
Seatbelt Violations	374	19,054	18,028	1,400
Prosecutor Victim Assist Pr	(5,146)	45,585	45,422	(4,983)
Emergency Mgmt Spec Apprpr	25,177	48,658	52,013	21,822
Clerk Odyssey Grant Fund	4,773	865	858	4,780
Comm Correction	(6,000)	6,000	-	-
CHINS-Child In Need Of Serv	1,157,434	-	56,400	1,101,034
Community Corrections	(19,612)	140,991	121,379	-
Community Corrections Grant	-	236,819	229,957	6,862
Interpreter Grant (Drug/Alch)	14,206	2,155	1,046	15,315
Public Health Preparedness	291	16,153	16,444	-
ILHDTA -Excess Funds	18,213	10,801	8,787	20,227
NACCHO 2013 Grant	33	785	700	118
Local Health Main Fund -EXCESS	16,169	7,484	-	23,653
NACCHO 2014 Grant	785	-	785	-
Immunization Grant 2015	-	52,747	59,227	(6,480)
Totals	\$ 18,138,293	\$ 94,578,503	\$ 96,738,918	\$ 15,977,878

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

JACKSON COUNTY
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

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

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

JACKSON COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

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

E. Disbursements

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

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

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

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

Debt service - principal and interest, which includes 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.

JACKSON COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

F. Interfund Transfers

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

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.

JACKSON 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

JACKSON 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, 2015.

JACKSON COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 8. *Holding Corporation*

The County has entered into a capital lease with Jackson County Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the County. The lessor has been determined to be a related-party of the County. Lease payments during the year 2015 totaled \$1,011,750.

Note 9. *Other Postemployment Benefits*

The County provides to eligible retirees and their spouses health insurance benefits. These benefits pose a liability to the County for this year and in future years. Information regarding the benefits can be obtained by contacting the County.

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OTHER INFORMATION - UNAUDITED

The County's Annual Financial Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

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

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

JACKSON COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015

	County General	Accident Report	Juv Det Center/Jail Cagit	New Cagit Cert Shares Fund	CEDIT Fund/98	Cities And Town Clerk Rece	Clerk's Perpetuation
Cash and investments - beginning	\$ 1,592,005	\$ 5,243	\$ 10,408	\$ 28,078	\$ 653	\$ 797	\$ 68,662
Receipts:							
Taxes	5,525,018	-	-	2,481,981	1,229,687	-	-
Licenses and permits	21,336	-	-	-	-	-	-
Intergovernmental receipts	1,768,840	-	818,382	-	-	-	-
Charges for services	671,133	4,130	-	18,136	-	-	22,302
Fines and forfeits	348,861	-	-	-	-	14,728	-
Other receipts	774,242	-	24	-	-	-	-
Total receipts	<u>9,109,430</u>	<u>4,130</u>	<u>818,406</u>	<u>2,500,117</u>	<u>1,229,687</u>	<u>14,728</u>	<u>22,302</u>
Disbursements:							
Personal services	5,944,086	-	733,154	2,309,464	-	-	4,013
Supplies	355,457	3,407	22,559	-	-	-	-
Other services and charges	2,017,493	-	71,065	207,825	490,000	-	1,895
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	456,199	-	-	-	733,750	14,472	-
Total disbursements	<u>8,773,235</u>	<u>3,407</u>	<u>826,778</u>	<u>2,517,289</u>	<u>1,223,750</u>	<u>14,472</u>	<u>5,908</u>
Excess (deficiency) of receipts over disbursements	<u>336,195</u>	<u>723</u>	<u>(8,372)</u>	<u>(17,172)</u>	<u>5,937</u>	<u>256</u>	<u>16,394</u>
Cash and investments - ending	<u>\$ 1,928,200</u>	<u>\$ 5,966</u>	<u>\$ 2,036</u>	<u>\$ 10,906</u>	<u>\$ 6,590</u>	<u>\$ 1,053</u>	<u>\$ 85,056</u>

JACKSON COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Comm.Corr.Project Income	Community Transition Program	Conv.Visitor/Innkeepers Tax	Co Sales Disclosure Fund	Covered Bridge Maintenance	Cumulative Bridge	Cum.Ct.Hs.Or Cum Bldg
Cash and investments - beginning	\$ 213,379	\$ 13,739	\$ 698,241	\$ 39,418	\$ 16,322	\$ 1,497,051	\$ 429
Receipts:							
Taxes	-	-	423,267	-	-	395,545	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	16,845	-	-	-	3,700	311,877	-
Charges for services	375,922	7,700	-	6,680	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	13,739	-	-	-	-
Total receipts	<u>392,767</u>	<u>7,700</u>	<u>437,006</u>	<u>6,680</u>	<u>3,700</u>	<u>707,422</u>	<u>-</u>
Disbursements:							
Personal services	158,727	-	157,241	-	-	159,471	-
Supplies	11,470	-	3,389	-	-	-	-
Other services and charges	139,208	10,590	211,527	-	400	239,770	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	23,251	-	-	-	-	-	-
Other disbursements	6,000	-	20,075	5	-	402,108	-
Total disbursements	<u>338,656</u>	<u>10,590</u>	<u>392,232</u>	<u>5</u>	<u>400</u>	<u>801,349</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>54,111</u>	<u>(2,890)</u>	<u>44,774</u>	<u>6,675</u>	<u>3,300</u>	<u>(93,927)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 267,490</u>	<u>\$ 10,849</u>	<u>\$ 743,015</u>	<u>\$ 46,093</u>	<u>\$ 19,622</u>	<u>\$ 1,403,124</u>	<u>\$ 429</u>

JACKSON COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	County Cum Capital Development	Jackson Co Drug Free Grant Fun	Electronic Map Fund	Jack.Co. Ambulance Auth Serv	Local Emerg.Plan.& Rt.To Know	County Health	ID Security Protection
Cash and investments - beginning	\$ 1,181,805	\$ 29,256	\$ 15,989	\$ 646,510	\$ 38,072	\$ 88,402	\$ 2,341
Receipts:							
Taxes	628,644	-	-	4,940	-	321,167	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	8,317	-	-	-	8,501	4,248	-
Charges for services	-	-	-	1,969,323	-	205,651	4,804
Fines and forfeits	-	33,140	-	-	-	-	-
Other receipts	307	76	2,000	2,041	-	1,744	-
Total receipts	<u>637,268</u>	<u>33,216</u>	<u>2,000</u>	<u>1,976,304</u>	<u>8,501</u>	<u>532,810</u>	<u>4,804</u>
Disbursements:							
Personal services	-	-	-	1,825,782	371	428,072	-
Supplies	23,270	-	-	195,847	1,571	35,712	-
Other services and charges	682,152	-	3,735	195,268	8,395	53,658	2,211
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	31,609	-	12,930	-	-	-
Total disbursements	<u>705,422</u>	<u>31,609</u>	<u>3,735</u>	<u>2,229,827</u>	<u>10,337</u>	<u>517,442</u>	<u>2,211</u>
Excess (deficiency) of receipts over disbursements	<u>(68,154)</u>	<u>1,607</u>	<u>(1,735)</u>	<u>(253,523)</u>	<u>(1,836)</u>	<u>15,368</u>	<u>2,593</u>
Cash and investments - ending	<u>\$ 1,113,651</u>	<u>\$ 30,863</u>	<u>\$ 14,254</u>	<u>\$ 392,987</u>	<u>\$ 36,236</u>	<u>\$ 103,770</u>	<u>\$ 4,934</u>

JACKSON COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Local Health Maintenance	Local Road & Street	County Misdemeanant Fund	County Highway	Auditor's Plat Book Fund	JCVC Gift Shop	Rainy Day Fund
Cash and investments - beginning	\$ 7,484	\$ 15,559	\$ 50,673	\$ 940,310	\$ 47,571	\$ -	\$ 2,179,514
Receipts:							
Taxes	-	-	-	12,350	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	33,139	379,342	44,183	2,851,246	-	-	-
Charges for services	-	-	-	31,212	11,394	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	37,119	-	769	-
Total receipts	<u>33,139</u>	<u>379,342</u>	<u>44,183</u>	<u>2,931,927</u>	<u>11,394</u>	<u>769</u>	<u>-</u>
Disbursements:							
Personal services	32,793	-	-	1,113,479	-	-	300,000
Supplies	-	-	5,000	192,339	-	-	-
Other services and charges	-	371,526	40,500	1,721,442	1,500	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	7,484	-	-	-	20	345	135,112
Total disbursements	<u>40,277</u>	<u>371,526</u>	<u>45,500</u>	<u>3,027,260</u>	<u>1,520</u>	<u>345</u>	<u>435,112</u>
Excess (deficiency) of receipts over disbursements	<u>(7,138)</u>	<u>7,816</u>	<u>(1,317)</u>	<u>(95,333)</u>	<u>9,874</u>	<u>424</u>	<u>(435,112)</u>
Cash and investments - ending	<u>\$ 346</u>	<u>\$ 23,375</u>	<u>\$ 49,356</u>	<u>\$ 844,977</u>	<u>\$ 57,445</u>	<u>\$ 424</u>	<u>\$ 1,744,402</u>

JACKSON COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Recorders Records Perpetuat	Police Pension Trust Fund	Supp. Public Defender Serv	Surplus Tax	Surveyors Cornerstone Fund	Tax Sale Redemption	Tax Sale Surplus
Cash and investments - beginning	\$ 42,622	\$ 59,587	\$ 223,461	\$ 101,093	\$ 19,740	\$ -	\$ 513,417
Receipts:							
Taxes	-	-	-	81,050	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	260	607	180	-	9,095	-	-
Fines and forfeits	-	144,463	39,744	-	-	-	-
Other receipts	98,331	-	-	250	-	83,335	496,073
Total receipts	<u>98,591</u>	<u>145,070</u>	<u>39,924</u>	<u>81,300</u>	<u>9,095</u>	<u>83,335</u>	<u>496,073</u>
Disbursements:							
Personal services	18,291	-	46,395	-	-	-	-
Supplies	-	-	-	-	404	-	-
Other services and charges	49,145	-	-	-	3,028	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	128,622	-	68,302	-	75,142	532,303
Total disbursements	<u>67,436</u>	<u>128,622</u>	<u>46,395</u>	<u>68,302</u>	<u>3,432</u>	<u>75,142</u>	<u>532,303</u>
Excess (deficiency) of receipts over disbursements	<u>31,155</u>	<u>16,448</u>	<u>(6,471)</u>	<u>12,998</u>	<u>5,663</u>	<u>8,193</u>	<u>(36,230)</u>
Cash and investments - ending	<u>\$ 73,777</u>	<u>\$ 76,035</u>	<u>\$ 216,990</u>	<u>\$ 114,091</u>	<u>\$ 25,403</u>	<u>\$ 8,193</u>	<u>\$ 477,187</u>

JACKSON COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Ind.Local Health Dept. Trust	Guardian Ad Litem CASA	Elected Officials Training	County Offender Transportation	Statewide 911	Reassessment	Probation Adm Fee Adult
Cash and investments - beginning	\$ 10,801	\$ 67,363	\$ 13,751	\$ 2,703	\$ 895,530	\$ 101,720	\$ 12,343
Receipts:							
Taxes	-	-	-	-	-	233,888	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	23,594	27,408	-	-	525,602	3,097	-
Charges for services	-	-	4,821	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	8,787	45,000	-	875	15,024	21	30,054
Total receipts	<u>32,381</u>	<u>72,408</u>	<u>4,821</u>	<u>875</u>	<u>540,626</u>	<u>237,006</u>	<u>30,054</u>
Disbursements:							
Personal services	29,271	-	-	-	205,409	37,532	15,708
Supplies	325	-	-	-	-	-	535
Other services and charges	2,781	-	364	-	540,415	255,937	3,486
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	10,801	77,879	-	-	24	-	-
Total disbursements	<u>43,178</u>	<u>77,879</u>	<u>364</u>	<u>-</u>	<u>745,848</u>	<u>293,469</u>	<u>19,729</u>
Excess (deficiency) of receipts over disbursements	<u>(10,797)</u>	<u>(5,471)</u>	<u>4,457</u>	<u>875</u>	<u>(205,222)</u>	<u>(56,463)</u>	<u>10,325</u>
Cash and investments - ending	<u>\$ 4</u>	<u>\$ 61,892</u>	<u>\$ 18,208</u>	<u>\$ 3,578</u>	<u>\$ 690,308</u>	<u>\$ 45,257</u>	<u>\$ 22,668</u>

JACKSON COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Probation Adm Fee Juvenile	Probation Fee Adult	Probation Fee Juvenile	Alternative Dispute Resolution	User Fees	Co. General Drain Improvement	Drainage Maintenance
Cash and investments - beginning	\$ 4,893	\$ 70,328	\$ 1,062	\$ 2,693	\$ 71,167	\$ 12,656	\$ 351,127
Receipts:							
Taxes	-	-	-	-	-	-	96,921
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	5,520	100,485	-	-
Other receipts	990	114,677	3,540	-	-	-	-
Total receipts	990	114,677	3,540	5,520	100,485	-	96,921
Disbursements:							
Personal services	3,008	91,994	1,294	-	25,290	-	-
Supplies	-	-	-	-	7,236	-	-
Other services and charges	2,000	-	-	7,200	7,155	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	1,035	134,868
Total disbursements	5,008	91,994	1,294	7,200	39,681	1,035	134,868
Excess (deficiency) of receipts over disbursements	(4,018)	22,683	2,246	(1,680)	60,804	(1,035)	(37,947)
Cash and investments - ending	\$ 875	\$ 93,011	\$ 3,308	\$ 1,013	\$ 131,971	\$ 11,621	\$ 313,180

JACKSON COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	JCSD Ed. & Crime Prevention	Ordinance Violation Fund	Debt Pmt Bond Issue	United Fund	Insurance payroll accts 5200-5211	Pre-Paid Legal Services Inc.	Federal Withholding
Cash and investments - beginning	\$ 10,159	\$ 25,298	\$ 135,518	\$ -	\$ 5,890	\$ -	\$ -
Receipts:							
Taxes	-	-	680,729	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	8,778	-	-	-	-
Charges for services	8,628	67,960	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	7,112	835,512	801	887,944
Total receipts	8,628	67,960	689,507	7,112	835,512	801	887,944
Disbursements:							
Personal services	-	50,404	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	38	-	-	832,401	-	-
Debt service - principal and interest	-	-	671,925	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	4,426	-	-	7,112	-	765	887,944
Total disbursements	4,426	50,442	671,925	7,112	832,401	765	887,944
Excess (deficiency) of receipts over disbursements	4,202	17,518	17,582	-	3,111	36	-
Cash and investments - ending	\$ 14,361	\$ 42,816	\$ 153,100	\$ -	\$ 9,001	\$ 36	\$ -

JACKSON COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	FICA and Medicare Withholding	CAGIT Withholding	PERF Voluntary	Sheriff/Jail 457B Retirement	State Withholding	Garnishment Withholding	Settlement
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	42,731,731
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	653,259	134,123	17,899	13,476	281,794	28,330	-
Total receipts	653,259	134,123	17,899	13,476	281,794	28,330	42,731,731
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	653,259	134,123	17,899	13,476	281,794	28,330	42,731,731
Total disbursements	653,259	134,123	17,899	13,476	281,794	28,330	42,731,731
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

JACKSON COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	CVET	Financial Institution Tax	CEDIT Homestead Credit Fund	Fines & Forfeitures	Infraction Judgements	Overweight Vehicles Fines	Death Benefit Fund
Cash and investments - beginning	\$ -	\$ -	\$ 28,989	\$ 900	\$ 2,348	\$ 1,040	\$ 320
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	325,144	259,203	-	-	-	-	-
Charges for services	-	-	-	-	-	-	3,290
Fines and forfeits	-	-	-	8,581	30,831	39,634	-
Other receipts	-	-	2,051,568	-	-	-	-
Total receipts	325,144	259,203	2,051,568	8,581	30,831	39,634	3,290
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	325,144	259,203	2,049,114	8,614	30,915	39,106	3,335
Total disbursements	325,144	259,203	2,049,114	8,614	30,915	39,106	3,335
Excess (deficiency) of receipts over disbursements	-	-	2,454	(33)	(84)	528	(45)
Cash and investments - ending	\$ -	\$ -	\$ 31,443	\$ 867	\$ 2,264	\$ 1,568	\$ 275

JACKSON COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	St. Sales Disclosure Fee Fund	Coroners Cont.Ed. Fees Fund	Interstate Compact Fee-State	Mortgage Fee Fund	Child Restraint Sys Violation	Inheritance Tax	Education Plate Fund
Cash and investments - beginning	\$ 570	\$ 356	\$ 63	\$ 213	\$ 24	\$ 3,331	\$ 1,514
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	44,855	469
Charges for services	5,185	4,308	875	4,010	-	-	-
Fines and forfeits	-	-	-	-	725	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>5,185</u>	<u>4,308</u>	<u>875</u>	<u>4,010</u>	<u>725</u>	<u>44,855</u>	<u>469</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	5,150	4,334	625	3,933	674	18,232	1,945
Total disbursements	<u>5,150</u>	<u>4,334</u>	<u>625</u>	<u>3,933</u>	<u>674</u>	<u>18,232</u>	<u>1,945</u>
Excess (deficiency) of receipts over disbursements	<u>35</u>	<u>(26)</u>	<u>250</u>	<u>77</u>	<u>51</u>	<u>26,623</u>	<u>(1,476)</u>
Cash and investments - ending	<u>\$ 605</u>	<u>\$ 330</u>	<u>\$ 313</u>	<u>\$ 290</u>	<u>\$ 75</u>	<u>\$ 29,954</u>	<u>\$ 38</u>

JACKSON COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Riverboat Revenue	Cert Shares/Prop Tax Replaceme	CEDIT Distribution	93.563 Prosecutor PCA	ARRA Reimb To Clerk	County General IV-D Funds	Prosecutor's IV-D After 10/99
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 8,510	\$ 167	\$ 91,750	\$ 152,428
Receipts:							
Taxes	-	-	2,051,568	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	251,032	9,002,204	-	5,529	-	17,369	26,132
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>251,032</u>	<u>9,002,204</u>	<u>2,051,568</u>	<u>5,529</u>	<u>-</u>	<u>17,369</u>	<u>26,132</u>
Disbursements:							
Personal services	-	-	-	-	-	-	24,058
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	<u>251,032</u>	<u>9,002,204</u>	<u>2,051,568</u>	<u>4,348</u>	<u>167</u>	<u>9,000</u>	<u>1,604</u>
Total disbursements	<u>251,032</u>	<u>9,002,204</u>	<u>2,051,568</u>	<u>4,348</u>	<u>167</u>	<u>9,000</u>	<u>25,662</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,181</u>	<u>(167)</u>	<u>8,369</u>	<u>470</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,691</u>	<u>\$ -</u>	<u>\$ 100,119</u>	<u>\$ 152,898</u>

JACKSON COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Clerk's IV-D After 10/99	User Fees Jury Fees	User Fees Law Enforcement	User Fees Alcohol & Drug	Clerk Ordinance Fund Collection	L/R Payment	After Settlement Collections
Cash and investments - beginning	\$ 59,349	\$ 12	\$ 134,726	\$ 21,079	\$ 34	\$ 127,474	\$ 1,749,490
Receipts:							
Taxes	-	-	-	-	-	287,471	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	17,369	-	-	2,500	-	3,711	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	6,866	21,879	112,939	-	-	-
Other receipts	-	281	-	3,960	-	-	1,056,809
Total receipts	17,369	7,147	21,879	119,399	-	291,182	1,056,809
Disbursements:							
Personal services	-	-	-	104,599	-	-	-
Supplies	-	-	-	1,996	-	-	-
Other services and charges	-	-	-	17,963	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	9,528	-	-	278,000	1,749,490
Total disbursements	-	-	9,528	124,558	-	278,000	1,749,490
Excess (deficiency) of receipts over disbursements	17,369	7,147	12,351	(5,159)	-	13,182	(692,681)
Cash and investments - ending	\$ 76,718	\$ 7,159	\$ 147,077	\$ 15,920	\$ 34	\$ 140,656	\$ 1,056,809

JACKSON COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Sheriff's Inmate Trust	Prosecutors Check Deception Program	Juvenile Detention Trust (Auxillary Acct)	Jail Commissary	Sheriff Drug Buy Money -Supplemental	Juvenile Home -Supplemental	Juvenile Det Ctr-Cash Acct-Supplemental
Cash and investments - beginning	\$ 17,813	\$ 1	\$ 1,058	\$ 156,226	\$ 8,041	\$ 3,793	\$ 60
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	450,452	798	1	108,343	10,015	31,313	2,910
Total receipts	<u>450,452</u>	<u>798</u>	<u>1</u>	<u>108,343</u>	<u>10,015</u>	<u>31,313</u>	<u>2,910</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	448,484	798	354	77,152	1,000	27,739	2,909
Total disbursements	<u>448,484</u>	<u>798</u>	<u>354</u>	<u>77,152</u>	<u>1,000</u>	<u>27,739</u>	<u>2,909</u>
Excess (deficiency) of receipts over disbursements	<u>1,968</u>	<u>-</u>	<u>(353)</u>	<u>31,191</u>	<u>9,015</u>	<u>3,574</u>	<u>1</u>
Cash and investments - ending	<u>\$ 19,781</u>	<u>\$ 1</u>	<u>\$ 705</u>	<u>\$ 187,417</u>	<u>\$ 17,056</u>	<u>\$ 7,367</u>	<u>\$ 61</u>

JACKSON COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Clerk MHI Acct/sets -Supplemental	Visitor Center-Checking Acct -Supplemental	Visitor Center-Cash Fund-Supplemental	Clerk's Trust	Sheriff Cashbook	Help America Vote Act	Health Ins Fund-Employer Share
Cash and investments - beginning	\$ 27,826	\$ 4,245	\$ 46	\$ 1,112,133	\$ -	\$ 391	\$ 1,470
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	1,185,811	1,825	1,142	4,673,286	103,716	-	1,313,744
Total receipts	<u>1,185,811</u>	<u>1,825</u>	<u>1,142</u>	<u>4,673,286</u>	<u>103,716</u>	<u>-</u>	<u>1,313,744</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	1,271,908
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	1,188,030	1,892	1,011	4,793,675	103,716	-	-
Total disbursements	<u>1,188,030</u>	<u>1,892</u>	<u>1,011</u>	<u>4,793,675</u>	<u>103,716</u>	<u>-</u>	<u>1,271,908</u>
Excess (deficiency) of receipts over disbursements	<u>(2,219)</u>	<u>(67)</u>	<u>131</u>	<u>(120,389)</u>	<u>-</u>	<u>-</u>	<u>41,836</u>
Cash and investments - ending	<u>\$ 25,607</u>	<u>\$ 4,178</u>	<u>\$ 177</u>	<u>\$ 991,744</u>	<u>\$ -</u>	<u>\$ 391</u>	<u>\$ 43,306</u>

JACKSON COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Co. Sheriff Law Enf.Cont.Ed	Handgun License Application	Jackson Co 2010 GOB Series	Jackson Co 2013 GOB Series	JC Sheriff Forfeiture Fund	County Assessors Copy Fund	Juvenile Home Tutoring Grant
Cash and investments - beginning	\$ 602	\$ 9,924	\$ 81,048	\$ 906,876	\$ -	\$ 2,060	\$ 876
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	14,510	-	-	11,831	12	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	382	-	-	30	-	-	-
Total receipts	382	14,510	-	30	11,831	12	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	1,530	4,104	123,589	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	46,617	645,866	-	-	-
Other disbursements	-	-	25,000	29,271	11,831	-	-
Total disbursements	-	1,530	75,721	798,726	11,831	-	-
Excess (deficiency) of receipts over disbursements	382	12,980	(75,721)	(798,696)	-	12	-
Cash and investments - ending	\$ 984	\$ 22,904	\$ 5,327	\$ 108,180	\$ -	\$ 2,072	\$ 876

JACKSON COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Juvenile Home Counseling Grant	Vallonia Storm Drain Grant	Asset Forfeiture Fund	Commissioner Sale Fund	Wildlife Refuge	Seatbelt Violations	Prosecutor Victim Assist Pr
Cash and investments - beginning	\$ 5,359	\$ 609	\$ 21,419	\$ 2,200	\$ -	\$ 374	\$ (5,146)
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	200	-	25,945	-	45,249
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	19,054	-
Other receipts	-	-	-	6,343	-	-	336
Total receipts	<u>-</u>	<u>-</u>	<u>200</u>	<u>6,343</u>	<u>25,945</u>	<u>19,054</u>	<u>45,585</u>
Disbursements:							
Personal services	-	-	-	-	-	-	45,422
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	1,527	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	500	8,543	25,945	18,028	-
Total disbursements	<u>-</u>	<u>-</u>	<u>2,027</u>	<u>8,543</u>	<u>25,945</u>	<u>18,028</u>	<u>45,422</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>(1,827)</u>	<u>(2,200)</u>	<u>-</u>	<u>1,026</u>	<u>163</u>
Cash and investments - ending	<u>\$ 5,359</u>	<u>\$ 609</u>	<u>\$ 19,592</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,400</u>	<u>\$ (4,983)</u>

JACKSON COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Emergency Mgmt Spec Appropri	Clerk Odyssey Grant Fund	Comm Correction	CHINS-Child In Need Of Serv	Community Corrections	Community Corrections Grant	Interpreter Grant (Drug/Alch)
Cash and investments - beginning	\$ 25,177	\$ 4,773	\$ (6,000)	\$ 1,157,434	\$ (19,612)	\$ -	\$ 14,206
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	48,658	865	-	-	140,991	236,819	2,155
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	6,000	-	-	-	-
Total receipts	<u>48,658</u>	<u>865</u>	<u>6,000</u>	<u>-</u>	<u>140,991</u>	<u>236,819</u>	<u>2,155</u>
Disbursements:							
Personal services	-	858	-	-	78,861	140,110	1,046
Supplies	2,429	-	-	-	6,956	1,578	-
Other services and charges	49,584	-	-	56,400	35,562	71,424	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	16,845	-
Total disbursements	<u>52,013</u>	<u>858</u>	<u>-</u>	<u>56,400</u>	<u>121,379</u>	<u>229,957</u>	<u>1,046</u>
Excess (deficiency) of receipts over disbursements	<u>(3,355)</u>	<u>7</u>	<u>6,000</u>	<u>(56,400)</u>	<u>19,612</u>	<u>6,862</u>	<u>1,109</u>
Cash and investments - ending	<u>\$ 21,822</u>	<u>\$ 4,780</u>	<u>\$ -</u>	<u>\$ 1,101,034</u>	<u>\$ -</u>	<u>\$ 6,862</u>	<u>\$ 15,315</u>

JACKSON COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Public Health Preparedness	ILHDTA -Excess Funds	NACCHO 2013 Grant	Local Health Main Fund -EXCESS	NACCHO 2014 Grant	Immunization Grant 2015	Totals
Cash and investments - beginning	\$ 291	\$ 18,213	\$ 33	\$ 16,169	\$ 785	\$ -	\$ 18,138,293
Receipts:							
Taxes	-	-	-	-	-	-	57,185,957
Licenses and permits	-	-	-	-	-	-	21,336
Intergovernmental receipts	16,153	-	-	-	-	52,747	17,362,398
Charges for services	-	-	-	-	-	-	3,463,959
Fines and forfeits	-	-	-	-	-	-	927,450
Other receipts	-	10,801	785	7,484	-	-	15,617,403
Total receipts	16,153	10,801	785	7,484	-	52,747	94,578,503
Disbursements:							
Personal services	15,000	-	-	-	-	-	14,101,203
Supplies	291	-	-	-	-	-	871,771
Other services and charges	1,153	-	700	-	-	59,227	9,868,781
Debt service - principal and interest	-	-	-	-	-	-	671,925
Capital outlay	-	-	-	-	-	-	715,734
Other disbursements	-	8,787	-	-	785	-	70,509,504
Total disbursements	16,444	8,787	700	-	785	59,227	96,738,918
Excess (deficiency) of receipts over disbursements	(291)	2,014	85	7,484	(785)	(6,480)	(2,160,415)
Cash and investments - ending	\$ -	\$ 20,227	\$ 118	\$ 23,653	\$ -	\$ (6,480)	\$ 15,977,878

JACKSON COUNTY
SCHEDULE OF PAYABLES AND RECEIVABLES
December 31, 2015

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 319,017</u>	<u>\$ 11,462</u>

JACKSON COUNTY
SCHEDULE OF LEASES AND DEBT
December 31, 2015

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Jackson County Building Corporation	Jail Lease/Rental Payments	\$ 735,000	08/01/2007	02/01/2020
Jackson County Building Corporation	Courthouse Lease/Rental Payment	<u>278,000</u>	07/01/2003	01/01/2022
Total of annual lease payments		<u>\$ 1,013,000</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	Capital Improvements	<u>\$ 695,000</u>	<u>\$ 700,225</u>

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

TO: THE OFFICIALS OF JACKSON COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited Jackson County's (County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2015. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2015.

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


Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

May 15, 2017

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

JACKSON COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2015

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 Agriculture</u>				
Child Nutrition Cluster				
School Breakfast Program	Indiana Department of Education	10.553		
School Breakfast Program-Juv Home & Juv Det Center				\$ 15,577
National School Lunch Program	Indiana Department of Education	10.555		
National School Lunch Program-Juv Home & Juv Det Center				23,810
Total - Child Nutrition Cluster				39,387
Total - Department of Agriculture				39,387
<u>Department of Justice</u>				
Crime Victim Assistance	Indiana Criminal Justice Institute	16.575		
Victim Assistance VOCA Grant			2014-VA-GX-0062	44,209
Crime Victim Compensation	Indiana Criminal Justice Institute	16.576		
OVC Victim Compensation			VC-GX-0054	1,041
Equitable Sharing Program	Direct grant	16.922		
Asset Forfeiture				2,027
JC Sheriff Forfeiture Fund				11,831
Total - Equitable Sharing Program				13,858
Total - Department of Justice				59,108
<u>Department of Transportation</u>				
Highway Planning and Construction Cluster				
Highway Planning and Construction	Indiana Department of Transportation	20.205		
Bridge 228			Des# 0200729	167,565
Shieldstown Covered Bridge			Des# 0710687	213
Rehab Co Rd 550E Bridge/Bridge 195			Des# 1005701	100,780
Bridge Inspection			Des# 1382114	38,200
Total - Highway Planning and Construction				306,758
Total - Highway Planning and Construction Cluster				306,758
Interagency Hazardous Materials Public Sector Training and Planning Grants	Indiana Department of Homeland Security	20.703		
2015 Hazardous Material Emergency Plan Grant			C44P-5-438B	3,880
Total - Department of Transportation				310,638
<u>Department of Health and Human Services</u>				
Immunization Cluster				
Immunization Cooperative Agreements	Indiana State Department of Health	93.268		
Immunization Grant			EDS# A70-5-073159	52,747
Total - Immunization				52,747
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	Indiana State Department of Health	93.074		
Public Health Preparedness Base Grant			A70-5-0532435	16,153
Child Support Enforcement	Indiana Department of Child Services	93.563		
Reimbursements				328,449
Incentive expenditures				34,662
Total - Child Support Enforcement				363,111
Total - Department of Health and Human Services				432,011
<u>Department of Homeland Security</u>				
Emergency Management Performance Grants				
2014 Emergency Management Performance Grant Projects	Indiana Department of Homeland Security	97.042		
2014 Emergency Management Performance Grant Salaries			EDS# C44P-5-493B	8,485
2014 Emergency Management Performance Grant Salaries			EDS# C44P-5-724B	26,396
Total - Emergency Management Performance Grants				34,881
Homeland Security Grant Program	Indiana Department of Homeland Security	97.067		
2014 Homeland Security Grant P25 Enhancement of Programming radios			EDS# C44P-5-594B	19,966
2013 State Homeland Security Program County De Obligated Funds			EDS# C44P-5-814B	20,000
Total - Homeland Security Grant Program				39,966
Total - Department of Homeland Security				74,847
Total federal awards expended				\$ 915,991

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

JACKSON 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, 2015. The information in the SEFA is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 the Uniform Guidance, 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. The County has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

JACKSON 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 deficiency identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weakness identified?	no
Significant deficiency identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	no

Identification of Major Programs and type of auditor's report issued on compliance for each:

CFDA Number	Name of Federal Program or Cluster	Opinion Issued
97.042	Highway Planning and Construction Cluster	Unmodified
97.067	Emergency Management Performance Grants	Unmodified
	Homeland Security Grant Program	Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?	no
--	----

Section II - Financial Statement Findings

FINDING 2015-001 - 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). Documentation was not presented to indicate the information on the SEFA was reviewed and approved by anyone other than the preparer.

JACKSON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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. . . ."

Cause

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

Effect

Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA could have remained undetected.

Views of Responsible Officials

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

**FINDING 2015-002 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS
AND REPORTING - CLERK OF THE CIRCUIT COURT**

Condition

The Clerk of the Circuit Court (Clerk) had not separated incompatible activities related to receipts, disbursements, and cash balances. One individual was responsible for preparing and making bank deposits; reconciling daily cash collections; preparing bank reconcilements; recording receipt and disbursements transactions in the ledger; recording adjustments in the ledger; issuing checks; and preparing the supplemental Annual Financial Report.

JACKSON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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:

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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. . . ."

Cause

The Clerk had not established a proper system of internal control.

Effect

The failure to establish controls could have 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.

**FINDING 2015-003 - INTERNAL CONTROLS OVER FINANCIAL
TRANSACTIONS AND REPORTING - COUNTY TREASURER**

Condition

There were deficiencies in the internal control system of the County related to financial transactions and reporting.

Lack of Segregation of Duties: The County had not separated incompatible activities related to cash and investments. Documentation was not presented indicating review and approval of the monthly reconciliations of the bank accounts by someone other than the person preparing them.

JACKSON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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. . . ."

Cause

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

Effect

The failure to establish controls could have 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.

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AUDITEE-PREPARED DOCUMENTS

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



Kathy S. Hohenstreiter
Auditor of Jackson County

Courthouse

111 South Main Street
Suite 118
Brownstown, IN 47220

Phone: 812-358-6161
Fax: 812-358-6172

Email: auditor@jacksoncounty.in.gov

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-001

Fiscal year in which the finding initially occurred: 2014

Contact Person Responsible for Corrective Action: Kathy S. Hohenstreiter, County Auditor

Contact Phone Number: 812-358-6161

Status of Audit Finding:

Corrective action was taken implementing controls over preparation of the SEFA for 2016 reporting during 2017.

Kathy S. Hohenstreiter
Signature

Jackson County Auditor
Title

May 3, 2017
Date

Amanda L. Lowery
Clerk of Jackson County
Circuit and Superior Courts
PO Box 318 Brownstown, IN 47220
812.358.6117/812.358.6187(fax)
alowery75@hotmail.com

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-002

FISCAL YEAR IN WHICH THE FINDING INITIALLY OCCURRED: 2014

CONTACT PERSON: Amanda L. Lowery, Clerk

CONTACT PHONE NUMBER: 812.358.6117

STATUS OF AUDIT FINDING:

Corrective actions regarding controls over receipts, disbursements, and cash balances were implemented beginning May 1, 2017.

Amanda L. Lowery
Signature

Clerk
Title

May 1, 2017
Date



Office of the Treasurer of Jackson County

111 S. Main Street
Courthouse
Brownstown, IN 47220
812.358.6125 • Fax: 812.358.6172

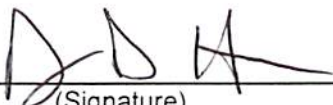
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-003

Fiscal year in which the finding initially occurred: 2014
Contact Person Responsible for Corrective Action: Roger D. Hurt
Contact Phone Number: 812-358-6126

Status of Audit Finding:

Corrective action regarding controls over cash has been implemented and is estimated to be complete by May 10, 2017.

 _____ (Signature)	_____ (Signature)
<i>Jackson County Treasurer</i> _____ (Title)	_____ (Title)
<i>April 28, 2017</i> _____ (Date)	_____ (Date)



Kathy S. Hohenstreiter
Auditor of Jackson County

Courthouse

111 South Main Street
Suite 118
Brownstown, IN 47220

Phone: 812-358-6161
Fax: 812-358-6172

Email: auditor@jacksoncounty.in.gov

FINDING 2015-001-PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Contact Person Responsible for Corrective Action: County Auditor-Kathy S. Hohenstreiter
Contact Phone Number: 812-358-6161

We concur with the findings.

Information that is entered into the SEFA comes from Departments with federal distributions. SEFA Information is reviewed by Auditor/preparer and department head for accuracy. In addition to department head review, the 1st deputy in Auditor office reviews information entered for accuracy and after review initials and dates.

Anticipated Completion Date: Corrective plan was implemented for 2016 SEFA reporting

Kathy S. Hohenstreiter
Signature

County Auditor
Title

May 8, 2017
Date

Amanda L. Lowery
Clerk of Jackson County
Circuit and Superior Courts
PO Box 318 Brownstown, IN 47220
812.358.6117/812.358.6187(fax)
alowery@jacksoncounty.in.gov

Finding 2015-002

Contact Person: Amanda L. Lowery, Clerk
Contact Number: 812.358.6117

We concur with the findings.

DESCRIPTION OF CORRECTIVE ACTION PLAN:

The Jackson County Clerk of the Circuit Court has implemented the following corrective action plan, effective immediately.

Each employee posts payment into the Odyssey Court management system using an individualized, password protected user name. The child support, circuit, superior 1 and superior 2 cash drawers are counted at the end of business day by an employee at each office. The employee counting the drawer signs off and dates the receipt tape they produce when counting the drawer. The bookkeeper is not responsible for counting any cash drawers. The money and signed tapes are submitted to the bookkeeper for a second count and verification.

The clerk of 1st deputy will review and sign off on the daily balance report produced by the Odyssey Court Management System.. This provides a report of all payments and the employee responsible for posting the payments on a daily basis. It also will allow the clerk to review any adjustments that have been made. Payment adjustments are processed through an adjustment till in the Odyssey Court Management System.

The bookkeeper will prepare and make the daily child support deposit. The child support clerk will prepare and make the daily circuit/superior court deposit.

The Child Support clerk reconciles the child support account to the monthly bank statement. The bookkeeper reconciles the circuit/superior account to the monthly bank statement. The bookkeeper prepares the Monthly Report(form 46-CR) and the clerk reviews and signs off on the report.

The bookkeeper is responsible for the printing of checks. The bookkeeper queues the Disbursement Summary Report through the Odyssey Court Management System. Checks are queues from the previous week, and printed on Monday and Thursday. The bookkeeper reviews the report for a recipient name on each check scheduled to print. After verification of recipients,

checks are printed for distribution. The clerk or 1st deputy will review and sign off on the stubs from the printed checks that are retained for our records.

The bookkeeper prepares the Supplemental Annual Financial Report. The clerk reviews and signs off on the report that the information being submitted is true and correct.

ANTICIPATED COMPLETION DATE: May 1, 2017

Amanda L. Lowery
Signature

Clerk
Title

May 1, 2017
Date



Office of the Treasurer of Jackson County

111 S. Main Street
Courthouse
Brownstown, IN 47220
812.358.6125 • Fax: 812.358.6172

FINDING 2015-003

Contact Person Responsible for Corrective Action: Roger D. Hurt
Contact Phone Number: 812-358-6126

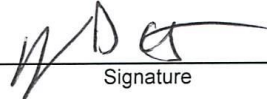
Views of Responsible Official: Based upon the reviews of the prior Treasurer, I Concur with the Findings

Description of Corrective Action Plan:

Department Policy on Bank Statement Reconcile with-in the LOW software Program:

1. The Treasurer prepares the Bank Statement reconcilements within the Auditor Financial Program.
2. The Chief Deputy reviews and verifies that all Deposits and Checks are accounted and a balance Difference of zero is achieved prior to the Treasurer finalization and archiving the statement by dating and initialing.
3. Copies are maintained in the system and a hard copy is stored in with the bank statement for review.

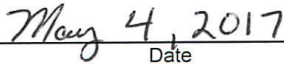
Anticipated Completion Date: This internal control will go into effect upon completion of department cross training of Chief Deputy and Treasurer / Estimated date 5-10-2017



Signature



Title



Date

OTHER REPORTS

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