

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, 2016 to December 31, 2016



FILED
08/24/2018

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Anna M. Culy	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	Dwane Ford	01-01-15 to 12-31-18
County Recorder	Betty St. Myers	01-01-15 to 12-31-18
President of the Board of County Commissioners	Faron Parr Douglas L. Inman Richard L. Huffman	01-01-15 to 12-31-16 01-01-17 to 06-12-17 06-13-17 to 12-31-18
President of the County Council	Michael Leonhard Jeanne Houchins	01-01-15 to 12-31-16 01-01-17 to 12-31-18



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, 2016, 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. Except as stated in the *Basis for Qualified Opinion on Regulatory Basis of Accounting* paragraph, 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, 2016.

Basis for Qualified Opinion on Regulatory Basis of Accounting

The County did not provide audit evidence to support the amount reported in the financial statement as County Home Residence Trust fund. The County's records did not permit adequate testing of the receipts, disbursements, or cash balances of the fund. No control ledger was maintained, no ledger for individual residents was maintained, and no supporting information for the amount reported in the County's financial statement was maintained.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the possible effects of the matters described in the *Basis for Qualified Opinion on Regulatory Basis of Accounting* paragraph, 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, 2016, on the basis of accounting 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.

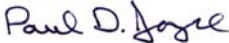
INDEPENDENT AUDITOR'S REPORT
(Continued)

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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated August 3, 2018, 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 solely 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 effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.


Paul D. Joyce, CPA
State Examiner

August 3, 2018



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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 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, 2016, and the related notes to the financial statement, and have issued our report thereon dated August 3, 2018, wherein we noted the County followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America. The opinion to the financial statement relative to the regulatory basis of accounting was qualified due to lack of audit evidence to support the amount reported in the financial statement as County Home Residence Trust.

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 that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2016-002 to be a material weakness.

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. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2016-001 to be a significant deficiency.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2016-001 and 2016-002.

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

August 3, 2018

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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.

JAY COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2016

Fund	Cash and Investments			Cash and Investments 12-31-16
	01-01-16	Receipts	Disbursements	
After Settlement Collections	\$ 548,526	\$ 485,010	\$ 548,526	\$ 485,010
Inmate Trust Act#2201	249	194,818	182,832	12,235
Jail Commissary	9,357	124,121	114,352	19,126
Clerk Trust	145,482	1,428,931	1,410,446	163,967
County Home Residence Trust	3,560	237,287	226,726	14,121
General	642,071	6,241,390	5,980,870	902,591
Accident Report	5,990	3,963	-	9,953
CAGIT - Special Legislation	-	1,778,114	1,778,114	-
CAGIT County Certified Shares	163,026	1,336,814	1,206,010	293,830
Campaign Finance Enforcement - County	-	350	-	350
CEDIT County Share	868,512	535,200	379,533	1,024,179
City and Town Court Costs	87,289	2,920	-	90,209
Clerk's Records Perpetuation	41,836	13,126	-	54,962
Community Corrections	160,999	104,193	92,899	172,293
Community Transition Program	61,326	38,725	-	100,051
Congressional School Interest	7,907	151	3,195	4,863
Convention Visitor and Tourism Promotion	97,202	111,031	97,202	111,031
Sales Disclosure - County Share	12,800	2,281	801	14,280
Cumulative Bridge	1,947,366	374,253	543,533	1,778,086
Cumulative Capital Development	799,045	446,810	660,592	585,263
Drug Free Community	21,285	23,594	22,536	22,343
Electronic Map Generation	5,330	61	-	5,391
Emergency Medical Services	216,530	1,266,495	1,195,639	287,386
Emergency Planning/Right to Know	6,025	3,653	1,431	8,247
Extradition and Sheriff's Assistance	2,332	-	495	1,837
Firearms Training	9,262	9,070	7,603	10,729
General Drain Improvement	33,186	173,965	128,959	78,192
Health	76,168	287,895	290,606	73,457
Levy Excess	5,218	-	-	5,218
Local Health Maintenance	23,899	60,742	46,399	38,242
Local Road and Street	561,665	186,370	283,987	464,048
LOIT Public Safety - County Share	131,674	394,408	390,872	135,210
Medical Care for Inmates	3,198	5,745	-	8,943
Motor Vehicle Highway	2,017,584	2,917,360	3,014,480	1,920,464
Plat Book	51,312	5,610	22,145	34,777
Rainy Day	1,795,936	233,846	49,408	1,980,374
Reassessment - 2015	131,714	5,256	84,916	52,054
Recorder's Records Perpetuation	223,304	27,864	64,273	186,895
Riverboat	-	125,897	125,897	-
Sex and Violent Offender Administration	410	1,915	2,125	200
Sheriff's Pension Trust	-	20,922	20,922	-
Supplemental Public Defender Services	32,285	2,433	-	34,718
Surplus Tax	9,326	12,720	13,079	8,967
Surveyor's Corner Perpetuation	10,991	4,730	519	15,202
Tax Sale Redemption	3,460	20,520	23,301	679
Tax Sale Surplus	119,803	17,372	69,778	67,397
Local Health Department Trust Account	38,231	25,227	16,437	47,021
Vehicle Inspection	1,970	970	-	2,940
County Elected Officials Training	7,416	1,829	1,931	7,314
Statewide 911	287,644	310,254	279,205	318,693
Adult Probation Administrative	170	-	-	170
Juvenile Probation Administrative	10,306	-	200	10,106
Deferral (County User Fee)	38,172	8,947	1,410	45,709
Drain Maintenance	285,527	566,959	434,811	417,675
Drug Buy Money	200	5,000	-	5,200
Court Interpreters	4,326	-	381	3,945
TIF Debt Service	-	682,855	682,855	-
Payroll Clearing	44,703	7,166,945	7,180,214	31,434
Settlement	-	15,827,983	15,827,983	-
LOIT Public Safety	-	659,238	659,238	-
LOIT Stabilization	1,406,718	215,884	-	1,622,602
Wheel Tax	-	120,835	120,835	-
Sur Tax	-	278,333	278,333	-
CVET Agency	-	86,614	86,614	-
Sewage Collections	-	25,448	25,448	-
Financial Institution Tax	-	117,423	117,423	-
CEDIT Homestead Credit	3,884	333,915	337,204	595

JAY COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2016

Fund	Cash and Investments 01-01-16	Receipts	Disbursements	Cash and Investments 12-31-16
LOIT PTRC	-	824,047	824,047	-
LOIT Residential PTRC	51,582	1,651,110	1,656,498	46,194
State Fines and Forfeitures	1,821	13,689	12,432	3,078
Infraction Judgements	1,491	25,028	24,548	1,971
Overweight Vehicle Fines	840	5,250	5,760	330
Special Death Benefit	510	2,655	3,000	165
Sales Disclosure - State Share	275	2,280	2,320	235
Coroners Training & Con't Education	304	1,592	1,738	158
Interstate Compact - State Share	-	325	325	-
Mortgage Recording Fees - State Share	405	1,836	2,093	148
Child Restraint Violation Fines	25	375	375	25
Education Plate Fees Agency	-	169	169	-
CAGIT Distribution	-	2,472,141	2,472,141	-
CEDIT Distribution	-	834,785	834,785	-
LOIT Special Distribution	-	700,120	-	700,120
93.563 ARRA Prosecutor IV-D Incentive	806	-	806	-
93.563 Title IV-D Incentive	69,038	10,725	9,850	69,913
93.563 Prosecutor IV-D Incentive-Post Oct '99	115,674	16,313	5,869	126,118
93.563 Clerk IV-D Incentive-Post Oct '99	97,133	10,724	290	107,567
County User Fee	8,040	1,203	953	8,290
Adult Probation Fees	146,691	79,132	109,879	115,944
Jury Fees	4,142	3,022	2,282	4,882
EMPG Performance Grant	(36)	4,447	4,411	-
Community Corr 08-09	97	119,733	75,906	43,924
Community Corr 09-10	47,864	50,126	97,990	-
Juvenile Comm Corr Grant 16-17	-	16,358	21,003	(4,645)
Drug Free (Sheriff)	3,053	-	-	3,053
Jay Co Lease Payments	401,571	796,816	798,000	400,387
Rural Transportation Grant	4	852,192	852,192	4
County Corrections	26,075	15,177	15,938	25,314
Jay - Portland Building & Planning Dept	-	6,336	3,168	3,168
Highway Department Donations	20,000	6,000	14,777	11,223
Salamonia River Cleanup	(32,762)	32,872	110	-
14.228 CDBG	-	400,000	372,070	27,930
Backhoe & Dozer Repair	102,508	37,317	25,155	114,670
Infrastructure	675,642	652,083	861,337	466,388
Retirement Center Donations	5,028	8	-	5,036
Tile Inventory	-	44,909	44,907	2
Jay Co Redevelopment Dis Cap Fund	88,652	687	11,937	77,402
County Forfeiture Fund	720	-	-	720
5% Host Fee Infrastructure	199,301	18,909	-	218,210
Court ASAA&E Fund	17,669	46,621	46,520	17,770
Commissioners Certificate Sale	-	5,702	5,702	-
Sheriff's Department Donations	-	13,850	10,000	3,850
Redacting Fund	19,805	1,569	875	20,499
Eradication	829	-	-	829
Bond General Acct Fund	267,859	-	-	267,859
Bond Reserve Fund	125,575	-	-	125,575
Health Insurance	93,626	70,000	42,834	120,792
LOIT Operating Levy Freeze	-	1,318,475	1,318,475	-
16.575 Victim Assistant Fund	(296)	-	-	(296)
93.069 Bioterrorism Fund (HD)	12,036	11,641	12,679	10,998
Bulletproof Vests	3,492	-	3,492	-
Jury Pay Fund	98	-	-	98
Pre Trial Diversion	9,936	2,330	-	12,266
Law Enforcement Continuing Fund	6,774	2,241	-	9,015
Congressional Principal	22,822	-	-	22,822
Totals	<u>\$ 15,840,426</u>	<u>\$ 56,885,510</u>	<u>\$ 55,745,161</u>	<u>\$ 16,980,775</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.

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

JAY COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

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 lien date (March 1 in a year ending before January 1, 2016 and January 1 in a year beginning after December 31, 2015) 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 funds being set up for reimbursable grants. The reimbursements for expenditures made by the County were not received until the following year.

JAY COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 8. *Holding Corporations*

The County has entered into a capital lease with the Jay County Jail 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 \$798,000.

Note 9. *Subsequent Events*

In April 2017, Jay County Jail Building Corporation refinanced their 2009 lease resulting in the reduction in payments by the County of 8 percent.

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OTHER INFORMATION - UNAUDITED

The County's Annual Financial Report information can be found on the Indiana Gateway for Government Units 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, 2016

	After Settlement Collections	Inmate Trust Act#2201	Jail Commissary	Clerk Trust	County Home Residence Trust
Cash and investments - beginning	\$ 548,526	\$ 249	\$ 9,357	\$ 145,482	\$ 3,560
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Other receipts	485,010	194,818	124,121	1,428,931	237,287
Total receipts	<u>485,010</u>	<u>194,818</u>	<u>124,121</u>	<u>1,428,931</u>	<u>237,287</u>
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	548,526	182,832	114,352	1,410,446	226,726
Total disbursements	<u>548,526</u>	<u>182,832</u>	<u>114,352</u>	<u>1,410,446</u>	<u>226,726</u>
Excess (deficiency) of receipts over disbursements	<u>(63,516)</u>	<u>11,986</u>	<u>9,769</u>	<u>18,485</u>	<u>10,561</u>
Cash and investments - ending	<u>\$ 485,010</u>	<u>\$ 12,235</u>	<u>\$ 19,126</u>	<u>\$ 163,967</u>	<u>\$ 14,121</u>

JAY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	General	Accident Report	CAGIT - Special Legislation	CAGIT County Certified Shares	Campaign Finance Enforcement - County
Cash and investments - beginning	\$ 642,071	\$ 5,990	\$ -	\$ 163,026	\$ -
Receipts:					
Taxes	4,749,723	-	1,778,114	1,336,759	-
Licenses and permits	46,947	-	-	-	-
Intergovernmental receipts	525,134	-	-	-	-
Charges for services	466,035	3,963	-	-	-
Fines and forfeits	69,706	-	-	-	350
Other receipts	383,845	-	-	55	-
Total receipts	<u>6,241,390</u>	<u>3,963</u>	<u>1,778,114</u>	<u>1,336,814</u>	<u>350</u>
Disbursements:					
Personal services	4,338,004	-	-	626,442	-
Supplies	514,459	-	-	6,132	-
Other services and charges	847,527	-	-	473,436	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	2,244	-	-	-	-
Other disbursements	278,636	-	1,778,114	100,000	-
Total disbursements	<u>5,980,870</u>	<u>-</u>	<u>1,778,114</u>	<u>1,206,010</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>260,520</u>	<u>3,963</u>	<u>-</u>	<u>130,804</u>	<u>350</u>
Cash and investments - ending	<u>\$ 902,591</u>	<u>\$ 9,953</u>	<u>\$ -</u>	<u>\$ 293,830</u>	<u>\$ 350</u>

JAY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	CEDIT County Share	City and Town Court Costs	Clerk's Records Perpetuation	Community Corrections	Community Transition Program
Cash and investments - beginning	\$ 868,512	\$ 87,289	\$ 41,836	\$ 160,999	\$ 61,326
Receipts:					
Taxes	528,326	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	7,844	103,666	38,725
Fines and forfeits	-	2,920	5,282	-	-
Other receipts	6,874	-	-	527	-
Total receipts	<u>535,200</u>	<u>2,920</u>	<u>13,126</u>	<u>104,193</u>	<u>38,725</u>
Disbursements:					
Personal services	-	-	-	36,676	-
Supplies	-	-	-	1,560	-
Other services and charges	379,533	-	-	47,950	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	3,920	-
Other disbursements	-	-	-	2,793	-
Total disbursements	<u>379,533</u>	<u>-</u>	<u>-</u>	<u>92,899</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>155,667</u>	<u>2,920</u>	<u>13,126</u>	<u>11,294</u>	<u>38,725</u>
Cash and investments - ending	<u>\$ 1,024,179</u>	<u>\$ 90,209</u>	<u>\$ 54,962</u>	<u>\$ 172,293</u>	<u>\$ 100,051</u>

JAY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Congressional School Interest	Convention Visitor and Tourism Promotion	Sales Disclosure - County Share	Cumulative Bridge	Cumulative Capital Development
Cash and investments - beginning	\$ 7,907	\$ 97,202	\$ 12,800	\$ 1,947,366	\$ 799,045
Receipts:					
Taxes	-	111,031	-	274,680	412,935
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	99,573	25,409
Charges for services	-	-	2,281	-	-
Fines and forfeits	-	-	-	-	-
Other receipts	151	-	-	-	8,466
Total receipts	<u>151</u>	<u>111,031</u>	<u>2,281</u>	<u>374,253</u>	<u>446,810</u>
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	28,514	-
Other services and charges	-	97,202	801	8,737	29,745
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	497,815	630,847
Other disbursements	3,195	-	-	8,467	-
Total disbursements	<u>3,195</u>	<u>97,202</u>	<u>801</u>	<u>543,533</u>	<u>660,592</u>
Excess (deficiency) of receipts over disbursements	<u>(3,044)</u>	<u>13,829</u>	<u>1,480</u>	<u>(169,280)</u>	<u>(213,782)</u>
Cash and investments - ending	<u>\$ 4,863</u>	<u>\$ 111,031</u>	<u>\$ 14,280</u>	<u>\$ 1,778,086</u>	<u>\$ 585,263</u>

JAY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Drug Free Community	Electronic Map Generation	Emergency Medical Services	Emergency Planning/Right to Know	Extradition and Sheriff's Assistance
Cash and investments - beginning	\$ 21,285	\$ 5,330	\$ 216,530	\$ 6,025	\$ 2,332
Receipts:					
Taxes	-	-	426,669	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	26,254	3,653	-
Charges for services	-	61	807,159	-	-
Fines and forfeits	23,594	-	-	-	-
Other receipts	-	-	6,413	-	-
Total receipts	23,594	61	1,266,495	3,653	-
Disbursements:					
Personal services	-	-	1,049,243	-	-
Supplies	-	-	94,551	-	-
Other services and charges	22,536	-	51,845	1,431	495
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	22,536	-	1,195,639	1,431	495
Excess (deficiency) of receipts over disbursements	1,058	61	70,856	2,222	(495)
Cash and investments - ending	\$ 22,343	\$ 5,391	\$ 287,386	\$ 8,247	\$ 1,837

JAY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Firearms Training	General Drain Improvement	Health	Levy Excess	Local Health Maintenance
Cash and investments - beginning	\$ 9,262	\$ 33,186	\$ 76,168	\$ 5,218	\$ 23,899
Receipts:					
Taxes	-	-	173,048	-	49,709
Licenses and permits	9,070	-	-	-	-
Intergovernmental receipts	-	-	10,648	-	-
Charges for services	-	-	22,266	-	10,990
Fines and forfeits	-	-	-	-	-
Other receipts	-	173,965	81,933	-	43
Total receipts	<u>9,070</u>	<u>173,965</u>	<u>287,895</u>	<u>-</u>	<u>60,742</u>
Disbursements:					
Personal services	-	52,217	209,067	-	44,080
Supplies	-	50,072	3,132	-	705
Other services and charges	-	18,114	78,407	-	1,614
Debt service - principal and interest	-	-	-	-	-
Capital outlay	7,603	-	-	-	-
Other disbursements	-	8,556	-	-	-
Total disbursements	<u>7,603</u>	<u>128,959</u>	<u>290,606</u>	<u>-</u>	<u>46,399</u>
Excess (deficiency) of receipts over disbursements	<u>1,467</u>	<u>45,006</u>	<u>(2,711)</u>	<u>-</u>	<u>14,343</u>
Cash and investments - ending	<u>\$ 10,729</u>	<u>\$ 78,192</u>	<u>\$ 73,457</u>	<u>\$ 5,218</u>	<u>\$ 38,242</u>

JAY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Local Road and Street	LOIT Public Safety - County Share	Medical Care for Inmates	Motor Vehicle Highway	Plat Book
Cash and investments - beginning	\$ 561,665	\$ 131,674	\$ 3,198	\$ 2,017,584	\$ 51,312
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	186,370	394,408	-	2,791,173	-
Charges for services	-	-	5,745	102,332	5,610
Fines and forfeits	-	-	-	-	-
Other receipts	-	-	-	23,855	-
Total receipts	186,370	394,408	5,745	2,917,360	5,610
Disbursements:					
Personal services	-	312,589	-	981,132	-
Supplies	-	-	-	1,280,625	-
Other services and charges	-	13,283	-	345,385	14,995
Debt service - principal and interest	-	-	-	-	-
Capital outlay	283,987	65,000	-	407,338	7,150
Other disbursements	-	-	-	-	-
Total disbursements	283,987	390,872	-	3,014,480	22,145
Excess (deficiency) of receipts over disbursements	(97,617)	3,536	5,745	(97,120)	(16,535)
Cash and investments - ending	\$ 464,048	\$ 135,210	\$ 8,943	\$ 1,920,464	\$ 34,777

JAY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	<u>Rainy Day</u>	<u>Reassessment - 2015</u>	<u>Recorder's Records Perpetuation</u>	<u>Riverboat</u>	<u>Sex and Violent Offender Administration</u>
Cash and investments - beginning	<u>\$ 1,795,936</u>	<u>\$ 131,714</u>	<u>\$ 223,304</u>	<u>\$ -</u>	<u>\$ 410</u>
Receipts:					
Taxes	233,373	4,578	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	282	-	-	-
Charges for services	-	-	27,864	-	1,915
Fines and forfeits	-	-	-	-	-
Other receipts	<u>473</u>	<u>396</u>	<u>-</u>	<u>125,897</u>	<u>-</u>
Total receipts	<u>233,846</u>	<u>5,256</u>	<u>27,864</u>	<u>125,897</u>	<u>1,915</u>
Disbursements:					
Personal services	49,019	5,552	45,850	-	-
Supplies	-	321	-	-	-
Other services and charges	-	43,144	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	35,899	-	-	-
Other disbursements	<u>389</u>	<u>-</u>	<u>18,423</u>	<u>125,897</u>	<u>2,125</u>
Total disbursements	<u>49,408</u>	<u>84,916</u>	<u>64,273</u>	<u>125,897</u>	<u>2,125</u>
Excess (deficiency) of receipts over disbursements	<u>184,438</u>	<u>(79,660)</u>	<u>(36,409)</u>	<u>-</u>	<u>(210)</u>
Cash and investments - ending	<u>\$ 1,980,374</u>	<u>\$ 52,054</u>	<u>\$ 186,895</u>	<u>\$ -</u>	<u>\$ 200</u>

JAY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Sheriff's Pension Trust	Supplemental Public Defender Services	Surplus Tax	Surveyor's Corner Perpetuation	Tax Sale Redemption
Cash and investments - beginning	\$ -	\$ 32,285	\$ 9,326	\$ 10,991	\$ 3,460
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	4,730	-
Fines and forfeits	20,922	2,433	-	-	-
Other receipts	-	-	12,720	-	20,520
Total receipts	<u>20,922</u>	<u>2,433</u>	<u>12,720</u>	<u>4,730</u>	<u>20,520</u>
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	519	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	20,922	-	13,079	-	23,301
Total disbursements	<u>20,922</u>	<u>-</u>	<u>13,079</u>	<u>519</u>	<u>23,301</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>2,433</u>	<u>(359)</u>	<u>4,211</u>	<u>(2,781)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 34,718</u>	<u>\$ 8,967</u>	<u>\$ 15,202</u>	<u>\$ 679</u>

JAY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Tax Sale Surplus	Local Health Department Trust Account	Vehicle Inspection	County Elected Officials Training	Statewide 911
Cash and investments - beginning	\$ 119,803	\$ 38,231	\$ 1,970	\$ 7,416	\$ 287,644
Receipts:					
Taxes	-	-	-	61	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	25,227	-	-	-
Charges for services	-	-	970	1,569	310,254
Fines and forfeits	-	-	-	-	-
Other receipts	17,372	-	-	199	-
Total receipts	17,372	25,227	970	1,829	310,254
Disbursements:					
Personal services	-	12	-	-	197,763
Supplies	-	7,893	-	-	-
Other services and charges	-	3,565	-	1,931	73,379
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	4,967	-	-	8,063
Other disbursements	69,778	-	-	-	-
Total disbursements	69,778	16,437	-	1,931	279,205
Excess (deficiency) of receipts over disbursements	(52,406)	8,790	970	(102)	31,049
Cash and investments - ending	\$ 67,397	\$ 47,021	\$ 2,940	\$ 7,314	\$ 318,693

JAY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Adult Probation Administrative	Juvenile Probation Administrative	Deferral (County User Fee)	Drain Maintenance	Drug Buy Money
Cash and investments - beginning	\$ 170	\$ 10,306	\$ 38,172	\$ 285,527	\$ 200
Receipts:					
Taxes	-	-	-	556,187	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	8,947	10,388	-
Fines and forfeits	-	-	-	-	-
Other receipts	-	-	-	384	5,000
Total receipts	-	-	8,947	566,959	5,000
Disbursements:					
Personal services	-	-	-	100,477	-
Supplies	-	-	-	71,418	-
Other services and charges	-	-	1,410	56,701	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	-	200	-	206,215	-
Total disbursements	-	200	1,410	434,811	-
Excess (deficiency) of receipts over disbursements	-	(200)	7,537	132,148	5,000
Cash and investments - ending	\$ 170	\$ 10,106	\$ 45,709	\$ 417,675	\$ 5,200

JAY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Court Interpreters	TIF Debt Service	Payroll Clearing	Settlement	LOIT Public Safety
Cash and investments - beginning	\$ 4,326	\$ -	\$ 44,703	\$ -	\$ -
Receipts:					
Taxes	-	682,855	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	659,238
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Other receipts	-	-	7,166,945	15,827,983	-
Total receipts	-	682,855	7,166,945	15,827,983	659,238
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	381	-	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	-	682,855	7,180,214	15,827,983	659,238
Total disbursements	381	682,855	7,180,214	15,827,983	659,238
Excess (deficiency) of receipts over disbursements	(381)	-	(13,269)	-	-
Cash and investments - ending	\$ 3,945	\$ -	\$ 31,434	\$ -	\$ -

JAY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	LOIT Stabilization	Wheel Tax	Sur Tax	CVET Agency	Sewage Collections
Cash and investments - beginning	\$ 1,406,718	\$ -	\$ -	\$ -	\$ -
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	120,835	278,333	86,614	-
Charges for services	-	-	-	-	25,448
Fines and forfeits	-	-	-	-	-
Other receipts	215,884	-	-	-	-
Total receipts	<u>215,884</u>	<u>120,835</u>	<u>278,333</u>	<u>86,614</u>	<u>25,448</u>
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	-	120,835	278,333	86,614	25,448
Total disbursements	<u>-</u>	<u>120,835</u>	<u>278,333</u>	<u>86,614</u>	<u>25,448</u>
Excess (deficiency) of receipts over disbursements	<u>215,884</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 1,622,602</u>	<u>\$ -</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, 2016

	Financial Institution Tax	CEDIT Homestead Credit	LOIT PTRC	LOIT Residential PTRC	State Fines and Forfeitures
Cash and investments - beginning	\$ -	\$ 3,884	\$ -	\$ 51,582	\$ 1,821
Receipts:					
Taxes	-	333,915	824,047	1,648,094	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	117,423	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	13,689
Other receipts	-	-	-	3,016	-
Total receipts	117,423	333,915	824,047	1,651,110	13,689
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	117,423	337,204	824,047	1,656,498	12,432
Total disbursements	117,423	337,204	824,047	1,656,498	12,432
Excess (deficiency) of receipts over disbursements	-	(3,289)	-	(5,388)	1,257
Cash and investments - ending	\$ -	\$ 595	\$ -	\$ 46,194	\$ 3,078

JAY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Infraction Judgements	Overweight Vehicle Fines	Special Death Benefit	Sales Disclosure - State Share	Coroners Training & Con't Education
Cash and investments - beginning	\$ 1,491	\$ 840	\$ 510	\$ 275	\$ 304
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	2,655	2,280	1,592
Fines and forfeits	25,028	5,250	-	-	-
Other receipts	-	-	-	-	-
Total receipts	<u>25,028</u>	<u>5,250</u>	<u>2,655</u>	<u>2,280</u>	<u>1,592</u>
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	24,548	5,760	3,000	2,320	1,738
Total disbursements	<u>24,548</u>	<u>5,760</u>	<u>3,000</u>	<u>2,320</u>	<u>1,738</u>
Excess (deficiency) of receipts over disbursements	<u>480</u>	<u>(510)</u>	<u>(345)</u>	<u>(40)</u>	<u>(146)</u>
Cash and investments - ending	<u>\$ 1,971</u>	<u>\$ 330</u>	<u>\$ 165</u>	<u>\$ 235</u>	<u>\$ 158</u>

JAY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Interstate Compact - State Share	Mortgage Recording Fees - State Share	Child Restraint Violation Fines	Education Plate Fees Agency	CAGIT Distribution
Cash and investments - beginning	\$ -	\$ 405	\$ 25	\$ -	\$ -
Receipts:					
Taxes	-	-	-	-	2,472,141
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	1,836	-	-	-
Fines and forfeits	325	-	-	-	-
Other receipts	-	-	375	169	-
Total receipts	325	1,836	375	169	2,472,141
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	325	2,093	375	169	2,472,141
Total disbursements	325	2,093	375	169	2,472,141
Excess (deficiency) of receipts over disbursements	-	(257)	-	-	-
Cash and investments - ending	\$ -	\$ 148	\$ 25	\$ -	\$ -

JAY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	CEDIT Distribution	LOIT Special Distribution	93.563 ARRA Prosecutor IV-D Incentive	93.563 Title IV-D Incentive	93.563 Prosecutor IV-D Incentive- Post Oct '99
Cash and investments - beginning	\$ -	\$ -	\$ 806	\$ 69,038	\$ 115,674
Receipts:					
Taxes	834,785	700,120	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	10,725	16,134
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Other receipts	-	-	-	-	179
Total receipts	<u>834,785</u>	<u>700,120</u>	<u>-</u>	<u>10,725</u>	<u>16,313</u>
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	834,785	-	806	9,850	5,869
Total disbursements	<u>834,785</u>	<u>-</u>	<u>806</u>	<u>9,850</u>	<u>5,869</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>700,120</u>	<u>(806)</u>	<u>875</u>	<u>10,444</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 700,120</u>	<u>\$ -</u>	<u>\$ 69,913</u>	<u>\$ 126,118</u>

JAY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	93.563 Clerk IV-D Incentive- Post Oct '99	County User Fee	Adult Probation Fees	Jury Fees	EMPG Performance Grant
Cash and investments - beginning	\$ 97,133	\$ 8,040	\$ 146,691	\$ 4,142	\$ (36)
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	10,724	-	-	-	4,411
Charges for services	-	-	-	-	-
Fines and forfeits	-	1,203	79,132	2,905	-
Other receipts	-	-	-	117	36
Total receipts	10,724	1,203	79,132	3,022	4,447
Disbursements:					
Personal services	-	-	103,304	-	-
Supplies	-	-	2,826	-	-
Other services and charges	290	-	3,574	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	175	-	4,411
Other disbursements	-	953	-	2,282	-
Total disbursements	290	953	109,879	2,282	4,411
Excess (deficiency) of receipts over disbursements	10,434	250	(30,747)	740	36
Cash and investments - ending	\$ 107,567	\$ 8,290	\$ 115,944	\$ 4,882	\$ -

JAY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Community Corr 08-09	Community Corr 09-10	Juvenile Comm Corr Grant 16-17	Drug Free (Sheriff)	Jay Co Lease Payments
Cash and investments - beginning	\$ 97	\$ 47,864	\$ -	\$ 3,053	\$ 401,571
Receipts:					
Taxes	-	-	-	-	791,041
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	118,683	47,847	16,358	-	5,775
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Other receipts	1,050	2,279	-	-	-
Total receipts	119,733	50,126	16,358	-	796,816
Disbursements:					
Personal services	69,347	68,648	19,953	-	-
Supplies	1,390	7,262	-	-	-
Other services and charges	4,547	5,235	-	-	-
Debt service - principal and interest	-	-	-	-	798,000
Capital outlay	-	-	-	-	-
Other disbursements	622	16,845	1,050	-	-
Total disbursements	75,906	97,990	21,003	-	798,000
Excess (deficiency) of receipts over disbursements	43,827	(47,864)	(4,645)	-	(1,184)
Cash and investments - ending	\$ 43,924	\$ -	\$ (4,645)	\$ 3,053	\$ 400,387

JAY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Rural Transportation Grant	County Corrections	Jay - Portland Building & Planning Dept	Highway Department Donations	Salamonia River Cleanup
Cash and investments - beginning	\$ 4	\$ 26,075	\$ -	\$ 20,000	\$ (32,762)
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	6,336	-	-
Intergovernmental receipts	852,192	-	-	-	32,872
Charges for services	-	15,177	-	-	-
Fines and forfeits	-	-	-	-	-
Other receipts	-	-	-	6,000	-
Total receipts	852,192	15,177	6,336	6,000	32,872
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	12,999	-	-	110
Other services and charges	-	2,939	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	14,777	-
Other disbursements	852,192	-	3,168	-	-
Total disbursements	852,192	15,938	3,168	14,777	110
Excess (deficiency) of receipts over disbursements	-	(761)	3,168	(8,777)	32,762
Cash and investments - ending	\$ 4	\$ 25,314	\$ 3,168	\$ 11,223	\$ -

JAY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	14.228 CDBG	Backhoe & Dozer Repair	Infrastructure	Retirement Center Donations	Tile Inventory
Cash and investments - beginning	\$ -	\$ 102,508	\$ 675,642	\$ 5,028	\$ -
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	35,000	-	-
Intergovernmental receipts	400,000	-	-	-	-
Charges for services	-	36,977	359,274	-	-
Fines and forfeits	-	-	-	-	-
Other receipts	-	340	257,809	8	44,909
Total receipts	400,000	37,317	652,083	8	44,909
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	11,596	43,435	-	44,907
Other services and charges	-	1,261	74,750	-	-
Debt service - principal and interest	-	12,298	-	-	-
Capital outlay	-	-	743,152	-	-
Other disbursements	372,070	-	-	-	-
Total disbursements	372,070	25,155	861,337	-	44,907
Excess (deficiency) of receipts over disbursements	27,930	12,162	(209,254)	8	2
Cash and investments - ending	\$ 27,930	\$ 114,670	\$ 466,388	\$ 5,036	\$ 2

JAY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Jay Co Redevelopment Dis Cap Fund	County Forfeiture Fund	5% Host Fee Infrastructure	Court ASAA&E Fund	Commissioners Certificate Sale
Cash and investments - beginning	\$ 88,652	\$ 720	\$ 199,301	\$ 17,669	\$ -
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	18,909	-	-
Fines and forfeits	-	-	-	46,621	-
Other receipts	687	-	-	-	5,702
Total receipts	687	-	18,909	46,621	5,702
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	46,520	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	11,937	-	-	-	5,702
Total disbursements	11,937	-	-	46,520	5,702
Excess (deficiency) of receipts over disbursements	(11,250)	-	18,909	101	-
Cash and investments - ending	\$ 77,402	\$ 720	\$ 218,210	\$ 17,770	\$ -

JAY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Sheriff's Department Donations	Redacting Fund	Eradication	Bond General Acct Fund	Bond Reserve Fund
Cash and investments - beginning	\$ -	\$ 19,805	\$ 829	\$ 267,859	\$ 125,575
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	1,569	-	-	-
Fines and forfeits	-	-	-	-	-
Other receipts	13,850	-	-	-	-
Total receipts	13,850	1,569	-	-	-
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	10,000	-	-	-	-
Other disbursements	-	875	-	-	-
Total disbursements	10,000	875	-	-	-
Excess (deficiency) of receipts over disbursements	3,850	694	-	-	-
Cash and investments - ending	\$ 3,850	\$ 20,499	\$ 829	\$ 267,859	\$ 125,575

JAY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Health Insurance	LOIT Operating Levy Freeze	16.575 Victim Assistant Fund	93.069 Bioterrorism Fund (HD)	Bulletproof Vests
Cash and investments - beginning	\$ 93,626	\$ -	\$ (296)	\$ 12,036	\$ 3,492
Receipts:					
Taxes	-	1,318,475	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	11,641	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Other receipts	70,000	-	-	-	-
Total receipts	70,000	1,318,475	-	11,641	-
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	170	-
Other services and charges	-	-	-	9,125	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	3,384	3,492
Other disbursements	42,834	1,318,475	-	-	-
Total disbursements	42,834	1,318,475	-	12,679	3,492
Excess (deficiency) of receipts over disbursements	27,166	-	-	(1,038)	(3,492)
Cash and investments - ending	\$ 120,792	\$ -	\$ (296)	\$ 10,998	\$ -

JAY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Jury Pay Fund	Pre Trial Diversion	Law Enforcement Continuing Fund	Congressional Principal	Totals
Cash and investments - beginning	\$ 98	\$ 9,936	\$ 6,774	\$ 22,822	\$ 15,840,426
Receipts:					
Taxes	-	-	-	-	20,240,666
Licenses and permits	-	-	-	-	97,353
Intergovernmental receipts	-	-	-	-	6,877,936
Charges for services	-	-	2,241	-	2,411,272
Fines and forfeits	-	2,330	-	-	301,690
Other receipts	-	-	-	-	26,956,593
Total receipts	-	2,330	2,241	-	56,885,510
Disbursements:					
Personal services	-	-	-	-	8,309,375
Supplies	-	-	-	-	2,184,077
Other services and charges	-	-	-	-	2,762,307
Debt service - principal and interest	-	-	-	-	810,298
Capital outlay	-	-	-	-	2,734,224
Other disbursements	-	-	-	-	38,944,880
Total disbursements	-	-	-	-	55,745,161
Excess (deficiency) of receipts over disbursements	-	2,330	2,241	-	1,140,349
Cash and investments - ending	\$ 98	\$ 12,266	\$ 9,015	\$ 22,822	\$ 16,980,775

JAY COUNTY
SCHEDULE OF PAYABLES AND RECEIVABLES
December 31, 2016

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 171,534</u>	<u>\$ -</u>

JAY COUNTY
SCHEDULE OF LEASES AND DEBT
December 31, 2016

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Jay County Jail Building Corporation	jail lease	\$ 798,000	07/15/09	01/15/29
Total of annual lease payments		<u>\$ 798,000</u>		

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
General obligation bonds	PREMIER TIF	\$ 710,000	\$ 116,513
Notes and loans payable	2015 Case Wheel Loader	39,399	40,084
Notes and loans payable	Chip & Seal Equipment	64,638	65,762
Notes and loans payable	E911 Dispatching Equipment	<u>257,809</u>	<u>53,575</u>
Total governmental activities		<u>1,071,846</u>	<u>275,934</u>
Totals		<u>\$ 1,071,846</u>	<u>\$ 275,934</u>

JAY COUNTY
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2016

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.

	Ending Balance
Governmental activities:	
Land	\$ 848,402
Buildings	13,999,955
Improvements other than buildings	20,498,530
Machinery, equipment, and vehicles	<u>14,731,042</u>
Total governmental activities	<u>50,077,929</u>
Total capital assets	<u>\$ 50,077,929</u>

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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 *OMB Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended December 31, 2016. 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 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 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 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 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, 2016.

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 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

August 3, 2018

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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.

JAY COUNTY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended December 31, 2016

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	Passed Through to Subrecipient	Total Federal Awards Expended
<u>Department of Housing and Urban Development</u>					
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii CDBG Jay Senior Ctr	Office of Community & Rural Affairs	14.228	B15DC180001PF-15-101	\$ 372,070	\$ 372,070
Total - Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii				372,070	372,070
Total - Department of Housing and Urban Development				372,070	372,070
<u>Department of Transportation</u>					
Highway Planning and Construction Cluster Highway Planning and Construction Cumulative Bridge-Bridge Inspection Cumulative Bridge- Safety Sign Inventory	Indiana Department of Transportation	20.205	Designation: 1382082 Designation: 1383447	- -	81,760 912
Total - Highway Planning & Construction				-	82,672
Total - Highway Planning and Construction Cluster				-	82,672
Formula Grants for Rural Areas Rural Transportation Grant Rural Transportation Grant	Indiana Department of Transportation	20.509	16813237 A249-15-320522	373,724 288,388	373,724 288,388
Total - Formula Grants for Rural Areas				662,112	662,112
Total - Department of Transportation				662,112	744,784
<u>Environmental Protection Agency</u>					
Nonpoint Source Implementation Grants Upper Salamonina Grant	Indiana Department of Environmental Management	66.460	A305-3-122	-	32,871
Total - Environmental Protection Agency				-	32,871
<u>Department of Health and Human Services</u>					
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements Public Health Preparedness Grant Public Health Preparedness Grant	Indiana State Department of Health	93.074	16500500 U90TP000521	- -	5,347 6,294
Total - Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements				-	11,641
Child Support Enforcement Title IV-D (1000) Co. General Reimb. Title IV-D (1110) Title IV-D Incentive (County) Title IV-D (1000-001) Clerk Reimb. Title IV-D (1217) Title IV-D (8899) Clerk Incentive Title IV-D (1000-009) Prosecutor Reimb. Title IV-D Prosecutor ARRA (8893) Title IV-D Prosecutor Incentive (8897)	Indiana Department of Child Services	93.563	1604INCSES 1604INCSES 160INCSES 160INCSES 160INCSES 160INCSES 160INCSES 160INCSES 160INCSES 160INCSES	- - - - - - - - - -	35,263 8,433 9,850 45,765 61 290 68,950 806 5,869
Total - Child Support Enforcement				-	175,287
Total - Department of Health and Human Services				-	186,928
<u>Department of Homeland Security</u>					
Emergency Management Performance Grants EMPG Performance Grant EMPG Performance Grant	Indiana Department of Homeland Security	97.042	EMW-2014-EP-00030 EMW-2015-EP-00037	- -	33,189 4,411
Total - Emergency Management Performance Grant				-	4,411
Total - Department of Homeland Security				-	37,600
Total federal awards expended				\$ 1,034,182	\$ 1,374,253

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, 2016. 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.

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; Qualified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	yes
Noncompliance material to financial statement noted?	yes

Federal Awards:

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

Identification of Major Program and type of auditor's report issued on compliance for it:

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

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

Auditee qualified as low-risk auditee?	no
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Section II - Financial Statement Findings

FINDING 2016-001

Subject: Internal Controls over Financial Transactions and Reporting - County Sheriff
Audit Findings: Significant Deficiency, Noncompliance

Condition

The County Sheriff's Department did not have a proper system of internal control in place over financial transactions and reporting of the Inmate Trust account to prevent, or detect and correct, errors.

The County Sheriff's Department had not separated incompatible activities related to financial transactions of the Inmate Trust account. One employee was responsible for reconciling daily cash collections, preparing and making the bank deposits, recording receipts and disbursements in the financial records, and performing the reconciliation of the depository account balance with the record balance. There were no controls in place such as an oversight, review, or approval process of the financial records or bank reconciliations.

JAY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Context

The lack of controls was a systemic problem throughout the audit period.

Due to the lack of controls, the following issues were identified during the audit period:

- On several occasions during 2016, receipts exceeding \$500 were received and deposited later than the next business day. Some receipts were not deposited as much as 241 days after receipt.
- In addition to the late depositing of receipts already noted, there were two receipts received during 2016 totaling \$1,039 that still had not been deposited as of April 30, 2018.
- The Jay County Sheriff's Department did not reconcile the balance of the Inmate Trust account with the balance on the bank statements provided by their financial institution, on a monthly basis.
- During the audit period the Jail Matron did not generate a detailed report of the inmate trust receipts disbursements and balances from their software system to reconcile to the fund ledger, as required.

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. . . ."

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 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."

JAY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Indiana Code 5-13-6-1 states in part:

". . . (c) . . . all local officers . . . who collect public funds of their respective political subdivisions, shall deposit funds not later than the business day following the receipt of funds on business days of the depository in the depository or depositories selected by the . . . local boards of finance . . .

(e) All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories. . . .

(g) The following are not required to deposit funds on the business day following receipt if the funds on hand do not exceed five hundred dollars (\$500): . . .

(2) A local officer of a political subdivision required to deposit funds under subsection (c) other than a township trustee.

(3) A city or a town required to deposit funds under subsection (d). . . ."

Indiana Code 36-8-10-22 states:

"(a) This section applies to any county that operates a jail.

(b) The sheriff shall hold in trust separately for each inmate any money received from that inmate or from another person on behalf of that inmate.

(c) If the inmate or the inmate's legal guardian requests a disbursement from the inmate's trust fund, the sheriff may make a disbursement for the personal benefit of the inmate, including but not limited to a disbursement to the county jail commissary.

(d) Upon discharge or release of an inmate from the county jail, the sheriff shall pay to that inmate or the inmate's legal guardian any balance remaining in the inmate's trust fund.

(e) If an inmate is found guilty of intentionally destroying or losing county property after a hearing conducted under IC 11-11-5-5, the sheriff may disburse from the inmate's trust fund or commissary account sums of money as reimbursement to the county for the inmate's intentional destruction or loss of county property, including but not limited to clothing, bedding, and other nondisposable items issued by the county to the inmate. Before disbursing money under this subsection, the sheriff shall adopt rules to administer this procedure.

(f) The sheriff shall maintain a record of each trust fund's receipts and disbursements. The state board of accounts shall prescribe the form for this record."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

Cause

Management of the County had not established a proper system of internal control over financial transactions and reporting of the Sheriff's Inmate Trust account.

JAY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Effect

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

Recommendation

We recommended that the County's management establish controls, including segregation of duties, over financial transactions and reporting of the Sheriff's Inmate Trust accounts.

Views of Responsible Officials

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

FINDING 2016-002

Subject: Internal Controls over Financial Transactions and Reporting - County Home
Audit Findings: Material Weakness, Noncompliance

Condition

The County Home did not have a proper system of internal control in place over financial transactions and reporting to prevent, or detect and correct, errors.

The County Home's office had not separated incompatible activities related to the financial transactions of the County Home. One employee was responsible for receiving monies, reconciling daily cash collections, recording receipt and disbursement transactions, preparing and making the bank deposits, and reconciling bank accounts to the records. One individual was also responsible for withdrawing and maintaining the residents' personal spending money each month. There were no controls in place such as an oversight, review, or approval process of the financial transactions or bank reconcilements.

Context

The lack of controls was a systemic problem throughout the audit period.

Due to the lack of controls, the following issues were identified during the audit period:

- The County Home did not adequately maintain a County Home Resident's Maintenance Ledger. The County Home had been using a standard columnar pad to create a handwritten ledger in place of the prescribed form (County Form 77B).
- Receipts were not properly issued for all monies received. Multiple receipts were pre-written for resident rent payments not yet received by the County Home, resulting in numerous voided receipts. Receipts were not issued on many occasions for money received from the sale of grain and cattle, rent of farm ground, and donations.
- Errors were found on the Combined Report by the Superintendent of the County Home to the Board of Commissioners (Form 77), a detail of receipts from the residents as well as a reporting of resident charges for the month. These reports contained several errors including incorrect billing charges, no record of resident absence days, no admittance or departure date for partial month residents, and calculation errors, which caused incorrect amounts to be remitted to the County.

JAY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- The County Home sold cattle throughout the audit period, and for the period December 2015 through February 2017, did not remit money received for cattle sales to the County. Money received from the sale of cattle was retained in the County Home bank account and later used to purchase additional cattle. Additionally, farm ground rent and proceeds from the sale of corn were retained in this account. In February of 2017, the remaining cattle, rent, and corn money was remitted to the County.
- The County Home Director opened a donation bank account in September 2015, without the knowledge or approval of the County Auditor. Funds were kept in this bank account and not remitted to the County as required. Some donations were kept on hand as a petty cash fund and used to pay for various items and services for individual residents. Examples of items purchased for residents with these funds were; dentures, eyeglasses, and various clothing items. Additionally, amounts retained in this donation bank account were not reported to the County to be included in the County Annual Report.
- Supporting documentation was not submitted for audit for numerous transactions throughout the audit period. The County Home maintained the personal spending money for a resident, without retaining documentation for amounts spent on behalf of the resident. Monies spent on behalf of the resident included amounts paid to Walmart, Jay County Hospital, Bluffton Physicians, and various other medical facilities.
- Three receipts, totaling \$2,618 were issued during 2016 by the County Home that indicated money was received that was not deposited as of December 31, 2017.
- Documentation to support the financial information provided to the County Auditor for submission in the County Annual Report was not provided for audit.
- The following records were not retained or made available for audit:
 - Documentation for payments made to various medical facilities and grocery stores on behalf of residents.
 - Documentation on sources of donations to the County Home or restrictions on donations.
 - Documentation of admittance, discharge, and leave dates for residents.
 - Record of past due balances of residents.
 - General ledger.
- Bank reconcilements were not performed during the audit period for the County Home to reconcile the balance of public funds with the balance on the bank statements provided by its financial institution.

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 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."

Officials and employees are required to use prescribed and approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

Receipts shall be issued and recorded at the time of the transaction. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

All financial transactions pertaining to the unit must be recorded in the records of the unit at the time of the transaction. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for examination to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

Indiana Code 5-13-6-1 states in part:

". . . (c) . . . all local officers . . . who collect public funds of their respective political subdivisions, shall deposit funds not later than the business day following the receipt of funds on business days of the depository in the depository or depositories selected by the . . . local boards of finance . . .

(e) All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories. . . .

JAY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

(g) The following are not required to deposit funds on the business day following receipt if the funds on hand do not exceed five hundred dollars (\$500): . . .

(2) A local officer of a political subdivision required to deposit funds under subsection (c) other than a township trustee.

(3) A city or a town required to deposit funds under subsection (d). . . ."

Indiana Code 5-15-6-3 states:

"No financial records or records relating to financial records shall be destroyed until the earlier of the following actions:

1. The audit of the records by the state board of accounts has been completed, report filed, and any exceptions set out in the report satisfied.
2. The financial record or records have been copied or reproduced in accordance with a retention schedule or with the written consent of the administration."

Cause

Management of the County had not established a proper system of internal control over financial transactions and reporting for the County Home.

Effect

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

Recommendation

We recommended that the County's management establish controls, including segregation of duties, over financial transactions and reporting of the County Home.

Views of Responsible Officials

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

Section III - Federal Award Findings and Questioned Costs

No matters are reportable.

AUDITEE-PREPARED DOCUMENT

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

A banner image showing the interior of a grand, ornate building with high ceilings and arches. The text is centered over the image.

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

August 3, 2018

CORRECTIVE ACTION PLAN

Finding 2016-002

Contact Person Responsible for Corrective Action: Amanda Cox, County Home Superintendent; Jay County Commissioners
Contact Phone Number: 260-726-8702

Views of Responsible Official:

We concur with the report.

Description of Corrective Action Plan:

In regards to future handling of all monies, several steps have been discussed and many already implemented. First, the county home superintendent will be closing out the erroneously opened donations bank account after the commissioners accept all donations. The money will then be deposited into an already existing fund set-up many years ago for all retirement center donations. A budget will be created for appropriately spend any donation money given from this point forward.

Second, the commissioners have allowed the purchase of a new computer and copier to allow the new county home director to create several spreadsheets to track any and all monies that are under her supervision. The spreadsheets will account for all resident money as well as any money due the county. The new technology will also allow better communication with the commissioners, auditor's office, and various other essential offices/departments.

Third, from this point forward, the county home superintendent will not be destroying any records until the appropriate time. In conjunction with this, all necessary records will be filled out accurately and at the appropriate time, and will then be appropriately filed in order to be retained.

Finally, from this point forward all money stemming from the sale/purchase of livestock will be accounted for in the correct manner. The commissioners voted to end the livestock program at the retirement center on July 23, 2018. However, if there is ever even one animal purchased for county home use, the proper steps will be followed by the county home superintendent.

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/>.