

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF
CASS COUNTY, INDIANA
January 1, 2017 to December 31, 2017



FILED
09/21/2018

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Cheryl Alcorn	01-01-17 to 12-31-20
County Treasurer	Kathleen Adair	01-01-17 to 12-31-20
Clerk of the Circuit Court	Beth Liming	01-01-17 to 12-31-20
County Sheriff	Randy Pryor	01-01-15 to 12-31-18
County Recorder	Cindy Howard	01-01-15 to 12-31-18
President of the Board of County Commissioners	James L. Sailors	01-01-17 to 12-31-18
President of the County Council	George L. Stebbins	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 CASS COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of Cass County (County), which comprises the financial position and results of operations for the year ended December 31, 2017, and the related notes to the financial statement as listed in the Table of Contents.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the County for the year ended December 31, 2017.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the County for the year ended December 31, 2017, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the County's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

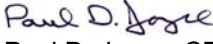
Other Information

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated August 23, 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 23, 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 CASS COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of Cass County (County), which comprises the financial position and results of operations for the year ended December 31, 2017, and the related notes to the financial statement, and have issued our report thereon dated August 23, 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.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2017-001 and 2017-002, that we consider to be material weaknesses.

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

Compliance and Other Matters


As part of obtaining reasonable assurance about whether the County's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed 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 2017-001 and 2017-002.

Cass 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 23, 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.

CASS COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2017

Fund	Cash and Investments		Disbursements	Cash and Investments	
	01-01-17	Receipts		12-31-17	
Sheriff Inmate Trust Supplemental	\$ 25,245	\$ 729,982	\$ 730,466	\$ 24,761	
General	2,467,782	12,369,103	11,864,240	2,972,645	
LIT - Economic Development	-	913,441	-	913,441	
Co Child Advocacy Fund	50	100	-	150	
Court Costs	-	10,695	-	10,695	
Clerk Perpetuation	58,141	26,141	8,901	75,381	
Community Transition Program	231,612	136,650	74,165	294,097	
Congressional Interest	6,966	266	-	7,232	
Congressional Principal	29,625	-	-	29,625	
Sheriff's Photo Operating	4,766	716	-	5,482	
Surplus Dog	26	-	-	26	
County Sales Disclosure	26,801	4,620	3,125	28,296	
Cumulative Bridge	2,896,193	535,756	233,142	3,198,807	
Capitol Development	508,842	136,499	264,601	380,740	
Co Drug Free Program	38,739	30,101	33,462	35,378	
Electronic Map Generation Fund	4,000	1,000	-	5,000	
Local Emergency Plan	3,370	-	-	3,370	
Recorder Enhanced Access	9,614	2,728	-	12,342	
Extradition	84,696	3,100	5,873	81,923	
Firearms Training	26,724	11,060	12,912	24,872	
Health	80,648	349,883	406,429	24,102	
RE-DACT	49,050	3,962	-	53,012	
Health Maint	137,818	27,820	52,564	113,074	
Local Road	439,821	436,957	459,396	417,382	
LIT-Public Safety County Share	2,089,395	1,114,840	1,212,176	1,992,059	
Highway	2,821,419	4,214,411	3,771,437	3,264,393	
Park & Rec Non Reverting	708,580	419,494	533,929	594,145	
Auditor Plat Bk Upkeep	22,880	8,000	3,245	27,635	
Rainy Day Fund	3,705,919	1,118,039	-	4,823,958	
Recorders Perpetuation	144,334	64,385	39,681	169,038	
Sex Offender Reg State Share	45	442	435	52	
Police Pension	317,403	47,588	-	364,991	
Surplus Tax (Excess)	83,649	25,803	65,085	44,367	
Surveyor Corner Perpetuation	20,859	16,925	5,861	31,923	
Tax Sale (fees collected) SRI	27,245	21,092	20,400	27,937	
Tax Sale Redemption	6,585	61,180	64,921	2,844	
Tax Sale Surplus	245,172	267,452	224,258	288,366	
Unsafe Building Fund	5,058	350	732	4,676	
Vehicle Inspection	3,450	559	1,084	2,925	
Guardian Ad Litem	6,345	21,014	17,523	9,836	
Election & Registration	141,676	50	65,385	76,341	
Co Elect Official Training	12,988	3,962	548	16,402	
911 Statewide	251,819	852,908	920,987	183,740	
Care of Juveniles	77,274	-	-	77,274	
Capital Non-Reverting	4,028,113	1,243,022	1,031,445	4,239,690	
General Drain	61,312	159,749	114,848	106,213	
Drain Maintenance	1,615,554	1,233,075	1,201,420	1,647,209	
Sheriff Sale Non Reverting	17,554	16,827	7,800	26,581	
Park Donation	6,255	39	5,225	1,069	
Forfeiture Seizure Non Revert	1,264	390	-	1,654	
Clymers Allocation Repay Bond	86,000	97,050	97,050	86,000	
Jail Debt Service	191,693	872,578	981,000	83,271	
Cass Co Self Insurance	5,537,017	2,851,599	3,137,237	5,251,379	
Payroll	-	6,251,223	6,251,223	-	
Property Replacement	12	28,128,145	28,128,145	12	
Wheel tax/Surtax	-	1,012,397	1,012,397	-	
CVET	-	220,979	220,979	-	
Excise Tax Allocations	-	1,103,296	1,103,296	-	
Financial Institution Tax	-	335,064	335,064	-	
CEDIT HSC Dead 12-31-16	37,904	-	-	37,904	
HS Credit Rebate Dead 12/31/16	9,823	-	-	9,823	
LOIT PTRC	112,730	-	112,730	-	
Fines & Forfeitures	2,142	6,332	6,814	1,660	
Infraction Judgement	3,466	85,984	74,910	14,540	
Overweight Vehicle	-	3,030	3,030	-	
Special Death Benefit	385	6,085	5,710	760	
Sales Disclosure Fee (State)	338	4,590	4,058	870	
Coroner Training Non-Reverting	440	3,808	2,884	1,364	
Interstate Compact Fee Fd	-	250	250	-	
Mortgage Fee Fund	485	2,598	2,470	613	
Child Restraint Violation	25	525	550	-	

CASS COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2017

Fund	Cash and Investments 01-01-17	Receipts	Disbursements	Cash and Investments 12-31-17
Inheritance Tax	630	-	-	630
Riverboat Wagering Tax Rev	-	230,832	230,832	-
Cass Tourism Promotion Fund	7,622	114,265	88,762	33,125
93.563 Title IV-D Incentive	128,287	18,490	8,000	138,777
93.563 Pros Incentive Post	58,098	27,815	35,428	50,485
93.563 Clerk Incentive Post	157,073	18,490	13,350	162,213
Sheriff Commissary Supplemental	99,999	285,248	281,666	103,581
Clerk Supplemental	393,391	2,983,465	2,924,037	452,819
Treasurer Supplemental	1,578,118	1,016,264	1,578,118	1,016,264
Community Corrections Supplemental	22,416	646,801	649,947	19,270
Community Corrections Inmate Commissary	54	1	-	55
Health Insurance Supplemental	256,748	2,919,488	2,875,730	300,506
Reassessment	518,802	-	179,078	339,724
Sher Non-Rev K-9 CareWelf&Tr	-	46,054	10,000	36,054
Clymers Operating Fund	565	-	-	565
Sheriff Non-Rev Training	10,767	4,154	4,220	10,701
Arson Investigation	226	-	-	226
Law Enforcement	2	-	-	2
Cass County Work Crew - NA	966	7,540	6,413	2,093
Certificate Tax Sale	14,295	9,565	23,859	1
E911 Subsidy	11,155	21,976	687	32,444
County Redevelop Commission	1,788,748	911,067	355,164	2,344,651
Sheriff Non Reverting Radios	11,190	-	10,175	1,015
Indian Creek Project Loan	-	500,000	126,832	373,168
Reno & Const Jail & Annex	2,046,244	-	850,278	1,195,966
Certified Share	152	-	-	152
CCEMA Non-Reverting Capital	1,906	-	-	1,906
LIT - Property Tax Relief	-	6,986,967	6,718,030	268,937
LOIT Spec Dist Restricted	914,915	48,036	712,896	250,055
LIT Certified Shares	-	6,863,882	6,863,882	-
LIT Public Safety	-	1,715,971	1,715,971	-
LIT Economic Development EDIT	-	1,724,310	1,724,310	-
Transit Authority Grant	-	1,094,551	1,094,551	-
93.069 Public Health Bio-Terro	2,999	-	-	2,999
20.600 OPO/DUI Equip Awards Gr	367	-	-	367
16.588 Stop Grant - NA	(14,790)	14,355	16,617	(17,052)
16.575 Victim Advoc Grant	84,576	6,388	38,428	52,536
93.617 HAVA Title III	49,283	-	-	49,283
EMA Performance CFDA 97.042	2,906	-	-	2,906
93.074 Hospital Prep Grant	7,103	-	1,048	6,055
JDAI Grant	8,781	73,910	68,115	14,576
93.074 ZIKA Grant	-	2,994	2,592	402
State Deputy Project-NA	1,248	12,941	16,591	(2,402)
16.547 Federal CASA Grant	41,438	19,293	2,937	57,794
CAPTA	6,355	-	-	6,355
SCAAP Grant	6,376	-	3,872	2,504
Cass Co Cedit	4,756,575	259,075	1,125,801	3,889,849
Cass County Correction	(4)	26,983	27,617	(638)
CCEMA Grant	348	-	-	348
DUI Task Force Enforce Program	(402)	-	-	(402)
Corrections Grant- NA	125,641	718,664	715,720	128,585
Law Enforcement Grant	2,826	-	-	2,826
France Park Planning Grant	194	-	-	194
Comm Correct Project Income - NA	295,903	164,270	140,739	319,434
Adult Protective Services - NA	(78,492)	208,740	211,789	(81,541)
Tobacco Education	88,144	57	23,089	65,112
Walmart EMA Grant	572	-	-	572
SECTION 102 HAVA	565	-	-	565
GIS Web Feature Grant	2,100	-	-	2,100
Public Health Coordinator Gran	39,751	14,532	15,614	38,669
93-6-16-CP-C0-2557 SCAN	7,597	5,790	10,080	3,307
IPAC Grant Prosecutor	-	2,000	-	2,000
Child Restraint Dist Grant	-	2,120	2,120	-
Comm Crossing Grant	-	797,929	712,895	85,034
EMPG 97.042 2016 Sal Grant	-	27,736	-	27,736
Totals	\$ 42,995,465	\$ 98,180,718	\$ 97,155,378	\$ 44,020,805

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

CASS COUNTY
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

Taxes. 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.

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.

CASS COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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

Other disbursements. Amounts disbursed for various other purposes including, but not limited to, the following: interfund loan payments; loans made to other funds; internal service disbursements; and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

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

CASS COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

G. Fund Accounting

Separate funds are established, maintained, and reported by the County. Each fund is used to account for 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.

Note 4. Deposits and Investments

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

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

CASS COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 5. Risk Management

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

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

Note 6. Pension 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

Funding Policy and Annual Pension Cost

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

CASS COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

B. County Police Retirement Plan

Plan Description

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

Funding Policy

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

C. County Police Benefit Plan

Plan Description

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

Funding Policy

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

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of the funds being set up for reimbursable grants. The reimbursements for the expenditures made by the County were not received by December 31, 2017.

Note 8. Holding Corporation

The County has entered into a capital lease with Cass County Government 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 2017 totaled \$981,000.

CASS COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 9. Subsequent Event

The County Council approved Ordinance 2017-10 on October 20, 2017, related to the Indian Creek Joint Drainage Project. The estimated cost of the project is \$2,000,000 and is to be financed with a construction/draw loan. As of August 23, 2018, loan proceeds of \$1,300,000 had been received. The loan is to be repaid over a period of five years from assessments to taxpayers who benefit from the project.

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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.

CASS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	Sheriff Inmate Trust Supplemental	General	LIT - Economic Development	Co Child Advocacy Fund	Court Costs	Clerk Perpetuation
Cash and investments - beginning	\$ 25,245	\$ 2,467,782	\$ -	\$ 50	\$ -	\$ 58,141
Receipts:						
Taxes	-	10,579,133	-	-	-	-
Intergovernmental receipts	-	772,609	-	-	-	-
Charges for services	-	563,731	-	-	-	-
Fines and forfeits	-	31,789	-	-	-	-
Other receipts	729,982	421,841	913,441	100	10,695	26,141
Total receipts	729,982	12,369,103	913,441	100	10,695	26,141
Disbursements:						
Personal services	-	7,995,840	-	-	-	-
Supplies	-	424,082	-	-	-	-
Other services and charges	-	2,205,482	-	-	-	234
Capital outlay	-	63,924	-	-	-	-
Other disbursements	730,466	1,174,912	-	-	-	8,667
Total disbursements	730,466	11,864,240	-	-	-	8,901
Excess (deficiency) of receipts over disbursements	(484)	504,863	913,441	100	10,695	17,240
Cash and investments - ending	\$ 24,761	\$ 2,972,645	\$ 913,441	\$ 150	\$ 10,695	\$ 75,381

CASS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	Community Transition Program	Congressional Interest	Congressional Principal	Sheriff's Photo Operating	Surplus Dog	County Sales Disclosure
Cash and investments - beginning	\$ 231,612	\$ 6,966	\$ 29,625	\$ 4,766	\$ 26	\$ 26,801
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	4,620
Fines and forfeits	-	-	-	-	-	-
Other receipts	136,650	266	-	716	-	-
Total receipts	136,650	266	-	716	-	4,620
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	32,408	-	-	-	-	-
Capital outlay	18,382	-	-	-	-	-
Other disbursements	23,375	-	-	-	-	3,125
Total disbursements	74,165	-	-	-	-	3,125
Excess (deficiency) of receipts over disbursements	62,485	266	-	716	-	1,495
Cash and investments - ending	\$ 294,097	\$ 7,232	\$ 29,625	\$ 5,482	\$ 26	\$ 28,296

CASS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	Cumulative Bridge	Capitol Development	Co Drug Free Program	Electronic Map Generation Fund	Local Emergency Plan	Recorder Enhanced Access
Cash and investments - beginning	\$ 2,896,193	\$ 508,842	\$ 38,739	\$ 4,000	\$ 3,370	\$ 9,614
Receipts:						
Taxes	417,991	125,643	-	-	-	-
Intergovernmental receipts	35,788	10,747	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	81,977	109	30,101	1,000	-	2,728
Total receipts	535,756	136,499	30,101	1,000	-	2,728
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	233,142	30,396	33,462	-	-	-
Capital outlay	-	234,205	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	233,142	264,601	33,462	-	-	-
Excess (deficiency) of receipts over disbursements	302,614	(128,102)	(3,361)	1,000	-	2,728
Cash and investments - ending	\$ 3,198,807	\$ 380,740	\$ 35,378	\$ 5,000	\$ 3,370	\$ 12,342

CASS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	<u>Extradition</u>	<u>Firearms Training</u>	<u>Health</u>	<u>RE-DACT</u>	<u>Health Maint</u>	<u>Local Road</u>
Cash and investments - beginning	\$ 84,696	\$ 26,724	\$ 80,648	\$ 49,050	\$ 137,818	\$ 439,821
Receipts:						
Taxes	-	-	254,730	-	-	-
Intergovernmental receipts	-	-	21,817	-	-	423,018
Charges for services	-	-	69,589	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	3,100	11,060	3,747	3,962	27,820	13,939
Total receipts	<u>3,100</u>	<u>11,060</u>	<u>349,883</u>	<u>3,962</u>	<u>27,820</u>	<u>436,957</u>
Disbursements:						
Personal services	-	-	350,640	-	29,069	-
Supplies	-	-	36,654	-	-	337,513
Other services and charges	-	-	19,135	-	23,495	71,933
Capital outlay	-	-	-	-	-	49,950
Other disbursements	5,873	12,912	-	-	-	-
Total disbursements	<u>5,873</u>	<u>12,912</u>	<u>406,429</u>	<u>-</u>	<u>52,564</u>	<u>459,396</u>
Excess (deficiency) of receipts over disbursements	<u>(2,773)</u>	<u>(1,852)</u>	<u>(56,546)</u>	<u>3,962</u>	<u>(24,744)</u>	<u>(22,439)</u>
Cash and investments - ending	<u>\$ 81,923</u>	<u>\$ 24,872</u>	<u>\$ 24,102</u>	<u>\$ 53,012</u>	<u>\$ 113,074</u>	<u>\$ 417,382</u>

CASS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	LIT-Public Safety County Share	Highway	Park & Rec Non Reverting	Auditor Plat Bk Upkeep	Rainy Day Fund	Recorders Perpetuation
Cash and investments - beginning	\$ 2,089,395	\$ 2,821,419	\$ 708,580	\$ 22,880	\$ 3,705,919	\$ 144,334
Receipts:						
Taxes	-	800,312	-	-	-	-
Intergovernmental receipts	-	3,361,535	-	-	-	-
Charges for services	-	-	309,734	8,000	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	1,114,840	52,564	109,760	-	1,118,039	64,385
Total receipts	1,114,840	4,214,411	419,494	8,000	1,118,039	64,385
Disbursements:						
Personal services	92,097	1,686,653	282,562	-	-	11,109
Supplies	206,592	1,532,973	42,031	-	-	-
Other services and charges	903,537	115,911	85,553	3,245	-	-
Capital outlay	9,950	435,900	122,923	-	-	-
Other disbursements	-	-	860	-	-	28,572
Total disbursements	1,212,176	3,771,437	533,929	3,245	-	39,681
Excess (deficiency) of receipts over disbursements	(97,336)	442,974	(114,435)	4,755	1,118,039	24,704
Cash and investments - ending	\$ 1,992,059	\$ 3,264,393	\$ 594,145	\$ 27,635	\$ 4,823,958	\$ 169,038

CASS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	Sex Offender Reg State Share	Police Pension	Surplus Tax (Excess)	Surveyor Corner Perpetuation	Tax Sale (fees collected) SRI	Tax Sale Redemption
Cash and investments - beginning	\$ 45	\$ 317,403	\$ 83,649	\$ 20,859	\$ 27,245	\$ 6,585
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	442	47,588	25,803	16,925	21,092	61,180
Total receipts	442	47,588	25,803	16,925	21,092	61,180
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	435	-	65,085	5,861	20,400	64,921
Total disbursements	435	-	65,085	5,861	20,400	64,921
Excess (deficiency) of receipts over disbursements	7	47,588	(39,282)	11,064	692	(3,741)
Cash and investments - ending	\$ 52	\$ 364,991	\$ 44,367	\$ 31,923	\$ 27,937	\$ 2,844

CASS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	Tax Sale Surplus	Unsafe Building Fund	Vehicle Inspection	Guardian Ad Litem	Election & Registration	Co Elect Official Training
Cash and investments - beginning	\$ 245,172	\$ 5,058	\$ 3,450	\$ 6,345	\$ 141,676	\$ 12,988
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	267,452	350	559	21,014	50	3,962
Total receipts	267,452	350	559	21,014	50	3,962
Disbursements:						
Personal services	-	-	-	-	49,833	-
Supplies	-	-	-	-	843	-
Other services and charges	-	-	-	-	14,709	548
Capital outlay	-	-	-	-	-	-
Other disbursements	224,258	732	1,084	17,523	-	-
Total disbursements	224,258	732	1,084	17,523	65,385	548
Excess (deficiency) of receipts over disbursements	43,194	(382)	(525)	3,491	(65,335)	3,414
Cash and investments - ending	\$ 288,366	\$ 4,676	\$ 2,925	\$ 9,836	\$ 76,341	\$ 16,402

CASS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	911 Statewide	Care of Juveniles	Capital Non-Reverting	General Drain	Drain Maintenance	Sheriff Sale Non Reverting
Cash and investments - beginning	\$ 251,819	\$ 77,274	\$ 4,028,113	\$ 61,312	\$ 1,615,554	\$ 17,554
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	512,187	-	-	-
Fines and forfeits	-	-	30,262	-	-	-
Other receipts	852,908	-	700,573	159,749	1,233,075	16,827
Total receipts	852,908	-	1,243,022	159,749	1,233,075	16,827
Disbursements:						
Personal services	727,671	-	480,154	-	-	-
Supplies	-	-	58,672	-	-	-
Other services and charges	193,316	-	191,684	114,848	1,201,420	-
Capital outlay	-	-	20,349	-	-	-
Other disbursements	-	-	280,586	-	-	7,800
Total disbursements	920,987	-	1,031,445	114,848	1,201,420	7,800
Excess (deficiency) of receipts over disbursements	(68,079)	-	211,577	44,901	31,655	9,027
Cash and investments - ending	\$ 183,740	\$ 77,274	\$ 4,239,690	\$ 106,213	\$ 1,647,209	\$ 26,581

CASS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	Park Donation	Forfeiture Seizure Non Revert	Clymers Allocation Repay Bond	Jail Debt Service	Cass Co Self Insurance	Payroll
Cash and investments - beginning	\$ 6,255	\$ 1,264	\$ 86,000	\$ 191,693	\$ 5,537,017	\$ -
Receipts:						
Taxes	-	-	-	809,385	-	-
Intergovernmental receipts	-	-	-	63,193	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	39	390	97,050	-	2,851,599	6,251,223
Total receipts	39	390	97,050	872,578	2,851,599	6,251,223
Disbursements:						
Personal services	-	-	-	-	-	966
Supplies	-	-	-	-	-	-
Other services and charges	-	-	97,050	981,000	-	270
Capital outlay	-	-	-	-	-	-
Other disbursements	5,225	-	-	-	3,137,237	6,249,987
Total disbursements	5,225	-	97,050	981,000	3,137,237	6,251,223
Excess (deficiency) of receipts over disbursements	(5,186)	390	-	(108,422)	(285,638)	-
Cash and investments - ending	\$ 1,069	\$ 1,654	\$ 86,000	\$ 83,271	\$ 5,251,379	\$ -

CASS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	Property Replacement	Wheel tax/Surtax	CVET	Excise Tax Allocations	Financial Institution Tax	CEDIT HSC Dead 12-31-16
Cash and investments - beginning	\$ 12	\$ -	\$ -	\$ -	\$ -	\$ 37,904
Receipts:						
Taxes	26,197,121	1,012,397	-	-	-	-
Intergovernmental receipts	1,896,694	-	-	1,103,296	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	34,330	-	220,979	-	335,064	-
Total receipts	<u>28,128,145</u>	<u>1,012,397</u>	<u>220,979</u>	<u>1,103,296</u>	<u>335,064</u>	<u>-</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	28,128,145	1,012,397	220,979	1,103,296	335,064	-
Total disbursements	<u>28,128,145</u>	<u>1,012,397</u>	<u>220,979</u>	<u>1,103,296</u>	<u>335,064</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-
Cash and investments - ending	<u>\$ 12</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,904</u>

CASS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	HS Credit Rebate Dead 12/31/16	LOIT PTRC	Fines & Forfeitures	Infraction Judgement	Overweight Vehicle	Special Death Benefit
Cash and investments - beginning	\$ 9,823	\$ 112,730	\$ 2,142	\$ 3,466	\$ -	\$ 385
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	6,332	85,984	3,030	6,085
Total receipts	-	-	6,332	85,984	3,030	6,085
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	112,730	6,814	74,910	3,030	5,710
Total disbursements	-	112,730	6,814	74,910	3,030	5,710
Excess (deficiency) of receipts over disbursements	-	(112,730)	(482)	11,074	-	375
Cash and investments - ending	\$ 9,823	\$ -	\$ 1,660	\$ 14,540	\$ -	\$ 760

CASS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	Sales Disclosure Fee (State)	Coroner Training Non-Reverting	Interstate Compact Fee Fd	Mortgage Fee Fund	Child Restraint Violation	Inheritance Tax
Cash and investments - beginning	\$ 338	\$ 440	\$ -	\$ 485	\$ 25	\$ 630
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	4,590	3,808	250	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	2,598	525	-
Total receipts	4,590	3,808	250	2,598	525	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	4,058	2,884	250	2,470	550	-
Total disbursements	4,058	2,884	250	2,470	550	-
Excess (deficiency) of receipts over disbursements	532	924	-	128	(25)	-
Cash and investments - ending	\$ 870	\$ 1,364	\$ -	\$ 613	\$ -	\$ 630

CASS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	Riverboat Wagering Tax Rev	Cass Tourism Promotion Fund	93.563 Title IV-D Incentive	93.563 Pros Incentive Post	93.563 Clerk Incentive Post	Sheriff Commissary Supplemental
Cash and investments - beginning	\$ -	\$ 7,622	\$ 128,287	\$ 58,098	\$ 157,073	\$ 99,999
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	230,832	114,265	18,490	27,815	18,490	285,248
Total receipts	230,832	114,265	18,490	27,815	18,490	285,248
Disbursements:						
Personal services	-	-	-	5,250	12,857	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	230,832	88,762	8,000	30,178	493	281,666
Total disbursements	230,832	88,762	8,000	35,428	13,350	281,666
Excess (deficiency) of receipts over disbursements	-	25,503	10,490	(7,613)	5,140	3,582
Cash and investments - ending	\$ -	\$ 33,125	\$ 138,777	\$ 50,485	\$ 162,213	\$ 103,581

CASS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	Clerk Supplemental	Treasurer Supplemental	Community Corrections Supplemental	Community Corrections Inmate Commissary	Health Insurance Supplemental	Reassessment
Cash and investments - beginning	\$ 393,391	\$ 1,578,118	\$ 22,416	\$ 54	\$ 256,748	\$ 518,802
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	2,983,465	1,016,264	646,801	1	2,919,488	-
Total receipts	2,983,465	1,016,264	646,801	1	2,919,488	-
Disbursements:						
Personal services	-	-	-	-	-	2,377
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	176,701
Capital outlay	-	-	-	-	-	-
Other disbursements	2,924,037	1,578,118	649,947	-	2,875,730	-
Total disbursements	2,924,037	1,578,118	649,947	-	2,875,730	179,078
Excess (deficiency) of receipts over disbursements	59,428	(561,854)	(3,146)	1	43,758	(179,078)
Cash and investments - ending	\$ 452,819	\$ 1,016,264	\$ 19,270	\$ 55	\$ 300,506	\$ 339,724

CASS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	Sher Non-Rev K-9 CareWelf&Tr	Clymers Operating Fund	Sheriff Non-Rev Training	Arson Investigation	Law Enforcement	Cass County Work Crew - NA
Cash and investments - beginning	\$ -	\$ 565	\$ 10,767	\$ 226	\$ 2	\$ 966
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	46,054	-	4,154	-	-	7,540
Total receipts	46,054	-	4,154	-	-	7,540
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	6,413
Other disbursements	10,000	-	4,220	-	-	-
Total disbursements	10,000	-	4,220	-	-	6,413
Excess (deficiency) of receipts over disbursements	36,054	-	(66)	-	-	1,127
Cash and investments - ending	\$ 36,054	\$ 565	\$ 10,701	\$ 226	\$ 2	\$ 2,093

CASS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	Certificate Tax Sale	E911 Subsidy	County Redevelop Commission	Sheriff Non Reverting Radios	Indian Creek Project Loan	Reno & Const Jail & Annex
Cash and investments - beginning	\$ 14,295	\$ 11,155	\$ 1,788,748	\$ 11,190	\$ -	\$ 2,046,244
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	9,565	21,976	911,067	-	500,000	-
Total receipts	9,565	21,976	911,067	-	500,000	-
Disbursements:						
Personal services	-	-	-	-	-	18,176
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	322,344
Capital outlay	-	-	-	-	-	509,758
Other disbursements	23,859	687	355,164	10,175	126,832	-
Total disbursements	23,859	687	355,164	10,175	126,832	850,278
Excess (deficiency) of receipts over disbursements	(14,294)	21,289	555,903	(10,175)	373,168	(850,278)
Cash and investments - ending	\$ 1	\$ 32,444	\$ 2,344,651	\$ 1,015	\$ 373,168	\$ 1,195,966

CASS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	Certified Share	CCEMA Non-Reverting Capital	LIT - Property Tax Relief	LOIT Spec Dist Restricted	LIT Certified Shares	LIT Public Safety
Cash and investments - beginning	\$ 152	\$ 1,906	\$ -	\$ 914,915	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	6,863,882	1,715,971
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	6,986,967	48,036	-	-
Total receipts	-	-	6,986,967	48,036	6,863,882	1,715,971
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	6,718,030	712,896	6,863,882	1,715,971
Total disbursements	-	-	6,718,030	712,896	6,863,882	1,715,971
Excess (deficiency) of receipts over disbursements	-	-	268,937	(664,860)	-	-
Cash and investments - ending	\$ 152	\$ 1,906	\$ 268,937	\$ 250,055	\$ -	\$ -

CASS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	LIT Economic Development EDIT	Transit Authority Grant	93.069 Public Health Bio-Terro	20.600 OPO/DUI Equip Awards Gr	16.588 Stop Grant - NA	16.575 Victim Advoc Grant
Cash and investments - beginning	\$ -	\$ -	\$ 2,999	\$ 367	\$ (14,790)	\$ 84,576
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental receipts	1,724,310	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	1,094,551	-	-	14,355	6,388
Total receipts	1,724,310	1,094,551	-	-	14,355	6,388
Disbursements:						
Personal services	-	-	-	-	1,181	475
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	1,724,310	1,094,551	-	-	15,436	37,953
Total disbursements	1,724,310	1,094,551	-	-	16,617	38,428
Excess (deficiency) of receipts over disbursements	-	-	-	-	(2,262)	(32,040)
Cash and investments - ending	\$ -	\$ -	\$ 2,999	\$ 367	\$ (17,052)	\$ 52,536

CASS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	93.617 HAVA Title III	EMA Performance CFDA 97.042	93.074 Hospital Prep Grant	JDAI Grant	93.074 ZIKA Grant	State Deputy Project-NA
Cash and investments - beginning	\$ 49,283	\$ 2,906	\$ 7,103	\$ 8,781	\$ -	\$ 1,248
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	73,910	2,994	12,941
Total receipts	-	-	-	73,910	2,994	12,941
Disbursements:						
Personal services	-	-	-	-	-	11,772
Supplies	-	-	-	2,974	2,592	-
Other services and charges	-	-	-	49,853	-	-
Capital outlay	-	-	-	14,047	-	-
Other disbursements	-	-	1,048	1,241	-	4,819
Total disbursements	-	-	1,048	68,115	2,592	16,591
Excess (deficiency) of receipts over disbursements	-	-	(1,048)	5,795	402	(3,650)
Cash and investments - ending	\$ 49,283	\$ 2,906	\$ 6,055	\$ 14,576	\$ 402	\$ (2,402)

CASS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	16,547 Federal CASA Grant	CAPTA	SCAAP Grant	Cass Co Cedit	Cass County Correction	CCEMA Grant
Cash and investments - beginning	\$ 41,438	\$ 6,355	\$ 6,376	\$ 4,756,575	\$ (4)	\$ 348
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	19,293	-	-	259,075	26,983	-
Total receipts	19,293	-	-	259,075	26,983	-
Disbursements:						
Personal services	-	-	-	88,725	27,617	-
Supplies	-	-	-	186,530	-	-
Other services and charges	-	-	-	800,546	-	-
Capital outlay	-	-	-	50,000	-	-
Other disbursements	2,937	-	3,872	-	-	-
Total disbursements	2,937	-	3,872	1,125,801	27,617	-
Excess (deficiency) of receipts over disbursements	16,356	-	(3,872)	(866,726)	(634)	-
Cash and investments - ending	\$ 57,794	\$ 6,355	\$ 2,504	\$ 3,889,849	\$ (638)	\$ 348

CASS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	DUI Task Force Enforce Program	Corrections Grant- NA	Law Enforcement Grant	France Park Planning Grant	Comm Correct Project Income - NA	Adult Protective Services - NA
Cash and investments - beginning	\$ (402)	\$ 125,641	\$ 2,826	\$ 194	\$ 295,903	\$ (78,492)
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	162,581	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	718,664	-	-	1,689	208,740
Total receipts	-	718,664	-	-	164,270	208,740
Disbursements:						
Personal services	-	577,938	-	-	-	16,213
Supplies	-	-	-	-	76,157	-
Other services and charges	-	101,450	-	-	64,582	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	36,332	-	-	-	195,576
Total disbursements	-	715,720	-	-	140,739	211,789
Excess (deficiency) of receipts over disbursements	-	2,944	-	-	23,531	(3,049)
Cash and investments - ending	\$ (402)	\$ 128,585	\$ 2,826	\$ 194	\$ 319,434	\$ (81,541)

CASS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	Tobacco Education	Walmart EMA Grant	SECTION 102 HAVA	GIS Web Feature Grant	Public Health Coordinator Gran	93-6-16- CP-C0-2557 SCAN
Cash and investments - beginning	\$ 88,144	\$ 572	\$ 565	\$ 2,100	\$ 39,751	\$ 7,597
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	57	-	-	-	14,532	5,790
Total receipts	57	-	-	-	14,532	5,790
Disbursements:						
Personal services	19,614	-	-	-	-	-
Supplies	2,309	-	-	-	11,191	-
Other services and charges	1,166	-	-	-	4,423	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	10,080
Total disbursements	23,089	-	-	-	15,614	10,080
Excess (deficiency) of receipts over disbursements	(23,032)	-	-	-	(1,082)	(4,290)
Cash and investments - ending	\$ 65,112	\$ 572	\$ 565	\$ 2,100	\$ 38,669	\$ 3,307

CASS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	IPAC Grant Prosecutor	Child Restraint Dist Grant	Comm Crossing Grant	EMPG 97.042 2016 Sal Grant	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 42,995,465
Receipts:					
Taxes	-	-	-	-	40,196,712
Intergovernmental receipts	-	-	-	-	17,992,860
Charges for services	-	-	-	-	1,639,090
Fines and forfeits	-	-	-	-	62,051
Other receipts	2,000	2,120	797,929	27,736	38,290,005
Total receipts	2,000	2,120	797,929	27,736	98,180,718
Disbursements:					
Personal services	-	-	-	-	12,488,789
Supplies	-	-	-	-	2,921,113
Other services and charges	-	-	-	-	8,073,843
Capital outlay	-	-	-	-	1,535,801
Other disbursements	-	2,120	712,895	-	72,135,832
Total disbursements	-	2,120	712,895	-	97,155,378
Excess (deficiency) of receipts over disbursements	2,000	-	85,034	27,736	1,025,340
Cash and investments - ending	\$ 2,000	\$ -	\$ 85,034	\$ 27,736	\$ 44,020,805

CASS COUNTY
 SCHEDULE OF LEASES AND DEBT
 December 31, 2017

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Cass County Government Building Corporation	Cass County Building & Jail Renovation	<u>\$ 981,500</u>	01/15/2016	01/15/2026

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
Notes and loans payable	Clymers	\$ 1,700,000	\$ 100,625
Notes and loans payable	Indian Creek Drainage Reconstruction Project	<u>500,000</u>	<u>67,528</u>
Totals		<u>\$ 2,200,000</u>	<u>\$ 168,153</u>

CASS COUNTY
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2017

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 7,439,100
Infrastructure	73,860,456
Buildings	18,423,700
Improvements other than buildings	434,877
Machinery, equipment, and vehicles	8,021,660
Books and other	<u>101,036</u>
Total capital assets	<u>\$ 108,280,829</u>

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

TO: THE OFFICIALS OF CASS COUNTY, INDIANA

Report on Compliance for the Major Federal Program

We have audited Cass County's (County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended December 31, 2017. 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, 2017.

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 23, 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.

CASS COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2017

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
Department of Justice					
Crime Victim Assistance Victim Advocacy Grant	Indiana Criminal Justice Institute	16.575	2014-VA-GX-0062	\$ -	\$ 6,388
Violence Against Women Formula Grants STOP Grant	Indiana Criminal Justice Institute	16.588	2014-WF-AX-005	-	14,355
Total - Department of Justice				-	20,743
Department of Transportation					
Highway Planning and Construction Cluster Highway Planning and Construction County Road 400 S Reconstruction Phase #2 County Road 400 S Reconstruction Phase #3 Bridge #121 18th Street Project Bridge Inspection County Road 400 S. Reconstruction Phase #1 DES 1172052	Indiana Department of Transportation	20.205	DES 1383352 DES 1400776 DES 1400848 DES 1400932 DES 1297540 DES 1172052	- - - - - -	146,931 42,056 53,642 28,335 11,374 1,756
Total - Highway Planning and Construction Cluster				-	284,094
Formula Grants for Rural Areas Transit Authority	Indiana Department of Transportation	20.509	PO 13809594	679,028	679,028
Highway Safety Cluster State and Community Highway Safety 2014 Operation Pull Over	Indiana Criminal Justice Institute	20.600	D3-14-8222	-	12,941
Total - Highway Safety Cluster				-	12,941
Total - Department of Transportation				679,028	976,063
Department of Health and Human Services					
Child Support Enforcement Prosecutor Incentive Prosecutor Cost Clerk Cost Indirect Costs Clerk Incentive Title IVD Incentive	Indiana Department of Child Services	93.563	FY 2017 FY 2017 FY 2017 FY 2017 FY 2017 FY 2017 FY 2017	- - - - - - -	35,428 170,920 31,253 43,353 8,000 13,350
Total - Child Support Enforcement				-	302,304
Public Health Emergency Preparedness	Indiana State Department of Health	93.069	U90TP000521	-	14,532
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements Zika Preparedness	Indiana State Department of Health	93.074	16508586	-	2,994
Maternal and Child Health Services Block Grant to the States	Indiana State Department of Health	93.994	FY 2017	-	2,476
Total - Department of Health and Human Services				-	20,002
Department of Homeland Security					
Emergency Management Performance Grants EMPG 2016 Salary Grant	Indiana Department of Homeland Security	97.042	38516EMPG000000	-	27,736
Total - Department of Homeland Security				-	27,736
Total federal awards expended				\$ 679,028	\$ 1,346,848

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

CASS 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, 2017. 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.

CASS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weakness identified?	yes
Significant deficiency identified?	none reported
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 is 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:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>	<u>Opinion Issued</u>
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 2017-001

Subject: Financial Transactions and Reporting
Audit Findings: Material Weakness, Noncompliance

Repeat Finding

This is a repeat finding from the immediately prior audit. The prior audit finding number was 2016-001.

CASS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Condition

There were deficiencies in the internal control system of the County related to financial transactions and the input of financial information entered into the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source of the Annual Financial Report (AFR) and the financial statement. Financial information was prepared and submitted into Gateway without effective oversight, review, approval, or other compensating control to ensure the accuracy of the information prior to submission.

Context

Due to a lack of effective controls over the input of the financial information, the original financial information entered into Gateway omitted the Health Insurance Supplemental fund and reported the Treasurer Supplemental fund incorrectly. The financial statement presented for audit contained the following errors:

1. The Health Insurance Supplemental fund beginning cash and investment balance was understated by \$256,748.
2. The Health Insurance Supplemental fund receipts were understated by \$2,919,488.
3. The Health Insurance Supplemental fund disbursements were understated by \$2,875,730.
4. The Health Insurance Supplemental fund ending cash and investments balance was understated by \$300,506.
5. The Treasurer Supplemental fund receipts and disbursements were overstated \$39,557,252.

Audit adjustments were proposed, accepted by the County, and made to the AFR and financial statement.

Criteria

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

"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. . . .

CASS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The Green Book identifies a list of control activity categories that are meant only to illustrate the range and variety of control activities; the list is by no means all inclusive, but is reproduced here for reference purposes: . . .

- Accurate and timely recording of transactions. . . ."

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

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

Cause

Management of the County had not established a proper system of internal control to ensure proper reporting of the AFR and financial statement.

Effect

Without a proper system of internal control in place that operated effectively, misstatements of the AFR and financial statement remained undetected. The AFR and financial statement contained the errors identified in the *Context*.

Recommendation

We recommended that the County establish a system of internal controls related to financial transactions and reporting.

Views of Responsible Officials

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

FINDING 2017-002

Subject: Preparation of the Schedule of Expenditures of Federal Awards
Audit Findings: Material Weakness, Noncompliance

Repeat Finding

This is a repeat finding from the immediately prior audit. The prior audit finding number was 2016-002.

Condition

The County did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA).

CASS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The County had not established effective internal controls over the federal award information entered into the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source of the County's SEFA.

Context

The SEFA presented for audit contained the following errors:

1. The Formula Grants for Rural Areas expenditures were overstated by \$415,523.
2. The State Social Services Block Grant expenditures of \$208,740 were reported in error.
3. The Local Road and Bridges Matching Grant expenditures of \$797,929 were reported in error.
4. The JDAI Grant expenditures of \$73,910 were reported, but this program was not federal.

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

Criteria

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

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

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

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

The Green Book identifies a list of control activity categories that are meant only to illustrate the range and variety of control activities; the list is by no means all inclusive, but is reproduced here for reference purposes: . . .

- Accurate and timely recording of transactions. . . ."

2 CFR 200.508 states in part: "The auditee must: . . . (b) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with § 200.510 financial statements. . . ."

CASS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2 CFR 200.510(b) states:

"*Schedule of expenditures of Federal awards.* The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502 Basis for determining Federal awards expended. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

- (1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available. For a cluster of programs also provide the total for the cluster.
- (4) Include the total amount provided to subrecipients from each Federal program.
- (5) For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.
- (6) Include notes that describe that significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in § 200.414 Indirect (F&A) costs."

Cause

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

Effect

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

Recommendation

We recommended that the County's management establish controls related to the preparation of the SEFA.

CASS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Views of Responsible Officials

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

Section III - Federal Award Findings and Questioned Costs

No matters are reportable.

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AUDITEE-PREPARED DOCUMENTS

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

Cass County Government Building
200 Court Park
Logansport, IN 46947



Cass County Auditor
Cheryl Alcorn
Room 105
574-753-7700 cheryl.alcorn@co.cass.in.us

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2016-001

Fiscal year in which the finding initially occurred: **2016**
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: **Pass-Through Entity**
Contact Person Responsible for Corrective Action: **Cheryl Alcorn, County Auditor**
Contact Phone Number: **574-753-7700**

Status of Audit Finding:

This finding was addressed immediately following exit meeting. Plan of action has been implemented to include the creation of a Health Insurance Clearing Fund in the financial system. Funds will be quietus by Deputy Auditor and internal banking transferred from the Operating Account to Health Insurance Account. Treasurer will balance monthly and disbursement expenses will be shown in the clearing fund.



(Signature)

Cass County Auditor

(Title)

August 23, 2018

(Date)

Cass County Government Building
200 Court Park
Logansport, IN 46947



Cass County Auditor
Cheryl Alcorn
Room 105
574-753-7700 cheryl.alcorn@co.cass.in.us

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2016-002

Fiscal year in which the finding initially occurred: **2015**
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: **Pass-Through Entity**
Contact Person Responsible for Corrective Action: **Cheryl Alcorn, County Auditor**
Contact Phone Number: **574-753-7700**

Status of Audit Finding:

This finding was addressed immediately following exit meeting. Plan of action implemented includes a copy of each EFT notice with the grant CFDA number that will be placed in the grant file for accounting purposes by the bookkeeper. Prior to final submission, another employee will review and document their review of SEFA.



(Signature)

Cass County Auditor

(Title)

August 23, 2018

(Date)

Cass County Government Building
200 Court Park
Logansport, IN 46947



Cass County Auditor
Cheryl Alcorn
Room 105
574-753-7700 cheryl.alcorn@co.cass.in.us

CORRECTIVE ACTION PLAN

FINDING 2017-001

Contact Person Responsible for Corrective Action: **Cheryl Alcorn, County Auditor**
Contact Phone Number: **574-753-7700**

Views of Responsible Official:
We concur with the finding.

Description of Corrective Action Plan:

The corrective plan of action will include the creation of a Health Insurance Clearing Fund in the financial system. Funds will be quietus by Deputy Auditor and internal banking transferred from the Operating Account to Health Insurance Account. Treasurer will balance monthly and disbursement expenses will be shown in the clearing fund.

Anticipated Completion Date:
Corrective action plan will start immediately.



(Signature)

Cass County Auditor

(Title)

August 20, 2018

(Date)

Cass County Government Building
200 Court Park
Logansport, IN 46947



Cass County Auditor
Cheryl Alcorn
Room 105
574-753-7700 cheryl.alcorn@co.cass.in.us

CORRECTIVE ACTION PLAN

FINDING 2017-002


Contact Person Responsible for Corrective Action: **Cheryl Alcorn, County Auditor**
Contact Phone Number: **574-753-7700**

Views of Responsible Official:
We concur with the finding.

Description of Corrective Action Plan:

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

Anticipated Completion Date:
Corrective action plan will start immediately.



(Signature)

Cass County Auditor

(Title)

August 20, 2018

(Date)

OTHER REPORTS

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