

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, 2018 to December 31, 2018



FILED
07/17/2019

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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 Ed Schroder	01-01-15 to 12-31-18 01-01-19 to 12-31-22
County Recorder	Cindy Howard	01-01-15 to 12-31-22
President of the Board of County Commissioners	James L. Sailors	01-01-18 to 12-31-19
President of the County Council	George L. Stebbins Michael Stajduhar	01-01-18 to 12-31-18 01-01-19 to 12-31-19



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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, 2018, 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, 2018.

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, 2018, 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 June 17, 2019, 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

June 17, 2019



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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, 2018, and the related notes to the financial statement, and have issued our report thereon dated June 17, 2019, 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 item 2018-001, that we consider to be a material weakness.

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 item 2018-001.

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

June 17, 2019

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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, 2018

Fund	Cash and	Receipts	Disbursements	Cash and
	Investments			Investments
	01-01-18			12-31-18
Inmate Trust	\$ 24,761	\$ 1,048,101	\$ 1,023,340	\$ 49,522
General	2,972,646	12,994,190	13,384,735	2,582,101
LIT - Economic Development	913,441	927,975	-	1,841,416
Co Child Advocacy Fund	150	-	150	-
Court Costs	10,695	11,783	-	22,478
Clerk Perpetuation	75,382	25,081	2,574	97,889
Community Transition Program	294,096	81,468	62,166	313,398
Congressional Interest	7,232	534	-	7,766
Congressional Principal	29,625	-	-	29,625
Sheriff's Photo Operating	5,482	525	-	6,007
Surplus Dog	26	-	26	-
County Sales Disclosure	28,296	4,648	22,500	10,444
Cumulative Bridge	3,198,807	464,046	834,070	2,828,783
Cum Capitol Development	380,740	131,483	3,583	508,640
Co Drug Free Program	35,378	41,834	32,002	45,210
Electronic Map Generation Fund	5,000	1,000	-	6,000
Local Emergency Plan	3,370	4,879	-	8,249
Recorder Enhanced Access	12,341	1,646	-	13,987
Extradition	81,924	15,300	6,246	90,978
Firearms Training	24,872	15,297	15,493	24,676
Health	24,101	361,428	373,942	11,587
RE-DACT	53,012	5,180	10,000	48,192
Health Maint	113,074	44,389	43,063	114,400
Local Road	417,383	579,649	427,912	569,120
LIT-Public Safety COUNTY Share	1,992,060	1,141,409	1,080,693	2,052,776
Highway	3,264,392	5,346,070	5,179,685	3,430,777
Park & Rec Non Reverting	594,145	477,566	16,469	1,055,242
Auditor Plat Bk Upkeep	27,635	8,050	3,245	32,440
Rainy Day Fund	4,823,958	1,255,000	119,000	5,959,958
Recorders Perpetuation	169,037	82,507	61,632	189,912
Sex Offender Reg State Share	52	405	374	83
Police Pension	364,991	69,891	-	434,882
Surplus Tax (Excess)	44,366	24,773	19,801	49,338
Surveyor Corner Perpetuation	31,923	25,535	6,640	50,818
Tax Sale (fees collected)SRI	27,937	20,206	20,287	27,856
Tax Sale Redemption	2,844	74,708	74,443	3,109
Tax Sale Surplus	288,367	282,076	334,780	235,663
Unsafe Building Fund	4,676	-	-	4,676
Vehicle Inspection	2,924	556	-	3,480
Guardian Ad Litem	9,836	19,246	17,762	11,320
Election & Registration	76,341	89,892	124,064	42,169
Co Elect Official Training	16,401	5,180	682	20,899
911 Statewide	183,741	860,693	845,960	198,474
Care of Juveniles	77,274	-	-	77,274
Capital Non-Reverting	4,239,691	1,364,894	1,074,101	4,530,484
General Drain	106,214	278,007	167,276	216,945
Drain Maintenance	1,647,210	807,002	809,063	1,645,149
Sheriff Sale Non Reverting	26,581	19,809	9,300	37,090
Park Donation	1,069	-	-	1,069
Forfeiture Seizure Non Revert	1,654	15,854	14	17,494
Clymers Allocation Repay Bond	86,000	100,625	100,625	86,000
Building Bond #3 2015	83,271	981,787	982,000	83,058
Cass Co Self Insurance	5,251,378	3,102,192	3,294,413	5,059,157
Payroll	-	2,506,369	2,506,369	-
Settlement	12	29,528,326	29,528,327	11
Wheel tax/Surtax	-	1,000,820	1,000,733	87
CVET	-	214,345	214,345	-
Excise Tax Allocations	-	1,197,934	1,197,934	-
Financial Institution Tax	-	316,690	316,690	-
CEDIT HSC Dead 12-31-16	37,904	-	-	37,904
HS Credit Rebate Dead 12/31/16	9,823	-	-	9,823
Fines & Forfeitures	1,660	12,834	13,557	937
Infraction Judgement	14,540	90,577	98,942	6,175
Overweight Vehicle	-	135	-	135
Special Death Benefit	760	5,780	6,035	505
Sales Disclosure Fee (State)	870	4,643	4,813	700
Coroner Training Non-Reverting	1,364	3,995	4,734	625
Interstate Compact Fee Fd	-	750	750	-
Mortgage Fee Fund	613	2,633	2,823	423
Child Restraint Violation	-	600	550	50

CASS COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2018

Fund	Cash and Investments 01-01-18	Receipts	Disbursements	Cash and Investments 12-31-18
Inheritance Tax	630	-	630	-
Riverboat Wagering Tax Rev	-	230,831	230,831	-
Cass Tourism Promotion Fund	33,126	129,855	153,558	9,423
93.563 Title IV-D Incentive	138,777	18,180	6,000	150,957
93.563 Pros Incentive Post	50,485	27,357	39,927	37,915
93.563 Clerk Incentive Post	162,213	18,180	10,112	170,281
Community Corrections Inmate Commissary	55	-	-	55
Community Corrections Supplemental	19,271	783,939	727,252	75,958
Treasurer Supplemental	1,016,264	940,083	1,016,264	940,083
Sheriff Commissary Supplemental	103,581	332,865	359,746	76,700
Clerk Supplemental	452,819	3,693,991	3,512,354	634,456
Reassessment	339,724	-	269,800	69,924
Sher Non-Rev K-9 CareWelf&Tr	36,054	34	72	36,016
Clymers Operating Fund	565	-	-	565
Sheriff Non-Rev Training	10,701	4,823	7,265	8,259
Arson Investigation	226	-	253	(27)
Law Enforcement	2	27,624	8,496	19,130
Cass County Work Crew -NA	2,093	12,412	-	14,505
Certificate Tax Sale	-	15,445	5,795	9,650
E911 Subsidy	32,443	-	505	31,938
County Redevelop Commission	2,344,651	1,138,304	509,928	2,973,027
Sheriff Non Reverting Radios	1,015	-	-	1,015
Indian Creek Project Loan	373,168	1,050,000	1,287,863	135,305
Reno & Const Jail & Annex	1,195,967	-	662,443	533,524
Health Ins Clearing Fund	300,506	3,003,711	3,035,627	268,590
Certified Share	152	-	152	-
CCEMA Non-Reverting Capital	1,906	-	-	1,906
LIT - Property Tax Relief	268,936	7,043,881	7,035,144	277,673
LOIT Spec Dist Restricted	250,055	-	169,693	80,362
LIT CERTIFIED SHARES	-	7,004,674	7,004,674	-
LIT PUBLIC SAFETY	-	1,751,168	1,751,168	-
LIT Economic Development EDIT	-	1,760,634	1,760,634	-
Transit Authority Grant	-	1,116,839	1,116,839	-
BYRNE Grant - NA	-	19,655	-	19,655
93.069 Public Health Bio-Terro	2,999	-	-	2,999
20.600 OPO/DUI Equip Awards Gr	367	-	-	367
16.588 Stop Grant - NA	(17,052)	10,028	16,617	(23,641)
16.575 Victim Advoc Grant	52,536	56,460	23,634	85,362
93.617 HAVA Title III	49,283	-	-	49,283
EMA Performance CFDA 97.042	2,906	-	-	2,906
93.074 Hospital Prep Grant	6,055	-	-	6,055
JDAI GRANT	14,577	91,049	75,979	29,647
93.074 ZIKA Grant	401	-	-	401
State Deputy Project-NA	(2,403)	16,073	12,484	1,186
16.547 Federal CASA Grant	57,794	11,382	6,254	62,922
CAPTA	6,355	-	-	6,355
SCAAP Grant	2,505	9,188	6,490	5,203
Cass Co Cedit	3,889,849	423,889	842,630	3,471,108
Cass County Correction	(638)	26,983	27,617	(1,272)
CCEMA Grant	348	-	348	-
DUI Task Force Enforce Program	(402)	-	-	(402)
Corrections Grant- NA	128,584	784,633	848,134	65,083
Law Enforcement Grant	2,826	-	2,826	-
France Park Planning Grant	194	-	194	-
COMM Correct Project Income-NA	319,435	244,483	222,897	341,021
Adult Protective Services - NA	(81,541)	225,052	257,163	(113,652)
Tobacco Education	65,112	11,350	21,379	55,083
Walmart EMA Grant	572	-	572	-
SECTION 102 HAVA	565	-	-	565
GIS Web Feature Grant	2,100	-	-	2,100
Public Health Coordinator Gran	38,669	17,933	8,462	48,140
93-6-16-CP-C0-2557 SCAN	3,307	10,466	12,790	983
IPAC Grant Prosecutor	2,000	-	2,000	-
Child Restraint Dist Grant	-	2,014	3,052	(1,038)
Comm Crossing Grant	85,033	369,043	391,915	62,161
EMPG 97.042 2016 Sal Grant	27,736	28,278	-	56,014
Pre-Trial Supervision Grant	-	35,545	25,878	9,667
Totals	<u>\$ 44,020,805</u>	<u>\$ 100,599,134</u>	<u>\$ 98,973,053</u>	<u>\$ 45,646,886</u>

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.

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

CASS COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

officers. The plan provides retirement, death, and disability benefits to plan members and beneficiaries. Funds designated for payments related to this plan are accounted for in a pension trust fund. The activity of this trust fund has not been reflected in the financial statement. The trustee issues a publicly available financial report that includes financial statements and required supplementary information of the plan. The report may be obtained by contacting the county sheriff.

Funding Policy

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

C. County Police Benefit Plan

Plan Description

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

Funding Policy

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

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of the funds being set up for reimbursable grants. The reimbursements for expenditures made by the County were not received by December 31, 2018. The deficits in the Child Restraint Dist Grant fund and DUI Task Force Enforce Program fund are due to errors in the prior year corrected after December 31, 2018.

Note 8. Holding Corporation

The County has entered into a capital lease with Cass County Government Building Corp (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 2018 totaled \$982,000.

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, 2018

	Inmate Trust	General	LIT - Economic Development	Co Child Advocacy Fund	Court Costs	Clerk Perpetuation
Cash and investments - beginning	\$ 24,761	\$ 2,972,646	\$ 913,441	\$ 150	\$ 10,695	\$ 75,382
Receipts:						
Taxes	-	10,520,345	-	-	-	-
Intergovernmental receipts	-	783,756	-	-	-	-
Charges for services	-	840,028	-	-	-	-
Fines and forfeits	-	6,751	-	-	-	-
Other receipts	1,048,101	843,310	927,975	-	11,783	25,081
Total receipts	1,048,101	12,994,190	927,975	-	11,783	25,081
Disbursements:						
Personal services	-	8,733,570	-	-	-	-
Supplies	-	737,794	-	-	-	-
Other services and charges	-	2,390,874	-	-	-	2,574
Capital outlay	-	208,120	-	-	-	-
Other disbursements	1,023,340	1,314,377	-	150	-	-
Total disbursements	1,023,340	13,384,735	-	150	-	2,574
Excess (deficiency) of receipts over disbursements	24,761	(390,545)	927,975	(150)	11,783	22,507
Cash and investments - ending	\$ 49,522	\$ 2,582,101	\$ 1,841,416	\$ -	\$ 22,478	\$ 97,889

CASS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Community Transition Program	Congressional Interest	Congressional Principal	Sheriff's Photo Operating	Surplus Dog	County Sales Disclosure
Cash and investments - beginning	\$ 294,096	\$ 7,232	\$ 29,625	\$ 5,482	\$ 26	\$ 28,296
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	4,648
Fines and forfeits	-	-	-	-	-	-
Other receipts	81,468	534	-	525	-	-
Total receipts	81,468	534	-	525	-	4,648
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	50,251	-	-	-	-	-
Capital outlay	11,915	-	-	-	-	-
Other disbursements	-	-	-	-	26	22,500
Total disbursements	62,166	-	-	-	26	22,500
Excess (deficiency) of receipts over disbursements	19,302	534	-	525	(26)	(17,852)
Cash and investments - ending	\$ 313,398	\$ 7,766	\$ 29,625	\$ 6,007	\$ -	\$ 10,444

CASS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Cumulative Bridge	Cum Capitol Development	Co Drug Free Program	Electronic Map Generation Fund	Local Emergency Plan	Recorder Enhanced Access
Cash and investments - beginning	\$ 3,198,807	\$ 380,740	\$ 35,378	\$ 5,000	\$ 3,370	\$ 12,341
Receipts:						
Taxes	402,568	120,811	-	-	-	-
Intergovernmental receipts	35,539	10,672	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	25,939	-	41,834	1,000	4,879	1,646
Total receipts	464,046	131,483	41,834	1,000	4,879	1,646
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	834,070	3,583	32,002	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	834,070	3,583	32,002	-	-	-
Excess (deficiency) of receipts over disbursements	(370,024)	127,900	9,832	1,000	4,879	1,646
Cash and investments - ending	\$ 2,828,783	\$ 508,640	\$ 45,210	\$ 6,000	\$ 8,249	\$ 13,987

CASS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Extradition	Firearms Training	Health	RE-DACT	Health Maint	Local Road
Cash and investments - beginning	\$ 81,924	\$ 24,872	\$ 24,101	\$ 53,012	\$ 113,074	\$ 417,383
Receipts:						
Taxes	-	-	267,187	-	-	-
Intergovernmental receipts	-	-	23,586	-	-	579,649
Charges for services	-	-	70,655	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	15,300	15,297	-	5,180	44,389	-
Total receipts	15,300	15,297	361,428	5,180	44,389	579,649
Disbursements:						
Personal services	-	-	336,251	-	43,063	-
Supplies	-	-	21,629	-	-	427,912
Other services and charges	-	-	16,062	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	6,246	15,493	-	10,000	-	-
Total disbursements	6,246	15,493	373,942	10,000	43,063	427,912
Excess (deficiency) of receipts over disbursements	9,054	(196)	(12,514)	(4,820)	1,326	151,737
Cash and investments - ending	\$ 90,978	\$ 24,676	\$ 11,587	\$ 48,192	\$ 114,400	\$ 569,120

CASS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	LIT-Public Safety COUNTY Share	Highway	Park & Rec Non Reverting	Auditor Plat Bk Upkeep	Rainy Day Fund	Recorders Perpetuation
Cash and investments - beginning	\$ 1,992,060	\$ 3,264,392	\$ 594,145	\$ 27,635	\$ 4,823,958	\$ 169,037
Receipts:						
Taxes	-	791,013	-	-	-	-
Intergovernmental receipts	-	4,159,410	-	-	-	-
Charges for services	-	-	467,521	8,050	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	1,141,409	395,647	10,045	-	1,255,000	82,507
Total receipts	1,141,409	5,346,070	477,566	8,050	1,255,000	82,507
Disbursements:						
Personal services	66,697	1,767,652	3,898	-	-	13,217
Supplies	12,589	2,715,469	-	-	-	-
Other services and charges	990,759	92,501	-	3,245	119,000	-
Capital outlay	10,648	604,063	-	-	-	-
Other disbursements	-	-	12,571	-	-	48,415
Total disbursements	1,080,693	5,179,685	16,469	3,245	119,000	61,632
Excess (deficiency) of receipts over disbursements	60,716	166,385	461,097	4,805	1,136,000	20,875
Cash and investments - ending	\$ 2,052,776	\$ 3,430,777	\$ 1,055,242	\$ 32,440	\$ 5,959,958	\$ 189,912

CASS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	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	\$ 52	\$ 364,991	\$ 44,366	\$ 31,923	\$ 27,937	\$ 2,844
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	491	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	405	69,891	24,773	25,535	19,715	74,708
Total receipts	405	69,891	24,773	25,535	20,206	74,708
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	374	-	19,801	6,640	20,287	74,443
Total disbursements	374	-	19,801	6,640	20,287	74,443
Excess (deficiency) of receipts over disbursements	31	69,891	4,972	18,895	(81)	265
Cash and investments - ending	\$ 83	\$ 434,882	\$ 49,338	\$ 50,818	\$ 27,856	\$ 3,109

CASS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Tax Sale Surplus	Unsafe Building Fund	Vehicle Inspection	Guardian Ad Litem	Election & Registration	Co Elect Official Training
Cash and investments - beginning	\$ 288,367	\$ 4,676	\$ 2,924	\$ 9,836	\$ 76,341	\$ 16,401
Receipts:						
Taxes	-	-	-	-	82,255	-
Intergovernmental receipts	-	-	-	-	7,257	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	282,076	-	556	19,246	380	5,180
Total receipts	282,076	-	556	19,246	89,892	5,180
Disbursements:						
Personal services	-	-	-	-	91,523	-
Supplies	-	-	-	-	5,998	-
Other services and charges	-	-	-	-	26,543	682
Capital outlay	-	-	-	-	-	-
Other disbursements	334,780	-	-	17,762	-	-
Total disbursements	334,780	-	-	17,762	124,064	682
Excess (deficiency) of receipts over disbursements	(52,704)	-	556	1,484	(34,172)	4,498
Cash and investments - ending	\$ 235,663	\$ 4,676	\$ 3,480	\$ 11,320	\$ 42,169	\$ 20,899

CASS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	911 Statewide	Care of Juveniles	Capital Non-Reverting	General Drain	Drain Maintenance	Sheriff Sale Non Reverting
Cash and investments - beginning	\$ 183,741	\$ 77,274	\$ 4,239,691	\$ 106,214	\$ 1,647,210	\$ 26,581
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	607,729	-	-	-
Fines and forfeits	-	-	45,042	-	-	-
Other receipts	860,693	-	712,123	278,007	807,002	19,809
Total receipts	860,693	-	1,364,894	278,007	807,002	19,809
Disbursements:						
Personal services	725,056	-	522,373	-	-	-
Supplies	-	-	44,499	-	-	-
Other services and charges	120,904	-	178,888	167,276	809,063	-
Capital outlay	-	-	21,847	-	-	-
Other disbursements	-	-	306,494	-	-	9,300
Total disbursements	845,960	-	1,074,101	167,276	809,063	9,300
Excess (deficiency) of receipts over disbursements	14,733	-	290,793	110,731	(2,061)	10,509
Cash and investments - ending	\$ 198,474	\$ 77,274	\$ 4,530,484	\$ 216,945	\$ 1,645,149	\$ 37,090

CASS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Park Donation	Forfeiture Seizure Non Revert	Clymers Allocation Repay Bond	Building Bond #3 2015	Cass Co Self Insurance	Payroll
Cash and investments - beginning	\$ 1,069	\$ 1,654	\$ 86,000	\$ 83,271	\$ 5,251,378	\$ -
Receipts:						
Taxes	-	-	-	910,495	-	-
Intergovernmental receipts	-	-	-	71,292	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	15,854	100,625	-	3,102,192	2,506,369
Total receipts	-	15,854	100,625	981,787	3,102,192	2,506,369
Disbursements:						
Personal services	-	-	-	-	-	480
Supplies	-	-	-	-	-	-
Other services and charges	-	-	100,625	982,000	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	14	-	-	3,294,413	2,505,889
Total disbursements	-	14	100,625	982,000	3,294,413	2,506,369
Excess (deficiency) of receipts over disbursements	-	15,840	-	(213)	(192,221)	-
Cash and investments - ending	\$ 1,069	\$ 17,494	\$ 86,000	\$ 83,058	\$ 5,059,157	\$ -

CASS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Settlement	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	27,424,635	1,000,820	-	-	-	-
Intergovernmental receipts	2,062,599	-	-	1,197,934	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	41,092	-	214,345	-	316,690	-
Total receipts	29,528,326	1,000,820	214,345	1,197,934	316,690	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	29,528,327	1,000,733	214,345	1,197,934	316,690	-
Total disbursements	29,528,327	1,000,733	214,345	1,197,934	316,690	-
Excess (deficiency) of receipts over disbursements	(1)	87	-	-	-	-
Cash and investments - ending	\$ 11	\$ 87	\$ -	\$ -	\$ -	\$ 37,904

CASS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	HS Credit Rebate Dead 12/31/16	Fines & Forfeitures	Infraction Judgement	Overweight Vehicle	Special Death Benefit	Sales Disclosure Fee (State)
Cash and investments - beginning	\$ 9,823	\$ 1,660	\$ 14,540	\$ -	\$ 760	\$ 870
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	4,643
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	12,834	90,577	135	5,780	-
Total receipts	-	12,834	90,577	135	5,780	4,643
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	13,557	98,942	-	6,035	4,813
Total disbursements	-	13,557	98,942	-	6,035	4,813
Excess (deficiency) of receipts over disbursements	-	(723)	(8,365)	135	(255)	(170)
Cash and investments - ending	\$ 9,823	\$ 937	\$ 6,175	\$ 135	\$ 505	\$ 700

CASS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Coroner Training Non-Reverting	Interstate Compact Fee Fd	Mortgage Fee Fund	Child Restraint Violation	Inheritance Tax	Riverboat Wagering Tax Rev
Cash and investments - beginning	\$ 1,364	\$ -	\$ 613	\$ -	\$ 630	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	3,995	750	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	2,633	600	-	230,831
Total receipts	3,995	750	2,633	600	-	230,831
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	4,734	750	2,823	550	630	230,831
Total disbursements	4,734	750	2,823	550	630	230,831
Excess (deficiency) of receipts over disbursements	(739)	-	(190)	50	(630)	-
Cash and investments - ending	\$ 625	\$ -	\$ 423	\$ 50	\$ -	\$ -

CASS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Cass Tourism Promotion Fund	93.563 Title IV-D Incentive	93.563 Pros Incentive Post	93.563 Clerk Incentive Post	Community Corrections Inmate Commissary	Community Corrections Supplemental
Cash and investments - beginning	\$ 33,126	\$ 138,777	\$ 50,485	\$ 162,213	\$ 55	\$ 19,271
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental receipts	-	11	16	11	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	129,855	18,169	27,341	18,169	-	783,939
Total receipts	129,855	18,180	27,357	18,180	-	783,939
Disbursements:						
Personal services	-	-	6,016	9,927	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	6,000	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	153,558	-	33,911	185	-	727,252
Total disbursements	153,558	6,000	39,927	10,112	-	727,252
Excess (deficiency) of receipts over disbursements	(23,703)	12,180	(12,570)	8,068	-	56,687
Cash and investments - ending	\$ 9,423	\$ 150,957	\$ 37,915	\$ 170,281	\$ 55	\$ 75,958

CASS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Treasurer Supplemental	Sheriff Commissary Supplemental	Clerk Supplemental	Reassessment	Sher Non-Rev K-9 CareWelf&Tr	Clymers Operating Fund
Cash and investments - beginning	\$ 1,016,264	\$ 103,581	\$ 452,819	\$ 339,724	\$ 36,054	\$ 565
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	940,083	332,865	3,693,991	-	34	-
Total receipts	940,083	332,865	3,693,991	-	34	-
Disbursements:						
Personal services	-	-	-	2,377	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	267,423	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	1,016,264	359,746	3,512,354	-	72	-
Total disbursements	1,016,264	359,746	3,512,354	269,800	72	-
Excess (deficiency) of receipts over disbursements	(76,181)	(26,881)	181,637	(269,800)	(38)	-
Cash and investments - ending	\$ 940,083	\$ 76,700	\$ 634,456	\$ 69,924	\$ 36,016	\$ 565

CASS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Sheriff Non-Rev Training	Arson Investigation	Law Enforcement	Cass County Work Crew -NA	Certificate Tax Sale	E911 Subsidy
Cash and investments - beginning	\$ 10,701	\$ 226	\$ 2	\$ 2,093	\$ -	\$ 32,443
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	12,412	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	4,823	-	27,624	-	15,445	-
Total receipts	4,823	-	27,624	12,412	15,445	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	7,265	253	8,496	-	5,795	505
Total disbursements	7,265	253	8,496	-	5,795	505
Excess (deficiency) of receipts over disbursements	(2,442)	(253)	19,128	12,412	9,650	(505)
Cash and investments - ending	\$ 8,259	\$ (27)	\$ 19,130	\$ 14,505	\$ 9,650	\$ 31,938

CASS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	County Redevelop Commission	Sheriff Non Reverting Radios	Indian Creek Project Loan	Reno & Const Jail & Annex	Health Ins Clearing Fund	Certified Share
Cash and investments - beginning	\$ 2,344,651	\$ 1,015	\$ 373,168	\$ 1,195,967	\$ 300,506	\$ 152
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	1,138,304	-	1,050,000	-	3,003,711	-
Total receipts	1,138,304	-	1,050,000	-	3,003,711	-
Disbursements:						
Personal services	-	-	-	20,339	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	55,108	-	-
Capital outlay	-	-	-	586,996	-	-
Other disbursements	509,928	-	1,287,863	-	3,035,627	152
Total disbursements	509,928	-	1,287,863	662,443	3,035,627	152
Excess (deficiency) of receipts over disbursements	628,376	-	(237,863)	(662,443)	(31,916)	(152)
Cash and investments - ending	\$ 2,973,027	\$ 1,015	\$ 135,305	\$ 533,524	\$ 268,590	\$ -

CASS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	CCEMA Non-Reverting Capital	LIT - Property Tax Relief	LOIT Spec Dist Restricted	LIT CERTIFIED SHARES	LIT PUBLIC SAFETY	LIT Economic Development EDIT
Cash and investments - beginning	\$ 1,906	\$ 268,936	\$ 250,055	\$ -	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	7,004,674	1,751,168	1,760,634
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	7,043,881	-	-	-	-
Total receipts	-	7,043,881	-	7,004,674	1,751,168	1,760,634
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	7,035,144	169,693	7,004,674	1,751,168	1,760,634
Total disbursements	-	7,035,144	169,693	7,004,674	1,751,168	1,760,634
Excess (deficiency) of receipts over disbursements	-	8,737	(169,693)	-	-	-
Cash and investments - ending	\$ 1,906	\$ 277,673	\$ 80,362	\$ -	\$ -	\$ -

CASS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Transit Authority Grant	BYRNE Grant - NA	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	\$ (17,052)	\$ 52,536
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental receipts	302,417	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	814,422	19,655	-	-	10,028	56,460
Total receipts	1,116,839	19,655	-	-	10,028	56,460
Disbursements:						
Personal services	-	-	-	-	1,181	475
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	1,116,839	-	-	-	15,436	23,159
Total disbursements	1,116,839	-	-	-	16,617	23,634
Excess (deficiency) of receipts over disbursements	-	19,655	-	-	(6,589)	32,826
Cash and investments - ending	\$ -	\$ 19,655	\$ 2,999	\$ 367	\$ (23,641)	\$ 85,362

CASS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	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	\$ 6,055	\$ 14,577	\$ 401	\$ (2,403)
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	91,049	-	16,073
Total receipts	-	-	-	91,049	-	16,073
Disbursements:						
Personal services	-	-	-	11,438	-	5,063
Supplies	-	-	-	4,046	-	-
Other services and charges	-	-	-	60,495	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	7,421
Total disbursements	-	-	-	75,979	-	12,484
Excess (deficiency) of receipts over disbursements	-	-	-	15,070	-	3,589
Cash and investments - ending	\$ 49,283	\$ 2,906	\$ 6,055	\$ 29,647	\$ 401	\$ 1,186

CASS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	16,547 Federal CASA Grant	CAPTA	SCAAP Grant	Cass Co Cedit	Cass County Correction	CCEMA Grant
Cash and investments - beginning	\$ 57,794	\$ 6,355	\$ 2,505	\$ 3,889,849	\$ (638)	\$ 348
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	115,146	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	11,382	-	9,188	308,743	26,983	-
Total receipts	11,382	-	9,188	423,889	26,983	-
Disbursements:						
Personal services	-	-	-	91,043	27,617	-
Supplies	-	-	-	6,194	-	-
Other services and charges	-	-	-	695,393	-	-
Capital outlay	-	-	-	50,000	-	-
Other disbursements	6,254	-	6,490	-	-	348
Total disbursements	6,254	-	6,490	842,630	27,617	348
Excess (deficiency) of receipts over disbursements	5,128	-	2,698	(418,741)	(634)	(348)
Cash and investments - ending	\$ 62,922	\$ 6,355	\$ 5,203	\$ 3,471,108	\$ (1,272)	\$ -

CASS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	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)	\$ 128,584	\$ 2,826	\$ 194	\$ 319,435	\$ (81,541)
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	244,265	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	784,633	-	-	218	225,052
Total receipts	-	784,633	-	-	244,483	225,052
Disbursements:						
Personal services	-	693,710	-	-	-	22,997
Supplies	-	-	-	-	110,913	-
Other services and charges	-	84,080	-	-	111,984	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	70,344	2,826	194	-	234,166
Total disbursements	-	848,134	2,826	194	222,897	257,163
Excess (deficiency) of receipts over disbursements	-	(63,501)	(2,826)	(194)	21,586	(32,111)
Cash and investments - ending	\$ (402)	\$ 65,083	\$ -	\$ -	\$ 341,021	\$ (113,652)

CASS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	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	\$ 65,112	\$ 572	\$ 565	\$ 2,100	\$ 38,669	\$ 3,307
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	11,350	-	-	-	17,933	10,466
Total receipts	11,350	-	-	-	17,933	10,466
Disbursements:						
Personal services	17,489	-	-	-	-	-
Supplies	3,082	-	-	-	5,389	-
Other services and charges	808	-	-	-	3,073	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	572	-	-	-	12,790
Total disbursements	21,379	572	-	-	8,462	12,790
Excess (deficiency) of receipts over disbursements	(10,029)	(572)	-	-	9,471	(2,324)
Cash and investments - ending	\$ 55,083	\$ -	\$ 565	\$ 2,100	\$ 48,140	\$ 983

CASS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	IPAC Grant Prosecutor	Child Restraint Dist Grant	Comm Crossing Grant	EMPG 97.042 2016 Sal Grant	Pre-Trial Supervision Grant	Totals
Cash and investments - beginning	\$ 2,000	\$ -	\$ 85,033	\$ 27,736	\$ -	\$ 44,020,805
Receipts:						
Taxes	-	-	-	-	-	41,520,129
Intergovernmental receipts	-	-	-	-	-	19,865,771
Charges for services	-	-	-	-	-	2,265,187
Fines and forfeits	-	-	-	-	-	51,793
Other receipts	-	2,014	369,043	28,278	35,545	36,896,254
Total receipts	-	2,014	369,043	28,278	35,545	100,599,134
Disbursements:						
Personal services	-	-	-	-	20,153	13,233,605
Supplies	-	-	-	-	-	4,095,514
Other services and charges	-	-	-	-	-	8,205,266
Capital outlay	-	-	-	-	-	1,493,589
Other disbursements	2,000	3,052	391,915	-	5,725	71,945,079
Total disbursements	2,000	3,052	391,915	-	25,878	98,973,053
Excess (deficiency) of receipts over disbursements	(2,000)	(1,038)	(22,872)	28,278	9,667	1,626,081
Cash and investments - ending	\$ -	\$ (1,038)	\$ 62,161	\$ 56,014	\$ 9,667	\$ 45,646,886

CASS COUNTY
SCHEDULE OF LEASES AND DEBT
December 31, 2018

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Cass County Government Building Corp	Cass County Building & Jail Renovation	\$ 982,500	1/15/2016	1/15/2026
Total governmental activities		<u>982,500</u>		
Total of annual lease payments		<u>\$ 982,500</u>		

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
Notes and loans payable	Indian Creek Drainage Reconstruction Project	\$ 2,000,000	\$ 461,290
Notes and loans payable	Clymers	<u>1,650,000</u>	<u>114,050</u>
Total governmental activities		<u>3,650,000</u>	<u>575,340</u>
Totals		<u>\$ 3,650,000</u>	<u>\$ 575,340</u>

CASS COUNTY
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2018

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	\$ 7,646,088
Infrastructure	73,860,456
Buildings	18,423,700
Improvements other than buildings	434,877
Machinery, equipment, and vehicles	8,405,646
Books and other	<u>101,036</u>
Total governmental activities	<u>108,871,803</u>
Total capital assets	<u>\$ 108,871,803</u>

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

TO: THE OFFICIALS OF CASS COUNTY, INDIANA

Report on Compliance for Each 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 each of its major federal programs for the year ended December 31, 2018. The County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2018.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2018-002. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2018-002, that we consider to be a material weakness.

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

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

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
Paul D. Joyce, CPA
State Examiner

June 17, 2019

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, 2018

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	16VOCA-5593	\$ -	\$ 65,648
Violence Against Women Formula Grants STOP Grant	Indiana Criminal Justice Institute	16.588	STOP-2017-6346	-	10,028
Edward Byrne Memorial Justice Assistance Grant Program JAG Grant	Indiana Criminal Justice Institute	16.738	JAG-2018-6922	-	19,655
Total - Department of Justice				-	95,331
Department of Transportation					
Highway Planning and Construction Cluster					
Highway Planning and Construction	Indiana Department of Transportation				
County Road 400 S Reconstruction Phase #2		20.205	DES 1383352	-	62,642
County Road 400 S Reconstruction Phase #3		20.205	DES 1400776	-	246,833
Bridge #121 18th Street Project		20.205	DES 1400848	-	2,864
Bridge Inspection		20.205	DES 1400932	-	23,075
County Road 400 S Reconstruction Phase #4		20.205	DES 1600928	-	72,276
Total - Highway Planning and Construction Cluster				-	407,690
Federal Transit Cluster					
Bus and Bus Facilities Formula Program Transit Authority	Indiana Department of Transportation	20.526	PO 0018811055	88,961	88,961
Total - Federal Transit Cluster				88,961	88,961
Highway Safety Cluster					
State and Community Highway Safety Operation Pull Over	Indiana Criminal Justice Institute	20.600	EDS# D3-18-11864	-	14,013
Total - Highway Safety Cluster				-	14,013
Formula Grants for Rural Areas Transit Authority	Indiana Department of Transportation	20.509	PO 0018811055	584,487	584,487
Total - Department of Transportation				673,448	1,095,151
Department of Health and Human Services					
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements Public Health Coordinator Grant BPRS 108-75	Indiana State Department of Health	93.074	Vendor ID 54625	-	17,933
Child Support Enforcement	Indiana Department of Child Services				
Prosecutor Incentive Post		93.563	FY 2018	-	39,927
Indirect Costs		93.563	FY 2018	-	49,374
Prosecutor Expenditure Child Support		93.563	FY 2018	-	148,310
Clerk Expenditure Child Support		93.563	FY 2018	-	14,763
Clerk Incentive Child Support		93.563	FY 2018	-	10,113
Title IVD Incentive		93.563	FY 2018	-	6,000
Total - Child Support Enforcement				-	268,487
Total - Department of Health and Human Services				-	286,420
Department of Homeland Security					
Emergency Management Performance Grants EMPG 2017 Salary Grant	Indiana Department of Homeland Security	97.042	27101	-	28,278
Total - Department of Homeland Security				-	28,278
Total federal awards expended				\$ 673,448	\$ 1,505,180

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, 2018. 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 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 programs:	
Material weakness identified?	yes
Significant deficiency identified?	none reported
Any audit finding disclosed that is required to be reported in accordance with section 2 CFR 200.516(a)?	yes

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

CFDA Number	Name of Federal Program or Cluster	Opinion Issued
20.509	Federal Transit Cluster Formula Grants for Rural Areas	Unmodified 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 2018-001

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

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2017-001.

Condition

There were deficiencies in the internal control system of the County related to receipts recorded to the financial statement and financial information entered into the Indiana Gateway for Government Units financial reporting system, which was the source of the Annual Financial Report (AFR) and the financial statement.

CASS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Receipts were issued, recorded, and submitted to the County Treasurer for deposit without evidence of proper segregation of duties. There was no documented oversight, review or approval process in place to ensure the accuracy and classification of receipts to the proper funds and accounts.

Although the County had implemented controls over the AFR, they were not effective.

Context

Due to a lack of effective controls over the input of the financial information, the financial statement presented for audit contained the following errors:

1. The Treasurer Supplemental fund receipts and disbursements were overstated by \$41,549,469.
2. The Congressional Principal fund balance was not included, resulting in an ending cash understatement of \$29,625.
3. The Park & Rec Non Reverting fund receipts and disbursements were overstated by \$155,072 and \$3,898, respectively.

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

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. . . ."

CASS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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](#)."

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 County Auditors of Indiana, Chapter 1)

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

The failure to establish controls that operated effectively enabled misstatements of the AFR and financial statement to remain 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.

Section III - Federal Award Findings and Questioned Costs

FINDING 2018-002

Subject: Federal Transit Cluster and Formula Grants for Rural Areas - Suspension and Debarment
Federal Agency: Department of Transportation
Federal Programs: Bus and Bus Facilities Formula Program, Formula Grants for Rural Areas
CFDA Numbers: 20.526, 20.509
Federal Award Number and Year (or Other Identifying Number): PO 0018811055
Pass-Through Entity: Indiana Department of Transportation
Compliance Requirement: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Other Matters

Condition

An effective internal control system was not in place at the County in order to ensure compliance with the grant agreement and the suspension and debarment requirements of the Procurement and Suspension and Debarment compliance requirement.

CASS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The County did not follow procedures established by the grant agreement to ensure that vendors who receive federal funds with contracts that exceeded \$25,000 were not suspended or debarred from participation in federal awards programs. The Board of County Commissioners entered into one contract with a vendor that exceeded the \$25,000. The County did not perform any procedures to ensure compliance with requirements regarding verification that the vendor was not suspended or debarred from participation in federal programs before entering into a contract.

Context

The lack of controls and noncompliance were systemic issues throughout the audit period.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

2 CFR 180.300 states:

"When you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified.

You do this by:

- (a) Checking SAM Exclusions; or
- (b) Collecting a certification from that person; or
- (c) Adding a clause or condition to the covered transaction with that person."

Cause

Management had not developed or implemented a system of internal controls to ensure compliance with the grant agreement and the suspension and debarment requirements of the Procurement and Suspension and Debarment compliance requirement.

Effect

The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement and the compliance requirement could have resulted in the loss of federal funds to the County.

CASS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the County's management establish internal controls related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

Views of Responsible Officials

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

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 2017-001

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. Auditor and Treasurer will coordinate efforts to ensure correct supplemental reporting.



(Signature)

Cass County Auditor

(Title)

May 13, 2019

(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 2017-002

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.

In efforts to receive necessary grant information, a Grant Application Policy was established to assist departments in submitting information to Auditor.



(Signature)

Cass County Auditor

(Title)

May 13, 2019

(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 2018-001

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 a documented review of receipts by deputy auditors as well as the AFR prior to final submission. Upon review process the Auditor will ensure all supplemental reports will be complete and accurate.

Anticipated Completion Date:
Corrective action plan will start immediately.


(Signature)

Cass County Auditor

(Title)

June 17, 2019

**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 2018-002

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:
County Commissioners and Auditor will work together to implement procedures and controls to ensure vendor contracts include suspension and debarment compliance clause.

Anticipated Completion Date:
Corrective action plan will start immediately.



(Signature)

Cass County Auditor

(Title)

June 17, 2019

(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/>.