

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF
JAY COUNTY, INDIANA
January 1, 2018 to December 31, 2018



FILED
09/11/2019

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Anna M. Culy	01-01-15 to 12-31-22
County Treasurer	Paula Miller	01-01-17 to 12-31-20
Clerk of the Circuit Court	Jon Eads	01-01-17 to 12-31-20
County Sheriff	Dwane Ford	01-01-15 to 12-31-22
County Recorder	Betty St. Myers	01-01-15 to 12-31-22
President of the Board of County Commissioners	Richard L. Huffman	01-01-18 to 12-31-19
President of the County Council	Jeanne Houchins	01-01-18 to 12-31-19



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF JAY COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of Jay County (County), which comprises the financial position and results of operations for the year ended December 31, 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 July 31, 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

July 31, 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 JAY COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of Jay County (County), which comprises the financial position and results of operations for the year ended December 31, 2018, and the related notes to the financial statement, and have issued our report thereon dated July 31, 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 items 2018-001 and 2018-002, 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 item 2018-002.

Jay County's Response to Findings

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

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

July 31, 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.

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

Fund	Cash and Investments		Cash and Investments	
	01-01-18	Receipts	Disbursements	12-31-18
After Settlement Collection	\$ 738,645	\$ 557,695	\$ 738,645	\$ 557,695
Inmate Trust Act #2201	21,638	229,400	225,227	25,811
Jail Commissary	10,477	156,022	121,363	45,136
Clerk Trust	157,005	1,117,761	1,150,732	124,034
County Home Residence Trust	30,272	131,715	107,894	54,093
General	1,983,973	7,893,554	7,339,004	2,538,523
Accident Report	13,634	3,159	-	16,793
Campaign Finance Enforcement - County	500	100	-	600
CEDIT County Share	1,157,938	526,435	481,160	1,203,213
City and Town Court Costs	93,072	2,811	-	95,883
Clerk's Records Perpetuation	68,809	12,992	3,236	78,565
Community Corrections	225,281	70,577	82,389	213,469
Community Transition Program	75,688	7,075	-	82,763
Congressional School Interest	4,127	419	913	3,633
Convention Visitor and Tourism Promotion	117,618	115,463	117,618	115,463
Sales Disclosure - County Share	16,782	2,665	642	18,805
Cumulative Bridge	1,912,114	506,360	347,213	2,071,261
Cumulative Capital Development	744,843	349,298	164,721	929,420
Drug Free Community	20,874	21,943	20,874	21,943
Electronic Map Generation	5,483	97	50	5,530
Emergency Medical Services	163,579	1,345,711	1,260,758	248,532
Emergency Planning/Right to Know	6,218	-	18	6,200
Extradition and Sheriff's Assistance	1,837	-	-	1,837
Firearms Training	11,545	4,840	50	16,335
General Drain Improvement	61,499	135,087	117,017	79,569
Health	65,061	337,068	285,877	116,252
Levy Excess	5,219	-	-	5,219
Local Health Maintenance	19,348	43,043	50,609	11,782
Local Road and Street	529,444	321,874	436,995	414,323
LOIT Public Safety - County Share	166,094	410,382	382,805	193,671
Medical Care for Inmates	14,288	6,666	-	20,954
Motor Vehicle Highway	2,486,367	3,903,847	3,258,560	3,131,654
Plat Book	36,315	6,496	4,300	38,511
Rainy Day	1,970,383	-	-	1,970,383
Reassessment - 2015	9,235	59,806	44,615	24,426
Recorder's Records Perpetuation	155,549	59,846	22,948	192,447
Sex and Violent Offender Administration	-	1,935	1,685	250
Sheriff's Pension Trust	-	20,407	20,407	-
Supplemental Public Defender Services	38,368	2,530	-	40,898
Surplus Tax	9,785	69,020	41,960	36,845
Surveyor's Corner Perpetuation	22,872	17,135	14,031	25,976
Tax Sale Redemption	1,072	24,154	21,741	3,485
Tax Sale Surplus	72,676	143,618	79,549	136,745
Local Health Department Trust Account	29,401	16,818	13,101	33,118
Vehicle Inspection	4,110	1,320	-	5,430
County Elected Officials Training	8,323	3,473	1,309	10,487
Statewide 911	362,419	313,333	292,219	383,533
LOIT Special Distribution	700,120	-	421,951	278,169
Adult Probation Administrative	170	-	-	170
Juvenile Probation Administrative	10,106	-	-	10,106
Deferral (County User Fee)	56,650	5,639	2,034	60,255
Drain Maintenance	519,561	575,422	497,772	597,211
Drug Buy Money	3,000	-	3,000	-
Court Interpreters	3,037	-	250	2,787
TIF Debt Service	-	767,888	767,888	-
TIF Capital Projects	249,000	286,200	132,900	402,300
Jay Co Lease Payments	431,324	683,072	732,000	382,396
Payroll Clearing	21,583	7,445,037	7,424,650	41,970
Settlement	-	17,070,272	17,070,272	-
LIT Public Safety	-	669,071	669,071	-
LOIT Stabilization	1,921,040	235,554	-	2,156,594
Wheel Tax	-	140,568	140,536	32

JAY 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
Sur Tax	-	308,607	308,607	-
CVET Agency	-	81,457	81,457	-
Sewage Collections	-	17,513	17,513	-
Financial Institution Tax	-	99,866	99,866	-
LIT - Property Tax Relief	91,973	2,011,633	2,038,472	65,134
State Fines and Forfeitures	4,821	18,325	21,490	1,656
Infraction Judgements	1,003	16,037	15,863	1,177
Overweight Vehicle Fines	80	4,660	3,720	1,020
Special Death Benefit	220	3,590	3,500	310
Sales Disclosure - State Share	255	2,665	2,735	185
Coroners Training & Con't Education	144	2,072	2,011	205
Interstate Compact - State Share	200	125	325	-
Mortgage Recording Fees - State Share	173	2,055	2,075	153
Child Restraint Violation Fines	-	125	100	25
Education Plate Fees Agency	-	150	150	-
Riverboat Revenue Sharing	-	125,901	125,901	-
LIT Certified Shares	-	3,345,354	3,345,354	-
LIT Economic Development EDIT	-	890,407	890,407	-
93.563 Title IV-D Incentive	80,985	11,591	-	92,576
93.563 Prosecutor IV-D Incentive-Post Oct '99	137,524	18,175	3,141	152,558
93.563 Clerk IV-D Incentive-Post Oct '99	118,345	11,591	358	129,578
County User Fee	8,265	1,089	1,178	8,176
Adult Probation Fees	85,973	84,239	57,754	112,458
Jury Fees	2,275	3,951	5,322	904
Drug Free (Sheriff)	3,053	-	3,000	53
Comm Corr 08-09	7,921	87,938	45,505	50,354
Comm Corr 09-10	32,471	56,138	76,076	12,533
Comm Corr Jail Treatment 17-18	-	33,331	33,331	-
Comm Corr Jail Treatment 18-19	-	30,750	28,039	2,711
Rural Transportation Grant	4	800,797	800,797	4
County Corrections	26,532	15,177	15,351	26,358
Jay-Portland Building & Planning Dept	23,435	156,671	179,210	896
Highway Department Donations	11,223	1,300	-	12,523
Salamonia River Cleanup	(13,551)	87,681	84,519	(10,389)
Backhoe & Dozer Repair	27,164	131,236	117,287	41,113
Infrastructure	272,689	360,088	326,266	306,511
Retirement Center Donations	5,043	2,561	-	7,604
Tile Inventory	-	57,177	51,368	5,809
Jay Co Redevelopment Dis Cap Fund	66,444	2,547	12,587	56,404
County Forfeiture Fund	720	1,520	-	2,240
5% Host Fee Infrastructure	236,881	17,110	-	253,991
Court ASAA&E Fund	20,898	26,944	21,600	26,242
Commissioners Certificate Sale	305	3,710	3,615	400
Sheriff's Department Donations	5,883	-	5,446	437
Redacting Fund	330	3,459	875	2,914
Eradication	829	-	-	829
Bond General Acct Fund	267,859	-	-	267,859
Bond Reserve Fund	125,575	-	-	125,575
Health Insurance	78,194	90,000	45,179	123,015
Loit Operating Levy Freeze	-	1,338,142	1,338,142	-
16.575 Victim Assistant FUnd	(296)	-	-	(296)
93.069 Bioterrorism Fund (HD)	12,022	14,311	14,360	11,973
IDVA EHB 1387 GRANT	-	449	449	-
Jury Pay Fund	98	-	-	98
Pre Trial Diversion	11,134	627	6,094	5,667
Law Enforcement Continuing Fund	11,183	1,679	-	12,862
Congressional Principal	22,822	-	-	22,822
Totals	<u>\$ 19,354,472</u>	<u>\$ 57,215,194</u>	<u>\$ 55,350,954</u>	<u>\$ 21,218,712</u>

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

JAY COUNTY
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

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

Licenses and permits. Amounts received from businesses, occupations, or nonbusinesses that must be licensed before doing business within the government's jurisdiction, or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include the following: peddler licenses, animal licenses, auctioneer licenses, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

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,

JAY COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

cigarette tax distributions received from the state, motor vehicle highway distributions received from the state, local road and street distributions received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the County.

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

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

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

E. Disbursements

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

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

Supplies. Amounts disbursed for articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include, but are not limited to, the following: office supplies, operating supplies, and repair and maintenance supplies.

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

Debt service - principal and interest. Amounts disbursed for fixed obligations resulting from financial transactions previously entered into by the County. It includes all expenditures for the reduction of the principal and interest of the County's general obligation indebtedness.

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

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.

JAY COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

F. Interfund Transfers

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

G. Fund Accounting

Separate funds are established, maintained, and reported by the County. Each fund is used to account for amounts received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the County. The amounts accounted for in a specific fund may only be available for use for certain, legally-restricted purposes. Additionally, some funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and, therefore, the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the County submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the County in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by December 31 of the year preceding the budget year or January 15 of the budget year if the County is issuing debt after December 1 or intends on filing a shortfall appeal. These rates were based upon the assessed valuations adjusted for various tax credits from the preceding year's lien date of January 1. 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.

JAY COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) Defined Benefit Plan is a cost-sharing multiple-employer defined benefit plan and provides retirement, disability, and survivor benefits to plan members. PERF is administered through the Indiana Public Retirement System (INPRS) Board in accordance with state statutes (IC 5-10.2, IC 5-10.3) and administrative code (35 IAC 1.2), which govern most requirements of the system and give the County authority to contribute to the plan.

My Choice: Retirement Savings Plan for Public Employees (My Choice) is a multiple-employer defined contribution plan. It is administered through the Indiana Public Retirement System (INPRS) Board in accordance with state statutes (IC 5-10.2, IC 5-10.3) and administrative code (35 IAC 1.2), which govern most requirements of the system and give the County authority to contribute to the plan.

New employees hired have a one-time election to join either the Public Employees' Hybrid Plan (PERF Hybrid) or the My Choice: Retirement Savings Plan for Public Employees (My Choice), which is a multiple-employer defined contribution plan. PERF Hybrid consists of two components: PERF DB, the employer-funded monthly defined benefit component, and the Public Employees' Hybrid Members Defined Contribution Account, the defined contribution component.

Financial Report

INPRS 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:

JAY COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (844) 464-6777

Contributions

Members' contributions are set by state statute at 3 percent of compensation for both the defined contribution component of PERF Hybrid and My Choice. The employer may elect to make the contribution on behalf of the member of the defined contribution component of PERF Hybrid and My Choice members may receive additional employer contribution in lieu of the PERF DB. Contributions to the PERF DB are determined by INPRS Board based on actuarial valuation.

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.

JAY COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 7. Cash Balance Deficits

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

Note 8. Holding Corporation

The County has entered into a capital lease with Jay County Jail Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the County. The lessor has been determined to be a related-party of the County. Lease payments during the year 2018 totaled \$732,000.

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OTHER INFORMATION - UNAUDITED

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

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

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

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

	After Settlement Collection	Inmate Trust Act #2201	Jail Commissary	Clerk Trust	County Home Residence Trust	General
Cash and investments - beginning	\$ 738,645	\$ 21,638	\$ 10,477	\$ 157,005	\$ 30,272	\$ 1,983,973
Receipts:						
Taxes	-	-	-	-	-	4,509,186
Licenses and permits	-	-	-	-	-	3,260
Intergovernmental receipts	-	-	-	-	-	2,080,783
Charges for services	-	-	-	-	-	944,661
Fines and forfeits	-	-	-	-	-	55,679
Other receipts	557,695	229,400	156,022	1,117,761	131,715	299,985
Total receipts	557,695	229,400	156,022	1,117,761	131,715	7,893,554
Disbursements:						
Personal services	-	-	-	-	-	5,089,022
Supplies	-	-	-	-	-	519,540
Other services and charges	-	-	-	-	-	1,532,511
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	1,374
Other disbursements	738,645	225,227	121,363	1,150,732	107,894	196,557
Total disbursements	738,645	225,227	121,363	1,150,732	107,894	7,339,004
Excess (deficiency) of receipts over disbursements	(180,950)	4,173	34,659	(32,971)	23,821	554,550
Cash and investments - ending	\$ 557,695	\$ 25,811	\$ 45,136	\$ 124,034	\$ 54,093	\$ 2,538,523

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

	Accident Report	Campaign Finance Enforcement - County	CEDIT County Share	City and Town Court Costs	Clerk's Records Perpetuation	Community Corrections
Cash and investments - beginning	\$ 13,634	\$ 500	\$ 1,157,938	\$ 93,072	\$ 68,809	\$ 225,281
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	521,604	-	69	-
Charges for services	3,159	-	-	-	7,783	70,507
Fines and forfeits	-	100	-	2,811	5,140	-
Other receipts	-	-	4,831	-	-	70
Total receipts	3,159	100	526,435	2,811	12,992	70,577
Disbursements:						
Personal services	-	-	-	-	-	38,718
Supplies	-	-	-	-	-	1,117
Other services and charges	-	-	368,400	-	-	38,910
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	100,000	-	3,236	2,480
Other disbursements	-	-	12,760	-	-	1,164
Total disbursements	-	-	481,160	-	3,236	82,389
Excess (deficiency) of receipts over disbursements	3,159	100	45,275	2,811	9,756	(11,812)
Cash and investments - ending	\$ 16,793	\$ 600	\$ 1,203,213	\$ 95,883	\$ 78,565	\$ 213,469

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

	Community Transition Program	Congressional School Interest	Convention Visitor and Tourism Promotion	Sales Disclosure - County Share	Cumulative Bridge	Cumulative Capital Development
Cash and investments - beginning	\$ 75,688	\$ 4,127	\$ 117,618	\$ 16,782	\$ 1,912,114	\$ 744,843
Receipts:						
Taxes	-	-	115,463	-	344,621	327,882
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	22,273	21,416
Charges for services	7,075	-	-	2,665	139,466	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	419	-	-	-	-
Total receipts	7,075	419	115,463	2,665	506,360	349,298
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	37,776	-
Other services and charges	-	-	117,618	642	3,613	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	305,824	164,721
Other disbursements	-	913	-	-	-	-
Total disbursements	-	913	117,618	642	347,213	164,721
Excess (deficiency) of receipts over disbursements	7,075	(494)	(2,155)	2,023	159,147	184,577
Cash and investments - ending	\$ 82,763	\$ 3,633	\$ 115,463	\$ 18,805	\$ 2,071,261	\$ 929,420

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

	Drug Free Community	Electronic Map Generation	Emergency Medical Services	Emergency Planning/Right to Know	Extradition and Sheriff's Assistance	Firearms Training
Cash and investments - beginning	\$ 20,874	\$ 5,483	\$ 163,579	\$ 6,218	\$ 1,837	\$ 11,545
Receipts:						
Taxes	-	-	585,856	-	-	-
Licenses and permits	-	-	-	-	-	4,840
Intergovernmental receipts	-	-	37,796	-	-	-
Charges for services	-	47	718,071	-	-	-
Fines and forfeits	18,443	-	-	-	-	-
Other receipts	3,500	50	3,988	-	-	-
Total receipts	21,943	97	1,345,711	-	-	4,840
Disbursements:						
Personal services	-	-	1,025,706	-	-	-
Supplies	-	-	87,035	-	-	-
Other services and charges	20,874	-	148,017	18	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	50	-	-	-	50
Total disbursements	20,874	50	1,260,758	18	-	50
Excess (deficiency) of receipts over disbursements	1,069	47	84,953	(18)	-	4,790
Cash and investments - ending	\$ 21,943	\$ 5,530	\$ 248,532	\$ 6,200	\$ 1,837	\$ 16,335

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

	General Drain Improvement	Health	Levy Excess	Local Health Maintenance	Local Road and Street	LOIT Public Safety - County Share
Cash and investments - beginning	\$ 61,499	\$ 65,061	\$ 5,219	\$ 19,348	\$ 529,444	\$ 166,094
Receipts:						
Taxes	-	217,604	-	33,139	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	14,795	-	-	321,874	397,907
Charges for services	-	28,726	-	9,815	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	135,087	75,943	-	89	-	12,475
Total receipts	135,087	337,068	-	43,043	321,874	410,382
Disbursements:						
Personal services	27,425	201,880	-	50,609	-	312,450
Supplies	43,082	2,595	-	-	-	-
Other services and charges	24,774	81,402	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	436,995	70,355
Other disbursements	21,736	-	-	-	-	-
Total disbursements	117,017	285,877	-	50,609	436,995	382,805
Excess (deficiency) of receipts over disbursements	18,070	51,191	-	(7,566)	(115,121)	27,577
Cash and investments - ending	\$ 79,569	\$ 116,252	\$ 5,219	\$ 11,782	\$ 414,323	\$ 193,671

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

	Medical Care for Inmates	Motor Vehicle Highway	Plat Book	Rainy Day	Reassessment - 2015	Recorder's Records Perpetuation
Cash and investments - beginning	\$ 14,288	\$ 2,486,367	\$ 36,315	\$ 1,970,383	\$ 9,235	\$ 155,549
Receipts:						
Taxes	-	-	-	-	56,124	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	3,741,113	-	-	3,661	-
Charges for services	6,666	105,646	6,496	-	-	58,243
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	57,088	-	-	21	1,603
Total receipts	6,666	3,903,847	6,496	-	59,806	59,846
Disbursements:						
Personal services	-	1,081,979	4,300	-	3,079	-
Supplies	-	1,619,655	-	-	-	-
Other services and charges	-	253,076	-	-	41,536	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	303,850	-	-	-	-
Other disbursements	-	-	-	-	-	22,948
Total disbursements	-	3,258,560	4,300	-	44,615	22,948
Excess (deficiency) of receipts over disbursements	6,666	645,287	2,196	-	15,191	36,898
Cash and investments - ending	\$ 20,954	\$ 3,131,654	\$ 38,511	\$ 1,970,383	\$ 24,426	\$ 192,447

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

	Sex and Violent Offender Administration	Sheriff's Pension Trust	Supplemental Public Defender Services	Surplus Tax	Surveyor's Corner Perpetuation	Tax Sale Redemption
Cash and investments - beginning	\$ -	\$ -	\$ 38,368	\$ 9,785	\$ 22,872	\$ 1,072
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	17,135	-
Fines and forfeits	-	-	2,530	-	-	-
Other receipts	1,935	20,407	-	69,020	-	24,154
Total receipts	1,935	20,407	2,530	69,020	17,135	24,154
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	14,031	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	1,685	20,407	-	41,960	-	21,741
Total disbursements	1,685	20,407	-	41,960	14,031	21,741
Excess (deficiency) of receipts over disbursements	250	-	2,530	27,060	3,104	2,413
Cash and investments - ending	\$ 250	\$ -	\$ 40,898	\$ 36,845	\$ 25,976	\$ 3,485

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

	Tax Sale Surplus	Local Health Department Trust Account	Vehicle Inspection	County Elected Officials Training	Statewide 911	LOIT Special Distribution
Cash and investments - beginning	\$ 72,676	\$ 29,401	\$ 4,110	\$ 8,323	\$ 362,419	\$ 700,120
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	16,818	-	14	-	-
Charges for services	-	-	1,320	3,459	313,333	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	143,618	-	-	-	-	-
Total receipts	143,618	16,818	1,320	3,473	313,333	-
Disbursements:						
Personal services	-	2,069	-	-	219,407	-
Supplies	-	9,247	-	-	-	-
Other services and charges	-	1,785	-	1,309	65,453	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	7,359	421,951
Other disbursements	79,549	-	-	-	-	-
Total disbursements	79,549	13,101	-	1,309	292,219	421,951
Excess (deficiency) of receipts over disbursements	64,069	3,717	1,320	2,164	21,114	(421,951)
Cash and investments - ending	\$ 136,745	\$ 33,118	\$ 5,430	\$ 10,487	\$ 383,533	\$ 278,169

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

	Adult Probation Administrative	Juvenile Probation Administrative	Deferral (County User Fee)	Drain Maintenance	Drug Buy Money	Court Interpreters
Cash and investments - beginning	\$ 170	\$ 10,106	\$ 56,650	\$ 519,561	\$ 3,000	\$ 3,037
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	5,639	535,205	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	40,217	-	-
Total receipts	-	-	5,639	575,422	-	-
Disbursements:						
Personal services	-	-	-	109,658	-	-
Supplies	-	-	-	160,283	3,000	-
Other services and charges	-	-	2,034	71,795	-	250
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	156,036	-	-
Total disbursements	-	-	2,034	497,772	3,000	250
Excess (deficiency) of receipts over disbursements	-	-	3,605	77,650	(3,000)	(250)
Cash and investments - ending	\$ 170	\$ 10,106	\$ 60,255	\$ 597,211	\$ -	\$ 2,787

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

	TIF Debt Service	TIF Capital Projects	Jay Co Lease Payments	Payroll Clearing	Settlement	LIT Public Safety
Cash and investments - beginning	\$ -	\$ 249,000	\$ 431,324	\$ 21,583	\$ -	\$ -
Receipts:						
Taxes	-	-	678,820	-	17,070,272	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	4,252	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	767,888	286,200	-	7,445,037	-	669,071
Total receipts	767,888	286,200	683,072	7,445,037	17,070,272	669,071
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	767,888	-	732,000	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	132,900	-	7,424,650	17,070,272	669,071
Total disbursements	767,888	132,900	732,000	7,424,650	17,070,272	669,071
Excess (deficiency) of receipts over disbursements	-	153,300	(48,928)	20,387	-	-
Cash and investments - ending	\$ -	\$ 402,300	\$ 382,396	\$ 41,970	\$ -	\$ -

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

	LOIT Stabilization	Wheel Tax	Sur Tax	CVET Agency	Sewage Collections	Financial Institution Tax
Cash and investments - beginning	\$ 1,921,040	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	235,554	140,568	308,607	81,457	17,513	99,866
Total receipts	235,554	140,568	308,607	81,457	17,513	99,866
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	140,536	308,607	81,457	17,513	99,866
Total disbursements	-	140,536	308,607	81,457	17,513	99,866
Excess (deficiency) of receipts over disbursements	235,554	32	-	-	-	-
Cash and investments - ending	\$ 2,156,594	\$ 32	\$ -	\$ -	\$ -	\$ -

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

	LIT - Property Tax Relief	State Fines and Forfeitures	Infraction Judgements	Overweight Vehicle Fines	Special Death Benefit	Sales Disclosure - State Share
Cash and investments - beginning	\$ 91,973	\$ 4,821	\$ 1,003	\$ 80	\$ 220	\$ 255
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	2,011,633	18,325	16,037	4,660	3,590	2,665
Total receipts	2,011,633	18,325	16,037	4,660	3,590	2,665
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	2,038,472	21,490	15,863	3,720	3,500	2,735
Total disbursements	2,038,472	21,490	15,863	3,720	3,500	2,735
Excess (deficiency) of receipts over disbursements	(26,839)	(3,165)	174	940	90	(70)
Cash and investments - ending	\$ 65,134	\$ 1,656	\$ 1,177	\$ 1,020	\$ 310	\$ 185

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

	Coroners Training & Con't Education	Interstate Compact - State Share	Mortgage Recording Fees - State Share	Child Restraint Violation Fines	Education Plate Fees Agency	Riverboat Revenue Sharing
Cash and investments - beginning	\$ 144	\$ 200	\$ 173	\$ -	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	2,072	125	2,055	125	150	125,901
Total receipts	2,072	125	2,055	125	150	125,901
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	2,011	325	2,075	100	150	125,901
Total disbursements	2,011	325	2,075	100	150	125,901
Excess (deficiency) of receipts over disbursements	61	(200)	(20)	25	-	-
Cash and investments - ending	\$ 205	\$ -	\$ 153	\$ 25	\$ -	\$ -

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

	LIT Certified Shares	LIT Economic Development EDIT	93.563 Title IV-D Incentive	93.563 Prosecutor IV-D Incentive-Post Oct '99	93.563 Clerk IV-D Incentive-Post Oct '99	County User Fee
Cash and investments - beginning	\$ -	\$ -	\$ 80,985	\$ 137,524	\$ 118,345	\$ 8,265
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	11,591	17,443	11,591	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	1,089
Other receipts	3,345,354	890,407	-	732	-	-
Total receipts	3,345,354	890,407	11,591	18,175	11,591	1,089
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	3,345,354	890,407	-	3,141	358	1,178
Total disbursements	3,345,354	890,407	-	3,141	358	1,178
Excess (deficiency) of receipts over disbursements	-	-	11,591	15,034	11,233	(89)
Cash and investments - ending	\$ -	\$ -	\$ 92,576	\$ 152,558	\$ 129,578	\$ 8,176

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

	Adult Probation Fees	Jury Fees	Drug Free (Sheriff)	Comm Corr 08-09	Comm Corr 09-10	Comm Corr Jail Treatment 17-18
Cash and investments - beginning	\$ 85,973	\$ 2,275	\$ 3,053	\$ 7,921	\$ 32,471	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	87,938	55,838	15,375
Charges for services	-	-	-	-	-	-
Fines and forfeits	76,008	2,414	-	-	-	-
Other receipts	8,231	1,537	-	-	300	17,956
Total receipts	84,239	3,951	-	87,938	56,138	33,331
Disbursements:						
Personal services	49,719	-	-	32,960	50,898	27,601
Supplies	3,650	-	-	896	3,990	3,918
Other services and charges	3,045	-	-	3,728	3,353	1,512
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	1,340	-	-	-	-	-
Other disbursements	-	5,322	3,000	7,921	17,835	300
Total disbursements	57,754	5,322	3,000	45,505	76,076	33,331
Excess (deficiency) of receipts over disbursements	26,485	(1,371)	(3,000)	42,433	(19,938)	-
Cash and investments - ending	\$ 112,458	\$ 904	\$ 53	\$ 50,354	\$ 12,533	\$ -

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

	Comm Corr Jail Treatment 18-19	Rural Transportation Grant	County Corrections	Jay-Portland Building & Planning Dept	Highway Department Donations	Salamonia River Cleanup
Cash and investments - beginning	\$ -	\$ 4	\$ 26,532	\$ 23,435	\$ 11,223	\$ (13,551)
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	90,033	-	-
Intergovernmental receipts	30,750	800,797	15,177	-	-	82,681
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	66,638	1,300	5,000
Total receipts	30,750	800,797	15,177	156,671	1,300	87,681
Disbursements:						
Personal services	28,039	-	-	112,787	-	-
Supplies	-	-	10,653	5,785	-	-
Other services and charges	-	-	4,698	15,622	-	54,112
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	2,449
Other disbursements	-	800,797	-	45,016	-	27,958
Total disbursements	28,039	800,797	15,351	179,210	-	84,519
Excess (deficiency) of receipts over disbursements	2,711	-	(174)	(22,539)	1,300	3,162
Cash and investments - ending	\$ 2,711	\$ 4	\$ 26,358	\$ 896	\$ 12,523	\$ (10,389)

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

	Backhoe & Dozer Repair	Infrastructure	Retirement Center Donations	Tile Inventory	Jay Co Redevelopment Dis Cap Fund	County Forfeiture Fund
Cash and investments - beginning	\$ 27,164	\$ 272,689	\$ 5,043	\$ -	\$ 66,444	\$ 720
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	35,000	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	325,088	-	-	-	1,520
Fines and forfeits	-	-	-	-	-	-
Other receipts	131,236	-	2,561	57,177	2,547	-
Total receipts	131,236	360,088	2,561	57,177	2,547	1,520
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	25,323	76,132	-	51,368	-	-
Other services and charges	16,894	49,778	-	-	-	-
Debt service - principal and interest	-	55,605	-	-	12,587	-
Capital outlay	75,070	144,751	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	117,287	326,266	-	51,368	12,587	-
Excess (deficiency) of receipts over disbursements	13,949	33,822	2,561	5,809	(10,040)	1,520
Cash and investments - ending	\$ 41,113	\$ 306,511	\$ 7,604	\$ 5,809	\$ 56,404	\$ 2,240

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

	5% Host Fee Infrastructure	Court ASAA&E Fund	Commissioners Certificate Sale	Sheriff's Department Donations	Redacting Fund	Eradication
Cash and investments - beginning	\$ 236,881	\$ 20,898	\$ 305	\$ 5,883	\$ 330	\$ 829
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	17,110	-	-	-	3,459	-
Fines and forfeits	-	26,944	-	-	-	-
Other receipts	-	-	3,710	-	-	-
Total receipts	17,110	26,944	3,710	-	3,459	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	21,600	-	5,446	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	3,615	-	875	-
Total disbursements	-	21,600	3,615	5,446	875	-
Excess (deficiency) of receipts over disbursements	17,110	5,344	95	(5,446)	2,584	-
Cash and investments - ending	\$ 253,991	\$ 26,242	\$ 400	\$ 437	\$ 2,914	\$ 829

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

	Bond General Acct Fund	Bond Reserve Fund	Health Insurance	Loit Operating Levy Freeze	16.575 Victim Assistant FUnd	93.069 Bioterrorism Fund (HD)
Cash and investments - beginning	\$ 267,859	\$ 125,575	\$ 78,194	\$ -	\$ (296)	\$ 12,022
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	14,311
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	90,000	1,338,142	-	-
Total receipts	-	-	90,000	1,338,142	-	14,311
Disbursements:						
Personal services	-	-	45,179	-	-	-
Supplies	-	-	-	-	-	676
Other services and charges	-	-	-	-	-	10,216
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	3,468
Other disbursements	-	-	-	1,338,142	-	-
Total disbursements	-	-	45,179	1,338,142	-	14,360
Excess (deficiency) of receipts over disbursements	-	-	44,821	-	-	(49)
Cash and investments - ending	\$ 267,859	\$ 125,575	\$ 123,015	\$ -	\$ (296)	\$ 11,973

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

	IDVA EHB 1387 GRANT	Jury Pay Fund	Pre Trial Diversion	Law Enforcement Continuing Fund	Congressional Principal	Totals
Cash and investments - beginning	\$ -	\$ 98	\$ 11,134	\$ 11,183	\$ 22,822	\$ 19,354,472
Receipts:						
Taxes	-	-	-	-	-	23,938,967
Licenses and permits	-	-	-	-	-	133,133
Intergovernmental receipts	449	-	-	-	-	8,328,316
Charges for services	-	-	-	1,679	-	3,333,973
Fines and forfeits	-	-	627	-	-	191,785
Other receipts	-	-	-	-	-	21,289,020
Total receipts	449	-	627	1,679	-	57,215,194
Disbursements:						
Personal services	-	-	3,594	-	-	8,517,079
Supplies	-	-	-	-	-	2,665,721
Other services and charges	-	-	-	-	-	2,978,052
Debt service - principal and interest	-	-	-	-	-	1,568,080
Capital outlay	449	-	-	-	-	2,045,672
Other disbursements	-	-	2,500	-	-	37,576,350
Total disbursements	449	-	6,094	-	-	55,350,954
Excess (deficiency) of receipts over disbursements	-	-	(5,467)	1,679	-	1,864,240
Cash and investments - ending	\$ -	\$ 98	\$ 5,667	\$ 12,862	\$ 22,822	\$ 21,218,712

JAY COUNTY
 SCHEDULE OF LEASES AND DEBT
 December 31, 2018

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities: Jay County Jail Building Corporation	Jail Lease	<u>\$ 732,000</u>	7/15/2017	1/15/2029

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities: Revenue bonds	Infrastructure Improvements for Premier Economic Development Area (TIF District)	\$ 440,000	\$ 442,970
Notes and loans payable	2018 Excavator	93,000	10,716
Notes and loans payable	E911 Dispatching Equipment	<u>159,000</u>	<u>55,416</u>
Totals		<u>\$ 692,000</u>	<u>\$ 509,102</u>

JAY 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	\$ 854,502
Buildings	13,978,513
Improvements other than buildings	20,463,187
Machinery, equipment, and vehicles	<u>9,542,804</u>
Total governmental activities	<u>44,839,006</u>
Total capital assets	<u>\$ 44,839,006</u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

TO: THE OFFICIALS OF JAY COUNTY, INDIANA

Report on Compliance for the Major Federal Program

We have audited Jay County's (County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended December 31, 2018. 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, 2018.

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

July 31, 2019

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

JAY COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 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
<u>Department of Transportation</u>					
Highway Planning and Construction Cluster					
Highway Planning and Construction	Indiana Department of Transportation	20.205			
Cumulative Bridge-Bridge Inspection			Designation: 1500285	\$ -	\$ 139,466
Total - Highway Planning and Construction Cluster				-	139,466
Formula Grants for Rural Areas	Indiana Department of Transportation	20.509			
20.509 Rural Transportation Grant			17811503	156,319	156,319
20.509 Rural Transportation Grant			18811761	414,515	414,515
Total - Formula Grants for Rural Areas				570,834	570,834
Total - Department of Transportation				570,834	710,300
<u>Environmental Protection Agency</u>					
Nonpoint Source Implementation Grants	Indiana Department of Environmental Management	66.460			
66.460 Upper Salamonina Grant			A305-18273	-	82,681
Total - Environmental Protection Agency				-	82,681
<u>Department of Health and Human Services</u>					
Hospital Preparedness Program (HPP) and Public Health Emergency					
Preparedness (PHEP) Aligned Cooperative Agreements	Indiana State Department of Health	93.074			
Public Health Preparedness Grant			200000021	-	8,425
Public Health Preparedness Grant			18500042	-	5,886
Total - Hospital Preparedness Program (HPP) and Public Health				-	14,311
Emergency Preparedness (PHEP) Aligned Cooperative Agreements				-	14,311
Child Support Enforcement	Indiana Department of Child Services	93.563			
			FY 2018	-	105,165
Total - Department of Health and Human Services				-	119,476
Total federal awards expended				\$ 570,834	\$ 912,457

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

JAY COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the County under programs of the federal government for the year ended December 31, 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 cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received. The County has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

JAY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

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

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

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

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

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

FINDING 2018-001

Subject: Financial Transactions and Reporting - County Treasurer
Audit Finding: Material Weakness

Condition

There were deficiencies in the internal control system of the County Treasurer's office related to financial transactions and reporting of receipts.

The County Treasurer's office had not separated incompatible activities related to receipts. There were several instances wherein the staff member of the County Treasurer's office that counted the cash drawer was also the same person that prepared the deposit and took it to the bank. Additionally, there were several instances wherein the employee that counted the cash drawer was the same person responsible for balancing the cash with the daily reports and recording the cash in the financial records.

JAY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Context

The lack of controls was a systemic issue, which occurred throughout the audit period.

Criteria

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

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

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

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

Cause

Management of the County had not established a proper system of internal control to ensure proper financial transactions and reporting related to receipts.

Effect

The failure to establish a system of internal controls could have enabled material misstatements or irregularities to remain undetected.

Recommendation

We recommended that the County's management establish a system of internal controls related to the County Treasurer's financial transactions.

Views of Responsible Officials

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

FINDING 2018-002

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

Repeat

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2017-002.

JAY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Condition

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

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

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

- The County Home did not adequately maintain a County Home Resident's Maintenance Ledger. The County Home had been using a standard columnar pad to create a hand-written ledger in place of the prescribed form (County Form 77B).
- Receipts were not properly issued for monies received. Receipts were not issued on many occasions for money received from garage sales, group purchasing rebates, donations, and rental of farm ground.
- The County Home maintains the personal spending money for residents without retaining documentation for amounts spent on behalf of the residents. Monies spent on behalf of the residents include amounts paid to Walmart, Jay County Hospital, Bluffton Physicians, and various other medical facilities.
- Proper documentation to support the financial information provided to the County Auditor for submission in the County's Annual Financial Report was not provided for audit.
- The County Home did not maintain a General Ledger of financial activity.
- Bank reconcilements were not performed for the County Home to reconcile the balance of public funds with the balance on the bank statements provided by its financial institution during the audit period.

Context

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

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.

JAY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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

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

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

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3.8.7](#)."

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

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

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

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

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

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

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

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

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

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

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

JAY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Indiana Code 5-15-6-3 states:

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

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

Cause

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

Effect

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

Recommendation

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

Views of Responsible Officials

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

Section III - Federal Award Findings and Questioned Costs

No matters are reportable.

AUDITEE-PREPARED DOCUMENTS

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



JAY COUNTY SHERIFF OFFICE

**224 West Water Street
Portland, Indiana 47371
260-726-2251
Fax: 260-726-8103**

**Dwane Ford
Jay County Sheriff**

**Patrick Wells
Chief Deputy**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2017-001

Contact Person Responsible for Corrective Action: Kristin Coleman
Contact Phone Number: 260-251-2203

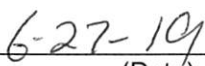
Status of Audit Finding: Since the finding 2017-001 the Matron (Kristin Coleman) prepares the Inmate Trust Deposit and has a computer generated transaction report and post to account. The figures, paperwork and money will then be brought to the Administrative Assistant to be double checked. In the absent of the Administrative Assistant, the Chief Deputy or 911 Coordinator in the absent of the prior two will check the records and count the money. The person performing the check will then transport the money to the back to make the deposit and return with a receipt for the Matron.



(Signature)



(Title)



(Date)

Jay County Commissioners

Richard L. Huffman, Mike Leonhard, Chad Aker

120 North Court Street

Portland, IN 47371

Phone (260) 726-7575 Fax (260) 726-6933

Finding 2017-002

Fiscal year in which the finding initially occurred: 2017 (though identical to a 2016 Finding)

Contact person responsible for Corrective Action: Amanda Cox (260-726-8702), county home superintendent; Jay County Commissioners (260-726-7575).

Corrective actions taken:

Since the 2016 audit in the summer of 2018 the county has taken the following actions related to the SBOA findings:

Replaced former superintendent Patty Clevenger with Amanda Cox in July 2018 and additionally are now bringing on board, for the first time, a Financial Coordinator to focus solely on the financial matters of the center, freeing up the Superintendent to spend the bulk of her time with other matters in the supervision of the staff and services provided to our residents. Creating this new position will allow a much keener focus on the financial transactions and recordkeeping. The new coordinator is Melody Haley.

New Superintendent A Cox developed a new financial policy and procedures manual to support her and any other appropriate employees in handling financial transactions in a correct and consistent manner.

Provided new computer hardware and software (QuickBooks) for the staff to enhance their ability to monitor residents' accounts.

We ended the practice of raising livestock which appeared to be confusing the previous superintendent on how to handle the related income/expenses on the books.

We closed the unauthorized bank account in which donations were being placed, transferring the balance to a line item on the county's ledger. All donations are now being deposited to that fund.

We previously had one resident whose social security payments were coming into the county's books and were in excess of the amount owed to us. We have changed that direct deposit to an individual account in the resident's name and she now transfers money from it each month to the county to pay her obligation.

Finally, one staff member of the auditor's office as well as a commissioner have been studying the monthly retirement center report before approval 1) to be sure it is accurate and 2) to better understand what is happening at the center to potentially find and correct deficiencies and to see to a more efficient financial operation of the center.

A handwritten signature in cursive script, appearing to read "Richard L. Huffman".

Richard L. Huffman, Commissioner President

JAY COUNTY TREASURER

120 North Court St. Ste. 203 • Portland, IN 47371

Phone: (260) 726-7007 • Fax: (260) 726-6973 • <http://www.jaycounty.net>

CORRECTIVE ACTION PLAN

FINDING 2018-001

Contact Person Responsible for Corrective Action: Paula Miller
Contact Phone Number: 260-726-7007

Views of Responsible Official: We are in agreement with the finding.

Description of Corrective Action Plan: Corrective actions were immediately put into place to remedy any internal control issues. Each office member now performs a duty concerning the daily deposit and counting of the money, instead of one person doing possibly more than one of the jobs pertaining to the daily money.

Anticipated Completion Date: 07-31-2019

Paula Miller
(Signature)

Treasurer
(Title)

7-31-19
(Date)

Jay County Commissioners

Richard L. Huffman, Mike Leonhard, Chad Aker

120 North Court Street

Portland, IN 47371

Phone (260) 726-7575 Fax (260) 726-6933

CORRECTIVE ACTION PLAN

FINDING 2018-002


Contact Person Responsible for Corrective Action: Melodi Haley, county home financial coordinator; Jay County Commissioners

Contact Phone Number: 260-726-7575

Views of Responsible Official: Without further investigation, we do not contest the findings.

Description of Corrective Action Plan: Experienced Financial Coordinator just hired who will be establishing proper procedures to address each of the individual items sited in the examination; will engage a consultant (*i.e.* CPA, or former public official) to review such established procedures to test if they are compliant with SBOA requirements and Indiana Code who will report directly to the Commissioners; will provide for training of additional employees in these procedure for at least two additional employees to be well versed in how to properly maintain records and processes for redundancy and backup.

Anticipated Completion Date: All necessary changes and training will be done within six months or January 31, 2020.



(Signature)

PRESIDENT, JAY Co. COMMISSIONERS

(Title)

7/31/2019

(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/>.