

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

ANNUAL FINANCIAL REPORT

2010

LAKE COUNTY, INDIANA



FILED

09/27/2011

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Peggy Holinga Katona	01-01-07 to 12-31-14
Treasurer	John E. Petalas	01-01-07 to 12-31-14
Clerk	Michael A. Brown	01-01-10 to 12-31-14
Sheriff	Rogelio "Roy" Dominguez John Buncich	01-01-07 to 12-31-10 01-01-11 to 12-31-14
Recorder	(Vacant) Michelle R. Fajman	01-01-10 to 01-29-10 01-30-10 to 12-31-12
President of the Board of County Commissioners	Frances DuPey Roosevelt Allen, Jr.	01-01-10 to 12-31-10 01-01-11 to 12-31-11
President of the County Council	Thomas O'Donnell Ted Bilski	01-01-10 to 12-31-10 01-01-11 to 12-31-11



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF LAKE COUNTY, INDIANA

We have audited the accompanying financial statement of Lake County (County), for the year ended December 31, 2010. The financial statement is the responsibility of the County's management. Our responsibility is to express an opinion on the 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the County prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by 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 noted above is a different basis than that used in the prior year.

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, 2010, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated August 25, 2011, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

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 the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and, in our opinion, is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

Included in the financial statement are the receipts and disbursements activity from emergency telephone system fees (IC 36-8-16) and enhanced wireless emergency telephone fees (IC 36-8-16.5). In accordance with Indiana Code 36-8-16-14 and Indiana Code 36-8-16.5-41 these fees have been subject to an annual audit performed by the State Board of Accounts and, in our opinion, are fairly stated, in all material respects, in relation to the financial statement taken as a whole.

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 Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the financial statement. The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Capital Assets, and Schedule of Long-Term Debt 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.

The County's response to the Audit Results and Comments identified in our audit is described in the accompanying section of the report entitled Official Response. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County's management, Board of County Commissioners, County Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

August 25, 2011



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF LAKE COUNTY, INDIANA

We have audited the financial statement of Lake County (County), for the year ended December 31, 2010, and have issued our report thereon dated August 25, 2011. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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 entity's financial statement will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2010-1 and 2010-2 to be material weaknesses.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2010-1 and 2010-2.

The County's response to the findings identified in our audit is described in the accompanying section of the report entitled Official Response and Corrective Action Plan. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County's management, Board of County Commissioners, County Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

August 25, 2011

FINANCIAL STATEMENT

LAKE COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
REGULATORY BASIS
For The Year Ended December 31, 2010

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
General	\$ (45,323,536)	\$ 176,292,485	\$ 182,300,499	\$ (51,331,550)
Local Road And Street	1,131,309	753,992	570,900	1,314,401
Accident Report	93,735	9,630	91,991	11,374
Firearms Training	29,807	28,291	46,091	12,007
Park Non-Reverting Operating	151,744	4,323,464	4,353,786	121,422
Health	262,247	3,110,018	2,156,253	1,216,012
Animal Shelter	2,035	17,000	8,991	10,044
Law Enforcement Continuing Education	33,167	6,227	8,145	31,249
Motor Vehicle Inspection	23,267	2,074	21,208	4,133
Clerk's Records Perpetuation	256,271	141,146	352,142	45,275
Electronic Map Generation	67,569	13,415	74,615	6,369
Deferral Program	1,331,163	1,040,673	1,076,366	1,295,470
Unsafe Building	198,583	28,103	-	226,686
Riverboat	5,921,425	13,932,388	15,791,111	4,062,702
Emergency Telephone System	3,071,173	1,055,081	1,713,591	2,412,663
Drug Free Community	392,069	415,036	359,089	448,016
Emergency Planning/Right To Know	137,315	108	26,986	110,437
Highway	1,965,186	4,983,606	4,866,430	2,082,362
Parks And Recreation	900,581	7,347,124	7,981,513	266,192
Property Reassessment	3,245,487	4,472,884	3,023,016	4,695,355
Prosecutor Title IV-D	149,629	-	15,887	133,742
Juvenile Probation Service	247,504	28,102	56,304	219,302
Adult Probation Services	2,275,924	870,424	820,605	2,325,743
Recorder's Records Perpetuation	186,594	496,640	332,889	350,345
Welfare Administration	-	15,721,021	15,721,021	-
Family And Children	994,118	8,499	1,001,231	1,386
Health Maintenance	212,772	52,401	24,868	240,305
Pretrial Diversion	943,085	352,968	356,792	939,261
Court Appointed Special Advocate	205,875	290,349	299,489	196,735
Misdemeanant	907,064	687,181	908,680	685,565
Supplemental Public Defender Services	137,735	107,466	136,169	109,032
Jail Commissary	58,896	97,377	26,710	129,563
Surveyor's Corner Perpetuation	122,798	82,635	28,323	177,110
Jury Pay	218,216	122,868	131,022	210,062
Park Donation	56,459	3,744	4,661	55,542
Rainy Day	1,781,738	419,430	1,575,200	625,968
Inmate Medical	30,127	1,822	8,405	23,544
Sales Disclosure	64,619	34,815	30,140	69,294
Community Corrections	111	83	-	194
DARE	923	500	1,423	-
Juvenile Incentive Block Grant	-	113	-	113
Child Advocacy	8,229	500	-	8,729
Spay And Neuter	13,241	12,560	7,908	17,893
Identification Security Protection	584,372	169,040	22,000	731,412
Children's Psychiatric Resident Treatment Services	501,402	1,952	502,359	995
Homeland Security	89,348	527,757	599,554	17,551
NSF Check Service Charge	39,179	5,350	375	44,154
Sex And Violent Offender Registry	-	25,840	5,816	20,024
Prosecutor's Elderly Abuse	32,036	158,427	157,373	33,090
State Drunk Driving Fees	13,931	11,875	10,188	15,618
Prosecutor's General Incentive Fund	372,377	141,339	187,817	325,899
Non-Reverting Fairgrounds	78,430	87,993	52,786	113,637
Reassessment 1999	1,041	-	-	1,041
HUD NSP GRANT	164	3,128,932	3,092,953	36,143
Non-Reverting Rico Seizure	160,572	16,780	116,469	60,883
DAG 71 Prosecutor's Non-Reverting	206	-	106	100
Non-Reverting Property Seizure #1	455,676	101,901	281,667	275,910
Sheriff's Alarms, Permits And Fines	31,754	8,230	30,842	9,142
Juvenile Home Detention Grant	-	474,684	474,684	-
Economic Development Administration Budget	6,542	495,555	499,369	2,728
Economic Development Cities/Towns	-	972,600	972,600	-
Economic Development Home Program	11,979	771,391	773,745	9,625
Economic Development Rehabilitation	-	386,328	385,841	487
Economic Development REMP IDOC	121,988	28,644	-	150,632

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

LAKE COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
REGULATORY BASIS
For The Year Ended December 31, 2010
(Continued)

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
Economic Development FMHA	45,238	-	-	45,238
Economic Development Revolving Loan	207,673	211,164	185,959	232,878
Non-Reverting Sheriff's Federal Forfeiture	13,645	63,110	65,892	10,863
Lake County Multi-Agency Task Force	42,431	205,494	188,166	59,759
Sheriff's State County Non-Reverting	4,995	-	4,167	828
CDBG Recapture Loans	189,295	130,046	-	319,341
Public Works Tax Incentive	7	-	-	7
Auditor's Tax Incentive	196,607	268,915	93,842	371,680
HIDTA	1,410	-	-	1,410
Storm Water Sediment Control	17,961	6,004	1,073	22,892
Campaign Finance Enforcement	37,037	2,425	21,790	17,672
Division III Addiction Monitoring	18,492	584	8,969	10,107
COPS Interoperability Grant	3,536	401,202	396,046	8,692
Division II LADOS	216,616	180,419	188,700	208,335
Division I LADOS	159,257	212,185	182,657	188,785
Non-Reverting Highway Deposit Gambling	570,635	688,673	960,383	298,925
Court Improvement Grant	268	-	-	268
CASA Program Grant	965	-	475	490
Domestic Relation Counseling	77,663	53,513	40,836	90,340
Non-Reverting Delinquent Collection Fees	686,930	2,116,672	2,090,498	713,104
Sheriff's Grants Fund	14,881	31,071	10,358	35,594
Child Support/PCA Fees	4,703	400,183	39,415	365,471
Commissioner's Incentive Fund	56,559	268,916	122,848	202,627
Adult Probation Administration	126,115	185,063	207,019	104,159
Juvenile Probation Administration	23,382	48,128	63,490	8,020
Community Fund	13	-	-	13
Health Department Tobacco Settlement	883,724	174,997	158,961	899,760
Family Court Initiative Grant	42,861	20,000	9,897	52,964
Anti-Bioterrorism	1,020	-	-	1,020
Weights-Measures User Fees	21,914	74,300	49,366	46,848
Website Maintenance	390,442	497,036	302,246	585,232
CERT - Community Emergency Response Team	348	-	348	-
Interpreter Service Grant	8,039	9,250	11,505	5,784
Justice Assistance Grant	3,754	725,807	713,898	15,663
Recorder's Incentive Fund	146,445	268,916	122,382	292,979
HAVA Title III Voting System	394,861	-	34,514	360,347
MS4	693,395	801,430	952,442	542,383
Public Works Recycling Grant	9	-	-	9
Sheriff's SIG Grant	13,975	121,081	121,940	13,116
Auditor's Endorsement Fees	66,844	85,514	66,266	86,092
Superior Court Division III Drug Free Grant	6,224	11,500	6,574	11,150
Alternative Dispute Resolutions	127,333	47,080	22,468	151,945
Alternative Dispute Resolutions Co-Payment	21,983	25,375	16,317	31,041
Treasurer's Incentive	205,837	268,916	160,881	313,872
Child Support Incentive	591,145	489,534	344,259	736,420
Environmental Task Force	36,402	-	-	36,402
Title Search Fees	12,598	194,831	195,259	12,170
Late Surrender Fees/Bail Bonds	19,003	1,302	940	19,365
Non-Reverting Property Seizure #2	13,704	696	-	14,400
DUI Task Force Grant	4,926	735	735	4,926
Emergency Planning Subgrant	29	-	29	-
ARRA/EECBG - Community Energy Efficient Grant	-	180,189	180,189	-
Community Correction Fair Share	259,824	1,084,105	1,121,810	222,119
Community Corrections Program	220,803	2,620,330	2,645,602	195,531
Sheriff - Animal Control	1,819	7,423	7,863	1,379
Community Economic Development	3,111	73,649	68,459	8,301
Parks - Outside Cash	206,491	9,092,406	9,135,696	163,201
Juvenile Center Grants Fund	4	-	-	4
Cumulative Helicopter Improvement Fund	689,068	444,268	748,654	384,682
HPRP - Homeless Prevention	-	226,152	226,152	-
VOCA - Victims of Crime Act Grant	-	42,267	42,267	-
ARRA - American Recovery And Reinvestment Act	-	212,288	157,205	55,083
Wireless E911	-	1,562,018	422,734	1,139,284
County Excess Levy	4,068,172	5,327,454	2,243,939	7,151,687

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

LAKE COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
REGULATORY BASIS
For The Year Ended December 31, 2010
(Continued)

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
Check Deception Collection Fee	38,644	24,370	37,599	25,415
Child Support IV-D/FSSA	-	201,641	110,531	91,110
HAVA Sec 101 Voting System	-	400,000	-	400,000
County Bond Redemption	520,226	2,200,133	2,374,203	346,156
Circuit Breaker Debt Service	(474,980)	1,245,369	770,389	-
Redevelopment Authority Capital Projects	23,930	1,394,623	24,181	1,394,372
Exempt Debt Service	31,020	7,066,328	6,411,803	685,545
Exempt Park Bond	-	1,011,547	838,375	173,172
Exempt Park Revenue Bond Redemption	-	2,263,963	2,256,101	7,862
Park Non-Reverting Capital	426,184	438,538	405,051	459,671
Cumulative Bridge	5,113,461	2,600,734	3,336,201	4,377,994
General Drain Improvement	42,341	1,353,143	1,838,939	(443,455)
County Highway Maintenance Garage Bond	778,111	5,311	5,000	778,422
County Bond Improvements	10,412,557	2,314	10,162,670	252,201
Park District Bond 1982	833,935	403,963	326,373	911,525
Major Moves Construction	2,448,196	343,189	601,286	2,190,099
Voting System Cumulative	1,278,941	-	-	1,278,941
County Cumulative Capital Development	329,478	2,506,970	2,044,692	791,756
Redevelopment Authority Debt Service	5,132,884	3,174,431	3,623,117	4,684,198
Self-Insurance	5,838,671	4,543,094	4,848,656	5,533,109
Park Self-Insurance	757,407	158,638	116,886	799,159
Employee Benefit Accruals (Health Insurance Reserve)	5,245,053	35,054,250	38,128,917	2,170,386
Sheriff's Pension	26,840,041	5,547,925	3,680,034	28,707,932
Congressional School Principal	35,000	-	-	35,000
Welfare Trusts	-	4,720	-	4,720
City And Town Court Costs	11,378	155,219	155,294	11,303
Congressional School Interest	24,659	1,840	-	26,499
Surplus Tax Sale	3,281,735	7,466,097	3,824,240	6,923,592
Tax Sale Redemption	600,311	6,350,941	6,175,559	775,693
State Fines And Forfeitures	66,739	258,659	297,660	27,738
State Sales Disclosure Fee	3,455	33,785	33,765	3,475
Overweight Vehicle Fines	2,780	47,596	38,436	11,940
Sheriff	697,916	6,164,257	6,281,885	580,288
Infraction Judgements	76,648	999,414	1,001,827	74,235
Inheritance Tax	2,639,584	12,307,714	11,642,642	3,304,656
Property Replacement And Homestead Credit	95,030	1,318,245	1,318,245	95,030
Special Death Benefit	6,970	56,310	58,925	4,355
Education Plate Fees Agency	16,084	26,644	24,938	17,790
Tax Sale	54,399	4,776,032	4,619,194	211,237
Innkeepers Tax	59,866	2,529,615	2,473,111	116,370
Financial Institution Tax	-	2,135,672	2,135,672	-
Convention And Tourism Agency	69,975	4,624,697	4,624,264	70,408
Mortgage Fees - State Share	3,348	42,865	42,263	3,950
Child Restraint Violations Fines	145	935	980	100
Interstate Compact	450	3,000	3,150	300
CVET Agency	-	3,779,632	3,779,013	619
US Research Consultants	3,473	-	-	3,473
Unfunded Money	439,145,702	764,908,496	718,972,295	485,081,903
National Park System	7,378	6,125	7,204	6,299
Doctors Merchants	751	93	-	844
Users Fee Agency	655,848	1,686,125	1,638,388	703,585
Homestead Credit Rebate	5,125	-	(662)	5,787
HEA 1001 State Homestead Credit	31,496	9,676,527	4,705,286	5,002,737
Payroll Court Judgement	76,620	212,603	287,304	1,919
Tax Distribution	-	506,464,519	506,464,519	-
Ordinance Deferral Program	19,776	333,922	324,979	28,719
Commissioner's Tax Certificate Sale	4,219,830	3,823,270	4,912,129	3,130,971
Payment Errors (Refunds)	384,893	267,894	309,817	342,970
Tax Sale Cancellation	103,410	226,633	14,018	316,025
Subdivision Escrow Bonds	80,123	3,301	24,811	58,613
Overpayment	8,493,908	2,863,638	3,588,634	7,768,912
Northwestern Regional Planning Commission	60,638	-	-	60,638
Cities Park Sales Tax	1,893	127,967	128,134	1,726
Inmate Trust - Commissary	589,420	141,467	215,234	515,653

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

LAKE COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
REGULATORY BASIS
For The Year Ended December 31, 2010
(Continued)

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
Tax Sale Fees - SRI	5,294	280,080	278,556	6,818
Supplemental County Wide Tax	-	4,589,128	4,589,296	(168)
Coroner's Training And Continuing Education	6,900	67,418	69,423	4,895
Delinquent Sewer	2,956	730,997	730,997	2,956
Barret Law	3,180	99,811	99,811	3,180
TIF Dissolution General Fund	-	334,400	294,310	40,090
Commissioner's Surplus Tax Sale	4,477	-	-	4,477
US Steel Property Tax Settlement Fund	1,130	-	-	1,130
'08 And Prior Delinquent Tax	-	8,252,028	8,252,028	-
HEA 1001 '07 and '08 PTRC And HSC	-	2,651,507	2,651,507	-
Indiana Common School Fund	8,463	73,957	74,848	7,572
Vehicle License Fund	1,094	-	-	1,094
Excess Monies - Settlement 2001	476,860	(50,227)	317,086	109,547
Clerk - Outside Cash	17,764,639	52,029,900	52,067,587	17,726,952
Juvenile Probation - Outside Cash	-	93,535	93,535	-
Recorder- Outside Cash	264,991	1,690,192	1,812,534	142,649
Planning Commission - Outside Cash	-	413,879	413,879	-
Adult Probation - Outside Cash	-	326,697	326,697	-
Payroll Withholdings	1,333,871	30,299,374	30,319,948	1,313,297
Hermit's Lake Loan Repayment	40,500	-	-	40,500
Hermit's Lake Sewer User Fee	126,551	205,780	209,821	122,510
	<u>\$ 544,163,434</u>	<u>\$ 1,792,898,876</u>	<u>\$ 1,754,307,394</u>	<u>\$ 582,754,916</u>

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

LAKE COUNTY
NOTES TO FINANCIAL INFORMATION

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 (primary government), and does not include financial information for any of the County's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial information of the County (primary government.)

B. Basis of Accounting

The financial statements are reported on a regulatory basis of accounting prescribed by the 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. Receipts are recorded when received and disbursements are recorded when paid.

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 statements. The aggregate receipts may include, but are not limited to, the following sources:

Taxes, which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers 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.

Special assessments which includes amounts levied against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

LAKE COUNTY
NOTES TO FINANCIAL INFORMATION
(Continued)

License and permits which includes 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 license and permits include: peddler licenses; dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits; and gun permits.

Intergovernmental receipts which includes receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts includes, but is not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

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

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

Net proceeds from borrowings which includes receipts from general obligation bonds, notes and loans.

Intergovernmental loan activity which includes amounts received from other funds as loans on a temporary basis.

Transfers in which includes funds authorized by statute, ordinance, resolution or court order to be transferred in from another fund.

Utility receipts which are comprised mostly of charges for current services.

Internal service receipts which are comprised mostly of fees received for services performed for other funds.

Fiduciary receipts which are comprised mostly of contributions to the pensions funds from state and local sources.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements may include, but are not limited to, the following uses:

LAKE COUNTY
NOTES TO FINANCIAL INFORMATION
(Continued)

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

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

Other services and charges which includes, but is not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance; and rental charges.

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

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

Interfund loan payments and loans made which includes amounts that are owed to a particular fund by another fund.

Transfers out which includes funds authorized by statute, ordinance, resolution or court order to be transferred to another fund.

F. Interfund Transfers

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

G. Fund Accounting

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

LAKE COUNTY
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 2. Budgets

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

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the County in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

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 were 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 statute (IC 5-13-9) authorizes the County to invest in securities including, but not limited to, 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. These risks may also be mitigated by the County by recording as a disbursement and replacement items purchased.

LAKE COUNTY
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 6. Pension Plan

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is an agent 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 PERF 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.

PERF 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:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

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

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. 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.

LAKE COUNTY
NOTES TO FINANCIAL INFORMATION
(Continued)

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. 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. Contingencies

The County is named in several lawsuits of which the outcome cannot reasonably be determined; however, for some of the cases the County Attorney has estimated potential liability, if unsuccessful in the defense, of \$3,350,000.

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SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Lake County's Annual Report can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010

	General	Local Road And Street	Accident Report	Firearms Training	Park Non-Reverting Operating	Health
Cash and investments - beginning	\$ (45,323,536)	\$ 1,131,309	\$ 93,735	\$ 29,807	\$ 151,744	\$ 262,247
Receipts:						
Taxes	82,138,815	-	-	-	-	2,275,423
Licenses and permits	78,827	-	-	-	-	-
Intergovernmental	11,309,867	752,530	-	-	-	231,529
Charges for services	2,188,741	-	-	-	4,321,613	601,371
Fines and forfeits	4,081,821	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	76,494,414	1,462	9,630	28,291	1,851	1,695
Total receipts	<u>176,292,485</u>	<u>753,992</u>	<u>9,630</u>	<u>28,291</u>	<u>4,323,464</u>	<u>3,110,018</u>
Disbursements:						
Personal services	82,409,197	-	-	-	2,250,042	1,816,095
Supplies	2,741,451	236,602	8,320	36,791	1,072,094	42,599
Other services and charges	71,623,848	334,298	-	9,300	998,974	257,281
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	7,399	-	83,671	-	32,676	30,778
Utility operating expenses	-	-	-	-	-	-
Other disbursements	25,518,604	-	-	-	-	9,500
Total disbursements	<u>182,300,499</u>	<u>570,900</u>	<u>91,991</u>	<u>46,091</u>	<u>4,353,786</u>	<u>2,156,253</u>
Excess (deficiency) of receipts over disbursements	<u>(6,008,014)</u>	<u>183,092</u>	<u>(82,361)</u>	<u>(17,800)</u>	<u>(30,322)</u>	<u>953,765</u>
Cash and investments - ending	<u>\$ (51,331,550)</u>	<u>\$ 1,314,401</u>	<u>\$ 11,374</u>	<u>\$ 12,007</u>	<u>\$ 121,422</u>	<u>\$ 1,216,012</u>

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Animal Shelter	Law Enforcement Continuing Education	Motor Vehicle Inspection	Clerk's Records Perpetuation	Electronic Map Generation	Deferral Program
Cash and investments - beginning	\$ 2,035	\$ 33,167	\$ 23,267	\$ 256,271	\$ 67,569	\$ 1,331,163
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	1,489	-	-	-	-	10,569
Charges for services	-	-	-	-	13,352	-
Fines and forfeits	-	-	-	-	-	1,029,793
Utility fees	-	-	-	-	-	-
Other receipts	15,511	6,227	2,074	141,146	63	311
Total receipts	<u>17,000</u>	<u>6,227</u>	<u>2,074</u>	<u>141,146</u>	<u>13,415</u>	<u>1,040,673</u>
Disbursements:						
Personal services	-	-	-	241,600	9,227	921,921
Supplies	8,416	-	16,973	46,359	7,306	11,769
Other services and charges	575	8,145	1,575	3,201	49,131	136,303
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	2,660	60,982	8,951	6,373
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>8,991</u>	<u>8,145</u>	<u>21,208</u>	<u>352,142</u>	<u>74,615</u>	<u>1,076,366</u>
Excess (deficiency) of receipts over disbursements	<u>8,009</u>	<u>(1,918)</u>	<u>(19,134)</u>	<u>(210,996)</u>	<u>(61,200)</u>	<u>(35,693)</u>
Cash and investments - ending	<u>\$ 10,044</u>	<u>\$ 31,249</u>	<u>\$ 4,133</u>	<u>\$ 45,275</u>	<u>\$ 6,369</u>	<u>\$ 1,295,470</u>

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Unsafe Building	Riverboat	Emergency Telephone System	Drug Free Community	Emergency Planning/Right To Know	Highway
Cash and investments - beginning	\$ 198,583	\$ 5,921,425	\$ 3,071,173	\$ 392,069	\$ 137,315	\$ 1,965,186
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	13,775,860	123,445	-	-	4,913,019
Charges for services	27,600	-	929,623	-	-	-
Fines and forfeits	-	-	-	409,157	-	-
Utility fees	-	-	-	-	-	-
Other receipts	503	156,528	2,013	5,879	108	70,587
Total receipts	<u>28,103</u>	<u>13,932,388</u>	<u>1,055,081</u>	<u>415,036</u>	<u>108</u>	<u>4,983,606</u>
Disbursements:						
Personal services	-	3,000,000	-	50,957	-	4,198,614
Supplies	-	49,261	-	2,382	6,632	390,295
Other services and charges	-	8,951,525	1,689,820	305,750	354	272,048
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	1,636,767	23,771	-	20,000	5,473
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	2,153,558	-	-	-	-
Total disbursements	<u>-</u>	<u>15,791,111</u>	<u>1,713,591</u>	<u>359,089</u>	<u>26,986</u>	<u>4,866,430</u>
Excess (deficiency) of receipts over disbursements	<u>28,103</u>	<u>(1,858,723)</u>	<u>(658,510)</u>	<u>55,947</u>	<u>(26,878)</u>	<u>117,176</u>
Cash and investments - ending	<u>\$ 226,686</u>	<u>\$ 4,062,702</u>	<u>\$ 2,412,663</u>	<u>\$ 448,016</u>	<u>\$ 110,437</u>	<u>\$ 2,082,362</u>

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Parks And Recreation	Property Reassessment	Prosecutor Title IV-D	Juvenile Probation Service	Adult Probation Services	Recorder's Records Perpetuation
Cash and investments - beginning	\$ 900,581	\$ 3,245,487	\$ 149,629	\$ 247,504	\$ 2,275,924	\$ 186,594
Receipts:						
Taxes	1,784,831	1,930,149	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	231,401	103,138	-	-	-	-
Charges for services	2,328,893	-	-	28,067	870,424	262,071
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	3,001,999	2,439,597	-	35	-	234,569
Total receipts	<u>7,347,124</u>	<u>4,472,884</u>	<u>-</u>	<u>28,102</u>	<u>870,424</u>	<u>496,640</u>
Disbursements:						
Personal services	3,988,086	525,143	10,548	53,597	782,724	276,486
Supplies	613,747	12,608	1,864	1,582	9,479	18
Other services and charges	849,191	2,474,355	3,475	1,125	11,722	56,327
Debt service - principal and interest	1,878,738	-	-	-	-	-
Capital outlay	391,751	10,910	-	-	16,680	58
Utility operating expenses	-	-	-	-	-	-
Other disbursements	260,000	-	-	-	-	-
Total disbursements	<u>7,981,513</u>	<u>3,023,016</u>	<u>15,887</u>	<u>56,304</u>	<u>820,605</u>	<u>332,889</u>
Excess (deficiency) of receipts over disbursements	<u>(634,389)</u>	<u>1,449,868</u>	<u>(15,887)</u>	<u>(28,202)</u>	<u>49,819</u>	<u>163,751</u>
Cash and investments - ending	<u>\$ 266,192</u>	<u>\$ 4,695,355</u>	<u>\$ 133,742</u>	<u>\$ 219,302</u>	<u>\$ 2,325,743</u>	<u>\$ 350,345</u>

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Welfare Administration	Family And Children	Health Maintenance	Pretrial Diversion	Court Appointed Special Advocate	Misdemeanant
Cash and investments - beginning	\$ -	\$ 994,118	\$ 212,772	\$ 943,085	\$ 205,875	\$ 907,064
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	15,721,021	-	52,401	-	290,349	687,181
Charges for services	-	-	-	170,474	-	-
Fines and forfeits	-	-	-	181,807	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	8,499	-	687	-	-
Total receipts	<u>15,721,021</u>	<u>8,499</u>	<u>52,401</u>	<u>352,968</u>	<u>290,349</u>	<u>687,181</u>
Disbursements:						
Personal services	-	-	16,690	279,446	299,489	329,315
Supplies	-	-	-	16,754	-	2,893
Other services and charges	-	-	8,178	25,082	-	517,801
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	35,510	-	58,671
Utility operating expenses	-	-	-	-	-	-
Other disbursements	15,721,021	1,001,231	-	-	-	-
Total disbursements	<u>15,721,021</u>	<u>1,001,231</u>	<u>24,868</u>	<u>356,792</u>	<u>299,489</u>	<u>908,680</u>
Excess (deficiency) of receipts over disbursements	-	(992,732)	27,533	(3,824)	(9,140)	(221,499)
Cash and investments - ending	<u>\$ -</u>	<u>\$ 1,386</u>	<u>\$ 240,305</u>	<u>\$ 939,261</u>	<u>\$ 196,735</u>	<u>\$ 685,565</u>

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Supplemental Public Defender Services	Jail Commissary	Surveyor's Corner Perpetuation	Jury Pay	Park Donation	Rainy Day
Cash and investments - beginning	\$ 137,735	\$ 58,896	\$ 122,798	\$ 218,216	\$ 56,459	\$ 1,781,738
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	82,635	42,689	-	-
Fines and forfeits	107,466	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	97,377	-	80,179	3,744	419,430
Total receipts	<u>107,466</u>	<u>97,377</u>	<u>82,635</u>	<u>122,868</u>	<u>3,744</u>	<u>419,430</u>
Disbursements:						
Personal services	117,834	-	-	15,658	-	1,314,860
Supplies	5,113	-	3,781	-	-	237,601
Other services and charges	11,904	-	21,787	110,804	4,661	13,617
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	1,318	-	2,755	4,560	-	9,122
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	26,710	-	-	-	-
Total disbursements	<u>136,169</u>	<u>26,710</u>	<u>28,323</u>	<u>131,022</u>	<u>4,661</u>	<u>1,575,200</u>
Excess (deficiency) of receipts over disbursements	<u>(28,703)</u>	<u>70,667</u>	<u>54,312</u>	<u>(8,154)</u>	<u>(917)</u>	<u>(1,155,770)</u>
Cash and investments - ending	<u>\$ 109,032</u>	<u>\$ 129,563</u>	<u>\$ 177,110</u>	<u>\$ 210,062</u>	<u>\$ 55,542</u>	<u>\$ 625,968</u>

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Inmate Medical	Sales Disclosure	Community Corrections	DARE	Juvenile Incentive Block Grant	Child Advocacy
Cash and investments - beginning	\$ 30,127	\$ 64,619	\$ 111	\$ 923	\$ -	\$ 8,229
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	34,815	-	-	-	500
Utility fees	-	-	-	-	-	-
Other receipts	1,822	-	83	500	113	-
Total receipts	<u>1,822</u>	<u>34,815</u>	<u>83</u>	<u>500</u>	<u>113</u>	<u>500</u>
Disbursements:						
Personal services	-	6,782	-	-	-	-
Supplies	-	-	-	1,423	-	-
Other services and charges	-	10,775	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	12,583	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	8,405	-	-	-	-	-
Total disbursements	<u>8,405</u>	<u>30,140</u>	<u>-</u>	<u>1,423</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(6,583)</u>	<u>4,675</u>	<u>83</u>	<u>(923)</u>	<u>113</u>	<u>500</u>
Cash and investments - ending	<u>\$ 23,544</u>	<u>\$ 69,294</u>	<u>\$ 194</u>	<u>\$ -</u>	<u>\$ 113</u>	<u>\$ 8,729</u>

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Spay And Neuter	Identification Security Protection	Children's Psychiatric Resident Treatment Services	Homeland Security	NSF Check Service Charge	Sex And Violent Offender Registry
Cash and investments - beginning	\$ 13,241	\$ 584,372	\$ 501,402	\$ 89,348	\$ 39,179	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	339,766	-	-
Charges for services	-	169,040	-	-	-	-
Fines and forfeits	245	-	-	-	5,350	25,840
Utility fees	-	-	-	-	-	-
Other receipts	12,315	-	1,952	187,991	-	-
Total receipts	<u>12,560</u>	<u>169,040</u>	<u>1,952</u>	<u>527,757</u>	<u>5,350</u>	<u>25,840</u>
Disbursements:						
Personal services	-	-	-	-	-	2,747
Supplies	-	-	-	-	-	57
Other services and charges	7,908	22,000	-	-	375	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	339,766	-	629
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	502,359	259,788	-	2,383
Total disbursements	<u>7,908</u>	<u>22,000</u>	<u>502,359</u>	<u>599,554</u>	<u>375</u>	<u>5,816</u>
Excess (deficiency) of receipts over disbursements	<u>4,652</u>	<u>147,040</u>	<u>(500,407)</u>	<u>(71,797)</u>	<u>4,975</u>	<u>20,024</u>
Cash and investments - ending	<u>\$ 17,893</u>	<u>\$ 731,412</u>	<u>\$ 995</u>	<u>\$ 17,551</u>	<u>\$ 44,154</u>	<u>\$ 20,024</u>

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Prosecutor's Elderly Abuse	State Drunk Driving Fees	Prosecutor's General Incentive Fund	Non-Reverting Fairgrounds	Reassessment 1999	HUD NSP Grant
Cash and investments - beginning	\$ 32,036	\$ 13,931	\$ 372,377	\$ 78,430	\$ 1,041	\$ 164
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	158,427	11,875	141,197	10,003	-	2,777,664
Charges for services	-	-	-	76,335	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	142	1,655	-	351,268
Total receipts	<u>158,427</u>	<u>11,875</u>	<u>141,339</u>	<u>87,993</u>	<u>-</u>	<u>3,128,932</u>
Disbursements:						
Personal services	151,635	10,188	-	41,536	-	68,979
Supplies	2,612	-	348	5,547	-	2,332
Other services and charges	3,126	-	9,382	719	-	3,521
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	5,328	4,740	-	3,018,121
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	172,759	244	-	-
Total disbursements	<u>157,373</u>	<u>10,188</u>	<u>187,817</u>	<u>52,786</u>	<u>-</u>	<u>3,092,953</u>
Excess (deficiency) of receipts over disbursements	<u>1,054</u>	<u>1,687</u>	<u>(46,478)</u>	<u>35,207</u>	<u>-</u>	<u>35,979</u>
Cash and investments - ending	<u>\$ 33,090</u>	<u>\$ 15,618</u>	<u>\$ 325,899</u>	<u>\$ 113,637</u>	<u>\$ 1,041</u>	<u>\$ 36,143</u>

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Non-Reverting RICO Seizure	DAG 71 Prosecutor's Non-Reverting	Non-Reverting Property Seizure #1	Sheriff's Alarms, Permits And Fines	Juvenile Home Detention Grant	Economic Development Administration Budget
Cash and investments - beginning	\$ 160,572	\$ 206	\$ 455,676	\$ 31,754	\$ -	\$ 6,542
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	6,566	-	6,000	-	-	370,454
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	10,214	-	95,901	8,230	474,684	125,101
Total receipts	<u>16,780</u>	<u>-</u>	<u>101,901</u>	<u>8,230</u>	<u>474,684</u>	<u>495,555</u>
Disbursements:						
Personal services	-	-	91,408	-	190,452	428,386
Supplies	33,330	-	1,282	-	-	3,261
Other services and charges	15,097	106	188,977	-	284,232	67,722
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	68,042	-	-	30,842	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>116,469</u>	<u>106</u>	<u>281,667</u>	<u>30,842</u>	<u>474,684</u>	<u>499,369</u>
Excess (deficiency) of receipts over disbursements	<u>(99,689)</u>	<u>(106)</u>	<u>(179,766)</u>	<u>(22,612)</u>	<u>-</u>	<u>(3,814)</u>
Cash and investments - ending	<u>\$ 60,883</u>	<u>\$ 100</u>	<u>\$ 275,910</u>	<u>\$ 9,142</u>	<u>\$ -</u>	<u>\$ 2,728</u>

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Economic Development Cities/Towns	Economic Development Home Program	Economic Development Rehabilitation	Economic Development REMP IDOC	Economic Development FMHA	Economic Development Revolving Loan
Cash and investments - beginning	\$ -	\$ 11,979	\$ -	\$ 121,988	\$ 45,238	\$ 207,673
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	972,600	622,330	362,650	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	149,061	23,678	28,644	-	211,164
Total receipts	<u>972,600</u>	<u>771,391</u>	<u>386,328</u>	<u>28,644</u>	<u>-</u>	<u>211,164</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	1,050
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	972,600	773,745	385,841	-	-	184,909
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>972,600</u>	<u>773,745</u>	<u>385,841</u>	<u>-</u>	<u>-</u>	<u>185,959</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(2,354)</u>	<u>487</u>	<u>28,644</u>	<u>-</u>	<u>25,205</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 9,625</u>	<u>\$ 487</u>	<u>\$ 150,632</u>	<u>\$ 45,238</u>	<u>\$ 232,878</u>

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Non-Reverting Sheriff's Federal Forfeiture	Lake County Multi-Agency Task Force	Sheriff's State County Non-Reverting	CDBG Recapture Loans	Public Works Tax Incentive	Auditor's Tax Incentive
Cash and investments - beginning	\$ 13,645	\$ 42,431	\$ 4,995	\$ 189,295	\$ 7	\$ 196,607
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	145,493	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	63,110	60,001	-	130,046	-	268,915
Total receipts	<u>63,110</u>	<u>205,494</u>	<u>-</u>	<u>130,046</u>	<u>-</u>	<u>268,915</u>
Disbursements:						
Personal services	-	106,244	-	-	-	93,842
Supplies	-	14,771	-	-	-	-
Other services and charges	-	60,583	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	65,892	6,568	4,167	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>65,892</u>	<u>188,166</u>	<u>4,167</u>	<u>-</u>	<u>-</u>	<u>93,842</u>
Excess (deficiency) of receipts over disbursements	<u>(2,782)</u>	<u>17,328</u>	<u>(4,167)</u>	<u>130,046</u>	<u>-</u>	<u>175,073</u>
Cash and investments - ending	<u>\$ 10,863</u>	<u>\$ 59,759</u>	<u>\$ 828</u>	<u>\$ 319,341</u>	<u>\$ 7</u>	<u>\$ 371,680</u>

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	HIDTA	Storm Water Sediment Control	Campaign Finance Enforcement	Division III Addiction Monitoring	COPS Interoperability Grant	Division II LADOS
Cash and investments - beginning	\$ 1,410	\$ 17,961	\$ 37,037	\$ 18,492	\$ 3,536	\$ 216,616
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	401,202	2,500
Charges for services	-	3,284	-	384	-	-
Fines and forfeits	-	2,720	2,425	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	-	200	-	177,919
Total receipts	-	6,004	2,425	584	401,202	180,419
Disbursements:						
Personal services	-	-	-	8,969	17,692	163,382
Supplies	-	-	-	-	-	5,857
Other services and charges	-	1,073	21,790	-	2,025	14,370
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	376,329	5,091
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	1,073	21,790	8,969	396,046	188,700
Excess (deficiency) of receipts over disbursements	-	4,931	(19,365)	(8,385)	5,156	(8,281)
Cash and investments - ending	\$ 1,410	\$ 22,892	\$ 17,672	\$ 10,107	\$ 8,692	\$ 208,335

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Division I LADOS	Non-Reverting Highway Deposit Gambling	Court Improvement Grant	CASA Program Grant	Domestic Relation Counseling	Non-Reverting Delinquent Collection Fees
Cash and investments - beginning	\$ 159,257	\$ 570,635	\$ 268	\$ 965	\$ 77,663	\$ 686,930
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	2,500	688,673	-	-	10,000	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	32,785	-
Utility fees	-	-	-	-	-	-
Other receipts	209,685	-	-	-	10,728	2,116,672
Total receipts	<u>212,185</u>	<u>688,673</u>	<u>-</u>	<u>-</u>	<u>53,513</u>	<u>2,116,672</u>
Disbursements:						
Personal services	157,671	-	-	-	35,276	-
Supplies	5,598	414,884	-	475	3,596	-
Other services and charges	14,774	545,499	-	-	1,874	2,090,498
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	4,614	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	90	-
Total disbursements	<u>182,657</u>	<u>960,383</u>	<u>-</u>	<u>475</u>	<u>40,836</u>	<u>2,090,498</u>
Excess (deficiency) of receipts over disbursements	<u>29,528</u>	<u>(271,710)</u>	<u>-</u>	<u>(475)</u>	<u>12,677</u>	<u>26,174</u>
Cash and investments - ending	<u>\$ 188,785</u>	<u>\$ 298,925</u>	<u>\$ 268</u>	<u>\$ 490</u>	<u>\$ 90,340</u>	<u>\$ 713,104</u>

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Sheriff's Grants Fund	Child Support/PCA Fees	Commissioner's Incentive Fund	Adult Probation Administration	Juvenile Probation Administration	Community Fund
Cash and investments - beginning	\$ 14,881	\$ 4,703	\$ 56,559	\$ 126,115	\$ 23,382	\$ 13
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	30,875	400,183	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	185,063	48,128	-
Utility fees	-	-	-	-	-	-
Other receipts	196	-	268,916	-	-	-
Total receipts	<u>31,071</u>	<u>400,183</u>	<u>268,916</u>	<u>185,063</u>	<u>48,128</u>	<u>-</u>
Disbursements:						
Personal services	5,999	-	119,643	207,019	63,490	-
Supplies	3,409	9,802	-	-	-	-
Other services and charges	950	29,613	3,205	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>10,358</u>	<u>39,415</u>	<u>122,848</u>	<u>207,019</u>	<u>63,490</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>20,713</u>	<u>360,768</u>	<u>146,068</u>	<u>(21,956)</u>	<u>(15,362)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 35,594</u>	<u>\$ 365,471</u>	<u>\$ 202,627</u>	<u>\$ 104,159</u>	<u>\$ 8,020</u>	<u>\$ 13</u>

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Health Department Tobacco Settlement	Family Court Initiative Grant	Anti-Bioterrorism	Weights-Measures User Fees	Website Maintenance	CERT Community Emergency Response Team
Cash and investments - beginning	\$ 883,724	\$ 42,861	\$ 1,020	\$ 21,914	\$ 390,442	\$ 348
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	74,300	-	-
Intergovernmental	174,997	10,000	-	-	-	-
Charges for services	-	-	-	-	497,036	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	10,000	-	-	-	-
Total receipts	<u>174,997</u>	<u>20,000</u>	<u>-</u>	<u>74,300</u>	<u>497,036</u>	<u>-</u>
Disbursements:						
Personal services	59,638	8,230	-	49,366	-	-
Supplies	409	-	-	-	-	-
Other services and charges	1,376	1,667	-	-	217,226	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	97,538	-	-	-	85,020	348
Total disbursements	<u>158,961</u>	<u>9,897</u>	<u>-</u>	<u>49,366</u>	<u>302,246</u>	<u>348</u>
Excess (deficiency) of receipts over disbursements	<u>16,036</u>	<u>10,103</u>	<u>-</u>	<u>24,934</u>	<u>194,790</u>	<u>(348)</u>
Cash and investments - ending	<u>\$ 899,760</u>	<u>\$ 52,964</u>	<u>\$ 1,020</u>	<u>\$ 46,848</u>	<u>\$ 585,232</u>	<u>\$ -</u>

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Interpreter Service Grant	Justice Assistance Grant	Recorder's Incentive Fund	HAVA Title III Voting System	MS4	Public Works Recycling Grant
Cash and investments - beginning	\$ 8,039	\$ 3,754	\$ 146,445	\$ 394,861	\$ 693,395	\$ 9
Receipts:						
Taxes	-	-	-	-	801,430	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	9,250	725,807	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	268,916	-	-	-
Total receipts	<u>9,250</u>	<u>725,807</u>	<u>268,916</u>	<u>-</u>	<u>801,430</u>	<u>-</u>
Disbursements:						
Personal services	-	28,335	122,382	-	239,379	-
Supplies	-	222,473	-	-	59,875	-
Other services and charges	11,505	101,039	-	-	308,695	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	362,051	-	34,514	344,482	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	11	-
Total disbursements	<u>11,505</u>	<u>713,898</u>	<u>122,382</u>	<u>34,514</u>	<u>952,442</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(2,255)</u>	<u>11,909</u>	<u>146,534</u>	<u>(34,514)</u>	<u>(151,012)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 5,784</u>	<u>\$ 15,663</u>	<u>\$ 292,979</u>	<u>\$ 360,347</u>	<u>\$ 542,383</u>	<u>\$ 9</u>

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Sheriff's SIG Grant	Auditor's Endorsement Fees	Superior Court Division III Drug Free Grant	Alternative Dispute Resolutions	Alternative Dispute Resolutions Co-Payment	Treasurer's Incentive
Cash and investments - beginning	\$ 13,975	\$ 66,844	\$ 6,224	\$ 127,333	\$ 21,983	\$ 205,837
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	121,081	-	11,500	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	85,514	-	3,590	13,080	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	-	43,490	12,295	268,916
Total receipts	<u>121,081</u>	<u>85,514</u>	<u>11,500</u>	<u>47,080</u>	<u>25,375</u>	<u>268,916</u>
Disbursements:						
Personal services	1,549	53,654	2,960	2,285	-	147,532
Supplies	2,232	9,352	39	97	83	-
Other services and charges	118,159	-	3,575	20,086	15,454	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	3,260	-	-	-	13,349
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	780	-
Total disbursements	<u>121,940</u>	<u>66,266</u>	<u>6,574</u>	<u>22,468</u>	<u>16,317</u>	<u>160,881</u>
Excess (deficiency) of receipts over disbursements	<u>(859)</u>	<u>19,248</u>	<u>4,926</u>	<u>24,612</u>	<u>9,058</u>	<u>108,035</u>
Cash and investments - ending	<u>\$ 13,116</u>	<u>\$ 86,092</u>	<u>\$ 11,150</u>	<u>\$ 151,945</u>	<u>\$ 31,041</u>	<u>\$ 313,872</u>

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Child Support Incentive	Environmental Task Force	Title Search Fees	Late Surrender Fees/Bail Bonds	Non-Reverting Property Seizure #2	DUI Task Force Grant
Cash and investments - beginning	\$ 591,145	\$ 36,402	\$ 12,598	\$ 19,003	\$ 13,704	\$ 4,926
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	319,085	-	-	-	-	735
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	859	-	-
Utility fees	-	-	-	-	-	-
Other receipts	170,449	-	194,831	443	696	-
Total receipts	<u>489,534</u>	<u>-</u>	<u>194,831</u>	<u>1,302</u>	<u>696</u>	<u>735</u>
Disbursements:						
Personal services	177,409	-	-	-	-	735
Supplies	33,372	-	-	-	-	-
Other services and charges	14,926	-	-	940	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	117,140	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	1,412	-	195,259	-	-	-
Total disbursements	<u>344,259</u>	<u>-</u>	<u>195,259</u>	<u>940</u>	<u>-</u>	<u>735</u>
Excess (deficiency) of receipts over disbursements	<u>145,275</u>	<u>-</u>	<u>(428)</u>	<u>362</u>	<u>696</u>	<u>-</u>
Cash and investments - ending	<u>\$ 736,420</u>	<u>\$ 36,402</u>	<u>\$ 12,170</u>	<u>\$ 19,365</u>	<u>\$ 14,400</u>	<u>\$ 4,926</u>

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Emergency Planning Subgrant	ARRA/EECBG Community Energy Efficient Grant	Community Correction Fair Share	Community Corrections Program	Sheriff - Animal Control	Community Economic Development
Cash and investments - beginning	\$ 29	\$ -	\$ 259,824	\$ 220,803	\$ 1,819	\$ 3,111
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	180,189	425,650	2,395,993	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	240,375	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	418,080	224,337	7,423	73,649
Total receipts	-	180,189	1,084,105	2,620,330	7,423	73,649
Disbursements:						
Personal services	-	-	-	2,425,608	-	-
Supplies	-	-	88,380	-	-	-
Other services and charges	-	180,189	392,432	79,608	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	31,314	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	29	-	609,684	140,386	7,863	68,459
Total disbursements	29	180,189	1,121,810	2,645,602	7,863	68,459
Excess (deficiency) of receipts over disbursements	(29)	-	(37,705)	(25,272)	(440)	5,190
Cash and investments - ending	\$ -	\$ -	\$ 222,119	\$ 195,531	\$ 1,379	\$ 8,301

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Parks - Outside Cash	Juvenile Center Grants Fund	Cumulative Helicopter Improvement Fund	HPRP - Homeless Prevention	VOCA - Victims Of Crime Act Grant	ARRA - American Recovery And Reinvestment Act
Cash and investments - beginning	\$ 206,491	\$ 4	\$ 689,068	\$ -	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	444,268	206,129	42,267	191,060
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	<u>9,092,406</u>	<u>-</u>	<u>-</u>	<u>20,023</u>	<u>-</u>	<u>21,228</u>
Total receipts	<u>9,092,406</u>	<u>-</u>	<u>444,268</u>	<u>226,152</u>	<u>42,267</u>	<u>212,288</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	4,464	-
Other services and charges	-	-	446,327	2,415	37,803	136,323
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	302,327	223,737	-	20,882
Utility operating expenses	-	-	-	-	-	-
Other disbursements	<u>9,135,696</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total disbursements	<u>9,135,696</u>	<u>-</u>	<u>748,654</u>	<u>226,152</u>	<u>42,267</u>	<u>157,205</u>
Excess (deficiency) of receipts over disbursements	<u>(43,290)</u>	<u>-</u>	<u>(304,386)</u>	<u>-</u>	<u>-</u>	<u>55,083</u>
Cash and investments - ending	<u>\$ 163,201</u>	<u>\$ 4</u>	<u>\$ 384,682</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,083</u>

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Wireless E911	County Excess Levy	Check Deception Collection Fee	Child Support IV-D/FSSA	HAVA Sec 101 Voting System	County Bond Redemption
Cash and investments - beginning	\$ -	\$ 4,068,172	\$ 38,644	\$ -	\$ -	\$ 520,226
Receipts:						
Taxes	-	-	-	-	-	626,672
Licenses and permits	-	-	-	-	-	-
Intergovernmental	1,562,018	-	-	28,883	-	212,888
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	24,370	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	5,327,454	-	172,758	400,000	1,360,573
Total receipts	<u>1,562,018</u>	<u>5,327,454</u>	<u>24,370</u>	<u>201,641</u>	<u>400,000</u>	<u>2,200,133</u>
Disbursements:						
Personal services	-	-	37,599	110,531	-	-
Supplies	-	-	-	-	-	-
Other services and charges	422,734	-	-	-	-	1,013,631
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	1,360,572
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	2,243,939	-	-	-	-
Total disbursements	<u>422,734</u>	<u>2,243,939</u>	<u>37,599</u>	<u>110,531</u>	<u>-</u>	<u>2,374,203</u>
Excess (deficiency) of receipts over disbursements	<u>1,139,284</u>	<u>3,083,515</u>	<u>(13,229)</u>	<u>91,110</u>	<u>400,000</u>	<u>(174,070)</u>
Cash and investments - ending	<u>\$ 1,139,284</u>	<u>\$ 7,151,687</u>	<u>\$ 25,415</u>	<u>\$ 91,110</u>	<u>\$ 400,000</u>	<u>\$ 346,156</u>

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Circuit Breaker Debt Service	Redevelopment Authority Capital Projects	Exempt Debt Service	Exempt Park Bond	Exempt Park Revenue Bond Redemption	Park Non-Reverting Capital
Cash and investments - beginning	\$ (474,980)	\$ 23,930	\$ 31,020	\$ -	\$ -	\$ 426,184
Receipts:						
Taxes	-	-	6,380,782	1,002,375	2,129,006	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	1,245,369	-	532,883	9,172	134,957	46,730
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	1,394,623	152,663	-	-	391,808
Total receipts	<u>1,245,369</u>	<u>1,394,623</u>	<u>7,066,328</u>	<u>1,011,547</u>	<u>2,263,963</u>	<u>438,538</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	770,389	-	646,913	-	-	-
Debt service - principal and interest	-	-	-	451,195	-	-
Capital outlay	-	-	5,764,890	-	2,239,319	405,051
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	24,181	-	387,180	16,782	-
Total disbursements	<u>770,389</u>	<u>24,181</u>	<u>6,411,803</u>	<u>838,375</u>	<u>2,256,101</u>	<u>405,051</u>
Excess (deficiency) of receipts over disbursements	<u>474,980</u>	<u>1,370,442</u>	<u>654,525</u>	<u>173,172</u>	<u>7,862</u>	<u>33,487</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 1,394,372</u>	<u>\$ 685,545</u>	<u>\$ 173,172</u>	<u>\$ 7,862</u>	<u>\$ 459,671</u>

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Cumulative Bridge	General Drain Improvement	County Highway Maintenance Garage Bond	County Bond Improvements	Park District Bond 1982	Major Moves Construction
Cash and investments - beginning	\$ 5,113,461	\$ 42,341	\$ 778,111	\$ 10,412,557	\$ 833,935	\$ 2,448,196
Receipts:						
Taxes	2,456,554	1,104,815	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	130,084	101,816	-	-	-	322,688
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	14,096	146,512	5,311	2,314	403,963	20,501
Total receipts	<u>2,600,734</u>	<u>1,353,143</u>	<u>5,311</u>	<u>2,314</u>	<u>403,963</u>	<u>343,189</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	11,983	-	-	-	-	-
Other services and charges	3,071,127	209,380	-	10,162,670	-	601,286
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	253,091	1,629,559	5,000	-	326,373	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>3,336,201</u>	<u>1,838,939</u>	<u>5,000</u>	<u>10,162,670</u>	<u>326,373</u>	<u>601,286</u>
Excess (deficiency) of receipts over disbursements	<u>(735,467)</u>	<u>(485,796)</u>	<u>311</u>	<u>(10,160,356)</u>	<u>77,590</u>	<u>(258,097)</u>
Cash and investments - ending	<u>\$ 4,377,994</u>	<u>\$ (443,455)</u>	<u>\$ 778,422</u>	<u>\$ 252,201</u>	<u>\$ 911,525</u>	<u>\$ 2,190,099</u>

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Voting System Cumulative	County Cumulative Capital Development	Redevelopment Authority Debt Service	Self-Insurance	Park Self-Insurance	Employee Benefit Accruals (Health Insurance Reserve)
Cash and investments - beginning	\$ 1,278,941	\$ 329,478	\$ 5,132,884	\$ 5,838,671	\$ 757,407	\$ 5,245,053
Receipts:						
Taxes	-	2,381,353	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	125,617	-	-	-	-
Charges for services	-	-	-	-	-	35,054,250
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	3,174,431	4,543,094	158,638	-
Total receipts	-	2,506,970	3,174,431	4,543,094	158,638	35,054,250
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	2,044,692	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	3,623,117	4,848,656	116,886	38,128,917
Total disbursements	-	2,044,692	3,623,117	4,848,656	116,886	38,128,917
Excess (deficiency) of receipts over disbursements	-	462,278	(448,686)	(305,562)	41,752	(3,074,667)
Cash and investments - ending	\$ 1,278,941	\$ 791,756	\$ 4,684,198	\$ 5,533,109	\$ 799,159	\$ 2,170,386

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Sheriff's Pension	Congressional School Principal	Welfare Trusts	City And Town Court Costs	Congressional School Interest	Surplus Tax Sale
Cash and investments - beginning	\$ 26,840,041	\$ 35,000	\$ -	\$ 11,378	\$ 24,659	\$ 3,281,735
Receipts:						
Taxes	3,075,000	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	<u>2,472,925</u>	<u>-</u>	<u>4,720</u>	<u>155,219</u>	<u>1,840</u>	<u>7,466,097</u>
Total receipts	<u>5,547,925</u>	<u>-</u>	<u>4,720</u>	<u>155,219</u>	<u>1,840</u>	<u>7,466,097</u>
Disbursements:						
Personal services	3,342,033	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	143,512	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	<u>194,489</u>	<u>-</u>	<u>-</u>	<u>155,294</u>	<u>-</u>	<u>3,824,240</u>
Total disbursements	<u>3,680,034</u>	<u>-</u>	<u>-</u>	<u>155,294</u>	<u>-</u>	<u>3,824,240</u>
Excess (deficiency) of receipts over disbursements	<u>1,867,891</u>	<u>-</u>	<u>4,720</u>	<u>(75)</u>	<u>1,840</u>	<u>3,641,857</u>
Cash and investments - ending	<u>\$ 28,707,932</u>	<u>\$ 35,000</u>	<u>\$ 4,720</u>	<u>\$ 11,303</u>	<u>\$ 26,499</u>	<u>\$ 6,923,592</u>

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Tax Sale Redemption	State Fines And Forfeitures	State Sales Disclosure Fee	Overweight Vehicle Fines	Sheriff	Infraction Judgements
Cash and investments - beginning	\$ 600,311	\$ 66,739	\$ 3,455	\$ 2,780	\$ 697,916	\$ 76,648
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	<u>6,350,941</u>	<u>258,659</u>	<u>33,785</u>	<u>47,596</u>	<u>6,164,257</u>	<u>999,414</u>
Total receipts	<u>6,350,941</u>	<u>258,659</u>	<u>33,785</u>	<u>47,596</u>	<u>6,164,257</u>	<u>999,414</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	<u>6,175,559</u>	<u>297,660</u>	<u>33,765</u>	<u>38,436</u>	<u>6,281,885</u>	<u>1,001,827</u>
Total disbursements	<u>6,175,559</u>	<u>297,660</u>	<u>33,765</u>	<u>38,436</u>	<u>6,281,885</u>	<u>1,001,827</u>
Excess (deficiency) of receipts over disbursements	<u>175,382</u>	<u>(39,001)</u>	<u>20</u>	<u>9,160</u>	<u>(117,628)</u>	<u>(2,413)</u>
Cash and investments - ending	<u>\$ 775,693</u>	<u>\$ 27,738</u>	<u>\$ 3,475</u>	<u>\$ 11,940</u>	<u>\$ 580,288</u>	<u>\$ 74,235</u>

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Inheritance Tax	Property Replacement And Homestead Credit	Special Death Benefit	Education Plate Fees Agency	Tax Sale	Innkeepers Tax
Cash and investments - beginning	\$ 2,639,584	\$ 95,030	\$ 6,970	\$ 16,084	\$ 54,399	\$ 59,866
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	<u>12,307,714</u>	<u>1,318,245</u>	<u>56,310</u>	<u>26,644</u>	<u>4,776,032</u>	<u>2,529,615</u>
Total receipts	<u>12,307,714</u>	<u>1,318,245</u>	<u>56,310</u>	<u>26,644</u>	<u>4,776,032</u>	<u>2,529,615</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	<u>11,642,642</u>	<u>1,318,245</u>	<u>58,925</u>	<u>24,938</u>	<u>4,619,194</u>	<u>2,473,111</u>
Total disbursements	<u>11,642,642</u>	<u>1,318,245</u>	<u>58,925</u>	<u>24,938</u>	<u>4,619,194</u>	<u>2,473,111</u>
Excess (deficiency) of receipts over disbursements	<u>665,072</u>	<u>-</u>	<u>(2,615)</u>	<u>1,706</u>	<u>156,838</u>	<u>56,504</u>
Cash and investments - ending	<u>\$ 3,304,656</u>	<u>\$ 95,030</u>	<u>\$ 4,355</u>	<u>\$ 17,790</u>	<u>\$ 211,237</u>	<u>\$ 116,370</u>

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Financial Institution Tax	Convention And Tourism Agency	Mortgage Fees - State Share	Child Restraint Violations Fines	Interstate Compact	CVET Agency
Cash and investments - beginning	\$ -	\$ 69,975	\$ 3,348	\$ 145	\$ 450	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	<u>2,135,672</u>	<u>4,624,697</u>	<u>42,865</u>	<u>935</u>	<u>3,000</u>	<u>3,779,632</u>
Total receipts	<u>2,135,672</u>	<u>4,624,697</u>	<u>42,865</u>	<u>935</u>	<u>3,000</u>	<u>3,779,632</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	<u>2,135,672</u>	<u>4,624,264</u>	<u>42,263</u>	<u>980</u>	<u>3,150</u>	<u>3,779,013</u>
Total disbursements	<u>2,135,672</u>	<u>4,624,264</u>	<u>42,263</u>	<u>980</u>	<u>3,150</u>	<u>3,779,013</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>433</u>	<u>602</u>	<u>(45)</u>	<u>(150)</u>	<u>619</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 70,408</u>	<u>\$ 3,950</u>	<u>\$ 100</u>	<u>\$ 300</u>	<u>\$ 619</u>

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	US Research Consultants	Unfunded Money	National Park System	Doctors Merchants	Users Fee Agency	Homestead Credit Rebate
Cash and investments - beginning	\$ 3,473	\$ 439,145,702	\$ 7,378	\$ 751	\$ 655,848	\$ 5,125
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	764,908,496	6,125	93	1,686,125	-
Total receipts	-	764,908,496	6,125	93	1,686,125	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	718,972,295	7,204	-	1,638,388	(662)
Total disbursements	-	718,972,295	7,204	-	1,638,388	(662)
Excess (deficiency) of receipts over disbursements	-	45,936,201	(1,079)	93	47,737	662
Cash and investments - ending	\$ 3,473	\$ 485,081,903	\$ 6,299	\$ 844	\$ 703,585	\$ 5,787

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	HEA 1001 State Homestead Credit	Payroll Court Judgement	Tax Distribution	Ordinance Deferral Program	Commissioner's Tax Certificate Sale	Payment Errors (Refunds)
Cash and investments - beginning	\$ 31,496	\$ 76,620	\$ -	\$ 19,776	\$ 4,219,830	\$ 384,893
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	<u>9,676,527</u>	<u>212,603</u>	<u>506,464,519</u>	<u>333,922</u>	<u>3,823,270</u>	<u>267,894</u>
Total receipts	<u>9,676,527</u>	<u>212,603</u>	<u>506,464,519</u>	<u>333,922</u>	<u>3,823,270</u>	<u>267,894</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	<u>4,705,286</u>	<u>287,304</u>	<u>506,464,519</u>	<u>324,979</u>	<u>4,912,129</u>	<u>309,817</u>
Total disbursements	<u>4,705,286</u>	<u>287,304</u>	<u>506,464,519</u>	<u>324,979</u>	<u>4,912,129</u>	<u>309,817</u>
Excess (deficiency) of receipts over disbursements	<u>4,971,241</u>	<u>(74,701)</u>	<u>-</u>	<u>8,943</u>	<u>(1,088,859)</u>	<u>(41,923)</u>
Cash and investments - ending	<u>\$ 5,002,737</u>	<u>\$ 1,919</u>	<u>\$ -</u>	<u>\$ 28,719</u>	<u>\$ 3,130,971</u>	<u>\$ 342,970</u>

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Tax Sale Cancellation	Subdivision Escrow Bonds	Overpayment	Northwestern Regional Planning Commission	Cities Park Sales Tax	Inmate Trust - Commissary
Cash and investments - beginning	\$ 103,410	\$ 80,123	\$ 8,493,908	\$ 60,638	\$ 1,893	\$ 589,420
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	<u>226,633</u>	<u>3,301</u>	<u>2,863,638</u>	<u>-</u>	<u>127,967</u>	<u>141,467</u>
Total receipts	<u>226,633</u>	<u>3,301</u>	<u>2,863,638</u>	<u>-</u>	<u>127,967</u>	<u>141,467</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	<u>14,018</u>	<u>24,811</u>	<u>3,588,634</u>	<u>-</u>	<u>128,134</u>	<u>215,234</u>
Total disbursements	<u>14,018</u>	<u>24,811</u>	<u>3,588,634</u>	<u>-</u>	<u>128,134</u>	<u>215,234</u>
Excess (deficiency) of receipts over disbursements	<u>212,615</u>	<u>(21,510)</u>	<u>(724,996)</u>	<u>-</u>	<u>(167)</u>	<u>(73,767)</u>
Cash and investments - ending	<u>\$ 316,025</u>	<u>\$ 58,613</u>	<u>\$ 7,768,912</u>	<u>\$ 60,638</u>	<u>\$ 1,726</u>	<u>\$ 515,653</u>

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Tax Sale Fees- SRI	Supplemental County Wide Tax	Coroner's Training And Continuing Education	Delinquent Sewer	Barret Law	TIF Dissolution General Fund
Cash and investments - beginning	\$ 5,294	\$ -	\$ 6,900	\$ 2,956	\$ 3,180	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	<u>280,080</u>	<u>4,589,128</u>	<u>67,418</u>	<u>730,997</u>	<u>99,811</u>	<u>334,400</u>
Total receipts	<u>280,080</u>	<u>4,589,128</u>	<u>67,418</u>	<u>730,997</u>	<u>99,811</u>	<u>334,400</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	<u>278,556</u>	<u>4,589,296</u>	<u>69,423</u>	<u>730,997</u>	<u>99,811</u>	<u>294,310</u>
Total disbursements	<u>278,556</u>	<u>4,589,296</u>	<u>69,423</u>	<u>730,997</u>	<u>99,811</u>	<u>294,310</u>
Excess (deficiency) of receipts over disbursements	<u>1,524</u>	<u>(168)</u>	<u>(2,005)</u>	<u>-</u>	<u>-</u>	<u>40,090</u>
Cash and investments - ending	<u>\$ 6,818</u>	<u>\$ (168)</u>	<u>\$ 4,895</u>	<u>\$ 2,956</u>	<u>\$ 3,180</u>	<u>\$ 40,090</u>

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Commissioner's Surplus Tax Sale	US Steel Property Tax Settlement Fund	'08 And Prior Delinquent Tax	HEA 1001 '07 And '08 PTRC And HSC	Indiana Common School Fund	Vehicle License Fund
Cash and investments - beginning	\$ 4,477	\$ 1,130	\$ -	\$ -	\$ 8,463	\$ 1,094
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	8,252,028	2,651,507	73,957	-
Total receipts	-	-	8,252,028	2,651,507	73,957	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	8,252,028	2,651,507	74,848	-
Total disbursements	-	-	8,252,028	2,651,507	74,848	-
Excess (deficiency) of receipts over disbursements	-	-	-	-	(891)	-
Cash and investments - ending	\$ 4,477	\$ 1,130	\$ -	\$ -	\$ 7,572	\$ 1,094

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Excess Monies - Settlement 2001	Clerk - Outside Cash	Juvenile Probation - Outside Cash	Recorder- Outside Cash	Planning Commission - Outside Cash
Cash and investments - beginning	\$ 476,860	\$ 17,764,639	\$ -	\$ 264,991	\$ -
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Other receipts	<u>(50,227)</u>	<u>52,029,900</u>	<u>93,535</u>	<u>1,690,192</u>	<u>413,879</u>
Total receipts	<u>(50,227)</u>	<u>52,029,900</u>	<u>93,535</u>	<u>1,690,192</u>	<u>413,879</u>
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	<u>317,086</u>	<u>52,067,587</u>	<u>93,535</u>	<u>1,812,534</u>	<u>413,879</u>
Total disbursements	<u>317,086</u>	<u>52,067,587</u>	<u>93,535</u>	<u>1,812,534</u>	<u>413,879</u>
Excess (deficiency) of receipts over disbursements	<u>(367,313)</u>	<u>(37,687)</u>	<u>-</u>	<u>(122,342)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 109,547</u>	<u>\$ 17,726,952</u>	<u>\$ -</u>	<u>\$ 142,649</u>	<u>\$ -</u>

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Adult Probation - Outside Cash	Payroll Withholdings	Hermit's Lake Loan Repayment	Hermit's Lake Sewer User Fee	Totals
Cash and investments - beginning	\$ -	\$ 1,333,871	\$ 40,500	\$ 126,551	\$ 544,163,434
Receipts:					
Taxes	-	-	-	-	108,087,205
Licenses and permits	-	-	-	-	153,127
Intergovernmental	-	-	-	-	65,375,873
Charges for services	-	-	-	-	47,667,882
Fines and forfeits	-	-	-	-	6,515,703
Utility fees	-	-	-	205,780	205,780
Other receipts	326,697	30,299,374	-	-	1,564,893,306
Total receipts	<u>326,697</u>	<u>30,299,374</u>	<u>-</u>	<u>205,780</u>	<u>1,792,898,876</u>
Disbursements:					
Personal services	-	-	-	-	111,688,094
Supplies	-	-	-	-	6,524,033
Other services and charges	-	-	-	-	111,284,788
Debt service - principal and interest	-	-	-	-	2,329,933
Capital outlay	-	-	-	-	24,192,246
Utility operating expenses	-	-	-	209,821	209,821
Other disbursements	326,697	30,319,948	-	-	1,498,078,479
Total disbursements	<u>326,697</u>	<u>30,319,948</u>	<u>-</u>	<u>209,821</u>	<u>1,754,307,394</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(20,574)</u>	<u>-</u>	<u>(4,041)</u>	<u>38,591,482</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 1,313,297</u>	<u>\$ 40,500</u>	<u>\$ 122,510</u>	<u>\$ 582,754,916</u>

LAKE COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2010

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.

General infrastructure assets (those reported by governmental activities) are included regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets:	
Land	\$ 25,815,602
Buildings and improvements	142,585,021
Sanitary sewer/storm water	9,000,000
Machinery and equipment	35,056,597
Bridges	126,858,626
Roads	115,015,029
Street lights and traffic signals	944,699
Construction in progress	<u>5,731,896</u>
 Total governmental activities, capital assets	 \$ <u>461,007,470</u>

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Wastewater Utility:	
Capital assets:	
Land	\$ 21,040
Improvements other than buildings	<u>969,251</u>
 Total business-type activities capital assets	 \$ <u>990,291</u>

LAKE COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2010

The County has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Helicopter (Sheriff Dept)	\$ 1,458,587	\$ 302,326
Bonds payable:		
General obligation bonds:		
Judgment Bond - Court Judgments - 2010	3,900,000	609,136
Judgment Bond - Court Judgments - 2008B	490,000	505,313
Lake County Garage - Highway	3,825,000	605,300
Energy Savings Phase I	14,160,000	2,579,625
Energy Savings Phase II	11,155,000	1,448,425
Parks	23,300,000	1,013,588
Parks	6,055,000	1,232,931
Revenue bonds:		
New Juvenile Center	<u>4,895,000</u>	<u>2,522,000</u>
Total governmental activities debt	<u>\$ 69,238,587</u>	<u>\$ 10,818,642</u>
Business-type activities:		
Wastewater Utility:		
Revenue bonds:		
Hermit's Lake Wastewater	<u>\$ 310,369</u>	<u>\$ 40,796</u>

LAKE COUNTY
OTHER REPORTS

The annual report presented herein was prepared in addition to other official reports prepared for the individual County offices listed below:

Board of County Commissioners
County Council
County Auditor
County Treasurer
County Clerk
County Sheriff
County Recorder
County Health Department
County Community Corrections
County Plan Commission
County Highway
County Redevelopment Commission
County Assessor
County Drug Free Alliance

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

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF LAKE COUNTY, INDIANA

Compliance

We have audited the compliance of Lake County (County) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2010. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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 OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 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. Our audit does not provide a legal determination of the County's compliance with those requirements.

As described in items 2010-3 and 2010-4 in the accompanying Schedule of Findings and Questioned Costs, the County did not comply with requirements regarding Procurement that is applicable to its Public Safety Partnership and Community Policing Grants, and Special Tests and Provisions over accounting and reporting of ARRA and Non-ARRA funding that are applicable to its ARRA – Recovery Act Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories, ARRA - Highway Planning and Construction Grant, Child Support Enforcement and ARRA - Child Support Enforcement. Compliance with such requirements is necessary, in our opinion, for the County to comply with requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its other major federal programs for the year ended December 31, 2010. The results of our auditing procedures also disclosed other instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2010-5.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there is no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance 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, 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 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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2010-4 and 2010-6 to be material weaknesses.

The County's response to the findings identified in our audit is described in the accompanying Official Response and Corrective Action Plan. We did not audit the County's response and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of the County's management, Board of County Commissioner, County Council, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

August 25, 2011

LAKE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2010

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Pass-Through Indiana Department of Education			
Child Nutrition Cluster			
School Breakfast Program	10.553		\$ 46,158
National School Lunch Program	10.555		<u>74,213</u>
Total for federal grantor agency			<u>120,371</u>
<u>U.S. DEPARTMENT OF COMMERCE</u>			
Pass-Through Indiana Department of Natural Resources			
Coastal Zone Management Administration Awards	11.419		<u>13,775</u>
Pass-Through Indiana Department of Homeland Security			
Public Safety Interoperable Communications Grant Program	11.555		<u>168,546</u>
Total for federal grantor agency			<u>182,321</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Direct Grants			
CDBG - Entitlement Grants Cluster			
Community Development Block Grants/Entitlement Grants	14.218		
Neighborhood Stabilization Program		B-08-UN-180002	2,777,795
Community Development Block Grant		B-08-UC-1800016	999,750
		B-09-UC-1800016	<u>462,479</u>
Total for program			<u>4,240,024</u>
ARRA - Community Development Block Grant ARRA Entitlement Grants (CDBG-R)	14.253	B-09-UY-180016	<u>255,555</u>
Total for cluster			<u>4,495,579</u>
Direct Grant			
Housing Counseling Assistance Program	14.169	HC09-0421-092	<u>31,708</u>
Direct Grant			
HOME Investment Partnerships Program	14.239	M-08-UC-180207	237,975
		M-09-UC-180207	<u>118,146</u>
Total for program			<u>356,121</u>
Direct Grant			
ARRA - Homeless Prevention and Rapid Re-Housing Program (HPRP)	14.257	S09-UY-180016	<u>226,152</u>
Total for federal grantor agency			<u>5,109,560</u>
<u>U.S. DEPARTMENT OF INTERIOR</u>			
Direct Grant			
ARRA - Recovery Act Funds - Habitat Enhancement, Restoration, and Improvement	15.656		
Oak Savannah Trail			<u>19,545</u>
Total for federal grantor agency			<u>19,545</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Direct Grant			
JAG Program Cluster			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2008-DJ-BX-0288	1,459
		2009-DJ-BX-1410	255,539
		2010-DJ-BX-0810	<u>50,194</u>
Total for program			<u>307,192</u>

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

LAKE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2010
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF JUSTICE (continued)</u>			
Direct Grant			
ARRA - Recovery Act Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories	16.803	2009-SB-B9-1671	<u>390,419</u>
Pass-Through Indiana Criminal Justice Institute			
ARRA - Recovery Act Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories	16.803	09-JRA-023	149,222
Offender Re-Entry Treatment Program		2009-SU-B9-0047	<u>404,614</u>
Total for program			<u>553,836</u>
Total for cluster			<u>1,251,447</u>
Direct Grant			
Public Safety Partnership and Community Policing Grants Technology Program Grant	16.710	2008CKWX0790 2008CKWX0525	396,046 <u>444,268</u>
Total for program			<u>840,314</u>
Direct Grant			
Federal Equity Sharing Federal Forfeitures - County Sheriff	16.UNKNOWN		<u>63,109</u>
Pass-Through Indiana Criminal Justice Institute			
Edward Byrne Memorial Formula Grant Program	16.579		
Local Enforcement Combating Local Crime		07-DJ-120 09-DJ-023	6,566 <u>95,273</u>
Total for program			<u>101,839</u>
Pass-Through Indiana Department of Natural Resources			
Public Safety Partnership and Community Policing Grants	16.710	E11-8-SB016	<u>10,358</u>
Pass-Through Indiana Criminal Justice Institute			
ARRA - Recovery Act - VOCA Crime Victim Assistance Discretionary Grant Program	16.807	07VA312 09VALE204 10VALE007	26,317 9,712 <u>3,238</u>
Total for program			<u>39,267</u>
Total for federal grantor agency			<u>2,306,334</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation			
Highway Planning and Construction Cluster			
Highway Planning and Construction	20.205		
Bridge Inspection			8,093
Construction Management			<u>249,002</u>
Total for program			<u>257,095</u>
ARRA - Highway Planning and Construction	20.205		
Construction Management			<u>98,914</u>
Recreational Trails Program	20.219		
Savannah Trail - Wisconsin Street		R-29234	20,990
Savannah Trail - Gary		R-29619	<u>99,739</u>
Total for program			<u>120,729</u>

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

LAKE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2010
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF TRANSPORTATION (continued)</u>			
Pass-Through Indiana Department of Natural Resources Recreational Trails Program Erie Lackawanna Trail/Turkey Creek Corridor	20.219	RT-07-008	<u>81,193</u>
Total for cluster			<u>557,931</u>
Pass-Through Indiana Criminal Justice Institute Highway Safety Cluster State and Community Highway Safety Big City/County Seat Belt Enforcement Operation Pull Over Enforcement Program	20.600		<u>5,750</u> <u>3,250</u>
Total for program			<u>9,000</u>
Pass-Through Indiana Criminal Justice Institute Alcohol Impaired Driving Countermeasures Incentive Grants I DUI Task Force Enforcement Program	20.601		<u>735</u>
Total for cluster			<u>9,735</u>
Total for federal grantor agency			<u>567,666</u>
<u>U.S. DEPARTMENT OF ENERGY</u>			
Direct Grant ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	DE-FOA-000013	<u>180,189</u>
Total for federal grantor agency			<u>180,189</u>
<u>U.S. ELECTION ASSISTANCE COMMISSION</u>			
Direct Grant Help America Vote Act Requirements Payments	90.401		<u>34,513</u>
Total for federal grantor agency			<u>34,513</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-Through Indiana Family and Social Services Administration Special Programs for the Aging - Title VII, Chapter 3 Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041		<u>131,283</u>
Pass-Through Indiana Department of Health Public Health Emergency Preparedness Public Health Preparedness and Response for H1N1	93.069		<u>89,232</u>
Pass-Through Indiana Department of Health Project Grants and Cooperative Agreements for Tuberculosis Control Program	93.116		<u>40,302</u>
Pass-Through Indiana Family and Social Services Administration Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243		<u>121,940</u>
Pass-Through Indiana Department of Child Services ARRA - Child Support Enforcement ARRA - County Prosecutor's Expenditures ARRA - County Clerk's Expenditures ARRA - County Court Expenditures	93.563		<u>398,286</u> <u>51,657</u> <u>16,792</u>
Total ARRA - Child Support Enforcement			<u>466,735</u>

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

LAKE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2010
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)</u>			
Pass-Through Indiana Department of Child Services (continued)			
Child Support Enforcement	93.563		
County Prosecutor's Expenditures			1,847,691
County Clerk's Expenditures			324,143
County Court's Expenditures			257,662
Indirect Costs			<u>193,905</u>
Total Child Support Enforcement			<u>2,623,401</u>
Total for program			<u>3,090,136</u>
Pass-Through Indiana Supreme Court			
State Court Improvement Program	93.586	CIP-FY10	<u>9,897</u>
Pass-Through Indiana Department of Health			
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944		<u>42,750</u>
Total for federal grantor agency			<u>3,525,540</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036		<u>5,142</u>
Pass-Through Indiana Department of Homeland Security			
Emergency Management Performance Grants	97.042	2009 EMPG	<u>27,984</u>
Pass-Through Indiana Department of Homeland Security			
State Homeland Security Program (SHSP) 2007 Homeland Security Grant Program	97.073	2007-GE-T7-0026	<u>3,274</u>
Pass-Through Indiana Department of Homeland Security			
Sector Buffer Zone Protection Program (BZPP)	97.078	06 BZPP	<u>167,946</u>
Total for federal grantor agency			<u>204,346</u>
Total federal awards expended			<u>\$ 12,250,385</u>

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

LAKE COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Lake County (County) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statements. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

II. Subrecipients

Of the federal expenditures presented in the schedule, the County provided federal awards to subrecipients as follows for the year ended December 31, 2010:

Program Title	Federal CFDA Number	2010
Community Development Block Grants/Entitlement Grants – Community Development Block Grant	14.218	\$ 55,000
HOME Investment Partnerships Program	14.239	453,688
ARRA - Homelessness Prevention and Rapid Re-Housing Program (HPRP)	14.257	219,753

LAKE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiency identified?	no
Noncompliance material to financial statements noted?	yes

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiency identified?	no
Type of auditor's report issued on compliance for major programs:	Unqualified for all major
programs except:	
Public Safety Partnership and Community Policing Grants	
ARRA – Recovery Act Edward Byrne Memorial Justice Assistance Grant (JAG)	
Program/Grants to States and Territories	
ARRA - Highway Planning and Construction	
ARRA - Child Support Enforcement	
Child Support Enforcement	
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
	CDBG Entitlement Grants Cluster
	Highway Planning and Construction Cluster
	JAG Program Cluster
14.257	ARRA - Homeless Prevention and Rapid Re-Housing Program (HPRP)
16.710	Public Safety Partnership and Community Policing Grants
81.128	ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG)
93.563	ARRA - Child Support Enforcement
93.563	Child Support Enforcement

Dollar threshold used to distinguish between Type A and Type B programs: \$367,512

LAKE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

FEDERAL FINDING 2010-1 - INTERNAL CONTROLS OVER FINANCIAL REPORTING

Treasurer and Auditor:

The Treasurer collects and retains cash collections for subsequent distribution to the various governmental entities at tax settlement. These cash transactions for property and excise taxes, liens, etc., are reported in the financial statements as "Unfunded Money."

Each office at the County is required to prepare a report at year end to submit to the Auditor so that the transactions can be reported in the County's Annual Report. It is from the County's Annual Report that the year-end financial statements are generated. The Treasurer did not prepare the year-end report for his office, so a Clerk in the Auditor's office determined the amounts from computer generated reports she had access to; however, the reports she used included activity reported in the individual funds also. This resulted in the Unfunded Money Fund being materially overstated, due to inclusion of cash activities which were already accounted for in the individual funds. The Unfunded Money Fund cash balance at December 31, 2010, was overstated by \$15,273,754. Receipts and disbursements were overstated by \$487,830,572 and \$472,556,818, respectively.

Controls have not been established to compare reconciled cash and investment balances reported by the County Treasurer, and each office of the County to the County Annual Report to ensure that the amounts being reported at year end are accurate and complete. By not establishing such controls, amounts are being reported which materially misrepresent the financial position of the County as a whole.

Other instances of either cash accounts not being reported, or transactions not being accurately reported were observed, but the amounts were not material in relation to the financial statement presentation. Instances of cash balances or transactions not being reported accurately included the County Highway Maintenance Garage Bond, County Bond Improvements, Jail Commissary, Inmate Trust - Commissary, and Inmate Medical Funds. The material amounts were corrected through audit adjustments to the financial statements.

Clerk:

The Lake County Clerk does not have adequate internal controls over financial reporting that would facilitate the preparation of accurate and complete financial reports.

The Clerk's information contained in the 2010 County Annual Report (CAR) contained numerous errors and omissions which required audit adjustments. The Clerk of the Circuit Court has offices in multiple locations (Crown Point, East Chicago, Gary, and Hammond) and divisions (Civil, Small Claims, Criminal, and Traffic) within these locations. These offices and divisions were responsible for reporting their individual cash and investment balances as of December 31, 2010, as well as their receipts and disbursements for 2010 to the Finance Manager in the Crown Point office. The individual offices and divisions reports are combined and reported in total to the County Auditor. The total cash and investments

LAKE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

reported on the 2010 CAR was \$6,749,741.77; the audited cash and investments balance as of December 31, 2010, was \$17,683,165.35 resulting in a difference of \$10,933,423.58. Most of this difference was due to the omission of investments made from "total monies on deposit" (\$6,150,000.00) and court-ordered investments (\$4,399,539.59). Additionally, receipts and disbursements for 2010 were overstated in the CAR by \$3,240,037.95 and \$4,475,602.79, respectively. Identified errors that contributed to the differences included the reporting of depository balances instead of reconciled record balances, not correctly reconciling the records of several offices and divisions, and the responsible employees not knowing what amounts should be reported.

The County Clerk did not ensure that employees had the adequate training to prepare complete and accurate financial reports. In addition, there was a lack of management oversight of the financial report before it was filed with the County Auditor and the State of Indiana. Adequate internal control over financial reporting requires that employees understand the importance of complete and accurate financial reporting and that they have the requisite knowledge and skills to prepare complete and accurate financial reports. In addition, adequate internal control requires sufficient supervision and oversight by management and the governing bodies to ensure complete and accurate financial reporting.

Indiana Code 5-11-1-4 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 filed electronically, in a manner prescribed by the state examiner that is compatible with the technology employed by the political subdivision."

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Counties, Chapter 1)

Accounting records and other public records must be maintained in a manner that will support accurate financial statements. Anything other than an unqualified opinion on the Independent Auditor's Report on the financial statements may have adverse financial consequences with the possibility of an increase in interest rate cost to the taxpayers of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Counties, Chapter 1)

We recommended that the County officials of their respective offices establish and maintain controls to ensure complete and accurate reporting of financial activities.

LAKE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2010-2 - FEDERAL GRANT SCHEDULE

The Schedule of Federal Financial Assistance (Federal Grant Schedule) presented for audit was inaccurate for the year ended December 31, 2010. Each County department is responsible for overseeing and reporting their grants. County departments are responsible for applying for grants, presenting them to the County Council and the Board of County Commissioners, and accounting for the grants they receive. The Auditor's office is responsible for preparing the grant schedule annually based on the grant information provided by each department.

The Federal Grant Schedule was presented for audit on March 15, 2011. A revised schedule was presented on March 24, 2011. The first schedule presented for audit underreported federal expenditures by \$1,688,714 or 14 percent of the total federal expenditures reported for 2010. The second schedule presented for audit was over reported federal expenditures by \$2,156,000 or 18 percent. Both of the schedules included state grant expenditures as Federal grant expenditures. Each schedule excluded some Federal grant expenditures. Using grant files, ledgers and other documentation, a corrected Federal Grant Schedule was prepared.

Controls have not been established by the County to ensure complete and accurate reporting of federal grant expenditures. The minutes for either the Board of County Commissioners or the County Council did not acknowledge many of the grants that were received. The individual departments do not have the opportunity to review the information the Auditor presents in the Schedule to ensure all federal awards and expenditures are included and reported based upon their records and reports.

The auditee shall:

- (a) Identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the Federal agency, and name of the pass-through entity. (OMB Circular A-133, Subpart C--Auditees § __.300)
- (b) Schedule of Expenditures of Federal awards. The auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple award years, the auditee may list the amount of Federal awards expended for each award year separately. (OMB Circular A-133, Subpart C--Auditees § __.310)

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Counties in Indiana, Chapter 1)

We recommended that the County establish procedures to ensure that the grant awards are presented to the Board of the County Commissioners and the County Council, and that the financial information reported on the County Annual Report is accurate.

LAKE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III – Federal Award Findings and Questioned Costs

FINDING 2010-3 - PROCUREMENT

Federal Agency: U.S. Department of Justice
Federal Program: Public Safety Partnership and Community Policing Grants
CFDA Number: 16.710
Award Number: 2008CKWX0525

In 2008, the County Sheriff applied for a technology grant in the amount of \$444,268 to supplement the purchase of two helicopters equipped with specialized equipment. Due to the costs of helicopters, the County could only purchase one helicopter at a cost of \$2,215,818. The County requested that the grant be amended to allow the County to purchase one helicopter, financed by a capital lease with local funds. The County determined the grant funds would be used to purchase the specialized equipment for the helicopter. In 2010, the grantor agency approved the amendments to the grant and the revised budget to allow for the purchase of the specialized equipment. There was no change to the overall grant award amount.

The helicopter was purchased on July 29, 2009, which occurred prior to the date the amended grant agreement was approved by the grantor agency. The cost of the helicopter included the cost of the specialized equipment. An itemized invoice that included the cost of the specialized equipment was not included with the original claim for payment. After approval of the amended grant agreement and budget, which indicated the grant funds would be used to purchase the specialized equipment, the County Sheriff grant administrator requested an itemized breakdown from the vendor of the cost of the specialized equipment included in the purchased price of the helicopter.

The itemized costs of the individual equipment items ranged in price from \$11,285 to \$275,452 totaling \$444,268. The item of equipment purchased for \$275,452 was infrared camera equipment. Based upon the dollar amount, this equipment purchase exceeded the threshold established by state statute for the County to seek competitive bids, as was the overall cost of the helicopter.

Evidence was not presented for audit to indicate that a special purchasing method under Indiana Code 5-22-10 was used in lieu of the competitive bidding process that would otherwise be required for purchases of these dollar amounts by Indiana Code 5-22-7-1. Documentation was not presented within the contract file for these purchases nor was a listing of all purchases made by the County under the special purchasing provisions of Indiana Code 5-22-10 that included these purchases, provided for audit as required by Indiana Code 5-22-10-3.

During 2008, the County Sheriff had solicited sealed quotes or bids for the purchase of two EC-120B Colibri Helicopters, or their equivalent. According to a Sheriff's Department employee, the solicitation for quotes was advertised in an aviation periodical. The quotes were to be opened and read aloud in the Lake County Sheriff's Department Training Room. Vendors submitting their quotes were invited to attend the opening. The Lake County Board of Commissioners (purchasing agency) did not open the quotes, or award the purchase of the helicopter at a public meeting. Furthermore, the purchase of the helicopter was not awarded to the lowest bidder and documentation was not provided for audit to indicate why the lowest bidder was not awarded the contract.

Indiana Code 5-22-2-25 states: "'Purchasing agency' means a governmental body that is authorized to enter into contracts by this article, rules adopted under this article, or by another law."

LAKE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Indiana Code 5-22-7-1 states: "A purchasing agent shall follow the procedure described in this chapter in awarding a contract for supplies, unless another purchasing method is required or authorized by this article." Indiana Code 5-22-7-6 goes on to require: "The purchasing agency shall open bids publicly in the presence of one (1) or more witnesses at the time and place designated in the invitation for bids." "A contract must be awarded with reasonable promptness by written notice to the lowest responsible and responsive bidder" per Indiana Code 5-22-7-8.

Per Indiana Code 5-22-10-1, a purchasing agent may make a purchase under this chapter without soliciting bids or proposals. "A special purchase must be made with competition as is practicable under the circumstances" as stated in Indiana Code 5-22-10-2. Indiana Code 5-22-10-3 requires:

"(a) A purchasing agent shall maintain the contract records for a special purchase in a separate file.

(b) A purchasing agent shall include in the contract file a written determination of the basis for:

- (1) the special purchase; and
- (2) the selection of a particular contractor.

(c) Notwithstanding any other law, a governmental body shall maintain a record listing all contracts made under this chapter for a minimum of five (5) years. The record must contain the following information:

- (1) Each contractor's name.
- (2) The amount and type of each contract.
- (3) A description of the supplies purchased under each contract.

(d) The contract records for a special purchase are subject to annual audit by the state board of accounts."

Since the specialized equipment was already installed and included in the purchase price used to determine the lease amount from 2009, the grant money received in 2010 was used to pay down the principal on the helicopter lease.

Because the County did not follow proper procurement procedures we could not determine if the County received the best price for the helicopter and equipment and public access was not provided in the manner required by Indiana Code.

The federal guidelines in 28 CFR §31.203 states:

"Open meetings and public access to records. The State must assure that the State agency, its supervisory board established pursuant to section 299(c) and the State advisory group established, pursuant to section 223(a)(3) will follow applicable State open meeting and public access laws and regulations in the conduct of meetings and the maintenance of records relating to their functions."

LAKE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The federal guidelines in 28 CFR § 66.36 states:

"Procurement. (b) Procurement standards. (1) Grantees and subgrantees will use their own procurement procedures which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this section."

The federal guidelines in 28 CFR § 66.36 states:

"Procurement. (b) (9) Grantees and subgrantees will maintain records sufficient to detail the significant history of a procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price."

We recommended that the County follow applicable state statutes when making purchases that require adherence to the Public Purchasing law and proper itemization of purchases be available before payment.

FINDING 2010-4 - SPECIAL TEST AND PROVISIONS

Federal Agencies: U.S. Department of Justice, U.S. Department of Transportation, U.S. Department of Health and Human Services
Federal Program: ARRA – Recovery Act Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories, ARRA – Highway Planning and Construction, Child Support Enforcement, and ARRA – Child Support Enforcement
CFDA Number: 16.803. 20.205, 93.563
Federal Award Number: 2009-SU-B9-0047, N/A, N/A
Pass-Through: Indiana Criminal Justice Institute, Indiana Department of Transportation, Indiana Department of Child Services

The County has not established controls to allow for adequate reporting of federal grant funds, and the separation of American Recovery and Reinvestment Act (ARRA) federal funds from Non-ARRA federal funds. The lack of properly established controls has affected the County's ability to comply with federal requirements regarding monitoring and reporting of federal receipts, disbursements, and balances.

ARRA – Recovery Act Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories:

To comply with the federal government's requirement, that American Recovery and Reinvestment Act funds have separate accountability and transparency, the Juvenile Home Detention Grant Fund (Fund 159) was established to account for the financial activity of the ARRA – Recovery Act Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories. Grant disbursements were properly recorded in this fund, but the related grant receipts were posted to the Lake County Corrections Fair Share Fund (Fund 139).

The ARRA – Recovery Act Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories requires funds to be spent and a claim submitted to the grantor agency for reimbursement. To comply with this procedure, the County made monthly transfers from Fund 139 to

LAKE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Fund 159, so that purchases could be made without overdrawing the fund's cash balance. By including transfers in Fund 159 instead of the actual grant receipts the County is not properly recording or reporting the financial activity of the grant. As of December 31, 2010, the County reported \$474,683.62 as ARRA – Recovery Act Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories receipts and disbursements, although the County had only received \$425,650.17 in reimbursements of grant expenditures in 2010.

ARRA – Highway Planning and Construction:

The County has comingled ARRA - Highway Planning and Construction with other (non ARRA) Highway Construction and Planning Grant funds. The financial activity for both the ARRA and Non-ARRA Highway Construction and Planning grants were accounted for in the Major Moves Construction Fund (Fund 550). However, the county is a subrecipient of the State and was not given information that the ARRA funds had to be accounted for separately.

ARRA and Non –ARRA – Child Support Enforcement:

The County established separate funds to account for the ARRA and Non-ARRA Child Support Enforcement funds; however, the State did not provide accurate information to the County to allow them to identify the ARRA and Non-ARRA amounts distributed to the County as reimbursements.

The County is reimbursed for child support enforcement activities based upon the submission of claims to the Indiana Department of Child Services. When the reimbursements are received by the County, the Indiana Department of Child Services provides a voucher which identifies the funds as either ARRA or Non-ARRA. Many of the vouchers issued by the Indiana Department of Child Services did not properly identify the funds as ARRA or Non-ARRA. The Indiana Department of Child Services notified the County of some of the errors in identification. The County transferred money between ARRA and Non-ARRA funds to correct the transactions and fund balances to agree to the corresponding documentation of the Indiana Department of Child Services.

In addition, some Non-ARRA Child Support Enforcement reimbursements were recorded in the Infraction Deferral Program fund and to the Gambling Admission Tax fund, because the County claimed reimbursement for some expenditures, such as supplies used for the Child Support enforcement program.

Furthermore, some Non-ARRA Child Support Enforcement reimbursements were posted to the Child Support/PCA Fees Fund (Fund 295). The County established the Child Support/PCA Fees Fund (Fund 295) to record the receipts associated with collections of delinquent child support payments from a state - approved collection agency. These collections are not federal funds, and should not be commingled with either ARRA or Non-ARRA Child Support Enforcement incentive funds, which are federal funds.

To allow for proper accountability over the federal Child Support Enforcement funds, disbursements for Child Support related activities and subsequent reimbursements should only be posted to one of the Child Support Enforcement Funds established for the receipt and disbursement of those federal funds.

Failure to establish proper controls for maintaining records that track the source (receipts) and application (disbursements) of each grant individually has affected the County's ability to provide transparency for federal awards, and has affected their ability to provide an accurate schedule of federal expenditures.

LAKE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The federal guidelines in 28 CFR § 66.20, 49 CFR § 18.20, and 45 CFR § 92.20 states in part:

"(2) *Accounting records.* Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income.

(3) *Internal control.* Effective control and accountability must be maintained for all grant and subgrant cash, real and personal property, and other assets. Grantees and subgrantees must adequately safeguard all such property and must assure that it is used solely for authorized purposes."

We recommended the County establish controls and procedures to adequately identify and separately account for ARRA and Non-ARRA activities in the official records of the County.

FINDING 2010-5 - REPORTING - CLERK IV-D, CHILD SUPPORT ENFORCEMENT

Federal Agency: U.S. Department of Health and Human Services
Federal Program: Child Support Enforcement
CFDA Number: 93.563
Federal Award Number: N/A
Pass-Through Entity: Indiana Department of Child Services

As part of the cooperative agreement between the County and the Indiana Department of Child Services (Indiana Child Support Bureau), the County Clerk is required to submit monthly claims for reimbursement of child support program related expenditures to the Indiana Child Support Bureau. The County Clerk did not file the claims in a timely manner. Ten out of twelve monthly reimbursement claims filed in 2010 were from 2 to 37 days late.

The County Clerk who prepares the reports did not realize there was a due date for the filing of each report, neither did the person who reviews the reports.

Failure to file claims timely may affect the State of Indiana's ability to report grant activity timely and accurately to the U.S. Department of Health and Human Services, which could jeopardize the County's ability to obtain federal awards in the future.

Per instructions on the "Monthly Reimbursement Claim for Title IV-D Expenditures (SF 24220)," the Indiana Family and Social Services Administration requires that the month reimbursement claim be submitted to the Department of Child Services by the 10th of the following month.

The federal guidelines in 45 CFR § 92.20 states: "(1) Financial reporting. Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant."

We recommended the Clerk's office implement procedures to submit timely monthly reimbursement claims.

LAKE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2010-6 - SUSPENDED AND DEBARRED – CONTROLS AND COMPLIANCE

Federal Agency: U.S. Department of Energy
Federal Programs: ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG)
CFDA Number: 81.128
Federal Award Number: DE-FOA-000013

The County does not have a monitoring system in place for determining whether or not a vendor has been excluded from doing business with the Federal Government. The County Commissioner's Office provided information from a State of Indiana website that listed information about a business, such as licensing information, but this site did not provide information on whether the businesses were suspended or debarred from doing business with the federal government. This information can be obtained through the Excluded Parties List System (www.epls.gov) web site which includes businesses and individuals.

In addition, the contracts the County entered into with the vendors did not include a certification or clause that the vendor was not suspended or debarred from receiving federal funds.

This lack of control allows for the potential for the County to pay federal funds to a vendor who has been suspended or debarred, which would result in a questioned cost.

The federal guidelines in 10 CFR § 606.300 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 the *EPLS*; or (b) Collecting a certification from that person if allowed by this rule; or (c) Adding a clause or condition to the covered transaction with that person."

We recommended that officials design and implement controls to prevent the potential of a disbarred or suspended vendor from being paid from federal funds.



Office of The Auditor

LAKE COUNTY, INDIANA

Heggy Holinga Katona
AUDITOR

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING NO. 2009-3 CAPITAL ASSET RECORDS AND CONTROLS

Original Audit Report Number: B37598

Auditee Contact Person: Linda James

Title of Contact Person: Grant Administrator, Lake County Sheriff's Office

Phone Number: (219) 756-4742

Status of Finding:

Please refer to the attached response from the above named contact person.

FINDING NO. 2009-4 ARRA(AMERICAN RECOVERY AND REINVESTMENT ACT) GRANTS COMINGLED

Original Audit Report Number: B37598

Auditee Contact Person: Linda James

Title of Contact Person: Grant Administrator, Lake County Sheriff's Office

Phone Number: (219) 756-4742

Status of Finding:

Please refer to the attached response from the above named contact person.

See Auditor's comment page

FINDING NO. 2009-5 SUPPLEMENT NOT SUPPLANT LOCAL FUNDS

Original Audit Report Number: B37598

Auditee Contact Person: Linda James

Title of Contact Person: Grant Administrator, Lake County Sheriff's Office

Phone Number: (219) 756-4742

Status of Finding:

Please refer to the attached response from the above named contact person.

FINDING NO. 2009-6 ACTIVITIES UNALLOWED

Original Audit Report Number: B37598
Auditee Contact Person: Michael Brown
Title of Contact Person: Lake County Clerk
Phone Number: (219) 755-3520

Status of Finding:

Please refer to the attached response from the above named contact person.

FINDING NO. 2009-7 PROCUREMENT, SUSPENSION, & DEBARMENT

Original Audit Report Number: B37598
Auditee Contact Person: Jodi Richmond
Title of Contact Person: Director
Lake County Homeland Security/ Emergency Mgmt.
Phone Number: (219) 755-3549

Status of Finding:

Please refer to the attached response from the above named contact person.

FINDING NO. 2009-8 CAPITAL ASSETS PURCHASED WITH FEDERAL FUNDS

Original Audit Report Number: B37598
Auditee Contact Person: Jodi Richmond
Title of Contact Person: Director
Lake County Homeland Security/ Emergency Mgmt.
Phone Number: (219) 755-3549

Status of Finding:

Please refer to the attached response from the above named contact person.

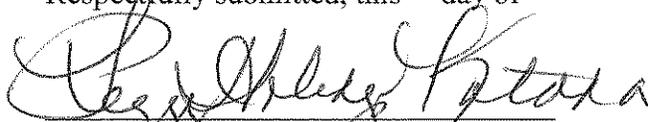
FINDING NO. 2009-9 REPORTING

Original Audit Report Number: B37598
Auditee Contact Person: Jodi Richmond
Title of Contact Person: Director
Lake County Homeland Security/ Emergency Mgmt.
Phone Number: (219) 755-3549

Status of Finding:

Please refer to the attached response from the above named contact person.

Respectfully submitted, this day of


Peggy Molina Katona, County Auditor

LAKE COUNTY SHERIFF'S DEPARTMENT

2298 N. MAIN STREET
CROWN POINT, IN 46307

(219) 755-3400
FAX (219) 755-3371

Rogelio "Roy" Dominguez
Sheriff

"To Serve & Protect"

CORRECTIVE ACTION PLAN

Section III – Financial Statement of Findings

Finding 2009 - CAPITAL ASSETS RECORDS – ARRA JAG

Federal Agency: U.S. Department of Justice

Federal Program: ARRA - - Edward Byrne Memorial Justice Assistance Grant (JAG) Program

CFDA Number: 16.803

Award Number: 2009-SB-B9-1671

Auditee Contact Person: Linda James

Title of Contact Person: Grant Administrator Lake County Sheriff's Department

Phone Number: (219)756-4742

Description of action to be taken to correct finding:

The Grant Administrator for the Lake County Sheriff's Department has completed a Capital Asset, Grant Purchased spreadsheet. The required Capital Asset Inventory Record was completed from the start date of grant 2009-SB-B9-1671 (03-01-09 to 07-30-10). Information for this record was acquired from purchase records in the Grant Administration Office and the records of the participating police departments who received equipment through this grant.

The Capital Asset Record will be maintained by entry of each item of equipment as acquired and a physical inventory review with the departments at the department location on an annual basis.

Signed Linda James

Date 08-02-10



Office of The Auditor

LAKE COUNTY, INDIANA

Heggy Holinga Katona
AUDITOR

Auditor's Comment:

FINDING NO. 2009-4 ARRA(AMERICAN RECOVERY AND REINVESTMENT ACT) GRANTS COMINGLED

Original Audit Report Number: B37598

Auditee Contact Person: Michael T. Wieser

Title of Contact Person: Director of Finance, Lake County Auditor's Office

Phone Number: (219) 755-3129

Status of Finding:

"Award number 2009-SU-B9-0047 should have been accounted for in Fund 159 Juvenile Home Detention Grant; however, reimbursements were receipted into Fund 139 Community Correction Fair Share".

Although the original corrective action plan was to separate all grants and receipt and disburse them individually, these funds were never addressed during 2010.

Respectfully Submitted,

A handwritten signature in cursive script, appearing to read "Michael T. Wieser", is written over a horizontal line.

Michael T. Wieser

LAKE COUNTY SHERIFF'S DEPARTMENT

2293 N. MAIN STREET
CROWN POINT, IN 46307

(219) 755-3400
FAX (219) 755-3371

Rogelio "Roy" Dominguez
Sheriff

"To Serve & Protect"

CORRECTIVE ACTION PLAN

Section III – Financial Statement of Findings

Finding 2009 – ARRA (AMERICAN RECOVERY AND REINVESTMENT ACT) GRANTS COMINGLED

Federal Agency: U.S. Department of Justice

Federal Program: ARRA - - Edward Byrne Memorial Justice Assistance Grant (JAG) Program

CFDA Number: 16.803

Award Number: 2009-SB-B9-1671

Auditee Contact Person: Linda James

Title of Contact Person: Grant Administrator Lake County Sheriff's Department

Phone Number: (219)756-4742

Description of action to be taken to correct finding:

The 262 fund, which the County has designated as the Justice Assistance Grant (JAG) fund, will be sub-divided by the ARRA award operated through this fund. The subdivisions will provide for the individual award receipts and disbursements of the ARRA grant.

Signed *Linda James*

Date 08-02-10

LAKE COUNTY SHERIFF'S DEPARTMENT

2293 N. MAIN STREET
CROWN POINT, IN 46307

(219) 755-3400
FAX (219) 755-3371

Rogelio "Roy" Dominguez
Sheriff

"To Serve & Protect"

CORRECTIVE ACTION PLAN

Section III – Financial Statement of Findings

Finding 2009 – SUPPLEMENT NOT SUPPLANT LOCAL FUNDS

Federal Agency: U.S. Department of Justice

Federal Program: ARRA - - Edward Byrne Memorial Justice Assistance Grant (JAG) Program

CFDA Number: 16.803

Award Number: 2009-SB-B9-1671

Auditee Contact Person: Linda James

Title of Contact Person: Grant Administrator Lake County Sheriff's Department

Phone Number: (219)756-4742

Description of action to be taken to correct finding:

The Lake County Sheriff's Department will provide compensation for grant administration activity as supplemental income to income received by the Grant Administrator for two grants considered County employment. All hours worked, both regular and those for supplemental income, will be identified on weekly time sheets.

All compensation to the Grant Administrator will be provided through Lake County Sheriff's Department payroll.

Signed Linda James

Date 08-02-10



MICHAEL A. BROWN

CLERK LAKE CIRCUIT/SUPERIOR COURT
2293 NORTH MAIN STREET
CROWN POINT, INDIANA 46307

PHONE: (219) 755-3460

FAX: (219) 755-3520

© GCI 1049-M

April 18, 2011

IMPLEMENTATION OF CORRECTIVE ACTION PLAN

FINDING NO. 2009-6 ACTIVITIES UNALLOWED
RE: CHILD SUPPORT ENFORCEMENT - COUNTY CLERK
EXPENDITURES CFDA 93.563

Auditee Contact Person: Michael A. Brown
title of Contact Person: Lake County Clerk

The Clerk has not used any funds from the County Clerk Incentive Fund (428-0100) to supplement his salary. Only those employees who work in the IV-D Department have received supplements in their salaries.

The Clerk received a report from the firm of Crowe, Horwath LLP, C/O Michael M. Harmless, 10 West Market Street, Suite 2000, Indianapolis, Indiana, 46204-2975. They prepared guidelines for Incentive Fund use. A copy of this report is attached. In addition, we consult with Cynthia Longest, Deputy Director Child Support Bureau, Indianapolis, Indiana and her Finance Director, Peggy Boggs, who administer the IV-D Department at the state level to assure compliance.

Respectfully submitted,

Michael A. Brown
Clerk Lake Circuit/Superior Court

4-19-2011
Date



Lake County, Indiana

Lake County Circuit Court Clerk

Michael Brown

Title IV-D Analysis Report

Presented to Lake County Council
October 12, 2010

Prepared by:
Melinda S. Haag
Crowe Horwath LLP
70 W. Madison, Suite 700
Chicago, IL 60602
312-899-5307
melinda.haag@crowehorwath.com



Scope of Work

Once interviews were completed, additional project tasks included:

1. Data gathering of Circuit Clerk's expenses: to identify county-wide current and potential staff and eligible IV-D expenses from April 2008 – March 2010
2. Analysis of eligible IV-D expenses from April 2008 – March 2010 to confirm eligibility based upon Indiana State Child Support and Federal IV-D guidelines
3. Analysis of reimbursement formula data from April 2008 – March 2010 to ensure maximum reimbursement had been sought for this time period
4. Application of the reimbursement formula as defined by State and Federal requirements to those expenses deemed to be eligible
5. Comparison of analyzed data against monthly reports prepared and submitted from April 2008 – March 2010
6. Creation of revised claim forms, as applicable

Summary of Work Performed

Crowe completed the gathering, review and analysis of the data showing Circuit Clerk's expenses and salaries from the time period April 2008 – March 2010. Our analysis found individuals that were not captured on reimbursement forms submitted to the State of Indiana dating back to April 2008. Some of these individuals had been previously identified by Clerk's office personnel as personnel whose time should have been captured on reimbursement reports from April 2008-December 2009. However, at the time we were asked to do our review, the depth and extent of the missing information reported had not been fully examined.

Through our analysis, we were able to identify additional staff and expenses which appeared to be eligible for reimbursement. Additionally, we identified staff and expenses that had been included in previous reports using an incorrect application and calculation of the reimbursement formula defined by State and Federal requirements.

We then met with representatives of the Child Support Bureau of the State of Indiana to verify our methodology and analysis, as well as the application of the formulas. The Child Support Bureau confirmed our process, as well as the findings and recommendations we sought to make to the Lake County Circuit Clerk. We then worked with the State to ensure that staff in the Circuit Clerk's office that would prepare and submit amended reports would do so following the guidelines of the State.

Throughout the discovery of data and information and the related analyses of it, Crowe documented opportunity areas for process improvement, designed to maximize both the efficiency of the Clerk's IV-D functions, as well as to maximize reimbursement for those expenses related to the processing of Title IV-D funds. These improvement areas were then provided to the Clerk. Crowe also assisted the Clerk's staff in creation of revised claim forms dating back to April 2008.

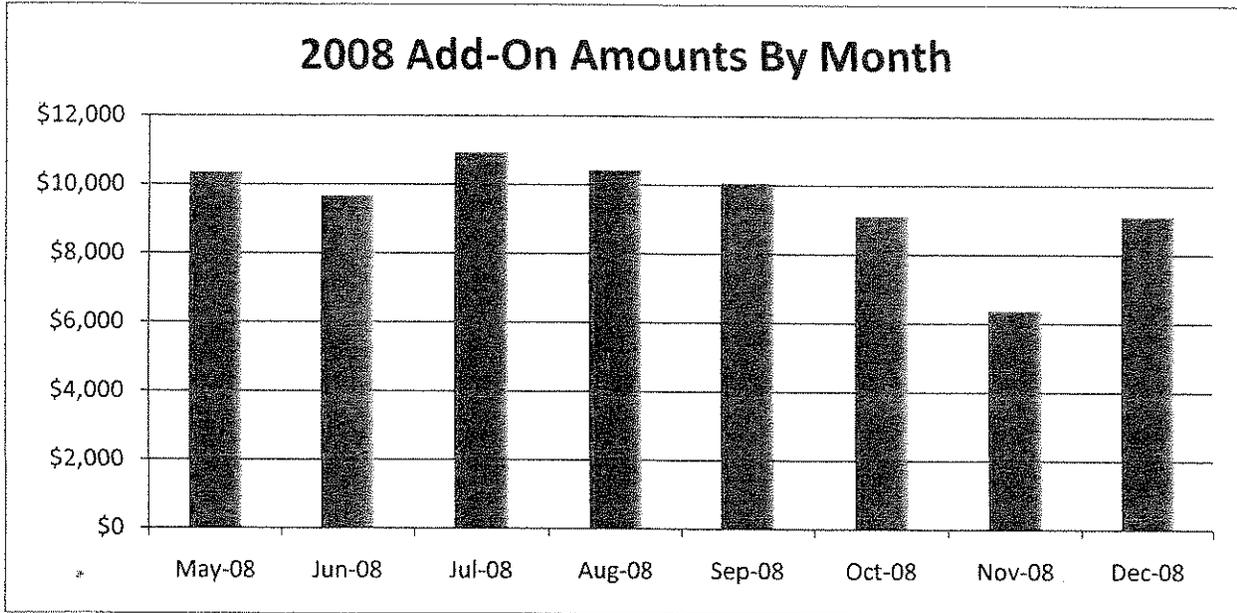
Analysis of IV-D Reimbursement Areas

Staff Salaries and Benefits: Following interviews and review of the data and information gathered, we learned that reimbursement had not been sought for any of the Clerk's IV-D staff from

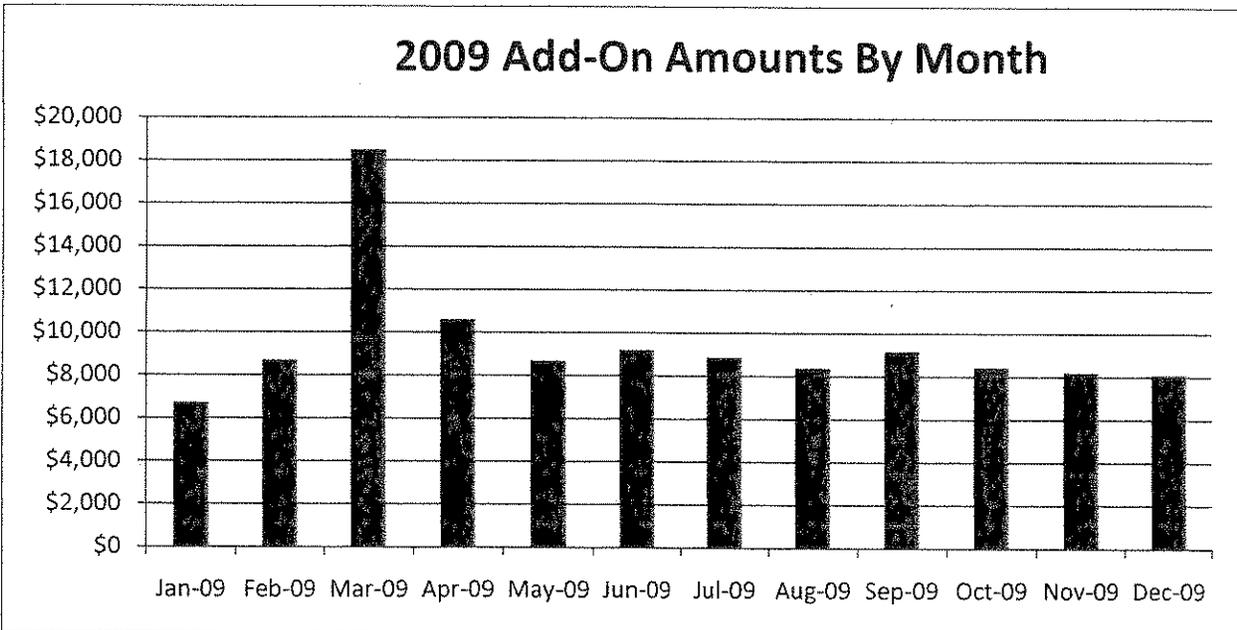
Oct-09	\$ 24,357.06	\$ 8,438.95	\$ 32,796.01	35%
Nov-09	\$ 13,216.88	\$ 8,219.45	\$ 21,436.33	62%
Dec-09	\$ 12,617.07	\$ 8,109.68	\$ 20,726.75	64%

Totals	\$ 189,711.47	76% (AVG)
---------------	----------------------	------------------

This bar graph shows the information reported above for the eligible months in 2008 for which additional reimbursement could be sought.



This bar graph shows the information reported above for 2009 for which additional reimbursement could be sought.



There are also countless numbers of staff Title IV-D hours incurred in mailing documents, pulling files, making copies, and other administration tasks that are lost due to an inability to substantiate the time spent conducting these tasks.

We believe that a single FTE could handle the workload that is now performed by 23 separate people. In that case, a FTE would have worked nearly 4000 hours on Title IV-D casework over the two-year period (40 Hours Per Week multiplied by 50 Work Weeks multiplied by two years), and through a documented job description, all of those 4000 hours would be attributed to Title IV-D work. Thus, no State mandated reduction percentage would need to be applied.

Each of the satellite locations would also benefit greatly from this. The Gary Civil Court had 13 individuals work on Title IV-D cases and Hammond had eight. Although it is not certain that the caseload at the Hammond location could support one FTE, by reducing the number to one FTE, it would be much easier to track the true number of hours used for Title IV-D casework.

Importance

High- By allocating the workload to 1FTE at the Crown Point, Gary (Civil), and Hammond locations, Lake County could apply for reimbursement for over 6000 hours a year that would be attributed solely to Title IV-D work. This would allow the County to pay three FTE's through reimbursement funds.

Recommendation

During the data-gathering portion of this project, the Crown Point location assigned one FTE to take over Title IV-D casework, and, as a result, has begun asking for 100% reimbursement of the hours worked by that FTE. The State's Child Support Bureau has approved this action and is open to further consolidation efforts like it. Crowe recommends that Lake County consolidate Title IV-D casework into 1FTE at the Hammond and Gary (Civil) locations to minimize confusion, and maximize reimbursement.

Finding #3: 100% Title IV-D Personnel at Lake County Juvenile Court

Finding

In the new Lake County Juvenile Court, there are at least two personnel who have worked solely on Title IV-D casework since the Court's inception. Yet those salaries are only reimbursed at 67%, rather than 100%.

Importance

High- Lake County could receive 33 cents extra on every dollar in salary paid over the last few months and going forward for those two FTE's who are working solely on IV-D casework.

Recommendation

During the data-gathering portion of this project, the State's Child Support Bureau was contacted about these two personnel. The County has gained approval for 100% reimbursement of the hours worked by those FTE's going forward. Crowe recommends that the County formalize job descriptions for these positions, as this will be a necessity in order to substantiate the reimbursement of 100% Title IV-D salaries in the future. The Clerk's office has already begun the process of formally creating Title IV-D job titles and position descriptions.

Finding #6: Lack of a Tracking System for Equipment Purchases

Finding

As mentioned above, this analysis identified that there have been equipment purchases and expenses that are used by Title IV-D staff for Title IV-D casework in satellite locations [Gary (Civil), Gary (Juvenile), Crown Point (Circuit), Crown Point (Juvenile) and Hammond]. These expenses have not been accounted for dating back to April 2008. Although it was easy to recognize that these pieces of equipment were purchased, it was very difficult to identify where each of these items was located, who is using the equipment, and for what purpose the equipment is being used for at each location. This is because there is no tracking system in place to identify Title IV-D equipment.

Importance

High- There are significant equipment purchases that could not be substantiated as Title IV-D expenditures because the specific item could not be located.

Recommendation

As a follow-up to this project, we recommend the County engage in an effort to create an asset tagging and tracking effort to identify, tag and record all Title IV-D purchased equipment. The tagging method should tie the item back to the invoice/purchase order that procured it, so that it is easier to locate the procurement documents as well.

Finding #7: Lack of a Policies and Procedures Handbook

Finding

There are currently no policies or procedures in place for the creation of the monthly Title IV-D reimbursement reports.

Importance

High- There is currently only one person (Teresa Etheridge) who has the Subject Matter Expertise to complete this task. This puts the Clerk's office at risk if that individual is not available or leaves the Clerk's office.

Recommendation

As a follow-up to this project, the Clerk's office should create a policy and procedure document that defines the procedures for the creation of Title IV-D monthly reports. Also included in that document should be the knowledge gained from this analysis, and any guidance provided by the State of Indiana's Child Support Bureau and Federal government in regards to Title IV-D receipts.



Lake County Department of Homeland Security/ Emergency Management Agency

Director, Jodi E. Richmond ~ Assistant Director, Elijah Cole, Jr.

2900 West. 93rd Avenue
Crown Point, Indiana 46307

Office: 219-755-3549

Fax: 219-755-3559

County Response Coordination

April 20, 2011

Homeland Security/EMA

Hazardous Materials

Lake County CERT

Lake County ERT

Skywarn/RACES

Implemented Action Plan From The - 2009 - Findings

Finding 2009- 7 , Procurement, Suspension, and Debarment

The Lake County Homeland Security/Emergency Management Agency has created a matrix that will be utilized with each grant (see attached). This matrix is completed and signoff on by the staff of the LCHS/EMA. One component of the matrix deals with purchasing. LCHS/EMA will follow procurement procedures to verify that equipment is purchased in compliance with applicable Federal, State and County guidelines.

Finding 2009- 8 , Capital Assets Purchased With Federal Funds

The Lake County Homeland Security/Emergency Management Agency has completed an inventory of items purchased with grant funds and going forward abiding to the guidelines established in the Sub-Grant Agreements related to Capital Assets. This includes working with agencies that receive the equipment to ensure that they are keeping track of the equipment and reporting the information to LCHS/EMA. We have also created pages in the grant purchasing procedure matrix to:

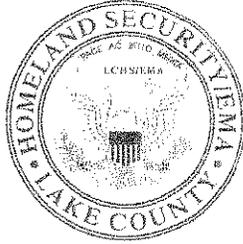
- A. Document the receipt of equipment
- B. Ensure necessary training and certification to use equipment
- C. Proper maintenance is implemented to ensure equipment is in good working condition
- D. Documenting the location of equipment and proper record keep of equipment in the event of relocating or disposal of equipment.

Finding 2009- 9 , Reporting

The Lake Homeland Security/Emergency Management Agency has established and is following reporting procedures to prepare and file quarterly reports on time and in compliance with applicable Federal, State and County requirements. LCHS/EMA will also coordinate the signing of the reports with the County Auditors Office to ensure that the reports are filed on time.


JODI E. RICHMOND, DIRECTOR

21-20-11
DATE



GRANT PURCHASING PROCEDURE MATRIX FOR:

LAKE COUNTY GUIDELINES
STATE OF INDIANA GUIDLINES
FEDERAL GUIDELINES
UPDATED 4-20-11

Grant Name & Year: _____

Sent Sub-Grant Agreement With Letter To John Dull, Commissioners Attorney, For ORIGINAL Signatures: YES _____ DATE SENT: _____

Received Sub-Grant Agreement Fully Signed, ORIGINAL, Make Copies And Certify Mailed ORIGINAL To State: YES _____ DATE RECEIVED: _____ DATE SENT: _____

Sent Sub-Grant Agreement Fully Signed, COPY, To Micki Presnell & Curtis Whittaker With Letter of Grant Award: YES _____ DATE SENT: _____

Verified Grant Loan Is In Place: YES _____
Verified With Auditor's Office On: _____

Verified If Department In Receipt of This Grant is Compliant With NIMS:
Department Name: _____
Compliant With NIMS: YES _____ (See attached if more than one department receiving grant monies)

If EMS or Fire Is Their Reporting Responsibilities Compliant With The State: YES _____
Department Name: _____ Verified With The State On: _____
(See attached if multiple departments)

Ensured Each Department Signed *Acknowledgement of Receipt of Equipment Form*: YES _____
Department Name: _____
(See attached if multiple departments received grant equipment and copy(s) of main form.)

Printed The FEMA/Responder Knowledge Base Website For *ALL* Approved Equipment/AEL #'s For This Grant: YES _____ NO _____ (See attached)

Verified The State Suspended Vendors List: Suspended _____ NOT Suspended _____
I checked State Suspended Vendors List On: _____
& Vendor _____ Is *NOT* On The List.
(See attached if multiple vendors used)

Verified The Federal Excluded Parties Vendor List: Excluded _____ NOT Excluded _____
I Checked Federal Excluded Parties Vendor List On: _____
& Vendor _____ Is *NOT* On The List.
(See attached if multiple vendors used)

County Approved Vendor(s): YES _____ NA _____

County Vendor Name, Number, & Equipment Purchased: _____

(See attached if multiple vendors used)

3 Quotes For *ALL* Purchases From \$1,000.00 - \$50,000.00 For This Grant: YES _____ NA _____
(See attached to each purchase order)

If Not Have 3 Quotes, State QPA: YES _____ NA _____ QPA#: _____
(See attached to each purchase order)

Commissioners Approval To Purchase From State QPA: YES _____ NA _____ DATE _____
(See attached to each purchase order)

If Not Have 3 Quotes, Have Letter Of Explanation (Sole source vendor, see attached to each purchase order): YES _____ NA _____ (See attached to each purchase order)

Completed Sealed Bid Process For Purchases Over \$50,000.00: YES _____ NA _____
(See attached to each purchase order)

If Contracted Out To A City or Town, Is Contract Approved By Lake County Commissioners & City or Town: YES _____ NA _____ (See attached to each purchase order)

Ensured Departments ALL Equipment Was Received & In Good Working Order: YES _____
Department: _____ Date: _____
(See attached if multiple departments received grant equipment)

Received Invoice For Payment: YES _____ DATE: _____

Received Proof Of Payment For Purchase: YES _____ NO _____
(This has to be a copy of the financial audit (green bars) or a signed copy of the front and back of the actual check.)

Submitted On iGMS & Faxed For Reimbursement: YES _____ DATE: _____

Sent Letter Of Incoming Wire Transfer To Larry and Micki On: _____

Received Interim Receipt From Auditor's Office On: _____

A Fixed Asset Excel Spreadsheet Per Sub-Grant Agreement For This Grant: YES _____
(see attached)

A control system is in place to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft shall be investigated and fully documented.

Adequate maintenance procedures are in place to keep the property in good condition

A control system is in place to do physical inventory of the property and the result reconciled with the property records at least once every two years. An also verify existence, current utilization, current location, and continued need for the property.

A control system is in place and understood by all parties involved that there is NO disposal of property acquired with grant funds except in accordance with 28 CFR 66.32(e).

A control system is in place to ensure quarterly reports are completed on time.

All sub-grantees are required to complete quarterly reports on all open grants. These reports MUST be received on or before the 15th of the month following the end of the quarter. For quarterly reporting, Grants Management follows the State fiscal calendar, which is as follows:

- Quarter 1 July 1 – September 30 Report Due October 15 – Sent to IDHS: _____
- Quarter 2 October 1 – December 31 Report Due January 15 – Sent to IDHS: _____
- Quarter 3 January 1 – March 31 Report Due April 15 – Sent to IDHS: _____
- Quarter 4 April 1 – June 30 Report Due July 15 – Sent to IDHS: _____

The sub-grantees receives a reminder generated by the iGMS system beginning on the 1st of the month when a report is due. The Indiana Department of Homeland Security's grants management personnel also sends an email reminder to the sub-grantees to let him or her know a quarterly report is due. To access the Quarterly Reports module, choose Quarterly Report from the General Budget Information category on the Dashboard on iGMS.

Ensured Each Department Signed *Acknowledgement of RETURN of Equipment Form*:

YES _____

Department Name: _____

(IF equipment is returned or transferred - See attached if multiple departments received grant equipment and copy(s) of main form.)

NIMS COMPLIANT

Department Name: _____
Compliant With NIMS: YES _____

EMS OR FIRE REPORTING COMPLIANT

Department Name: _____ Verified With The State On: _____

Department Name: _____ Verified With The State On: _____

Department Name: _____ Verified With The State On: _____

Department Name: _____ Verified With The State On: _____

Department Name: _____ Verified With The State On: _____

Department Name: _____ Verified With The State On: _____

Department Name: _____ Verified With The State On: _____

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Department Name: _____ Verified With The State On: _____

Department Name: _____ Verified With The State On: _____

Department Name: _____ Verified With The State On: _____

Department Name: _____ Verified With The State On: _____

Department Name: _____ Verified With The State On: _____

ACKNOLDEGEMENT OF RECIEPT FORM

Department Name: _____

STATE SUSPENDED VENDOR LIST

Verified The State Suspended Vendors List: Suspended _____ NOT Suspended _____
I checked State Suspended Vendors List On: _____
& Vendor _____ Is *NOT* On The List.

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I checked State Suspended Vendors List On: _____
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I checked State Suspended Vendors List On: _____
& Vendor _____ Is *NOT* On The List.

Verified The State Suspended Vendors List: Suspended _____ NOT Suspended _____
I checked State Suspended Vendors List On: _____
& Vendor _____ Is *NOT* On The List.

FEDERAL EXCLUDED PARTY VENDOR LIST

Verified The Federal Excluded Parties Vendor List: Excluded _____ NOT Excluded _____
I Checked Federal Excluded Parties Vendor List On: _____
& Vendor _____ Is *NOT* On The List.

Verified The Federal Excluded Parties Vendor List: Excluded _____ NOT Excluded _____
I Checked Federal Excluded Parties Vendor List On: _____
& Vendor _____ Is *NOT* On The List.

Verified The Federal Excluded Parties Vendor List: Excluded _____ NOT Excluded _____
I Checked Federal Excluded Parties Vendor List On: _____
& Vendor _____ Is *NOT* On The List.

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I Checked Federal Excluded Parties Vendor List On: _____
& Vendor _____ Is *NOT* On The List.

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I Checked Federal Excluded Parties Vendor List On: _____
& Vendor _____ Is *NOT* On The List.

Verified The Federal Excluded Parties Vendor List: Excluded _____ NOT Excluded _____
I Checked Federal Excluded Parties Vendor List On: _____
& Vendor _____ Is *NOT* On The List.

Verified The Federal Excluded Parties Vendor List: Excluded _____ NOT Excluded _____
I Checked Federal Excluded Parties Vendor List On: _____
& Vendor _____ Is *NOT* On The List.

Verified The Federal Excluded Parties Vendor List: Excluded _____ NOT Excluded _____
I Checked Federal Excluded Parties Vendor List On: _____
& Vendor _____ Is *NOT* On The List.

Verified The Federal Excluded Parties Vendor List: Excluded _____ NOT Excluded _____
I Checked Federal Excluded Parties Vendor List On: _____
& Vendor _____ Is *NOT* On The List.

Verified The Federal Excluded Parties Vendor List: Excluded _____ NOT Excluded _____
I Checked Federal Excluded Parties Vendor List On: _____
& Vendor _____ Is *NOT* On The List.

Verified The Federal Excluded Parties Vendor List: Excluded _____ NOT Excluded _____
I Checked Federal Excluded Parties Vendor List On: _____
& Vendor _____ Is *NOT* On The List.

COUNTY VENDOR APPROVED LIST

County Vendor Name, Number, & Equipment
Purchased: _____

ALL EQUIPMENT WAS RECEIVED & IN GOOD WORKING ORDER

Department: _____ Date: _____

**LAKE COUNTY HOMELAND
SECURITY/EMERGENCY MANAGEMENT AGENCY
~ _____ HOMELAND SECURITY GRANT ~**

**ACKNOWLEDGEMENT OF RECEIPT OF
EQUIPMENT**

Emergency Response Organization Information			
Organization Name: _____			
Address: _____			
City: _____	State: _____	Zip Code: _____	
Contact Name: _____	Title: _____		
Telephone Number: _____	Email: _____		

Equipment Information	
An itemized list of the equipment the organization received is attached to this Acknowledgment of Receipt.	

AFFIRMATION. I hereby swear and affirm, under penalty of perjury, that the following statements are true:

1. I have been duly authorized to execute this Acknowledgment of Receipt on behalf of the above-designated emergency response organization.
2. The equipment that our organization received will only be used by individuals that have the necessary training, certification, and licenses required by Indiana or federal laws and regulations.
3. Maintenance procedures are in place to keep the equipment in good condition.
4. Since the Equipment was purchased with federal funds, I recognize that the County may need to periodically conduct a physical inventory of the equipment and establish procedures for the use, maintenance, and/or disposal of the Equipment.
5. All of the information contained on this form is true and complete to the best of my knowledge.

Signature: _____ Date: _____

Printed Name: _____

Title: _____

LAKE COUNTY HOMELAND
SECURITY/EMERGENCY MANAGEMENT AGENCY
~ _____ HOMELAND SECURITY GRANT ~

ACKNOWLEDGEMENT OF RETURN/TRANSFER OF
EQUIPMENT

Emergency Response Organization Information			
Organization Name:	_____		
Address:	_____		
City:	State:	Zip Code:	_____
Contact Name:	Title: _____		
Telephone Number:	Email: _____		

Equipment Information

An itemized list of the equipment the organization RETURNED/TRANSFERED is attached to this Acknowledgment of Receipt.

AFFIRMATION. I hereby swear and affirm, under penalty of perjury, that the following statements are true:

6. I have been duly authorized to execute this Acknowledgment of RETURN/TRANSFER on behalf of the above-designated emergency response organization.
7. The equipment that our organization RETURNED/TRANSFERED was only used by individuals that have the necessary training, certification, and licenses required by Indiana or federal laws and regulations.
8. Maintenance procedures have been in place to keep the equipment in good condition.
9. Since the Equipment was purchased with federal funds, I recognize that the County may need to periodically conduct a physical inventory of the equipment and establish procedures for the use, maintenance, and/or disposal of the Equipment.
10. All of the information contained on this form is true and complete to the best of my knowledge.

Signature: _____ Date: _____

Printed Name: _____

Title: _____



Auditor Lake County

LAKE COUNTY GOVERNMENT CENTER
2293 NORTH MAIN STREET
CROWN POINT, INDIANA 46307

© GCU 1049-M

CORRECTIVE ACTION PLAN

Section II

FINDING NO. 2010 –1 INTERNAL CONTROLS OVER FINANCIAL REPORTING

Treasurer and Auditor

Original SBA Audit Report Number:

Auditee Contact Person: Michael T. Wieser

Title of Contact Person: Director of Finance, Lake County Auditor's Office

Phone Number: (219) 755-3129

Corrective Action and Plan submitted:

The various offices have been notified that it is their responsibility to produce accurate year-end cash balance reports to the Lake County Auditor's Office.

All offices have agreed to produce these reports in a timely manner so facilitate the submission of the County Annual Report on time.

The Treasurer also agreed to update their method of daily cash accounting to ensure that amounts reported at year-end are accurate and complete.

Upon receipt of year-end information from all agencies, the Lake County Auditor's staff will use County financial reports to verify all cash balances.

Clerk

Original SBA Audit Report Number:

Auditee Contact Person: Michael Brown

Title of Contact Person: Clerk of the Lake Circuit Court

Phone Number: (219) 755-3067

Corrective Action and Plan submitted:

The Chief Financial Officer, Rebecca Dowling, will meet with each financial manager and re-educate those responsible on the correct procedures as they relate to financial reporting.

Monthly meetings will be held to make sure accurate financial reports are completed in an accurate and consistent manner.



Auditor Lake County

LAKE COUNTY GOVERNMENT CENTER
2293 NORTH MAIN STREET
CROWN POINT, INDIANA 46307



CORRECTIVE ACTION PLAN

FINDING NO. 2010-2 FEDERAL GRANT SCHEDULE

Original SBA Audit Report Number
Auditee Contact Person: John Dull

Title of Contact Person: County Attorney

Phone Number: 755-3125

Corrective action plan submitted:

Lake County is aware of the audit findings regarding Federal Grants. The county will take the following action in order to correct the deficiencies:

1. All grants must be submitted to the Lake County Council by virtue of a statute that gives to this body the sole authority to accept grants.
2. Proper planning requires that the grant be submitted to the Lake County Council prior to its submission to any Federal Agency that allocates grants.
3. To ensure proper review, the Lake County Council has activated its grant review committee and appointed the following people: Chairman Christine Cid, Councilman Rick Niemeyer, and Councilman Mike Repay. This committee will review grants prior to their application and submit their recommendations to the Lake County Council for approval prior to the submission of any grant to a Federal Agency as an application.
4. This procedure obviously requires that no Federal Agency accept a grant application unless the application has been signed by the Lake County Council after approval by that body.

In addition, the Lake County Council will consider a procedure whereby all grants whether they require appropriation or not would be appropriated by the Council and therefore included in the Council's master appropriations control documents. If this were done then the expenditure levels and appropriations for all grants would be available in one place and the Auditor would then have a control document against which to determine whether expenditure are properly payable.

PEGGY HOLINGA KATONA
AUDITOR



Auditor Lake County

LAKE COUNTY GOVERNMENT CENTER
2293 NORTH MAIN STREET
CROWN POINT, INDIANA 46307

 1049-M

CORRECTIVE ACTION PLAN

Section III

FINDING NO. 2010-3 PROCUREMENT

Original SBA Audit Report Number:
Auditee Contact Person: John Dull
Title of Contact Person: County Attorney
Phone Number: (219) 755-3125

Response submitted 8/2/11 Response packet included.



Auditor Lake County

LAKE COUNTY GOVERNMENT CENTER
2293 NORTH MAIN STREET
CROWN POINT, INDIANA 46307



FINDING NO. 2010-4 SPECIAL TEST AND PROVISIONS

Original SBA Audit Report Number:
Auditee Contact Person: John Dull
Title of Contact Person: County Attorney
Phone Number: (219) 755-3125

Corrective action plan submitted:

The problem in this area is that all of the funds were ARRA Federal Funds. There were two errors made in handling of these funds:

1. ARRA Funds were sometimes mixed with non ARRA Funds and their identity lost. The corrective action is simply to in the future not mix and co-mingle funds that are not from the same source.

FINDING NO. 2010-5, REPORTING-CLERK IV-D CHILD SUPPORT
ENFORCEMENT

Original SBA Audit Report Number:
Auditee Contact Person: John Dull
Title of Contact Person: County Attorney
Phone Number: (219) 755-3125

Corrective action plan submitted:

The chief problem in this area was that the County Clerk did not file claims in a timely manner thereby resulting in a lag in cash flow back to the county. In the future the claims will be submitted on a timely basis as required. The Clerk will instruct the appropriate staff in the IV-D Department to take the necessary timely action and will emphasize the importance of this to the county. There will be periodic checks by the Clerk to make certain that the claim submission is timely



Auditor Lake County

LAKE COUNTY GOVERNMENT CENTER
2293 NORTH MAIN STREET
CROWN POINT, INDIANA 46307



FINDING NO. 2010-6, SUSPENDED AND DEBARRED-CONTROLS AND
COMPLIANCE

Original SBA Audit Report Number:
Auditee Contact Person: John Dull
Title of Contact Person: County Attorney
Phone Number: (219) 755-3125

Original SBA Audit Report Number:
Auditee Contact Person: John Dull
Title of Contact Person: County Attorney
Phone Number: (219) 755-3125

Corrective action plan submitted:

The corrective action is to have the Purchasing Department check the Excluded Party List System prior to the awarding of any grant money to a vendor. The Lake County Purchasing Department is aware of the Internet system and will make this a standard practice in approving any vendor contracts.

Respectfully Submitted,

Peggy Holinga Katona,
Lake County Auditor



**OFFICE OF THE ATTORNEY
TO THE BOARD OF COMMISSIONERS**

John S. Dull

LAKE COUNTY GOVERNMENT CENTER
2293 NORTH MAIN STREET
CROWN POINT, IN 46307
PH. 219-755-3058 • FAX 219-648-6138
EMAIL: jsdull@yahoo.com



August 2, 2011

Bruce Hartman
State Examiner
State Board of Accounts
302 W. Washington, 4th Floor-Rm. 418
Indianapolis, IN 46402

RE -- Audit Response -- Lake County Helicopter Purchase 2008

Dear Mr. Hartman:

This response is submitted in regard to a finding in Section III, Financial Statement Findings, Finding 2010-Procurement that the Board of Commissioners did not follow proper purchasing procedures.

In purchasing the helicopter, the Board of Commissioners followed a procedure that was authorized under IC 5-22-10 as a special purchasing method. The support for this is as follows:

1. Lake County had to make commitments with regard to the purchase of a helicopter prior to the time that the helicopter was acquired in order to secure in place a one time Federal Grant in the amount of \$500,000 for purchase of a new helicopter.
2. A purchasing agent may make a purchase under IC 5-22-10 as a special purchasing method without soliciting bids or proposals. The special purchase in accordance with IC 5-22-10-2 must be made with the competition as is practical under the circumstances.
3. The purchase of the helicopter under the provisions of IC 5-22-10-5 provided a unique opportunity for Lake County to obtain a necessary piece of equipment at a substantial savings to taxpayers.

4. This unique opportunity for substantial savings was present because the county, through the assistance of financial advisor Financial Solutions Group, Inc. (Attn: Greg Guerrettaz, FSG Corp., 2680 East Main Street, Suite 223, Plainfield, Indiana 46168, who was able to put together a financing package that maximized this method of purchasing, at the least costs to taxpayers, within the time frame available to obtain a \$500,000 federal grant.
5. On March 19, 2008, a Legal Notice Requesting Quotations LCSD Helicopter – RFQ 2008-01 establishing a public opening for sealed quotes on April 15, 2008, along with a Request for Sealed Quotes, a Notice to Quoters and Instructions for Quoters for purchase of a new helicopter were finalized and then published in an aviation magazine dealing with helicopters. The type of helicopter sought was one that could be provided through only a single source under IC 5-22-10-13 in order to maximize the number of features and avionics desired by the Sheriff's Department.
6. On April 15, 2008, per the designation of the Board of Commissioners and public notice, a public opening of the sealed quotes relating to the helicopter was conducted at the Lake County Sheriff's Conference Room in the presence personnel from the Sheriff's helicopter unit and any members of the public and any quoters who wished to attend. At this public opening, sealed quotes were opened from American Eurocopter of Grand Prairie, Texas and BiJan Air, Inc. of Ann Arbor, Michigan. After the opening was conducted, the quotes were referred to staff for review and recommendation.
7. On August 12, 2008, the Lake County Sheriff submitted written recommendations to the Lake County Council and Lake County Commissioners for a Financial Plan and Proposed Helicopter Acquisition of 1 Eurocopter for \$2,215,818.
8. On August 13, 2008, the Lake County Commissioners held a public meeting whereby they approved the Sheriff's financial plan and acquisition of 1 Eurocopter through a lease-purchase agreement subject to approval of financing by the Lake County Council.
9. On August 13, 2008, the Lake County Council met in a public meeting and passed the following motions:
 - a. Motion to commit to the purchase of a single helicopter from American Eurocopter, per Contract No. V-6309-1, training for two pilots and one mechanic, and forward a purchase commitment letter to American Eurocopter reflecting the commitment.
 - b. Motion to support the funding of the purchase of the single helicopter from American Eurocopter, and payment schedule required; and Support of The Master Equipment Lease/Purchase Agreement with Public-Finance.Com, Inc., as approved by the Lake County Board of Commissioners.

10. On August 20, 2008, the Lake County Commissioners at a duly advertised public meeting introduced and approved a "Resolution Authorizing The Execution And Delivery Of A Master Agreement, Equipment Schedule No. 01, An Escrow Agreement, And Related Instruments, And Determining Other Matters In Connection Therewith, thereby approving the purchase of 1 Eurocopter and all related financing through SunTrust Equipment Finance & Leasing Corporation.
11. Of the two companies submitting Sealed Quotes in response to the Legal Advertisement and Notice to Quoters, only one company met all of the functional requirements, specifications and recommendations of the Lake County Sheriff's Aviation Unit as contained in the Notice to Quoters. This company was American Eurocopter.
12. Because the county was able to utilize this special purchasing technique and there was only one helicopter that met the Sheriff's functional requirements, Lake County did receive the best price for the helicopter and equipment given the fact that the procedure had to be expedited in order to secure the federal underlying \$500,000 federal grant obtained by then Unites States Senator Evan Bayh.
13. The helicopter was purchased subject to the Lake County Council providing the necessary funding. The Lake County Council on August 134, 2008, took all necessary action to authorize funding for the helicopter via a lease/purchase.

Sincerely,
ATTORNEY TO THE BOARD OF COMMISSIONERS

John S. Dull
JSD/rmk

CC: Board of Commissioners
Lake County Field Office, State Board of Accounts



MICHAEL A. BROWN

CLERK LAKE CIRCUIT/SUPERIOR COURT
2293 NORTH MAIN STREET
CROWN POINT, INDIANA 46307

PHONE: (219) 755-3460

FAX: (219) 755-3520



Corrective Action Plan

August 12, 2011

FINDING NO. 2010-1, INTERNAL CONTROLS OVER FINANCIAL REPORTING

With regard to errors and omissions in the 2010 Lake County Annual report (CAR), our chief financial officer, Rebecca Dowling, will meet with each financial manager and will review entries made in reporting depository balances instead of reconciled record balances. Corrections will be made at that time. We will also review reconciling records of the clerk's offices and divisions and reeducate the financial managers on the correct procedures to be followed and the correct amounts to be reported.

A review of the omission of investments made from "total monies on deposit" and court-ordered investments will be made as well to correct the CAR report for 2010.

We are initiating monthly visits by our chief financial officer to all departments and outlying offices to insure that monthly reconciliations are being done and being done correctly. We also plan to have regular meetings with all financial managers to implement consistent methods of financial reporting. These will also serve as training sessions for financial personnel.

We believe that the above actions will correct this issue.

Respectfully submitted,

A handwritten signature in black ink that reads "Michael A. Brown".

Michael A. Brown
Clerk of the Lake Circuit Court

LAKE COUNTY COMMUNITY CORRECTIONS

2600 West 93rd Avenue
Crown Point, Indiana 46307
(219) 755-3850 · Fax (219) 755-3871

KELLY J. BITTORI
Executive Director

MARK R. MURPHY
Director of Operations

LEAH M. JOHNSON
Budget and Personnel Manager

BRIAN D. JOHNS
Correctional Services Manager

LONI N. BRITTINGHAM
Quality Assurance Manager

RANDY GODSHALK
Legal Counsel

August 19, 2011

To: Michael Wieser
Director of Finance
Lake County Auditor's Office

From: Leah Johnson 
Budget & Personnel Manager

Re: 2010 SBA Audit, Corrective Action Plan

BOARD OF COMMISSIONERS

ROOSEVELT ALLEN JR.
First District

GERRY J. SCHIEB
Second District

FRANCES DUFFY
Third District

ADVISORY BOARD

PAUL E. PANTHER
Chairman

HON. THOMAS P. STEFANIAK JR.
Vice-Chairman

LONI N. BRITTINGHAM
Secretary (Non-member)

HON. MARY BETH BONAVENTURA

SHERIFF JOHN BUNCICH

PROS. ATTY. BERNARD CARTER

HON. RUDOLPH CLAY

JAMES CLÉMENT JR.

CARLEAN GADLING

LEE GILLIAM

PATTY HERNANDEZ

JAMES A. HOLCOMB

HON. SHEILA M. MOSS

SHERRY OMAN

JAN PARSONS

JOSEPH M. PELLICCIOTTI

COUNCILMAN JEROME PRINCE

HERBERT I. SHAPS

ALMA V. WHITE

CORRECTIVE ACTION PLAN

FINDING NO. 2010 – 4. SPECIAL TEST AND PROVISIONS

Lake County Community Corrections

Original SBA Audit Report Number:
Auditee Contact Person: Leah Johnson
Title of Contact Person: Budget & Personnel Manager, LCCC
Phone Number: 219-755-3850 x308

Corrective Action and Plan Submitted:

Upon receipt of reimbursements from the Grantor, Lake County Community Corrections will make deposits into the Grant Fund 159, instead of Fund 139, and then repay any Temporary Loans to Fund 139, accordingly and if needed.

“A Sensible Approach to Corrections”



Office of the Prosecuting Attorney

31st Judicial Circuit
Lake County, Indiana

BERNARD A. CARTER
PROSECUTING ATTORNEY

FELONYCOURTS DIVISION
2293 NORTH MAIN STREET
CROWN POINT, INDIANA 46307
(219) 755-3720
(219) 755-3642 FAX

DATE: June 24, 2011

TO: Michael Wieser, Finance Director
LAKE COUNTY AUDITOR'S OFFICE
2293 North Main Street
Crown Point, Indiana 46307

FROM: Lisa Beck, Deputy Prosecutor Administration

RE: Audit Response - 2010 SBOA Audit, Corrective Action Plan:
Finding 2010 – Special Test and Provisions

This response is submitted in regard to FINDING 2010 – SPECIAL TEST AND PROVISIONS: ARRA and Non-ARRA – Child Support Enforcement. The Lake County Prosecutor complied with the federal requirements under the American Recovery and Reinvestment Act (ARRA) and reported all errors to the Auditor in a timely manner. The support for this is as follows:

Audit Findings:

Para 1, page 1: “The County has not established controls to allow for adequate reporting of federal grant funds, and the separation of American Recovery and Reinvestment Act (ARRA) federal funds from Non-ARRA federal funds. The lack of properly established controls has affected the County’s ability to comply with federal requirements regarding monitoring and reporting of federal receipts, disbursements, and balances.”

Prosecutor’s Response:

1. On February 18, 2011, the Lake County Prosecutor requested in writing that the Auditor create a new fund for the deposit of reimbursements of incentive money under the 2009 American Recovery and Reinvestment Act (ARRA).

ARRA and Non-ARRA – Child Support Enforcement

Audit Findings:

Para 2, page 1: "...The Indiana Department of Child Services notified the County of some of the errors in identification. The County transferred money between ARRA and Non-ARRA funds to correct the transactions and fund balances to agree to the corresponding documentation of the Indiana Department of Child Services."

Prosecutor's Response:

1. On November 24, 2010, the Lake County Prosecutor discovered 2 deposits made into Fund 0800-295 (Central (Child Support) Collections Bureau fund), for a total of \$28,470.27, that belonged in fund 0800-428 (Child Support Incentive Money fund), and brought it to the attention of the Auditor. See attached facsimile coversheet of November 24, 2010 and the LC490 report, Activity Reconciliation of fund 0800-295.
2. In early February 2011, the Lake County Prosecutor's representatives met with a representative of the Auditor to compare the monthly remittance notice (monthly expense report turned over to the state for reimbursement) and the transmittal receipt (voucher) to prove that the above-mentioned deposit belonged in Fund 0800-428. The Auditor made the correcting transfer of the above-named deposits into Fund 0800-428.

Audit Finding:

Para 4, page 1: "In addition, some Non-ARRA Child Support Enforcement reimbursements were recorded in the Infraction Deferral Program fund and to the Gambling Admission Tax fund, because the County claimed reimbursements for some expenditures, such as supplies used for the Child Support enforcement program."

1. In January, 2010, the Child Support Division of the Prosecutor's office claimed reimbursement for payroll expenses disbursed from Fund 0800-104 (Infraction Deferral Program fund), for an employee with sole responsibilities and duties in the Child Support Division. The reimbursement was deposited into Fund 0800-104.
2. That throughout 2010, the Child Support Division of the Prosecutor's office claimed reimbursement for supplies (law books) that were disbursed from Fund 0850-196 (Gambling Admission Tax fund). The reimbursement was deposited into Fund 0850-196.

Corrective Action and Plan Submitted:

In order to assist the Auditor in preparing an accurate schedule of federal expenditures, the Lake County Prosecutor agrees that upon receipt of proof of reimbursements by transmittal from the Indiana Department of Child Services, the Lake County Prosecutor will verify the reimbursement is deposited into the correct fund, the fund from which the disbursement was paid. Upon completion of the schedule of federal expenditures, the Lake County Prosecutor will verify its yearly totals.

Please note that the American Recovery and Reinvestment Act (ARRA) included a temporary restoration of the federal match on child support incentive money. It only applied to incentive funds spent between October 1, 2008 and September 30, 2010. Therefore, there will no longer be an issue with the direction of reimbursement deposits of incentive money, whether ARRA or Non-ARRA.

Very truly yours,

Lisa Beck,
Deputy Prosecutor Administration

CC: Bernard A. Carter, Barbara McConnell, Peter Villarreal



Office of the Prosecuting Attorney

31st Judicial Circuit
Lake County, Indiana

BERNARD A. CARTER
PROSECUTING ATTORNEY

FELONY COURTS DIVISION
2293 NORTH MAIN STREET
CROWN POINT, INDIANA 46307
(219) 755-3720
(219) 755-3578 FAX

FACSIMILE COVER SHEET

TO: Lake County Auditor - Finance
Attention: Karen Jones

FROM: Lisa Beck, Deputy Prosecutor

RE: Correction of Transfer and Question in Fund 295

DATE: November 24, 2010

FAX: 219/755-3419

This transmission may contain information that is privileged, confidential and/or exempt from disclosure under applicable law. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution, or use of the information contained herein (including any reliance thereon) is STRICTLY PROHIBITED. If you received this transmission in error, please immediately contact the sender and destroy the material in its entirety, whether in electronic or hard copy format. Thank you.

Dear Karen:

Pursuant to our telephone conversation, please transfer based on the corrected letter of transfer. Also, regarding Fund 295, please note two deposits, one from 9/2/10 (receipt #28794) PCA program fee and the second from 9/8/10 (receipt #28855) PCA fee for August 2010 that appear on the attached LC490, yet do not appear on the state's accounting that is also attached. I appreciate your time and attention to this matter.

If you have any questions, please contact me at 219/755-3720, extension 329.

Very truly yours,

Lisa Beck
Deputy Prosecuting Attorney
Administration

Activity Reconciliation
Activities: 99295

Aug. Sept. Oct. 2009
for
Accounted for
11/2009

Activity	Acct Cat	PostDate	SY	Sc Reference	Description	GL Object ID	Cur	Activity Amount	Units
992950850	33120	01/19/10	AR	RP	033120 0000 Lake County 22631 12-30-09 AUG-OCT2009 PCA FEE 000016273084 USD	Prosecutor IV-D		9,109.92-	0.00
<p>Period 1 Total: 9,109.92- 0.00 Ending Balance USD: 9,109.92- 0.00</p>									
992950850	33120	02/04/10	AR	RP	23131 NOV 2009 PROS SHARE PCA FEE 000016318054 USD			1,348.05-	0.00
992950850	33120	02/04/10	GL	JE	Q#23131 Batch 11472-42activi 000016323187 USD			2,022.07-	0.00
<p>Period 2 Total: 3,370.12- 0.00 Ending Balance USD: 141,483.92-</p>									

Accounted for Jan - Feb 10
Dec '09 +

992950850	33120	04/15/10	AR	RP	24837 DEC2009 PCA PROSECUTOR CO SH 000016457502 USD			1,760.80-	0.00
992950850	33120	04/15/10	AR	RP	24837 JAN2010 PCA PROSECUTOR CO SH 000016457503 USD			1,437.00-	0.00
992950850	33120	04/15/10	AR	RP	24837 FEB2010 PCA PROSECUTOR CO SH 000016457504 USD			1,109.67-	0.00
992950850	33120	04/15/10	AR	RP	24838 DEC2009 PCA COLL AGENCY SHAR 000016457505 USD			2,641.20-	0.00
992950850	33120	04/15/10	AR	RP	24838 JAN2010 PCA COLL AGENCY SHAR 000016457506 USD			2,155.49-	0.00
992950850	33120	04/15/10	AR	RP	24838 FEB2010 PCA COLL AGENCY SHAR 000016457507 USD			1,664.51-	0.00
<p>Period 4 Total: 10,768.67- 0.00 Ending Balance USD: 482,807.49-</p>									

Accounted for April + May

992950850	33120	08/31/10	AR	RP	28666 8/25/10 APR-MAY2010 PCA FEES 000016724741 USD			6,500.02-	0.00
<p>Period 8 Total: 6,500.02- 0.00 Ending Balance USD: 1,517,045.60-</p>									

3?

992950850	33120	09/08/10	AR	RP	28794 9/2/10 PCA PROGRAM FEE 000016746441 USD			10,384.03-	0.00
992950850	33120	08/09/10	AR	RP	28855 9/8/10 PCA FEE FOR AUG2010 000016748749 USD			18,086.24-	0.00
<p>Period 9 Total: 28,470.27- 0.00 Ending Balance USD: 1,791,500.49-</p>									

31044
- 31045

992950850	33120	11/23/10	AR	RP	31044 SEP2010 PCA PMT/CO SHARE 03/000016895036 USD			1,557.63-	0.00
992950850	33120	11/23/10	AR	RP	31044 SEP2010 PCA COLL AGENCY 63/000016895037 USD			2,336.45-	0.00
992950850	33120	11/23/10	AR	RP	31044 SEP2010 PCA PMT/CO SHARE 65/000016895038 USD			1,359.87-	0.00
992950850	33120	11/23/10	AR	RP	31044 SEP2010 PCA COLL AGENCY 66/000016895039 USD			2,039.80-	0.00
992950850	33120	11/23/10	AR	RP	31044 SEP2010 PCA PMT/CO SHARE 67/000016895040 USD			1,236.12-	0.00
992950850	33120	11/23/10	AR	RP	31045 SEP2010 PCA COLL AGENCY 07/1000016895041 USD			1,854.18-	0.00

LAKE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 25, 2011, with Peggy Holinga Katona, Auditor; Ted Bilski, President of the County Council; and John Dull, Attorney for the Board of County Commissioners.