

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF  
LAKE COUNTY, INDIANA  
January 1, 2013 to December 31, 2013



**FILED**  
04/16/2015



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Peggy Holinga Katona	01-01-11 to 12-31-14
County Treasurer	John E. Petalas	01-01-11 to 12-31-14
Clerk of the Circuit Court	Michael A. Brown	01-01-10 to 12-31-17
County Sheriff	John Buncich	01-01-11 to 12-31-14
County Recorder	Michael B. Brown	01-01-13 to 12-31-16
President of the Board of County Commissioners	Roosevelt Allen Jr. Michael C. Repay	01-01-13 to 12-31-13 01-01-14 to 12-31-14
President of the County Council	Ted Bilski	01-01-13 to 12-31-14



**STATE OF INDIANA**  
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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF LAKE COUNTY, INDIANA

***Report on the Financial Statement***

We have audited the accompanying financial statement of Lake County (County), which comprises the financial position and results of operations for the year ended December 31, 2013, and the related notes to the financial statement.

***Management's Responsibility for the Financial Statement***

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

***Auditor's Responsibility***

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

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

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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

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

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

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the County for the year ended December 31, 2013.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the County for the year ended December 31, 2013, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated November 25, 2014, 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* in considering the County's internal control over financial reporting and compliance.


***Accompanying Information***

*Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the County's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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

  
Paul D. Joyce, CPA  
State Examiner

November 25, 2014



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

TO: THE OFFICIALS OF LAKE COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of Lake County (County), which comprises the financial position and results of operations for the year ended December 31, 2013, and the related notes to the financial statement, and have issued our report thereon dated November 25, 2014, wherein we noted the County followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

***Internal Control Over Financial Reporting***

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

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control 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 2013-001, 2013-002, 2013-003, 2013-004, and 2013-005 to be material weaknesses.



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

***Compliance and Other Matters***


As part of obtaining reasonable assurance about whether the County's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2013-001, 2013-002, 2013-003, 2013-004, and 2013-005.

***Lake County's Response to Findings***

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

***Purpose of This Report***

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

  
Paul D. Joyce, CPA  
State Examiner

November 25, 2014

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## FINANCIAL STATEMENT AND ACCOMPANYING NOTES

The financial statement and accompanying notes were approved by management of the County. The financial statement and notes are presented as intended by the County.

LAKE COUNTY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended December 31, 2013

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13
General	\$ (1,762,469)	\$ 140,189,745	\$ 139,618,109	\$ (1,190,833)
Accident Report	39,936	16,650	28,299	28,287
Animal Control	18,041	8,895	16,773	10,163
Campaign Finance Enforcement - County	21,522	3,840	-	25,362
Child Advocacy	9,479	600	-	10,079
Clerk's Records Perpetuation	126,185	174,658	212,506	88,337
COIT - Special Legislation	875	375	-	1,250
Community Corrections	664,160	3,547,640	3,568,561	643,239
Congressional School Interest	20,199	887	-	21,086
Prisoner Reimbursement For Incarceration	-	921	-	921
Sales Disclosure - County Share	52,946	45,910	44,876	53,980
Cumulative Capital Development	1,113,339	1,767,985	1,866,084	1,015,240
Cumulative Capital Improvement	494,619	-	445,300	49,319
Cumulative Voting System	1,674,936	-	23,494	1,651,442
Drug Free Community	373,087	369,542	332,355	410,274
Electronic Map Generation	7,506	17,958	24,750	714
Emergency Planning/Right To Know	84,817	37,120	15,539	106,398
Extradition and Sheriff's Assistance	15,935	1,931	-	17,866
Firearms Training	28,117	36,125	42,577	21,665
General Drain Improvement	1,098,844	284,109	972,982	409,971
Health	2,685,823	2,590,653	2,363,868	2,912,608
Identification Security Protection	860,798	516,499	468,469	908,828
Levy Excess	7,953,045	-	625,863	7,327,182
Local Health Maintenance	279,407	52,402	41,198	290,611
Local Road and Street	1,944,016	911,434	301,581	2,553,869
Major Moves Construction	1,985,838	44,308	914,172	1,115,974
Medical Care for Inmates	-	6,823	-	6,823
Misdemeanant	954,719	615,817	990,048	580,488
Motor Vehicle Highway	2,224,035	5,680,313	5,220,583	2,683,765
Omitted Property Audits	1,702,532	145,555	24,400	1,823,687
Park Nonreverting Capital	536,712	1,287,109	1,315,879	507,942
Park Nonreverting Operating	171,717	5,039,263	4,887,704	323,276
Reassessment - 2009	229,280	-	178,507	50,773
Reassessment - 2015	2,769,146	1,445,377	770,024	3,444,499
Recorder's Records Perpetuation	950,515	622,251	620,899	951,867
Riverboat	1,791,766	12,519,653	13,153,140	1,158,279
Sheriff's Pension Trust	182,961	901,644	850,230	234,375
Storm Water Management Capital Projects	28,148	10,156	13,676	24,628
Storm Water Management Operating	1,229,545	776,216	521,293	1,484,468
Supplemental Public Defender Services	62,575	236,274	270,798	28,051
Surveyor's Corner Perpetuation	172,876	95,845	132,340	136,381
Tax Sale Fees	2,774,334	8,442,621	9,702,174	1,514,781
Tax Sale Redemption	660,257	7,223,593	7,352,961	530,889
Tax Sale Surplus	18,866,509	18,611,653	21,338,533	16,139,629
Unsafe Building	273,981	29,366	2,700	300,647
Vehicle Inspection	18,351	27,895	5,471	40,775
GAL/CASA	105,338	313,977	318,881	100,434
Auditors Ineligible Deductions	907,455	1,287,854	673,210	1,522,099
County Elected Officials Training	57,490	52,327	5,692	104,125
Park And Recreation	199,002	8,214,697	8,650,983	(237,284)
County Offender Transportation Fund	6,938	4,875	-	11,813
Statewide 911	3,375,443	2,967,466	1,673,932	4,668,977
Adult Probation Administrative	99,025	197,972	248,653	48,344
Juvenile Probation Administrative	9,684	210,324	208,553	11,455
Supplemental Adult Probation Services	1,857,126	914,571	1,224,234	1,547,463
Supplemental Juvenile Probation Services	155,317	16,898	62,012	110,203
Alternative Dispute Resolution	203,316	50,458	45,260	208,514
County User Fee	1,317,802	2,095,306	1,643,221	1,769,887
Convention Center Operating	124	1,511,394	1,511,090	428
Animal Shelter	55,241	81,784	67,752	69,273
Sheriff Sale Administration	(9,670)	630,000	642,044	(21,714)
Drug Task Force	516,620	717,842	522,500	711,962
DUI Task Force	6,644	9,209	8,492	7,361
Local Ordinance Violations Fines - County	12,970	2,000	11,350	3,620
TIF Grants and Loans	151,856	465,283	436,301	180,838
Settlement	836,289	573,729,830	573,527,891	1,038,228
CVET Agency	619	3,857,750	3,857,750	619
Financial Institution Tax	-	2,435,974	2,435,974	-
HEA 1001 State Homestead Credit	49,264	12,410	-	61,674
Homestead Credit Rebate	9,200	3,670	-	12,870
State Fines and Forfeitures	77,300	814,100	476,919	414,481

The notes to the financial statement is 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, 2013  
(Continued)

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13
Infraction Judgements	1,023,015	1,708,744	1,948,333	783,426
Overweight Vehicle Fines	107,234	285,636	159,281	233,589
Special Death Benefit	4,540	51,361	52,076	3,825
Sales Disclosure - State Share	52,377	150,090	124,365	78,102
Coroners Training & Con't Education	8,290	71,624	71,002	8,912
Interstate Compact - State Share	438	7,013	7,000	451
Mortgage Recording Fees - State Share	4,258	47,015	48,175	3,098
Sex and Violent Offender Admin - State	32,225	18,918	29,061	22,082
Child Restraint Violations Fines	130	2,014	2,019	125
Inheritance Tax	5,608,289	7,931,120	12,965,241	574,168
Sales Tax Collections	2,871	101,337	97,538	6,670
Education Plate Fees Agency	21,372	16,088	16,069	21,391
City/Town Ordinance Violations Fines	896,945	298,670	380,875	814,740
93.563 Prosecutor PCA	691,424	53,222	97,117	647,529
Rainy Day	18,865	-	-	18,865
Juvenile Probation Administrative	14,346	32,040	29,516	16,870
Ordinance Violation Deferral	9,559	4,592	-	14,151
Congressional School Principal	35,887	-	887	35,000
County Innkeepers Tax	(174,372)	-	-	(174,372)
Veteran Services Funds	250	-	-	250
1387-Exempt Park Revenue Bond	(16,637)	2,615,786	2,265,319	333,830
County Bond Redemption	1,059,611	6,746,832	5,214,608	2,591,835
Exempt Debt Service	1,091,908	2,368,783	3,227,950	232,741
Park & Recreation Self Insurance	584,039	752,165	1,062,118	274,086
Excess Internet Access Fee	121,859	-	-	121,859
Non-reverting Self Ins. Fund	2,313,486	920,533	2,073,072	1,160,947
Lake County Jail Construction	4,943,173	-	2,006,785	2,936,388
Construction Fund	3,470,604	-	9,046	3,461,558
Cumulative Bridge	6,616,138	88,301	1,596,397	5,108,042
Co Hwy Maint Garage Bond	778,689	-	753,368	25,321
Park Dist Bond 1982	377,474	3,143,003	187,018	3,333,459
Non-Sufficient Check Fund/LC	57,789	6,900	264	64,425
Park & Recreation Gift	56,994	4,275	3,157	58,112
Auditor's Tax Incentive	358,109	236,000	234,244	359,865
Doctor's Merchants	1,037	48	-	1,085
Division I LADOS	304,004	185,177	177,052	312,129
Division II LADOS	99,930	194,544	211,499	82,975
Ordinance Deferral Program	84,623	463,866	443,431	105,058
Disproportional Minority Contact Project Grant	2	-	-	2
Zoning Enforcement Fund	1,000	-	-	1,000
Collection Expense Reimbursement	727,840	-	-	727,840
Non-Revert. Hwy. Deposit. Gambl.	396,486	620,208	393,314	623,380
Domestic Relation Counseling B	102,086	60,139	43,249	118,976
Non-Revert Delinq Coll Fees	1,626	151,510	141,322	11,814
Commissioner's Incentive Fund	294,511	250,000	216,564	327,947
Coroner Facility Fee	3,106	37,650	24,884	15,872
Cum Helicopter Improvement Fund	4,332	-	-	4,332
Lake County Community Development FMHA	45,238	-	-	45,238
Anti-Bioterrorism	7,341	-	-	7,341
LC Sheriff's Marine Unit	1,500	410	-	1,910
Sheriff's Towing & Franchise	101,539	252,800	437,457	(83,118)
Lake County Operating Fund	4,922,481	-	4,800,382	122,099
Reimbursement Fund	6,445,944	38,573	3,453,423	3,031,094
Commissary Payroll Pass-Thru	(302,866)	619,210	303,250	13,094
Violence Intervention Program	4,115	73,749	83,797	(5,933)
Treasurer's Incentive	337,255	240,000	148,466	428,789
Child Support Incentive	993,095	434,353	241,359	1,186,089
HAVA Title III Voting System	29,935	-	-	29,935
Subdivision Escrow Bonds	145,415	34,595	70,856	109,154
Jury Fees	180,619	124,811	158,902	146,528
Check Deception Collection Fee	82,928	31,248	-	114,176
Children Psych Res Treatment	1,931	-	1,931	-
Fingerprint Fee Fund	335	110	-	445
HAVA Sec 101 Voting Sys Fund	277,998	-	-	277,998
Prosecutor's Elderly Abuse	31,946	180,015	182,178	29,783
County Welfare Trusts	4,720	-	-	4,720
Interpreter Services Grant	149	18,824	7,530	11,443
U.S. Research Consultants/Personal Property	3,473	-	-	3,473
VOCA -Victims of Crime Act	35,787	70,296	97,974	8,109
Payroll Court Judgement	42,353	-	-	42,353
HUD-NSP-3 Grant	5,809	491,405	354,201	143,013

The notes to the financial statement is 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, 2013  
(Continued)

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13
Lake Dalecarlia Grant Fund	344,590	260,080	579,094	25,576
Commissioner's Sale Surplus Property Deposit	4,477	-	-	4,477
JAIBG Block Grant	113	-	-	113
Lake County CASA Program Grant	490	-	-	490
ARRA Grant	8,025	-	-	8,025
93.563 County IV-D Incentive	155,780	173,352	166,569	162,563
93.563 Prosecutor IV-D Incentive - Post Oct "99	92,810	-	44,558	48,252
State Drunk Driving Fees	17,140	12,598	12,176	17,562
LC Home Program	-	790,844	786,846	3,998
LC Comm. Dev. Cities & Towns	-	924,725	924,725	-
LC Dev. Rehabilitation	1,359	254,644	255,964	39
LC Comm. Dev. Remp I.D.O.C.	360,950	80	-	361,030
HUD - NSP Grant	11,881	541,831	268,929	284,783
LC Economic Rev. Loan	1,860,059	1,180	765,222	1,096,017
C.D.B.G. Recapture Loans	1,149,006	567	-	1,149,573
Sheriff's Grants Fund	24,368	40,306	9,088	55,586
Homeland Security Grant	56,698	(38,277)	-	18,421
Family Court Initiative Grant	52,571	65	13,862	38,774
Justice Assistance Grant	12,888	267,476	266,058	14,306
Sheriff's SIG Grant Fund	15,269	675	-	15,944
COPS Interoperability Grant	3,428	-	561	2,867
Juv Accountability Block Grant	2,691	29,072	31,763	-
LC Dev. Admin. Budge	(24,695)	385,284	338,644	21,945
Substance Abuse Testing	-	20,000	2,888	17,112
Payment Error (Refunds)	391,805	360,857	331,637	421,025
ARRA/EECB Grant	1,500	-	1,500	-
Juvenile Secured Detention	-	156,747	16,684	140,063
Parks - Outside Cash	18,163	106,927	105,017	20,073
Community Economic Development	490	56,742	53,393	3,839
Redevelopment Commission	3,719,603	35,764	466,266	3,289,101
Employee Benefit Accruals	1,930,059	63,882,244	67,797,521	(1,985,218)
Inmate Trust	617,103	1,788,509	1,723,303	682,309
Jail Commissary	53,391	1,073,807	1,112,071	15,127
Inmate Medical	2,121	314	2,434	1
Unfunded Money	16,400,562	14,796,209	16,400,562	14,796,209
Animal Control	1,025	3,743	4,043	725
Sheriff	793,822	8,669,954	8,476,856	986,920
Juvenile Division	-	13,676	13,676	-
Clerk	12,035,514	50,501,720	50,468,336	12,068,898
Hermit's Lake Debt Reserve	40,500	5,445	-	45,945
Sewage Collections	134,055	164,517	170,002	128,570
<b>Totals</b>	<b>\$ 151,271,766</b>	<b>\$ 992,452,862</b>	<b>\$ 1,015,796,580</b>	<b>\$ 127,928,048</b>

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

LAKE COUNTY  
NOTES TO FINANCIAL STATEMENT

**Note 1. Summary of Significant Accounting Policies**

*A. Reporting Entity*

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

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

*B. Basis of Accounting*

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

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

*C. Cash and Investments*

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

*D. Receipts*

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts may include 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.

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

LAKE COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are 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 include 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).

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

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

*E. Disbursements*

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

Personal services include 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 include 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 include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service principal and interest which include 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.



LAKE COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

Utility operating expenses which include all outflows for operating the utilities.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

*F. Interfund Transfers*

The County may, from time to time, 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.

**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.

LAKE COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 4. Deposits and Investments**

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

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

**Note 5. Risk Management**

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

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

**Note 6. Pension Plans**

*A. Public Employees' Retirement Fund*

*Plan Description*

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is 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 Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the County authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System  
1 North Capitol Street, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

LAKE COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*Funding Policy and Annual Pension Cost*

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

**B. County Police Retirement Plan**

*Plan Description*

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

*Funding Policy*

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

**C. County Police Benefit Plan**

*Plan Description*

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

*Funding Policy*

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

**Note 7. Negative Receipts and Disbursements**

The financial statement contains some receipts and/or disbursements which appear as negative entries. This is a result of a negative receipt reported in the current year for a correction of a prior period error of \$38,277 in the Homeland Security Grant.

LAKE COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 8. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash. This is a result of disbursements exceeding receipts, reimbursable grants, or awaiting reimbursement by the Jail's Commissary fund.

The General fund had a deficit in the prior years due to revenue shortfalls caused by Circuit Breaker Credits. The deficit has been reduced during 2013 and will be eliminated in the future as the County has reduced its reliance on property tax revenue because of additional income tax revenue in the General fund.

The County Innkeepers Tax fund has a negative balance of \$174,372 since December 31, 2012, because the County no longer receives tax collections based upon an Interlocal Agreement with the South Shore Convention and Visitors Authority (SSCVA).

The Park And Recreation fund is negative as a result of a TAW (Tax Anticipation Warrant) principal and interest payment.

The Sheriff Sale Administration, Sheriff's Towing & Franchise, and Violence Intervention Program funds are negative due to payroll overspending. Auditor Peggy Holinga Katona has communicated with Sheriff John Buncich regarding this issue.

The Employee Benefit Accruals fund is negative due to timing issues, all of which are currently being reviewed. One major portion of the negative accrual balance is the result of an RDA payment being posted to the incorrect fund; this has been corrected in 2014. Further investigation is being conducted.

**Note 9. Restatement**

For the year ended December 31, 2013, certain changes have been made to some of the beginning balances of the financial statement to more appropriately reflect financial activity of the County. The following schedule presents a summary of restated beginning balances.

Fund Name	Balance as of December 31, 2012	Prior Period Adjustment	Balance as of January 1, 2013
Sheriff	\$ 805,155	\$ (11,333)	\$ 793,822
Redevelopment Commission	4,738,028	(1,018,425)	3,719,603

**Note 10. Holding Corporation**

The County has entered into a capital lease with the Lake County 2000 Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the County. The lessor has been determined to be a related party of the County. Lease payments during the year 2013 totaled \$1,309,000.

LAKE COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 11. Subsequent Events**

The County Council approved Ordinance 1370B on March 11, 2014, approving the issuance of \$20,000,000 in General Obligation Bonds. This will fund the costs of building improvements and provide Emergency - 911 services throughout the County.

The Park and Recreation Board approved Resolution 2014-09 on May 28, 2014, approving the issuance of \$25,080,000 in Park General Obligation Bonds that will refund the principal and interest of \$23,000,000 on the 2005 Park General Obligation Bond issue.

**Note 12. Other Postemployment Benefits**

The County provides health insurance benefits to eligible retirees and their spouses. These benefits pose a liability to the County for this year and in future years. Information regarding the benefits can be obtained by contacting the County.

**Note 13. Combined Funds**

The County implemented the new required uniform chart of accounts for counties during 2013. Many funds individually reported in the prior financial statement were combined into one fund for the current financial statement. This included the numerous separate settlement funds that were combined into one settlement fund.

**Note 14. Contingent Liabilities**

The County has pending lawsuits of which outcomes cannot be reasonably determined; however, unfavorable outcomes could result in damages to the County approximating \$7,425,000.

The County has a tax refund judgment of approximately \$7,000,000 in favor of Majestic Star Casino. The case is on appeal at the U.S. District Court of Appeals in Delaware.

The County has a \$1,200,000 judgment in favor of U.S. Research Consultants, Inc., for the non-payment of a contract. The case is on appeal at the Indiana Court of Appeals.

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## SUPPLEMENTARY INFORMATION - UNAUDITED

For additional financial information, the County's Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

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

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

LAKE COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013

	General	Accident Report	Animal Control	Campaign Finance Enforcement - County	Child Advocacy	Clerk's Records Perpetuation	COIT - Special Legislation	Community Corrections
Cash and investments - beginning	\$ (1,762,469)	\$ 39,936	\$ 18,041	\$ 21,522	\$ 9,479	\$ 126,185	\$ 875	\$ 664,160
Receipts:								
Taxes	106,115,894	-	-	-	-	-	-	-
Licenses and permits	109,300	-	-	-	-	-	-	-
Intergovernmental	8,201,684	-	-	-	-	-	-	2,776,863
Charges for services	6,980,251	-	-	-	-	-	375	335,921
Fines and forfeits	2,305,775	-	-	3,840	600	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	16,476,841	16,650	8,895	-	-	174,658	-	434,856
<b>Total receipts</b>	<b>140,189,745</b>	<b>16,650</b>	<b>8,895</b>	<b>3,840</b>	<b>600</b>	<b>174,658</b>	<b>375</b>	<b>3,547,640</b>
Disbursements:								
Personal services	84,972,207	-	-	-	-	181,902	-	2,558,362
Supplies	3,388,142	-	-	-	-	17,678	-	83,065
Other services and charges	20,424,233	-	16,773	-	-	12,926	-	552,443
Debt service - principal and interest	10,113,684	-	-	-	-	-	-	-
Capital outlay	349,146	28,299	-	-	-	-	-	61,614
Other disbursements	20,370,697	-	-	-	-	-	-	313,077
<b>Total disbursements</b>	<b>139,618,109</b>	<b>28,299</b>	<b>16,773</b>	<b>-</b>	<b>-</b>	<b>212,506</b>	<b>-</b>	<b>3,568,561</b>
Excess (deficiency) of receipts over disbursements	571,636	(11,649)	(7,878)	3,840	600	(37,848)	375	(20,921)
Cash and investments - ending	<u>\$ (1,190,833)</u>	<u>\$ 28,287</u>	<u>\$ 10,163</u>	<u>\$ 25,362</u>	<u>\$ 10,079</u>	<u>\$ 88,337</u>	<u>\$ 1,250</u>	<u>\$ 643,239</u>



LAKE COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Congressional School Interest	Prisoner Reimbursement For Incarceration	Sales Disclosure - County Share	Cumulative Capital Development	Cumulative Capital Improvement	Cumulative Voting System	Drug Free Community	Electronic Map Generation
Cash and investments - beginning	\$ 20,199	\$ -	\$ 52,946	\$ 1,113,339	\$ 494,619	\$ 1,674,936	\$ 373,087	\$ 7,506
Receipts:								
Taxes	-	-	-	1,629,355	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	135,130	-	-	-	-
Charges for services	-	-	-	3,500	-	-	48	17,958
Fines and forfeits	-	-	45,910	-	-	-	365,142	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	887	921	-	-	-	-	4,352	-
Total receipts	887	921	45,910	1,767,985	-	-	369,542	17,958
Disbursements:								
Personal services	-	-	20,224	-	-	-	-	2,436
Supplies	-	-	1,574	-	28,422	-	1,793	550
Other services and charges	-	-	19,683	-	66,071	-	1,501	21,764
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	3,395	1,866,084	350,807	23,494	-	-
Other disbursements	-	-	-	-	-	-	329,061	-
Total disbursements	-	-	44,876	1,866,084	445,300	23,494	332,355	24,750
Excess (deficiency) of receipts over disbursements	887	921	1,034	(98,099)	(445,300)	(23,494)	37,187	(6,792)
Cash and investments - ending	\$ 21,086	\$ 921	\$ 53,980	\$ 1,015,240	\$ 49,319	\$ 1,651,442	\$ 410,274	\$ 714

LAKE COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Emergency Planning/Right To Know	Extradition and Sheriff's Assistance	Firearms Training	General Drain Improvement	Health	Identification Security Protection	Levy Excess
Cash and investments - beginning	\$ 84,817	\$ 15,935	\$ 28,117	\$ 1,098,844	\$ 2,685,823	\$ 860,798	\$ 7,953,045
Receipts:							
Taxes	-	-	-	242,670	1,292,340	-	-
Licenses and permits	-	-	-	-	465,821	-	-
Intergovernmental	37,120	-	-	20,126	260,465	-	-
Charges for services	-	-	-	-	563,609	43,858	-
Fines and forfeits	-	1,199	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	732	36,125	21,313	8,418	472,641	-
Total receipts	<u>37,120</u>	<u>1,931</u>	<u>36,125</u>	<u>284,109</u>	<u>2,590,653</u>	<u>516,499</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	-	2,086,916	-	-
Supplies	2,222	-	-	-	36,215	-	-
Other services and charges	817	-	-	-	191,844	7,300	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	12,500	-	42,577	972,982	43,893	-	-
Other disbursements	-	-	-	-	5,000	461,169	625,863
Total disbursements	<u>15,539</u>	<u>-</u>	<u>42,577</u>	<u>972,982</u>	<u>2,363,868</u>	<u>468,469</u>	<u>625,863</u>
Excess (deficiency) of receipts over disbursements	<u>21,581</u>	<u>1,931</u>	<u>(6,452)</u>	<u>(688,873)</u>	<u>226,785</u>	<u>48,030</u>	<u>(625,863)</u>
Cash and investments - ending	<u>\$ 106,398</u>	<u>\$ 17,866</u>	<u>\$ 21,665</u>	<u>\$ 409,971</u>	<u>\$ 2,912,608</u>	<u>\$ 908,828</u>	<u>\$ 7,327,182</u>

LAKE COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Local Health Maintenance	Local Road and Street	Major Moves Construction	Medical Care for Inmates	Misdemeanant	Motor Vehicle Highway	Omitted Property Audits
Cash and investments - beginning	\$ 279,407	\$ 1,944,016	\$ 1,985,838	\$ -	\$ 954,719	\$ 2,224,035	\$ 1,702,532
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	52,402	911,098	44,308	-	615,817	5,626,972	145,555
Charges for services	-	-	-	6,823	-	52,737	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	336	-	-	-	604	-
Total receipts	<u>52,402</u>	<u>911,434</u>	<u>44,308</u>	<u>6,823</u>	<u>615,817</u>	<u>5,680,313</u>	<u>145,555</u>
Disbursements:							
Personal services	36,255	-	-	-	484,026	4,238,702	-
Supplies	-	283,317	-	-	-	556,935	-
Other services and charges	4,943	18,264	914,172	-	506,022	350,882	24,400
Debt service - principal and interest	-	-	-	-	-	63,845	-
Capital outlay	-	-	-	-	-	10,219	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>41,198</u>	<u>301,581</u>	<u>914,172</u>	<u>-</u>	<u>990,048</u>	<u>5,220,583</u>	<u>24,400</u>
Excess (deficiency) of receipts over disbursements	<u>11,204</u>	<u>609,853</u>	<u>(869,864)</u>	<u>6,823</u>	<u>(374,231)</u>	<u>459,730</u>	<u>121,155</u>
Cash and investments - ending	<u>\$ 290,611</u>	<u>\$ 2,553,869</u>	<u>\$ 1,115,974</u>	<u>\$ 6,823</u>	<u>\$ 580,488</u>	<u>\$ 2,683,765</u>	<u>\$ 1,823,687</u>

LAKE COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Park Nonreverting Capital	Park Nonreverting Operating	Reassessment - 2009	Reassessment - 2015	Recorder's Records Perpetuation	Riverboat	Sheriff's Pension Trust
Cash and investments - beginning	\$ 536,712	\$ 171,717	\$ 229,280	\$ 2,769,146	\$ 950,515	\$ 1,791,766	\$ 182,961
Receipts:							
Taxes	-	554	-	1,334,685	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	135,861	-	-	110,692	-	12,406,981	-
Charges for services	-	3,929,074	-	-	298,942	-	-
Fines and forfeits	-	-	-	-	-	-	807,644
Utility fees	-	-	-	-	-	-	-
Other receipts	1,151,248	1,109,635	-	-	323,309	112,672	94,000
Total receipts	<u>1,287,109</u>	<u>5,039,263</u>	<u>-</u>	<u>1,445,377</u>	<u>622,251</u>	<u>12,519,653</u>	<u>901,644</u>
Disbursements:							
Personal services	-	2,102,110	5,225	246,612	464,825	1,251,436	570,020
Supplies	-	956,958	11,870	198	143	171,587	-
Other services and charges	-	1,151,964	158,266	523,017	155,931	1,946,339	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	215,879	25,272	3,146	197	-	7,710,195	-
Other disbursements	1,100,000	651,400	-	-	-	2,073,583	280,210
Total disbursements	<u>1,315,879</u>	<u>4,887,704</u>	<u>178,507</u>	<u>770,024</u>	<u>620,899</u>	<u>13,153,140</u>	<u>850,230</u>
Excess (deficiency) of receipts over disbursements	<u>(28,770)</u>	<u>151,559</u>	<u>(178,507)</u>	<u>675,353</u>	<u>1,352</u>	<u>(633,487)</u>	<u>51,414</u>
Cash and investments - ending	<u>\$ 507,942</u>	<u>\$ 323,276</u>	<u>\$ 50,773</u>	<u>\$ 3,444,499</u>	<u>\$ 951,867</u>	<u>\$ 1,158,279</u>	<u>\$ 234,375</u>

LAKE COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Storm Water Management Capital Projects	Storm Water Management Operating	Supplemental Public Defender Services	Surveyor's Corner Perpetuation	Tax Sale Fees	Tax Sale Redemption	Tax Sale Surplus
Cash and investments - beginning	\$ 28,148	\$ 1,229,545	\$ 62,575	\$ 172,876	\$ 2,774,334	\$ 660,257	\$ 18,866,509
Receipts:							
Taxes	-	754,903	149,646	-	-	-	1,682,491
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	8,131	-	-	95,845	474,273	-	-
Fines and forfeits	2,025	-	86,268	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	21,313	360	-	7,968,348	7,223,593	16,929,162
Total receipts	<u>10,156</u>	<u>776,216</u>	<u>236,274</u>	<u>95,845</u>	<u>8,442,621</u>	<u>7,223,593</u>	<u>18,611,653</u>
Disbursements:							
Personal services	-	297,303	186,260	37,705	-	-	-
Supplies	-	29,920	3,063	6,992	-	-	-
Other services and charges	13,676	141,480	76,913	79,964	989,326	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	52,590	4,562	7,679	-	-	-
Other disbursements	-	-	-	-	8,712,848	7,352,961	21,338,533
Total disbursements	<u>13,676</u>	<u>521,293</u>	<u>270,798</u>	<u>132,340</u>	<u>9,702,174</u>	<u>7,352,961</u>	<u>21,338,533</u>
Excess (deficiency) of receipts over disbursements	<u>(3,520)</u>	<u>254,923</u>	<u>(34,524)</u>	<u>(36,495)</u>	<u>(1,259,553)</u>	<u>(129,368)</u>	<u>(2,726,880)</u>
Cash and investments - ending	<u>\$ 24,628</u>	<u>\$ 1,484,468</u>	<u>\$ 28,051</u>	<u>\$ 136,381</u>	<u>\$ 1,514,781</u>	<u>\$ 530,889</u>	<u>\$ 16,139,629</u>

LAKE COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Unsafe Building	Vehicle Inspection	GAL/CASA	Auditors Ineligible Deductions	County Elected Officials Training	Park And Recreation	County Offender Transportation Fund
Cash and investments - beginning	\$ 273,981	\$ 18,351	\$ 105,338	\$ 907,455	\$ 57,490	\$ 199,002	\$ 6,938
Receipts:							
Taxes	-	-	182,398	-	-	3,137,375	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	131,579	-	-	1,130,028	-
Charges for services	29,126	26,420	-	-	52,267	930,398	4,875
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	240	1,475	-	1,287,854	60	3,016,896	-
Total receipts	<u>29,366</u>	<u>27,895</u>	<u>313,977</u>	<u>1,287,854</u>	<u>52,327</u>	<u>8,214,697</u>	<u>4,875</u>
Disbursements:							
Personal services	-	-	318,881	78,145	-	4,042,649	-
Supplies	-	-	-	-	-	565,148	-
Other services and charges	2,700	-	-	551,772	5,692	878,143	-
Debt service - principal and interest	-	-	-	-	-	2,007,534	-
Capital outlay	-	5,471	-	43,293	-	148,178	-
Other disbursements	-	-	-	-	-	1,009,331	-
Total disbursements	<u>2,700</u>	<u>5,471</u>	<u>318,881</u>	<u>673,210</u>	<u>5,692</u>	<u>8,650,983</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>26,666</u>	<u>22,424</u>	<u>(4,904)</u>	<u>614,644</u>	<u>46,635</u>	<u>(436,286)</u>	<u>4,875</u>
Cash and investments - ending	<u>\$ 300,647</u>	<u>\$ 40,775</u>	<u>\$ 100,434</u>	<u>\$ 1,522,099</u>	<u>\$ 104,125</u>	<u>\$ (237,284)</u>	<u>\$ 11,813</u>

LAKE COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Statewide 911	Adult Probation Administrative	Juvenile Probation Administrative	Supplemental Adult Probation Services	Supplemental Juvenile Probation Services	Alternative Dispute Resolution	County User Fee
Cash and investments - beginning	\$ 3,375,443	\$ 99,025	\$ 9,684	\$ 1,857,126	\$ 155,317	\$ 203,316	\$ 1,317,802
Receipts:							
Taxes	216,811	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	109,224	-	-	268	-
Charges for services	2,749,696	-	-	-	-	2,752	281,941
Fines and forfeits	-	197,972	-	913,807	16,898	9,640	1,812,133
Utility fees	-	-	-	-	-	-	-
Other receipts	959	-	101,100	764	-	37,798	1,232
Total receipts	<u>2,967,466</u>	<u>197,972</u>	<u>210,324</u>	<u>914,571</u>	<u>16,898</u>	<u>50,458</u>	<u>2,095,306</u>
Disbursements:							
Personal services	60,894	248,653	99,600	1,138,540	60,057	10,491	97,729
Supplies	-	-	-	15,274	1,005	177	21,919
Other services and charges	1,613,038	-	5,039	48,738	950	34,572	185,965
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	21,682	-	-	447
Other disbursements	-	-	103,914	-	-	20	1,337,161
Total disbursements	<u>1,673,932</u>	<u>248,653</u>	<u>208,553</u>	<u>1,224,234</u>	<u>62,012</u>	<u>45,260</u>	<u>1,643,221</u>
Excess (deficiency) of receipts over disbursements	<u>1,293,534</u>	<u>(50,681)</u>	<u>1,771</u>	<u>(309,663)</u>	<u>(45,114)</u>	<u>5,198</u>	<u>452,085</u>
Cash and investments - ending	<u>\$ 4,668,977</u>	<u>\$ 48,344</u>	<u>\$ 11,455</u>	<u>\$ 1,547,463</u>	<u>\$ 110,203</u>	<u>\$ 208,514</u>	<u>\$ 1,769,887</u>

LAKE COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Convention Center Operating	Animal Shelter	Sheriff Sale Administration	Drug Task Force	DUI Task Force	Local Ordinance Violations Fines - County	TIF Grants and Loans
Cash and investments - beginning	\$ 124	\$ 55,241	\$ (9,670)	\$ 516,620	\$ 6,644	\$ 12,970	\$ 151,856
Receipts:							
Taxes	-	-	-	116,930	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	1,510,966	-	-	225,820	9,209	-	-
Charges for services	-	55,694	630,000	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	428	26,090	-	375,092	-	2,000	465,283
Total receipts	<u>1,511,394</u>	<u>81,784</u>	<u>630,000</u>	<u>717,842</u>	<u>9,209</u>	<u>2,000</u>	<u>465,283</u>
Disbursements:							
Personal services	-	14,209	642,044	129,482	8,492	-	404,517
Supplies	-	15,619	-	78,705	-	-	8,538
Other services and charges	1,511,090	8,663	-	154,388	-	-	23,246
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	29,261	-	159,925	-	11,350	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>1,511,090</u>	<u>67,752</u>	<u>642,044</u>	<u>522,500</u>	<u>8,492</u>	<u>11,350</u>	<u>436,301</u>
Excess (deficiency) of receipts over disbursements	<u>304</u>	<u>14,032</u>	<u>(12,044)</u>	<u>195,342</u>	<u>717</u>	<u>(9,350)</u>	<u>28,982</u>
Cash and investments - ending	<u>\$ 428</u>	<u>\$ 69,273</u>	<u>\$ (21,714)</u>	<u>\$ 711,962</u>	<u>\$ 7,361</u>	<u>\$ 3,620</u>	<u>\$ 180,838</u>



LAKE COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Settlement	CVET Agency	Financial Institution Tax	HEA 1001 State Homestead Credit	Homestead Credit Rebate	State Fines and Forfeitures	Infraction Judgements
Cash and investments - beginning	\$ 836,289	\$ 619	\$ -	\$ 49,264	\$ 9,200	\$ 77,300	\$ 1,023,015
Receipts:							
Taxes	525,411,465	-	-	12,410	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	47,858,915	3,857,750	2,435,974	-	-	401,689	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	285,169	1,027,357
Utility fees	-	-	-	-	-	-	-
Other receipts	459,450	-	-	-	3,670	127,242	681,387
Total receipts	<u>573,729,830</u>	<u>3,857,750</u>	<u>2,435,974</u>	<u>12,410</u>	<u>3,670</u>	<u>814,100</u>	<u>1,708,744</u>
Disbursements:							
Personal services	-	-	-	-	-	-	965,061
Supplies	-	-	-	-	-	-	24,012
Other services and charges	-	-	-	-	-	-	24,774
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	66,237	40,638
Other disbursements	573,527,891	3,857,750	2,435,974	-	-	410,682	893,848
Total disbursements	<u>573,527,891</u>	<u>3,857,750</u>	<u>2,435,974</u>	<u>-</u>	<u>-</u>	<u>476,919</u>	<u>1,948,333</u>
Excess (deficiency) of receipts over disbursements	<u>201,939</u>	<u>-</u>	<u>-</u>	<u>12,410</u>	<u>3,670</u>	<u>337,181</u>	<u>(239,589)</u>
Cash and investments - ending	<u>\$ 1,038,228</u>	<u>\$ 619</u>	<u>\$ -</u>	<u>\$ 61,674</u>	<u>\$ 12,870</u>	<u>\$ 414,481</u>	<u>\$ 783,426</u>

LAKE COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Overweight Vehicle Fines	Special Death Benefit	Sales Disclosure - State Share	Coroners Training & Con't Education	Interstate Compact - State Share	Mortgage Recording Fees - State Share	Sex and Violent Offender Admin - State
Cash and investments - beginning	\$ 107,234	\$ 4,540	\$ 52,377	\$ 8,290	\$ 438	\$ 4,258	\$ 32,225
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	110,803	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	113,580	-	106,355	-	7,013	47,015	18,918
Fines and forfeits	61,253	51,361	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	43,735	71,624	-	-	-
Total receipts	<u>285,636</u>	<u>51,361</u>	<u>150,090</u>	<u>71,624</u>	<u>7,013</u>	<u>47,015</u>	<u>18,918</u>
Disbursements:							
Personal services	88,695	-	71,493	-	-	-	22,981
Supplies	-	-	2,944	-	-	-	-
Other services and charges	-	-	3,815	1,603	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	4,398	-	-	-	4,168
Other disbursements	70,586	52,076	41,715	69,399	7,000	48,175	1,912
Total disbursements	<u>159,281</u>	<u>52,076</u>	<u>124,365</u>	<u>71,002</u>	<u>7,000</u>	<u>48,175</u>	<u>29,061</u>
Excess (deficiency) of receipts over disbursements	<u>126,355</u>	<u>(715)</u>	<u>25,725</u>	<u>622</u>	<u>13</u>	<u>(1,160)</u>	<u>(10,143)</u>
Cash and investments - ending	<u>\$ 233,589</u>	<u>\$ 3,825</u>	<u>\$ 78,102</u>	<u>\$ 8,912</u>	<u>\$ 451</u>	<u>\$ 3,098</u>	<u>\$ 22,082</u>

LAKE COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Child Restraint Violations Fines	Inheritance Tax	Sales Tax Collections	Education Plate Fees Agency	City/Town Ordinance Violations Fines	93.563 Prosecutor PCA	Rainy Day
Cash and investments - beginning	\$ 130	\$ 5,608,289	\$ 2,871	\$ 21,372	\$ 896,945	\$ 691,424	\$ 18,865
Receipts:							
Taxes	-	-	-	15,975	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	7,931,120	-	-	-	53,222	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	2,014	-	-	-	172,726	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	101,337	113	125,944	-	-
Total receipts	2,014	7,931,120	101,337	16,088	298,670	53,222	-
Disbursements:							
Personal services	-	-	-	-	354,385	-	-
Supplies	-	-	-	-	8,372	12,741	-
Other services and charges	-	-	97,538	-	572	59,679	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	3,046	24,697	-
Other disbursements	2,019	12,965,241	-	16,069	14,500	-	-
Total disbursements	2,019	12,965,241	97,538	16,069	380,875	97,117	-
Excess (deficiency) of receipts over disbursements	(5)	(5,034,121)	3,799	19	(82,205)	(43,895)	-
Cash and investments - ending	\$ 125	\$ 574,168	\$ 6,670	\$ 21,391	\$ 814,740	\$ 647,529	\$ 18,865

LAKE COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Juvenile Probation Administrative	Ordinance Violation Deferral	Congressional School Principal	County Innkeepers Tax	Veteran Services Funds	1387-Exempt Park Revenue Bond	County Bond Redemption
Cash and investments - beginning	\$ 14,346	\$ 9,559	\$ 35,887	\$ (174,372)	\$ 250	\$ (16,637)	\$ 1,059,611
Receipts:							
Taxes	-	-	-	-	-	2,433,216	4,888,066
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	182,570	405,391
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	32,040	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	4,592	-	-	-	-	1,453,375
Total receipts	<u>32,040</u>	<u>4,592</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,615,786</u>	<u>6,746,832</u>
Disbursements:							
Personal services	29,516	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	2,265,319	5,214,608
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	887	-	-	-	-
Total disbursements	<u>29,516</u>	<u>-</u>	<u>887</u>	<u>-</u>	<u>-</u>	<u>2,265,319</u>	<u>5,214,608</u>
Excess (deficiency) of receipts over disbursements	<u>2,524</u>	<u>4,592</u>	<u>(887)</u>	<u>-</u>	<u>-</u>	<u>350,467</u>	<u>1,532,224</u>
Cash and investments - ending	<u>\$ 16,870</u>	<u>\$ 14,151</u>	<u>\$ 35,000</u>	<u>\$ (174,372)</u>	<u>\$ 250</u>	<u>\$ 333,830</u>	<u>\$ 2,591,835</u>

LAKE COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Exempt Debt Service	Park & Recreation Self Insurance	Excess Internet Access Fee	Non-reverting Self Ins. Fund	Lake County Jail Construction	Construction Fund	Cumulative Bridge
Cash and investments - beginning	\$ 1,091,908	\$ 584,039	\$ 121,859	\$ 2,313,486	\$ 4,943,173	\$ 3,470,604	\$ 6,616,138
Receipts:							
Taxes	2,203,403	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	165,380	-	-	-	-	-	88,301
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	752,165	-	920,533	-	-	-
Total receipts	<u>2,368,783</u>	<u>752,165</u>	<u>-</u>	<u>920,533</u>	<u>-</u>	<u>-</u>	<u>88,301</u>
Disbursements:							
Personal services	-	-	-	7,081	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	112,118	-	2,065,991	83,800	-	53,085
Debt service - principal and interest	3,227,950	-	-	-	-	-	-
Capital outlay	-	-	-	-	1,922,985	9,046	1,543,312
Other disbursements	-	950,000	-	-	-	-	-
Total disbursements	<u>3,227,950</u>	<u>1,062,118</u>	<u>-</u>	<u>2,073,072</u>	<u>2,006,785</u>	<u>9,046</u>	<u>1,596,397</u>
Excess (deficiency) of receipts over disbursements	<u>(859,167)</u>	<u>(309,953)</u>	<u>-</u>	<u>(1,152,539)</u>	<u>(2,006,785)</u>	<u>(9,046)</u>	<u>(1,508,096)</u>
Cash and investments - ending	<u>\$ 232,741</u>	<u>\$ 274,086</u>	<u>\$ 121,859</u>	<u>\$ 1,160,947</u>	<u>\$ 2,936,388</u>	<u>\$ 3,461,558</u>	<u>\$ 5,108,042</u>

LAKE COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Co Hwy Maint Garage Bond	Park Dist Bond 1982	Non-Sufficient Check Fund/LC	Park & Recreation Gift	Auditor's Tax Incentive	Doctor's Merchants	Division I LADOS
Cash and investments - beginning	\$ 778,689	\$ 377,474	\$ 57,789	\$ 56,994	\$ 358,109	\$ 1,037	\$ 304,004
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	3,230
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	6,900	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	3,143,003	-	4,275	236,000	48	181,947
Total receipts	-	3,143,003	6,900	4,275	236,000	48	185,177
Disbursements:							
Personal services	-	-	-	-	234,244	-	127,549
Supplies	-	-	-	-	-	-	13,965
Other services and charges	-	-	264	3,157	-	-	27,081
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	753,368	187,018	-	-	-	-	8,457
Other disbursements	-	-	-	-	-	-	-
Total disbursements	753,368	187,018	264	3,157	234,244	-	177,052
Excess (deficiency) of receipts over disbursements	(753,368)	2,955,985	6,636	1,118	1,756	48	8,125
Cash and investments - ending	\$ 25,321	\$ 3,333,459	\$ 64,425	\$ 58,112	\$ 359,865	\$ 1,085	\$ 312,129

LAKE COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Division II LADOS	Ordinance Deferral Program	Disproportional Minority Contact Project Grant	Zoning Enforcement Fund	Collection Expense Reimbursement	Non-Revert. Hwy. Deposit. Gambl.	Domestic Relation Counseling B
Cash and investments - beginning	\$ 99,930	\$ 84,623	\$ 2	\$ 1,000	\$ 727,840	\$ 396,486	\$ 102,086
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	3,230	-	-	-	-	620,208	10,779
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	463,866	-	-	-	-	38,760
Utility fees	-	-	-	-	-	-	-
Other receipts	191,314	-	-	-	-	-	10,600
Total receipts	<u>194,544</u>	<u>463,866</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>620,208</u>	<u>60,139</u>
Disbursements:							
Personal services	176,852	-	-	-	-	-	37,570
Supplies	6,053	-	-	-	-	-	3,779
Other services and charges	23,407	443,431	-	-	-	393,314	1,415
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	5,187	-	-	-	-	-	385
Other disbursements	-	-	-	-	-	-	100
Total disbursements	<u>211,499</u>	<u>443,431</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>393,314</u>	<u>43,249</u>
Excess (deficiency) of receipts over disbursements	<u>(16,955)</u>	<u>20,435</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>226,894</u>	<u>16,890</u>
Cash and investments - ending	<u>\$ 82,975</u>	<u>\$ 105,058</u>	<u>\$ 2</u>	<u>\$ 1,000</u>	<u>\$ 727,840</u>	<u>\$ 623,380</u>	<u>\$ 118,976</u>

LAKE COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Non-Revert Delinq Coll Fees	Commissioner's Incentive Fund	Coroner Facility Fee	Cum Helicopter Improvement Fund	Lake County Community Development FMHA	Anti-Bioterrorism	LC Sheriff's Marine Unit
Cash and investments - beginning	\$ 1,626	\$ 294,511	\$ 3,106	\$ 4,332	\$ 45,238	\$ 7,341	\$ 1,500
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	151,510	-	-	-	-	-	410
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	250,000	37,650	-	-	-	-
Total receipts	<u>151,510</u>	<u>250,000</u>	<u>37,650</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>410</u>
Disbursements:							
Personal services	-	154,756	24,884	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	141,322	61,808	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>141,322</u>	<u>216,564</u>	<u>24,884</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>10,188</u>	<u>33,436</u>	<u>12,766</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>410</u>
Cash and investments - ending	<u>\$ 11,814</u>	<u>\$ 327,947</u>	<u>\$ 15,872</u>	<u>\$ 4,332</u>	<u>\$ 45,238</u>	<u>\$ 7,341</u>	<u>\$ 1,910</u>



LAKE COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Sheriff's Towing & Franchise	Lake County Operating Fund	Reimbursement Fund	Commissary Payroll Pass-Thru	Violence Intervention Program	Treasurer's Incentive	Child Support Incentive
Cash and investments - beginning	\$ 101,539	\$ 4,922,481	\$ 6,445,944	\$ (302,866)	\$ 4,115	\$ 337,255	\$ 993,095
Receipts:							
Taxes	-	-	-	-	53,088	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	20,661	-	434,159
Charges for services	252,800	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	38,573	619,210	-	240,000	194
Total receipts	<u>252,800</u>	<u>-</u>	<u>38,573</u>	<u>619,210</u>	<u>73,749</u>	<u>240,000</u>	<u>434,353</u>
Disbursements:							
Personal services	437,457	1,822,481	1,124,818	209,250	46,062	142,978	209,116
Supplies	-	-	-	-	12,676	-	16,661
Other services and charges	-	2,977,901	1,870,229	-	25,059	5,013	8,087
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	458,376	-	-	475	7,495
Other disbursements	-	-	-	94,000	-	-	-
Total disbursements	<u>437,457</u>	<u>4,800,382</u>	<u>3,453,423</u>	<u>303,250</u>	<u>83,797</u>	<u>148,466</u>	<u>241,359</u>
Excess (deficiency) of receipts over disbursements	<u>(184,657)</u>	<u>(4,800,382)</u>	<u>(3,414,850)</u>	<u>315,960</u>	<u>(10,048)</u>	<u>91,534</u>	<u>192,994</u>
Cash and investments - ending	<u>\$ (83,118)</u>	<u>\$ 122,099</u>	<u>\$ 3,031,094</u>	<u>\$ 13,094</u>	<u>\$ (5,933)</u>	<u>\$ 428,789</u>	<u>\$ 1,186,089</u>

LAKE COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	HAVA Title III Voting System	Subdivision Escrow Bonds	Jury Fees	Check Deception Collection Fee	Children Psych Res Treatment	Fingerprint Fee Fund	HAVA Sec 101 Voting Sys Fund
Cash and investments - beginning	\$ 29,935	\$ 145,415	\$ 180,619	\$ 82,928	\$ 1,931	\$ 335	\$ 277,998
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	31,248	-	-	-
Fines and forfeits	-	-	56,517	-	-	110	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	34,595	68,294	-	-	-	-
Total receipts	-	34,595	124,811	31,248	-	110	-
Disbursements:							
Personal services	-	-	65,350	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	93,552	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	70,856	-	-	1,931	-	-
Total disbursements	-	70,856	158,902	-	1,931	-	-
Excess (deficiency) of receipts over disbursements	-	(36,261)	(34,091)	31,248	(1,931)	110	-
Cash and investments - ending	\$ 29,935	\$ 109,154	\$ 146,528	\$ 114,176	\$ -	\$ 445	\$ 277,998

LAKE COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Prosecutor's Elderly Abuse	County Welfare Trusts	Interpreter Services Grant	U.S. Research Consultants/Personal Property	VOCA -Victims of Crime Act	Payroll Court Judgement	HUD-NSP-3 Grant
Cash and investments - beginning	\$ 31,946	\$ 4,720	\$ 149	\$ 3,473	\$ 35,787	\$ 42,353	\$ 5,809
Receipts:							
Taxes	-	-	18,824	-	20,175	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	174,015	-	-	-	41,621	-	130,610
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	6,000	-	-	-	8,500	-	360,795
Total receipts	180,015	-	18,824	-	70,296	-	491,405
Disbursements:							
Personal services	167,448	-	-	-	17,616	-	17,577
Supplies	2,979	-	-	-	495	-	11
Other services and charges	1,479	-	7,530	-	32,625	-	28,098
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	4,272	-	-	-	-	-	308,515
Other disbursements	6,000	-	-	-	47,238	-	-
Total disbursements	182,178	-	7,530	-	97,974	-	354,201
Excess (deficiency) of receipts over disbursements	(2,163)	-	11,294	-	(27,678)	-	137,204
Cash and investments - ending	\$ 29,783	\$ 4,720	\$ 11,443	\$ 3,473	\$ 8,109	\$ 42,353	\$ 143,013

LAKE COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Lake Dalecarlia Grant Fund	Commissioner's Sale Surplus Property Deposit	JAIBG Block Grant	Lake County CASA Program Grant	ARRA Grant	93.563 County IV-D Incentive	93.563 Prosecutor IV-D Incentive - Post Oct '99
Cash and investments - beginning	\$ 344,590	\$ 4,477	\$ 113	\$ 490	\$ 8,025	\$ 155,780	\$ 92,810
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	260,080	-	-	-	-	173,352	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>260,080</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>173,352</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	-	-	166,569	41,163
Supplies	-	-	-	-	-	-	1,099
Other services and charges	153,285	-	-	-	-	-	2,296
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	383,183	-	-	-	-	-	-
Other disbursements	42,626	-	-	-	-	-	-
Total disbursements	<u>579,094</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>166,569</u>	<u>44,558</u>
Excess (deficiency) of receipts over disbursements	<u>(319,014)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,783</u>	<u>(44,558)</u>
Cash and investments - ending	<u>\$ 25,576</u>	<u>\$ 4,477</u>	<u>\$ 113</u>	<u>\$ 490</u>	<u>\$ 8,025</u>	<u>\$ 162,563</u>	<u>\$ 48,252</u>

LAKE COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	State Drunk Driving Fees	LC Home Program	LC Comm. Dev. Cities & Towns	LC Dev. Rehabilitation	LC Comm. Dev. Remp I.D.O.C.	HUD - NSP Grant	LC Economic Rev. Loan
Cash and investments - beginning	\$ 17,140	\$ -	\$ -	\$ 1,359	\$ 360,950	\$ 11,881	\$ 1,860,059
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	12,598	699,579	924,725	241,311	-	76,179	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	50	-	100	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	91,215	-	13,233	80	465,652	1,180
Total receipts	<u>12,598</u>	<u>790,844</u>	<u>924,725</u>	<u>254,644</u>	<u>80</u>	<u>541,831</u>	<u>1,180</u>
Disbursements:							
Personal services	12,176	-	-	-	-	40,823	-
Supplies	-	-	-	-	-	612	-
Other services and charges	-	3,288	-	158	-	21,681	222
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	783,558	924,725	255,806	-	205,813	765,000
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>12,176</u>	<u>786,846</u>	<u>924,725</u>	<u>255,964</u>	<u>-</u>	<u>268,929</u>	<u>765,222</u>
Excess (deficiency) of receipts over disbursements	<u>422</u>	<u>3,998</u>	<u>-</u>	<u>(1,320)</u>	<u>80</u>	<u>272,902</u>	<u>(764,042)</u>
Cash and investments - ending	<u>\$ 17,562</u>	<u>\$ 3,998</u>	<u>\$ -</u>	<u>\$ 39</u>	<u>\$ 361,030</u>	<u>\$ 284,783</u>	<u>\$ 1,096,017</u>

LAKE COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	C.D.B.G. Recapture Loans	Sheriff's Grants Fund	Homeland Security Grant	Family Court Initiative Grant	Justice Assistance Grant	Sheriff's SIG Grant Fund	COPS Interoperability Grant
Cash and investments - beginning	\$ 1,149,006	\$ 24,368	\$ 56,698	\$ 52,571	\$ 12,888	\$ 15,269	\$ 3,428
Receipts:							
Taxes	-	-	-	-	143,832	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	40,306	-	65	123,644	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	567	-	(38,277)	-	-	675	-
Total receipts	567	40,306	(38,277)	65	267,476	675	-
Disbursements:							
Personal services	-	-	-	11,777	40,173	-	561
Supplies	-	1,285	-	-	111	-	-
Other services and charges	-	7,803	-	2,085	165,597	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	60,177	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	-	9,088	-	13,862	266,058	-	561
Excess (deficiency) of receipts over disbursements	567	31,218	(38,277)	(13,797)	1,418	675	(561)
Cash and investments - ending	\$ 1,149,573	\$ 55,586	\$ 18,421	\$ 38,774	\$ 14,306	\$ 15,944	\$ 2,867

LAKE COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Juv Accountability Block Grant	LC Dev. Admin. Budge	Substance Abuse Testing	Payment Error (Refunds)	ARRA/EECB Grant	Juvenile Secured Detention	Parks - Outside Cash
Cash and investments - beginning	\$ 2,691	\$ (24,695)	\$ -	\$ 391,805	\$ 1,500	\$ -	\$ 18,163
Receipts:							
Taxes	18,970	-	20,000	-	-	156,747	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	10,102	289,908	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	95,376	-	360,857	-	-	106,927
Total receipts	29,072	385,284	20,000	360,857	-	156,747	106,927
Disbursements:							
Personal services	17,218	334,232	-	-	-	16,614	-
Supplies	-	-	-	-	-	-	-
Other services and charges	3,297	4,412	2,888	-	1,500	70	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	11,061	-	-	-
Other disbursements	11,248	-	-	320,576	-	-	105,017
Total disbursements	31,763	338,644	2,888	331,637	1,500	16,684	105,017
Excess (deficiency) of receipts over disbursements	(2,691)	46,640	17,112	29,220	(1,500)	140,063	1,910
Cash and investments - ending	\$ -	\$ 21,945	\$ 17,112	\$ 421,025	\$ -	\$ 140,063	\$ 20,073

LAKE COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Community Economic Development	Redevelopment Commission	Employee Benefit Accruals	Inmate Trust	Jail Commissary	Inmate Medical	Unfunded Money
Cash and investments - beginning	\$ 490	\$ 3,719,603	\$ 1,930,059	\$ 617,103	\$ 53,391	\$ 2,121	\$ 16,400,562
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	<u>56,742</u>	<u>35,764</u>	<u>63,882,244</u>	<u>1,788,509</u>	<u>1,073,807</u>	<u>314</u>	<u>14,796,209</u>
Total receipts	<u>56,742</u>	<u>35,764</u>	<u>63,882,244</u>	<u>1,788,509</u>	<u>1,073,807</u>	<u>314</u>	<u>14,796,209</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	<u>53,393</u>	<u>466,266</u>	<u>67,797,521</u>	<u>1,723,303</u>	<u>1,112,071</u>	<u>2,434</u>	<u>16,400,562</u>
Total disbursements	<u>53,393</u>	<u>466,266</u>	<u>67,797,521</u>	<u>1,723,303</u>	<u>1,112,071</u>	<u>2,434</u>	<u>16,400,562</u>
Excess (deficiency) of receipts over disbursements	<u>3,349</u>	<u>(430,502)</u>	<u>(3,915,277)</u>	<u>65,206</u>	<u>(38,264)</u>	<u>(2,120)</u>	<u>(1,604,353)</u>
Cash and investments - ending	<u>\$ 3,839</u>	<u>\$ 3,289,101</u>	<u>\$ (1,985,218)</u>	<u>\$ 682,309</u>	<u>\$ 15,127</u>	<u>\$ 1</u>	<u>\$ 14,796,209</u>



LAKE COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Animal Control	Sheriff	Juvenile Division	Clerk	Hermit's Lake Debt Reserve	Sewage Collections	Totals
Cash and investments - beginning	\$ 1,025	\$ 793,822	\$ -	\$ 12,035,514	\$ 40,500	\$ 134,055	\$ 151,271,766
Receipts:							
Taxes	-	-	-	-	-	-	652,252,223
Licenses and permits	-	-	-	-	-	-	685,924
Intergovernmental	-	-	-	-	-	-	102,268,842
Charges for services	-	-	-	-	-	-	18,303,363
Fines and forfeits	-	-	-	-	-	-	8,767,076
Utility fees	-	-	-	-	-	163,817	163,817
Other receipts	3,743	8,669,954	13,676	50,501,720	5,445	700	210,011,617
Total receipts	<u>3,743</u>	<u>8,669,954</u>	<u>13,676</u>	<u>50,501,720</u>	<u>5,445</u>	<u>164,517</u>	<u>992,452,862</u>
Disbursements:							
Personal services	-	-	-	-	-	-	114,333,435
Supplies	-	-	-	-	-	-	6,394,824
Other services and charges	-	-	-	-	-	-	42,411,239
Debt service - principal and interest	-	-	-	-	-	-	22,892,940
Capital outlay	-	-	-	-	-	-	20,945,535
Other disbursements	4,043	8,476,856	13,676	50,468,336	-	170,002	808,818,607
Total disbursements	<u>4,043</u>	<u>8,476,856</u>	<u>13,676</u>	<u>50,468,336</u>	<u>-</u>	<u>170,002</u>	<u>1,015,796,580</u>
Excess (deficiency) of receipts over disbursements	<u>(300)</u>	<u>193,098</u>	<u>-</u>	<u>33,384</u>	<u>5,445</u>	<u>(5,485)</u>	<u>(23,343,718)</u>
Cash and investments - ending	<u>\$ 725</u>	<u>\$ 986,920</u>	<u>\$ -</u>	<u>\$ 12,068,898</u>	<u>\$ 45,945</u>	<u>\$ 128,570</u>	<u>\$ 127,928,048</u>

LAKE COUNTY  
 SCHEDULE OF PAYABLES AND RECEIVABLES  
 December 31, 2013

Government or Enterprise	Accounts Payable	Accounts Receivable
Hermit's Lake Sewer User Fee	\$ 31,569	\$ -
Governmental activities	10,355,155	-
Totals	\$ 10,386,724	\$ -

LAKE COUNTY  
SCHEDULE OF LEASES AND DEBT  
December 31, 2013

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
American Eurocopter Corporation / SunTrust Equipment Finance	Purchased new Helicopter	\$ 203,724	7/15/2009	1/15/2016
PNC Equip Finance	Highway Snow Plow Truck Lease	63,550	1/3/2013	1/3/2018
Lake County 2000 Building Corporation	Capital Improvements	<u>2,618,000</u>	8/1/2013	2/1/2024
Total of annual lease payments		<u>\$ 2,885,274</u>		

Type	Description of Debt	Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:				
General obligation bonds	Energy Savings Phase II		\$ 8,280,000	\$ 1,487,250
General obligation bonds	Energy Savings Phase I		8,190,000	2,577,375
General obligation bonds	Lake County Highway Garage		2,295,000	674,140
General obligation bonds	Parks #2 - Improvements & Acquisitions		23,300,000	1,013,588
General obligation bonds	Parks #4 - Improvements & Acquisitions		2,935,000	1,263,131
General obligation bonds	Highway Improvements		4,780,000	589,563
General obligation bonds	Series 2012B - Lake County Jail Construction		5,000,000	835,563
General obligation bonds	Series 2012C - Lake County Operating Fund		5,000,000	1,169,650
General obligation bonds	Series 2012D-1 - Construction Fund		3,500,000	66,150
General obligation bonds	Series 2012D-2 - Reimbursement Fund		6,500,000	2,128,527
General obligation bonds	Park District Bonds Of 2013		3,000,000	674,908
Claims and judgments	Judgment Funding General Obligation Bonds of 2012		7,355,000	1,386,423
Claims and judgments	Judgment Funding General Obligation Bonds Series 2010		<u>1,140,000</u>	<u>1,157,750</u>
Total governmental activities			<u>81,275,000</u>	<u>15,024,018</u>
Hermit's Lake Sewer User Fee:				
Notes and loans payable	Improvements at Hermits Lake Sewage Treatment Plant		<u>217,387</u>	<u>40,796</u>
Totals			<u>\$ 81,492,387</u>	<u>\$ 15,064,814</u>

LAKE COUNTY  
SCHEDULE OF CAPITAL ASSETS  
December 31, 2013

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

	Ending Balance
Governmental activities:	
Land	\$ 26,776,137
Infrastructure	256,384,101
Buildings	142,944,836
Machinery, equipment, and vehicles	37,847,112
Construction in progress	3,229,242
Total governmental activities	467,181,428
Hermit's Lake Sewer User Fee:	
Land	21,040
Improvements other than buildings	969,251
Total Hermit's Lake Sewer User Fee	990,291
Total capital assets	\$ 468,171,719

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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

TO: THE OFFICIALS OF LAKE COUNTY, INDIANA

***Report on Compliance for Each Major Federal Program***

We have audited Lake County's (County) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013. The County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

***Basis for Qualified Opinion on the JAG Program Cluster***

As described in item 2013-009 in the accompanying Schedule of Findings and Questioned Costs, we were unable to obtain sufficient documentation supporting the compliance of the County with its Jag Program Cluster regarding Matching and Reporting, nor were we able to satisfy ourselves as to the County's compliance with those requirements by other auditing procedures. Additionally, as described in item 2013-010 in the accompanying Schedule of Findings and Questioned Costs, the County did not comply with requirements regarding Earmarking that are applicable to its JAG Program Cluster. Compliance with such requirements is necessary, in our opinion, for the County to comply with requirements applicable to that program.

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

***Qualified Opinion on the JAG Program Cluster***

In our opinion, except for the effects of such noncompliance, if any, as might have been determined had we been able to examine sufficient evidence regarding the County's compliance and the noncompliance described in the *Basis for Qualified Opinion* paragraph, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the JAG Program Cluster for the year ended December 31, 2013.

***Unmodified Opinion on Each of the Other Major Federal Programs***

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the year ended December 31, 2013.

***Other Matters***

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

***Report on Internal Control Over Compliance***

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


A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or 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 2013-006, 2013-007, and 2013-008 to be material weaknesses.

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

A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2013-011 to be a significant deficiency.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

  
Paul D. Joyce, CPA  
State Examiner

November 25, 2014



SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

LAKE COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2013

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>Department of Agriculture</u>				
Child Nutrition Cluster				
School Breakfast Program	Indiana Department of Education	10.553		
Juvenile Center Breakfast Program			FY 2013	\$ 35,713
National School Lunch Program	Indiana Department of Education	10.555		
Juvenile Center Lunch Program			FY 2013	54,941
Total - Department of Agriculture				90,654
<u>Department of Commerce</u>				
Coastal Zone Management Administration Awards	Indiana Department of Natural Resources	11.419		
Park Grant			CZ222	4,199
<u>Department of Housing and Urban Development</u>				
CDBG - Entitlement Grants Cluster				
Community Development Block Grants/Entitlement Grants	Direct Grant	14.218		
CDBG			B-11-UC-18-0016	829,497
CDBG			B-12-UC-18-0016	593,777
Neighborhood Stabilization Program - NSP1			B-08-UN-18-0002	76,179
Neighborhood Stabilization Program - NSP 3			B-11-UN-18-0002	136,419
Total - CDBG - Entitlement Grants Cluster				1,635,872
CDBG - State-Administered CDBG Cluster				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii Lake Dalecarlia Dam	Indiana Office of Community and Rural Affairs	14.228		
			B-08-DI-18-0001	260,080
Total - CDBG - State-Administered CDBG Cluster				260,080
HOME Investment Partnerships Program	Direct Grant	14.239		
Lake County HOME Program			M-10-UC-18-0207	345,272
			M-11-UC-18-0207	237,410
			M-12-UC-18-0207	99,505
			M-13-UC-18-0207	17,393
Total - HOME Investment Partnerships Program				699,580
Total - Department of Housing and Urban Development				2,855,612
<u>Department of Justice</u>				
JAG Program Cluster				
Edward Byrne Memorial Justice Assistance Grant Program	Direct Grant	16.738		
Justice Assistance Grant			2010-DJ-BX-0810	101,512
Justice Assistance Grant			2011-DJ-BX-3472	55,606
Justice Assistance Grant			2012-DJ-BX-0979	93,456
Total - Edward Byrne Memorial Justice Assistance Grant Program - Direct Grants				250,574
Edward Byrne Memorial Justice Assistance Grant Program				
Justice Assistance Grant	Indiana Criminal Justice Institute		2010-DJ-BX-0254	61,165
Detention Enhancement Project			2011-DJ-BX-2622	99,228
Justice Assistance Grant			2011-DJ-BX-2622	19,398
Justice Assistance Grant			2012-DJ-BX-0765	98,425
Total - Edward Byrne Memorial Justice Assistance Grant Program - Pass-Through Grants				278,216
Total - Edward Byrne Memorial Justice Assistance Grant Program				528,790
ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to States and Territories		16.803		
Justice Assistance Grant	Direct Grant		2009-SB-B9-1671	13,192
Total - JAG Program Cluster				541,982
Juvenile Accountability Block Grants	Indiana Criminal Justice Institute	16.523		
Juvenile Accountability Block Grant			2010-JB-FX-0086	29,072

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, 2013  
(Continued)

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>Department of Justice (continued)</u>				
Crime Victim Assistance	Indiana Criminal Justice Institute	16.575		
VOCA Grant			2011-VA-GX-0039	22,446
VOCA Grant			2012-VA-GX-0017	38,850
Total - Crime Victim Assistance				61,296
State Criminal Alien Assistance Program	Direct Grant	16.606		
SCAAP			2012-AP-BX-0363	25,306
Equitable Sharing Program	Direct Grant	16.922		
Equity Sharing			IND450000	66,237
Total - Department of Justice				723,893
<u>Department of Transportation</u>				
Highway Planning and Construction Cluster				
Highway Planning and Construction	Indiana Department of Transportation	20.205		
Bridge 262			DES# 0090260	34,671
Bridge 255			DES# 0600751	17,662
Bridge 364			DES# 0600753	72,405
Oak Savannah Trail Enhancement			DES#1005521	46,295
Bridge Inspection			DES# 1005386	3,316
Advanced Clearing			DES# 1173546	21,171
45th Ave - Phase II			DES# 9980090	131,747
Total - Highway Planning and Construction Cluster				327,267
Highway Safety Cluster				
Safety Belt Performance Grants	Indiana Criminal Justice Institute	20.609		
Operation Pullover			OP-12-04-02-41	12,598
Total - Department of Transportation				339,865
<u>Environmental Protection Agency</u>				
Great Lakes Program	Indiana Department of Natural Resources	66.469	CZ122	47,817
<u>Department of Health and Human Services</u>				
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	Indiana Department of Health	93.116		
TB Control			5U52PS500520-28	10,205
Child Support Enforcement	Indiana Department of Child Services	93.563		
Title IV-D County Clerk			2013	70,733
Title IV-D Incentive County Clerk			2013	151,091
Title IV-D County Court			2013	174,191
Title IV-D Incentive County Court			2013	166,569
Title IV-D County Prosecutor			2013	1,638,121
Title IV-D Incentive County Prosecutor			2013	76,834
Title IV-D Indirect Costs			2013	910,155
Title IV-D - Post October 1999 County Prosecutor			2013	50,226
Total - Child Support Enforcement				3,237,920
ARRA - Child Support Enforcement	Indiana Department of Child Services	93.563		
Title IV-D Incentive			2013	9,964
Title IV-D County Clerk			2013	3,470
Total - ARRA - Child Support Enforcement				13,434
Voting Access for Individuals with Disabilities - Grants to States	Indiana Secretary of State	93.617	FY 2013	56,039
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	Indiana Department of Health			
HIV/AIDS Surveillance		93.944	5U62PS001049-03	71,546
Total - Department of Health and Human Services				3,389,144
<u>Department of Homeland Security</u>				
Emergency Management Performance Grants	Indiana Department of Homeland Security	97.042	FY 2012	42,776
Total federal awards expended				\$ 7,233,880

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

**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the County and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. 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.

**Note 2. Subrecipients**

Of the federal expenditures presented in the schedule, the County provided federal awards to subrecipients as follows for the year ended December 31, 2013:

Program Title	Federal CFDA Number	2013
Community Development Block Grants/Entitlement Grants	14.218	\$ <u>37,500</u>

LAKE COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**Section I - Summary of Auditor's Results**

Financial Statement:

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

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	yes
Type of auditor's report issued on compliance for major programs:	Unmodified for all programs except JAG Program Cluster which was qualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
14.239	CDBG - Entitlement Grants Cluster HOME Investment Partnerships Program JAG Program Cluster
93.563	Child Support Enforcement

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? no

**Section II - Financial Statement Findings**

**FINDING 2013-001 - INTERNAL CONTROLS AND COMPLIANCE  
OVER FINANCIAL TRANSACTIONS AND REPORTING**

We noted deficiencies in the internal control system of the County related to financial transactions and reporting. Effective internal control over financial reporting involves the identification and analysis of the risks of material misstatement to the County's audited financial statement and then determining how those identified risks should be managed. The County has not identified risks to the preparation of the financial statement to prevent or detect material misstatements.

LAKE COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

The County Auditor is responsible for preparing the Annual Financial Report (AFR) and electronically submitting it to the Indiana State Board of Accounts. The financial information in the AFR is used to generate the financial statement to be audited. The financial statement presented for audit contained the following error:

1. Twenty funds that were accounted for in the County's ledgers were omitted from the financial statement. The omitted funds understated the beginning cash and investment balance by \$1,155,493.
2. The beginning cash and investment balances did not agree to the prior audited ending cash and investment balances for nine funds. The variances, totaling \$887,004, were caused by adjusting entries which affected the beginning cash and investment balances, the receipts, and the disbursements in the County's ledgers.
3. An irrevocable trust account's annual activity for a defeased debt instrument was erroneously included in the County's financial statement. The activity of the trust account resulted in the overstatement of the beginning cash and investment balance by \$1,018,426.
4. The financial statement receipts were understated by \$6,868,788. This was caused by errors, omissions, and adjusting entries that changed the current year's receipts.
5. The financial statement disbursements were understated by \$3,177,056. This was caused by errors and omissions.
6. The financial statement ending cash and investment balance was understated by \$4,703,526. The understatement was caused by the numerous errors, omissions, and adjustments that occurred with the beginning cash and investment balances, the receipts, and the disbursements addressed in the above items.

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

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 County Auditors of Indiana, Chapter 14)

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

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

LAKE COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

***FINDING 2013-002 - INTERNAL CONTROLS AND COMPLIANCE OVER  
FINANCIAL TRANSACTIONS AND REPORTING - COUNTY CLERK***

Internal controls over the receipting, disbursing, recording, and accounting for the financial activities of the Clerk of the Circuit Court were insufficient. We noted several deficiencies in the internal control system of the Clerk of the Circuit Court's Office related to financial transactions and reporting. We believe the following deficiencies constitute material weaknesses:

1. **Lack of Segregation of Duties:** Control activities should be selected and developed at various levels of the Clerk of the Circuit Court's Office to reduce risks to the achievement of financial reporting objectives. The Clerk of the Circuit Court's Office has not separated incompatible activities related to receipts, disbursements, and cash and investment balances. The failure to establish these controls could enable material misstatements or irregularities to remain undetected.

The Clerk of the Circuit Court's Office has multiple offices and divisions. The divisions generally have a division manager, a bookkeeper, and clerks. The various clerks issue receipts for amounts received, and remit the receipts issued and related collections to the bookkeepers, who also issue receipts for collections from the public. The bookkeepers make adjustments for receipt errors, close and record the daily transactions, issue checks, prepare the bank deposit and reconcile the bank accounts. In some divisions, the bookkeeper also takes the deposit to the bank.

2. **Preparing Financial Statement:** Effective internal control over financial reporting involves the identification and analysis of the risks of material misstatement to the County's audited financial statement and then determining how those identified risks should be managed.

The Clerk of the Circuit Court does not have adequate internal controls over financial reporting to facilitate the preparation of accurate and complete financial reports to be included in the County's Annual Financial Report (AFR) and annual financial statement. The Clerk fund included in the financial statement includes all receipts and disbursements of the Clerk of the Circuit Court's Office, cash balances due to other governmental entities, and items held in trust for others.

The financial information provided by the Clerk of the Circuit Court to be included in the County's 2013 financial statement contained numerous errors and omissions. 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, 2013, as well as their receipts and disbursements for 2013 to the Financial Manager at the Crown Point Office. The individual offices' and divisions' reports are combined by the Financial Manager and reported in total to the County Auditor for inclusion in the financial statement. The total cash and investments reported on the 2013 financial statement was \$14,171,981; the audited cash and investments balance as of December 31, 2013, was \$12,068,897. The following presents the differences between reported and audited financial activity:

LAKE COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

	01-01-13 Beginning Balance	Receipts	Disbursements	12-31-13 Ending Balance
Financial Activity Reported	\$ 12,064,993	\$47,646,286	\$ 45,539,298	\$ 14,171,981
Audited Financial Activity	<u>12,035,514</u>	<u>50,501,720</u>	<u>50,468,336</u>	<u>12,068,898</u>
Variances	<u>\$ 29,479</u>	<u>\$ (2,855,434)</u>	<u>\$ (4,929,038)</u>	<u>\$ 2,103,083</u>

Identified errors that contributed to the differences included the reporting of depository balances instead of reconciled record balances, reporting trust activity only and omitting fee activity, and not properly recording a disbursement due to a bank error. The audit adjustments were included in the variances noted in Finding 2013-001 above and the County Auditor approved the proposed adjustments to the financial statement.

The lack of adequate controls over the Clerk of the Circuit Court's financial report before it was filed with the County Auditor was evidenced above. 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 them. In addition, adequate internal control requires sufficient supervision and oversight by management and the governing bodies to ensure complete and accurate financial reporting.

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Clerks of the Circuit Courts of Indiana, Chapter 13)

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 Clerks of the Circuit Courts of Indiana, Chapter 13)

**FINDING 2013-003 - INTERNAL CONTROLS AND COMPLIANCE  
OVER FINANCIAL REPORTING - SHERIFF**

We noted several deficiencies in the internal control system of the Sheriff Department related to financial transactions and reporting. We believe the following deficiencies constitute material weaknesses:



LAKE COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

1. Lack of Segregation of Duties: Control activities should be selected and developed at various levels within the Sheriff's Department to reduce risks to the achievement of financial reporting objectives. The Sheriff Department had not separated incompatible activities related to receipts and disbursements. The failure to establish these controls could enable material misstatements or irregularities to remain undetected.

The Sheriff Department has multiple offices and divisions. Those divisions with a lack of segregation of duties included Civil, Inmate Trust, Commissary, and the Lake County Drug Task Force. In the Civil, Inmate Trust, and Lake County Drug Task Force divisions, one employee was responsible for receipting and disbursing funds, reconciling the monthly bank statements to the respective ledgers, and posting transactions to the ledgers. For the Commissary division, one employee was responsible for disbursing funds, reconciling to the bank, and posting transactions to the ledger.

2. Receipt Issuance: Receipts were not issued for collections made by the Commissary division. Commissary collections were from three main sources: purchases made from Inmate Trust, commission from telephone calls, and commission from video conferences.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

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 of Indiana, Chapter 1)

***FINDING 2013-004 - INTERNAL CONTROLS AND COMPLIANCE OVER  
THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS***

The County did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The County should have proper controls in place for the preparation of the SEFA to ensure accurate reporting of federal awards. Without a proper system of internal control in place that operates effectively, material misstatements of the SEFA could remain undetected.

Various departments are responsible for applying for grants, seeking board approval for the grants, and overseeing the implementation of the grant and the related grant activity. The County Auditor's Office (finance department) is responsible for preparing the SEFA based upon the grant information obtained from the financial accounting records and other information provided by each department. The financial accounting records maintained by the departments should reconcile with the County's detailed financial records. When the departments' reports were compared to the County's financial records, differences were noted. The County has contracted with a grant supervisor to review the departments' information for completeness and accuracy and to compile the SEFA. The internal controls established were not effective in detecting and correcting errors.

LAKE COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

We noted the following material errors:

1. The SEFA did not include \$204,143 of expenditures for seven different grants or projects.
2. Expenditures were underreported by \$1,687,253 for fourteen projects of various grants.
3. Expenditures were overreported by \$1,523,533 for eleven projects of various grants.

The combination of the financial errors resulted in the expenditures on the SEFA being understated by \$367,863.

Audit adjustments were proposed, accepted by the County, and made to the SEFA presented in this report.

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 of Indiana, Chapter 1)

OMB Circular A-133, Subpart C, section .300 states in part: "The auditee shall: . . . (d) Prepare appropriate financial statements, including the schedule of expenditures of Federal Awards in accordance with section .310."

OMB Circular A-133, Subpart C, section .310(b) states in part:

"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 years, the auditee may list the amount of Federal awards expended for each award year separately. At a minimum, the schedule shall:

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a sub-recipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide the total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available."

LAKE COUNTY  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 (Continued)

**FINDING 2013-005 - INTERNAL CONTROLS AND COMPLIANCE OVER TREASURER'S DAILY BALANCE OF CASH AND DEPOSITORIES AND THE AUDITOR'S FUND LEDGER**

The County Treasurer's Office is responsible for maintaining the Treasurer's Daily Balance of Cash and Depositories (Cash Book). The Cash Book reflects the daily receipts and disbursements, the total amount of cash and investments, and a proof of the financial condition of the office at the close of each day.

As part of the monthly reconciling process, the County Auditor's Office compares the County Auditor's funds ledger balance to the County Treasurer's calculated Funds Ledger line per the Cash Book. As of December 31, 2013, the County Auditor's Office reconciliation and the funds ledger balances agreed. However, a reconciling item totaling \$481,694.42 did not have the proper supporting documentation to substantiate the amount. Based on further review of the County Treasurer's Cash Book entries, it was determined that the County Treasurer's Office recorded a negative quietus (receipt) in the County Treasurer's "Funds Ledger" line. A corresponding entry was not posted to the County Auditor's funds ledger to reflect the County Treasurer's Cash Book entry. The County Treasurer's Cash Book "Funds Ledger - Cash" line item should not be adjusted without the proper supporting documentation from the County Auditor's Office that a corresponding entry was recorded to the County Auditor's funds ledger.

In addition, cash short or cash long entries are recorded in the Cash Book which indicates a difference between the ending balance of the taxes, other sources, funds, and investments when compared to the ending depository balances. Various cash short and cash long entry explanations during the year included voided transactions, payment by credit card, electronic check timing differences, and bank errors.

The cumulative cash short and cash long at December 31, 2010, 2011, 2012, and 2013, is noted as follows:

Description	December 31, 2010	December 31, 2011	December 31, 2012	December 31, 2013
Cash Short	\$ 64,015.79	\$ 609,747.45	\$ 538,136.20	\$ 48,472.24
Cash Long	269,328.50	147,075.89	150,436.29	154,459.90
Unsubstantiated Adjustment	-	-	-	481,694.42
Net (Short)/Long	<u>\$ 205,312.71</u>	<u>\$ (462,671.56)</u>	<u>\$ (387,699.91)</u>	<u>\$ (375,706.76)</u>

The cumulative cash short noted above, while large, is not material to the financial statement at December 31, 2013. However, failure to establish controls to identify and find resolution to these items could cause a material misstatement of the financial statement in the future. As of the June 30, 2014, the reconciling item totaling \$481,694.42 between the County Auditor's and County Treasurer's Office had not been resolved.

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.

LAKE COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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 County Treasurers of Indiana, Chapter 10)

It is important that the amounts distributed at each semiannual settlement agree with the amounts shown in the treasurer's daily balance of cash and depositories, since a settlement and distribution in excess of the amounts entered in this record will result in "cash short" on the day the settlement is made. Conversely, if the settlement and distribution is made for less than the amount shown in this record, it will result in "cash long" for that day. Therefore, every effort should be made before settlement and distribution to see that the amounts distributed for each taxing district agree with the amounts entered in the register of taxes collected and in the treasurer's daily balance of cash and depositories. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers of Indiana, Chapter 4)

***Section III - Federal Award Findings and Questioned Costs***

***FINDING 2013-006 - INTERNAL CONTROLS - CDBG ENTITLEMENT GRANTS CLUSTER***

Federal Agency: Department of Housing and Urban Development  
Federal Program: Community Development Block Grants/Entitlement Grants  
CFDA Number: 14.218  
Federal Award Numbers: B-11-UC-18-0016, B-12-UC-18-0016, B-08-UN-18-0002, B-11-UN-18-0002

Management of the County has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the Reporting compliance requirements that have a direct and material effect on the program. The failure to establish an effective internal control system places the County at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the grant.

The County has not designed or implemented adequate policies or procedures to ensure that required quarterly reports were accurately prepared and submitted. The reports contained no evidence that they had been reviewed by anyone other than the person preparing the report. Segregation of duties, such as an oversight or approval process, has not been established.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement, or a type of compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

LAKE COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

The failure to establish internal controls could enable material noncompliance to go undetected. Noncompliance with the grant agreement or the reporting compliance requirements that have a direct and material effect on the program could result in the loss of federal funds to the County.

We recommended that the County's management establish controls, including segregation of duties, related to the grant agreement and the compliance requirements noted above that have a direct and material effect on the program.

***FINDING 2013-007 - INTERNAL CONTROLS - HOME INVESTMENT PARTNERSHIPS PROGRAM***

Federal Agency: Department of Housing and Urban Development

Federal Program: HOME Investment Partnerships Program

CFDA Number: 14.239

Federal Award Numbers: M-10-UC-18-0207, M-11-UC-18-0207, M-12-UC-18-0207, M-13-UC-18-0207

The County has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the Special Tests and Provisions for Housing Quality Standards compliance requirements that have a direct and material effect on the program. The failure to establish an effective internal control system places the County at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

The frequency of Housing Quality Standards inspections depends on the number of Home-Assisted units in a project. The Department of Community Development did not have proper controls in place to ensure that the required inspections were completed.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement, or a type of compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

The failure to establish internal controls could enable material noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirements that have a direct and material effect on the program could result in the loss of federal funds to the County.

We recommended that the County's management establish controls related to the grant agreement and the compliance requirements noted above that have a direct and material effect on the program.

LAKE COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

**FINDING 2013-008 - INTERNAL CONTROLS - EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM, ARRA - EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT (JAG) PROGRAM/GRANTS TO STATES AND TERRITORIES**

Federal Agency: Department of Justice

Federal Programs: Edward Byrne Memorial Justice Assistance Grant Program,  
ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/  
Grants to States and Territories

CFDA Numbers: 16.738, 16.803

Federal Award Numbers: Justice Assistance Grants 2010-DJ-BX-0810, 2011-DJ-BX-3472,  
2012-DJ-BX-0979, 2010-DJ-BX-0254, 2011-DJ-BX-2622, 2012-DJ-BX-0765,  
2009-SB-B9-1671 and Detention Enhancement Project 2011-DJ-BX-2622

Pass-Through Entity: Indiana Criminal Justice Institute (for grants 2010-DJ-BX-0254, 2011-DJ-BX-2622,  
and 2012-DJ-BX-0765)

Management of the County has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and all of the compliance requirements that have a direct and material effect on the programs that are administered by the law enforcement department of the County. The Lake County Drug Task Force (LCDTF) lacks internal controls over the compliance requirements for Activities Allowed, Allowable Costs, Cash Management, Matching, Earmarking, Period of Availability, and Reporting. The Community Corrections Department lacks internal controls over the Reporting and Matching compliance requirements.

The following applies to the Lake County Drug Task Force (LCDTF):

1. Activities Allowed, Allowable Costs, Period of Availability - The Purchase Orders (PO) and Accounts Payable Vouchers (APV) prepared in the latter half of 2013 were prepared by the Bookkeeper. The POs and APVs were also approved by the same Bookkeeper in the name of the Grant Administrator instead of approved by the Grant Administrator. Thus, the submitted APVs were prepared by one individual without a system of oversight or review prior to submission for payment. Previously, the Grant Administrator had signed the PO to authorize the purchase and the APV to authorize the payment.
2. Cash Management - The supporting spreadsheet and drawdown requests of grant funds were prepared by the Grant Administrator without a system of oversight or review prior to submission.
3. Earmarking and Reporting - Required reports were prepared and submitted by the Grant Administrator (financial reports and quarterly progress reports). These reports were prepared from spreadsheets prepared by the Grant Administrator. The reports were not based upon the County's financial accounting system. In response to the prior audit finding, the County Sheriff's Office assigned an individual to review the reports. The individual signed copies of several 3rd quarter report drafts to indicate review, but not 4th quarter reports. The Grant Administrator indicated that the review process conducted was verbal.
4. Matching - The grant funding received from the Indiana Criminal Justice Institute requires matching funds. The LCDTF has not designed or implemented adequate policies and procedures to ensure that Matching requirements have been met.

LAKE COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

The following applies to the Community Corrections Department:

1. Reporting - The Community Corrections Department has not designed or implemented adequate policies and procedures to ensure that all required reports are accurately prepared and submitted. Evidence of an oversight, review, or approval process was not provided.
2. Matching - The grant funding received from the Indiana Criminal Justice Institute requires matching funds. The Community Corrections Department has not designed or implemented adequate policies and procedures to ensure that Matching requirements have been met.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement, or a type of compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

The failure to establish internal controls could enable material noncompliance to go undetected. Non-compliance with the grant agreement or the compliance requirements that have a direct and material effect on the program could result in the loss of federal funds to the County.

We recommended that the County's management establish controls, including segregation of duties, related to the grant agreement and all compliance requirements that have a direct and material effect on the program.

***FINDING 2013-009 - MATCHING AND REPORTING - EDWARD BYRNE  
MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM***

Federal Agency: Department of Justice  
Federal Program: Edward Byrne Memorial Justice Assistance Grant Program  
CFDA Number: 16.738  
Federal Award Numbers: 2011-DJ-BX-2622, 2012-DJ-BX-0765  
Pass-Through Entity: Indiana Criminal Justice Institute

The pass-through grant awarded by the Indiana Criminal Justice Institute (ICJI) required matching funds. Per the Grant Award letter for 2012-DJ-BX-0765, the matching funds required for the 2013 grant period was \$110,000. Per grant amendment 1 submitted by the Lake County Drug Task Force, the match consisted of 2.4 Task Force Officers totaling \$100,436 and communications for \$9,564. For the 2011-DJ-BX-2622 grant administered by the Lake County Community Corrections Programs, the grant required a match of \$66,667.

LAKE COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

Review of the four quarterly "Subgrantee Cumulative Fiscal Report" submitted to ICJI for 2013 noted the match was reported as a cash match. The amounts reported each quarter for the grant period totaled exactly \$27,500 and \$16,666, respectively. The amount reported each quarter as the match is one-fourth of the total required match.

The grant records (binders and spreadsheets) did not contain documentation to support the match reported. Inquiry of the Grant Administrator indicated that the office match consisted of some officers working for the task force paid for by a participating city, and disbursements from a forfeiture fund. Records tracking and supporting the amounts reported, however, were not maintained. Due to the lack of records, we were unable to determine the accuracy of the amounts reported or if the match requirement was met.

28 CFR 66.24(b)(6) Matching or cost sharing states:

"Records. Costs and third party in-kind contributions counting towards satisfying a cost sharing or matching requirement must be verifiable from the records of grantees and subgrantee or cost-type contractors. These records must show how the value placed on third party in-kind contributions was derived. To the extent feasible, volunteer services will be supported by the same methods that the organization uses to support the allocability of regular personnel costs."

The Indiana Criminal Justice Institute's Drug & Crime Control Division - Subgrantee Policy and Procedure Manual, Chapter 6: Matching states in part:

"A. In-Kind Match (Cost Sharing) . . . In kind match, or cost sharing, does not require a cash outlay by the recipient agency, yet it must represent real dollars . . .

B. Cash Match (hard match) includes real dollars that are contributed toward the project or program . . .

D. Records of Match Subgrantee must maintain records which clearly show the source, the amount, and the timing of all matching contributions."

28 CFR 66.20 states in part:

"(b) The financial management systems of other grantees and subgrantees must meet the following standards:

- (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.
- (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."

Failure to maintain records that track the matching funds hinders the County's ability to adequately monitor and report matching. Noncompliance with the grant agreement or the matching and reporting compliance requirements could result in the loss of federal funds to the County.

We recommended that officials adequately identify, track, and report matching funds.



LAKE COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

***FINDING 2013-010 - EARMARKING - EDWARD BYRNE  
MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM***

Federal Agency: Department of Justice  
Federal Program: Edward Byrne Memorial Justice Assistance Grant Program  
CFDA Number: 16.738  
Federal Award Number: 2012-DJ-BX-0765  
Pass-Through Entity: Indiana Criminal Justice Institute

The Lake County Drug Task Force receives various Edward Byrne Memorial Justice Assistance Grants (JAG), both direct grants from the Department of Justice and pass through grants from the Indiana Criminal Justice Institute (ICJI). The budget amounts for these grants awards are approved by the grantor agencies.

The grant received from ICJI budget included amounts for salary and benefits for a Grant Administrator and Data Entry/Bookkeeping Clerk, and office supplies. The total grant award, including local match, was \$220,000. The County could only earmark a maximum of 10 percent or \$22,000 for administrative costs.

The total budget for administrative costs was \$63,126. Based upon grant reports and grant spreadsheets maintained by the Grant Administrator, the County disbursed \$63,126 for administrative costs. The amount budgeted and disbursed exceeded the maximum allowed by \$41,126. The \$41,126 excess disbursed for administrative cost over the allowable amount is considered questioned costs.

Amounts were reported as disbursed in 2013 from three other JAG grants received from the Department of Justice for administration costs which were below 10 percent of the grant award. When the grants were combined, the maximum amount was still exceeded due to the administrative amount disbursed from the grant received from ICJI.

The grant reimbursements received from ICJI are based upon the quarterly "Subgrantee Cumulative Fiscal Report." These reports contain a "personnel expenditure details" section which details the amounts expended for these two positions. Review of the grant agreement, and the ICJI Drug & Crime Control Division Subgrantee Policy and Procedure Manual noted that earmarking was not addressed.

42 USC 3751 states in part: "(e) Administrative costs. Not more than 10 percent of a grant made under this part may be used for costs incurred to administer such grant."

Noncompliance with the earmarking compliance requirements could result in the loss of federal funds to the County.

We recommended that officials comply with all grant requirements applicable to the Earmarking requirements.

LAKE COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

***FINDING 2013-011 - INTERNAL CONTROLS - CHILD SUPPORT ENFORCEMENT***

Federal Agency: Department of Health and Human Services  
Federal Program: Child Support Enforcement  
CFDA Number: 93.563  
Federal Award Number: Indirect Costs 2013  
Pass-Through Entity: Indiana Department of Child Services

Management has not established an effective internal control system to ensure the reliability and accuracy of data used in determining the indirect cost allocation plan and indirect cost rate that are used to charge indirect costs to the program.

The County hired an outside consultant to prepare their indirect cost allocation plan. This consultant requests financial and other pertinent information from the County to complete the cost allocation plan. This plan determines the amount of indirect costs that the County is eligible to receive.

The consultant also submits the plan to the Indiana Department of Child Services for the reimbursement of the indirect costs for the County. Documentation of evidence that the County reviewed the indirect cost allocation plan report information prepared by the consultant was not provided.

The failure to establish an effective internal control system places the County at risk of noncompliance with the grant agreement and the compliance requirements related to the grant. A lack of an internal control system could also allow the misuse and mismanagement of federal funds and assets by not having proper oversight and reviews.

An internal control system should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement, or a type of compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis.

OMB Circular A-133, Subpart C, section .300 states in part:

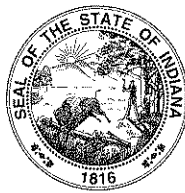
"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

The failure to establish internal controls could enable noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirements could result in the loss of federal funds to the County.

We recommended that the County establish internal controls to ensure the reliability and accuracy of the data used in determining the amount of indirect costs that the County receives.

#### AUDITEE PREPARED DOCUMENTS

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



*Auditor Lake County*

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

 1049-M

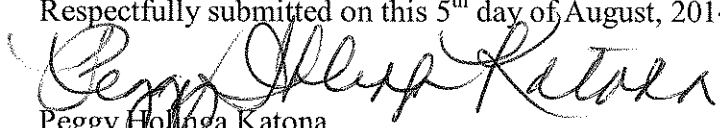
**Section III**  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING NO. 2012-4 INTERNAL CONTROLS OVER COMPLIANCE  
REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT ON CHILD  
SUPPORT ENFORCEMENT

Original Audit Report Number: B42923  
Report period: Jan 1, 2012 Through Dec 31, 2012  
Federal Agency: U.S. Department of Health and Human Services  
Federal Program: Child Support Enforcement  
CFDA Number: 93.563  
Award No: FY12  
Pass Through: Indiana Department of Child services  
Auditee Contact Persons: Barbara L McConnell (Office of Prosecutor) 219-755-3720  
Marilyn Hrnjak (Office of Clerk) 219-755-3049  
Michael Wieser (Office of Auditor) 219-755-3129  
Cynthia Staehle (Juvenile Court) 219-660-6839

Status of Audit Finding:  
Please refer to the attached response from the above named contact persons.

Respectfully submitted on this 5<sup>th</sup> day of August, 2014

  
Peggy Holinga Katona  
Lake County Auditor



## Office of the Prosecuting Attorney

31st JUDICIAL CIRCUIT  
LAKE COUNTY, INDIANA

**BERNARD A. CARTER**  
PROSECUTING ATTORNEY



MAIN OFFICE  
2293 NORTH MAIN STREET  
CROWN POINT, INDIANA 46307  
(219) 755-3720 THRU 755-3727  
FAX (219) 755-3642

July 30, 2014

Indiana State Board of Accounts  
302 W. Washington St., Room E 418  
Indianapolis, IN 46204-2765

RE: Summary Schedule of Prior Audit Finding

Finding Number 2012-4 INTERNAL CONTROLS OVER COMPLIANCE THAT HAVE A DIRECT AND MATERIAL EFFECT TO CHILD SUPPORT ENFORCEMENT

Original SBA Audit Report Number: B42923  
Fiscal Year: 2012  
Auditee Contact Person; Barbara L. McConnell  
Title of Contact Person: Chief Deputy Prosecuting Attorney  
Phone Number: (219) 755-3720

**Status of Finding:**

Our IV-D bookkeeper calculates the amount of employer paid fringe benefit costs by multiplying the gross payroll amount by the employer paid fringe benefit rate that is supplied by the Auditor's Office. We then ensure that our figures are accurate, by comparing them to the LC500 and PR260 reports, before we submit our monthly and quarterly claims to the Department of Child Services. This procedure has been consistently followed since the audit.

We have also implemented a management review procedure before we submit our monthly expense claims and quarterly incentive expenditure reports. The claims and reports are first submitted to a member of upper management, along with all supporting documentation including LC500 and PR260, for review and written approval. The materials are then forwarded to a second member of upper management who follows the same review process before giving written approval.

Sincerely,

A handwritten signature in cursive script that reads "Barbara L. McConnell".

Barbara L. McConnell  
Chief Deputy Prosecuting Attorney



**MICHAEL A. BROWN**  
CLERK LAKE CIRCUIT/SUPERIOR COURT  
2293 NORTH MAIN STREET  
CROWN POINT, INDIANA 46307

PHONE: (219) 755-3460  
July 30, 2014

FAX: (219) 755-3520



Finding 2012-4: INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO CHILD SUPPORT ENFORCEMENT

U.S. Department of Health and Human Services

CFDA Number: 93.563

Year: 2012

Auditee Contact Person: Marilyn Hrnjak

Title of Contact Person: 219-755-3049

Implementation of the plan is complete. The only changes were that Tassy Koutouvas replaced Dennis Tobin when Dennis ended his employment in the Clerk's Office; and instead of ordering a rubber stamp, a signature page was created for each employee to sign and date. Upper management reviews the completion of reports and act as signators.

Signature: \_\_\_\_\_

*Michael A. Brown* <sup>MB</sup>

Title: \_\_\_\_\_

*Lake County Clerk*



*Auditor Lake County*

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



FINDING NO. 2012-4 INTERNAL CONTROLS OVER COMPLIANCE  
REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT ON CHILD  
SUPPORT ENFORCEMENT

Original Audit Report Number: B42923  
Report period: Jan 1, 2012 Through Dec 31, 2012  
Federal Agency: U.S. Department of Health and Human Services  
Federal Program: Child Support Enforcement  
CFDA Number: 93.563  
Award No: FY12  
Pass Through: Indiana Department of Child services  
Auditee Contact Person:  
Michael Wieser (Office of Auditor) 219-755-3129

Status of Audit Finding:

The Lake County Auditor's Office has contacted the consulting firm hired to prepare and publish the allocation plan and has scheduled a meeting with their representative. This meeting will allow the Lake County Auditor and the Auditor's staff the opportunity to verify all information contained in the report.

Respectfully submitted on this 5<sup>th</sup> day of August, 2014

Michael Wieser  
Director of Finance  
Lake County Auditor's Office



**Superior Court of Lake County**  
JUVENILE DIVISION

**Judge Thomas P. Stefaniak, Jr.**  
LAKE COUNTY JUVENILE JUSTICE COMPLEX  
3000 WEST 93<sup>RD</sup> AVENUE  
CROWN POINT, IN 46307



PHONE: 219-660-6900  
FAX: 219-736-6209

FINDING NO. 2012-4 and 2012-6: INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS  
THAT HAVE A DIRECT AND MATERIAL EFFECT TO CHILD SUPPORT ENFORCEMENT

Original Audit Report Number: B42923  
Report Period: Jan. 1, 2012 through Dec. 31, 2012  
Federal Agency: U.S. Department of Health and Human Services  
CFDA Number: 93.563  
Award No: FY 12  
Auditee: Contact Person: Cynthia Staehle  
Title of Contact Person: Court Executive, Lake Superior Court, Juvenile Division  
Phone: (219) 660-6839

Status of Audit Finding:

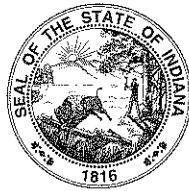
The corrective action plan submitted to State Board of Account July 11, 2013, has been performed. We discovered that, although the report reconciliation controls instituted were effective for the most part, there were incidents identified that required additional internal controls for full compliance. In particular, additional training regarding Title IV-D requirements and a more rigorous time-line was instituted. This should allow enough time to secure the appropriate reports for review without impacting the report's due date. We feel that the controls in place now should be sufficient.

Respectfully submitted on this 30<sup>th</sup> day of July, 2014.

Cynthia Staehle, Court Executive  
Lake Superior Court  
Juvenile Division

cc: Judge Thomas P. Stefaniak, Jr.





*Auditor Lake County*

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

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING NO. 2012-5-COMPLIANCE RELATED TO CHILD SUPPORT  
ENFORCEMENT GRANTS-ALLOWABLE COSTS/CASH  
MANAGEMENT/MATCHING

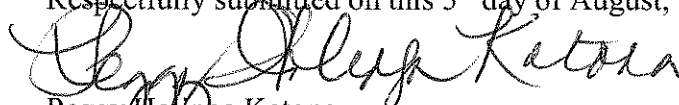
Original Audit Report Number: B42923  
Report period: Jan 1, 2012 Through Dec 31, 2012  
Federal Agency: U.S. Department of Health and Human Services  
Federal Program: Child Support Enforcement  
CFDA Number: 93.563  
Award No: FY12 Prosecutor's IV D, Indirect Cost Allocation Plan  
Auditee Contact Person: Michael Wieser  
Title of Contact Person: Director of Finance, Lake County Auditor Office  
Phone Number: (219) 755-3129

Status of Audit Finding:

**Auditor's Response:**

The Lake County Auditor's Office has contacted the consulting firm hired to prepare and publish the allocation plan and has scheduled a meeting with their representative. This meeting will allow the Lake County Auditor and the Auditor's staff the opportunity to verify all information contained in the report.

Respectfully submitted on this 5<sup>th</sup> day of August, 2014

  
Peggy Holinga Katona  
Lake County Auditor



Office of the Prosecuting Attorney  
31st JUDICIAL CIRCUIT  
LAKE COUNTY, INDIANA

**BERNARD A. CARTER**  
PROSECUTING ATTORNEY



MAIN OFFICE  
2293 NORTH MAIN STREET  
CROWN POINT, INDIANA 46307  
Ph. (219) 755-3720  
FAX (219) 755-3642

July 30, 2014

Indiana State Board of Accounts  
302 W. Washington St., Room E 418  
Indianapolis, IN 46204-2765

RE: Summary Schedule of Prior Audit Finding

Finding Number 2012-5 COMPLINACE RELATED TO CHILD SUPPORT ENFORCEMENT GRANTS-  
ALLOWABLE COSTS/CASH MANAGEMENT MATCHING

Original SBA Audit Report Number: B42923  
Fiscal Year: 2012  
Auditee Contact Person; Barbara L. McConnell  
Title of Contact Person: Chief Deputy Prosecuting Attorney  
Phone Number: (219) 755-3720

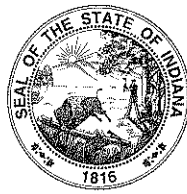
**Status of Finding:**

Since the audit we no longer calculate the amount of employer fringe benefit costs by simply multiplying the gross amount by the employer paid fringe rate. This resulted in an estimated figure for the amount of benefits paid. To determine the exact amount of benefits paid, we now use the PR260 report which is prepared directly from Central Payroll records. We use the LC500 report to verify our records with the exact figures recorded by the Auditor's Office for our Supplies, Other Services and Capital Outlay expenses before we submit those amounts to the Department of Child Services for reimbursement.

On our March, 2014 Expense Report, an adjustment of \$3,103.34 was made to deduct the amount that was incorrectly reported due to our previous method of calculating the amount of fringe benefits paid. That figure was determined after we compared all the monthly expenses submitted, during the audit period, with the PR260 reports for that same period.

Sincerely,

Barbara L. McConnell  
Chief Deputy Prosecuting Attorney



*Auditor Lake County*

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

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING NO. 2012-6 COMPLIANCE RELATED TO CHILD SUPPORT  
ENFORCEMENT GRANTS -REPORTING

Original Audit Report Number: B42923

Report period: Jan 1, 2012 Through Dec 31, 2012

Federal Agency: U.S. Department of Health and Human Service

Federal Program: Child Support Enforcement

CFDA Number: 93.563

Award No: FY12 Prosecutor, Clerk, Court

Pass Through: Indiana Department of Child services

Auditee Contact Persons: Barbara L McConnell (Office of Prosecutor) 219-755-3720

Marilyn Hrnjak (Office of Clerk) 219-755-3049

Cynthia Staehle (Juvenile Court) 219-660-6839

Status of Audit Finding:

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

Respectfully submitted on this 5<sup>th</sup> day of August, 2014

Peggy Holinga Katona  
Lake County Auditor



Office of the Prosecuting Attorney  
31st JUDICIAL CIRCUIT  
LAKE COUNTY, INDIANA

**BERNARD A. CARTER**  
PROSECUTING ATTORNEY



MAIN OFFICE  
2293 NORTH MAIN STREET  
CROWN POINT, INDIANA 46307  
Ph. (219) 755-3720  
FAX (219) 755-3642

July 30, 2014

Indiana State Board of Accounts  
302 W. Washington St., Room E 418  
Indianapolis, IN 46204-2765

RE: Summary Schedule of Prior Audit Finding

Finding Number 2012-6 COMPLIANCE RELATED TO CHILD SUPPORT ENFORCEMENT GRANTS

Original SBA Audit Report Number: B42923  
Fiscal Year: 2012  
Auditee Contact Person; Barbara L. McConnell  
Title of Contact Person: Chief Deputy Prosecuting Attorney  
Phone Number: (219) 755-3720

**Status of Finding:**

As we previously explained in our Corrective Action Plan, the reason that it appeared that the Regular Incentive Fund's monthly expenses exceeded the 2012 County records was due to the fact that the adjustment made covered both portions of 2012 and all of 2011. The adjustment of \$3,115.88 made on the May, 2013 Expense Report was allowable under guidelines of the Financial Management Department of Child Services. That adjustment was calculated by comparing our internal records to the LC500 reports for that same period.

The management review procedure, that has been implemented, covers all monthly expense claims and quarterly incentive expenditure reports. The claims and reports are first submitted to a member of upper management, along with all supporting documentation including LC500 and PR260, for review and written approval. The materials are then forwarded to a second member of upper management who follows the same review process before giving written approval. Upper management also ensures that all monthly and quarterly reports are filed in a timely manner.

Sincerely,

Barbara L. McConnell  
Chief Deputy Prosecuting Attorney



**MICHAEL A. BROWN**  
CLERK LAKE CIRCUIT/SUPERIOR COURT  
2293 NORTH MAIN STREET  
CROWN POINT, INDIANA 46307

PHONE: (219) 755-3460

FAX: (219) 755-3520



July 30, 2014

Finding 2012-6: COMPLIANCE RELATED TO CHILD SUPPORT ENFORCEMENT GRANTS

U.S. Department of Health and Human Services

Pass-Through Entity: Indiana Department of Child Services      CFDA Number: 93.563

Year: 2012

Auditee Contact Person: Marilyn Hrnjak

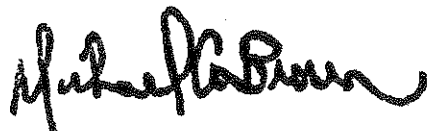
Title of Contact Person: Executive Chief Deputy

Phone Number: 219-755-3049

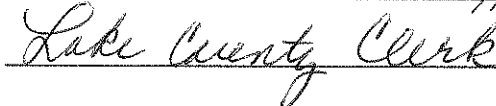
Due to the departure of employee Dennis Tobin, who created much of the plan, and who provided payroll information for the report, Tassy Koutouvas, from finance was assigned to the implementation of the plan. As a result of this, implementation of the plan was delayed. Summaries of the LC500 and PR260 were not submitted with the Quarterly Expenditure Report. That delay in implementing the plan has been rectified. Summaries of the LC500 and the PR260 are now included and implementation of the plan is complete.

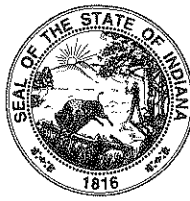
ARRA funds have been depleted. The LC500 is used to complete the Quarterly Incentive Expenditure Report for the regular incentive funds.

Signature:

  
\_\_\_\_\_ *mcb*

Title :

  
\_\_\_\_\_



**Superior Court of Lake County**  
JUVENILE DIVISION

**Judge Thomas P. Stefaniak, Jr.**  
LAKE COUNTY JUVENILE JUSTICE COMPLEX  
3000 WEST 93<sup>RD</sup> AVENUE  
CROWN POINT, IN 46307



PHONE: 219-660-6900  
FAX: 219-736-6209

FINDING NO. 2012-4 and 2012-6: INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS  
THAT HAVE A DIRECT AND MATERIAL EFFECT TO CHILD SUPPORT ENFORCEMENT

Original Audit Report Number: B42923  
Report Period: Jan. 1, 2012 through Dec. 31, 2012  
Federal Agency: U.S. Department of Health and Human Services  
CFDA Number: 93.563  
Award No: FY 12  
Auditee: Contact Person: Cynthia Staehle  
Title of Contact Person: Court Executive, Lake Superior Court, Juvenile Division  
Phone: (219) 660-6839

Status of Audit Finding:

The corrective action plan submitted to State Board of Account July 11, 2013, has been performed. We discovered that, although the report reconciliation controls instituted were effective for the most part, there were incidents identified that required additional internal controls for full compliance. In particular, additional training regarding Title IV-D requirements and a more rigorous time-line was instituted. This should allow enough time to secure the appropriate reports for review without impacting the report's due date. We feel that the controls in place now should be sufficient.

Respectfully submitted on this 30<sup>th</sup> day of July, 2014.

Cynthia Staehle, Court Executive  
Lake Superior Court  
Juvenile Division

cc: Judge Thomas P. Stefaniak, Jr.



*Auditor Lake County*

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

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING NO. 2012-7 INTERNAL CONTROLS OVER COMPLIANCE  
REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT ON  
EDWARD BYRNE MEMORIAL JUSTICE GRANT PROGRAM ARRA

Original Audit Report Number: B42923

Report period: Jan 1, 2012 Through Dec 31, 2012

Federal Agency: U.S. Department of Justice

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

CFDA Number: 16.738, 16.803

Award No.2009-SB-B9-1671, 2009-DJ-BX-1410, 2010-DJ-BX-0810, 2011-DJ,-BX-  
34722010-DJ-BX-0254 (1—DJ-062)

Auditee Contact Persons: Kellie Bittorf, Executive Director (219-755-3850)

Lisa Smith (Sheriff Office) Grant Administrator (756-4742)

Status of Audit Finding:

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

Respectfully submitted on this 5<sup>th</sup> day of August, 2014

Peggy Holinga Katona  
Lake County Auditor

# LAKE COUNTY COMMUNITY CORRECTIONS

2600 West 93<sup>rd</sup> Avenue  
Crown Point, Indiana 46307  
(219) 755-3850 – Fax (219) 755-3871

*KELLIE J. BITTORF*  
Executive Director

*MARK R. MURPHY*  
Director of Operations

*LONI N. BRITTINGHAM*  
Quality Assurance Manager

*JEFFERY A. BATCHELOR*  
Residential Manager

*RICHARD F. SERVI*  
Budget and Personnel Manager

## **BOARD OF COMMISSIONERS**

*ROOSEVELT ALLEN JR.*  
First District

*GERRY J. SCHEUB*  
Second District

*MICHAEL REPAY*  
Third District

## **ADVISORY BOARD**

*PAUL E. PANTHER*  
Chairman

*HON. THOMAS P. STEFANIAK JR.*  
Vice-Chairman

*LONI N. BRITTINGHAM*  
Secretary (Non-member)

*SHERIFF JOHN BUNCICH*

*HON. SAMUEL L. CAPPAS*

*PROS. ATTY. BERNARD CARTER*

*JAMES CLEMENT JR.*

*HON. KAREN FREEMAN-WILSON*

*CARLEAN GADLING*

*LEE GILLIAM*

*KEVIN HUSEMAN*

*ROBERT KRUMWEID*

*RICHARD MAROC*

*HON. SHEILA M. MOSS*

*JAN PARSONS*

*JOSEPH M. PELLICCIOTTI*

*COUNCILMAN JEROME PRINCE*

*HERBERT I. SHAPS*

*ALMA V. WHITE*

July 30, 2014

Mr. Michael Wieser, Director of Finance  
Lake County Auditor's Office  
Lake County Government Center  
2293 North Main Street  
Crown Point, IN 46307

Dear Mr. Wieser:

I am writing in regards to the corrective action plan for finding No. 2012-07 Internal Controls (attached). The action plan has been completed as outlined below:

- 1) Payroll authorization reports are completed by the bookkeeper and then reviewed and approved by the Budget and Personnel Manager or Executive Director.
- 2) Verification appropriate grant funds are available to cover payroll before checks are prepared.
- 3) Payroll details, by employee, are now furnished electronically to the Indiana Criminal Justice Institute each quarter along with back up from the LC500 report.

Please feel free to contact me if you have any questions or concerns.

Sincerely,



Kellie Bittorf  
Executive Director

Cc: Richard Servi, LCCC Budget Manager  
file





## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### Finding Number 2012-07

Original SBA Audit Report Number:

Fiscal Year	2012
Auditee Contact Person	Lisa Smith
Title of Contact Person	Grant Administrator Lake County Sheriff's Department
Phone Number	(219) 756-4742
Status of Finding	Followed Published Corrective Action Plan including:

The Grant Administrator took action in correcting segregation of duties related to the grant agreement and all compliance requirements that have a direct and material effect to the program.

Cash Management - Rob Arnold (Deputy Commander of Staff Services) has been assigned the additional responsibility of oversight of grants. Deputy Commander Arnold, reviews grant paperwork and continuity of segregation of duties.

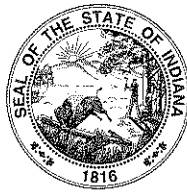
Earmarking – The grant administrator reviews and signs-off the grant bookkeeper's work with name and date to document the oversight responsibility functions. Duties of the grant administrator and grant bookkeeper will be kept segregated and no overrides of administrative procedures will be allowed.

Procurement – The assistant grant administrator reviews the Federal government's website to check vendors against the suspension and debarment list.

Signed: \_\_\_\_\_

Date: July 31, 2014

PEGGY HOLINGA KATONA  
AUDITOR



*Auditor Lake County*

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

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING NO. 2012-8 COMPLIANCE RELATED TO EDWARD BYRNE  
MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM,ARRA-ALLOWABLE  
COSTS/COSTS PRINCIPLES, REPORTING

Original Audit Report Number: B42923

Report period: Jan 1, 2012 Through Dec 31, 2012

Federal Agency: U.S. Department of Justice

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

CFDA Number: 16.738, 16.803

Award No.2009-SB-B9-1671, 2009-DJ-BX-1410, 2010-DJ-BX-0810, 2011-DJ-BX-3472

Auditee Contact Person: Lisa Smith, Grant Administrator (219) 756-4742

Status of Audit Finding:

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

Respectfully submitted on this 5<sup>th</sup> day of August, 2014

Peggy Holinga Katona  
Lake County Auditor



## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### Finding Number 2012-08

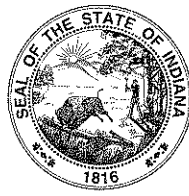
Original SBA Audit Report Number:

Fiscal Year	2012
Auditee Contact Person	Lisa Smith
Title of Contact Person	Grant Administrator Lake County Sheriff's Department
Phone Number	(219) 756-4742
Status of Finding	Followed Published Corrective Action Plan including:

Officials are following state and local policies compensation and benefits paid to all employees. That all policies and procedures for documenting compensation paid be in conformity with federal requirements over allowable costs. Time records now indicate allocation of the compensation to the other grants. Salary and benefit amounts paid are now documented in compliance. Amounts are reported every pay period into grant spreadsheets rather than quarterly.

Signed: \_\_\_\_\_

Date: July 31, 2014



*Auditor Lake County*

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

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING NO. 2012-9 COMPLIANCE RELATED TO EDWARD BYRNE  
MEMORIAL JUSTICE ASSISTANCE GRANT , REPORTING

Original Audit Report Number: B42923

Report period: Jan 1, 2012 Through Dec 31, 2012

Federal Agency: U.S. Department of Justice

Federal Program: Edward Byrne Memorial Justice Assistance Grant Program

CFDA Number: 16.738

Award No. 2009 DJ-BX-1410, 2010-DJ-BX-0810, 2011-DJ-BX-3472, 20010-DJ-062

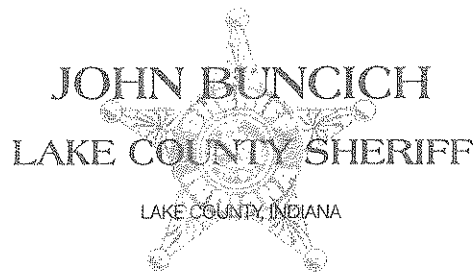
Auditee Contact Person: Lisa Smith, Grant Administrator (219) 756-4742

Status of Audit Finding:

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

Respectfully submitted on this 5<sup>th</sup> day of August, 2014

Peggy Holinga Katona  
Lake County Auditor



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding Number 2012-09

Original SBA Audit Report Number:

Fiscal Year 2012

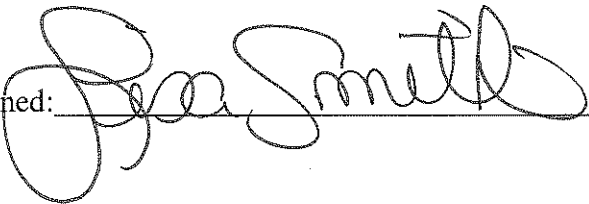
Auditee Contact Person Lisa Smith

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

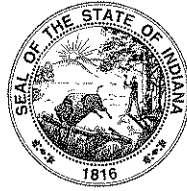
Phone Number (219) 756-4742

Status of Finding Followed Published Corrective Action Plan  
including:

Officials took action in procedures to adequately identify and report grant disbursements in the official records of the County. Grant spreadsheets are maintained and actively tries to work on reconciling with the County's records.

Signed: 

Date: July 31, 2014



*Auditor Lake County*

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

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING NO. 2012-10 COMPLIANCE RELATED TO EDWARD BYRNE  
MEMORIAL JUSTICE ASSISTANCE GRANT-PERIOD OF AVAILABILITY

Original Audit Report Number: B42923  
Report period: Jan 1, 2012 Through Dec 31, 2012  
Federal Agency: U.S. Department of Justice  
Federal Program: Edward Byrne Memorial Justice Assistance Grant Program  
CFDA Number: 16.738  
Award No. 2009-DJ-BX 1410  
Auditee Contact Person: Lisa Smith, Grant Administrator (219) 756-4742

Status of Audit Finding:  
Please refer to the attached response from the above named contact person.

Respectfully submitted on this 5<sup>th</sup> day of August, 2014

Peggy Holinga Katona  
Lake County Auditor



## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### Finding Number 2012-10

Original SBA Audit Report Number:

Fiscal Year 2012

Auditee Contact Person Lisa Smith

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

Phone Number (219) 756-4742

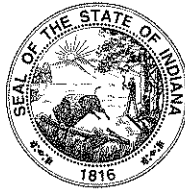
Status of Finding Followed Published Corrective Action Plan  
including:

The County is taking action to comply with all grant requirements applicable to the period of availability. To prevent payments after the grant period from being termed "questioned costs", the grant administrator will request extensions of time to disburse funds from the grantor on an as needed basis.

Signed: \_\_\_\_\_

Date: July 31, 2014

PEGGY HOLINGA KATONA  
AUDITOR



*Auditor Lake County*

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

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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### FINDING NO. 2012-11 COMPLIANCE RELATED TO EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT-PROCUREMENT

Original Audit Report Number: B42923

Report period: Jan 1, 2012 Through Dec 31, 2012

Federal Agency: U.S. Department of Justice

Federal Program: ARRA Edward Byrne Memorial Justice Assistance Grant Program

CFDA Number: 16.803

Award No. 2009-SB-B9-1671

Auditee Contact Person: Lisa Smith, Grant Administrator (219) 756-4742

Status of Audit Finding:

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

Respectfully submitted on this 5<sup>th</sup> day of August, 2014

Peggy Holinga Katona  
Lake County Auditor





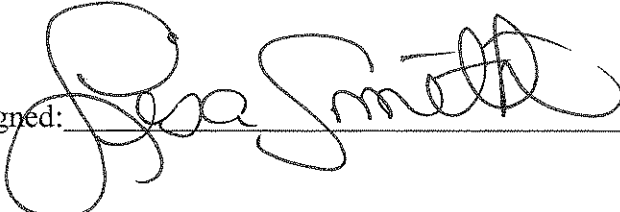
## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### Finding Number 2012-11

Original SBA Audit Report Number:

Fiscal Year	2012
Auditee Contact Person	Lisa Smith
Title of Contact Person	Grant Administrator Lake County Sheriff's Department
Phone Number	(219) 756-4742
Status of Finding	Followed Published Corrective Action Plan including:

The Grant Administration office is taking action to comply with federal, state or local purchasing requirements. The grant administrator is working with recipient cities that may share federal grants to more closely adhere to spending timetables and Lake County ordinances concerning asset acquisitions.

Signed: 

Date: July 31, 2014

PEGGY HOLINGA KATONA  
AUDITOR



*Auditor Lake County*

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

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING NO: 2012-12 INTERNAL CONTROLS OVER COMPLIANCE  
REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT ON THE  
COMMUNITY DEVELOPMENT BLOCK GRANTS

Original Audit Report Number: B42923

Report period: Jan 1, 2012 Through Dec 31, 2012

Federal Agency: U.S. Department Housing and Urban Development

Federal Program: Community Development Block Grants

Pass Through: Indiana Office of Community & Rural Affairs

CFDA Number: 14.228

Award No. D-08-DI-18-001

Auditee Contact Person: Larry Blanchard, Commissioner Consultant (219) 755-3211

Status of Audit Finding:

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

Respectfully submitted on this 5<sup>th</sup> day of August, 2014

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



**PRIOR AUDIT FINDING CORRECTIONS**

Section III – Federal Awards Findings and Questioned Costs

**FINDING 2012-12 INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO THE COMMUNITY DEVELOPMENT BLOCK GRANTS/STATE'S PROGRAM AND NON-ENTITLEMENT IN HAWAII**

Federal Agency: U.S. Department of Housing & Urban Development

Federal Programs: CDBG/State's Program and Non-Entitlement Grant in Hawaii

CFDA Numbers: 14.228

Pass-Through: Indiana Office of Community & Rural Affairs

Award Numbers: DR2-29-208

Auditee Contact Person: Larry Blanchard

Title of Contact Person: Commissioner's Consultant

Phone Number: (219)-755-3211

Commissioners worked with the Lake County Council and Auditor's office and entered into a contractual agreement for a Grants Supervisor on November 6, 2013. The Grant Oversight Committee developed a list of criteria for the Grant Supervisor to provide to departmental Grants Administrators for current and future grants. Internal Controls have been put in place to include management oversight of accurate financial reporting and recordkeeping, meeting with Grant Administrators on compliance requirements of grant agreements and all laws and regulations.

PEGGY HOLINGA KATONA  
AUDITOR



*Auditor Lake County*

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

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING NO: 2012-13 INTERNAL CONTROLS OVER COMPLIANCE  
REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT ON THE  
AARA & EECBG

Original Audit Report Number: B42923

Report period: Jan 1, 2012 Through Dec 31, 2012

Federal Agency: U.S. Department of Energy

Federal Program: AARA Energy Efficiency and Conservation Block Grant Program

CFDA Number: 81.128

Award No.DE-EE0000724

Auditee Contact Person: Brenda Koselke, Commissioner Consultant (219) 755-3200

Status of Audit Finding:

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

Respectfully submitted on this 5<sup>th</sup> day of August, 2014

Peggy Holinga Katona  
Lake County Auditor



**THE BOARD OF COMMISSIONERS  
OF THE COUNTY OF LAKE**

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2293 North Main Street  
Crown Point, Indiana 46307  
Phone: (219) 755-3200  
Fax: (219) 755-3064

Roosevelt Allen, Jr., First District  
Gerry J. Scheub, Second District  
Michael C. Repay, Third District

July 25, 2014.

Prior Audit Finding Action

Section III - Federal Award Findings and Questioned Costs

Findings 2012-13 - Internal Control System

Federal Agency: US Department of Energy

Federal Program: ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG)

CFDA Number: 81.128

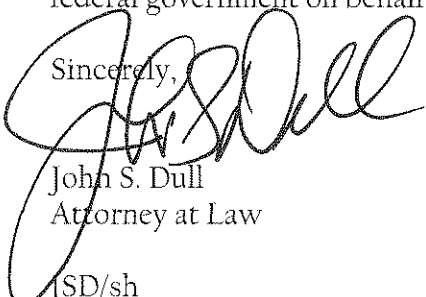
Award Number: DE-EE0000724

#1 We are currently in the process of getting the electronic files from CDMSmith (E-Room).

#2 Lake County checks for compliance concerning non-suspension and/or non-debarment of vendors prior to bid awards.

#3 Lake County has retained a third party vendor (CPA) to review all reports submitted to the federal government on behalf of Lake County when it pertains to grants.

Sincerely,

  
John S. Dull  
Attorney at Law

JSD/sh



**THE BOARD OF COMMISSIONERS  
OF THE COUNTY OF LAKE**



2293 North Main Street  
Crown Point, Indiana 46307  
Phone: (219) 755-3200  
Fax: (219) 755-3054

Roosevelt Allen, Jr., First District  
Gerry J. Scheub, Second District  
Michael C. Repay, Third District

**Prior Audit Finding Action**

**Section III – Federal Award Findings and Questioned Costs**

**Finding 2012-13 – Internal Control System**

Federal Agency: U.S. Department of Energy  
Federal Program: ARRA – Energy Efficiency and Conservation Block Grant Program  
(EECBG)  
CFDA Number: 81.128  
Award Number: DE-EE0000724

#1 The electronic files have been retrieved from CDMSmith (E-Room) and placed into safe keeping.

#2 Lake County checks for compliance concerning non-suspension and/or non-debarment of vendors prior to bid awards.

#3 Lake County has retained a third party vendor (CPA) to review all reports submitted to the federal government on behalf of Lake County when it pertains to grants.

July 25, 2014

PEGGY HOLINGA KATONA  
AUDITOR



*Auditor Lake County*

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

© GOU 1049-M

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING NO: 2012-14 AARA-ENERGY EFFICIENCY AND CONSERVATION  
BLOCK GRANT PROGRAM –EQUIPMENT MANAGEMENT

Original Audit Report Number: B42923

Report period: Jan 1, 2012 Through Dec 31, 2012

Federal Agency: U.S. Department of Energy

Federal Program: AARA Energy Efficiency and Conservation Block Grant Program

CFDA Number: 81.128

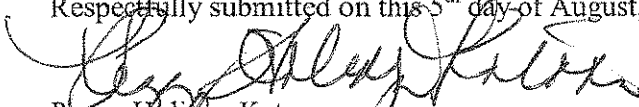
Award No.DE-EE0000724

Auditee Contact Person: Brenda Koselke, Commissioner Consultant (219) 755-3200

Status of Audit Finding:

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

Respectfully submitted on this 5<sup>th</sup> day of August, 2014

  
Peggy Holinga Katona  
Lake County Auditor



## THE BOARD OF COMMISSIONERS OF THE COUNTY OF LAKE

1049-M

2293 North Main Street  
Crown Point, Indiana 46307  
Phone: (219) 755-3200  
Fax: (219) 755-3064

Roosevelt Allen, Jr., First District  
Gerry J. Scheub, Second District  
Michael C. Repay, Third District

### Prior Audit Finding Action

#### Section III - Federal Award Findings and Questioned Costs

#### Finding 2012-14 - Equipment Management, ARRA

Federal Agency: U.S. Department of Energy

Federal Program: ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG)

CFDA Number 81.128

Award Number: DE-EE0000724

#1 We are currently in the process of getting the electronic files from CDMSmith (E-Room).

Brenda Koselke

July 25, 2014





*Auditor Lake County*

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

© COLUEN 1049-M

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING NO: 2012-15 INTERNAL CONTROLS OVER COMPLIANCE  
REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT ON HOME  
INVESTMENT PARTNERSHIPS PROGRAMS.

Original Audit Report Number: B42923

Report period: Jan 1, 2012 Through Dec 31, 2012

Federal Agency: U.S. Department OF Housing and Urban Development

Federal Program: HOME Investment Partnerships Program

CFDA Number: 14.239

Award No M-09-UC-18-0207, M-10-UC-18-0207, M-11-UC-18-207, M-96-UC-18-0207, M-97-UC-18-0207

Auditee Contact Person: Milan Grozdanich, Executive Director (219) 755-3231

Status of Audit Finding:

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

Respectfully submitted on this 5<sup>th</sup> day of August, 2014

Peggy Holinga Katona  
Lake County Auditor



COPY

LAKE COUNTY  
COMMUNITY ECONOMIC DEVELOPMENT DEPARTMENT

2293 N. Main Street • Crown Point, IN 46307  
Tel. (219) 755-3225 • Fax (219) 736-5925  
[econdev@lakecountyin.com](mailto:econdev@lakecountyin.com)

MILAN GROZDANICH  
Executive Director



June 16, 2014

Mr. Aaron B. Bailey, CPD Representative  
U.S. Department of Housing & Urban Development  
151 North Delaware Street, 12<sup>th</sup> Floor  
Indianapolis, Indiana 46204-2526

Re: Lake County Audit Report

Dear Mr. Bailey,

This letter is to transmit documentation concerning the Corrective Action Plan recently submitted to your office for findings 2012-15 Internal Controls Over Compliance Requirements That Have a Direct & Material Effect on HOME Investment Partnerships Program & 2012-16 Compliance Related to HOME Investment Partnerships Program - Reporting. All actions have been implemented.

Enclosed are the following documents:

- 1) Monthly "greenbar" LC-500 Reports after reconciliation with the manual ledgers by Anna Nunez, Fiscal Officer or Lori Burke, Bookkeeper, to verify agreement with the expenditures of administrative & CHDO funds initialed by Alverna Hooks demonstrating management review. (August 2013 thru May 2014).
- 2) HOME Match Log generated by Liz Foster, Loan Officer reviewed and initialed by Alverna Hooks, demonstrating management review (October 2013 thru May 2014).
- 3) IDIS PR09 Program Income Detail Report reviewed & initialed by Milan Grozdanich, Executive Director demonstrating management review.(October 13 thru May 2014)
- 4) Section 3 Summary Report corrected by fiscal staff, reviewed & initialed by Alverna D. Hooks, Deputy Director.

All other Findings addressed in HUD's letter dated April 22, 2014 concerning Lake County Audit will be addressed in on or before July 18, 2014.

Sincerely,

A handwritten signature in black ink, appearing to read "Milan Grozdanich". The signature is fluid and cursive, with a large initial "M" and "G".

Milan Grozdanich  
Executive Director

171 6100 44220 - Building & Struct Improvements

UNPAID ITEMS					PAID ITEMS					PAYABLES TOTAL	
DATE	VENDOR NAME	VENDOR	PO #	AMOUNT	DATE	VENDOR NAME	VENDOR	PO #	CHECK		AMOUNT
7/10/13	CENTIER BANK	2379	3308161	5,000.00	7/05/13	CENTIER BAN	2379	3302647	9950	5,000.00	86,006.40
7/10/13	CENTIER BANK	2379	3308162	5,000.00	7/05/13	CENTIER BAN	2379	3302652	9947	5,000.00	
7/10/13	CENTIER BANK	2379	3308163	5,000.00	7/05/13	CENTIER BAN	2379	3302665	9955	2,332.27	
7/11/13	LAKE COUNTY	71495	3308238	17.00	7/05/13	CENTIER BAN	2379	3302666	9946	5,000.00	
7/29/13	SCHNEIDER LA	2429	3309033	40.00	7/05/13	CENTIER BAN	2379	3302668	9953	5,000.00	
7/29/13	CHICAGO TITL	6505	3309040	180.00	7/05/13	CENTIER BAN	2379	3302669	9951	5,000.00	
7/29/13	KOVACHEVICH	12869	3309025	200.00	7/05/13	CENTIER BAN	2379	3302675	9952	5,000.00	
7/29/13	LAKE COUNTY	71495	3309022	17.00	7/05/13	CENTIER BAN	2379	3302676	9949	5,000.00	
7/29/13	LAKE COUNTY	71495	3309024	19.00	7/05/13	CENTIER BAN	2379	3302677	9954	5,000.00	
7/29/13	NORTHWEST CO	142555	3309051	21,085.00	7/05/13	LAKE COUNTY	71495	3304241	9956	51.00	
7/30/13	CENTIER BANK	2379	3309083	453.43	7/05/13	LAKE COUNTY	71495	3304242	9957	17.00	
					7/05/13	LAKE COUNTY	71495	3304243	9958	17.00	
					7/05/13	LAKE COUNTY	71495	3304245	9959	17.00	
					7/05/13	LAKE COUNTY	71495	3305066	9960	51.00	
					7/05/13	LAKE COUNTY	71495	3305408	9961	51.00	
					7/05/13	LAKE COUNTY	71495	3305667	9962	17.00	
					7/05/13	LAKE COUNTY	71495	3305832	9963	34.00	
					7/05/13	LAKE COUNTY	71495	3305983	9964	17.00	
					7/08/13	LAKE COUNTY	71495	3303599	9965	22.00	
TOTAL UNPAID ITEMS ( 76 )				366,678.81	TOTAL PAID ITEMS ( 84 )				298,064.97	42,626.27	
					ACCOUNT BALANCE				664,743.78		
									265,857.97		

DEPARTMENTAL RECAP

OBJECT : -----	DESCRIPTION-----	CURRENT APP	PRIOR APP.	ENCUMBRANCES	EXPENDITURES	BALANCE
43995	Other Services & Charges	3,380.00	0.00	0.00	1,266.00	2,114.00
44220	Building & Struct Improvements	784,570.35	146,031.40	366,678.81	298,064.97	265,857.97
* * * DEPARTMENT TOTALS * * *		787,950.35	146,031.40	366,678.81	299,330.97	267,971.97
FUND : -----	DESCRIPTION-----	CURRENT APP.	PRIOR APP.	ENCUMBRANCES	EXPENDITURES	BALANCE
171	* * * FUND TOTALS * * *	787,950.35	146,031.40	366,678.81	299,330.97	267,971.97

*ASH*

171 6100 44220 - Building & Struct Improvements

1	43995 Other Services & Charges	3,380.00	0.00	199.00	1,266.00	17,588.00
2						
3	44220 Building & Struct Improvements	784,570.35	146,031.40	352,362.26	398,294.63	173,944.86
4						
5	* * * DEPARTMENT TOTALS * * *	787,950.35	146,031.40	352,561.26	399,560.63	181,859.86
6						
7	FUND :-----DESCRIPTION-----:	CURRENT APP.	PRIOR APP.	ENCUMBRANCES	EXPENDITURES	BALANCE
8						
9	171 * * * FUND TOTALS * * *	787,950.35	146,031.40	352,561.26	399,560.63	181,859.86
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171 6100 44220 - Building & Struct Improvements

UNPAID ITEMS				PAID ITEMS				PAYABLES TOTAL			
DATE	VENDOR NAME	VENDOR	PO #	DATE	VENDOR NAME	VENDOR	PO #				
				9/03/13	CENTIER BAN	2379	3309083	9983	453.43		
				9/09/13	W#792-CENTI ER BANK 1	2/19/12			637.06		
				9/13/13	LAKE COUNTY	629182	3301144	9984	21,005.02		
				9/16/13	Reverse JE# 7 dated 0	9/10/13			637.06		
				9/17/13	NORTHWEST C	142555	3309051	9985	20,920.00		
TOTAL UNPAID ITEMS ( 66)				262,354.60	TOTAL PAID ITEMS ( 117)				460,673.08		62,378.45
					ACCOUNT-BALANCE						723,027.68
											431,610.24

DEPARTMENTAL RECAP:

OBJECT	DESCRIPTION	CURRENT APP.	PRIOR APP.	ENCUMBRANCES	EXPENDITURES	BALANCE
43995	Other Services & Charges	3,380.00	0.00	554.00	1,266.00	1,560.00
44220	Building & Struct Improvements	1,008,606.52	146,031.40	262,354.60	460,673.08	431,610.24
* * * DEPARTMENT TOTALS * * *		1,011,986.52	146,031.40	262,908.60	461,939.08	433,170.24
FUND	DESCRIPTION	CURRENT APP.	PRIOR APP.	ENCUMBRANCES	EXPENDITURES	BALANCE
171	* * * FUND TOTALS * * *	1,011,986.52	146,031.40	262,908.60	461,939.08	433,170.24 <i>She</i>

171 6100 44220 - Building & Struct Improvements

UNPAID ITEMS					PAID ITEMS					PAYABLES TOTAL		
DATE	VENDOR NAME	VENDOR	PO #	AMOUNT	DATE	VENDOR NAME	VENDOR	PO #	CHECK		AMOUNT	
					10/29/13	CENTIER BAN	2379	3308160	10008	5,000.00		
					10/29/13	SCHNEIDER L	2426	3309033	10036	45.00		
					10/29/13	CHICAGO TIT	6505	3312263	10014	155.00		
					10/29/13	CHICAGO TIT	6505	3312264	10015	155.00		
					10/29/13	KOVACHEVICH	12869	3312267	10023	200.00		
					10/29/13	KOVACHEVICH	12869	3312269	10024	200.00		
					10/29/13	LAKE COUNTY	71495	3307642	10025	102.00		
					10/29/13	LAKE COUNTY	71495	3308026	10026	51.00		
					10/29/13	LAKE COUNTY	71495	3308238	10027	17.00		
					10/29/13	LAKE COUNTY	71495	3309022	10028	17.00		
					10/29/13	LAKE COUNTY	71495	3309230	10029	102.00		
					10/29/13	LAKE COUNTY	71495	3309457	10030	34.00		
					10/29/13	LAKE COUNTY	71495	3309458	10034	15.00		
					10/29/13	LAKE COUNTY	71495	3309829	10031	68.00		
					10/29/13	LAKE COUNTY	71495	3310405	10033	19.00		
					10/29/13	LAKE COUNTY	71495	3310407	10032	68.00		
					10/29/13	IN FACT INC	127760	3300598	10020	15,169.48		
					10/29/13	NORTHWEST C	142555	3309051	10018	3,465.00		
					10/29/13	JULIE SADLE	653347	3310461	10021	22,739.00		
TOTAL UNPAID ITEMS ( 41)					199,579.18	TOTAL PAID ITEMS ( 162)					597,553.35	136,880.27
						ACCOUNT BALANCE						797,132.53
												832,176.85

DEPARTMENTAL RECAP:

OBJECT	DESCRIPTION	CURRENT APP.	PRIOR APP.	ENCUMBRANCES	EXPENDITURES	BALANCE
43995	Other Services & Charges	6,820.00	0.00	1,172.45	2,278.52	832,176.85
44220	Building & Struct Improvements	1,483,277.98	146,031.40	199,579.18	597,553.35	832,176.85
* * * DEPARTMENT TOTALS * * *		1,490,097.98	146,031.40	200,751.63	599,831.87	835,545.88
FUND	DESCRIPTION	CURRENT APP.	PRIOR APP.	ENCUMBRANCES	EXPENDITURES	BALANCE
171	* * * FUND TOTALS * * *	1,490,097.98	146,031.40	200,751.63	599,831.87	835,545.88

*end of year balance*

+ 1560.00  
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832,176.85

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171 6100 44220 - Building & Struct Improvements

UNPAID ITEMS					PAID ITEMS					PAYABLES TOTAL	
DATE	VENDOR NAME	VENDOR	PO #	AMOUNT	DATE	VENDOR NAME	VENDOR	PO #	CHECK		AMOUNT
					10/29/13	CENTIER BAN	2379	3308138	10037	5,000.00	
					10/29/13	CENTIER BAN	2379	3308144	10007	5,000.00	
					10/29/13	CENTIER BAN	2379	3308145	10013	5,000.00	
					10/29/13	CENTIER BAN	2379	3308156	10010	5,000.00	
					10/29/13	CENTIER BAN	2379	3308158	10009	5,000.00	
					10/29/13	CENTIER BAN	2379	3308160	10008	5,000.00	
					10/29/13	SCHNEIDER L	2429	3309033	10026	45.00	
					10/29/13	CHICAGO TIT	6505	3312263	10014	155.00	
					10/29/13	CHICAGO TIT	6505	3312264	10015	155.00	
					10/29/13	KOVACHEVICH	12869	3312267	10023	200.00	
					10/29/13	KOVACHEVICH	12869	3312269	10024	200.00	
					10/29/13	LAKE COUNTY	71495	3307642	10025	102.00	
					10/29/13	LAKE COUNTY	71495	3308026	10026	51.00	
					10/29/13	LAKE COUNTY	71495	3308238	10027	17.00	
					10/29/13	LAKE COUNTY	71495	3309022	10028	17.00	
					10/29/13	LAKE COUNTY	71495	3309230	10029	102.00	
					10/29/13	LAKE COUNTY	71495	3309457	10030	34.00	
					10/29/13	LAKE COUNTY	71495	3309458	10034	15.00	
					10/29/13	LAKE COUNTY	71495	3309829	10031	68.00	
					10/29/13	LAKE COUNTY	71495	3310405	10033	19.00	
					10/29/13	LAKE COUNTY	71495	3310407	10032	68.00	
					10/29/13	IN PACT INC	127760	3300598	10020	15,169.48	
					10/29/13	NORTHWEST C	142555	3309051	10018	3,465.00	
					10/29/13	JULIE SADLE	653347	3310461	10021	22,739.00	
					11/21/13	CENTIER BAN	2379	3308152	10040	5,000.00	136,880.27
					11/21/13	CENTIER BAN	2379	3313047	10040	406.19	
					11/21/13	CHICAGO TIT	6505	3312754	10041	155.00	
					11/21/13	KOVACHEVICH	12869	3312755	10042	200.00	
					11/21/13	LAKE COUNTY	71495	3312304	10045	17.00	
					11/21/13	LAKE COUNTY	71495	3312338	10045	153.00	
					11/21/13	LAKE COUNTY	71495	3312339	10045	102.00	
					11/21/13	LAKE COUNTY	71495	3312340	10045	15.00	
					11/21/13	LAKE COUNTY	71495	3312341	10045	17.00	
TOTAL UNPAID ITEMS ( 34)				193,971.18	TOTAL PAID ITEMS ( 171)				603,618.54		6,065.19
										797,589.72	
										831,719.66	
										ACCOUNT BALANCE	

DEPARTMENTAL RECAP:

OBJECT	DESCRIPTION	CURRENT APP.	PRIOR APP.	ENCUMBRANCES	EXPENDITURES	BALANCE
43995	Other Services & Charges	6,820.00	0.00	121.00	3,130.26	3,568.74
44220	Building & Struct Improvements	1,483,277.98	146,031.40	193,971.18	603,618.54	831,719.66
* * * DEPARTMENT TOTALS * * *		1,490,097.98	146,031.40	194,092.18	606,748.80	835,288.40
FUND	DESCRIPTION	CURRENT APP.	PRIOR APP.	ENCUMBRANCES	EXPENDITURES	BALANCE
171	* * * FUND TOTALS * * *	1,490,097.98	146,031.40	194,092.18	606,748.80	835,288.40

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171 6100 44220 - Building & Struct Improvements

OBJECT :-----DESCRIPTION-----:	CURRENT APP.	PRIOR APP.	ENCUMBRANCES	EXPENDITURES	BALANCE
<del>43995 Other Services &amp; Charges</del>	<del>3,518.03</del>	<del>14.00</del>	<del>77.48</del>	<del>0.00</del>	<del>3,454.55</del>
44220 Building & Struct Improvements	765,419.23	99,716.56	105,011.56	32,932.00	727,192.23
* * * DEPARTMENT TOTALS * * *	768,937.26	99,730.56	105,089.04	32,932.00	730,646.78
FUND :-----DESCRIPTION-----:	CURRENT APP.	PRIOR APP.	ENCUMBRANCES	EXPENDITURES	BALANCE
171 * * * FUND TOTALS * * *	768,937.26	99,730.56	105,089.04	32,932.00	730,646.78

*SK*

Time: 00:17

171 6100 44220 - Building & Struct Improvements

DEPARTMENTAL RECAP:

OBJECT :-----DESCRIPTION-----:	CURRENT APP.	PRIOR APP.	ENCUMBRANCES	EXPENDITURES	BALANCE
43995 Other Services & Charges	3,518.03	14.00	697.48	0.00	2,834.55
44220 Building & Struct Improvements	765,419.23	99,716.56	114,517.99	33,464.57	717,153.23
* * * DEPARTMENT TOTALS * * *	768,937.26	99,730.56	115,215.47	33,464.57	719,987.78
FUND :-----DESCRIPTION-----:	CURRENT APP.	PRIOR APP.	ENCUMBRANCES	EXPENDITURES	BALANCE
171 * * * FUND TOTALS * * *	768,937.26	99,730.56	115,215.47	33,464.57	719,987.78

1

171 6100 44220 - Building & Struct Improvements

UNPAID ITEMS					PAID ITEMS					PAYABLES TOTAL			
DATE	VENDOR NAME	VENDOR	PO #	AMOUNT	DATE	VENDOR NAME	VENDOR	PO #	CHECK		AMOUNT		
3/17/14	LAKE COUNTY	71495	340306Z	15.00	3/03/14	LAKE COUNTY	71495	331317Z	10084	136.00			
3/17/14	JULIE SADLER	623347	340307B	24,438.00	3/03/14	LAKE COUNTY	71495	3313661	10087	17.00			
3/25/14	CENTIER BANK	2379	3403287	10,000.00	3/03/14	LAKE COUNTY	71495	3400819	10088	187.00			
3/25/14	LAKE COUNTY	71495	3403238	17.00	3/13/14	CENTIER BAN	2379	3400797	10089	33,000.00			
3/25/14	LAKE COUNTY	71495	3403301	34.00							33,819.00		
3/31/14	IN FACT INC	127760	340349Z	22,636.75									
TOTAL UNPAID ITEMS ( 22)				133,325.60	TOTAL PAID ITEMS ( 20)					87,283.57		220,609.17	
					ACCOUNT BALANCE								651,348.83

DEPARTMENTAL RECAP:

OBJECT	DESCRIPTION	CURRENT APP.	PRIOR APP.	ENCUMBRANCES	EXPENDITURES	BALANCE
43995	Other Services & Charges	3,518.03	14.00	1,421.69	683.48	1,426.86
44220	Building & Struct Improvements	772,241.44	99,716.56	133,325.60	87,283.57	651,348.83
* * * DEPARTMENT TOTALS * * *		775,759.47	99,730.56	134,747.29	87,967.05	652,775.69

FUND	DESCRIPTION	CURRENT APP.	PRIOR APP.	ENCUMBRANCES	EXPENDITURES	BALANCE
171	* * * FUND TOTALS * * *	775,759.47	99,730.56	134,747.29	87,967.05	652,775.69



HOME MATCH LOG FY

13

Project Number (1)	Date Project Committed (2)	Project Address (3)	Project Type (4)	HOME Funds Expended (5)	Date HOME \$ Expended (6)	Amount of Match Liability Incurred (7)	Value of Match Contribution (8)	Type of Match (9)	Date Match Recognized (10)	Comments (11)
1552		3800 W. 78 <sup>th</sup> St Merrillville	H	39.58	4/25/14	9.90	-	N/A		HB
1553		2225-99 <sup>th</sup> St Highland	H	5,017.00	2/24/14	1,254.25	-	N/A		HB
1554		2444 Walnut St Highland	H	5,017.00	2/24/14	1,254.25	-	N/A		HB
1555		1730 Chestnut Lane CP	H	5,017.00	2/24/14	1,254.25	-	N/A		HB
1556		7524 Spring Pl Merrillville	H	5,017.00	2/24/14	1,254.25	-	N/A		HB
1557		200 South Oak Hobart	H	2,700.76	2/24/14	675.19	-	N/A		HB
				Subtotal		22,808.34				5,702.09
				Balance Forward		342,840.22				85,610.16

*[Handwritten signature]*

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HOME MATCH LOG FY 13

Project Number (1)	Date Project Committed (2)	Project Address (3)	Project Type (4)	HOME Funds Expended (5)	Date HOME \$ Expended (6)	Amount of Match Liability Incurred (7)	Value of Match Contribution (8)	Type of Match (9)	Date Match Recognized (10)	Comments (11)
1549		3606 E. 35 <sup>th</sup> Ave Lake Station	H	40,83	4/25/14	10.21	-	N/A		HB
1550		906 Hayes CP	H	5,000.00	1/24/14	1,250.00	-	N/A		HB
1550		"	H	17.00	2/24/14	4.25	-	N/A		HB
1550		"	H	40.82	4/25/14	10.21	-	N/A		HB
1551		7728 N. Main Merrellville	H	5,017.00	3/7/14	1,254.25	-	N/A		HB
1552		3800 W. 78 <sup>th</sup> Merrellville	H	5,017.00	3/7/14	1,254.25	-	N/A		HB
				Subtotal	15,132.65		3,783.17			
				Balance Forward	320,031.88		79,908.07			

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HOME MATCH LOG FY 13

Project Number (1)	Date Project Committed (2)	Project Address (3)	Project Type (4)	HOME Funds Expended (5)	Date HOME \$ Expended (6)	Amount of Match Liability Incurred (7)	Value of Match Contribution (8)	Type of Match (9)	Date Match Recognized (10)	Comments (11)
1547		24208 Cline Ave Lowell	H	39.58	4/25/14	9.90	—	N/A		H B
1548		1194 Auburn Meadow Lane Schererville	H	5,000.00	12/20/13	1,250.00	—	N/A		H B
1548		"	H	17.00	2/24/14	4.25	—	N/A		H B
1548		"	H	39.59	4/25/14	9.90	—	N/A		H B
1549		3606 E. 35 <sup>th</sup> Ave Lake Station	H	5,000.00	1/24/14	1,250.00	—	N/A		H B
1549		"	H	17.00	2/24/14	4.25	—	N/A		H B
			Subtotal	10,113.17		2,528.30				
			Balance Forward	304,899.23		76,124.90				

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HOME MATCH LOG FY 13

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Project Number (1)	Date Project Committed (2)	Project Address (3)	Project Type (4)	HOME Funds Expended (5)	Date HOME \$ Expended (6)	Amount of Match Liability Incurred (7)	Value of Match Contribution (8)	Type of Match (9)	Date Match Recognized (10)	Comments (11)
1545		904 W. 72 <sup>ND</sup> PL Merrillville	H	40.83	4/25/14	10.21	-	N/A		HB
1546		6087 Belmont Dr Merrillville	H	2,793.88	12/20/13	698.47		N/A		HB
1546		"	H	17.00	2/24/14	4.25		N/A		HB
1546		"	H	40.82	4/25/14	10.21		N/A		HB
1547		24208 Cline Ave Lawrence	H	5,000.00	12/20/13	1,250.00		N/A		HB
1547		"	H	17.00	2/24/14	4.25		N/A		HB
			Subtotal	7,909.53		1,977.39				
			Balance Forward	294,786.06		73,596.60				

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HOME MATCH LOG FY 13

Project Number (1)	Date Project Committed (2)	Project Address (3)	Project Type (4)	HOME Funds Expended (5)	Date HOME \$ Expended (6)	Amount of Match Liability Incurred (7)	Value of Match Contribution (8)	Type of Match (9)	Date Match Recognized (10)	Comments (11)
1543		11398 W. 133 <sup>rd</sup> Level Cedar Lake	H	17.00	2/24/14	4.25	-	N/A		HB
1544		819 N. Oakwood Ave Merrillville	H	5,000.00	12/20/13	1,250.00	-	N/A		HB
1544		"	H	26.63	1/31/14	6.66	-	N/A		HB
1544		"	H	17.00	2/24/14	4.25	-	N/A		HB
1545		904 W. 72 <sup>nd</sup> Pl Merrillville	H	5,000.00	12/20/13	1,250.00	-	N/A		HB
1545		"	H	17.00	2/24/14	4.25	-	N/A		HB
			Subtotal	10,077.63		2,519.41	-			
			Balance Forward	286,876.53		71,619.21				

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HOME MATCH LOG FY 13

Project Number (1)	Date Project Committed (2)	Project Address (3)	Project Type (4)	HOME Funds Expended (5)	Date HOME \$ Expended (6)	Amount of Match Liability Incurred (7)	Value of Match Contribution (8)	Type of Match (9)	Date Match Recognized (10)	Comments (11)
1521		8947 Pettit Dr Highland	H	17.00	1/14/13	4.25	-	N/A		HB
1521		"	H	26.63	1/31/14	6.66	-	N/A		HB
1540		2917 Fairview Lake Station	H	5,000.00	12/13/13	1,250.00	-	N/A		HB
1540		"	H	17.00	12/20/13	4.25	-	N/A		HB
1543		11398 W. 133rd Lane Cedar Lake	H	5,000.00	12/20/13	1,250.00	-	N/A		HB
1543		"	H	26.63	1/31/14	6.66	-	N/A		HB
				Subtotal	10,087.26	2,521.82				
				Balance Forward	276,798.90	69,099.80				

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HOME MATCH LOG FY 13

Project Number (1)	Date Project Committed (2)	Project Address (3)	Project Type (4)	HOME Funds Expended (5)	Date HOME \$ Expended (6)	Amount of Match Liability Incurred (7)	Value of Match Contribution (8)	Type of Match (9)	Date Match Recognized (10)	Comments (11)
1519		12723 Cedar Lake	H	17,442.00	12/3/13	4,360.50	-	N/A		Rehab
1519		"	H	7,073.00	12/11/13	1,768.25	-	N/A		Rehab
1520		3252 North Highland	H	5,000.00	10/22/13	1,250.00	-	N/A		HB
1520		"	H	17.00	11/14/13	4.25	-	N/A		HB
1520		"	H	39.59	4/25/14	9.90	-	N/A		HB
1521		8947 Pettibone Highland	H	5,000.00	10/22/13	1,250.00	-	N/A		HB
			Subtotal	34,571.59		8,642.90				
			Balance Forward	266,711.64		46,577.98				

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HOME MATCH LOG FY 13

Project Number (1)	Date Project Committed (2)	Project Address (3)	Project Type (4)	HOME Funds Expended (5)	Date HOME \$ Expended (6)	Amount of Match Liability Incurred (7)	Value of Match Contribution (8)	Type of Match (9)	Date Match Recognized (10)	Comments (11)
1518		2241 W. 60 <sup>th</sup> St Merrillville	H	17.00	11/14/13	4.25	-	N/A		Rehab
1518		"	H	15,928.49	12/3/13	3,980.88	-	N/A		Rehab
1518		"	H	6,326.51	12/3/13	1,581.63	-	N/A		Rehab
1518		"	H	45.00	1/24/14	11.25	-	N/A		Rehab
1519		1272 30 <sup>th</sup> St Cedar Lake	H	355.00	10/27/13	88.75	-	N/A		Rehab
1519		"	H	17.00	11/14/13	4.25	-	N/A		Rehab
			Subtotal	22,684.00		5,671.01				
			Balance Forward	232,140.05		57,935.08				

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HOME MATCH LOG FY 13

Project Number (1)	Date Project Committed (2)	Project Address (3)	Project Type (4)	HOME Funds Expended (5)	Date HOME \$ Expended (6)	Amount of Match Liability Incurred (7)	Value of Match Contribution (8)	Type of Match (9)	Date Match Recognized (10)	Comments (11)
1513		1316 W. 38 <sup>th</sup> Ave Hobart	H	5,000.00	11/14/13	1,250.00	-	N/A		HB
1513		"	H	17.00	12/3/13	4.25	-	N/A		HB
1516		6201 Hayes Merrellville	H	5,000.00	1/24/14	1,250.00	-	N/A		HB
1516		"	H	17.00	2/24/14	4.25	-	N/A		HB
1516		"	H	40.83	4/25/14	10.21	-	N/A		HB
1518		2241 W. 60 <sup>th</sup> Ave Merrellville	H	355.00	10/22/13	88.75	-	N/A		Rehab
				Subtotal	10,429.83		2,607.46			
				Balance Forward	209,456.05		52,264.07			

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HOME MATCH LOG FY 13

Project Number (1)	Date Project Committed (2)	Project Address (3)	Project Type (4)	HOME Funds Expended (5)	Date HOME \$ Expended (6)	Amount of Match Liability Incurred (7)	Value of Match Contribution (8)	Type of Match (9)	Date Match Recognized (10)	Comments (11)
1509		2208 Hait ayer	H	17.00	2/24/14	4.25	-	N/A		HB
1510		5400 Connecticut Merrillville	H	5,000.00	12/20/13	1,250.00	-	N/A		HB
1510		"	H	17.00	2/24/14	4.25	-	N/A		HB
1510		"	H	40.82	4/25/14	10.21	-	N/A		HB
1512		7345 Loney Rd Merrillville	H	5,000.00	12/13/13	1,250.00	-	N/A		HB
1512		"	H	17.00	12/20/13	4.25	-	N/A		HB
			Subtotal	10,091.82		3,522.96				
			Balance Forward	199,026.22		49,656.61				

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HOME MATCH LOG FY 13

Project Number (1)	Date Project Committed (2)	Project Address (3)	Project Type (4)	HOME Funds Expended (5)	Date HOME \$ Expended (6)	Amount of Match Liability Incurred (7)	Value of Match Contribution (8)	Type of Match (9)	Date Match Recognized (10)	Comments (11)
1507		1259 W. 84 <sup>th</sup> St Inverness	H	26.63	1/31/14	6.66	-	N/A		HB
1507		"	H	17.00	2/24/14	4.25	-	N/A		HB
1508			H	5,000.00	12/13/13	1,250.00	-	N/A		HB
1508			H	17.00	12/20/13	4.25	-	N/A		HB
1509		2208 Hunt St Seyon	H	5,000.00	12/20/13	1,250.00	-	N/A		HB
1509		"	H	26.63	1/31/14	6.66	-	N/A		HB
			Subtotal	10,087.26		2,521.82				
			Balance Forward	188,934.40		47,133.65				

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HOME MATCH LOG FY 13

Project Number (1)	Date Project Committed (2)	Project Address (3)	Project Type (4)	HOME Funds Expended (5)	Date HOME \$ Expended (6)	Amount of Match Liability Incurred (7)	Value of Match Contribution (8)	Type of Match (9)	Date Match Recognized (10)	Comments (11)
1504		6909 Van Buren Merrillville	H	17.00	11/14/13	4.25	-	N/A		HB
1504		1	H	26.63	4/31/14	6.66	-	N/A		HB
1505		2517 Lincoln Highland	H	5,000.0	10/22/13	1,250.00	-	N/A		HB
1505		"	H	17.00	11/14/13	4.25	-	N/A		HB
1505		"	H	39.59	4/25/14	9.90	-	N/A		HB
1507		1259 W. 84 <sup>th</sup> Pl Merrillville	H	5,000.00	12/20/13	1,250.00	-	N/A		HB
				Subtotal	10,100.23	2,525.06				
				Balance Forward	178,847.14	44,611.83				

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HOME MATCH LOG FY 13

Project Number (1)	Date Project Committed (2)	Project Address (3)	Project Type (4)	HOME Funds Expended (5)	Date HOME \$ Expended (6)	Amount of Match Liability Incurred (7)	Value of Match Contribution (8)	Type of Match (9)	Date Match Recognized (10)	Comments (11)
1501		970 Jordan Circle Schireville	H	17.00	11/14/13	4.25	-	N/A		HB
1501		"	H	40.82	4/25/14	10.21	-	N/A		HB
1503		5461 Adams Merrellville	H	5,000.00	10/22/13	1,250.00	-	N/A		HB
1503		"	H	17.00	11/14/13	4.25	-	N/A		HB
1503		"	H	26.63	1/31/14	6.66	-	N/A		HB
1504		6909 Van Buren Merrellville	H	5,000.00	10/22/13	1,250.00	-	N/A		HB
			Subtotal	10,101.45		3,525.37				
			Balance Forward	168,746.92		42,086.77				

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HOME MATCH LOG FY 13

Project Number (1)	Date Project Committed (2)	Project Address (3)	Project Type (4)	HOME Funds Expended (5)	Date HOME \$ Expended (6)	Amount of Match Liability Incurred (7)	Value of Match Contribution (8)	Type of Match (9)	Date Match Recognized (10)	Comments (11)
1499		3528 La Porte Highland	H	17.00	11/14/13	4.25	-	N/A		HB
1499		"	H	26.63	1/31/14	6.66	-	N/A		HB
1500		1105 Garfield Hobart	H	5,000.00	10/22/13	1,250.00	-	N/A		HB
1500		"	H	17.00	11/14/13	4.25	-	N/A		HB
1500		"	H	26.63	1/31/14	6.66	-	N/A		HB
1501		970 Jordan Circle Schererville	H	5,000.00	10/22/13	1,250.00	-	N/A		HB
			Subtotal	10,087.26		2,521.80				
			Balance Forward	158,645.47		39,561.40				

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HOME MATCH LOG FY 13

Project Number (1)	Date Project Committed (2)	Project Address (3)	Project Type (4)	HOME Funds Expended (5)	Date HOME \$ Expended (6)	Amount of Match Liability Incurred (7)	Value of Match Contribution (8)	Type of Match (9)	Date Match Recognized (10)	Comments (11)
1497		945 n Elmer Suffern	H	17.00	11/14/13	4.25	-	N/A		HB
1497			H	39.59	4/25/14	9.90	-	N/A		HB
1498		9327 Waymon Ave Highland	H	5,000.00	10/22/13	1,250.00	-	N/A		HB
1498		"	H	17.00	11/14/13	4.25	-	N/A		HB
1498		"	H	26.63	4/31/14	6.66	-	N/A		HB
1499		3528 La Porte Highland	H	5,000.00	10/22/13	1,250.00	-	N/A		HB
Subtotal				10,100.22		2,525.06				
Balance Forward				148,558.21		37,039.58				

HOME MATCH LOG FY 13

Project Number (1)	Date Project Committed (2)	Project Address (3)	Project Type (4)	HOME Funds Expended (5)	Date HOME \$ Expended (6)	Amount of Match Liability Incurred (7)	Value of Match Contribution (8)	Type of Match (9)	Date Match Recognized (10)	Comments (11)
1495		2516 Kerry St Seyon	H	17.00	11/14/13	4.25	-	N/A		H/B
1495		"	H	26.63	1/31/14	6.66	-	N/A		H/B
1496		6761 W. 158th Rd Lowell	H	2,194.79	9/26/13	548.70	-	N/A		H/B
1496		"	H	17.00	11/14/13	4.25	-	N/A		H/B
1496		"	H	26.63	1/31/14	6.66	-	N/A		H/B
1497		945 N. Elmer Suffield	H	5,000.00	9/26/13	1,250.00	-	N/A		H/B
			Subtotal	7,282.05		1,820.52				
			Balance Forward	138,457.99		34,514.58				

HOME MATCH LOG FY 13

Project Number (1)	Date Project Committed (2)	Project Address (3)	Project Type (4)	HOME Funds Expended (5)	Date HOME \$ Expended (6)	Amount of Match Liability Incurred (7)	Value of Match Contribution (8)	Type of Match (9)	Date Match Recognized (10)	Comments (11)
1493		6822 Van Buren Mendellville	H	40.83	4/25/14	10.21	-	N/A		H/B
1494		9534 Sand Dr Highlands	H	1,343.80	9/26/13	335.95	-	N/A		H/B
1494		"	H	3,656.20	9/24/13	914.05	-	N/A		H/B
1494		"	H	17.00	11/14/13	4.25	-	N/A		H/B
1494		"	H	26.63	1/31/14	6.66	-	N/A		H/B
1495		2516 Kelly Dr Dyer	H	5,000.00	9/26/13	1,250.00	-	N/A		H/B
			Subtotal	10,084.46		2,421.12				
			Balance Forward	131,175.94		33,694.06				

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HOME MATCH LOG FY 13

Project Number (1)	Date Project Committed (2)	Project Address (3)	Project Type (4)	HOME Funds Expended (5)	Date HOME \$ Expended (6)	Amount of Match Liability Incurred (7)	Value of Match Contribution (8)	Type of Match (9)	Date Match Recognized (10)	Comments (11)
1491		2497 Liberty Hobart	H	17.00	5/27/14	4.25	-	N/A		Rehab
1492		743 n. Indiana Suffice	H	5,000.00	9/26/13	1,250.00	-	N/A		HB
1492		"	H	17.00	11/14/13	4.25	-	N/A		HB
1492		"	H	26.63	1/31/14	6.66	-	N/A		HB
1493		6822 Van Buren Merrillville	H	5,000.00	9/26/13	1,250.00	-	N/A		HB
1493		"	H	17.00	11/14/13	4.25	-	N/A		HB
			Subtotal	10,077.63		2,519.41				
			Balance Forward	121,091.48		30,272.94				

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HOME MATCH LOG FY 13

Project Number (1)	Date Project Committed (2)	Project Address (3)	Project Type (4)	HOME Funds Expended (5)	Date HOME \$ Expended (6)	Amount of Match Liability Incurred (7)	Value of Match Contribution (8)	Type of Match (9)	Date Match Recognized (10)	Comments (11)
1490		8423 Gordon St Highland	H	19.00	10/22/13	4.75	-	N/A		Rehab
1490		"	H	20,840.00	12/11/13	5,210.00	-	N/A		Rehab
1490		"	H	45.00	2/24/14	11.25	-	N/A		Rehab
1491		249 n. Liberty Herbert	H	180.00	9/26/13	45.00	-	N/A		Rehab
1491		"	H	14,500.00	1/6/14	3,625.00	-	N/A		Rehab
1491		"	H	200.00	2/24/14	50.00	-	N/A		Rehab
			Subtotal	35,784.00		8,946.00				
			Balance Forward	111,013.85		27,753.53				

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HOME MATCH LOG FY 13

Project Number (1)	Date Project Committed (2)	Project Address (3)	Project Type (4)	HOME Funds Expended (5)	Date HOME \$ Expended (6)	Amount of Match Liability Incurred (7)	Value of Match Contribution (8)	Type of Match (9)	Date Match Recognized (10)	Comments (11)
1487		4000 Grant St Lang (col camp)	H	17.00	10/22/13	4.25	-	N/A		HB
1487		"	H	26.60	4/31/14	6.65	-	N/A		HB
1489		138-71 <sup>st</sup> St Huffman	H	380.00	9/26/13	95.00	-	N/A		Rehab
1489		"	H	22,739.00	10/22/13	5,684.75	-	N/A		Rehab
1489		"	H	1,440.00	12/11/13	360.00	-	N/A		Rehab
1490		8423 Gordon Highland	H	355.00	9/26/13	88.75	-	N/A		Rehab
				Subtotal	24,957.60	6,239.40				
				Balance Forward	75,229.85	18,807.53				

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HOME MATCH LOG FY 13

Project Number (1)	Date Project Committed (2)	Project Address (3)	Project Type (4)	HOME Funds Expended (5)	Date HOME \$ Expended (6)	Amount of Match Liability Incurred (7)	Value of Match Contribution (8)	Type of Match (9)	Date Match Recognized (10)	Comments (11)
1485		567 E. Anderson CP.	H	77.00	10/22/13	4.25	-	N/A		HB
1485		"	H	26.63	1/31/14	6.66	-	N/A		HB
1486		14 N. Delwood Hubart	H	5,000.00	9/26/13	1,250.00	-	N/A		HB
1486		"	H	17.00	10/22/13	4.25	-	N/A		HB
1486		"	H	40.83	4/25/14	10.21	-	N/A		HB
1487		4000 Grants St Gary (Cal Sup)	H	5,000.00	9/26/13	1,250.00	-	N/A		HB
				Subtotal	10,101.46		2,525.57			
				Balance Forward	50,272.25		12,568.13			

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HOME MATCH LOG FY 13

Project Number (1)	Date Project Committed (2)	Project Address (3)	Project Type (4)	HOME Funds Expended (5)	Date HOME \$ Expended (6)	Amount of Match Liability Incurred (7)	Value of Match Contribution (8)	Type of Match (9)	Date Match Recognized (10)	Comments (11)
1483		239 n. Virginia Hibart	H	17.00	10/22/13	4.25	-	N/A		HB
1483		"	H	26.63	1/31/14	6.66	-	N/A		HB
1484		325 n. Cavender Hibart	H	5,000.00	9/26/13	1,250.00	-	N/A		HB
1484		"	H	17.00	10/22/13	4.25	-	N/A		HB
1484		"	H	26.63	1/31/14	6.66	-	N/A		HB
1485		567 E. Anderson CP	H	5,000.00	9/26/13	1,250.00	-	N/A		HB
			Subtotal	10,087.26		2,521.92				
			Balance Forward	40,170.79		10,042.76				

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HOME MATCH LOG FY 13

Project Number (1)	Date Project Committed (2)	Project Address (3)	Project Type (4)	HOME Funds Expended (5)	Date HOME \$ Expended (6)	Amount of Match Liability Incurred (7)	Value of Match Contribution (8)	Type of Match (9)	Date Match Recognized (10)	Comments (11)
1480		308 N. Elmer Middletown	H	3,804.08	11/12/13	951.00	-	N/A		HB
1480		"	H	40.61	11/14/13	10.16	-	N/A		HB
1481		8906 Cottage Highland	H	17.00	10/22/13	4.25	-	N/A		HB
1481		"	H	26.63	11/31/14	6.66	-	N/A		HB
1482		8216 Trace Highland	H	17.00	10/22/13	4.25	-	N/A		HB
1482		"	H	26.63	11/31/14	6.66	-	N/A		HB
				Subtotal	3,931.95		983.00	-		
				Balance Forward	30,083.53		7,520.94			

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## HOME MATCH LOG FY 13

Project Number (1)	Date Project Committed (2)	Project Address (3)	Project Type (4)	HOME Funds Expended (5)	Date HOME \$ Expended (6)	Amount of Match Liability Incurred (7)	Value of Match Contribution (8)	Type of Match (9)	Date Match Recognized (10)	Comments (11)
1477		7432 Marshall Rd Memphis	H	40.62	11/14/13	10.16	-	N/A		HB
1478		2595 W. 59th Rd Memphis	H	17.00	10/22/13	4.25	-	N/A		HB
1478		"	H	40.62	11/14/13	10.16	-	N/A		HB
1479		2343-99th St Highland	H	17.00	10/23/13	4.25	-	N/A		HB
1479		"	H	40.62	11/14/13	10.16	-	N/A		HB
1480		308 N. Elmer Guthrie	H	17.00	10/22/13	4.25	-	N/A		HB
			Subtotal	172.86		43.23				
			Balance Forward	26,151.58		6,537.94				

HOME MATCH LOG FY 13

Project Number (1)	Date Project Committed (2)	Project Address (3)	Project Type (4)	HOME Funds Expended (5)	Date HOME \$ Expended (6)	Amount of Match Liability Incurred (7)	Value of Match Contribution (8)	Type of Match (9)	Date Match Recognized (10)	Comments (11)
1474		7501 Broadway Merrillville	H	40.62	11/14/13	10.16	-	N/A		H/B
1475		315 N. Cline Ave Suffice	H	17.00	10/22/13	4.25	-	N/A		H/B
1475		"	H	40.62	11/14/13	10.16	-	N/A		H/B
1476		1411 W. 61st Rd	H	17.00	10/22/13	4.25	-	N/A		H/B
1476		"	H	40.62	11/14/13	10.16	-	N/A		H/B
1477		7432 Marshall Rd Merrillville	H	17.00	10/22/13	4.25	-	N/A		H/B
				Subtotal	172.86	43.23				
				Balance Forward	25,978.72	6,494.71				

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4

## HOME MATCH LOG FY 13

Project Number (1)	Date Project Committed (2)	Project Address (3)	Project Type (4)	HOME Funds Expended (5)	Date HOME \$ Expended (6)	Amount of Match Liability Incurred (7)	Value of Match Contribution (8)	Type of Match (9)	Date Match Recognized (10)	Comments (11)
1471		10631 Baker Rd CP	H	17.00	5/27/14	4.25	-	N/A		Rehab
1472		7725 Janey Rd Merrillville	H	17.00	10/22/13	4.25	-	N/A		HB
1472		'	H	40.62	11/14/13	10.16	-	N/A		HB
1473		3107 W. 79th Rd Merrillville	H	17.00	10/22/13	4.25	-	N/A		HB
1473		'	H	40.62	11/14/13	10.16	-	N/A		HB
1474		7501 Broadway Merrillville	H	17.00	10/22/13	4.25	-	N/A		HB
			Subtotal	149.24		37.32				
			Balance Forward	25,805.86		6,451.48				

HOME MATCH LOG FY 13

Project Number (1)	Date Project Committed (2)	Project Address (3)	Project Type (4)	HOME Funds Expended (5)	Date HOME \$ Expended (6)	Amount of Match Liability Incurred (7)	Value of Match Contribution (8)	Type of Match (9)	Date Match Recognized (10)	Comments (11)
1468		3640 W. 75 <sup>th</sup> Ave Meridenville	H	77.00	10/22/13	4.25	-	N/A		H/B
1469		3319 E. 34 <sup>th</sup> Avenue Lake Station	H	17.00	10/22/13	4.25	-	N/A		N/B
1470		11672 Broadway CP	H	17.00	10/22/13	4.25	-	N/A		H/B
1470			H	40,62	11/14/13	10.16	-	N/A		H/B
1471		10631 Baker CP	H	20,920.00	9/11/13	5,230.00	-	N/A		Rehab
1471		"	H	3,510.00	10/22/13	877.50	-	N/A		Rehab
				Subtotal	24,521.62	6,130.41				
				Balance Forward	25,656.62	6,414.16				

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HOME MATCH LOG FY 13

Project Number (1)	Date Project Committed (2)	Project Address (3)	Project Type (4)	HOME Funds Expended (5)	Date HOME \$ Expended (6)	Amount of Match Liability Incurred (7)	Value of Match Contribution (8)	Type of Match (9)	Date Match Recognized (10)	Comments (11)
1462		2639 Eder Highland	H	17.00	10/22/13	4.25	-	N/A		HB
1463		137 S. John CP	H	17.00	10/22/13	4.25	-	N/A		HB
1464		2267 Sandcastle Dr Dyer	H	17.00	10/22/13	4.25	-	N/A		HB
1465		813 E. Woodside Dr Safford	H	17.00	10/22/13	4.25	-	N/A		HB
1466		900 E. 36 <sup>th</sup> Pl Robert	H	17.00	10/22/13	4.25	-	N/A		HB
1467		835 Woodside Dr Safford	H	17.00	10/22/13	4.25	-	N/A		HB
				Subtotal	102.00		25.50			
				Balance Forward	1,135.00		283.75			

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HOME MATCH LOG FY 13

Project Number (1)	Date Project Committed (2)	Project Address (3)	Project Type (4)	HOME Funds Expended (5)	Date HOME \$ Expended (6)	Amount of Match Liability Incurred (7)	Value of Match Contribution (8)	Type of Match (9)	Date Match Recognized (10)	Comments (11)
1423		9104 W. 155 <sup>th</sup> Ave Lawrence	H	950.00	10/22/13	237.50	-	N/A		Rehab
1423		"	H	15.00	11/14/13	3.75	-	N/A		Rehab
1432		800 W. 66 <sup>th</sup> Ave Merriam	H	15.00	10/22/13	3.75	-	N/A		Rehab
1437		1023 W. 72 <sup>nd</sup> Place Merriam	H	19.00	9/26/13	4.75	-	N/A		Rehab
1460		4923 W. 92 <sup>nd</sup> Ave CP	H	17.00	10/22/13	4.25	-	N/A		HB
1461		8808 Columet Avenue Merriam	H	17.00	10/22/13	4.25	-	N/A		HB
				Subtotal	1,033.00		258.25			
				Balance Forward	1,033.00		258.25			

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Program Year	Program	Associated Grant Number	Fund Type	Estimated Income for Year	Transaction	Voucher #	Voucher Created	Voucher Type	IDIS Proj. ID	IDIS Actv. ID	Matrix Code	Received/Drawn Amount
						5633262-002	12-03-13	PY	4	1512		5,000.00
						5633262-005	12-03-13	PY	4	1518		6,326.51
											Receipts	26,295.78
											PI Draws	26,295.78
											PA Draws	0.00
											Balance	0.00

-14-

Program Year	Associated Program	Grant Number	Fund Type	Estimated Income for Year	Transaction	Voucher #	Voucher Created	Voucher Type	IDIS Proj. ID	IDIS Actv. ID	Matrix Code	Received/Drawn Amount
						5626187-001	11-12-13	PY	4	1480		3,804.08
						5627302-001	11-14-13	PY	4	1423		15.00
						5627302-002	11-14-13	PY	4	1499		17.00
						5627302-003	11-14-13	PY	4	1470		40.62
						5627302-004	11-14-13	PY	4	1500		17.00
						5627302-005	11-14-13	PY	4	1472		40.62
						5627302-006	11-14-13	PY	4	1501		17.00
						5627302-007	11-14-13	PY	4	1473		40.62
						5627302-008	11-14-13	PY	4	1503		17.00
						5627302-009	11-14-13	PY	4	1474		40.62
						5627302-010	11-14-13	PY	4	1504		17.00
						5627302-011	11-14-13	PY	4	1475		40.62
						5627302-012	11-14-13	PY	4	1505		17.00
						5627302-013	11-14-13	PY	4	1476		40.62
						5627302-014	11-14-13	PY	4	1513		5,100.00
						5627302-015	11-14-13	PY	4	1477		40.62
						5627302-016	11-14-13	PY	4	1518		17.00
						5627302-017	11-14-13	PY	4	1478		40.62
						5627302-018	11-14-13	PY	4	1519		17.00
						5627302-019	11-14-13	PY	4	1479		40.62
						5627302-020	11-14-13	PY	4	1520		17.00
						5627302-021	11-14-13	PY	4	1480		40.61
						5627302-022	11-14-13	PY	4	1521		17.00
						5627302-023	11-14-13	PY	4	1492		17.00
						5627302-025	11-14-13	PY	4	1493		17.00
						5627302-026	11-14-13	PY	16	1539		355.00
						5627302-027	11-14-13	PY	4	1494		17.00
						5627302-028	11-14-13	PY	4	1495		17.00
						5627302-029	11-14-13	PY	4	1496		17.00
						5627302-030	11-14-13	PY	4	1497		17.00
						5627302-031	11-14-13	PY	4	1498		17.00
						5633262-001	12-03-13	PY	4	1508		5,000.00

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**LAKE COUNTY  
COMMUNITY ECONOMIC DEVELOPMENT DEPARTMENT**

2293 N. Main Street • Crown Point, IN 46307

Tel. (219) 755-3225 • Fax (219) 736-5925

[econdev@lakecountyin.com](mailto:econdev@lakecountyin.com)

**MILAN GROZDANICH**  
Executive Director



**INTEROFFICE MEMO**

**TO:** MILAN GROZDANICH, Executive Director  
ALVERNA HOOKS, Deputy Director

**FROM:** ANNA NUNEZ, Fiscal Officer  
LORI BURKE, Bookkeeper

Handwritten initials in blue ink, appearing to be "AN" and "LB", each enclosed in a circle.

**DATE:** May 28, 2014

**RE:** PROGRAM INCOME REPORT

Attached is the IDIS PR09 Program Income Details by Fiscal Year and Program Report which reflect Program Income received and booked in both IDIS and our ledger books from 10/1/13 – 12/31/13.

Please initial in accordance with State Board of Accounts FINDING 2012-15 – COMPLINANCE RELATED TO HOME INVESTMENT PARTNERSHIPS PROGRAM – REPORTING and return to us.

Program Year	Associated Program	Fund Grant Number	Fund Type	Estimated Income for Year	Transaction	Voucher #	Voucher Created	Voucher Type	IDIS Proj. ID	IDIS Actv. ID	Matrix Code	Receipted/Drawn Amount
						5125365001	01-27-14					6,392.29
						5125366001	01-27-14					3,658.02
						5125367001	01-27-14					4,125.12
						5125368001	01-27-14					3,621.64
						5125369001	01-27-14					3,753.22
			PI		DRAWS							
						5652640001	01-31-14	PY	4	1509		26.63
						5652640002	01-31-14	PY	4	1482		26.63
						5652640003	01-31-14	PY	4	1503		26.63
						5652640004	01-31-14	PY	4	1492		26.63
						5652640005	01-31-14	PY	4	1504		26.63
						5652640006	01-31-14	PY	4	1495		26.63
						5652640007	01-31-14	PY	4	1500		26.63
						5652640008	01-31-14	PY	4	1481		26.63
						5652640009	01-31-14	PY	4	1483		26.63
						5652640010	01-31-14	PY	4	1507		26.63
						5652640011	01-31-14	PY	4	1498		26.63
						5652640012	01-31-14	PY	4	1544		26.63
						5652640013	01-31-14	PY	4	1484		26.63
						5652640014	01-31-14	PY	4	1543		26.63
						5652640015	01-31-14	PY	4	1496		26.63
						5652640016	01-31-14	PY	4	1485		26.63
						5652640017	01-31-14	PY	4	1499		26.63
						5652640018	01-31-14	PY	4	1521		26.63
						5652640019	01-31-14	PY	4	1494		26.63
						5652640020	01-31-14	PY	4	1487		26.60
						5652991001	02-03-14	PY	16	1539		237.00
						5660734001	02-24-14	PY	4	1490		45.00
						5660734002	02-24-14	PY	4	1491		200.00
						5660734003	02-24-14	PY	4	1507		17.00
						5660734004	02-24-14	PY	4	1505		17.00
						5660734005	02-24-14	PY	4	1510		17.00

Program Year	Associated Program	Fund Grant Number	Fund Type	Estimated Income for Year	Transaction	Voucher #	Voucher Created	Voucher Type	IDIS Proj. ID	IDIS Actv. ID	Matrix Code	Received/Drawn Amount
						5660734006	02-24-14	PY	4	1516		17.00
						5660734008	02-24-14	PY	16	1541		17.00
						5660734009	02-24-14	PY	16	1542		5,217.00
						5660734010	02-24-14	PY	4	1543		17.00
						5660734011	02-24-14	PY	4	1544		17.00
						5660734012	02-24-14	PY	4	1545		17.00
						5660734013	02-24-14	PY	4	1546		17.00
						5660734014	02-24-14	PY	4	1547		17.00
						5660734015	02-24-14	PY	4	1548		17.00
						5660734016	02-24-14	PY	4	1549		17.00
						5660734018	02-24-14	PY	4	1553		5,017.00
						5660734019	02-24-14	PY	4	1554		5,017.00
						5660734020	02-24-14	PY	4	1555		5,017.00
						5660734021	02-24-14	PY	4	1556		5,017.00
						5660734023	02-24-14	PY	4	1557		316.24
											Receipts	26,819.81
											PI Draws	26,819.81
											PA Draws	0.00
											Balance	0.00

REAU  
MA

IDIS - PR09

U.S. Department of Housing and Urban Development  
Office of Community Planning and Development  
Integrated Disbursement and Information System  
Program Income Details by Fiscal Year and Program  
LAKE COUNTY,IN

Date: 05-28-14  
Time: 10:30  
Page: 1

Report for Program:CDBG, HOME  
Voucher Dates:01-01-2014 to 03-31-2014

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Program Year	Program	Associated Grant Number	Fund Type	Estimated Income for Year	Transaction	Voucher #	Voucher Created	Voucher Type	IDIS Proj. ID	IDIS Actv. ID	Matrix Code	Receipted/Drawn Amount	
2012	HOME	M12UC180207	PI	100,000.00									
			PI		DRAWS								
						5660734017	02-24-14	PY	4	1550		17.00	
												Receipts	
												PI Draws	17.00
												PA Draws	0.00
												Balance	(17.00)
2013	CDBG	B13UC180016	PI	50,000.00									
					RECEIPTS								
						5125360001	01-27-14		16	1538	14B	123.19	
						5125361001	01-27-14		16	1538	14B	123.23	
						5125362001	01-27-14		16	1538	14B	123.26	
					DRAWS								
						5653080002	02-03-14	PY	4	1534	05Q	334.60	
												Receipts	369.68
												Draws	334.60
												Balance	35.08
2013	HOME	M13UC180207	PI	50,000.00									
					RECEIPTS								
						5125363001	01-27-14					769.52	
						5125364001	01-27-14					5,000.00	





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**MILAN GROZDANICH**  
Executive Director



**INTEROFFICE MEMO**

**TO:** MILAN GROZDANICH, Executive Director  
ALVERNA HOOKS, Deputy Director

**FROM:** ANNA NUNEZ, Fiscal Officer   
LORI BURKE, Bookkeeper

**DATE:** May 28, 2014

**RE:** PROGRAM INCOME REPORT

Attached is the IDIS PR09 Program Income Details by Fiscal Year and Program Report which reflect Program Income received and booked in both IDIS and our ledger books from 1/1/14 – 3/31/14.

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4

# Annual Performance Report HOME Program

U.S. Department of Housing  
and Urban Development  
Office of Community Planning  
and Development

OMB Approval No. 2506-0171  
(exp. 05/31/2007)

Public reporting burden for this collection of information is estimated to average 2.5 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

The HOME statute imposes a significant number of data collection and reporting requirements. This includes information on assisted properties, on the owners or tenants of the properties, and on other programmatic areas. The information will be used: 1) to assist HOME participants in managing their programs; 2) to track performance of participants in meeting fund commitment and expenditure deadlines; 3) to permit HUD to determine whether each participant meets the HOME statutory income targeting and affordability requirements; and 4) to permit HUD to determine compliance with other statutory and regulatory program requirements. This data collection is authorized under Title II of the Cranston-Gonzalez National Affordable Housing Act or related authorities. Access to Federal grant funds is contingent on the reporting of certain project-specific data elements. Records of information collected will be maintained by the recipients of the assistance. Information on activities and expenditures of grant funds is public information and is generally available for disclosure. Recipients are responsible for ensuring confidentiality when public disclosure is not required.

This form is intended to collect numeric data to be aggregated nationally as a complement to data collected through the Cash and Management Information (C/M) System. Participants should enter the reporting period in the first block. The reporting period is October 1 to September 30. Instructions are included for each section if further explanation is needed.

Submit this form on or before December 31. Send one copy to the appropriate HUD Field Office and one copy to: HOME Program, Rm 7176, 451 7th Street, S.W., Washington D.C. 20410	This report is for period (mm/dd/yyyy) Starting 9-1-12	Ending 8/31/13	Date Submitted (mm/dd/yyyy) 11/1/13
--	--	-------------------	--

### Part I Participant Identification

1. Participant Number 884008756-DUNS#	2. Participant Name LAKE COUNTY COMMUNITY ECONOMIC DEVELOPMENT DEPARTMENT		
3. Name of Person completing this report ALVERNA D. HOOKS		4. Phone Number (Include Area Code) 219-755-3232	
5. Address 2293 NORTH MAIN STREET	6. City CROWN POINT	7. State IN	8. Zip Code 46307

### Part II Program Income

Enter the following program income amounts for the reporting period: in block 1, enter the balance on hand at the beginning; in block 2, enter the amount generated; in block 3, enter the amount expended; and in block 4, enter the amount for Tenant-Based rental Assistance.

1. Balance on hand at Beginning of Reporting Period	2. Amount received during Reporting Period	3. Total amount expended during Reporting Period	4. Amount expended for Tenant-Based Rental Assistance	5. Balance on hand at end of Reporting Period (1 + 2 - 3) = 5
12,983.18	72,157.44	85,140.62	0.00	0.00

### Part III Minority Business Enterprises (MBE) and Women Business Enterprises (WBE)

In the table below, indicate the number and dollar value of contracts for HOME projects completed during the reporting period.

	a. Total	Minority Business Enterprises (MBE)			f. White Non-Hispanic
		b. Alaskan Native or American Indian	c. Asian or Pacific Islander	d. Black Non-Hispanic	
<b>A. Contracts</b>					
1. Number	7 (HOME)				7
2. Dollar Amount	85,933.00				85,933.00
<b>B. Sub-Contracts</b>					
1. Number					
2. Dollar Amount					
	a. Total	b. Women Business Enterprises (WBE)	c. Male		
<b>C. Contracts</b>					
1. Number					
2. Dollar Amount					
<b>D. Sub-Contracts</b>					
1. Number					
2. Dollar Amounts					

\*\*REVISED 5/12/14\*\*

**Part IV Minority Owners of Rental Property**

In the table below, indicate the number of HOME assisted rental property owners and the total dollar amount of HOME funds in these rental properties assisted during the reporting period.

	a. Total	Minority Property Owners				f. White Non-Hispanic
		b. Alaskan Native or American Indian	c. Asian or Pacific Islander	d. Black Non-Hispanic	e. Hispanic	
1. Number	0					
2. Dollar Amount	0.00					

**Part V Relocation and Real Property Acquisition**

Indicate the number of persons displaced, the cost of relocation payments, the number of parcels acquired, and the cost of acquisition. The data provided should reflect only displacements and acquisitions occurring during the reporting period.

	a. Number	b. Cost
1. Parcels Acquired	N/A	
2. Businesses Displaced	N/A	
3. Nonprofit Organizations Displaced	N/A	
4. Households Temporarily Relocated, not Displaced	N/A	

Households Displaced	a. Total	Minority Business Enterprises (MBE)				f. White Non-Hispanic
		b. Alaskan Native or American Indian	c. Asian or Pacific Islander	d. Black Non-Hispanic	e. Hispanic	
5. Households Displaced - Number	0					
6. Households Displaced - Cost	0.00					

PEGGY HOLINGA KATONA  
AUDITOR



*Auditor Lake County*

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

© GCIU 1049-M

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING NO: 2012-16 COMPLIANCE RELATED TO HOME INVESTMENT PARTNERSHIPS PROGRAM-REPORTING

Original Audit Report Number: B42923

Report period: Jan 1, 2012 Through Dec 31, 2012

Federal Agency: U.S. Department OF Housing and Urban Development

Federal Program: HOME Investment Partnerships Program

CFDA Number: 14.239

Award No.M-11-UC-18-0207

Auditee Contact Person: Milan Grozdanich, Executive Director (219) 755-3231

Status of Audit Finding:

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

Respectfully submitted on this 5<sup>th</sup> day of August, 2014

Peggy Holinga Katona  
Lake County Auditor



COPY

LAKE COUNTY  
COMMUNITY ECONOMIC DEVELOPMENT DEPARTMENT

2293 N. Main Street • Crown Point, IN 46307  
Tel. (219) 755-3225 • Fax (219) 736-5925  
[econdev@lakecountyin.com](mailto:econdev@lakecountyin.com)

MILAN GROZDANICH  
Executive Director



June 27, 2014

Mr. Aaron B. Bailey, CPD Representative  
U.S. Department of Housing & Urban Development  
151 North Delaware Street, 12<sup>th</sup> Floor  
Indianapolis, Indiana 46204-2526

Re: Lake County Audit Report

Dear Mr. Bailey:

This letter is in response to your letter dated June 24, 2014 concerning the Corrective Action Plan recently submitted to your office for Finding 2012-16 – Compliance Related to HOME Investment Partnership Program –Reporting.

After further review in our Office by Anna Nuñez, Fiscal Officer and Lori Burke, Bookkeeper, we believe there is an error on the Program Income dollar figure stated under “Views of Responsible Official and Planned Corrective Action”. It states “We will revise the submitted HOME APR Report Form 40107 to reflect the correct Program Income amount (\$180,616.07) as shown on pages 8 and 26 of the narrative section”.

The correct amount of Program Income for FY2011 was \$280,616.07, and that was the dollar figure originally reported on page 8 and 26 of the narrative section of the FY2011 Performance Report and the HOME APR Report Form 40107 (See Attached), so no revision was necessary. We assume the SBOA auditor made an error somewhere, but we cannot determine where they got the numbers quoted in their Finding.


Enclosed are the following documents:

- 1) IDIS PR09 Program Income Detail Report showing the amount of total Program Income for FY2011 (\$280,616.07).
- 2) HOME APR Report Form 40107 reflecting the amount of Program Income as \$280616.07.

- 3) Copies of page 8 and 26 from the Performance Report for FY2011 dated November 2012 showing Program Income in the amount of \$280,616.07.

All other Findings addressed in HUD's letter dated June 22, 2014 concerning Lake County Audit will be addressed in on or before July 18, 2014.

Sincerely,



Milan Grozdanich  
Executive Director

5399146	-	03-12-12	PY	5	1377	30,204.00
5405490	-	03-27-12	PY	21	1352	40.00
5405490	-	03-27-12	PY	5	1390	200.00
5405490	-	03-27-12	PY	5	1377	15,034.00
5417390	-	04-24-12	PY	5	1388	13,150.00
5423032	-	05-07-12	PY	5	1377	185.26
5428869	-	05-21-12	PY	5	1382	19.00
5428869	-	05-21-12	PY	5	1388	19.00
5428869	-	05-21-12	PY	5	1377	12,583.71
5436015	-	06-07-12	PY	5	1377	5,000.00
5436015	-	06-07-12	PY	5	1388	10,950.00
5436015	-	06-07-12	PY	5	1390	6,865.00
5443382	-	06-25-12	PY	5	1377	13,938.34
5460459	-	08-06-12	PY	5	1377	9,641.56
5465816	-	08-20-12	PY	5	1377	20,000.00
5465816	-	08-20-12	PY	5	1382	23,292.00

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 FY 2011  
 003

0.00 \*  
 34,639.71 +  
 3,837.06 +  
 242,139.30 +  
 280,616.07 0  
 280,616.07 \*

Receipts 242,139.30\*  
 Draws [REDACTED]  
 Balance 12,983.18  
 Page: 1 of 1

Total P.I.

Received in  
 [REDACTED]

5061496	-	12-20-11				2,248.28
5061497	-	12-20-11				3,880.31
5067753	-	02-24-12				3,421.05
5067754	-	02-24-12				4,300.25
5067755	-	02-24-12				5,000.00
5068542	-	03-06-12				22,327.20
5068543	-	03-06-12				50.00
5069074	-	03-12-12				12,109.50
5073159	-	04-23-12				2,000.00
5073161	-	04-23-12				238.82
5073165	-	04-23-12				3,357.85
5074401	-	05-08-12				3,625.09
5074402	-	05-08-12				17,341.20
5074403	-	05-08-12				22,464.90
5077086	-	06-07-12				2,250.00
5077090	-	06-07-12				3,693.86
5078950	-	06-28-12				21,379.50
5081754	-	08-03-12				3,612.01
5081755	-	08-03-12				4,195.12
5081756	-	08-03-12				1,517.88
5083221	-	08-20-12				4,155.66
5083222	-	08-20-12				8,849.70
5083223	-	08-20-12				22,206.87

DRAWS

5348892	-	11-09-11	PY	24	1338	10,000.00
5354849	-	11-22-11	PY	24	1338	78.44
5354849	-	11-22-11	PY	21	1350	15.00
5354849	-	11-22-11	PY	21	1352	3,720.00
5354849	-	11-22-11	PY	5	1382	205.00
5354849	-	11-22-11	PY	5	1383	205.00
5361445	-	12-09-11	PY	24	1338	4,830.95
5367465	-	12-22-11	PY	36	1187	20,000.00
5367465	-	12-22-11	PY	5	1377	20,000.00
5367465	-	12-22-11	PY	21	1380	3,809.86
5367777	-	12-22-11	PY	5	1377	5,000.00
5399146	-	03-12-12	PY	24	1338	170.00



IDIS - PR09

U.S. Department of Housing and Urban Development  
 Office of Community Planning and Development  
 Integrated Disbursement and Information System  
 Program Income Details by Fiscal Year and Program  
 LAKE COUNTY,IN

Date: 07-11-13  
 Time: 15:27  
 Page: 1

Report for Program:9/1/2011  
 Voucher Dates:08-31-2012 to

Fiscal Year	Program	Associated Grant Number	Fund Type	Estimated Income for Year	Transaction	Voucher #	Voucher Created	Voucher Type	IDIS Proj. ID	IDIS Actv. ID	Matrix Code	Receipted/Drawn Amount					
2009	HOME	M09UC180207	PI	60,000.00	DRAWS	5024410 -	05-08-12	PY	35	1165		34,639.71 ✎					
												Receipts					
												Draws	34,639.71				
												Balance	(34,639.71)				
2010	HOME	M10UC180207	PI	175,000.00	DRAWS	5314993 -	11-09-11	PY	24	1338		85.00					
												5314993 -	11-09-11	PY	21	1349	19.00
												5332367 -	09-30-11	PY	21	1351	3,837.06 ✎
												Receipts					
												Draws	3,941.06				
Balance	(3,941.06)																
2011	HOME	M11UC180207	PI	150,000.00	RECEIPTS	5056056 -	10-19-11					22.62					
												5056057 -	10-19-11		4,058.03		
												5057429 -	11-08-11		4,280.74		
												5057430 -	11-08-11		13,526.10		
												5060387 -	12-12-11		3,900.86		
												5060388 -	12-12-11		19,760.40		
												5060628 -	12-14-11		22,315.50		
												5061495 -	12-20-11		50.00		

-159-

# Annual Performance Report HOME Program

U.S. Department of Housing  
and Urban Development  
Office of Community Planning  
and Development

OMB Approval No 2506-0171  
(exp. 05/31/2007)

Public reporting burden for this collection of information is estimated to average 2.5 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

The HOME statute imposes a significant number of data collection and reporting requirements. This includes information on assisted properties, on the owners or tenants of the properties, and on other programmatic areas. The information will be used: 1) to assist HOME participants in managing their programs; 2) to track performance of participants in meeting fund commitment and expenditure deadlines; 3) to permit HUD to determine whether each participant meets the HOME statutory income targeting and affordability requirements; and 4) to permit HUD to determine compliance with other statutory and regulatory program requirements. This data collection is authorized under Title II of the Cranston-Gonzalez National Affordable Housing Act or related authorities. Access to Federal grant funds is contingent on the reporting of certain project-specific data elements. Records of information collected will be maintained by the recipients of the assistance. Information on activities and expenditures of grant funds is public information and is generally available for disclosure. Recipients are responsible for ensuring confidentiality when public disclosure is not required.

This form is intended to collect numeric data to be aggregated nationally as a complement to data collected through the Cash and Management Information (C/M) System. Participants should enter the reporting period in the first block. The reporting period is October 1 to September 30. Instructions are included for each section if further explanation is needed.

Submit this form on or before December 31.	This report is for period (mm/dd/yyyy)		Date Submitted (mm/dd/yyyy)
Send one copy to the appropriate HUD Field Office and one copy to: HOME Program, Rm 7176, 451 7th Street, S.W., Washington D.C. 20410	Starting	Ending	
	9-1-11	8/31/12	11/1/12

## Part I Participant Identification

1. Participant Number 884008756-DUNS#	2. Participant Name LAKE COUNTY COMMUNITY ECONOMIC DEVELOPMENT DEPARTMENT		
3. Name of Person completing this report ALVERNA D. HOOKS		4. Phone Number (Include Area Code) 219-755-3232	
5. Address 2293 NORTH MAIN STREET	6. City CROWN POINT	7. State IN	8. Zip Code 46307

## Part II Program Income

Enter the following program income amounts for the reporting period: in block 1, enter the balance on hand at the beginning; in block 2, enter the amount generated; in block 3, enter the amount expended; and in block 4, enter the amount for Tenant-Based rental Assistance.

1. Balance on hand at Beginning of Reporting Period 0.00	2. Amount received during Reporting Period 280,616.07	3. Total amount expended during Reporting Period 267,632.89	4. Amount expended for Tenant-Based Rental Assistance 0.00	5. Balance on hand at end of Reporting Period (1 + 2 - 3) = 5 12,983.18
---	--	--	---	--

## Part III Minority Business Enterprises (MBE) and Women Business Enterprises (WBE)

In the table below, indicate the number and dollar value of contracts for HOME projects completed during the reporting period.

	a. Total	Minority Business Enterprises (MBE)			f. White Non-Hispanic
		b. Alaskan Native or American Indian	c. Asian or Pacific Islander	d. Black Non-Hispanic	
<b>A. Contracts</b>					
1. Number	7 (HOME)				7
2. Dollar Amount	85,933.00				85,933.00
<b>B. Sub-Contracts</b>					
1. Number					
2. Dollar Amount					
	a. Total	b. Women Business Enterprises (WBE)	c. Male		
<b>C. Contracts</b>					
1. Number					
2. Dollar Amount					
<b>D. Sub-Contracts</b>					
1. Number					
2. Dollar Amounts					



# Performance Report FY 2011

**NOVEMBER 2012**

**PREPARED BY THE LAKE COUNTY COMMUNITY  
ECONOMIC DEVELOPMENT DEPARTMENT**



Lake County has carried out its CDBG Program since the early 1980's. During that period it has, generally, met program goals and requirements. It continued this process in FY11. All program activities were in accord with both the FY11 Action Plan and the five-year FY08 Consolidated Plan. All public improvement construction projects are managed by the Construction Manager. This person reports to the Deputy Director. All housing rehabilitation projects, homebuyers programs and housing counseling programs are managed by the Deputy Director. The Executive Director manages economic development projects or new housing construction projects. The Fiscal Officer manages the flow of funds and financial matters, and reports to the Executive Director.

## Citizen Participation

1. Provide a summary of citizen comments.
2. In addition, the performance report provided to citizens must identify the Federal funds made available for furthering the objectives of the Consolidated Plan. For each formula grant program, the grantee shall identify the total amount of funds available (including estimated program income), the total amount of funds committed during the reporting period, the total amount expended during the reporting period, and the geographic distribution and location of expenditures. Jurisdictions are encouraged to include maps in describing the geographic distribution and location of investment (including areas of minority concentration). The geographic distribution and expenditure requirement may also be satisfied by specifying the census tracts where expenditures were concentrated.

\*Please note that Citizen Comments and Responses may be included as additional files within the CPMP Tool.

Program Year 4 CAPER Citizen Participation response:

1. No responses were received during Citizens comment period.
2. The FY11 CDBG funding was \$1,204,148.00 plus \$563,361.38 of prior years funds carried forward. In addition, there was \$1283.72 in CDBG program income that was received. Thus, the total CDBG funds were \$1,768,793.10. The County expended \$1,219,025.40 in CDBG funds. The remainder was carried forward to the next program year.

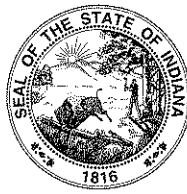
The HOME grant for FY11 was \$600,204.00. There was \$492,671.04 in program rollover funds, and program income of \$280,616.07 for a total of \$1,373,491.11. The County expended \$401,479.16. The remainder was allotted to programs and activities in future years.

The County provided CDBG funding to all cities and towns in the Urban Lake County area. The exact location of the funds expenditure's is set forth in the attached IDIS forms CO4PR26, CO4PR06 and CO4PRO3. All of the funds were expended on projects which primarily benefit lower income households.

- b. The County did undertake one job creation activity in FY08. It loaned a firm \$257,689.00 in CDBG funds to create 55 new jobs. The company created the jobs, and has paid off the loan. No projects were undertaken in FY09, FY10 or FY11.
  - c. Not Applicable, see 6a
  - 7. a. Low/Mod Limited Clientele Activities  
Not Applicable. All activities benefiting limited clientele are in categories of those presumed to be lower income.
  - 8. Program Income Received from CDBG funds.
    - a. The County Economic Development RLF received Program Income of \$1,477,573.89 in FY11.
    - b. There were no float loans made by the County.
    - c. The County received \$1,283.72 in CDBG housing loans, and \$280,616.07 HOME repayment loans in FY11.
    - d. Not Applicable
  - 9. Not Applicable. No such action was taken by the County.
  - 10. a. Not Applicable. The County has no outstanding float loans.
  - b. The County has 262 outstanding housing rehabilitation loans with a principal balance of \$6,208,980.16.
  - c. Housing rehabilitation loans with a principal balance of \$5,590,843.19 are deferred for life of the owner. Payable upon transfer of property.
- The County has 265 outstanding ADDI, Home and CDBG loans. These have a principal balance of \$1,321,297.53. Homebuyers are forgiven after 5 years at residence.

<u>Source</u>	<u>Number</u>	<u>Amount</u>
CDBG	9	\$40,973.05
ADDI	7	35,000.00
HOME	249	1,245,324.48

- d. None, there were no loan defaults.
- e. The County has one parcel held by a sub-recipient. This is a 100 acre parcel in Lake Station which is in the hands of the Lake County Economic Development Corporation. It was purchased in 1994 for the development of 180 single family homes. The development Riverwalk (TimberCreek), has been slowed by lawsuits, sewer problems, etc. The Corporation



## *Auditor Lake County*

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

© ESCU 1049-M

### **CORRECTIVE ACTION PLAN**

#### **Section II** **FINDING NO. 2013-001**

Auditee Contact Person: Michael T. Wieser  
Title of Contact Person: Director of Finance, Lake County Auditor's Office  
Phone Number: (219) 755-3129

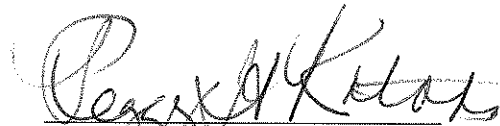
#### Corrective Action and Plan submitted:

As noted in the findings, all adjustments that were proposed were corrected and inserted into the financial statement.

The Auditor's office will implement a program that will provide reasonable assurance that the information is materially correct. When preparing the information needed for the financial statements, the employee designated with the task of preparing the information will present all documentation to either the Chief Deputy, or the Director of Finance for their review.

When filing the financial information electronically to the state examiner, both the employee and the supervisor will be present.

This program will be in effect for the submission of the 2014 financial statement information.

  
Lake County Auditor  
December 2, 2014



## MICHAEL A. BROWN

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

PHONE: (219) 755-3460

FAX: (219) 755-3520



December 3, 2014

### Corrective Action Plan

FINDING 2013-002

Contact Person Responsible for Corrective Action: Marilyn Hrnjak

Contact Phone Number: 755-3049

Description of Corrective Action Plan:

1. Lack of Segregation of Duties: This concern has been addressed and corrected. Newly assigned duties have been given to existing personnel to segregate financial responsibilities. In addition, sign-off sheets have been created to verify segregation of duties.
2. Our chief financial officer now makes routine visits to all financial departments in Crown Point and in each satellite office to observe, correct, and train financial personnel on proper procedure. Training of financial officers is ongoing, including holding periodic training sessions in the Crown Point office for all financial employees.
3. In the future the correct balances from the Courtview report or from the manual ledgers will be used by all departments.
4. Training and supervision by the chief financial officer will continue.

Anticipation of Completion Date:

The Lack of Segregation of Duties concern has been resolved. The remaining plan will be implemented by January 31, 2015 with regard to the CAR report. Again, training will be ongoing.

Signature:

Title:



**JOHN BUNCICH**  
**LAKE COUNTY SHERIFF**  
LAKE COUNTY, INDIANA

**CORRECTIVE ACTION PLAN**

**FINDING NO. 2013 – 003**


**CONTACT PERSON:** *Sheriff John Buncich*  
**TITLE OF CONTACT PERSON:** *Sheriff John Buncich*  
**PHONE NUMBER:** *(219) 755-3400*

**Corrective Action and Plan submitted:**

**As noted in the findings, all adjustments that were proposed will be corrected.**

**The Sheriff's Office will implement a program that will provide reasonable assurance that the information is materially correct. When preparing the information needed for the financial statements, the employee designated with the task of preparing the information will present all documentation to either the Sheriff or Chief for their review.**

**This program will be in effect for the submission of the 2014 financial statement information.**

  
\_\_\_\_\_  
**Lake County Sheriff John Buncich**

**December 17, 2014**  
**Date**





# Office of The Auditor

LAKE COUNTY, INDIANA

Heggy Holinga Katona  
AUDITOR

## CORRECTIVE ACTION PLAN

FINDING 2013-004 Internal Control and Compliance Over the Schedule of Expenditures of Federal Awards

Contact Person Responsible for Corrective Action: Lisa Beck/Ajaz Mohammed

Contact Phone Number: 219-755-3134

Description of Action Plan:

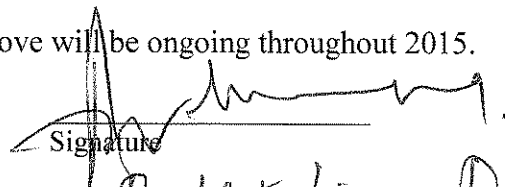
### Previous Action

The Grant Supervisor position was created in October 2013. The Grant Supervisor's scope of duties were 1) to assist in accurately reporting financial information on the Schedule of Expenditures of Federal Awards ("SEFA"), and 2) to assist the departments in reducing and/or eliminating findings from the 2012 State Board of Accounts ("SBOA") audit that occurred in 2013. The Grant Supervisor met with each department to obtain the required information for the SEFA and to reconcile the County's detailed financial records with the financial records maintained by the departments. The departments directed the finance department to make any adjustments to the County's detailed financial records. The finance department entered the adjusted totals on the SEFA.

In 2014, the County enacted the Lake County Policies and Procedures for Internal Review ("policies"). A copy of said policies is attached hereto. The policies provide that all new and renewed federal grants meet with the Grant Committee before they appear in front of the Lake County Council for approval. The Grant Supervisor is provided a Council Agenda each month to prevent and detect errors on the SEFA. The Grant Supervisor and Budget Liaison Director perform periodic internal reviews of the financial records maintained by the departments and assist the departments whenever requested.

In preparing the SEFA for the 2014 calendar year, the Grant Supervisor and Budget Liaison Director plan to communicate with the departments, especially HUD, to obtain accurate and comprehensive financial information. The Grant Supervisor and Budget Liaison will review the County's detailed financial records and other information supplied by the departments. The County's Financial Director will verify the amounts along with supporting documentation before they are entered into the SEFA.

Anticipated Completion Date: The corrective action named above will be ongoing throughout 2015.

  
 Signature  
 Budget Liaison Director  
 Title  
 12/05/14  
 Date



**ORDINANCE NO. 1376A**

**ORDINANCE ESTABLISHING THE  
LAKE COUNTY INTERNAL REVIEW  
POLICIES AND PROCEDURES FOR  
FEDERAL AND STATE GRANT REPORTING**

**WHEREAS,** various State and Federal Grants available to Lake County are on occasion presented to the Lake County Board of Commissioners and the Lake County Council for approval; and

**WHEREAS,** various State and Federal Grants available to Lake County on occasion require an appropriation of funds by the Lake County Council; and

**WHEREAS,** I.C. 36-2-3.5-5(6) provides that the Lake County Council, as the fiscal and legislative body of Lake County, may by ordinance establish new County departments, divisions, or agencies whenever necessary to promote efficient County Government; and

**WHEREAS,** it is in the best interest of Lake County Government to establish the Internal Review Division within the office of the Auditor to review the activities of Federal and State Grant programs, including but not limited to Government compliance with Federal and State laws, policies, established procedures, and accountability for the use of Federal and State funds; and

**WHEREAS,** the Internal Review Division shall issue reports on their findings to the Lake County Board of Commissioners, Lake County Council, and the Lake County Auditor, and all Government entities as required by the Lake County Grant Oversight Committee, established by Ordinance No. 1176A.

**NOW, THEREFORE, LET IT BE ORDAINED AS FOLLOWS:**

That the Lake County Council adopts the following internal review policies and procedures for federal grant reporting as follows:

**SECTION 1: ORGANIZATION AND POLICY**

**1.1 PURPOSE:**

This document establishes the official policies and procedures for the Internal Review Division within the Office of the Auditor. It explains the purpose, authority and responsibility of the internal review function and the duties of the Internal Review Division, which consists of the

Grant Committee, Grant Supervisor, and the Budget Liaison Director.

**1.2 AUTHORITY:**

The powers and duties of the Office of the Lake County Auditor (Auditor) are authorized under Indiana Code 32-2-9.5. The Auditor serves as the Fiscal Officer of the County with oversight responsibility of all financial books and records of County offices. The Auditor is an elected official and is organizationally independent of the operating activities of the Board of County Commissioners ("Commissioners"), the Lake County Council ("Council"), and the County Departments.

Recognizing the importance of government compliance with federal laws, policies, established procedures and accountability for the use of federal funds while performing its duties, the Auditor, Commissioners and Council have established the Internal Review Division.

The Internal Review Division is responsible for reviewing the activities of the federal grant programs under the direction of the Commissioners. The Internal Review Division is organizationally independent and has no direct responsibility for, or authority over, any Commissioner function, activity, or program subject to review.

The Internal Review Division has the authority and responsibility to review all departments receiving federal financial assistance and federal cost-reimbursement contracts and to issue reports thereon.

**1.3 MISSION STATEMENT:**

The mission of the Internal Review Division is to assure compliance by the County Departments that are receiving Federal financial assistance and Federal cost-reimbursement contracts received directly from Federal awarding agencies or indirectly from pass-through entities through the performance of independent, objective reviews and evaluations of relevant activities under the Commissioners. In performing these duties, the Internal Review Division will endeavor to assist Commissioner Administrators and County Department Managers in achieving compliance with financial reporting. These efforts are intended to ensure County compliance in order to fulfil the County's fiduciary responsibilities to the federal government.

**1.4 MISSION STRATEGY:**

The Internal Review Division will accomplish its mission to provide Lake County with an efficient, proactive and comprehensive internal review program through the conduct of:

- (A) Performance review to test that required internal controls are in place and to evaluate cost effectiveness and efficiency with which federal resources are employed. Recommendations will be reported as appropriate.
- (B) Assistance to the Auditor's Finance and Accounting Division and/or the external auditors in the performance of the annual audit of the County's financial statements.
- (C) Compliance reviews to ensure conformance with the requirements of Federal and Indiana laws and/or Federal and Indiana grants.

### **1.5 REQUIRED ACCESS TO RECORDS:**

The Auditor must have full access to all County records, properties and personnel related to federal grants in order to properly conduct required review activities. Accordingly, County officials and employees shall furnish any requested information and records within their custody and respond to any questions regarding powers, duties, activities, organization, property, financial transactions and methods of business related to federal grants.

## **SECTION 2: METHOD OF OPERATION**

### **2.1 INTERNAL REVIEW FUNCTIONS:**

The following describes the functional operation of the Internal Review Division and the requirements for accomplishing its mission:

#### **(A) Definition and Objective of Internal Review**

Internal review is an independent objective assurance activity designed to add value and improve operations of the County as a service to management and elected officials. The fundamental objective of internal review is to assist all members of management to discharge their responsibilities. This objective is met by furnishing management with periodic reviews and recommendations concerning the federal grant related activities.

#### **(B) Scope of Operations**

The Internal Review Division's scope of operations encompasses revenues and expenditures of federal grant awards. This requires going beyond the accounting and financial records to obtain a full understanding of the operations under review and involves such activities as, but is not limited to:

- Perform a periodic review of the financial statement(s) for the Federal program in accordance with generally accepted government auditing standards issued by the Comptroller General of the United States ("GAGAS");
- Obtain an understanding of internal control and perform tests of internal control over the Federal program consistent with the requirements of § \_\_.500(c) for a major program;
- Perform procedures to determine whether the county department has complied with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on the Federal program consistent with the requirements of § \_\_.500(d) for a major program; and
- Follow up on prior SBOA audit findings, perform procedures to assess the reasonableness of the summary schedule of prior audit SBOA findings prepared by the County Department § \_\_.500(e).

#### **(C) Responsibility and Authority**

- (1) The Internal Review Division has no direct responsibility for, or authority over, any activity under review.

(2) Any review performed by the Internal Review Division does not relieve the County department or Auditor employees of their assigned responsibilities.

(3) The Internal Review Division is comprised of the Grant Committee, the Grant Supervisor and the Budget Liaison Director.

(a) The Grant Committee is comprised of three members of the Lake County Council. Pursuant to Lake County Ordinance, all county departments prior to submission and/or award of the grant application shall schedule a meeting with the Grant Committee in order to review previous and ongoing compliance.

(b) Where internal control and contractual compliance is involved with federal grants, the Grant Supervisor and Budget Liaison Director will:

- (i) Review and evaluate policies, plans and procedures, but have no responsibility for establishing same; and
- (ii) Review the existing and proposed procedures and make recommendations and/or comments regarding acceptable standards.

**(D) Responsibility of County Department**

The County Department shall:

(1) 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.

(2) Maintain internal control over Federal programs that provides reasonable assurance that the County Department is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

(3) Comply with laws, regulations, and the provisions of contracts or grant agreements related to each of its Federal programs.

(4) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with § \_\_\_.310.

(5) Ensure that the audits required by this part are properly performed and submitted when due. When extensions to the report submission due date required by § \_\_\_.320(a) are granted by the cognizant or oversight agency for audit, promptly notify the Federal clearinghouse designated by Office of Management and Budget and each pass-through entity providing Federal awards of the extension.

(6) Follow up and take corrective action on review recommendations, including preparation of a summary schedule of prior review recommendations and a corrective action plan in accordance with § \_\_\_.315(b) and § \_\_\_.315(c), respectively.

## **2.2 INDEPENDENCE, OBJECTIVITY AND ETHICS:**

The Internal Review Division is responsible directly to the Auditor for the performance of internal review activities and for the reporting of recommendations. The Internal Review Division is therefore considered to be independent of the county departments operations being reviewed.

Objectivity is essential to the review function. Therefore, the Internal Review Division should not devise or install procedures that will be later reviewed. In the installation of new systems, the Internal Review Division can offer suggestions for minimum controls and program implementation without impairing objectivity.

The Internal Audit Division shall maintain high standards of conduct, honor and character so that credibility and integrity are not open to question. The Internal Review Division will subscribe to the Codes of Professional Ethics and Standards as promulgated by the county's personnel and ethics policies.

## **2.3 REVIEW PLANNING, CONDUCT AND COMMUNICATION:**

The Internal Review Division shall, on a periodic basis, develop a plan of review with respect to internal control and compliance requirements. The annual review plan shall include identification of each review to be conducted in terms of the financial records and activities to be reviewed.

Reviews shall be conducted in compliance with generally accepted government auditing standards issued by the Comptroller General of the United States ("GAGAS"). These standards are contained and detailed in the Circular A-133, issued pursuant to the Single Audit Act of 1984, P.L. 98-502, and the Single Audit Act Amendments of 1996, P.L. 104-156. It sets forth standards for obtaining consistency and uniformity among Federal agencies for the audit of States, local governments, and non-profit organizations expending Federal awards.

The Internal Review Division shall notify the appropriate county department management of the nature and purpose of the review. During the course of the review, the Internal Review Division will inform the Auditor and department management, to the fullest extent practicable, of any significant recommendations.

## **SECTION 3: INTERNAL REVIEW SERVICES**

### **3.1 TYPES OF SERVICES:**

The following are general descriptions of the types of services provided by the Internal Review Division. The annual review plan can include any combination of these types.

#### **(A) Revenue Review.**

Review includes review of County departments responsible for the billing, collection and administration of federal grant revenues.

#### **(B) Compliance Review.**

These reviews generally are performed to ensure compliance with Federal or State laws and/or

requirements of Federal grants. These can include reviews of management practices and financial data to determine the extent to which a unit complies with applicable Indiana Statutes, County Code and policies and procedures.

(C) Fraud Investigations


Any suspected criminal act (e.g., theft, robbery, etc.) should be promptly reported to the appropriate County officials and proper law enforcement agency.


Suspicious of fraud, misappropriation of County assets, unethical behavior of County employees or other irregularities may be reported to the Auditor through the Internal Review Division. Callers may remain anonymous if they wish. As directed by the Auditor, an independent investigation may be performed by the proper law enforcement agency, or other appropriate agency.


3.2 REVIEW REPORTS:

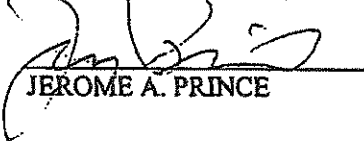
Upon completion of the review, the Grant Supervisor and/or Budget Liaison Director will prepare an original draft of the review report. The report will communicate to County management, in a clear and concise manner, the results of the review. The format of the report will depend upon the type of review performed.

SO ORDAINED THIS 24th DAY OF September, 2014.

  
\_\_\_\_\_  
TED F. BILSKI, President

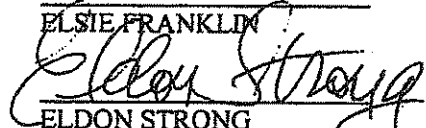
  
\_\_\_\_\_  
CHRISTINE CID

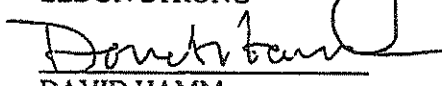
  
\_\_\_\_\_  
DANIEL E. DERNULC

  
\_\_\_\_\_  
JEROME A. PRINCE

Absent

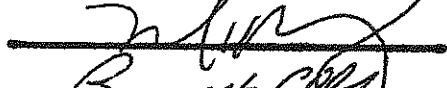
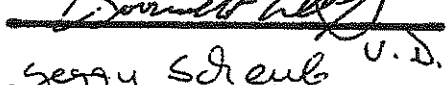
\_\_\_\_\_  
ELSIE FRANKLIN

  
\_\_\_\_\_  
ELDON STRONG

  
\_\_\_\_\_  
DAVID HAMM

Members of the Lake County Council

BOARD OF COMMISSIONERS OF THE COUNTY OF LAKE

  
\_\_\_\_\_  
  
\_\_\_\_\_  
GERRY SCHAUB, J.D.  
APPROVED THIS 22nd DAY OF Sept, 2014

AUDITOR'S CERTIFICATE

State of Indiana)

)  
SS:

County of Lake)


I, Peggy H. Katona, Lake County Auditor, in and for said County and State,

do hereby certify: the following to be a true and correct copy of

Ordinance No. 1376A - Ordinance Establishing the Lake County Internal  
Review Policies and Procedures for Federal and State Grant Reporting

And same is filed in my office.

IN WITNESS WHEREOF, I  
Hereunto set my hand and affix  
The official seal of The Board  
Of Commissioners of the County  
Of Lake, IN on this  
30th Day of September, 2014



\_\_\_\_\_  
Peggy H. Katona  
Lake County Auditor



PEGGY HOLINGA KATONA  
AUDITOR

JOHN PETALAS  
TREASURER



*Auditor Lake County*  
*Treasurer Lake County*

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



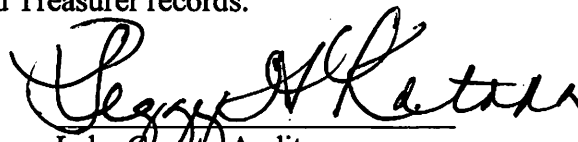
**CORRECTIVE ACTION PLAN**

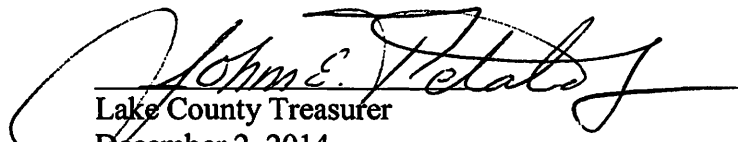
**Section II**  
**FINDING NO. 2013-005**

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 issue, as presented, noted a reconciling difference of 481,694.42. A correction to reduce the amount by 240,847.30 was made at the time of the June 2014 settlement by recapturing a previous over distribution to various funds in tax district 042. The remaining difference has been identified. A conference scheduled for December 4, 2014 should produce the proper procedure to reconcile the difference between the Auditor and Treasurer records.

  
Lake County Auditor  
December 2, 2014

  
Lake County Treasurer  
December 2, 2014



LAKE COUNTY  
COMMUNITY ECONOMIC DEVELOPMENT DEPARTMENT

2293 N. Main Street • Crown Point, IN 46307  
Tel. (219) 755-3225 • Fax (219) 736-5925  
[econdev@lakecountyin.com](mailto:econdev@lakecountyin.com)

MILAN GROZDANICH  
Executive Director



**CORRECTIVE ACTION PLAN**

**FINDING 2013-006**

Auditee Contact Person: Milan Grozdanich  
Title of Contact Person: Executive Director  
Phone Number: (219) 755-3231

Action to Correct Finding:

Beginning immediately, either Milan Grozdanich, Executive Director, or Alverna Hooks, Deputy Director, will initial all reports created and mailed by Anna Nunez, Fiscal Officer or Lori Burke, Bookkeeper, to verify agreement with the expenditures and other supporting documents, demonstrating management review.

A handwritten signature in black ink, appearing to read "Milan Grozdanich".

Milan Grozdanich  
Executive Director  
December 8, 2014



LAKE COUNTY  
COMMUNITY ECONOMIC DEVELOPMENT DEPARTMENT

2293 N. Main Street • Crown Point, IN 46307

Tel. (219) 755-3225 • Fax (219) 736-5925

[econdev@lakecountyin.com](mailto:econdev@lakecountyin.com)

MILAN GROZDANICH  
Executive Director



**CORRECTIVE ACTION PLAN**

**FINDING 2013-007**

Auditee Contact Person: Milan Grozdanich

Title of Contact Person: Executive Director

Phone Number: (219) 755-3231

Action to Correct Finding:

The Office will immediately implement a monitoring schedule showing the dates when monitoring is due for multi-unit facilities in accordance with the new HOME Housing guidelines. The schedule will be reviewed and approved by either Milan Grozdanich, Executive Director, or Alverna Hooks, Deputy Director, demonstrating management review.

A handwritten signature in cursive script, appearing to read "Milan Grozdanich".

Milan Grozdanich  
Executive Director  
December 8, 2014

# LAKE COUNTY COMMUNITY CORRECTIONS

2600 West 93<sup>rd</sup> Avenue  
Crown Point, Indiana 46307  
(219) 755-3850 – Fax (219) 755-3871

*KELLIE J. BITTORF*  
Executive Director

December 5, 2014

*MARK R. MURPHY*  
Director of Operations

*LONI N. BRITTINGHAM*  
Quality Assurance Manager

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

*JEFFERY A. BATCHELOR*  
Residential Manager

*RICHARD F. SERVI*  
Budget and Personnel Manager

Cc: Kellie J. Bittorf  
Executive Director

## BOARD OF COMMISSIONERS

Re: 2013 SBA Audit, Corrective Action Plan

*ROOSEVELT ALLEN JR.*  
First District

*GERRY J. SCHEUB*  
Second District

*MICHAEL REPAY*  
Third District

## CORRECTIVE ACTION PLAN

### FINDING NO. 2013-008. INTERNAL CONTROLS

#### Lake County Community Corrections

## ADVISORY BOARD

*PAUL E. PANTHER*  
Chairman

*HON. THOMAS P. STEFANIAK JR.*  
Vice-Chairman

*LONI N. BRITTINGHAM*  
Secretary (Non-member)

*SHERIFF JOHN BUNCICH*

*HON. SAMUEL L. CAPPAS*

*PROS. ATTY. BERNARD CARTER*

*JAMES CLEMENT JR.*

*HON. KAREN FREEMAN-WILSON*

*CARLEAN GADLING*

*LEE GILLIAM*

*KEVIN HUSEMAN*

*ROBERT KRUMWEID*

*RICHARD MAROC*

*HON. SHEILA M. MOSS*

*JAN PARSONS*

*JOSEPH M. PELLICCIOTTI*

*COUNCILMAN JEROME PRINCE*

*HERBERT I. SHAPS*

*ALMA V. WHITE*


Federal Agency: U.S. Department of Justice  
Federal Program: Edward Byrne Memorial Justice Assistance Grant Program  
CFDA Number: 16.738, 16.803  
Pass-Through: Indiana Criminal Justice Institute  
Award Number: 2011-DJ-BX-2622  
Auditee Contact: Richard Servi  
Title of Contact: Budget & Personnel Manager  
Phone Number: 219-755-3850 x308

#### Corrective Action and Plan Submitted:

1) Reporting: In order to insure proper compliance of Reporting, Lake County Community Corrections will immediately take measures to ensure all required reports are accurately prepared and submitted. As reports are now submitted online, all report preparation documents will be reviewed and signed off on for approval, as evidence of oversight, by the Executive Director, prior to submission by the Budget & Personnel Manager. Report acceptance by the Indiana Criminal Justice Institute is received electronically.

2) Matching: In order to insure proper compliance of Matching, Lake County Community Corrections will immediately take measures to ensure all required reports, detailing where the matching funds are spent, are accurately prepared and submitted. To date detailed listings from our LC500 reports have been provided. As reports are now submitted online, all report preparation documents will be reviewed and signed off on, to ensure matching requirements are being met, by the Executive Director, prior to submission by the Budget & Personnel Manager. Report acceptance by the Indiana Criminal Justice Institute is received electronically.

Anticipated Completion Date: December 5, 2014



Richard F. Servi  
Budget and Personnel Manager  
December 5, 2014



**JOHN BUNCICH**  
**LAKE COUNTY SHERIFF**  
LAKE COUNTY, INDIANA

**CORRECTIVE ACTION PLAN**


**FINDING NO. 2013 – 008**

**CONTACT PERSON:** *Sheriff John Buncich*  
**TITLE OF CONTACT PERSON:** *Sheriff John Buncich*  
**PHONE NUMBER:** *(219) 755-3400*

**Corrective Action and Plan submitted:**

**As noted in the findings, all adjustments that were proposed will be corrected.**

**I have reviewed your Audit Report and am formulating a plan of action to correct any and all discrepancies in our day-to-day protocol.**

  
\_\_\_\_\_  
**Lake County Sheriff John Buncich**

**December 17, 2014**  
\_\_\_\_\_  
**Date**

# LAKE COUNTY COMMUNITY CORRECTIONS

2600 West 93<sup>rd</sup> Avenue  
Crown Point, Indiana 46307  
(219) 755-3850 – Fax (219) 755-3871

*KELLIE J. BITTORF*  
Executive Director

December 5, 2014

*MARK R. MURPHY*  
Director of Operations

*LONI N. BRITTINGHAM*  
Quality Assurance Manager

*JEFFERY A. BATCHELOR*  
Residential Manager

*RICHARD F. SERVI*  
Budget and Personnel Manager

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

Cc: Kellie J. Bittorf  
Executive Director

Re: 2013 SBA Audit, Corrective Action Plan

## BOARD OF COMMISSIONERS

*ROOSEVELT ALLEN JR.*  
First District

*GERRY J. SCHEUB*  
Second District

*MICHAEL REPAY*  
Third District

## CORRECTIVE ACTION PLAN

### FINDING NO. 2013-009, MATCHING AND REPORTING

#### Lake County Community Corrections

#### ADVISORY BOARD

*PAUL E. PANTHER*  
Chairman

*HON. THOMAS P. STEFANIAK JR.*  
Vice-Chairman

*LONI N. BRITTINGHAM*  
Secretary (Non-member)

*SHERIFF JOHN BUNCICH*

*HON. SAMUEL L. CAPPAS*

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*CARLEAN GADLING*

*LEE GILLIAM*

*KEVIN HUSEMAN*

*ROBERT KRUMWEID*

*RICHARD MAROC*

*HON. SHEILA M. MOSS*

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*COUNCILMAN JEROME PRINCE*

*HERBERT I. SHAPS*

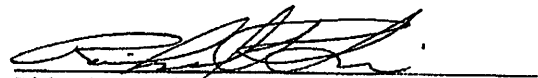
*ALMA V. WHITE*

Federal Agency: U.S. Department of Justice  
Federal Program: Edward Byrne Memorial Justice Assistance Grant Program  
CFDA Number: 16.738  
Pass-Through: Indiana Criminal Justice Institute  
Award Number: 2011-DJ-BX-2622, 2012-DJ-BX-0765  
Auditee Contact: Richard Servi  
Title of Contact: Budget & Personnel Manager  
Phone Number: 219-755-3850 x308

#### Corrective Action and Plan Submitted:

Matching and Reporting: In order to insure proper compliance of Matching and Reporting, Lake County Community Corrections will immediately take measures to ensure all required report records are accurately detailed to represent the matching funds expended. Historically, as the total incurred by LCCC was always higher than the amount required by the grant, each quarters' submission represented only 1/4 of the annual amount. As reports are now submitted online, all report preparation documents will be specific to the amounts incurred, as documented by our LC500 reports, and uploaded electronically. Per our auditor, the total, in any quarter, may be greater than the 25% factor we have been using. These will be reviewed and signed off on for approval, as evidence of oversight, by the Executive Director, prior to submission by the Budget & Personnel Manager. Report acceptance by the Indiana Criminal Justice Institute is received electronically.

Anticipated Completion Date: December 5, 2014



Richard F. Servi  
Budget and Personnel Manager  
December 5, 2014

**"A Sensible Approach to Corrections"**



**JOHN BUNCICH**  
**LAKE COUNTY SHERIFF**  
LAKE COUNTY, INDIANA

**CORRECTIVE ACTION PLAN**


**FINDING NO. 2013 – 009**

**CONTACT PERSON:** *Sheriff John Buncich*  
**TITLE OF CONTACT PERSON:** *Sheriff John Buncich*  
**PHONE NUMBER:** *(219) 755-3400*

**Corrective Action and Plan submitted:**

**As noted in the findings, all adjustments that were proposed will be corrected.**

**I have reviewed your Audit Report and am formulating a plan of action to correct any and all discrepancies in our day-to-day protocol.**

  
\_\_\_\_\_  
**Lake County Sheriff John Buncich**

**December 17, 2014**  
**Date**



**JOHN BUNCICH**  
**LAKE COUNTY SHERIFF**  
LAKE COUNTY, INDIANA

**CORRECTIVE ACTION PLAN**


**FINDING NO. 2013 – 010**

**CONTACT PERSON:** *Sheriff John Buncich*  
**TITLE OF CONTACT PERSON:** *Sheriff John Buncich*  
**PHONE NUMBER:** *(219) 755-3400*

**Corrective Action and Plan submitted:**

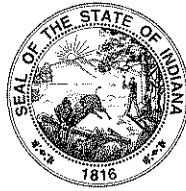
**As noted in the findings, all adjustments that were proposed will be corrected.**

**I have reviewed your Audit Report and am formulating a plan of action to correct any and all discrepancies in our day-to-day protocol.**

  
\_\_\_\_\_  
Lake County Sheriff John Buncich

**December 17, 2014**  
\_\_\_\_\_  
**Date**





*Auditor Lake County*

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

© GCU 1049-M


**CORRECTIVE ACTION PLAN**

**Section III**  
**FINDING NO. 2013-011**

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:

In a previous response to the Original Audit Report Number B42923, the Lake County Auditor's office contacted the vendor that was hired to prepare the cost allocation program and has subsequently met with the vendor on October 20, 2014. The vendor provided a page by page narrative to 2 members of the Lake County Auditor's finance department. In the discussion the vendor indicated to the Auditor's staff what pertinent information was used in the compilation of the data. Lake County Auditor's staff verified those numbers using Lake County financial reports.

  
Lake County Auditor  
December 2, 2014

#### OTHER REPORT

In addition to this report, a Supplemental Compliance Report has been issued for the County. That report can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.