

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, 2014 to December 31, 2014



FILED
01/25/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Peggy Holinga Katona John E. Petalas	01-01-11 to 12-31-14 01-01-15 to 12-31-18
County Treasurer	John E. Petalas Peggy Holinga Katona	01-01-11 to 12-31-14 01-01-15 to 12-31-18
Clerk of the Circuit Court	Michael A. Brown	01-01-14 to 12-31-17
County Sheriff	John Buncich	01-01-11 to 12-31-18
County Recorder	Michael B. Brown	01-01-13 to 12-31-16
President of the Board of County Commissioners	Michael C. Repay Roosevelt Allen, Jr. Gerry Scheub	01-01-14 to 12-31-14 01-01-15 to 12-31-15 01-01-16 to 12-31-16
President of the County Council	Ted Bilski	01-01-14 to 12-31-16



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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, 2014, and the related notes to the financial statement as listed in the Table of Contents.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free 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, 2014.

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, 2014, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the County's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by 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.


Other Information

Our audit was conducted for the purpose of forming an opinion on the County's financial statement. The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis, Schedule of 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.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated November 16, 2016, 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.


Paul D. Joyce, CPA
State Examiner

November 16, 2016



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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, 2014, and the related notes to the financial statement, and have issued our report thereon dated November 16, 2016, 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 2014-001, 2014-002, 2014-003, 2014-004, and 2014-005 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 2014-001, 2014-002, 2014-003, 2014-004, and 2014-005.

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 16, 2016

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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, 2014

Fund	Cash and Investments 01-01-14	Receipts	Disbursements	Cash and Investments 12-31-14
General	\$ (1,190,833)	\$ 142,894,842	\$ 126,844,979	\$ 14,859,030
Accident Report	28,287	18,258	13,250	33,295
Animal Control	10,163	5,985	10,013	6,135
Campaign Finance Enforcement - County	25,362	1,376	-	26,738
Child Advocacy	10,079	650	-	10,729
Clerk's Records Perpetuation	88,337	175,992	223,250	41,079
COIT - Special Legislation	1,250	625	-	1,875
Community Corrections	643,239	4,338,947	4,105,906	876,280
Congressional School Interest	21,086	352	-	21,438
Prisoner Reimbursement For Incarceration	921	-	-	921
Sales Disclosure - County Share	53,980	44,211	36,832	61,359
Cumulative Capital Development	1,015,240	2,159,545	1,753,046	1,421,739
Cumulative Capital Improvement	49,319	-	2,832	46,487
Cumulative Voting System	1,651,442	-	7,500	1,643,942
Drug Free Community	410,274	317,467	367,666	360,075
Electronic Map Generation	714	10,749	953	10,510
Emergency Planning/Right To Know	106,398	28,068	20,192	114,274
E911 Contruction Fund	-	20,007,628	16,084,435	3,923,193
Extradition and Sheriff's Assistance	17,866	3,651	6,467	15,050
Firearms Training	21,665	21,160	29,919	12,906
General Drain Improvement	409,971	309,786	273,631	446,126
Health	2,912,608	2,479,380	2,408,962	2,983,026
Identification Security Protection	908,828	544,803	498,105	955,526
Levy Excess	7,327,182	-	7,327,182	-
Local Health Maintenance	290,611	56,553	37,833	309,331
Local Road and Street	2,553,869	808,171	1,600,933	1,761,107
Major Moves Construction	1,115,974	249,285	370,082	995,177
Medical Care for Inmates	6,823	2,476	-	9,299
Misdemeanant	580,488	534,562	707,070	407,980
Motor Vehicle Highway	2,683,765	6,954,564	5,834,962	3,803,367
Omitted Property Audits	1,823,687	760,400	2,584,087	-
Park Nonreverting Capital	507,942	744,660	1,172,767	79,835
Park Nonreverting Operating	323,276	4,327,101	4,408,549	241,828
Reassessment - 2009	50,773	122	50,773	122
Reassessment - 2015	3,444,499	2,005,138	1,503,755	3,945,882
Recorder's Records Perpetuation	951,867	524,322	805,134	671,055
Riverboat	1,158,279	12,629,643	12,683,117	1,104,805
Sheriff's Pension Trust	234,375	817,553	541,815	510,113
Storm Water Management Capital Projects	24,628	21,522	24,942	21,208
Storm Water Management Operating	1,484,468	749,446	966,515	1,267,399
Supplemental Public Defender Services	28,051	172,700	142,271	58,480
Surveyor's Corner Perpetuation	136,381	92,995	82,070	147,306
Tax Sale Fees	1,514,781	5,411,025	6,062,699	863,107
Tax Sale Redemption	530,889	5,817,444	5,799,076	549,257
Tax Sale Surplus	16,139,629	14,769,255	15,900,177	15,008,707
Unsafe Building	300,647	43,405	14,739	329,313
Vehicle Inspection	40,775	19,580	25,601	34,754
GAL/CASA	100,434	339,163	327,238	112,359
Auditors Ineligible Deductions	1,522,099	3,342,222	4,010,665	853,656
County Elected Officials Training	104,125	42,441	4,130	142,436
Park And Recreation	(237,284)	7,081,228	6,156,269	687,675
County Offender Transportation Fund	11,813	5,125	854	16,084
Statewide 911	4,668,977	2,751,558	2,451,725	4,968,810
Adult Probation Administrative	48,344	170,920	191,940	27,324
Juvenile Probation Administrative	11,455	104,033	88,540	26,948
Supplemental Adult Probation Services	1,547,463	892,351	1,160,377	1,279,437
Supplemental Juvenile Probation Services	110,203	14,647	62,717	62,133
Alternative Dispute Resolution	208,514	47,385	32,782	223,117
County User Fee	1,769,887	2,000,091	1,992,866	1,777,112
Convention Center Operating	428	1,458,450	1,458,450	428
Animal Shelter	69,273	53,333	51,645	70,961
Sheriff Sale Administration	(21,714)	417,000	717,494	(322,208)
Drug Task Force	711,962	114,654	328,858	497,758
DUI Task Force	7,361	5,684	4,245	8,800
Local Ordinance Violations Fines - County	3,620	-	-	3,620
TIF Grants and Loans	180,838	3,289,102	609,296	2,860,644
Park Bond 2013	-	1,060,047	674,908	385,139
Insurance	-	-	8,558	(8,558)
Settlement	1,038,228	606,835,363	607,625,786	247,805

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

LAKE COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended December 31, 2014
(Continued)

Fund	Cash and Investments 01-01-14	Receipts	Disbursements	Cash and Investments 12-31-14
CVET Agency	619	3,613,115	3,613,115	619
Financial Institution Tax	-	2,708,079	2,708,079	-
HEA 1001 State Homestead Credit	61,674	5,552	-	67,226
Homestead Credit Rebate	12,870	-	-	12,870
State Fines and Forfeitures	414,481	524,438	794,657	144,262
Infraction Judgements	783,426	1,569,860	1,863,655	489,631
Overweight Vehicle Fines	233,589	173,483	168,045	239,027
Special Death Benefit	3,825	47,375	47,915	3,285
Sales Disclosure - State Share	78,102	145,180	121,618	101,664
Coroners Training & Con't Education	8,912	75,188	75,017	9,083
Interstate Compact - State Share	451	6,125	6,388	188
Mortgage Recording Fees - State Share	3,098	34,878	35,480	2,496
Sex and Violent Offender Admin - State	22,082	17,893	21,936	18,039
Child Restraint Violations Fines	125	2,010	2,085	50
Inheritance Tax	574,168	592,755	1,017,098	149,825
Sales Tax Collections	6,670	95,224	96,870	5,024
Education Plate Fees Agency	21,391	13,144	17,306	17,229
Public Safety CAGIT	-	8,566,843	7,538,760	1,028,083
CEDIT	-	8,617,267	7,332,033	1,285,234
City/Town Ordinance Violations Fines	814,740	297,563	431,297	681,006
93.563 Prosecutor PCA	647,529	96,263	63,022	680,770
Rainy Day	18,865	-	9,204	9,661
Juvenile Probation Administrative	16,870	26,616	30,627	12,859
Ordinance Violation Deferral	14,151	8,050	-	22,201
Congressional School Principal	35,000	-	-	35,000
County Innkeepers Tax	(174,372)	-	9,975	(184,347)
Veteran Services Funds	250	-	-	250
1387-Exempt Park Revenue Bond	333,830	2,517,071	2,275,384	575,517
County Bond Redemption	2,591,835	11,536,990	10,269,225	3,859,600
Exempt Debt Service	232,741	4,804,302	3,252,315	1,784,728
Park & Recreation Self Insurance	274,086	1,780	252,217	23,649
Excess Internet Access Fee	121,859	-	88,329	33,530
Non-reverting Self Ins Fund	1,160,947	2,218,993	2,600,187	779,753
Lake County Jail Construction	2,936,388	-	2,925,974	10,414
Construction Fund	3,461,558	-	1,348,057	2,113,501
Cumulative Bridge	5,108,042	362,289	2,816,833	2,653,498
Co Hwy Maint Garage Bond	25,321	-	-	25,321
Park Dist Bond 1982	3,333,459	1,278,723	1,453,748	3,158,434
Non-Sufficient Check Fund/LC	64,425	4,251	315	68,361
Park & Recreation Gift	58,112	8,500	51,512	15,100
Auditor's Tax Incentive Fund	359,865	236,000	297,011	298,854
Doctor's Merchants	1,085	76,536	-	77,621
Division I LADOS	312,129	161,641	201,840	271,930
Division II LADOS	82,975	161,656	201,518	43,113
Ordinance Deferral Program	105,058	301,587	293,485	113,160
Disproportional Minority Contact Project Grant	2	-	-	2
Zoning Enforcement Fund	1,000	-	-	1,000
Collection Expense Reimbursement Fund	727,840	-	727,840	-
Non-revert Hwy Deposit Gambel	623,380	586,882	938,131	272,131
Domestic Relation Counseling B	118,976	50,127	39,720	129,383
Non-revert Delinq Coll Fees	11,814	77,475	78,601	10,688
Commissioner's Incentive Fund	327,947	600,000	691,582	236,365
Coroner Facility Fee	15,872	44,800	21,688	38,984
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	1,910	1,570	-	3,480
Sheriff's Towing & Franchise Fee	(83,118)	419,003	302,999	32,886
Lake County Operating Fund	122,099	-	107,884	14,215
Reimbursement Fund	3,031,094	3,899	2,658,851	376,142
Commissary Payroll Pass-Thru	13,094	127,000	140,054	40
Violence Intervention Program	(5,933)	92,083	88,720	(2,570)
Treasurer's Incentive Fund	428,789	240,000	181,098	487,691
Child Support Incentive	1,186,089	438,626	213,034	1,411,681
HAVA Title III Voting System	29,935	-	-	29,935
Subdivision Escrow Bonds	109,154	12,795	6,364	115,585
Jury Fees	146,528	93,054	77,461	162,121
Check Deception Collection Fee	114,176	27,534	25,734	115,976

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

LAKE COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended December 31, 2014
(Continued)

Fund	Cash and Investments 01-01-14	Receipts	Disbursements	Cash and Investments 12-31-14
Fingerprint Fee Fund	445	-	-	445
HAVA Sec 101 Voting Sys Fund	277,998	-	-	277,998
Prosecutor's Elderly Abuse	29,783	192,704	167,965	54,522
County Welfare Trusts	4,720	-	-	4,720
Interpreter Services Grant	11,443	12,000	10,605	12,838
U.S. Research Consultants/Personal Property	3,473	-	-	3,473
VOCA - Victims of Crime Act	8,109	130,703	138,721	91
Payroll Court Judgement	42,353	-	-	42,353
HUD-NSP-3 Grant	143,013	424,475	555,097	12,391
Lake Dalecarlia Grant Fund	25,576	-	25,576	-
Commissioner's Sale Surplus Property Deposit	4,477	-	-	4,477
JAIBG Block Grant	113	-	-	113
Lake County CASA Program Grant	490	228	-	718
ARRA Grant	8,025	-	-	8,025
93.563 County IV-D Incentive	162,563	175,135	232,584	105,114
93.563 Prosecutor IV-D Incentive - Post Oct '99	48,252	552	36,301	12,503
State Drunk Driving Fees	17,562	10,786	12,290	16,058
LC Home Program	3,998	599,192	582,680	20,510
LC Comm. Dev. Cities & Towns	-	676,285	676,285	-
LC Dev. Rehabilitation	39	177,083	176,880	242
Sheriff's Therapy Dog Fund	-	5,568	2,848	2,720
LC Comm Dev Remp I.D.O.C.	361,030	80	-	361,110
HUD - NSP Grant	284,783	8,624	292,665	742
CAGIT Pass Thru	-	121,659,870	121,659,870	-
LC Economic Rev. Loan	1,096,017	98,800	438,210	756,607
C.D.B.G. Recapture Loans	1,149,573	567	-	1,150,140
Sheriff Grants Fund	55,586	29,716	46,286	39,016
Homeland Security Grant	18,421	14,608	14,764	18,265
Family Court Initiative Grant	38,774	22	11,510	27,286
CEDIT Pass Thru	-	24,331,974	24,331,974	-
Justice Assistance Grant	14,306	219,504	219,295	14,515
Sheriff's SIG Grant Fund	15,944	-	-	15,944
COPS Interoperability Grant	2,867	474,248	471,953	5,162
Detention Alternatives Grant	-	38,643	38,321	322
Criminal Court Tech Grant Fund	-	6,668	4,658	2,010
LC Dev. Admin. Budget	21,945	199,347	223,061	(1,769)
Substance Abuse Testing	17,112	10,000	17,716	9,396
Payment Error (Refunds)	421,025	189,399	184,854	425,570
Adult Guardianship Svcs Grant	-	39,125	19,500	19,625
Community Supervision Grant	-	220,000	-	220,000
Lake County Comm Correction	-	154,770	-	154,770
CPHCP High Conflict	-	37,935	17,125	20,810
CAGIT - PTRC	-	97,327,896	94,628,406	2,699,490
LC RDF for Juveniles Fund	-	15,017	-	15,017
Juvenile Secured Detention	140,063	71,074	186,475	24,662
Parks - Outside Cash	20,073	76,066	73,931	22,208
Community Economic Development	3,839	49,949	51,782	2,006
Redevelopment Commission	3,289,101	-	3,289,101	-
Employee Benefit Accruals	(1,985,218)	69,247,704	68,722,793	(1,460,307)
Inmate Trust	682,309	1,499,162	1,623,974	557,497
Jail Commissary	15,127	852,779	845,803	22,103
Unfunded Money	14,796,209	16,925,323	14,796,209	16,925,323
Animal Control	725	2,777	2,409	1,093
Sheriff	986,920	9,582,608	10,254,491	315,037
Juvenile Division	-	8,624	8,624	-
Clerk	12,068,898	44,216,841	43,875,694	12,410,045
Community Corrections Commissary	-	90,703	58,394	32,309
Hermit's Lake Debt Reserve	45,945	-	-	45,945
Sewage Collections	128,570	169,200	146,218	151,552
Totals	<u>\$ 127,928,047</u>	<u>\$ 1,304,896,596</u>	<u>\$ 1,299,099,221</u>	<u>\$ 133,725,422</u>

The notes to the financial statement are 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 include the following sources:

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

Licenses and permits, 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 the following: peddler licenses, dog tax licenses, auctioneer licenses, 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 these types of receipts include, but are not limited to, the following: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distributions received from the state, local road and street distributions received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the County.

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

E. Disbursements

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

Personal services, which 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, the following: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

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

LAKE COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Other disbursements, which include, but are not limited to, the following: debt service principal and interest; 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, the following: federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the County authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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

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

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. Cash Balance Deficits

The financial statement contains some funds with deficit balances in cash. There can be different reasons for these deficits. The County may be waiting for reimbursable grant funds. Some funds are associated with payroll amounts that are dependent on projected revenue which may not meet expectations. The County Council is aware of these deficits.

LAKE COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

The General fund had a deficit balance at the beginning of the year due to timing issues of settlement funds that weren't addressed in the previous year. These quietuses were added immediately in the following year.

The Insurance fund had a deficit balance of \$8,558. This was due to an insurance payment to the Federal Government for Obama Care that was not appropriated earlier in the year. Payment had to be made before December 31, 2014, to avoid a penalty.

The Lake County Development Administration fund (LC Dev. Admin. Budget fund) had a deficit balance of \$1,769 due to timing issues of payroll posting.

The Violence Intervention Program fund had a deficit balance of \$2,570 due to payroll over-spending. Sheriff was notified and took no action.

The Employee Benefit Accruals fund had a deficit balance due to timing issues.

Note 8. *Holding Corporation*

The County entered into a capital lease with the Lake County 2000 Building Corporation. 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 2014 totaled \$2,618,000. Payments continue through 2024.

Note 9. *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 10. *Subsequent Events*

The County Council approved Ordinance 1387A on August 11, 2015, approving the issuance of \$12,000,000 General Obligation Bonds, Series 2015A and \$7,000,000 General Obligation Bonds, Series 2015B. The 2015A bond will fund the Building project and 2015B will fund the Highway project. The Bonds are issued for the purpose of procuring funds to pay for repairs to existing County owned and occupied buildings, parking areas, bridges and other facilities.

The County Council approved Ordinance 1389I on October 13, 2015, approving the issuance and sale of General Obligation Bonds, Series 2015C in the aggregate principal amount not to exceed \$6,300,000 for the purpose of funding certain judgments and settlements entered against the County.

The Park and Recreation Board approved Resolution 2016-09 on September 8, 2016, approving the issuance of \$12,000,000 Park General Obligation Bonds for the purpose of procuring funds to be applied on the cost of the purchase of various items of equipment, the costs of planning, construction, development and improving of park facilities, and the acquisition of land.

LAKE COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 11. 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 \$8,000,000.

The County has tax refund appeals of approximately \$4,000,000 for taxpayers, excluding casino boats.

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OTHER INFORMATION - UNAUDITED

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

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

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014

	General	Accident Report	Animal Control	Campaign Finance Enforcement - County	Child Advocacy	Clerk's Records Perpetuation	COIT - Special Legislation	Community Corrections
Cash and investments - beginning	\$ (1,190,833)	\$ 28,287	\$ 10,163	\$ 25,362	\$ 10,079	\$ 88,337	\$ 1,250	\$ 643,239
Receipts:								
Taxes	117,020,050	-	-	-	-	-	-	-
Licenses and permits	104,500	-	-	-	-	-	-	-
Intergovernmental receipts	10,284,689	-	-	-	-	-	-	3,077,679
Charges for services	2,633,083	-	-	-	-	-	625	417,706
Fines and forfeits	1,916,070	-	-	1,376	650	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	<u>10,936,450</u>	<u>18,258</u>	<u>5,985</u>	<u>-</u>	<u>-</u>	<u>175,992</u>	<u>-</u>	<u>843,562</u>
Total receipts	<u>142,894,842</u>	<u>18,258</u>	<u>5,985</u>	<u>1,376</u>	<u>650</u>	<u>175,992</u>	<u>625</u>	<u>4,338,947</u>
Disbursements:								
Personal services	80,643,621	-	-	-	-	195,468	-	2,750,510
Supplies	2,919,429	-	-	-	-	13,700	-	93,352
Other services and charges	20,548,168	13,250	10,013	-	-	14,082	-	507,935
Capital outlay	1,945,098	-	-	-	-	-	-	130,517
Other disbursements	<u>20,788,663</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>623,592</u>
Total disbursements	<u>126,844,979</u>	<u>13,250</u>	<u>10,013</u>	<u>-</u>	<u>-</u>	<u>223,250</u>	<u>-</u>	<u>4,105,906</u>
Excess (deficiency) of receipts over disbursements	<u>16,049,863</u>	<u>5,008</u>	<u>(4,028)</u>	<u>1,376</u>	<u>650</u>	<u>(47,258)</u>	<u>625</u>	<u>233,041</u>
Cash and investments - ending	<u>\$ 14,859,030</u>	<u>\$ 33,295</u>	<u>\$ 6,135</u>	<u>\$ 26,738</u>	<u>\$ 10,729</u>	<u>\$ 41,079</u>	<u>\$ 1,875</u>	<u>\$ 876,280</u>

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014
 (Continued)

	Congressional School Interest	Prisoner Reimbursement For Incarceration	Sales Disclosure - County Share	Cumulative Capital Development	Cumulative Capital Improvement	Cumulative Voting System	Drug Free Community
Cash and investments - beginning	\$ 21,086	\$ 921	\$ 53,980	\$ 1,015,240	\$ 49,319	\$ 1,651,442	\$ 410,274
Receipts:							
Taxes	-	-	-	2,018,463	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	118,183	-	-	-
Charges for services	-	-	-	3,650	-	-	80
Fines and forfeits	-	-	44,150	-	-	-	311,349
Utility fees	-	-	-	-	-	-	-
Other receipts	352	-	61	19,249	-	-	6,038
Total receipts	352	-	44,211	2,159,545	-	-	317,467
Disbursements:							
Personal services	-	-	20,878	-	-	-	-
Supplies	-	-	170	-	-	-	1,157
Other services and charges	-	-	13,754	-	2,832	-	1,367
Capital outlay	-	-	2,030	1,753,046	-	7,500	-
Other disbursements	-	-	-	-	-	-	365,142
Total disbursements	-	-	36,832	1,753,046	2,832	7,500	367,666
Excess (deficiency) of receipts over disbursements	352	-	7,379	406,499	(2,832)	(7,500)	(50,199)
Cash and investments - ending	\$ 21,438	\$ 921	\$ 61,359	\$ 1,421,739	\$ 46,487	\$ 1,643,942	\$ 360,075

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014
 (Continued)

	Electronic Map Generation	Emergency Planning/ Right to Know	E911 Contraction Fund	Extradition and Sheriff's Assistance	Firearms Training	General Drain Improvement	Health
Cash and investments - beginning	\$ 714	\$ 106,398	\$ -	\$ 17,866	\$ 21,665	\$ 409,971	\$ 2,912,608
Receipts:							
Taxes	-	-	-	-	-	291,995	1,162,640
Licenses and permits	-	-	-	-	-	-	448,511
Intergovernmental receipts	-	18,025	-	-	-	17,791	272,077
Charges for services	10,749	-	-	-	-	-	567,794
Fines and forfeits	-	-	-	2,444	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	10,043	20,007,628	1,207	21,160	-	28,358
Total receipts	<u>10,749</u>	<u>28,068</u>	<u>20,007,628</u>	<u>3,651</u>	<u>21,160</u>	<u>309,786</u>	<u>2,479,380</u>
Disbursements:							
Personal services	-	-	-	-	-	-	2,127,414
Supplies	-	-	-	-	-	-	57,846
Other services and charges	953	812	380,833	6,467	13,365	-	174,037
Capital outlay	-	19,380	15,703,602	-	16,554	273,631	44,665
Other disbursements	-	-	-	-	-	-	5,000
Total disbursements	<u>953</u>	<u>20,192</u>	<u>16,084,435</u>	<u>6,467</u>	<u>29,919</u>	<u>273,631</u>	<u>2,408,962</u>
Excess (deficiency) of receipts over disbursements	<u>9,796</u>	<u>7,876</u>	<u>3,923,193</u>	<u>(2,816)</u>	<u>(8,759)</u>	<u>36,155</u>	<u>70,418</u>
Cash and investments - ending	<u>\$ 10,510</u>	<u>\$ 114,274</u>	<u>\$ 3,923,193</u>	<u>\$ 15,050</u>	<u>\$ 12,906</u>	<u>\$ 446,126</u>	<u>\$ 2,983,026</u>

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014
 (Continued)

	Identification Security Protection	Levy Excess	Local Health Maintenance	Local Road and Street	Major Moves Construction	Medical Care for Inmates	Misdemeanant
Cash and investments - beginning	\$ 908,828	\$ 7,327,182	\$ 290,611	\$ 2,553,869	\$ 1,115,974	\$ 6,823	\$ 580,488
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	56,553	739,044	217,841	-	534,562
Charges for services	41,329	-	-	-	-	2,476	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	503,474	-	-	69,127	31,444	-	-
Total receipts	<u>544,803</u>	<u>-</u>	<u>56,553</u>	<u>808,171</u>	<u>249,285</u>	<u>2,476</u>	<u>534,562</u>
Disbursements:							
Personal services	-	-	34,516	-	-	-	491,279
Supplies	-	-	-	593,902	-	-	136,998
Other services and charges	-	-	3,317	1,007,031	370,082	-	78,793
Capital outlay	-	-	-	-	-	-	-
Other disbursements	498,105	7,327,182	-	-	-	-	-
Total disbursements	<u>498,105</u>	<u>7,327,182</u>	<u>37,833</u>	<u>1,600,933</u>	<u>370,082</u>	<u>-</u>	<u>707,070</u>
Excess (deficiency) of receipts over disbursements	<u>46,698</u>	<u>(7,327,182)</u>	<u>18,720</u>	<u>(792,762)</u>	<u>(120,797)</u>	<u>2,476</u>	<u>(172,508)</u>
Cash and investments - ending	<u>\$ 955,526</u>	<u>\$ -</u>	<u>\$ 309,331</u>	<u>\$ 1,761,107</u>	<u>\$ 995,177</u>	<u>\$ 9,299</u>	<u>\$ 407,980</u>

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014
 (Continued)

	Motor Vehicle Highway	Omitted Property Audits	Park Nonreverting Capital	Park Nonreverting Operating	Reassessment - 2009	Reassessment - 2015	Recorder's Records Perpetuation
Cash and investments - beginning	\$ 2,683,765	\$ 1,823,687	\$ 507,942	\$ 323,276	\$ 50,773	\$ 3,444,499	\$ 951,867
Receipts:							
Taxes	-	-	-	6,480	-	1,842,536	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	6,388,181	32,560	270,734	-	-	111,829	-
Charges for services	-	-	-	3,806,777	-	-	259,006
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	566,383	727,840	473,926	513,844	122	50,773	265,316
Total receipts	<u>6,954,564</u>	<u>760,400</u>	<u>744,660</u>	<u>4,327,101</u>	<u>122</u>	<u>2,005,138</u>	<u>524,322</u>
Disbursements:							
Personal services	4,571,039	-	-	2,160,002	-	524,218	566,673
Supplies	546,467	-	-	904,848	-	26,521	4,619
Other services and charges	708,176	16,401	-	1,078,384	-	931,190	222,458
Capital outlay	9,280	-	948,817	13,715	-	21,826	11,384
Other disbursements	-	2,567,686	223,950	251,600	50,773	-	-
Total disbursements	<u>5,834,962</u>	<u>2,584,087</u>	<u>1,172,767</u>	<u>4,408,549</u>	<u>50,773</u>	<u>1,503,755</u>	<u>805,134</u>
Excess (deficiency) of receipts over disbursements	<u>1,119,602</u>	<u>(1,823,687)</u>	<u>(428,107)</u>	<u>(81,448)</u>	<u>(50,651)</u>	<u>501,383</u>	<u>(280,812)</u>
Cash and investments - ending	<u>\$ 3,803,367</u>	<u>\$ -</u>	<u>\$ 79,835</u>	<u>\$ 241,828</u>	<u>\$ 122</u>	<u>\$ 3,945,882</u>	<u>\$ 671,055</u>

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014
 (Continued)

	Riverboat	Sheriff's Pension Trust	Storm Water Management Capital Projects	Storm Water Management Operating	Supplemental Public Defender Services	Surveyor's Corner Perpetuation	Tax Sale Fees
Cash and investments - beginning	\$ 1,158,279	\$ 234,375	\$ 24,628	\$ 1,484,468	\$ 28,051	\$ 136,381	\$ 1,514,781
Receipts:							
Taxes	-	-	-	749,198	83,008	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	11,738,737	-	-	-	-	-	-
Charges for services	-	-	9,146	-	-	92,995	471,648
Fines and forfeits	-	683,553	12,376	-	89,211	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	890,906	134,000	-	248	481	-	4,939,377
Total receipts	<u>12,629,643</u>	<u>817,553</u>	<u>21,522</u>	<u>749,446</u>	<u>172,700</u>	<u>92,995</u>	<u>5,411,025</u>
Disbursements:							
Personal services	930,005	541,815	-	245,492	128,596	33,729	-
Supplies	46,191	-	-	20,974	1,796	4,872	-
Other services and charges	9,847,263	-	24,942	243,188	8,818	33,426	658,442
Capital outlay	472,776	-	-	456,861	3,061	10,043	-
Other disbursements	1,386,882	-	-	-	-	-	5,404,257
Total disbursements	<u>12,683,117</u>	<u>541,815</u>	<u>24,942</u>	<u>966,515</u>	<u>142,271</u>	<u>82,070</u>	<u>6,062,699</u>
Excess (deficiency) of receipts over disbursements	<u>(53,474)</u>	<u>275,738</u>	<u>(3,420)</u>	<u>(217,069)</u>	<u>30,429</u>	<u>10,925</u>	<u>(651,674)</u>
Cash and investments - ending	<u>\$ 1,104,805</u>	<u>\$ 510,113</u>	<u>\$ 21,208</u>	<u>\$ 1,267,399</u>	<u>\$ 58,480</u>	<u>\$ 147,306</u>	<u>\$ 863,107</u>

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014
 (Continued)

	Tax Sale Redemption	Tax Sale Surplus	Unsafe Building	Vehicle Inspection	GAL/CASA	Auditors Ineligible Deductions	County Elected Officials Training
Cash and investments - beginning	\$ 530,889	\$ 16,139,629	\$ 300,647	\$ 40,775	\$ 100,434	\$ 1,522,099	\$ 104,125
Receipts:							
Taxes	-	1,907,421	-	-	339,163	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	30,360	18,185	-	-	41,329
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	<u>5,817,444</u>	<u>12,861,834</u>	<u>13,045</u>	<u>1,395</u>	<u>-</u>	<u>3,342,222</u>	<u>1,112</u>
Total receipts	<u>5,817,444</u>	<u>14,769,255</u>	<u>43,405</u>	<u>19,580</u>	<u>339,163</u>	<u>3,342,222</u>	<u>42,441</u>
Disbursements:							
Personal services	-	-	-	-	327,238	38,067	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	14,739	-	-	662,090	4,130
Capital outlay	-	-	-	25,601	-	95,192	-
Other disbursements	<u>5,799,076</u>	<u>15,900,177</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,215,316</u>	<u>-</u>
Total disbursements	<u>5,799,076</u>	<u>15,900,177</u>	<u>14,739</u>	<u>25,601</u>	<u>327,238</u>	<u>4,010,665</u>	<u>4,130</u>
Excess (deficiency) of receipts over disbursements	<u>18,368</u>	<u>(1,130,922)</u>	<u>28,666</u>	<u>(6,021)</u>	<u>11,925</u>	<u>(668,443)</u>	<u>38,311</u>
Cash and investments - ending	<u>\$ 549,257</u>	<u>\$ 15,008,707</u>	<u>\$ 329,313</u>	<u>\$ 34,754</u>	<u>\$ 112,359</u>	<u>\$ 853,656</u>	<u>\$ 142,436</u>

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014
 (Continued)

	Park And Recreation	County Offender Transportation Fund	Statewide 911	Adult Probation Administrative	Juvenile Probation Administrative	Supplemental Adult Probation Services	Supplemental Juvenile Probation Services
Cash and investments - beginning	\$ (237,284)	\$ 11,813	\$ 4,668,977	\$ 48,344	\$ 11,455	\$ 1,547,463	\$ 110,203
Receipts:							
Taxes	4,581,862	-	202,935	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	886,620	-	-	-	68,033	-	-
Charges for services	845,959	5,125	2,547,305	-	-	-	-
Fines and forfeits	-	-	-	170,920	-	892,351	14,647
Utility fees	-	-	-	-	-	-	-
Other receipts	766,787	-	1,318	-	36,000	-	-
Total receipts	<u>7,081,228</u>	<u>5,125</u>	<u>2,751,558</u>	<u>170,920</u>	<u>104,033</u>	<u>892,351</u>	<u>14,647</u>
Disbursements:							
Personal services	4,077,266	-	410,449	191,940	77,134	1,041,071	61,767
Supplies	384,539	-	2,905	-	-	19,203	-
Other services and charges	733,020	854	1,688,443	-	11,406	63,334	950
Capital outlay	201,546	-	349,928	-	-	36,769	-
Other disbursements	759,898	-	-	-	-	-	-
Total disbursements	<u>6,156,269</u>	<u>854</u>	<u>2,451,725</u>	<u>191,940</u>	<u>88,540</u>	<u>1,160,377</u>	<u>62,717</u>
Excess (deficiency) of receipts over disbursements	<u>924,959</u>	<u>4,271</u>	<u>299,833</u>	<u>(21,020)</u>	<u>15,493</u>	<u>(268,026)</u>	<u>(48,070)</u>
Cash and investments - ending	<u>\$ 687,675</u>	<u>\$ 16,084</u>	<u>\$ 4,968,810</u>	<u>\$ 27,324</u>	<u>\$ 26,948</u>	<u>\$ 1,279,437</u>	<u>\$ 62,133</u>

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014
 (Continued)

	Alternative Dispute Resolution	County User Fee	Convention Center Operating	Animal Shelter	Sheriff Sale Administration	Drug Task Force	DUI Task Force
Cash and investments - beginning	\$ 208,514	\$ 1,769,887	\$ 428	\$ 69,273	\$ (21,714)	\$ 711,962	\$ 7,361
Receipts:							
Taxes	-	-	-	-	-	33,077	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	176	-	1,458,450	-	-	57,629	5,684
Charges for services	3,315	310,229	-	33,410	417,000	-	-
Fines and forfeits	5,400	1,381,862	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	38,494	308,000	-	19,923	-	23,948	-
Total receipts	<u>47,385</u>	<u>2,000,091</u>	<u>1,458,450</u>	<u>53,333</u>	<u>417,000</u>	<u>114,654</u>	<u>5,684</u>
Disbursements:							
Personal services	9,224	261,856	-	31,056	717,494	149,168	4,245
Supplies	-	32,691	-	8,438	-	75,869	-
Other services and charges	23,052	362,893	1,458,450	12,151	-	71,328	-
Capital outlay	-	28,490	-	-	-	32,493	-
Other disbursements	506	1,306,936	-	-	-	-	-
Total disbursements	<u>32,782</u>	<u>1,992,866</u>	<u>1,458,450</u>	<u>51,645</u>	<u>717,494</u>	<u>328,858</u>	<u>4,245</u>
Excess (deficiency) of receipts over disbursements	<u>14,603</u>	<u>7,225</u>	<u>-</u>	<u>1,688</u>	<u>(300,494)</u>	<u>(214,204)</u>	<u>1,439</u>
Cash and investments - ending	<u>\$ 223,117</u>	<u>\$ 1,777,112</u>	<u>\$ 428</u>	<u>\$ 70,961</u>	<u>\$ (322,208)</u>	<u>\$ 497,758</u>	<u>\$ 8,800</u>

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014
 (Continued)

	Local Ordinance Violations Fines - County	TIF Grants and Loans	Park Bond 2013	Insurance	Settlement	CVET Agency	Financial Institution Tax
Cash and investments - beginning	\$ 3,620	\$ 180,838	\$ -	\$ -	\$ 1,038,228	\$ 619	\$ -
Receipts:							
Taxes	-	-	1,001,591	-	565,412,367	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	58,456	-	40,977,640	3,613,115	2,708,079
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	3,289,102	-	-	445,356	-	-
Total receipts	<u>-</u>	<u>3,289,102</u>	<u>1,060,047</u>	<u>-</u>	<u>606,835,363</u>	<u>3,613,115</u>	<u>2,708,079</u>
Disbursements:							
Personal services	-	484,729	-	8,558	-	-	-
Supplies	-	6,005	-	-	-	-	-
Other services and charges	-	118,562	-	-	-	-	-
Capital outlay	-	-	674,908	-	-	-	-
Other disbursements	-	-	-	-	607,625,786	3,613,115	2,708,079
Total disbursements	<u>-</u>	<u>609,296</u>	<u>674,908</u>	<u>8,558</u>	<u>607,625,786</u>	<u>3,613,115</u>	<u>2,708,079</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>2,679,806</u>	<u>385,139</u>	<u>(8,558)</u>	<u>(790,423)</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 3,620</u>	<u>\$ 2,860,644</u>	<u>\$ 385,139</u>	<u>\$ (8,558)</u>	<u>\$ 247,805</u>	<u>\$ 619</u>	<u>\$ -</u>

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014
 (Continued)

	HEA 1001 State Homestead Credit	Homestead Credit Rebate	State Fines and Forfeitures	Infraction Judgements	Overweight Vehicle Fines	Special Death Benefit	Sales Disclosure - State Share
Cash and investments - beginning	\$ 61,674	\$ 12,870	\$ 414,481	\$ 783,426	\$ 233,589	\$ 3,825	\$ 78,102
Receipts:							
Taxes	5,552	-	-	-	-	-	-
Licenses and permits	-	-	-	-	114,400	-	-
Intergovernmental receipts	-	-	102,113	71	-	-	-
Charges for services	-	-	-	-	10,400	-	100,885
Fines and forfeits	-	-	317,318	1,141,612	48,683	47,375	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	105,007	428,177	-	-	44,295
Total receipts	<u>5,552</u>	<u>-</u>	<u>524,438</u>	<u>1,569,860</u>	<u>173,483</u>	<u>47,375</u>	<u>145,180</u>
Disbursements:							
Personal services	-	-	-	983,476	89,484	-	69,791
Supplies	-	-	-	19,542	-	-	2,776
Other services and charges	-	-	-	48,561	1,709	-	4,986
Capital outlay	-	-	244,101	1,195	28,633	-	-
Other disbursements	-	-	550,556	810,881	48,219	47,915	44,065
Total disbursements	<u>-</u>	<u>-</u>	<u>794,657</u>	<u>1,863,655</u>	<u>168,045</u>	<u>47,915</u>	<u>121,618</u>
Excess (deficiency) of receipts over disbursements	<u>5,552</u>	<u>-</u>	<u>(270,219)</u>	<u>(293,795)</u>	<u>5,438</u>	<u>(540)</u>	<u>23,562</u>
Cash and investments - ending	<u>\$ 67,226</u>	<u>\$ 12,870</u>	<u>\$ 144,262</u>	<u>\$ 489,631</u>	<u>\$ 239,027</u>	<u>\$ 3,285</u>	<u>\$ 101,664</u>

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014
 (Continued)

	Coroners Training & Con't Education	Interstate Compact - State Share	Mortgage Recording Fees - State Share	Sex and Violent Offender Admin - State	Child Restraint Violations Fines	Inheritance Tax	Sales Tax Collections
Cash and investments - beginning	\$ 8,912	\$ 451	\$ 3,098	\$ 22,082	\$ 125	\$ 574,168	\$ 6,670
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	592,755	-
Charges for services	-	6,125	34,878	17,893	-	-	-
Fines and forfeits	-	-	-	-	2,010	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	75,188	-	-	-	-	-	95,224
Total receipts	<u>75,188</u>	<u>6,125</u>	<u>34,878</u>	<u>17,893</u>	<u>2,010</u>	<u>592,755</u>	<u>95,224</u>
Disbursements:							
Personal services	-	-	-	15,373	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	96,870
Capital outlay	-	-	-	4,785	-	-	-
Other disbursements	75,017	6,388	35,480	1,778	2,085	1,017,098	-
Total disbursements	<u>75,017</u>	<u>6,388</u>	<u>35,480</u>	<u>21,936</u>	<u>2,085</u>	<u>1,017,098</u>	<u>96,870</u>
Excess (deficiency) of receipts over disbursements	<u>171</u>	<u>(263)</u>	<u>(602)</u>	<u>(4,043)</u>	<u>(75)</u>	<u>(424,343)</u>	<u>(1,646)</u>
Cash and investments - ending	<u>\$ 9,083</u>	<u>\$ 188</u>	<u>\$ 2,496</u>	<u>\$ 18,039</u>	<u>\$ 50</u>	<u>\$ 149,825</u>	<u>\$ 5,024</u>

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014
 (Continued)

	Education Plate Fees Agency	Public Safety CAGIT	CEDIT	City/Town Ordinance Violations Fines	93.563 Prosecutor PCA	Rainy Day	Juvenile Probation Administrative
Cash and investments - beginning	\$ 21,391	\$ -	\$ -	\$ 814,740	\$ 647,529	\$ 18,865	\$ 16,870
Receipts:							
Taxes	12,544	8,566,843	8,617,267	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	96,263	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	149,603	-	-	26,616
Utility fees	-	-	-	-	-	-	-
Other receipts	600	-	-	147,960	-	-	-
Total receipts	<u>13,144</u>	<u>8,566,843</u>	<u>8,617,267</u>	<u>297,563</u>	<u>96,263</u>	<u>-</u>	<u>26,616</u>
Disbursements:							
Personal services	-	2,884,836	7,065,692	397,612	-	1,714	30,627
Supplies	-	343,679	-	21,569	2,469	7,490	-
Other services and charges	-	3,856,576	266,341	2,116	60,553	-	-
Capital outlay	-	453,669	-	-	-	-	-
Other disbursements	17,306	-	-	10,000	-	-	-
Total disbursements	<u>17,306</u>	<u>7,538,760</u>	<u>7,332,033</u>	<u>431,297</u>	<u>63,022</u>	<u>9,204</u>	<u>30,627</u>
Excess (deficiency) of receipts over disbursements	<u>(4,162)</u>	<u>1,028,083</u>	<u>1,285,234</u>	<u>(133,734)</u>	<u>33,241</u>	<u>(9,204)</u>	<u>(4,011)</u>
Cash and investments - ending	<u>\$ 17,229</u>	<u>\$ 1,028,083</u>	<u>\$ 1,285,234</u>	<u>\$ 681,006</u>	<u>\$ 680,770</u>	<u>\$ 9,661</u>	<u>\$ 12,859</u>

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014
 (Continued)

	Ordinance Violation Deferral	Congressional School Principal	County Innkeepers Tax	Veteran Services Funds	1387-Exempt Park Revenue Bond	County Bond Redemption	Exempt Debt Service
Cash and investments - beginning	\$ 14,151	\$ 35,000	\$ (174,372)	\$ 250	\$ 333,830	\$ 2,591,835	\$ 232,741
Receipts:							
Taxes	-	-	-	-	2,378,556	9,126,236	4,539,979
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	138,515	531,187	264,323
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	8,050	-	-	-	-	1,879,567	-
Total receipts	<u>8,050</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,517,071</u>	<u>11,536,990</u>	<u>4,804,302</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	2,544,173	800
Capital outlay	-	-	-	-	2,275,384	7,725,052	3,251,515
Other disbursements	-	-	9,975	-	-	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>9,975</u>	<u>-</u>	<u>2,275,384</u>	<u>10,269,225</u>	<u>3,252,315</u>
Excess (deficiency) of receipts over disbursements	<u>8,050</u>	<u>-</u>	<u>(9,975)</u>	<u>-</u>	<u>241,687</u>	<u>1,267,765</u>	<u>1,551,987</u>
Cash and investments - ending	<u>\$ 22,201</u>	<u>\$ 35,000</u>	<u>\$ (184,347)</u>	<u>\$ 250</u>	<u>\$ 575,517</u>	<u>\$ 3,859,600</u>	<u>\$ 1,784,728</u>

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014
 (Continued)

	Park & Recreation Self Insurance	Excess Internet Access Fee	Non-reverting Self Ins Fund	Lake County Jail Construction	Construction Fund	Cumulative Bridge	Co Hwy Maint Garage Bond
Cash and investments - beginning	\$ 274,086	\$ 121,859	\$ 1,160,947	\$ 2,936,388	\$ 3,461,558	\$ 5,108,042	\$ 25,321
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	173,202	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	1,780	-	2,218,993	-	-	189,087	-
Total receipts	1,780	-	2,218,993	-	-	362,289	-
Disbursements:							
Personal services	-	88,329	50,000	-	-	-	-
Supplies	-	-	-	-	29,927	32,891	-
Other services and charges	152,217	-	2,498,944	187,658	-	-	-
Capital outlay	-	-	-	2,738,316	1,251,980	2,783,942	-
Other disbursements	100,000	-	51,243	-	66,150	-	-
Total disbursements	252,217	88,329	2,600,187	2,925,974	1,348,057	2,816,833	-
Excess (deficiency) of receipts over disbursements	(250,437)	(88,329)	(381,194)	(2,925,974)	(1,348,057)	(2,454,544)	-
Cash and investments - ending	\$ 23,649	\$ 33,530	\$ 779,753	\$ 10,414	\$ 2,113,501	\$ 2,653,498	\$ 25,321

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014
 (Continued)

	Park Dist Bond 1982	Non-Sufficient Check Fund/LC	Park & Recreation Gift	Auditor's Tax Incentive Fund	Doctor's Merchants	Division I LADOS	Division II LADOS
Cash and investments - beginning	\$ 3,333,459	\$ 64,425	\$ 58,112	\$ 359,865	\$ 1,085	\$ 312,129	\$ 82,975
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	4,251	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	<u>1,278,723</u>	<u>-</u>	<u>8,500</u>	<u>236,000</u>	<u>76,536</u>	<u>161,641</u>	<u>161,656</u>
Total receipts	<u>1,278,723</u>	<u>4,251</u>	<u>8,500</u>	<u>236,000</u>	<u>76,536</u>	<u>161,641</u>	<u>161,656</u>
Disbursements:							
Personal services	-	-	-	297,011	-	184,698	188,083
Supplies	-	-	-	-	-	3,610	3,823
Other services and charges	-	315	1,512	-	-	13,532	9,372
Capital outlay	453,748	-	-	-	-	-	240
Other disbursements	<u>1,000,000</u>	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total disbursements	<u>1,453,748</u>	<u>315</u>	<u>51,512</u>	<u>297,011</u>	<u>-</u>	<u>201,840</u>	<u>201,518</u>
Excess (deficiency) of receipts over disbursements	<u>(175,025)</u>	<u>3,936</u>	<u>(43,012)</u>	<u>(61,011)</u>	<u>76,536</u>	<u>(40,199)</u>	<u>(39,862)</u>
Cash and investments - ending	<u>\$ 3,158,434</u>	<u>\$ 68,361</u>	<u>\$ 15,100</u>	<u>\$ 298,854</u>	<u>\$ 77,621</u>	<u>\$ 271,930</u>	<u>\$ 43,113</u>

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014
 (Continued)

	Ordinance Deferral Program	Disproportional Minority Contact Project Grant	Zoning Enforcement Fund	Collection Expense Reimbursement Fund	Non-revert Hwy Deposit Gambl	Domestic Relation Counseling B	Non-revert Delinq Coll Fees
Cash and investments - beginning	\$ 105,058	\$ 2	\$ 1,000	\$ 727,840	\$ 623,380	\$ 118,976	\$ 11,814
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	586,882	84	-
Charges for services	-	-	-	-	-	-	77,475
Fines and forfeits	301,587	-	-	-	-	39,190	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	10,853	-
Total receipts	<u>301,587</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>586,882</u>	<u>50,127</u>	<u>77,475</u>
Disbursements:							
Personal services	-	-	-	-	-	35,797	-
Supplies	-	-	-	-	276,063	3,555	-
Other services and charges	293,485	-	-	-	662,068	368	78,601
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	727,840	-	-	-
Total disbursements	<u>293,485</u>	<u>-</u>	<u>-</u>	<u>727,840</u>	<u>938,131</u>	<u>39,720</u>	<u>78,601</u>
Excess (deficiency) of receipts over disbursements	<u>8,102</u>	<u>-</u>	<u>-</u>	<u>(727,840)</u>	<u>(351,249)</u>	<u>10,407</u>	<u>(1,126)</u>
Cash and investments - ending	<u>\$ 113,160</u>	<u>\$ 2</u>	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 272,131</u>	<u>\$ 129,383</u>	<u>\$ 10,688</u>

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014
 (Continued)

	Commissioner's Incentive Fund	Coroner Facility Fee	Cum Helicopter Improvement Fund	Lake County Community Development FMHA	Anti-Bioterrorism	LC Sheriff's Marine Unit	Sheriff's Towing Towing & Franchise Fee
Cash and investments - beginning	\$ 327,947	\$ 15,872	\$ 4,332	\$ 45,238	\$ 7,341	\$ 1,910	\$ (83,118)
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	1,570	291,003
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	600,000	44,800	-	-	-	-	128,000
Total receipts	<u>600,000</u>	<u>44,800</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,570</u>	<u>419,003</u>
Disbursements:							
Personal services	177,157	21,688	-	-	-	-	302,924
Supplies	-	-	-	-	-	-	-
Other services and charges	264,425	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	250,000	-	-	-	-	-	75
Total disbursements	<u>691,582</u>	<u>21,688</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>302,999</u>
Excess (deficiency) of receipts over disbursements	<u>(91,582)</u>	<u>23,112</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,570</u>	<u>116,004</u>
Cash and investments - ending	<u>\$ 236,365</u>	<u>\$ 38,984</u>	<u>\$ 4,332</u>	<u>\$ 45,238</u>	<u>\$ 7,341</u>	<u>\$ 3,480</u>	<u>\$ 32,886</u>

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014
 (Continued)

	Lake County Operating Fund	Reimbursement Fund	Commissary Payroll Pass-Thru	Violence Intervention Program	Treasurer's Incentive Fund	Child Support Incentive	HAVA Title III Voting System
Cash and investments - beginning	\$ 122,099	\$ 3,031,094	\$ 13,094	\$ (5,933)	\$ 428,789	\$ 1,186,089	\$ 29,935
Receipts:							
Taxes	-	-	-	92,083	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	438,626	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	3,899	127,000	-	240,000	-	-
Total receipts	-	3,899	127,000	92,083	240,000	438,626	-
Disbursements:							
Personal services	-	-	6,054	74,666	145,695	179,250	-
Supplies	-	-	-	11,852	-	15,980	-
Other services and charges	107,884	-	-	2,202	19,940	1,459	-
Capital outlay	-	905,380	-	-	15,463	16,345	-
Other disbursements	-	1,753,471	134,000	-	-	-	-
Total disbursements	107,884	2,658,851	140,054	88,720	181,098	213,034	-
Excess (deficiency) of receipts over disbursements	(107,884)	(2,654,952)	(13,054)	3,363	58,902	225,592	-
Cash and investments - ending	\$ 14,215	\$ 376,142	\$ 40	\$ (2,570)	\$ 487,691	\$ 1,411,681	\$ 29,935

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014
 (Continued)

	Subdivision Escrow Bonds	Jury Fees	Check Deception Collection Fee	Fingerprint Fee Fund	HAVA Sec 101 Voting Sys Fund	Prosecutor's Elderly Abuse	County Welfare Trusts
Cash and investments - beginning	\$ 109,154	\$ 146,528	\$ 114,176	\$ 445	\$ 277,998	\$ 29,783	\$ 4,720
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	182,704	-
Charges for services	-	-	27,534	-	-	-	-
Fines and forfeits	-	50,599	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	12,795	42,455	-	-	-	10,000	-
Total receipts	<u>12,795</u>	<u>93,054</u>	<u>27,534</u>	<u>-</u>	<u>-</u>	<u>192,704</u>	<u>-</u>
Disbursements:							
Personal services	-	74,670	25,734	-	-	155,473	-
Supplies	-	-	-	-	-	907	-
Other services and charges	-	293	-	-	-	1,585	-
Capital outlay	-	2,498	-	-	-	-	-
Other disbursements	6,364	-	-	-	-	10,000	-
Total disbursements	<u>6,364</u>	<u>77,461</u>	<u>25,734</u>	<u>-</u>	<u>-</u>	<u>167,965</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>6,431</u>	<u>15,593</u>	<u>1,800</u>	<u>-</u>	<u>-</u>	<u>24,739</u>	<u>-</u>
Cash and investments - ending	<u>\$ 115,585</u>	<u>\$ 162,121</u>	<u>\$ 115,976</u>	<u>\$ 445</u>	<u>\$ 277,998</u>	<u>\$ 54,522</u>	<u>\$ 4,720</u>

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014
 (Continued)

	Interpreter Services Grant	U.S. Research Consultants/ Personal Property	VOCA - Victims of Crime Act	Payroll Court Judgement	HUD-NSP-3 Grant	Lake Dalecarlia Grant Fund	Commissioner's Sale Surplus Property Deposit
Cash and investments - beginning	\$ 11,443	\$ 3,473	\$ 8,109	\$ 42,353	\$ 143,013	\$ 25,576	\$ 4,477
Receipts:							
Taxes	12,000	-	49,792	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	37,668	-	424,475	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	43,243	-	-	-	-
Total receipts	<u>12,000</u>	<u>-</u>	<u>130,703</u>	<u>-</u>	<u>424,475</u>	<u>-</u>	<u>-</u>
Disbursements:							
Personal services	-	-	82,486	-	5,809	-	-
Supplies	-	-	400	-	-	-	-
Other services and charges	10,605	-	4,092	-	280	-	-
Capital outlay	-	-	-	-	549,008	-	-
Other disbursements	-	-	51,743	-	-	25,576	-
Total disbursements	<u>10,605</u>	<u>-</u>	<u>138,721</u>	<u>-</u>	<u>555,097</u>	<u>25,576</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>1,395</u>	<u>-</u>	<u>(8,018)</u>	<u>-</u>	<u>(130,622)</u>	<u>(25,576)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 12,838</u>	<u>\$ 3,473</u>	<u>\$ 91</u>	<u>\$ 42,353</u>	<u>\$ 12,391</u>	<u>\$ -</u>	<u>\$ 4,477</u>

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014
 (Continued)

	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	State Drunk Driving Fees	LC Home Program
Cash and investments - beginning	\$ 113	\$ 490	\$ 8,025	\$ 162,563	\$ 48,252	\$ 17,562	\$ 3,998
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	175,135	50	10,786	529,881
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	50
Utility fees	-	-	-	-	-	-	-
Other receipts	-	228	-	-	502	-	69,261
Total receipts	-	228	-	175,135	552	10,786	599,192
Disbursements:							
Personal services	-	-	-	232,584	35,039	12,290	-
Supplies	-	-	-	-	1,262	-	-
Other services and charges	-	-	-	-	-	-	3,610
Capital outlay	-	-	-	-	-	-	579,070
Other disbursements	-	-	-	-	-	-	-
Total disbursements	-	-	-	232,584	36,301	12,290	582,680
Excess (deficiency) of receipts over disbursements	-	228	-	(57,449)	(35,749)	(1,504)	16,512
Cash and investments - ending	\$ 113	\$ 718	\$ 8,025	\$ 105,114	\$ 12,503	\$ 16,058	\$ 20,510

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014
 (Continued)

	LC Comm. Dev. Cities & Towns	LC Dev. Rehabilitation	Sheriff's Therapy Dog Fund	LC Comm Dev Remp I.D.O.C.	HUD - NSP Grant	CAGIT Pass Thru	LC Economic Rev. Loan
Cash and investments - beginning	\$ -	\$ 39	\$ -	\$ 361,030	\$ 284,783	\$ -	\$ 1,096,017
Receipts:							
Taxes	-	-	-	-	-	121,659,870	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	545,735	166,894	-	-	8,557	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	50	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	130,550	10,139	5,568	80	67	-	98,800
Total receipts	<u>676,285</u>	<u>177,083</u>	<u>5,568</u>	<u>80</u>	<u>8,624</u>	<u>121,659,870</u>	<u>98,800</u>
Disbursements:							
Personal services	-	-	-	-	22,820	-	-
Supplies	-	-	2,848	-	2,362	-	-
Other services and charges	-	1,365	-	-	664	-	-
Capital outlay	676,285	175,515	-	-	266,819	-	438,210
Other disbursements	-	-	-	-	-	121,659,870	-
Total disbursements	<u>676,285</u>	<u>176,880</u>	<u>2,848</u>	<u>-</u>	<u>292,665</u>	<u>121,659,870</u>	<u>438,210</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>203</u>	<u>2,720</u>	<u>80</u>	<u>(284,041)</u>	<u>-</u>	<u>(339,410)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 242</u>	<u>\$ 2,720</u>	<u>\$ 361,110</u>	<u>\$ 742</u>	<u>\$ -</u>	<u>\$ 756,607</u>

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014
 (Continued)

	C.D.B.G. Recapture Loans	Sheriff' Grants Fund	Homeland Security Grant	Family Court Initiative Grant	CEDIT Pass Thru	Justice Assistance Grant	Sheriff's SIG Grant Fund
Cash and investments - beginning	\$ 1,149,573	\$ 55,586	\$ 18,421	\$ 38,774	\$ -	\$ 14,306	\$ 15,944
Receipts:							
Taxes	-	-	-	-	24,331,974	219,504	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	29,716	13,933	19	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	567	-	675	3	-	-	-
Total receipts	<u>567</u>	<u>29,716</u>	<u>14,608</u>	<u>22</u>	<u>24,331,974</u>	<u>219,504</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	10,445	-	8,386	-
Supplies	-	4,104	-	-	-	29,007	-
Other services and charges	-	8,985	-	1,065	-	59,671	-
Capital outlay	-	33,197	14,764	-	-	122,231	-
Other disbursements	-	-	-	-	24,331,974	-	-
Total disbursements	<u>-</u>	<u>46,286</u>	<u>14,764</u>	<u>11,510</u>	<u>24,331,974</u>	<u>219,295</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>567</u>	<u>(16,570)</u>	<u>(156)</u>	<u>(11,488)</u>	<u>-</u>	<u>209</u>	<u>-</u>
Cash and investments - ending	<u>\$ 1,150,140</u>	<u>\$ 39,016</u>	<u>\$ 18,265</u>	<u>\$ 27,286</u>	<u>\$ -</u>	<u>\$ 14,515</u>	<u>\$ 15,944</u>

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014
 (Continued)

	COPS Interoperability Grant	Detention Alternatives Grant	Criminal Court Tech Grant Fund	LC Dev. Admin. Budget	Substance Abuse Testing	Payment Error (Refunds)	Adult Guardianship Svcs Grant
Cash and investments - beginning	\$ 2,867	\$ -	\$ -	\$ 21,945	\$ 17,112	\$ 421,025	\$ -
Receipts:							
Taxes	474,248	30,643	6,668	-	10,000	-	39,125
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	169,728	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	8,000	-	29,619	-	189,399	-
Total receipts	<u>474,248</u>	<u>38,643</u>	<u>6,668</u>	<u>199,347</u>	<u>10,000</u>	<u>189,399</u>	<u>39,125</u>
Disbursements:							
Personal services	4,943	27,043	-	207,182	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	3,278	-	15,879	17,716	-	19,500
Capital outlay	467,010	-	4,658	-	-	-	-
Other disbursements	-	8,000	-	-	-	184,854	-
Total disbursements	<u>471,953</u>	<u>38,321</u>	<u>4,658</u>	<u>223,061</u>	<u>17,716</u>	<u>184,854</u>	<u>19,500</u>
Excess (deficiency) of receipts over disbursements	<u>2,295</u>	<u>322</u>	<u>2,010</u>	<u>(23,714)</u>	<u>(7,716)</u>	<u>4,545</u>	<u>19,625</u>
Cash and investments - ending	<u>\$ 5,162</u>	<u>\$ 322</u>	<u>\$ 2,010</u>	<u>\$ (1,769)</u>	<u>\$ 9,396</u>	<u>\$ 425,570</u>	<u>\$ 19,625</u>

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014
 (Continued)

	Community Supervision Grant	Lake County Comm Correction	CPHCP High Conflict	CAGIT - PTRC	LC RDF for Juveniles Fund	Juvenile Secured Detention	Parks - Outside Cash
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 140,063	\$ 20,073
Receipts:							
Taxes	-	154,770	37,935	97,327,896	-	71,074	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	220,000	-	-	-	-	-	-
Charges for services	-	-	-	-	15,017	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	76,066
Total receipts	<u>220,000</u>	<u>154,770</u>	<u>37,935</u>	<u>97,327,896</u>	<u>15,017</u>	<u>71,074</u>	<u>76,066</u>
Disbursements:							
Personal services	-	-	3,400	-	-	111,806	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	13,725	-	-	11,747	-
Capital outlay	-	-	-	-	-	62,922	-
Other disbursements	-	-	-	94,628,406	-	-	73,931
Total disbursements	<u>-</u>	<u>-</u>	<u>17,125</u>	<u>94,628,406</u>	<u>-</u>	<u>186,475</u>	<u>73,931</u>
Excess (deficiency) of receipts over disbursements	<u>220,000</u>	<u>154,770</u>	<u>20,810</u>	<u>2,699,490</u>	<u>15,017</u>	<u>(115,401)</u>	<u>2,135</u>
Cash and investments - ending	<u>\$ 220,000</u>	<u>\$ 154,770</u>	<u>\$ 20,810</u>	<u>\$ 2,699,490</u>	<u>\$ 15,017</u>	<u>\$ 24,662</u>	<u>\$ 22,208</u>

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014
 (Continued)

	Community Economic Development	Redevelopment Commission	Employee Benefit Accruals	Inmate Trust	Jail Commissary	Unfunded Money	Animal Control
Cash and investments - beginning	\$ 3,839	\$ 3,289,101	\$ (1,985,218)	\$ 682,309	\$ 15,127	\$ 14,796,209	\$ 725
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	49,949	-	69,247,704	1,499,162	852,779	16,925,323	2,777
Total receipts	49,949	-	69,247,704	1,499,162	852,779	16,925,323	2,777
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	51,782	3,289,101	68,722,793	1,623,974	845,803	14,796,209	2,409
Total disbursements	51,782	3,289,101	68,722,793	1,623,974	845,803	14,796,209	2,409
Excess (deficiency) of receipts over disbursements	(1,833)	(3,289,101)	524,911	(124,812)	6,976	2,129,114	368
Cash and investments - ending	\$ 2,006	\$ -	\$ (1,460,307)	\$ 557,497	\$ 22,103	\$ 16,925,323	\$ 1,093

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014
 (Continued)

	Sheriff	Juvenile Division	Clerk	Community Corrections Commissary	Hermit's Lake Debt Reserve	Sewage Collections	Totals
Cash and investments - beginning	\$ 986,920	\$ -	\$ 12,068,898	\$ -	\$ 45,945	\$ 128,570	\$ 127,928,047
Receipts:							
Taxes	-	-	-	-	-	-	974,417,345
Licenses and permits	-	-	-	-	-	-	667,411
Intergovernmental receipts	-	-	-	-	-	-	89,151,669
Charges for services	-	-	-	-	-	-	13,152,061
Fines and forfeits	-	-	-	-	-	-	7,655,303
Utility fees	-	-	-	-	-	169,200	169,200
Other receipts	9,582,608	8,624	44,216,841	90,703	-	-	219,683,607
Total receipts	<u>9,582,608</u>	<u>8,624</u>	<u>44,216,841</u>	<u>90,703</u>	<u>-</u>	<u>169,200</u>	<u>1,304,896,596</u>
Disbursements:							
Personal services	-	-	-	-	-	-	118,166,584
Supplies	-	-	-	-	-	-	6,718,608
Other services and charges	-	-	-	-	-	-	53,495,908
Capital outlay	-	-	-	-	-	-	48,830,648
Other disbursements	10,254,491	8,624	43,875,694	58,394	-	146,218	1,071,887,473
Total disbursements	<u>10,254,491</u>	<u>8,624</u>	<u>43,875,694</u>	<u>58,394</u>	<u>-</u>	<u>146,218</u>	<u>1,299,099,221</u>
Excess (deficiency) of receipts over disbursements	<u>(671,883)</u>	<u>-</u>	<u>341,147</u>	<u>32,309</u>	<u>-</u>	<u>22,982</u>	<u>5,797,375</u>
Cash and investments - ending	<u>\$ 315,037</u>	<u>\$ -</u>	<u>\$ 12,410,045</u>	<u>\$ 32,309</u>	<u>\$ 45,945</u>	<u>\$ 151,552</u>	<u>\$ 133,725,422</u>

LAKE COUNTY
 SCHEDULE OF PAYABLES AND RECEIVABLES
 December 31, 2014

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Hermit's Lake Sewer User Fee	\$ 36,776	\$ -
Governmental activities	<u>17,864,117</u>	<u>-</u>
Totals	<u>\$ 17,900,893</u>	<u>\$ -</u>

LAKE COUNTY
SCHEDULE OF LEASES AND DEBT
December 31, 2014

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
American Eurocopter Corporation / SunTrust Equipment Finance	Purchased new Helicopter	\$ 197,047	07/15/2009	01/15/2016
PNC Equip Finance	Highway Snow Plow Truck Lease	63,550	01/03/2013	01/03/2018
Lake County 2000 Building Corporation	Capital Improvements	<u>2,618,000</u>	08/01/2013	02/01/2024
Total of annual lease payments		<u>\$ 2,878,597</u>		

Type	Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	Energy Savings Phase II	\$ 7,195,000	\$ 1,487,863
General obligation bonds	Energy Savings Phase I	5,995,000	2,581,250
General obligation bonds	Lake County Highway Garage	1,700,000	697,283
General obligation bonds	Parks #4 - Improvements & Acquisitions	1,790,000	1,277,331
General obligation bonds	Highway Improvements	4,335,000	583,375
General obligation bonds	Series 2012B - Lake County Jail Construction	4,285,000	837,563
General obligation bonds	Series 2012C - Lake County Operating Fund	3,925,000	1,168,050
General obligation bonds	Series 2012D-1 - Construction Fund	3,500,000	66,150
General obligation bonds	Series 2012D-2 - Reimbursement Fund	4,510,000	1,483,770
General obligation bonds	Park District Bonds Of 2013 for Improvements	2,415,000	669,175
General obligation bonds	Public Safety Tax Bonds-Series 2014A E911 Improvements	20,000,000	541,769
General obligation bonds	Park District Bonds of 2014 - Refinance 2005 Series	24,515,000	1,010,333
General obligation bonds	Judgment Funding General Obligation Bonds of 2012	6,060,000	1,389,523
General obligation bonds	GO Bonds 2014B Building/Jail Improvements & Paving	<u>12,000,000</u>	<u>681,862</u>
Total governmental activities		<u>102,225,000</u>	<u>14,475,297</u>
Hermit's Lake Sewer User Fee:			
Notes and loans payable	Improvements at Hermit's Lake Sewage Treatment Plant	<u>204,852</u>	<u>40,796</u>
Totals		<u>\$ 102,429,852</u>	<u>\$ 14,516,093</u>

LAKE COUNTY
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2014

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	\$ 27,819,137
Infrastructure	256,935,149
Buildings	142,971,554
Machinery, equipment, and vehicles	36,038,886
Construction in progress	21,832,909
Total governmental activities	485,597,635
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	\$ 486,587,926

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE 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, 2014. 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. Except as discussed in the following paragraph, 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 non-compliance 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 Community Development Block Grants/Entitlement Grants

As described in item 2014-006 in the accompanying Schedule of Findings and Questioned Costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of the County with Community Development Block Grants/Entitlement Grants regarding Procurement. Consequently, we were unable to determine whether the County complied with these requirements applicable to the program.

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

Qualified Opinion on Community Development Block Grants/Entitlement Grants

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 with the requirements of Community Development Block Grants/Entitlement Grants regarding Procurement, described in the *Basis for Qualified Opinion on Community Development Block Grants/Entitlement Grants* paragraph the County complied, in all material respects, with the requirements referred to above that could have a direct and material effect on Community Development Block Grants/Entitlement Grants for the year ended December 31, 2014.

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, 2014.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2014-009. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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.

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 2014-006, 2014-007, 2014-008, 2014-009, and 2014-010 to be material weaknesses.

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

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 16, 2016

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

LAKE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2014

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	Pass-Through To Subrecipient	Total Federal Awards Expended
<u>Department of Agriculture</u>					
Child Nutrition Cluster					
School Breakfast Program	Indiana Department of Education	10.553	FY2014	\$ -	\$ 31,135
Juvenile Center Breakfast Program					
National School Lunch Program	Indiana Department of Education	10.555	FY2014	-	49,100
Juvenile Center Lunch Program					
Total - Child Nutrition Cluster				-	80,235
Total - Department of Agriculture				-	80,235
<u>Department of Commerce</u>					
Coastal Zone Management Administration Awards	Indiana Department of Natural Resources	11.419	CZ222 DNR NP60	-	27,073
				-	5,842
Total - Coastal Zone Management Administration Awards				-	32,915
Total - Department of Commerce				-	32,915
<u>Department of Housing and Urban Development</u>					
CDBG - Entitlement Grants Cluster					
Community Development Block Grants/Entitlement Grants	Direct Grant	14.218			
Neighborhood Stabilization Program-NSP 1			B-08-UN-18-0002	-	8,557
Neighborhood Stabilization Program-NSP 3			B-11-UN-18-0002	-	424,475
CDBG			B-12-UC-18-0016	22,500	700,323
CDBG			B-13-UC-18-0016	7,500	182,034
Total - Community Development Block Grants/Entitlement Grants				30,000	1,315,389
Total - CDBG - Entitlement Grants Cluster				30,000	1,315,389
HOME Investment Partnerships Program	Direct Grant	14.239			
LC Home Program			M-11-UC-18-0207	-	183,562
LC Home Program			M-12-UC-18-0207	-	296,885
LC Home Program			M-13-UC-18-0207	-	39,896
Total - HOME Investment Partnerships Program				-	520,343
Total - Department of Housing and Urban Development				30,000	1,835,732
<u>Department of Justice</u>					
JAG Program Cluster					
Edward Byrne Memorial Justice Assistance Grant Program	Direct Grant	16.738			
Justice Assistance Grant			2011-DJ-BX-3472	-	81,233
Justice Assistance Grant			2012-DJ-BX-0979	-	51,353
Justice Assistance Grant			2013-DJ-BX-0775	-	76,854
Justice Assistance Grant			2014-DJ-BX-0682	-	9,856
Total - Edward Byrne Memorial Justice Assistance Grant Program - Direct Grants				-	219,296
Edward Byrne Memorial Justice Assistance Grant Program	Indiana Criminal Justice Institute				
Reentry Court Grant			2013-DJ-BX-0039	-	68,033
Total - Edward Byrne Memorial Justice Assistance Grant Program - Pass-Through Grants				-	68,033
Total - JAG Program Cluster				-	287,329
Juvenile Accountability Block Grants	Indiana Criminal Justice Institute	16.523			
Juvenile Accountability Block Grants			2010-JB-FX-0086	-	30,643
Crime Victim Assistance	Indiana Criminal Justice Institute	16.575			
VOCA Grant			13VA2476	-	37,157
VOCA Grant			13VA2282	-	50,287
VOCA Grant			14VA2476	-	10
VOCA Grant			14VA2282	-	3,432
Total - Crime Victim Assistance				-	90,886
State Criminal Alien Assistance Program	Direct Grant	16.606			
SCAAP			2012-AP-BX-0363	-	14,716
Public Safety Partnership and Community Policing Grants	Direct Grant	16.710			
COPS Interoperability Grant			2010-CK-WX-0498	-	474,248
Equitable Sharing Program	Direct Grant	16.922			
Equity Sharing			IND450000	-	244,101
Total - Department of Justice				-	1,141,923

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, 2014
(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	Pass-Through To Subrecipient	Total Federal Awards Expended
<u>Department of Transportation</u>					
Highway Planning and Construction Cluster					
Highway Planning and Construction	Indiana Department of Transportation	20.205			
Bridge 364			DES#0600753	-	9,358
45th Ave & Cleveland			DES#0710703	-	1,693
Bridge Inspection			DES#1005386	-	96,747
Oak Savannah Trail Enhancement CE			DES#1005521	-	31,304
Advanced Clearing			DES#1173546	-	4,184
45th Avenue-Phase II			DES#9980090	-	249,280
Bridge 99			DES#0400716	-	66,546
Veterans Memorial			DES#9981680	-	66,484
Total - Highway Planning and Construction				-	525,596
Total - Highway Planning and Construction Cluster				-	525,596
Highway Safety Cluster					
State and Community Highway Safety	Indiana Criminal Justice Institute	20.600			
Operation Pullover			FY14	-	10,786
Total - Highway Safety Cluster				-	10,786
Total - Department of Transportation				-	536,382
<u>Environmental Protection Agency</u>					
Great Lakes Program	Indiana Department of Natural Resources	66.469			
Park Grant			CZ0136	-	143,546
Total - Environmental Protection Agency				-	143,546
<u>Department of Health and Human Services</u>					
Child Support Enforcement	Indiana Department of Child Services	93.563			
Title IV-D			County Clerk	-	173,008
Title IV-D Incentive			County Clerk	-	153,781
Title IV-D			County Court	-	229,169
Title IV-D Incentive			County Court	-	232,584
Title IV-D			County Prosecutor	-	2,171,343
Title IV-D Incentive			County Prosecutor	-	51,390
Prosecutor IV-D Incentive-Post Oct/99			County Prosecutor	-	5,769
Title IV-D			Indirect Costs	-	1,074,409
Title IV-D			Circuit Court	-	36,444
Total - Child Support Enforcement				-	4,127,897
ARRA - Child Support Enforcement	Indiana Department of Child Services	93.563			
Title IV-D Incentive			County Prosecutor	-	7,862
Total - Child Support Enforcement				-	4,135,759
Social Services Block Grant	Indiana Family and Social Services Administration	93.667			
Adult Protective Services Grant			45-15-PV-1222-01	-	5,137
Human Immunodeficiency Virus(HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	Indiana Department of Health	93.944			
TB Control			5U52PS500520-28	-	27,955
HIV/AIDS Surveillance			5U62P001049-03	-	28,254
Total - Human Immunodeficiency Virus(HIV)/Acquired Immunodeficiency Virus Syndrom (AIDS) Surveillance				-	56,209
Total - Department of Health and Human Services				-	4,197,105
<u>Department of Homeland Security</u>					
Boating Safety Financial Assistance	Indiana Department of Natural Resources	97.012			
Boating Safety Financial Assistance			300LEBOATGRT14	-	15,000
Emergency Management Performance Grants	Indiana Department of Homeland Security	97.042			
Emergency Management Performance Grants			FY 2012	-	44,259
Homeland Security Grant Program	Indiana Department of Homeland Security	97.067			
SHSP Grant			C44P-4-331B	-	9,909
Total - Department of Homeland Security				-	69,168
Total federal awards expended				\$ 30,000	\$ 8,037,006

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 (SEFA) includes the federal grant activity of the County under programs of the federal government for the year ended December 31, 2014. The information in the SEFA is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the SEFA presents only a select portion of the operations of the County, it is not intended to and does not present the financial position of the County.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

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?	none reported
Type of auditor's report issued on compliance for major programs:	Unmodified for all major programs, except for the Community Development Block Grants/Entitlement Grants which is 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:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
	CDBG - Entitlement Grants Cluster
14.239	HOME Investment Partnerships Program
16.710	Public Safety Partnership and Community Policing Grants
	Highway Planning and Construction 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
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LAKE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section II - Financial Statement Findings

**FINDING 2014-001 - INTERNAL CONTROLS AND COMPLIANCE
OVER FINANCIAL TRANSACTIONS AND REPORTING**

Condition

There were several 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 had not identified risks to the preparation of the financial statement to prevent or detect and correct material misstatements.

The County Auditor was responsible for preparing the Annual Financial Report (AFR) and electronically submitting it to the Indiana State Board of Accounts via the Gateway system. The financial information in the AFR was used to generate the financial statement to be audited.

The information included in the AFR was gathered and entered into Gateway by one employee in the County Auditor's office without an oversight or review process to prevent or detect errors. In addition, the County Auditor's office did not have procedures in place to ensure that the financial information provided by departments not accounted for by the County Auditor was accurate and complete. The financial statement presented for audit contained the following errors:

1. The beginning cash and investment balances did not agree to the prior audited ending cash and investment balances for 11 funds. The variances totaling \$780,589 were caused by adjusting entries which affected beginning cash and investment balances, receipts, and disbursements in the County's ledgers.
2. The financial statement receipts were overstated by \$622,099. This was caused by errors and adjusting entries that changed the current year's receipts for nine funds.
3. The financial statement disbursements were overstated by \$272,298. This was caused by errors and adjusting entries that changed the current year's disbursements for six funds.
4. The financial statement ending cash and investment balance was overstated by \$1,130,390. The overstatement was caused by the numerous errors 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.

In addition, the County issued receipts in batches on prenumbered forms. At the beginning of each day, the employee who entered receipt information had to enter a beginning sequence number for that day. That sequence number became the receipt number in the County's ledger. The sequence number should have mirrored the receipt number on the prenumbered form. The County failed to implement effective controls to ensure that the sequence number entered mirrored the prenumbered form. The County ledger contained 11 instances in which the same sequence number was used on two different days.

LAKE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Criteria

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."

Cause

Management of the County had not established a proper system of internal control.

Effect

The failure to establish controls enabled misstatements or irregularities to remain undetected. The failure to monitor the internal control system placed the County at risk that controls may not be either designed properly or operating effectively to provide reasonable assurance that controls would have prevented, or detected and corrected, misstatements in a timely manner.

The financial statement contained the errors identified in the *Condition*.

Views of Responsible Officials

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

FINDING 2014-002 - PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Condition

The County did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The department's reports did not reconcile to the County's financial records. The internal controls established were not effective in detecting and correcting errors.

The federal expenditures on the SEFA presented for audit were understated by \$874,703. Federal expenditures were understated \$1,875,121 in total for 11 grants; and were overstated \$1,000,418 in total for 2 grants.

LAKE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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

Criteria

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)

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 award 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 subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available. . . ."

Cause

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

Effect

Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA could have remained undetected.

LAKE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The SEFA contained the errors identified in the *Condition*.

Views of Responsible Officials

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

FINDING 2014-003 - INTERNAL CONTROLS AND COMPLIANCE OVER TREASURER'S DAILY BALANCE OF CASH AND DEPOSITORIES AND THE AUDITOR'S FUNDS LEDGER

Condition

The County Treasurer's office was responsible for maintaining the Treasurer's Daily Balance of Cash and Depositories (Cash Book). The Cash Book reflected 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 reconciliation process, the County Auditor's office compared the County Auditor's funds ledger balance to the County Treasurer's calculated Funds Ledger line per the Cash Book. As of December 31, 2014, the County Auditor's office reconciliation and the funds ledger balance agreed. However, a reconciling item of \$240,847 did not have the proper supporting documentation to substantiate the amount. The County Treasurer's office recorded a negative quietus (receipt) in the County Treasurer's "Funds Ledger" line of the Cash Book; however, a corresponding entry was not posted to the County Auditor's funds ledger. The original negative quietus was in the amount of \$481,694. In June 2014, the County Treasurer's office posted another adjustment to the Cash Book. This adjustment reduced the difference from \$481,694 back to the original \$240,847 difference. The County Treasurer's Cash Book "Funds Ledger - Cash" line item should not have been adjusted without the proper supporting documentation and a corresponding entry in the County Auditor's funds ledger.

In addition, cash short or cash long entries were recorded in the Cash Book which indicated 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, 2011, 2012, 2013, and 2014, was as follows:

Description	December 31, 2011	December 31, 2012	December 31, 2013	December 31, 2014
Cash Short	\$ 609,747.45	\$ 538,136.20	\$ 48,472.24	\$ 48,455.84
Cash Long	147,075.89	150,436.29	154,459.90	162,309.26
Unsubstantiated Adjustment	-	-	481,694.42	240,847.21
Net (Short)/Long	<u>\$ (462,671.56)</u>	<u>\$ (387,699.91)</u>	<u>\$ (375,706.76)</u>	<u>\$ (126,993.79)</u>

The cumulative cash short noted above, while large, is not material to the financial statement at December 31, 2014. As of August 31, 2016, the reconciling item totaling \$240,847 between the County Auditor's and County Treasurer's office had not been resolved.

LAKE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Criteria

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 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)

Cause

Management of the County had not established a proper system of internal control.

Effect

The failure to establish controls enabled material misstatements or irregularities to remain undetected. The failure to monitor the internal control system placed the County at risk that controls may not have been either designed properly or operating effectively to provide reasonable assurance that controls would have prevented, or detected and corrected, material misstatements in a timely manner.

Views of Responsible Officials

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

FINDING 2014-004 - FINANCIAL TRANSACTIONS AND REPORTING - CLERK OF THE CIRCUIT COURT

Condition

Internal controls over receipting, disbursing, recording, and accounting for the financial activities of the Clerk of the Circuit Court were insufficient. There were several deficiencies in the internal control system of the Clerk of the Circuit Court's office related to financial transactions and reporting that constituted material weaknesses:

1. Lack of Segregation of Duties: The Clerk of the Circuit Court's office had not separated incompatible activities related to receipts, disbursements, and cash and investment balances.

LAKE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The Clerk of the Circuit Court's office had multiple offices and divisions. The divisions generally have a division manager, a bookkeeper, and multiple clerks. The various clerks issued receipts for amounts received and remitted the receipts and related collections to the bookkeepers, who also issued receipts for collections from the public. The bookkeepers made adjustments for receipt errors, closed and recorded the daily transactions, issued checks, prepared the bank deposit, and reconciled the bank accounts. In some divisions, the bookkeeper also took the deposit to the bank.

3. 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 did 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 financial statement. The Clerk fund included in the financial statement included 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 2014 financial statement contained numerous errors and omissions. The Clerk of the Circuit Court had 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, 2014, as well as their receipts and disbursements for 2014 to the Financial Manager at the Crown Point office. The individual offices' and divisions' reports were 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 2014 financial statement was \$13,201,883; the audited cash and investments balance as of December 31, 2014, was \$12,410,045. The \$794,838 overstatement of the ending cash and investments balance was the result of the beginning cash and investment balance not agreeing with the prior year's ending balance by \$422,846. In addition, the reported receipts and disbursements were understated by \$97,461 and \$466,453, respectively, for the year.

Identified errors that contributed to the differences were due to not reporting the prior audited ending balances as the beginning balances for 2014 and the activity of the court ordered investments. The audit adjustments were included in the variances noted in Finding 2014-001 above and the County Auditor approved the proposed adjustments to the financial statement.

Criteria

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)

LAKE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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)

Cause

Management of the Clerk of the Circuit Court had not established a proper system of internal control. Management also had not conducted a risk assessment related to the Clerk of the Circuit Court's financial transactions and reporting.

Effect

The failure to establish controls enabled material misstatements or irregularities to remain undetected. The failure to monitor the internal control system placed the Clerk of the Circuit Court at risk that controls may not have been either designed properly or operating effectively to provide reasonable assurance that controls would have prevented, or detected and corrected, material misstatements in a timely manner.

Views of Responsible Officials

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

**FINDING 2014-005 - INTERNAL CONTROLS AND COMPLIANCE OVER
FINANCIAL TRANSACTIONS AND REPORTING - SHERIFF**

Condition

There were several deficiencies in the internal control system of the County Sheriff's Department related to financial transactions and reporting. The following deficiencies constitute material weaknesses.

1. Lack of Segregation of Duties: The County Sheriff's Department had not separated incompatible activities related to receipts and disbursements.

The County Sheriff's Department had 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.

LAKE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Criteria

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 the 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)

Cause

Management of the County Sheriff's Department had not established a proper system of internal control.

Effect

The failure to establish controls enabled material misstatements or irregularities to remain undetected. The failure to monitor the internal control system placed the County Sheriff's Department at risk that controls may not have been either designed properly or operating effectively to provide reasonable assurance that controls would have prevented, or detected and corrected, material misstatements in a timely manner.

Views of Responsible Officials

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

Section III - Federal Award Findings and Questioned Costs

FINDING 2014-006 - PROCUREMENT

Federal Agency: Department of Housing and Urban Development

Federal Program: Community Development Block Grants/Entitlement Grants

CFDA Number: 14.218

Federal Award Numbers and Years (or Other identifying Numbers): B-08-UN-18-0002, B-11-UN-18-0002, B-12-UC-18-0016, B-13-UC-18-0016

Condition

An effective internal control system was not in place at the County's Community Economic Development Department (Department) in order to ensure compliance with requirements related to the grant agreement and the Procurement compliance requirement.

LAKE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The Department failed to comply with the purchasing policy approved by the Board of County Commissioner's (Commissioner). According to the Commissioner's procurement policy, any contractual obligations must be approved by the Commissioners after following the guidelines outlined in Indiana Code 5-22. The Department was to obtain three quotes for purchases of \$50,000 or less. Documents pertaining to procurement such as contracts and quotes were not retained for audit.

Context

Of the nine vendors tested within five drawdown requests, there were eight instances of noncompliance with the Commissioner's procurement policy because bid or quote documents and contracts were not provided for audit. This was a systemic problem as a majority of the procurement documentation was not presented for audit.

Criteria

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. . . ."

24 CFR 85.36 states in part:

"(a) *States*. When procuring property and services under a grant, a State will follow the same policies and procedures it uses for procurements from its non-Federal funds. The State will ensure that every purchase order or other contract includes any clauses required by Federal statutes and executive orders and their implementing regulations. Other grantees and subgrantees will follow paragraphs (b) through (i) in this section.

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

The Commissioner's Order on Centralized Purchasing and Purchasing Agent states in part:

(d) Any contractual obligations under any sections of the following statute must be approved contractually by the Board of Commissioners of the County of Lake as the county executive:

(1) Any power under IC 5-22, . . .

(4) Any public works project under IC 36-1-12, . . .

(i) The Board of Commissioners adopts the following policy on purchasing: . . .

(2) In accordance with IC 5-22-8 the purchasing agent with the approval of the Board of Commissioners shall be authorized to purchase up to \$50,000 under IC 5-22 or other purchasing laws on the open market without notices or bids if these quotes are obtained from three vendors selected and approved by the Board of Commissioners . . ."

LAKE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Indiana Code 5-15-6-3(d) states:

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

- (1) The audit of the records by the state board of accounts has been completed, report filed, and any exceptions set out in the report satisfied.
- (2) The financial record or records have been copied or reproduced as described in subsection (e)."

Cause

Management had not developed a system of internal controls to ensure compliance with approved policies.

Effect

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

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the County's management establish controls to ensure compliance and comply with the Procurement compliance requirement.

Views of Responsible Officials

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

**FINDING 2014-007 - REPORTING - COMMUNITY DEVELOPMENT
BLOCK GRANTS/ENTITLEMENT GRANTS**

Federal Agency: Department of Housing and Urban Development
Federal Program: Community Development Block Grants/Entitlement Grants
CFDA Number: 14.218
Federal Award Numbers and Years (or Other identifying Numbers): B-08-UN-18-0002, B-11-UN-18-0002,
B-12-UC-18-0016, B-13-UC-18-0016

Condition

An effective internal control system was not in place at the County's Community Economic Development Department (Department) in order to ensure compliance with requirements related to the grant agreement and the Reporting compliance requirement.

The Department had not developed nor documented a system of internal controls for the HUD 60002, Section 3 Summary Report reporting requirements.

LAKE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Context

This finding applies to only the HUD 60002, Section 3 Summary Report annual performance reporting requirements; there was a documented control over the Financial Reports for the program.

Criteria

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. . . ."

Cause

The Department failed to establish a proper internal control structure to ensure compliance with requirements associated with the Reporting compliance requirement.

Effect

The failure to establish internal controls could have enabled material noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirements could have resulted in the loss of federal funds to the Department.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the County's management establish controls related to the grant agreement and Reporting compliance requirement.

Views of Responsible Officials

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

FINDING 2014-008 - MATCHING AND REPORTING - 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 and Years (or Other identifying Numbers): M-11-UC-18-0207, M-12-UC-18-0207, M-13-UC-18-0207

Condition

An effective internal control system, which would include segregation of duties, was not in place at the County's Community Economic Development Department (Department) in order to ensure compliance with requirements related to the grant agreement and the Matching and Reporting compliance requirement.

LAKE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Matching

Each participating jurisdiction must provide eligible matching contributions of 25 percent of HOME funds drawn down during the fiscal year. Participating jurisdictions are required to maintain records, including individual project records and a running log, demonstrating compliance with the matching requirements, including the type and amount of contributions by project. The Department had not developed nor documented a system of internal controls to ensure that the required matching contributions were completed and the required records on matching were maintained.

Reporting

The Department had not developed nor documented a system of internal controls to ensure the required reports were completed.

Context

The Department had a lack of internal controls throughout the audit period.

Criteria

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. . . ."

Cause

The Department failed to establish a proper internal control structure to ensure compliance with Matching and Reporting requirements.

Effect

The failure to establish internal controls could have enabled material noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirements could have resulted in the loss of federal funds to the Department.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the County's management establish controls related to the grant agreement and compliance requirements listed above.

Views of Responsible Officials

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

LAKE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Auditor's Response

The match log book that was signed by the Deputy Director was not presented for audit until after the audit was completed and the exit conference was held.

FINDING 2014-009 - SPECIAL TESTS AND PROVISIONS - HOUSING QUALITY STANDARDS

Federal Agency: Department of Housing and Urban Development

Federal Program: HOME Investment Partnerships Program

CFDA Number: 14.239

Federal Award Numbers and Years (or Other identifying Numbers): M-11-UC-18-0207, M-12-UC-18-0207, M-13-UC-18-0207

Condition

An effective internal control system was not in place at the County's Community Economic Development Department (Department) in order to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions - Housing Quality Standards compliance requirements.

The frequency of Housing Quality Standards inspections depends on the number of HOME Investment Partnerships (HOME) assisted units in a project. The documentation of the HOME Assisted Rental Housing Units listing that could have on-site inspections for quality standards did not identify those units on which housing quality inspections were due.

The Department did not perform any inspections during the year to ensure that property standards were met. Also, the Department did not provide the period of affordability, period for which the non-federal entity must maintain subsidized housing, for two addresses (11 units) to determine if on-site inspections must be performed.

Context

The Department failed to identify any of the 25 units that required an on-site inspection. Of the 25 units that required on-site inspections for housing quality standards, 14 units (56 percent) did not have the inspections performed.

Criteria

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. . . ."

24 CFR 92.504(d) states in part:

"(d) *On-site inspections and financial oversight.* (1) *Inspections.* The participating jurisdiction must inspect each project at project completion and during the period of affordability to determine that the project meets the property standards of §92.251. . . ."

LAKE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- (ii) *Ongoing periodic inspections of HOME-assisted rental housing.* During the period of affordability, the participating jurisdiction must perform on-site inspections of HOME-assisted rental housing to determine compliance with the property standards of §92.251 and to verify the information submitted by the owners in accordance with the requirements of §92.252. The inspections must be in accordance with the inspection procedures that the participating jurisdiction establishes to meet the inspection requirements of § 92.251.

(A) The on-site inspections must occur within 12 months after project completion and at least once every 3 years thereafter during the period of affordability. . . .

(D) . . . For projects with one-to-four HOME-assisted units, participating jurisdiction must inspect 100 percent of the HOME-assisted units and the inspectable items (site, building exterior, building systems, and common areas) for each building housing HOME-assisted units."

Cause

Management had not developed a system of internal controls to ensure compliance with the grant agreement and the Special Tests and Provisions - Housing Quality Standards inspection requirements.

Effect

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

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the County's management establish controls to ensure compliance and comply with the Special Tests and Provisions - Housing Quality Standards compliance requirements.

Views of Responsible Officials

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

FINDING 2014-010 - ALLOWABLE COSTS/COST PRINCIPLES

Federal Agency: Department of Health and Human Services
Federal Program: Child Support Enforcement
CFDA Number: 93.563
Federal Award Number and Year (or Other identifying Number): Indirect Costs 2014
Pass-Through Entity: Indiana Department of Child Services

LAKE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Condition

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

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

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

Context

Indirect costs presented on the Schedule of Expenditures of Federal Awards were \$1,074,409, which is 26 percent of the \$4,135,759 total of federal expenditures for the Child Support Enforcement program. There was no documentation that the indirect cost allocation plan was reviewed for accuracy.

Criteria

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. . . ."

Cause

The County failed to establish a proper internal control structure to ensure compliance with requirements associated with the Allowable Costs/Costs Principles compliance requirement.

Effect

The failure to establish internal controls could have enabled material noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirements could have resulted in the loss of federal funds to the Department.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the County's management establish controls related to the grant agreement and Allowable Costs/Costs Principles compliance requirement.

Views of Responsible Officials

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

AUDITEE-PREPARED DOCUMENTS

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



**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

Executive Director
Timothy A. Brown

Redevelopment
Commission
Members:

July 22nd, 2016

President
Randy Palmateer

Summary Schedule of Prior Audit Findings

Vice President
Jamal Washington

Finding 2013-006

Secretary
John Brezik

Fiscal year in which the finding initially occurred: 2013
Federal Agency: HUD

Treasurer
Deborah Trevino

Contact Person Responsible for Corrective Action: Timothy A. Brown
Title of Contact Person: Executive Director
Phone Number: (219) 755-3225

Members
Gerry Scheub
Tom Bainbridge

Status of Audit Findings:

The Executive Director and/or Deputy Director has been verifying management review of all expenditures by initialing financial reports by the Department Accountant/Fiscal Officer since December of 2014. The Department is still working on implementing controls for the annual Section 3 reporting.

A handwritten signature in black ink, appearing to read "Timothy A. Brown", written over a horizontal line.

Timothy A. Brown
Executive Director
July 22nd, 2016



**LAKE COUNTY
COMMUNITY ECONOMIC DEVELOPMENT DEPARTMENT**

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Summary Schedule of Prior Audit Findings

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Finding 2013-007

Secretary
John Brezik

Fiscal year in which the finding initially occurred: 2013
Federal Agency: HUD

Treasurer
Deborah Trevino

Contact Person Responsible for Corrective Action: Timothy A. Brown
Title of Contact Person: Executive Director
Phone Number: (219) 755-3225

Members
Gerry Scheub
Tom Bainbridge

Status of Audit Findings:

The Executive Director and/or Deputy Director has been verifying management review of all monitoring schedules showing the dates that are due for all multi-unit facilities in accordance with the HOME Housing guidelines. Attached to this letter is the 2014-15 approved schedule. The Department is still working on implementing controls for the 2014 Housing Quality Standards guidelines.

A handwritten signature in black ink, appearing to read "Timothy A. Brown", written over a horizontal line.

Timothy A. Brown
Executive Director
July 22nd, 2016

RENTAL REHABILITATION & NEW RENTAL CONSTRUCTION INSPECTION SCHEDULE

All rental units either new construction or rehabbed under the CDBG or HOME Program will be inspected for code compliance on a yearly basis in the month of September & October.

The following is a list of the project addresses and number of apartment units in each project:

Kirby Manor	402 W. 14 th Street, Hobart	10 (sample 3 units only)
In-Pact	2956 W. 74 th St. Merrillville	1
	9321 Sullivan Lane, Crown Point	1
	3199 W. 121 ST Street, Crown Point	4
	1487 W. 4 th Street, Hobart	1
	3133 W. 121 st , Crown Point	4
	3145 W. 121 st , Crown Point	6 (sample 3 only)
	777 W. 70 th Place, Merrillville	1
	211 W. 76 th Court, Merrillville	1
CDBG Rental Cacich	1026-28 N. Wood, Griffith	2
Fenci	1040-42 N. Wood, Griffith	2
NSP – In-pact	102 N. Indiana St. Crown Point	4
	7079 Broadway, Merrillville	2
	6996 Broadway, Merrillville	4
	6966-76 Jackson Court, Merrillville	3

JOHN BUNCION
LAKE COUNTY SHERIFF
OFFICE

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2013-008

Fiscal year in which the finding initially occurred: **2013**

Federal Agency: **Department of Justice**

Federal Program: **Edward Byrne Memorial Justice Assistance Grant Program**

Pass-Through Entity: **Indiana Criminal Justice Institute**

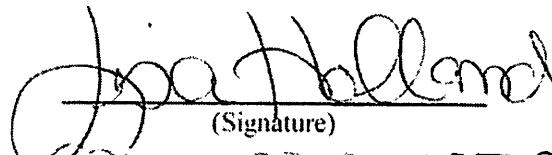
Contact Person Responsible for Corrective Action: **Lisa Holland**

Contact Phone Number: **(219) 755-4742**

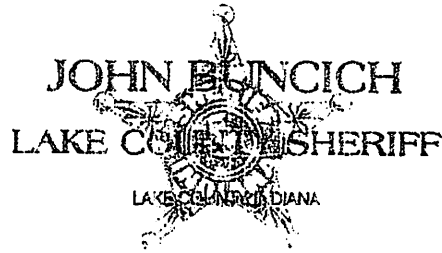
Status of Audit Finding: **Followed Published Corrective Action Plan including:**

The Grant Administrator of the Lake County Drug Task Force took the necessary steps to establish internal controls, including segregation of duties, related to the grant agreement and all compliance requirements that a direct and material effect on the program.

Since the 2013 State Board of Accounts Audit, the Grant Administrator implemented written policy and procedures for the grants office to abide by. Those policy and procedures cover segregation of duties and internal controls over the compliance requirement of Activities Allowed, Allowable Costs, Cash Management, Matching, Earmarking, Period of Availability and Reporting. These policy and procedures have been reviewed and signed by the Lake County Sheriff and disbursed amongst county employees involved in the grants office.


(Signature)
GRANT ADMINISTRATOR
(Title)
OCT. 19, 2014
(Date)

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding Number 2013-009

Original SBA Audit Report Number:

Fiscal Year	2013
Auditee Contact Person	Lisa Holland
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 Sheriff's Department Grants Administration Office implemented policy and procedures for the grant office to adequately identify, track and report matching funds.

The grant administrator will correspond with the Director of Finance to ensure the County is in compliance with the terms and conditions of each award. The grant administrator will review the specific terms and conditions of each award to ensure each award is in proper compliance. The areas of review will include, but are not limited to, matching requirements, activities allowed, allowable costs, cash management, period of availability, and reporting. During the fiscal quarter, the grant administrator will continuously monitor and review each grant to ensure the terms and conditions of each award are being met.

If any areas of non-compliance are discovered, the grant administrator will work with the program manager, Director of Finance, and if necessary the federal awarding agency, to ensure immediate action is taken to resolve the matter.

JOHN E. PETALAS
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

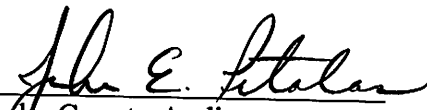
Section III
FINDING NO. 2013-011

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

Status of Audit Finding:

Referring 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 set a date of October 20, 2014 for the vendor to discuss and demonstrate the procedures used in determining the cost allocation information with 2 members of the Finance Department.

We are still trying to implement internal controls to avoid the same issues.


Lake County Auditor
October 17, 2016

JOHN E. PETALAS
AUDITOR



Auditor Lake County

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

 1049-M

CORRECTIVE ACTION PLAN

FINDING NO. 2014-001

INTERNAL CONTROLS AND COMPLIANCE OVER FINANCIAL
TRANSACTIONS AND REPORTING

Auditee Contact Person: Michael Wieser
Title of Contact Person: Finance Director

Phone Number: (219) 755-3129

Description of Corrective Action Plan:

The County is aware of the deficiencies identified in the 2014 audit. The County is working to implement controls to resolve the issues that were addressed concerning financial transactions and reporting.

 11/10/16

Michael Wieser
Finance Director

JOHN E. PETALAS
AUDITOR



Auditor Lake County

LAKE COUNTY GOVERNMENT CENTER
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CROWN POINT, INDIANA 46307

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CORRECTIVE ACTION PLAN

FINDING NO. 2014-002


PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL
AWARDS

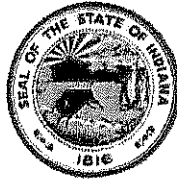
Auditee Contact Person: Michael Wieser
Title of Contact Person: Finance Director

Phone Number: (219) 755-3129

Description of Corrective Action Plan:

The County is aware of the deficiencies identified in the 2014 audit. The County is working to implement controls to resolve the issues that were addressed concerning completeness and accuracy of the federal awards schedule

 11/10/16
Michael Wieser
Finance Director



JOHN PETALAS
Auditor

PEGGY HOLINGA KATONA
TREASURER

Auditor Lake County Treasurer Lake County

Lake County Government Center
2293 N Main Street
Crown Point, IN 46307

CORRECTIVE ACTION PLAN

FINDING 2014-003

INTERNAL CONTROLS AND COMPLIANCE OVER TREASURERS DAILY BALANCE OF CASH AND DEPOSITORIES AND THE AUDITORS FUND LEDGER

Contact Person Responsible for Corrective Action: Michael Wieser
Contact Phone Number: (219) 755-3129

Description of Corrective Action Plan:

We concur with the finding. The County is working to determine the best solution to resolve the issue.

Handwritten signature of John E. Petalas in cursive.

John Petalas, Auditor

OG

11-28-16

Date

Handwritten signature of Peggy Holinga Katona in cursive.

Peggy Holinga Katona, Treasurer

11-28-16

Date



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

PHONE: (219) 755-3460

FAX: (219) 755-3520



CORRECTIVE ACTION PLAN

November 10, 2016

FINDING 2014-004

Contact Person Responsible for Corrective Action: Rebecca Dowling

Contact Phone Number: 219-755-3067

Views of Responsible Official: We concur with the finding.

The corrective plan for the Lack of Segregation of Duties has been addressed and these controls were put into place in late 2014 after the same finding in the 2013 audit. This will be fully implemented starting November 10th, 2016. We will continue to monitor and enforce that these procedures will be followed daily per the State Board of Accounts manual.

The corrective plan for the Preparing Financial Statement (Annual Carr/ Supplemental Report) will be to monitor that the correct dollar amounts are reported by the County Auditor in the Gateway program. We will have an open line of communication with the Auditors Department on the checks and balances of this report.

Anticipated Completion Date: November 10, 2016

Sincerely,

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

Michael A. Brown



JOHN BUNCICH
LAKE COUNTY SHERIFF
LAKE COUNTY, INDIANA

November 17, 2016

Mr. Paul Joyce, CPA
State Board of Accounts
302 W Washington
Room E418
Indianapolis IN 46204-2765

Dear Mr. Joyce:

The Lake County Indiana Sheriff's Department acknowledges the strategic importance of the Indiana State Board of Accounts mission in promoting government transparency, integrity, efficiency, and the adherence to promulgated accounting regulations. We appreciate the input of the auditors assigned to our examination, both during the audit and at our exit interview. While we take the auditors' comments and related reports seriously, we respectfully disagree with some of their observations and/or assertions.

We note that the "Finding 2014-005" provided to this department (copy attached) does NOT have specific facts or circumstances that would allow us to focus on defined issues. Follow up telephone conversations between the auditor and Sheriff's Department staff confirmed that the finding report was "not specific".

We partially agree to the assertion that at the time of your audit there was a "Lack of Segregation of Duties" in the Civil, Inmate Trust, Commissary, and the Lake County Drug Task Force. We appreciate the opportunity to present the facts and corrective actions to be instituted.

Appended to this response are discussions of the current procedures in the Lake County Jail Commissary Account concerning the receipt and disbursement of funds. Based on the number of personnel involved, the "paper trail" utilized, and in certain circumstances command/supervisory approval via the personal approval of Sheriff John Buncich, we disagree with your assertion that this department has not established a proper system of internal control. We would like to emphasize the fact that an outside independent Certified Public Accounting firm is utilized to reconcile the Commissary Bank Account in furtherance of oversight to prevent errors, omissions, or defalcations. We also want to stress that the Lake County Sheriff's Department utilizes an outside commissary management company (Keefe), to service the commissary needs of the Lake County Jail inmates. Many of the transactions the Keefe system initiates are reviewed by multiple Sheriff personnel and utilize a paper trail and/or electronic trail that has been tested by the SBOA over the years and can be traced to the bank statements. In spite of the command oversight procedures utilized to increase internal control to negate alleged incompatible personnel functions, if this department has overlooked a procedure that could still lend itself to material misstatements or irregularities to remain undetected, we welcome specific facts and specific recommendations to resolve such issues.



JOHN BUNCICH
LAKE COUNTY SHERIFF
LAKE COUNTY, INDIANA

Also appended to this response, is a discussion of current procedures utilized within the Lake County Drug Task Force (LCDTF). We acknowledge that while performing the vital function of the suppression of illegal drug trafficking, the LCDTF is required to follow criminal law and Federal grant restrictions, in addition to Indiana State Board of Accounts regulations. In an effort to address your agency's accounting assertions, we have found that although there are already stringent policies in place there are a couple of changes that will add extra layers of protection.

We acknowledge that the Lake County Sheriff's Department Civil Division did have incompatible accounting personnel functions that were discussed with the Civil Division staff and remedied yesterday. With such a small department there are times one person did intake cash, issue a receipt, input the accounting transaction, prepare the bank deposit, make the bank deposit, and reconcile the bank account. In the future, cash and accounting functions will be divided between civil division staff. In addition, the Civil Division Commander will utilize increased command oversight, including review, and/or reconciliation of daily reports to be compared to bank deposits to mitigate any remaining incompatible accounting transaction functions to bolster internal control. As with the other divisions of this department, if there are any other civil division incompatible functions or internal control deficiencies that we have not been addressed for correction, we would appreciate your specific facts and circumstances.

We are in disagreement that there exists a lack of internal control and incompatible accounting functions within the Inmate Trust division. From initial arrest all the way through the booking and incarceration processes, there are procedures and multiple jail staff utilized to protect the integrity of the inmate's financial resources and accounting for said funds. The Lake County Jail utilizes an outside vendor for the collection, receipt, recording, and deposit of inmate's funds. Part of the checks and balances utilized to safeguard inmate funds are the paper receipts and reports provided to the jail inmates themselves. There are procedures available to the inmates to resolve alleged discrepancies involving the inmate's funds as another internal control. Once again, an independent Certified Public Accounting firm is utilized to reconcile the Trust Bank Account in furtherance of oversight to prevent errors, omissions, or defalcations. If there is a specific procedure or gap in internal control you would like us to address, then please be specific so we may resolve the alleged issue.

In closing, we thank you for your diligence and the opportunity to work with you to address our accounting issues and to make improvements to the Lake County Sheriff's Department internal control procedures.

Sincerely,

A handwritten signature in cursive script, appearing to read "John Buncich", with the initials "mb" written below it.

John Buncich
Lake County Sheriff

Attachments

Lake County Jail Commissary Fund Receipt Issuance Telmate Phone Commission

The Lake County Jail Commissary Officer receives an invoice from the Keefe Commissary Network (KCN). The KCN invoice lists the monthly Commissary Sales for products purchased by inmates for a given time period. The Commissary Officer adds each invoice to come up with a total amount. The Commissary Officer delivers the KCN invoices to the Lake County Sheriff's Department Staff Services Deputy Commander. The Staff Services Deputy Commander adds the invoices together to verify the amount.

The Staff Services Deputy Commander issues two checks from the invoices from the Inmate Trust Bank Account. The first check is issued to KCN for the total amount due listed on the KCN invoice.

The second check is issued by the Staff Services Deputy Commander to the Lake County Jail Commissary Fund in the amount of the monthly commission earned which is listed on the KCN Invoice. The check is taken to Bookkeeping. The bookkeeper prepares a Special Order to have the Commission Check deposited into the Lake County Jail Commissary Fund. The bookkeeper presents the Special Order to the Sheriff for his approval. Once the Special Order is approved, the bookkeeper gives the Commission Check and Special Order back to the Staff Services Deputy Commander.

The Staff Services Deputy Commander delivers the commission check and special order to the Lake County Jail Commissary Officer. The Lake County Jail Commissary Officer deposits the check in the Lake County Jail Commissary Fund at the bank and records the transaction in the Keefe Commissary Network.

Lake County Jail Commissary Fund Receipt Issuance Telmate Phone Commission

The Lake County Sheriff's Department's Staff Services Deputy Commander receives an invoice from Telmate LLC. The Telmate invoice lists the monthly Prepaid Sales for inmate telephone calls. The monthly prepaid sales are divided into two categories: Monthly Commission Earned by the Lake County Sheriff's Department and Amount Total for Telmate's Services.

The Staff Services Deputy Commander issues two checks from the invoice from the Inmate Trust Bank Account. The first check is issued to Telmate LLC for the total amount due listed on the Telmate invoice. The Staff Services Deputy Commander records the transaction in the Keefe Commissary Network and sends the payment to Telmate by mail.

The second check is issued by the Staff Services Deputy Commander to the Lake County Jail Commissary Fund in the amount of the monthly commission earned which is listed on the Telmate Invoice. The check is taken to Bookkeeping. The bookkeeper prepares a Special Order to have the Earned Commission Check deposited into the Lake County Jail Commissary Fund. The bookkeeper presents the Special Order to the Sheriff for his approval. Once the Special Order is approved, the bookkeeper gives the Commission Check and Special Order back to the Staff Services Deputy Commander.

The Staff Services Deputy Commander delivers the commission check and special order to the Lake County Jail Commissary Officer. The Lake County Jail Commissary Officer deposits the check in the Lake County Jail Commissary Fund at the bank and records the transaction in the Keefe Commissary Network.

Lake County Jail Commissary Fund Receipt Issuance Telmate Video Visitation & Tablet Commission

The Lake County Sheriff's Department's Staff Services Deputy Commander receives a check from Telmate LLC. The check is for commission earned from Jail Video Visitations and Jail Tablet use. The Staff Services Deputy Commander records the video visitation and tablet commission. The commission check is made payable to the Lake County Jail Commissary Fund.

The Staff Services Deputy Commander gives the commission check to the Sheriff's bookkeeper. The bookkeeper prepares a Special Order to have the Video Visitation and Tablet Commission Check deposited into the Lake County Jail Commissary Fund. The bookkeeper presents the Special Order to the Sheriff for his approval. Once the Special Order is approved, the bookkeeper gives the Commission Check and Special Order back to the Staff Services Deputy Commander.

The Staff Services Deputy Commander delivers the commission check and special order to the Lake County Jail Commissary Officer. The Lake County Jail Commissary Officer deposits the check in the Lake County Jail Commissary Fund at the bank and records the transaction in the Keefe Commissary Network.

The Staff Services Deputy Commander issues a written receipt from a receipt journal to Telmate LLC for the Video Visitation and Tablet Commissions. The written receipt is mailed to Telmate LLC along with a copy of their payment stub.



JOHN BUNCICH
LAKE COUNTY SHERIFF
LAKE COUNTY, INDIANA

The current procedures relating to monies handled by the Lake County Drug Task Force (LCDTF) are as follows.

Two (2) separate bank accounts are maintained for monies held by the LCDTF. The first account (seizure account) is for monies seized during the course of investigations. The second account (forfeiture account) is for forfeiture funds from those monies or other forfeited assets.

Cash is maintained at the LCDTF for use in investigations and comes from the forfeiture account. This is generally referred to as "buy money".

Seizure Account

When the LCDTF seizes monies during an investigation that are intended for forfeiture, they are deposited into the seizure account.

Initially the seizing officer takes custody of the funds which are treated as evidence. The funds are counted and recorded and then sealed in an evidence bag. A property inventory / custody form is completed documenting all the necessary information related to the case. The funds are then secured in a safe and a separate log is maintained on all monies deposited and withdrawn from the safe.

One of four persons designated then removes the funds from the safe and transports the funds to the bank for deposit. Four persons are designated but it is usually the same individual completing this task.

The funds remain in the account pending court ordered forfeiture. Once forfeited, the funds are then withdrawn via check and transported to the Lake County Clerk's Office for deposit and dispersal as ordered by the court.

When the LCDTF receives the forfeited portion of the monies from the LC Clerks Office those funds are then deposited into the LCDTF forfeiture account.

It is usually the same person completing the aforementioned steps.

In the event that the monies are not ordered forfeited, they would be returned to the defendant from whom they were initially seized from.

All accompanying paperwork from this process is kept with and reconciled with the monthly bank statements and case files. The same person currently reconciles this account.

Forfeiture Account



JOHN BUNCICH
LAKE COUNTY SHERIFF

LAKE COUNTY, INDIANA

The monies that have been court ordered as forfeited to the LCDTF are deposited into this account. This is a two (2) signature account and all withdrawals require two (2) signatures of Four (4) persons designated.

Forfeiture funds are received from the Lake County Clerk's Office via check and deposited in the forfeiture account. This is usually done by one individual.

Currently funds from this account are being used solely for the purchase of evidence, information and services in narcotics investigations.

The LCDTF commander gives verbal approval for funds to be withdrawn and used for this purpose. Two supervisors designated then go to the bank and withdraw the "buy money" which is then secured in a safe at the LCDTF.

Buy Money

The LCDTF buy money is secured in a safe that three (3) designated supervisors have access to. A paper log / ledger and electronic spreadsheet are used to record all deposits and withdrawals of these funds. The logs contain case numbers and the purpose for which the funds are utilized. The log also documents the name of the officer requesting and receiving the funds and the name of the supervisor who disperses the funds.

In addition, a funds request form is completed and maintained which has the signatures of the officers involved with the withdrawal. These forms are kept with the Buy Money log / ledger. The LCDTF Commander completes periodic audits of the cash on hand which is documented in the ledgers.

In the event that funds are used to pay a confidential source (CS) for services or information, a separate form is completed. This form has the signature of two officers and of the CS whom was paid. This form is kept in the CS file.

Seizure Account Corrective Actions

A log of all monies collected for seizure and placed into the LCDTF safe will be created. This log will document the seizing officer, amount of money and case related

JOHN BUNCICH
LAKE COUNTY SHERIFF
LAKE COUNTY, INDIANA

information. The LCDTF will designate a separate supervisor that will maintain this log and reconcile this log with monies deposited into the seizure account on a monthly basis. The designated person will not be involved with the bank deposit process. The LCDTF Commander will conduct regular audits of this reconciliation process and maintain a separate file documenting this activity.

Forfeiture Account Corrective Actions

A form will be created for the request to withdraw funds from this account for the use of "Buy Money". The form will document the requesting supervisors, the amount of money and reflect written approval from the LCDTF Commander. Two (2) copies of this form will be made, one will be maintained by the LCDTF Commander and the other will be kept with the Buy Money deposit / dispersal records. The LCDTF Commander will conduct regular audits of this account and maintain a separate file documenting this activity.

Buy Money

The completed Buy Money request form will be copied. Copies will be maintained in the Buy Money files, corresponding case file and an additional copy will be maintained by the LCDTF Commander. The LCDTF Commander will conduct regular audits of this cash on hand and maintain a separate file documenting this activity.

From: Barick, Valerie
Sent: Wednesday, November 16, 2016 12:38 PM
Subject: Civil Division response

Mr. Donald Smith,

Currently, the Lake County Sheriff's Civil Division lacks segregation of duties in regards to receipting, depositing, disbursing, and reconciling funds received in office. Although two employees receipt funds, one person is primarily responsible for the duties listed above.

Going forward, the Lake County Sheriff's Civil Division will ensure segregation of duties by enforcing a system of checks and balances amongst it's employees. The Civil Division will have one employee prepare the deposit and another employee reconcile the monthly bank statement and cashbook. Also on a daily basis, Commander Ron Ladd will review, verify, and sign off on every deposit before it is taken to First Midwest Bank. If he is unavailable, the Civil Division Merit Supervisor will perform this task. Commander Ron Ladd will begin reviewing and signing off on the tax warrant payment report sent to the Indiana Department of Revenue and will maintain a separate file with copies of the monthly reports.

Sincerely,

Valerie A. Barick

Lake County Sheriff's Department

Civil Division

Lake County Inmate Trust Bank Deposits

When an inmate is brought into the Lake County Jail, the arresting/transporting officer collects any cash the inmate has on himself. The officer deposits the cash in the kiosk machine located in the Lake County Jail Booking Area. When the cash has been inserted, the kiosk will print a receipt as proof of the deposit transaction. The cash is stored in the kiosk and it is picked up by an armored truck company. The armored truck employees transport the cash to the bank where it is deposited. At no time does a Lake County Jail employee or Lake County Sheriff employee handle the cash.

If an inmate's friend or family member wants to deposit money into the inmate's account, they insert cash into a kiosk located in the jail lobby. The cash is stored in the kiosk and it is picked up by an armored truck company. The armored truck employees transport the cash to the bank where it is deposited. At no time does a Lake County Jail employee or Lake County Sheriff employee handle the cash.



**LAKE COUNTY
COMMUNITY ECONOMIC DEVELOPMENT DEPARTMENT**

2293 N. Main Street • Crown Point, In 46307

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econdev@lakecountyin.com

Executive Director
Timothy A. Brown

Redevelopment
Commission
Members:

November 14, 2016

President
Randy Palmateer

Corrective Action Plan

Vice President
Jamal Washington

Finding 2014-006

Secretary
John Brezik

Fiscal year in which the finding initially occurred: 2014

Federal Agency: HUD

Treasurer
Deborah Trevino

Contact Person Responsible for Corrective Action: Timothy A. Brown

Title of Contact Person: Executive Director

Phone Number: (219) 755-3225

Members
Gerry Scheub
Tom Bainbridge

Corrective Action Plan:

The Executive Director will review with the County Council and Board of County Commissioners to prepare and provide an amended and/or updated purchasing policy applicable for the type of program being offered by LCCEDD to expedite purchases in Emergency circumstances.

Until such policy changes are effective the LCCEDD staff will implement the current Emergency Purchases Policy provided by the County.

Corrective Actions will be implemented by March of 2017.

Timothy A. Brown
Executive Director



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Members:

November 14, 2016

President
Randy Palmateer

Corrective Action Plan

Vice President
Jamal Washington

Finding 2014-007

Secretary
John Brezik

Fiscal year in which the finding initially occurred: 2014

Federal Agency: HUD

Treasurer
Deborah Trevino

Contact Person Responsible for Corrective Action: Timothy A. Brown

Title of Contact Person: Executive Director

Phone Number: (219) 755-3225

Members
Gerry Scheub
Tom Bainbridge

Corrective Action Plan:

The Section 3 reports were provided to HUD, in a timely manner in paper format, however the requirements was for electronic versions to be filed.

The Executive Director and Inspector-Monitor are both now part of the Spears 2 reporting program system and all Section 3 reports from 2013, 2014 and 2015 have been filed and forwarded to HUD. The Spears 2 system provides for necessary internal controls and segregation of duties.

The corrective actions have been implemented by using the Spears 2 HUD program so no timeline is necessary.

A handwritten signature in black ink, appearing to read "Timothy A. Brown", written over a horizontal line.

Timothy A. Brown
Executive Director



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Members:

November 14, 2016

President
Randy Palmateer

Corrective Action Plan

Vice President
Jamal Washington

Finding 2014-008

Secretary
John Brezik

Fiscal year in which the finding initially occurred: 2014

Federal Agency: HUD

Treasurer
Deborah Trevino

Contact Person Responsible for Corrective Action: Timothy A. Brown

Title of Contact Person: Executive Director

Phone Number: (219) 755-3225

Members
Gerry Scheub
Tom Bainbridge

Corrective Action Plan:

The 2014 Matching Log was created and signed by the Deputy Director, however the log did not contain any documentation as to the author of the document.

The Executive Director along with the Department Accountant will create an Annual Match Log Sheet that will indicate the creator of the Match Log and the reviewer of the Match Log with dates and signature locations. The Annual Match Log Sheet provides for necessary internal controls and segregation of duties.

Corrective Actions will be completed by January of 2017.

A handwritten signature in black ink, appearing to read "Timothy A. Brown", written over a horizontal line.

Timothy A. Brown
Executive Director



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Timothy A. Brown

November 14, 2016

Redevelopment
Commission
Members:

Corrective Action Plan

President
Randy Palmateer

Finding 2014-009

Vice President
Jamal Washington

Fiscal year in which the finding initially occurred: 2014

Federal Agency: HUD

Secretary
John Brezik

Contact Person Responsible for Corrective Action: Timothy A. Brown

Title of Contact Person: Executive Director

Phone Number: (219) 755-3225

Treasurer
Deborah Trevino

Corrective Action Plan:

Members
Gerry Scheub
Tom Bainbridge

The Housing Quality Standards finding is a continuation of the August 2015 HUD Monitoring Event in finding numbers 2 and 3. LCCEDD Staff and HUD staff in Indianapolis have been working on numerous LCCEDD policy and guideline updates.

The Executive Director, with the assistance of HUD authorized Technical Assistance, is reviewing and updating all of the policies and guidelines of the Department. This review and update includes the Housing Quality Standards, inspection forms, spreadsheets indicating affordability periods and inspection due dates, and internal controls for review purposes.

Corrective Actions will be determined by the timing of the HUD authorized Technical Assistance provider. The anticipated date for completion of the TA work and the adoption of the new policies and guidelines is the end of August, 2017.

Timothy A. Brown
Executive Director

JOHN E. PETALAS
AUDITOR



Auditor Lake County

LAKE COUNTY GOVERNMENT CENTER
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CROWN POINT, INDIANA 46307

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CORRECTIVE ACTION PLAN

FINDING NO. 2014-010 ALLOWABLE COSTS/COSTS PRINCIPLES

Auditee Contact Person: Michael Wieser
Title of Contact Person: Finance Director

Phone Number: (219) 755-3129

Description of Corrective Action Plan:

The County is prepared to establish controls related to the grant agreement and Allowable Costs/Costs Principles compliance requirement. The consultant that prepares and presents the information will meet with the appropriate personnel (finance director and supervisor of finance) to audit the report. The consultant will be required to produce the documentation used to compile the report and all will verify the accuracy of this information prior to reporting. All this will be documented in a manner acceptable to the State Board of Accounts.

Michael Wieser
Finance Director
Lake County Auditor's Office

11/16/16

OTHER REPORTS

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