

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, 2016 to December 31, 2016



FILED
12/21/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	John Petalas	01-01-15 to 12-31-18
County Treasurer	Peggy Holinga Katona	01-01-15 to 12-31-18
Clerk of the Circuit Court	Michael A. Brown	01-01-15 to 12-31-18
County Sheriff	John Buncich Matt Eaton (acting) Oscar Martinez, Jr.	01-01-15 to 08-24-17 08-25-17 to 09-15-17 09-16-17 to 12-31-18
County Recorder	Michael B. Brown	01-01-13 to 12-31-20
President of the Board of County Commissioners	Gerry Scheub Michael C. Repay	01-01-16 to 12-31-16 01-01-17 to 12-31-17
President of the County Council	Ted F. Bilski, II	01-01-16 to 12-31-17
President of the Parks and Recreation Board	Jim Tonkovich Chris Dilts	01-01-16 to 12-31-16 01-01-17 to 12-31-17



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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, 2016, 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 (Indiana Code 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. Except as stated in the Basis for Qualified Opinion on Regulatory Basis of Accounting paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the County for the year ended December 31, 2016.

Basis for Qualified Opinion on Regulatory Basis of Accounting

The County did not provide records to properly substantiate the disbursements and cash and investment balances of the Sheriff fund for the audit period. The County Sheriff's department did not provide a ledger or reconciliations of the depository balance to a record balance for the Sheriff's Department Civil Division. In addition, the County Sheriff's department did not provide adequate supporting documentation related to disbursements of the Sheriff's Department Civil Division. We were unable to obtain sufficient competent evidential matter over the disbursements and the beginning and ending cash and investment balances of the Sheriff fund. The County's records did not permit the application of other auditing procedures to ascertain if the disbursements and cash and investment balances of the Sheriff fund within the financial statement were fairly stated.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the possible effects of the matters described in the *Basis for Qualified Opinion on Regulatory Basis of Accounting* paragraph, 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, 2016, on the basis of accounting described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the County's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

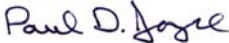
INDEPENDENT AUDITOR'S REPORT
(Continued)

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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated September 26, 2017, 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

September 26, 2017



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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, 2016, and the related notes to the financial statement, and have issued our report thereon dated September 26, 2017, 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. The opinion to the financial statement relative to the regulatory basis of accounting was qualified due to a material scope limitation in the Sheriff fund.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2016-001, 2016-002, 2016-003, and 2016-004, that we consider to be material weaknesses.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2016-004.

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

September 26, 2017

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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, 2016

Fund	Cash and Investments 01-01-16	Receipts	Disbursements	Cash and Investments 12-31-16
General	\$ 10,622,612	\$ 134,774,316	\$ 135,102,786	\$ 10,294,142
Accident Report	14,614	21,258	16,765	19,107
Animal Control	15,250	42,824	33,822	24,252
Campaign Finance Enforcement - County	28,981	4,768	-	33,749
Child Advocacy	11,129	600	-	11,729
Clerk's Records Perpetuation	132,171	313,811	286,278	159,704
COIT - Special Legislation	2,313	250	-	2,563
Community Corrections	1,056,314	4,714,850	4,308,222	1,462,942
Prisoner Reimbursement For Incarceration	921	-	-	921
Sales Disclosure - County Share	72,602	52,560	36,710	88,452
Cumulative Capital Development	538,536	2,044,218	1,870,645	712,109
Cumulative Capital Improvement	44,487	-	4,614	39,873
Cumulative Voting System	1,643,942	-	-	1,643,942
Drug Free Community	331,908	254,284	284,751	301,441
Electronic Map Generation	12,478	15,346	24,522	3,302
Emergency Planning/Right To Know	87,248	10,000	25,174	72,074
E911 Contruction Fund	2,416,064	-	2,336,506	79,558
Extradition and Sheriff's Assistance	18,542	8,061	212	26,391
Firearms Training	25,576	38,520	53,996	10,100
General Drain Improvement	177,075	273,666	115,042	335,699
Health	2,707,491	2,432,051	2,466,076	2,673,466
Identification Security Protection	971,988	342,243	293,777	1,020,454
Levy Excess	3,353,688	-	3,353,687	1
Local Health Maintenance	228,468	56,553	43,597	241,424
Local Road and Street	1,672,376	778,402	862,820	1,587,958
Major Moves Construction	979,284	52,592	232,571	799,305
Medical Care for Inmates	9,405	15,938	-	25,343
Misdemeanant	225,352	478,238	540,395	163,195
Motor Vehicle Highway	5,102,098	6,882,347	6,727,377	5,257,068
Omitted Property Audits	49	1,719,963	1,168,700	551,312
Park Nonreverting Capital	622,382	568,481	977,355	213,508
Park Nonreverting Operating	358,405	4,412,666	4,523,962	247,109
Reassessment - 2009	122	-	-	122
Reassessment - 2015	3,571,416	1,880,095	2,693,621	2,757,890
Recorder's Records Perpetuation	667,028	608,964	830,383	445,609
Riverboat	892,846	8,612,452	7,020,558	2,484,740
Sheriff's Pension Trust	479,157	752,784	653,103	578,838
Storm Water Management Capital Projects	13,215	17,382	23,119	7,478
Storm Water Management Operating	1,347,900	728,368	611,415	1,464,853
Supplemental Public Defender Services	68,789	293,839	279,808	82,820
Surveyor's Corner Perpetuation	187,288	101,087	139,778	148,597
Tax Sale Fees	388,620	4,481,313	4,002,747	867,186
Tax Sale Redemption	358,961	4,076,590	3,943,793	491,758
Tax Sale Surplus	6,006,463	9,659,967	7,846,540	7,819,890
Unsafe Building	330,249	25,570	62,565	293,254
Vehicle Inspection	21,947	20,750	27,134	15,563
GAL/CASA	80,776	298,274	300,403	78,647
Auditors Ineligible Deductions	1,827,062	1,130,468	619,021	2,338,509
County Elected Officials Training	181,139	45,080	4,464	221,755
Park And Recreation	1,399,565	6,223,081	6,342,200	1,280,446
County Offender Transportation Fund	21,577	6,847	-	28,424
Statewide 911	5,830,477	12,094,357	10,716,459	7,208,375
Adult Probation Administrative	(4,244)	146,604	159,306	(16,946)
Juvenile Probation Administrative	37,420	106,105	134,304	9,221
Supplemental Adult Probation Services	1,118,733	791,434	962,145	948,022
Supplemental Juvenile Probation Services	14,135	13,392	2,723	24,804
Alternative Dispute Resolution	231,435	44,164	42,716	232,883
County User Fee	1,974,307	2,256,572	2,035,680	2,195,199
Convention Center Operating	428	1,380,494	1,380,494	428
Animal Shelter	35,722	18,891	50,176	4,437
Sheriff Sale Administration	(246,860)	267,600	78,088	(57,348)
Drug Task Force	407,231	265,194	429,213	243,212
DUI Task Force	2,703	5,035	5,253	2,485
Local Ordinance Violations Fines - County	3,620	-	-	3,620
Park Bond 2013	288,926	759,299	656,250	391,975
Insurance	(21,200)	-	14,686	(35,886)
Settlement	544,628	609,958,698	610,287,062	216,264
CVET Agency	619	3,614,650	3,615,269	-

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, 2016
(Continued)

Fund	Cash and Investments 01-01-16	Receipts	Disbursements	Cash and Investments 12-31-16
Financial Institution Tax	-	3,095,617	3,095,617	-
Homestead Credit Rebate	12,870	-	-	12,870
State Fines and Forfeitures	41,512	426,217	402,799	64,930
Infraction Judgements	271,837	1,396,458	1,490,167	178,128
Overweight Vehicle Fines	244,119	185,715	151,874	277,960
Special Death Benefit	4,175	43,859	44,890	3,144
Sales Disclosure - State Share	122,670	160,522	134,448	148,744
Coroners Training & Con't Education	10,246	74,675	76,582	8,339
Interstate Compact - State Share	726	8,070	7,669	1,127
Mortgage Recording Fees - State Share	2,646	45,051	39,995	7,702
Sex and Violent Offender Admin - State	14,543	12,960	16,021	11,482
Child Restraint Violations Fines	405	2,188	2,245	348
Inheritance Tax	25,016	73,733	38,478	60,271
Sales Tax Collections	1,958	107,522	105,532	3,948
Education Plate Fees Agency	18,411	10,931	9,938	19,404
Public Safety CAGIT	702,185	9,107,736	8,832,537	977,384
CEDIT	3,855,311	9,544,023	9,500,451	3,898,883
City/Town Ordinance Violations Fines	544,162	257,534	352,886	448,810
93.563 Prosecutor PCA	700,318	73,882	40,033	734,167
Rainy Day	1,219	2,472,799	-	2,474,018
Juvenile Probation Administrative	10,680	32,811	26,156	17,335
Ordinance Violation Deferral	22,313	-	-	22,313
County Innkeepers Tax	(184,347)	-	-	(184,347)
Veteran Services Funds	250	-	-	250
1387-Exempt Park Revenue Bond	506,748	3,205,228	2,301,825	1,410,151
County Bond Redemption	1,746,053	14,595,307	11,654,647	4,686,713
Exempt Debt Service	1,533,382	2,752,774	3,312,665	973,491
Park & Recreation Self Insurance	9,757	7,451	16,974	234
Excess Internet Access Fee	7,971	94	4,000	4,065
Non-reverting Self Ins. Fund	4,776,933	2,390,986	5,920,030	1,247,889
Lake County Jail Construction	3,120	-	-	3,120
Construction Fund	969,630	-	436,840	532,790
Cumulative Bridge	2,349,719	435,452	1,695,906	1,089,265
Co Hwy Maint Garage Bond	25,321	-	-	25,321
Park Dist Bond 1982	2,677,300	254,143	621,801	2,309,642
Non-Sufficient Check Fund/LC	71,144	3,950	35	75,059
Park & Recreation Gift	17,274	8,287	3,391	22,170
Auditor's Tax Incentive	166,242	78,667	295,344	(50,435)
Doctor's Merchants	77,660	2	-	77,662
Division I LADOS	269,994	151,760	178,671	243,083
Division II LADOS	5,459	204,847	131,800	78,506
Ordinance Deferral Program	82,691	361,815	362,015	82,491
Disproportional Minority Contact Project Grant	2	-	-	2
Zoning Enforcement Fund	1,000	-	-	1,000
Non-Revert. Hwy. Deposit. Gamb.	130,836	429,184	403,313	156,707
Domestic Relation Counseling B	137,718	37,668	31,662	143,724
NON-REVERT DELINQ COLL FEES	26,010	32,727	10,803	47,934
Comm Incentive Fund	218,655	65,104	239,856	43,903
Coroner Facility Fee	38,827	59,000	37,840	59,987
Cum Helicopter Improvement Fnd	319	-	-	319
Lake County Community Development FMHA	45,238	-	-	45,238
Anti-Bioterrorism	7,341	-	-	7,341
LC Sheriff's Marine Unit	4,325	450	-	4,775
Sheriff's Towing & Franchise	54,936	182,502	224,477	12,961
Lake County Operating Fund	14,215	-	-	14,215
Reimbursement Fund	426,987	109,375	179,278	357,084
Commissary Payroll Pass-Thru	40	-	-	40
Violence Intervention Program	18,514	35,000	45,730	7,784
Treasurer's Incentive	384,830	158,667	406,297	137,200
Child Support Incentive	1,687,277	458,331	358,429	1,787,179
HAVA Title III Voting System	29,935	-	-	29,935
Subdivision Escrow Bonds	108,017	-	10,531	97,486
Jury Fees	185,196	97,899	85,973	197,122
Check Deception Collection Fee	141,428	18,865	6,821	153,472
Fingerprint Fee Fund	445	-	-	445
HAVA Sec 101 Voting Sys Fund	277,998	-	-	277,998

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, 2016
(Continued)

Fund	Cash and Investments 01-01-16	Receipts	Disbursements	Cash and Investments 12-31-16
Prosecutor's Elderly Abuse	54,857	191,982	203,705	43,134
County Welfare Trusts	4,720	-	-	4,720
Interpreter Services Grant	11,358	-	2,595	8,763
U.S. Research Consultants/Personal Property	3,473	-	-	3,473
VOCA -Victims of Crime Act	(11,895)	102,501	75,487	15,119
Payroll Court Judgement	42,353	11,112	12,690	40,775
HUD-NSP-3 Grant	102,874	2,292	7,210	97,956
Commissioner's Sale Surplus Property Deposit	4,477	-	-	4,477
JAIBG Block Grant	113	-	-	113
Lake County CASA Program Grant	718	-	-	718
ARRA Grant	8,025	-	-	8,025
93.563 County IV-D Incentive	43,986	182,087	255,149	(29,076)
93.563 Prosecutor IV-D Incentive - Post Oct '99	6,529	-	5,475	1,054
State Drunk Driving Fees	19,528	11,318	8,984	21,862
LC Home Program	17,920	771,460	764,979	24,401
LC Comm. Dev. Cities & Towns	-	762,405	762,405	-
LC Dev. Rehabilitation	1,052	350,194	343,675	7,571
Sheriff's Therapy Dog Fund	2,524	-	-	2,524
LC Comm. Dev. Remp I.D.O.C.	361,184	87	-	361,271
HUD - NSP GRANT	136,169	-	20,316	115,853
CAGIT Pass Thru	-	124,754,675	124,754,675	-
LC Economic Rev. Loan	336,425	292,121	-	628,546
C.D.B.G. Recapture Loans	500,661	95,052	929	594,784
SHERIFF'S GRANTS FUND	31,083	31,406	14,939	47,550
Homeland Security Grant	18,265	14,413	14,413	18,265
Family Court Initiative Grant	26,958	-	3,415	23,543
CEDIT Pass Thru	-	26,254,331	26,254,080	251
Justice Assistance Grant	14,781	78,227	75,352	17,656
Sheriff's SIG Grant Fund	15,944	-	-	15,944
COPS INTEROPERABILITY GRANT	5,162	-	-	5,162
Detention Alternatives Grant	322	-	-	322
LC Dev. Admin. Budge	9,979	324,081	327,977	6,083
Substance of Use Testing	614	-	-	614
Payment Error (Refunds)	396,903	335,149	305,447	426,605
Adult Guardianship Svcs Grant	-	87,500	50,000	37,500
Community Supervision Grant	64,242	-	49,275	14,967
Lake County Comm Correction	67,690	63,560	106,313	24,937
CPHCP High Conflict	18,310	18,250	22,769	13,791
CAGIT-PTRC	4,941,812	99,803,740	100,570,358	4,175,194
LC RDF for Juveniles Fund	88,825	19,000	-	107,825
Juvenile Secured Detention	13,043	113,719	110,697	16,065
Parks - Outside Cash	21,496	57,416	59,552	19,360
Community Economic Development	3,477	58,104	57,778	3,803
Employee Benefit Accruals	1,937,046	77,217,733	73,021,515	6,133,264
Inmate Trust	570,948	1,615,463	1,650,467	535,944
Jail Commissary	16,745	623,414	621,257	18,902
Unfunded Money	16,855,948	16,728,924	16,855,948	16,728,924
Animal Control	54	-	-	54
Sheriff	382,831	15,464,254	15,084,622	762,463
Juvenile Division	-	3,760	3,760	-
Clerk	13,108,091	49,030,012	48,660,685	13,477,418
Community Corrections Commissary	52,173	194,182	187,622	58,733
LC GO Bonds Series 2014B	7,033,247	163,608	4,681,466	2,515,389
Building Construction Fund	11,066,131	62,836	10,373,586	755,381
Highway Project Fund	1,345,920	-	763,383	582,537
Commuter Rail Extension/Improv	114,884	6,145,518	-	6,260,402
Family Court Grant Fund	29,158	-	7,306	21,852
Sheriff Aviation Unit Grant Fund	17,115	-	14,965	2,150
Park District Bond 2016	-	11,858,479	1,563,421	10,295,058
Jail Inmate Med&Hosp Reserve	-	229,958	-	229,958
LOIT 2016 Special Distribution	-	39,787,866	35,101,393	4,686,473
Veterans Treatment Court Grant	-	56,034	17,455	38,579
LC CASA Capacity Building Grant	-	137,635	18,249	119,386
LC Local Road & Bridge Maint Grant	-	1,000,000	-	1,000,000
Hermits Lake Debt Reserve	45,945	-	-	45,945
Sewage Collections	200,175	365,615	550,421	15,369
Totals	\$ 147,368,029	\$ 1,359,733,517	\$ 1,349,424,270	\$ 157,677,276

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.

B. 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.

C. Receipts

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

Taxes. Amounts received from one or more of the following: property tax, Local Income Tax, boat and trailer excise tax, and other taxes that are set by the County.

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

Intergovernmental receipts. Amounts received from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of intergovernmental receipts include, but are not limited to, the following: federal grants, state grants,

LAKE COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

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

Charges for services. Amounts received for services including, but not limited to, the following: MS 4 Storm water management , planning commission charges, building department charges, copies of public records, copy machines charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable TV receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

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

Utility fees. Amounts received from charges for current services.

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

E. Disbursements

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

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

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

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

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

Other disbursements. Amounts disbursed for various other purposes including, but not limited to, the following: interfund loan payments; loans made to other funds; internal service disbursements; and transfers out that are authorized by statute, ordinance, resolution, or court order.

LAKE COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

F. Interfund Transfers

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

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

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana, at year end, 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.

LAKE COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

LAKE COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

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 deficits in cash. The Recorder's Incentive fund (combined with and reported as the Recorder's Perpetuation fund in the financial statement), Adult Probation Administrative, Sherriff Sale Administration, and Auditor's Tax Incentive funds are associated with payroll postings. They may be negative due to timing issues. The County Innkeepers Tax fund balance has been negative since 2012. The Insurance fund had a calculated end-of-year payment made to prevent a federal penalty, causing a deficit balance.

LAKE COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 8. *Holding Corporation*

The County has entered into a capital lease with Lake County 2000 Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the County. The lessor has been determined to be a related-party of the County. Lease payments during the year 2016 totaled \$2,618,000. Payments continue through 2024.

Note 9. *Other Postemployment Benefits*

The County provides life and health insurance to eligible retirees and their spouses. These benefits pose a liability to the County for this year and in future years. Information regarding these benefits can be accessed in the Lake County Employee Handbook.

Note 10. *Subsequent Events*

The County Council approved Ordinance 1410-A on July 11, 2017, approving the issuance of \$12,000,000 General Obligation Bonds for the purpose of improvements to various public buildings, facilities, and infrastructure in the County.

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 \$9,000,000.

The County has tax refund appeals of approximately \$8,000,000 for taxpayers, excluding casino boats.

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, 2016

	General	Accident Report	Animal Control	Campaign Finance Enforcement - County	Child Advocacy	Clerk's Records Perpetuation	COIT - Special Legislation	Community Corrections	Prisoner Reimbursement For Incarceration
Cash and investments - beginning	\$ 10,622,612	\$ 14,614	\$ 15,250	\$ 28,981	\$ 11,129	\$ 132,171	\$ 2,313	\$ 1,056,314	\$ 921
Receipts:									
Taxes	111,964,705	-	-	-	-	-	-	-	-
Licenses and permits	111,275	-	-	-	-	-	-	-	-
Intergovernmental receipts	11,591,213	-	-	-	-	-	-	3,504,339	-
Charges for services	3,919,964	-	-	-	-	-	250	530,057	-
Fines and forfeits	1,957,787	-	-	4,768	600	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-
Other receipts	5,229,372	21,258	42,824	-	-	313,811	-	680,454	-
Total receipts	134,774,316	21,258	42,824	4,768	600	313,811	250	4,714,850	-
Disbursements:									
Personal services	93,679,840	-	-	-	-	227,403	-	3,480,346	-
Supplies	2,894,417	-	-	-	-	21,382	-	72,317	-
Other services and charges	25,167,319	-	33,822	-	-	15,338	-	429,624	-
Capital outlay	1,296,577	16,765	-	-	-	22,155	-	85,535	-
Other disbursements	12,064,633	-	-	-	-	-	-	240,400	-
Total disbursements	135,102,786	16,765	33,822	-	-	286,278	-	4,308,222	-
Excess (deficiency) of receipts over disbursements	(328,470)	4,493	9,002	4,768	600	27,533	250	406,628	-
Cash and investments - ending	\$ 10,294,142	\$ 19,107	\$ 24,252	\$ 33,749	\$ 11,729	\$ 159,704	\$ 2,563	\$ 1,462,942	\$ 921

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016
 (Continued)

	Sales Disclosure - County Share	Cumulative Capital Development	Cumulative Capital Improvement	Cumulative Voting System	Drug Free Community	Electronic Map Generation	Emergency Planning/Right To Know	E911 Construction Fund
Cash and investments - beginning	\$ 72,602	\$ 538,536	\$ 44,487	\$ 1,643,942	\$ 331,908	\$ 12,478	\$ 87,248	\$ 2,416,064
Receipts:								
Taxes	-	1,914,377	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	123,491	-	-	-	-	-	-
Charges for services	-	2,155	-	-	48	15,346	-	-
Fines and forfeits	52,560	-	-	-	243,260	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	-	4,195	-	-	10,976	-	10,000	-
Total receipts	52,560	2,044,218	-	-	254,284	15,346	10,000	-
Disbursements:								
Personal services	19,507	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	2,195	-	-
Other services and charges	16,689	-	4,614	-	3,069	15,367	-	13,198
Capital outlay	514	1,870,645	-	-	-	6,960	25,174	2,323,308
Other disbursements	-	-	-	-	281,682	-	-	-
Total disbursements	36,710	1,870,645	4,614	-	284,751	24,522	25,174	2,336,506
Excess (deficiency) of receipts over disbursements	15,850	173,573	(4,614)	-	(30,467)	(9,176)	(15,174)	(2,336,506)
Cash and investments - ending	\$ 88,452	\$ 712,109	\$ 39,873	\$ 1,643,942	\$ 301,441	\$ 3,302	\$ 72,074	\$ 79,558

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016
 (Continued)

	Extradition and Sheriff's Assistance	Firearms Training	General Drain Improvement	Health	Identification Security Protection	Levy Excess	Local Health Maintenance	Local Road and Street
Cash and investments - beginning	\$ 18,542	\$ 25,576	\$ 177,075	\$ 2,707,491	\$ 971,988	\$ 3,353,688	\$ 228,468	\$ 1,672,376
Receipts:								
Taxes	-	-	257,200	1,065,952	-	-	-	-
Licenses and permits	-	-	-	465,924	-	-	-	-
Intergovernmental receipts	-	-	16,466	282,245	-	-	56,553	777,855
Charges for services	-	-	-	589,824	41,254	-	-	-
Fines and forfeits	8,061	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	-	38,520	-	28,106	300,989	-	-	547
Total receipts	8,061	38,520	273,666	2,432,051	342,243	-	56,553	778,402
Disbursements:								
Personal services	-	-	-	2,229,698	-	-	32,866	-
Supplies	-	-	-	56,974	-	-	-	397,216
Other services and charges	212	10,935	-	172,740	-	-	10,731	465,604
Capital outlay	-	43,061	115,042	1,664	-	-	-	-
Other disbursements	-	-	-	5,000	293,777	3,353,687	-	-
Total disbursements	212	53,996	115,042	2,466,076	293,777	3,353,687	43,597	862,820
Excess (deficiency) of receipts over disbursements	7,849	(15,476)	158,624	(34,025)	48,466	(3,353,687)	12,956	(84,418)
Cash and investments - ending	\$ 26,391	\$ 10,100	\$ 335,699	\$ 2,673,466	\$ 1,020,454	\$ 1	\$ 241,424	\$ 1,587,958

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016
 (Continued)

	Major Moves Construction	Medical Care for Inmates	Misdemeanant	Motor Vehicle Highway	Omitted Property Audits	Park Nonreverting Capital	Park Nonreverting Operating	Reassessment - 2009
Cash and investments - beginning	\$ 979,284	\$ 9,405	\$ 225,352	\$ 5,102,098	\$ 49	\$ 622,382	\$ 358,405	\$ 122
Receipts:								
Taxes	-	-	-	-	1,719,963	-	1,850	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental receipts	52,592	-	478,238	6,850,210	-	405,367	-	-
Charges for services	-	15,938	-	22,850	-	-	4,159,999	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	-	-	-	9,287	-	163,114	250,817	-
Total receipts	52,592	15,938	478,238	6,882,347	1,719,963	568,481	4,412,666	-
Disbursements:								
Personal services	-	-	540,395	4,714,766	-	-	2,249,479	-
Supplies	-	-	-	294,609	-	-	961,299	-
Other services and charges	232,571	-	-	1,673,875	1,168,700	-	1,044,188	-
Capital outlay	-	-	-	44,127	-	977,355	18,146	-
Other disbursements	-	-	-	-	-	-	250,850	-
Total disbursements	232,571	-	540,395	6,727,377	1,168,700	977,355	4,523,962	-
Excess (deficiency) of receipts over disbursements	(179,979)	15,938	(62,157)	154,970	551,263	(408,874)	(111,296)	-
Cash and investments - ending	\$ 799,305	\$ 25,343	\$ 163,195	\$ 5,257,068	\$ 551,312	\$ 213,508	\$ 247,109	\$ 122

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016
 (Continued)

	Reassessment - 2015	Recorder's Records Perpetuation	Riverboat	Sheriff's Pension Trust	Storm Water Management Capital Projects	Storm Water Management Operating	Supplemental Public Defender Services	Surveyor's Corner Perpetuation
Cash and investments - beginning	\$ 3,571,416	\$ 667,028	\$ 892,846	\$ 479,157	\$ 13,215	\$ 1,347,900	\$ 68,789	\$ 187,288
Receipts:								
Taxes	1,766,209	-	-	-	-	728,368	192,031	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental receipts	113,886	-	8,590,012	-	-	-	-	-
Charges for services	-	278,701	-	-	14,617	-	-	100,420
Fines and forfeits	-	-	-	752,784	2,765	-	101,808	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	-	330,263	22,440	-	-	-	-	667
Total receipts	<u>1,880,095</u>	<u>608,964</u>	<u>8,612,452</u>	<u>752,784</u>	<u>17,382</u>	<u>728,368</u>	<u>293,839</u>	<u>101,087</u>
Disbursements:								
Personal services	621,245	569,273	250,000	653,103	-	277,925	180,780	30,631
Supplies	22,490	-	324,060	-	-	8,344	1,981	8,261
Other services and charges	2,029,630	255,310	3,272,128	-	23,119	168,762	92,868	43,142
Capital outlay	20,256	5,800	1,995,186	-	-	156,364	4,179	57,744
Other disbursements	-	-	1,179,184	-	-	20	-	-
Total disbursements	<u>2,693,621</u>	<u>830,383</u>	<u>7,020,558</u>	<u>653,103</u>	<u>23,119</u>	<u>611,415</u>	<u>279,808</u>	<u>139,778</u>
Excess (deficiency) of receipts over disbursements	<u>(813,526)</u>	<u>(221,419)</u>	<u>1,591,894</u>	<u>99,681</u>	<u>(5,737)</u>	<u>116,953</u>	<u>14,031</u>	<u>(38,691)</u>
Cash and investments - ending	<u>\$ 2,757,890</u>	<u>\$ 445,609</u>	<u>\$ 2,484,740</u>	<u>\$ 578,838</u>	<u>\$ 7,478</u>	<u>\$ 1,464,853</u>	<u>\$ 82,820</u>	<u>\$ 148,597</u>

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016
 (Continued)

	Tax Sale Fees	Tax Sale Redemption	Tax Sale Surplus	Unsafe Building	Vehicle Inspection	GAL/CASA	Auditors Ineligible Deductions	County Elected Officials Training
Cash and investments - beginning	\$ 388,620	\$ 358,961	\$ 6,006,463	\$ 330,249	\$ 21,947	\$ 80,776	\$ 1,827,062	\$ 181,139
Receipts:								
Taxes	-	-	3,143,991	-	-	298,274	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-	-
Charges for services	617,834	-	-	25,300	18,310	-	-	45,080
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	3,863,479	4,076,590	6,515,976	270	2,440	-	1,130,468	-
Total receipts	4,481,313	4,076,590	9,659,967	25,570	20,750	298,274	1,130,468	45,080
Disbursements:								
Personal services	-	-	-	10,005	-	300,403	84,954	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	1,211,162	-	-	52,560	7,100	-	423,470	4,464
Capital outlay	-	-	-	-	19,614	-	18,882	-
Other disbursements	2,791,585	3,943,793	7,846,540	-	420	-	91,715	-
Total disbursements	4,002,747	3,943,793	7,846,540	62,565	27,134	300,403	619,021	4,464
Excess (deficiency) of receipts over disbursements	478,566	132,797	1,813,427	(36,995)	(6,384)	(2,129)	511,447	40,616
Cash and investments - ending	\$ 867,186	\$ 491,758	\$ 7,819,890	\$ 293,254	\$ 15,563	\$ 78,647	\$ 2,338,509	\$ 221,755

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016
 (Continued)

	Park And Recreation	County Offender Transportation Fund	Statewide 911	Adult Probation Administrative	Juvenile Probation Administrative	Supplemental Adult Probation Services	Supplemental Juvenile Probation Services	Alternative Dispute Resolution
Cash and investments - beginning	\$ 1,399,565	\$ 21,577	\$ 5,830,477	\$ (4,244)	\$ 37,420	\$ 1,118,733	\$ 14,135	\$ 231,435
Receipts:								
Taxes	4,163,098	-	8,179,252	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental receipts	1,469,490	-	531,212	-	55,905	-	-	124
Charges for services	575,742	6,847	3,357,613	-	-	-	-	-
Fines and forfeits	-	-	-	146,604	-	786,434	13,392	9,860
Utility fees	-	-	-	-	-	-	-	-
Other receipts	14,751	-	26,280	-	50,200	5,000	-	34,180
Total receipts	<u>6,223,081</u>	<u>6,847</u>	<u>12,094,357</u>	<u>146,604</u>	<u>106,105</u>	<u>791,434</u>	<u>13,392</u>	<u>44,164</u>
Disbursements:								
Personal services	4,024,432	-	8,117,251	159,306	8,098	865,774	1,764	25,003
Supplies	454,681	-	26,729	-	2,952	19,119	9	168
Other services and charges	1,149,384	-	2,222,479	-	96,204	61,093	950	17,545
Capital outlay	565,681	-	250,000	-	2,050	16,159	-	-
Other disbursements	148,022	-	100,000	-	25,000	-	-	-
Total disbursements	<u>6,342,200</u>	<u>-</u>	<u>10,716,459</u>	<u>159,306</u>	<u>134,304</u>	<u>962,145</u>	<u>2,723</u>	<u>42,716</u>
Excess (deficiency) of receipts over disbursements	<u>(119,119)</u>	<u>6,847</u>	<u>1,377,898</u>	<u>(12,702)</u>	<u>(28,199)</u>	<u>(170,711)</u>	<u>10,669</u>	<u>1,448</u>
Cash and investments - ending	<u>\$ 1,280,446</u>	<u>\$ 28,424</u>	<u>\$ 7,208,375</u>	<u>\$ (16,946)</u>	<u>\$ 9,221</u>	<u>\$ 948,022</u>	<u>\$ 24,804</u>	<u>\$ 232,883</u>

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016
 (Continued)

	County User Fee	Convention Center Operating	Animal Shelter	Sheriff Sale Administration	Drug Task Force	DUI Task Force	Local Ordinance Violations Fines - County	Park Bond 2013
Cash and investments - beginning	\$ 1,974,307	\$ 428	\$ 35,722	\$ (246,860)	\$ 407,231	\$ 2,703	\$ 3,620	\$ 288,926
Receipts:								
Taxes	-	-	-	-	69,145	-	-	714,888
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental receipts	27	1,380,494	-	-	142,253	5,035	-	43,908
Charges for services	517,188	-	15,275	267,600	10,700	-	-	-
Fines and forfeits	1,431,357	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	308,000	-	3,616	-	43,096	-	-	503
Total receipts	2,256,572	1,380,494	18,891	267,600	265,194	5,035	-	759,299
Disbursements:								
Personal services	517,046	-	32,385	78,088	139,130	5,253	-	-
Supplies	13,145	-	4,574	-	27,312	-	-	-
Other services and charges	243,894	1,380,494	13,217	-	60,899	-	-	-
Capital outlay	2,813	-	-	-	138,303	-	-	656,250
Other disbursements	1,258,782	-	-	-	63,569	-	-	-
Total disbursements	2,035,680	1,380,494	50,176	78,088	429,213	5,253	-	656,250
Excess (deficiency) of receipts over disbursements	220,892	-	(31,285)	189,512	(164,019)	(218)	-	103,049
Cash and investments - ending	\$ 2,195,199	\$ 428	\$ 4,437	\$ (57,348)	\$ 243,212	\$ 2,485	\$ 3,620	\$ 391,975

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016
 (Continued)

	Insurance	Settlement	CVET Agency	Financial Institution Tax	Homestead Credit Rebate	State Fines and Forfeitures	Infraction Judgements	Overweight Vehicle Fines
Cash and investments - beginning	\$ (21,200)	\$ 544,628	\$ 619	\$ -	\$ 12,870	\$ 41,512	\$ 271,837	\$ 244,119
Receipts:								
Taxes	-	565,739,152	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	109,315
Intergovernmental receipts	-	43,900,550	3,614,650	3,095,617	-	176,372	-	-
Charges for services	-	-	-	-	-	-	-	11,200
Fines and forfeits	-	-	-	-	-	89,681	1,004,362	65,200
Utility fees	-	-	-	-	-	-	-	-
Other receipts	-	318,996	-	-	-	160,164	392,096	-
Total receipts	-	609,958,698	3,614,650	3,095,617	-	426,217	1,396,458	185,715
Disbursements:								
Personal services	14,686	-	-	-	-	-	734,368	88,022
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	766	65
Capital outlay	-	-	-	-	-	207,922	-	627
Other disbursements	-	610,287,062	3,615,269	3,095,617	-	194,877	755,033	63,160
Total disbursements	14,686	610,287,062	3,615,269	3,095,617	-	402,799	1,490,167	151,874
Excess (deficiency) of receipts over disbursements	(14,686)	(328,364)	(619)	-	-	23,418	(93,709)	33,841
Cash and investments - ending	\$ (35,886)	\$ 216,264	\$ -	\$ -	\$ 12,870	\$ 64,930	\$ 178,128	\$ 277,960

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016
 (Continued)

	Special Death Benefit	Sales Disclosure - State Share	Coroners Training & Con't Education	Interstate Compact - State Share	Mortgage Recording Fees - State Share	Sex and Violent Offender Admin - State	Child Restraint Violations Fines	Inheritance Tax
Cash and investments - beginning	\$ 4,175	\$ 122,670	\$ 10,246	\$ 726	\$ 2,646	\$ 14,543	\$ 405	\$ 25,016
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-	73,733
Charges for services	-	107,962	-	8,070	45,051	12,960	-	-
Fines and forfeits	43,859	-	-	-	-	-	2,188	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	-	52,560	74,675	-	-	-	-	-
Total receipts	43,859	160,522	74,675	8,070	45,051	12,960	2,188	73,733
Disbursements:								
Personal services	-	70,079	-	-	-	8,382	-	-
Supplies	-	682	-	-	-	-	-	-
Other services and charges	-	5,517	-	-	-	-	-	-
Capital outlay	-	7,090	-	-	-	6,339	-	-
Other disbursements	44,890	51,080	76,582	7,669	39,995	1,300	2,245	38,478
Total disbursements	44,890	134,448	76,582	7,669	39,995	16,021	2,245	38,478
Excess (deficiency) of receipts over disbursements	(1,031)	26,074	(1,907)	401	5,056	(3,061)	(57)	35,255
Cash and investments - ending	\$ 3,144	\$ 148,744	\$ 8,339	\$ 1,127	\$ 7,702	\$ 11,482	\$ 348	\$ 60,271

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016
 (Continued)

	Sales Tax Collections	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	\$ 1,958	\$ 18,411	\$ 702,185	\$ 3,855,311	\$ 544,162	\$ 700,318	\$ 1,219	\$ 10,680
Receipts:								
Taxes	-	10,931	9,107,736	9,533,197	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	73,882	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	125,558	-	-	32,811
Utility fees	-	-	-	-	-	-	-	-
Other receipts	107,522	-	-	10,826	131,976	-	2,472,799	-
Total receipts	107,522	10,931	9,107,736	9,544,023	257,534	73,882	2,472,799	32,811
Disbursements:								
Personal services	-	-	4,016,216	-	323,125	-	-	26,156
Supplies	-	-	294,590	-	6,934	1,849	-	-
Other services and charges	105,532	-	2,861,812	4,187,403	-	38,184	-	-
Capital outlay	-	-	1,659,919	926,468	22,827	-	-	-
Other disbursements	-	9,938	-	4,386,580	-	-	-	-
Total disbursements	105,532	9,938	8,832,537	9,500,451	352,886	40,033	-	26,156
Excess (deficiency) of receipts over disbursements	1,990	993	275,199	43,572	(95,352)	33,849	2,472,799	6,655
Cash and investments - ending	\$ 3,948	\$ 19,404	\$ 977,384	\$ 3,898,883	\$ 448,810	\$ 734,167	\$ 2,474,018	\$ 17,335

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016
 (Continued)

	Ordinance Violation Deferral	County Innkeepers Tax	Veteran Services Funds	1387-Exempt Park Revenue Bond	County Bond Redemption	Exempt Debt Service	Park & Recreation Self Insurance	Excess Internet Access Fee
Cash and investments - beginning	\$ 22,313	\$ (184,347)	\$ 250	\$ 506,748	\$ 1,746,053	\$ 1,533,382	\$ 9,757	\$ 7,971
Receipts:								
Taxes	-	-	-	3,017,833	13,751,450	2,593,608	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	185,237	843,857	159,166	-	94
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	-	-	-	2,158	-	-	7,451	-
Total receipts	-	-	-	3,205,228	14,595,307	2,752,774	7,451	94
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	1,908,611	-	16,974	-
Capital outlay	-	-	-	2,301,825	9,746,036	3,312,665	-	4,000
Other disbursements	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	2,301,825	11,654,647	3,312,665	16,974	4,000
Excess (deficiency) of receipts over disbursements	-	-	-	903,403	2,940,660	(559,891)	(9,523)	(3,906)
Cash and investments - ending	\$ 22,313	\$ (184,347)	\$ 250	\$ 1,410,151	\$ 4,686,713	\$ 973,491	\$ 234	\$ 4,065

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016
 (Continued)

	Non-reverting Self Ins. Fund	Lake County Jail Construction	Construction Fund	Cumulative Bridge	Co Hwy Maint Garage Bond	Park Dist Bond 1982	Non-Sufficient Check Fund/LC	Park & Recreation Gift
Cash and investments - beginning	\$ 4,776,933	\$ 3,120	\$ 969,630	\$ 2,349,719	\$ 25,321	\$ 2,677,300	\$ 71,144	\$ 17,274
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	435,202	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	3,950	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	2,390,986	-	-	250	-	254,143	-	8,287
Total receipts	2,390,986	-	-	435,452	-	254,143	3,950	8,287
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	6,266	-	-	-	-
Other services and charges	5,920,030	-	-	-	-	-	35	3,391
Capital outlay	-	-	436,840	1,689,640	-	371,801	-	-
Other disbursements	-	-	-	-	-	250,000	-	-
Total disbursements	5,920,030	-	436,840	1,695,906	-	621,801	35	3,391
Excess (deficiency) of receipts over disbursements	(3,529,044)	-	(436,840)	(1,260,454)	-	(367,658)	3,915	4,896
Cash and investments - ending	\$ 1,247,889	\$ 3,120	\$ 532,790	\$ 1,089,265	\$ 25,321	\$ 2,309,642	\$ 75,059	\$ 22,170

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016
 (Continued)

	Auditor's Tax Incentive	Doctor's Merchants	Division I LADOS	Division II LADOS	Ordinance Deferral Program	Disproportional Minority Contact Project Grant	Zoning Enforcement Fund	Non-Revert. Hwy. Deposit. Gambl.
Cash and investments - beginning	\$ 166,242	\$ 77,660	\$ 269,994	\$ 5,459	\$ 82,691	\$ 2	\$ 1,000	\$ 130,836
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	39,000	-	-	-	429,184
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	349,605	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	78,667	2	151,760	165,847	12,210	-	-	-
Total receipts	78,667	2	151,760	204,847	361,815	-	-	429,184
Disbursements:								
Personal services	295,344	-	169,272	115,534	-	-	-	-
Supplies	-	-	1,036	3,359	-	-	-	184,496
Other services and charges	-	-	8,363	12,907	362,015	-	-	218,817
Capital outlay	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-	-
Total disbursements	295,344	-	178,671	131,800	362,015	-	-	403,313
Excess (deficiency) of receipts over disbursements	(216,677)	2	(26,911)	73,047	(200)	-	-	25,871
Cash and investments - ending	\$ (50,435)	\$ 77,662	\$ 243,083	\$ 78,506	\$ 82,491	\$ 2	\$ 1,000	\$ 156,707

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016
 (Continued)

	Domestic Relation Counseling B	NON-REVERT DELINQ COLL FEES	Comm Incentive Fund	Coroner Facility Fee	Cum Helicopter Improvement Fnd	Lake County Community Development FMHA	Anti-Bioterrorism	LC Sheriff's Marine Unit
Cash and investments - beginning	\$ 137,718	\$ 26,010	\$ 218,655	\$ 38,827	\$ 319	\$ 45,238	\$ 7,341	\$ 4,325
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental receipts	43	-	-	-	-	-	-	-
Charges for services	-	32,727	-	-	-	-	-	450
Fines and forfeits	27,075	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	10,550	-	65,104	59,000	-	-	-	-
Total receipts	37,668	32,727	65,104	59,000	-	-	-	450
Disbursements:								
Personal services	29,408	-	196,671	37,840	-	-	-	-
Supplies	1,883	-	-	-	-	-	-	-
Other services and charges	371	10,803	43,185	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-	-
Total disbursements	31,662	10,803	239,856	37,840	-	-	-	-
Excess (deficiency) of receipts over disbursements	6,006	21,924	(174,752)	21,160	-	-	-	450
Cash and investments - ending	\$ 143,724	\$ 47,934	\$ 43,903	\$ 59,987	\$ 319	\$ 45,238	\$ 7,341	\$ 4,775

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016
 (Continued)

	Sheriff's Towing & Franchise	Lake County Operating Fund	Reimbursement Fund	Commissary Payroll Pass-Thru	Violence Intervention Program	Treasurer's Incentive	Child Support Incentive	HAVA Title III Voting System
Cash and investments - beginning	\$ 54,936	\$ 14,215	\$ 426,987	\$ 40	\$ 18,514	\$ 384,830	\$ 1,687,277	\$ 29,935
Receipts:								
Taxes	-	-	-	-	35,000	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	105,656	-	-	-	456,039	-
Charges for services	182,502	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	-	-	3,719	-	-	158,667	2,292	-
Total receipts	<u>182,502</u>	<u>-</u>	<u>109,375</u>	<u>-</u>	<u>35,000</u>	<u>158,667</u>	<u>458,331</u>	<u>-</u>
Disbursements:								
Personal services	157,477	-	-	-	45,730	244,450	295,966	-
Supplies	-	-	-	-	-	-	23,895	-
Other services and charges	-	-	-	-	-	45,000	23,813	-
Capital outlay	-	-	179,278	-	-	38,180	14,755	-
Other disbursements	67,000	-	-	-	-	78,667	-	-
Total disbursements	<u>224,477</u>	<u>-</u>	<u>179,278</u>	<u>-</u>	<u>45,730</u>	<u>406,297</u>	<u>358,429</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(41,975)</u>	<u>-</u>	<u>(69,903)</u>	<u>-</u>	<u>(10,730)</u>	<u>(247,630)</u>	<u>99,902</u>	<u>-</u>
Cash and investments - ending	<u>\$ 12,961</u>	<u>\$ 14,215</u>	<u>\$ 357,084</u>	<u>\$ 40</u>	<u>\$ 7,784</u>	<u>\$ 137,200</u>	<u>\$ 1,787,179</u>	<u>\$ 29,935</u>

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016
 (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	Interpreter Services Grant
Cash and investments - beginning	\$ 108,017	\$ 185,196	\$ 141,428	\$ 445	\$ 277,998	\$ 54,857	\$ 4,720	\$ 11,358
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	191,982	-	-
Charges for services	-	-	18,865	-	-	-	-	-
Fines and forfeits	-	53,670	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	-	44,229	-	-	-	-	-	-
Total receipts	-	97,899	18,865	-	-	191,982	-	-
Disbursements:								
Personal services	-	85,973	6,821	-	-	194,256	-	-
Supplies	-	-	-	-	-	1,616	-	-
Other services and charges	-	-	-	-	-	1,577	-	2,595
Capital outlay	-	-	-	-	-	6,256	-	-
Other disbursements	10,531	-	-	-	-	-	-	-
Total disbursements	10,531	85,973	6,821	-	-	203,705	-	2,595
Excess (deficiency) of receipts over disbursements	(10,531)	11,926	12,044	-	-	(11,723)	-	(2,595)
Cash and investments - ending	\$ 97,486	\$ 197,122	\$ 153,472	\$ 445	\$ 277,998	\$ 43,134	\$ 4,720	\$ 8,763

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016
 (Continued)

	U.S. Research Consultants/Personal Property	VOCA -Victims of Crime Act	Payroll Court Judgement	HUD-NSP-3 Grant	Commissioner's Sale Surplus Property Deposit	JAIBG Block Grant	Lake County CASA Program Grant	ARRA Grant
Cash and investments - beginning	\$ 3,473	\$ (11,895)	\$ 42,353	\$ 102,874	\$ 4,477	\$ 113	\$ 718	\$ 8,025
Receipts:								
Taxes	-	57,376	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	45,125	-	-	-	-	-	-
Charges for services	-	-	11,112	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	-	-	-	2,292	-	-	-	-
Total receipts	-	102,501	11,112	2,292	-	-	-	-
Disbursements:								
Personal services	-	72,987	1,578	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	2,500	11,112	484	-	-	-	-
Capital outlay	-	-	-	6,726	-	-	-	-
Other disbursements	-	-	-	-	-	-	-	-
Total disbursements	-	75,487	12,690	7,210	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	27,014	(1,578)	(4,918)	-	-	-	-
Cash and investments - ending	\$ 3,473	\$ 15,119	\$ 40,775	\$ 97,956	\$ 4,477	\$ 113	\$ 718	\$ 8,025

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016
 (Continued)

	93.563 County IV-D Incentive	93.563 Prosecutor IV-D Incentive - Post Oct '99	State Drunk Driving Fees	LC Home Program	LC Comm. Dev. Cities & Towns	LC Dev. Rehabilitation	Sheriff's Therapy Dog Fund	LC Comm. Dev. Remp I.D.O.C.
Cash and investments - beginning	\$ 43,986	\$ 6,529	\$ 19,528	\$ 17,920	\$ -	\$ 1,052	\$ 2,524	\$ 361,184
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental receipts	182,087	-	11,318	580,317	762,405	295,934	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	-	-	-	191,143	-	54,260	-	87
Total receipts	<u>182,087</u>	<u>-</u>	<u>11,318</u>	<u>771,460</u>	<u>762,405</u>	<u>350,194</u>	<u>-</u>	<u>87</u>
Disbursements:								
Personal services	255,149	5,475	8,984	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	3,948	-	-	-	-
Capital outlay	-	-	-	761,031	762,405	343,675	-	-
Other disbursements	-	-	-	-	-	-	-	-
Total disbursements	<u>255,149</u>	<u>5,475</u>	<u>8,984</u>	<u>764,979</u>	<u>762,405</u>	<u>343,675</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(73,062)</u>	<u>(5,475)</u>	<u>2,334</u>	<u>6,481</u>	<u>-</u>	<u>6,519</u>	<u>-</u>	<u>87</u>
Cash and investments - ending	<u>\$ (29,076)</u>	<u>\$ 1,054</u>	<u>\$ 21,862</u>	<u>\$ 24,401</u>	<u>\$ -</u>	<u>\$ 7,571</u>	<u>\$ 2,524</u>	<u>\$ 361,271</u>

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016
 (Continued)

	HUD - NSP GRANT	CAGIT Pass Thru	LC Economic Rev. Loan	C.D.B.G. Recapture Loans	SHERIFF'S GRANTS FUND	Homeland Security Grant	Family Court Initiative Grant	CEDIT Pass Thru
Cash and investments - beginning	\$ 136,169	\$ -	\$ 336,425	\$ 500,661	\$ 31,083	\$ 18,265	\$ 26,958	\$ -
Receipts:								
Taxes	-	124,754,675	-	-	-	-	-	26,254,331
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	31,406	14,413	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	-	-	292,121	95,052	-	-	-	-
Total receipts	-	124,754,675	292,121	95,052	31,406	14,413	-	26,254,331
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	300	-
Other services and charges	-	-	-	-	13,474	-	3,115	-
Capital outlay	20,316	-	-	929	1,465	14,413	-	-
Other disbursements	-	124,754,675	-	-	-	-	-	26,254,080
Total disbursements	20,316	124,754,675	-	929	14,939	14,413	3,415	26,254,080
Excess (deficiency) of receipts over disbursements	(20,316)	-	292,121	94,123	16,467	-	(3,415)	251
Cash and investments - ending	\$ 115,853	\$ -	\$ 628,546	\$ 594,784	\$ 47,550	\$ 18,265	\$ 23,543	\$ 251

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016
 (Continued)

	Justice Assistance Grant	Sheriff's SIG Grant Fund	COPS INTEROPERABILITY GRANT	Detention Alternatives Grant	LC Dev. Admin. Budge	Substance of Use Testing	Payment Error (Refunds)	Adult Guardianship Svc's Grant
Cash and investments - beginning	\$ 14,781	\$ 15,944	\$ 5,162	\$ 322	\$ 9,979	\$ 614	\$ 396,903	\$ -
Receipts:								
Taxes	78,227	-	-	-	-	-	-	87,500
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	285,043	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	39,038	-	335,149	-
Total receipts	<u>78,227</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>324,081</u>	<u>-</u>	<u>335,149</u>	<u>87,500</u>
Disbursements:								
Personal services	6,221	-	-	-	326,984	-	-	-
Supplies	8,393	-	-	-	-	-	-	-
Other services and charges	17,764	-	-	-	993	-	-	50,000
Capital outlay	42,974	-	-	-	-	-	5,720	-
Other disbursements	-	-	-	-	-	-	299,727	-
Total disbursements	<u>75,352</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>327,977</u>	<u>-</u>	<u>305,447</u>	<u>50,000</u>
Excess (deficiency) of receipts over disbursements	<u>2,875</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,896)</u>	<u>-</u>	<u>29,702</u>	<u>37,500</u>
Cash and investments - ending	<u>\$ 17,656</u>	<u>\$ 15,944</u>	<u>\$ 5,162</u>	<u>\$ 322</u>	<u>\$ 6,083</u>	<u>\$ 614</u>	<u>\$ 426,605</u>	<u>\$ 37,500</u>

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016
 (Continued)

	Community Supervision Grant	Lake County Comm Correction	CPHCP High Conflict	CAGIT-PTRC	LC RDF for Juveniles Fund	Juvenile Secured Detention	Parks - Outside Cash	Community Economic Development
Cash and investments - beginning	\$ 64,242	\$ 67,690	\$ 18,310	\$ 4,941,812	\$ 88,825	\$ 13,043	\$ 21,496	\$ 3,477
Receipts:								
Taxes	-	63,560	18,250	99,803,740	-	113,719	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	19,000	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	57,416	58,104
Total receipts	-	63,560	18,250	99,803,740	19,000	113,719	57,416	58,104
Disbursements:								
Personal services	2,693	27,947	3,919	-	-	110,697	-	-
Supplies	-	5,500	30	-	-	-	-	-
Other services and charges	46,582	70,811	17,600	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Other disbursements	-	2,055	1,220	100,570,358	-	-	59,552	57,778
Total disbursements	49,275	106,313	22,769	100,570,358	-	110,697	59,552	57,778
Excess (deficiency) of receipts over disbursements	(49,275)	(42,753)	(4,519)	(766,618)	19,000	3,022	(2,136)	326
Cash and investments - ending	\$ 14,967	\$ 24,937	\$ 13,791	\$ 4,175,194	\$ 107,825	\$ 16,065	\$ 19,360	\$ 3,803

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016
 (Continued)

	Employee Benefit Accruals	Inmate Trust	Jail Commissary	Unfunded Money	Animal Control	Sheriff	Juvenile Division	Clerk
Cash and investments - beginning	\$ 1,937,046	\$ 570,948	\$ 16,745	\$ 16,855,948	\$ 54	\$ 382,831	\$ -	\$ 13,108,091
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	77,217,733	1,615,463	623,414	16,728,924	-	15,464,254	3,760	49,030,012
Total receipts	77,217,733	1,615,463	623,414	16,728,924	-	15,464,254	3,760	49,030,012
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Other disbursements	73,021,515	1,650,467	621,257	16,855,948	-	15,084,622	3,760	48,660,685
Total disbursements	73,021,515	1,650,467	621,257	16,855,948	-	15,084,622	3,760	48,660,685
Excess (deficiency) of receipts over disbursements	4,196,218	(35,004)	2,157	(127,024)	-	379,632	-	369,327
Cash and investments - ending	\$ 6,133,264	\$ 535,944	\$ 18,902	\$ 16,728,924	\$ 54	\$ 762,463	\$ -	\$ 13,477,418

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016
 (Continued)

	Community Corrections Commissary	LC GO Bonds Series 2014B	Building Construction Fund	Highway Project Fund	Commuter Rail Extension/Improv	Family Court Grant Fund	Sheriff Aviation Unit Grant Fund	Park District Bond 2016
Cash and investments - beginning	\$ 52,173	\$ 7,033,247	\$ 11,066,131	\$ 1,345,920	\$ 114,884	\$ 29,158	\$ 17,115	\$ -
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	194,182	163,608	62,836	-	6,145,518	-	-	11,858,479
Total receipts	194,182	163,608	62,836	-	6,145,518	-	-	11,858,479
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	35,226	-	114,048	-	-	10,983	-
Other services and charges	-	727,588	472,879	649,335	-	7,306	3,982	-
Capital outlay	-	3,852,828	9,900,707	-	-	-	-	1,563,421
Other disbursements	187,622	65,824	-	-	-	-	-	-
Total disbursements	187,622	4,681,466	10,373,586	763,383	-	7,306	14,965	1,563,421
Excess (deficiency) of receipts over disbursements	6,560	(4,517,858)	(10,310,750)	(763,383)	6,145,518	(7,306)	(14,965)	10,295,058
Cash and investments - ending	\$ 58,733	\$ 2,515,389	\$ 755,381	\$ 582,537	\$ 6,260,402	\$ 21,852	\$ 2,150	\$ 10,295,058

LAKE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016
 (Continued)

	Jail Inmate Med&Hosp Reserve	LOIT 2016 Special Distribution	Veterans Treatment Court Grant	LC CASA Capacity Building Grant	LC Local Road & Bridge Maint Grant	Hermit's Lake Debt Reserve	Sewage Collections	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,945	\$ 200,175	\$ 147,368,029
Receipts:								
Taxes	-	-	-	137,635	-	-	-	991,337,223
Licenses and permits	-	-	-	-	-	-	-	686,514
Intergovernmental receipts	-	-	56,034	-	1,000,000	-	-	93,515,261
Charges for services	-	-	-	-	-	-	-	15,598,811
Fines and forfeits	-	-	-	-	-	-	-	7,309,999
Utility fees	-	-	-	-	-	-	264,065	264,065
Other receipts	229,958	39,787,866	-	-	-	-	101,550	251,021,644
Total receipts	229,958	39,787,866	56,034	137,635	1,000,000	-	365,615	1,359,733,517
Disbursements:								
Personal services	-	-	17,455	17,826	-	-	-	132,139,840
Supplies	-	-	-	-	-	-	-	6,315,320
Other services and charges	-	2,859,402	-	423	-	-	-	64,045,534
Capital outlay	-	-	-	-	-	-	-	48,965,387
Other disbursements	-	32,241,991	-	-	-	-	550,421	1,097,958,189
Total disbursements	-	35,101,393	17,455	18,249	-	-	550,421	1,349,424,270
Excess (deficiency) of receipts over disbursements	229,958	4,686,473	38,579	119,386	1,000,000	-	(184,806)	10,309,247
Cash and investments - ending	\$ 229,958	\$ 4,686,473	\$ 38,579	\$ 119,386	\$ 1,000,000	\$ 45,945	\$ 15,369	\$ 157,677,276

LAKE COUNTY
 SCHEDULE OF PAYABLES AND RECEIVABLES
 December 31, 2016

Government or Enterprise	Accounts Payable	Accounts Receivable
Hermit'S Lake Sewer User Fee	\$ 17,393	\$ -
Governmental activities	16,107,152	-
Totals	\$ 16,124,545	\$ -

LAKE COUNTY
SCHEDULE OF LEASES AND DEBT
December 31, 2016

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
PNC Equip Finance	Various Highway Equipment	\$ 248,771	09/16/2016	09/16/2021
PNC Equip Finance	Highway Snow Plow Truck Lease	63,845	03/03/2013	03/03/2018
PNC Equip Finance	Highway Mower Decks	43,178	06/18/2015	06/18/2018
Lake County 2000 Building Corporation	Capital Improvements	<u>2,618,000</u>	08/01/2013	02/01/2024
Total of annual lease payments		<u>\$ 2,973,794</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	Energy Savings Phase II	\$ 4,840,000	\$ 1,510,813
General obligation bonds	Energy Savings Phase I	1,260,000	1,291,500
General obligation bonds	Lake County Highway Garage	360,000	366,840
General obligation bonds	Highway Improvements	3,425,000	584,913
General obligation bonds	Series 2012B - Lake County Jail Construction	2,795,000	840,063
General obligation bonds	Series 2012C - Lake County Operating Fund	1,715,000	1,163,650
General obligation bonds	Series 2012D-1 - Construction Fund	3,500,000	66,150
General obligation bonds	Series 2012D-2 - Reimbursement Fund	1,710,000	1,457,054
General obligation bonds	Park District Bonds Of 2013 for Improvements	1,220,000	643,250
General obligation bonds	Public Safety Tax Bonds-Series 2014A - E911 Improvements	18,305,000	1,165,000
General obligation bonds	Park District Bonds of 2014 - Refinance 2005 Series	23,345,000	1,660,000
General obligation bonds	GO Series 2014B Building/Jail Improvements & Paving	10,375,000	1,366,456
General obligation bonds	GO Bond 2015A Improvements to County Buildings, Parking Areas, and Bridges	11,480,000	1,396,525
General obligation bonds	GO Bond 2015B Highway Projects	6,695,000	816,275
General obligation bonds	GO Bond 2015C Pay Outstanding Judgments	5,900,000	1,024,050
General obligation bonds	Park District Bond of 2016 - Capital Improvement Projects and Land Acquisition	12,000,000	265,288
Claims and judgments	Judgment Funding General Obligation Bonds of 2012	<u>3,410,000</u>	<u>1,394,943</u>
Total governmental activities		<u>112,335,000</u>	<u>17,012,770</u>
Hermit'S Lake Sewer User Fee: Notes and loans payable	Improvements at Hermits Lake Sewage Treatment Plant	<u>149,849</u>	<u>40,797</u>
Totals		<u>\$ 112,484,849</u>	<u>\$ 17,053,567</u>

LAKE COUNTY
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2016

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	\$ 17,354,253
Infrastructure	281,536,986
Buildings	135,181,972
Machinery, equipment, and vehicles	61,782,048
Construction in progress	3,167,406
Total governmental activities	499,022,665
Hermit's Lake Sewer User Fee	
Infrastructure	21,040
Buildings	969,251
Total Hermit's Lake Sewer User Fee	990,291
Total capital assets	\$ 500,012,956

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF LAKE COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited Lake County's (County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2016. The County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

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

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2016.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2016-005. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.


A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2016-005 and 2016-006, that we consider 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

September 26, 2017

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

LAKE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2016

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
Department of Agriculture					
Child Nutrition Cluster					
School Breakfast Program	Indiana Department of Education	10.553	FY2016	\$ -	\$ 21,017
Juvenile Center Breakfast Program					
National School Lunch Program	Indiana Department of Education	10.555	FY2016	-	33,436
Juvenile Center Lunch Program					
Total - Child Nutrition Cluster				-	54,453
Total - Department of Agriculture				-	54,453
Department of Housing and Urban Development					
CDBG - Entitlement Grants Cluster					
Community Development Block Grants/Entitlement Grants	Direct Grant	14.218			
CDBG			B-14-UC-18-0016	-	310,653
CDBG			B-15-UC-18-0016	30,000	971,726
CDBG			B-16-UC-18-0016	-	70,603
Total - Community Development Block Grants/Entitlement Grants				30,000	1,352,982
Total - CDBG - Entitlement Grants Cluster				30,000	1,352,982
HOME Investment Partnerships Program	Direct Grant	14.239			
LC Home Program			M-12-UC-18-0207	1	1
LC Home Program			M-13-UC-18-0207	28,520	28,520
LC Home Program			M-14-UC-18-0207	24,431	300,588
LC Home Program			M-15-UC-18-0207	92,526	251,459
Total - HOME Investment Partnerships Program				145,478	580,588
Total - Department of Housing and Urban Development				175,478	1,933,550
Department of the Interior					
Outdoor Recreation_Acquisition, Development and Planning					
Oak Ridge Prairie Land Acquisition & Trail	Indiana Department of Natural Resources	15.916	E10-4JK1800580	-	8,500
Total - Department of the Interior				-	8,500
Department of Justice					
Edward Byrne Memorial Justice Assistance Grant Program					
2016 NICHE JAG Grant	Indiana Criminal Justice Institute	16.738	#4692	-	69,145
2013 JAG-Lake County Drug Task Force			2013-DJ-BX-0775	-	16,075
2014 Justice Assistance Grant			2014-DJ-BX-0682	-	11,720
2015 Justice Assistance Grant			2015-DJ-BX-0646	-	39,047
2016 Justice Assistance Grant			2016-DJ-BX-0800	-	8,510
Total - Edward Byrne Memorial Justice Assistance Grant Program				-	144,497
Crime Victim Assistance	Indiana Criminal Justice Institute	16.575			
Prosecutor's Office-2016 VOCA Grant			D3-16-10587	-	35,603
Sheriff's Office-2016 VOCA Grant			D3-16-10591	-	57,376
Total - Crime Victim Assistance				-	92,979
State Criminal Alien Assistance Program	Direct Grant	16.606			
SCAAP			2012-AP-BX-0363	-	16,406
Equitable Sharing Program	Direct Grant	16.922			
Equity Sharing			IND450000	-	207,922
Total - Department of Justice				-	461,804
Department of Transportation					
Highway Planning and Construction Cluster					
Highway Planning and Construction	Indiana Department of Transportation	20.205			
Bridge 306			DES #0090260	-	4,718
Bridge 77			DES #0400710	-	8,217
Bridge 306			DES #0600752	-	89,659
45th Avenue-Whitcomb to Chase			DES #1172007	-	51,420
Bridge 102			DES #1297288	-	56,765
Bridge 61			DES #1400843	-	57,533
Bridge Inspection			DES#1005386	-	29,687
Bridge Inspection			DES#1382090	-	20,819
45th Avenue-Phase II			DES#9980090	-	1,172
Veterans Memorial Trail			DES#9981680	-	14,960
Total - Highway Planning and Construction				-	334,950
Total - Highway Planning and Construction Cluster				-	334,950

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, 2016
(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 (continued)</u>					
Highway Safety Cluster State and Community Highway Safety Operation Pullover	Indiana Criminal Justice Institute	20.600	D3-16-10152	-	9,460
National Priority Safety Programs Operation Pullover	Indiana Criminal Justice Institute	20.616	D3-17-11092	-	1,858
Total - Highway Safety Cluster				-	11,318
Total - Department of Transportation				-	346,268
<u>Environmental Protection Agency</u>					
Great Lakes Program Gibson Woods Restoration	Indiana Department of Environmental Management	66.469	A305-6-186	-	386,997
Total - Environmental Protection Agency				-	386,997
<u>Department of Health and Human Services</u>					
TANF Cluster Temporary Assistance For Needy Families Community Corrections - TANF Grant	Indiana Department of Correction	93.558	D12-16-104-TANF	-	50,905
Total - TANF Cluster				-	50,905
Child Support Enforcement Circuit Court Title IV-D FFP County Clerk Title IV-D FFP County Clerk Title IV-D Incentive County Court Title IV-D FFP County Court Title IV-D Incentive County Title IV-D Indirect Costs Prosecutor's Title IV-D FFP Prosecutor's Title IV-D Incentive	Indiana Department of Child Services	93.563	Circuit Court County Clerk County Clerk County Court County Court County Court Indirect Costs County Prosecutor County Prosecutor	- - - - - - - - -	20,271 155,366 107,618 179,425 255,149 888,868 1,914,612 236,883
Total - Child Support Enforcement				-	3,758,192
ARRA-Child Support Enforcement Prosecutor's Title IV-D ARRA Incentive	Indiana Department of Child Services	93.563	County Prosecutor	-	13,928
Total - Child Support Enforcement				-	3,772,120
Social Services Block Grant Adult Protective Services Grant	Indiana Family and Social Services Administration	93.667	45-16-PV-1222-01	-	5,845
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance HIV/AIDS Surveillance	Indiana Department of Health	93.944	5U62PS003967	-	69,898
Total - Department of Health and Human Services				-	3,898,768
<u>Department of Homeland Security</u>					
Disaster Grants - Public Assistance (Presidentially Declared Disasters) FEMA DR-1795	Indiana Department of Homeland Security	97.036	FEMA-1795-DR	-	273,260
Emergency Management Performance Grants Emergency Management Performance Grants	Indiana Department of Homeland Security	97.042	EMW-2015-EP-00037	-	57,275
Total - Department of Homeland Security				-	330,535
Total federal awards expended				\$ 175,478	\$ 7,420,875

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, 2016. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. 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. The County has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

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; Qualified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiency identified?	no
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiency identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	yes

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

CFDA Number	Name of Federal Program or Cluster	Opinion Issued
	CDBG - Entitlement Grants Cluster	Unmodified
66.469	Great Lakes Program	Unmodified
93.563	Child Support Enforcement	Unmodified

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

Auditee qualified as low-risk auditee? No

Section II - Financial Statement Findings

FINDING 2016-001

Subject: Financial Transactions and Reporting
Audit Finding: Material Weakness

Repeat Finding

This is a partial repeat of Finding 2015-001 from the immediate prior year.

Condition

There were several deficiencies in the internal control system of the County related to financial transactions and reporting.

LAKE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The County had not identified risks to the preparation of the financial statement to prevent, or detect and correct, material misstatements. The County Auditor entered financial information into the Indiana Gateway for Government Units financial reporting system (Gateway), which is the source of the Annual Financial Report (AFR) and financial statement.

A system of internal controls, including the proper segregation of incompatible duties was not designed and implemented by the County. The financial information 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 outside departments that were not included in the County Auditor's financial records was accurate and complete.

In addition, the County issued receipts in batches on pre-numbered 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 pre-numbered form. The County failed to implement effective controls to ensure that the sequence number entered mirrored the pre-numbered form. The County ledger contained 14 instances in which the same sequence number was used on two different days.

Context

The lack of internal controls, including a proper segregation of duties, was a systemic problem throughout the audit period.

Criteria

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

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

An integral part of the control activity component is segregation of duties. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same action. Separating the ability to record, authorize, and approve the transactions along with the handling of the related asset reduces the risk of error or fraudulent actions. It also reduces the risk of management override. . . .

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

LAKE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The Green Book identifies a list of control activity categories that are meant only to illustrate the range and variety of control activities; . . .

- Accurate and timely recording of transactions. . . ."

"Evaluations are used to determine whether each of the five components of internal control is present and functioning. These evaluations may be conducted on an ongoing or periodic basis. The criteria used are developed by the oversight body, elected officials, management, governing boards, or recognized standard-setting bodies or regulators.

A baseline of the current state of the internal control system is compared against the original design of the internal control system. The baseline consists of issues and deficiencies identified in the internal control system. The results of the monitoring process are evaluated and documented. . . .

Management remediates identified issues. . . ."

Cause

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

Effect

The failure to establish controls could have 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 be 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.

Recommendation

We recommended that the County design and implement a proper system of internal controls including a proper segregation of incompatible duties and periodic monitoring of internal control procedures.

Views of Responsible Officials

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

FINDING 2016-002

Subject: Treasurer's Daily Balance of Cash and Depositories and Auditor's Funds Ledger
Audit Finding: Material Weakness

Repeat Finding

This is a repeat of Finding 2015-003 from the immediate prior year.

LAKE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Condition

The County Treasurer's office maintained 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. The County Treasurer's office did not have an effective system of controls in place designed to prevent or detect errors associated with the cash reconciliation.

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, there were immaterial reconciling items that did not have the proper supporting documentation to substantiate the amount. As of August 31, 2017, the immaterial reconciling item between the County Auditor's and County Treasurer's offices had not been resolved.

Context

The lack of effective internal controls was a systemic problem throughout the audit period.

Criteria

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

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

An integral part of the control activity component is segregation of duties. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same action. Separating the ability to record, authorize, and approve the transactions along with the handling of the related asset reduces the risk of error or fraudulent actions. It also reduces the risk of management override. . . .

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

The Green Book identifies a list of control activity categories that are meant only to illustrate the range and variety of control activities; . . .

- Accurate and timely recording of transactions. . . ."

LAKE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Cause

Management of the County had not established an effective system of internal controls.

Effect

The failure to establish effective controls could have enabled misstatements or irregularities to remain undetected.

Recommendation

We recommended that the County Auditor's and Treasurer's offices work together to resolve the variance in the County Treasurer's Cash Book "Funds Ledger - Cash" and establish an effective system of controls to prevent and detect future errors.

Views of Responsible Officials

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

FINDING 2016-003

Subject: Financial Transactions and Reporting - Clerk of the Circuit Court
Audit Finding: Material Weakness

Repeat Finding

This is a partial repeat of Finding 2015-004 from the immediate prior year.

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.

The Clerk of the Circuit Court's office had multiple offices and divisions. The divisions generally had a Division Manager, a Bookkeeper, and 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.

2. Monitoring of Controls: The Clerk of the Circuit Court had no process to identify or communicate corrective actions to improve controls. Effective internal controls over financial reporting required the Clerk of the Circuit Court to monitor and assess the quality of the system of internal control.

LAKE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

3. Preparing Financial Statement: Effective internal control over financial reporting involved 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.

One individual was responsible for the collection and calculation of the total receipts, disbursements, and balances from the Clerk of the Circuit Court's multiple offices and divisions. A proper system of oversight or review was not place to ensure the financial information gathered was accurate and supported by the Clerk of the Circuit Court's records.

Context

The lack of internal controls over financial transactions and reporting for the Clerk of the Circuit Court was a systemic problem throughout the audit period.

Criteria

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

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

An integral part of the control activity component is segregation of duties. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same action. Separating the ability to record, authorize, and approve the transactions along with the handling of the related asset reduces the risk of error or fraudulent actions. It also reduces the risk of management override. . . .

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

The Green Book identifies a list of control activity categories that are meant only to illustrate the range and variety of control activities; . . .

- Accurate and timely recording of transactions. . . ."

LAKE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

"Evaluations are used to determine whether each of the five components of internal control is present and functioning. These evaluations may be conducted on an ongoing or periodic basis. The criteria used are developed by the oversight body, elected officials, management, governing boards, or recognized standard-setting bodies or regulators.

A baseline of the current state of the internal control system is compared against the original design of the internal control system. The baseline consists of issues and deficiencies identified in the internal control system. The results of the monitoring process are evaluated and documented. . . .

Management remediates identified issues. . . ."

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 could have 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.

Recommendation

We recommended that the Clerk of the Circuit Court design and implement a proper system of internal controls, including segregation of incompatible duties and periodic monitoring of internal control procedures. Internal controls should be developed in a way to prevent, or detect the recording, or reporting of incorrect information.

Views of Responsible Officials

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

FINDING 2016-004

Subject: Financial Transactions - Sheriff - Civil Division
Audit Finding: Material Weakness, Modified Opinion

Repeat Finding

This is a partial repeat of Finding 2015-005 from the immediate prior audit year.

LAKE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Condition

There were several deficiencies that constituted material weaknesses in the internal control system of the County Sheriff's department related to financial transactions and reporting:

1. **Lack of Segregation of Duties:** The County Sheriff's department had not separated incompatible activities related to receipts and disbursements and cash and investment balances. In the Civil Division, one employee receipted and disbursed funds, reconciled the monthly bank statements to the respective ledgers, and posted transactions to the ledgers.
2. **Lack of Supporting Documentation:** To substantiate the disbursements reported in the County's financial statement for the Sheriff fund, a sample of disbursements was selected for testing to ensure the existence, occurrence, accuracy, and completeness of the posted transactions. However, all records were not provided for audit to support the disbursement amount reported in the County's financial statement for the Sheriff fund. Sufficient, competent, evidential matter was not provided, which limited the scope of our audit.

The Civil Division also maintained a Check Register, the equivalent of a personal checking account register, in which the Civil Division recorded deposits and check amounts as well as computed a cash and investment balance. The Check Register was prepared using an excel worksheet and could have been altered without providing an audit trail. The Check Register balance was used to reconcile to the depository balance. The 2016 Check Register and bank reconciliations were not provided for audit, thus limiting the ability to verify the beginning and ending cash and investment balances for the Sheriff fund reported in the County's financial statement.

Context

The lack of internal controls, including proper segregation of duties, was a systemic problem throughout the audit period. A representative sampling method was used to test Civil Division disbursements for the audit period. For 81 percent of disbursements sampled, sufficient, competent, evidential matter was not provided for audit. The sample error of \$4,138,871, when projected to the population as a whole, resulted in a \$13,064,144 potential material misstatement of the County's financial statement.

Criteria

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

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

LAKE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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

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

Indiana Code 5-15-6-3 states:

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

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

Indiana Code 5-13-5-1(a) states:

"Every public officer who receives or distributes public funds shall:

- (1) keep a cashbook into which the public officer shall enter daily, by item, all receipts of public funds; and
- (2) balance the cashbook daily to show funds on hand at the close of each day."

Cause

Management of the County Sheriff's department had not established a proper system of internal control that would have ensured the retention of the records.

Effect

Due to the County Sheriff's department's failure to provide sufficient, competent, evidential matter, it could not be determined if the disbursements or cash and investment balances of the Sheriff fund were fairly presented. This impacted the Independent Auditor's Report and resulted in a qualification of the opinion due to a scope limitation.

Recommendation

We recommended that the County Sheriff's Department establish a system of internal controls, including segregation of incompatible duties that would have ensured the retention of all records to support the transactions and balances reported in the financial statement.

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)

Section III - Federal Award Findings and Questioned Costs

FINDING 2016-005

Subject: Great Lakes Program - Suspension and Debarment
Federal Agency: Environmental Protection Agency
Federal Program: Great Lakes Program
CFDA Number: 66.469
Federal Award Number and Year (or Other Identifying Number): A305-6-186
Pass-Through Entity: Indiana Department of Environmental Management
Compliance Requirement: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Other Matters

Condition

The County, including its Department of Parks and Recreation, had not established an effective internal control system related to the grant agreement and the Suspension and Debarment requirements of the Procurement and Suspension and Debarment compliance requirement.

The County, including the Department of Parks and Recreation, did not have a Suspension and Debarment policy or procedures in place to ensure compliance with requirements regarding verification that vendors were not suspended or debarred from participation in federal programs before entering into a contract.

Context

This is a systemic problem as the County does not have a suspension and debarment policy in place. All three vendors paid from the grant were not verified.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CRF 180.300 states:

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

LAKE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

You do this by:

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

Cause

Management had not developed a system of internal controls to ensure compliance with the Suspension and Debarment requirements of the Procurement and Suspension and Debarment compliance requirement.

Effect

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

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 and Suspension and Debarment compliance requirement.

Views of Responsible Officials

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

FINDING 2016-006

Subject: Great Lakes Program - Reporting
Federal Agency: Environmental Protection Agency
Federal Program: Great Lakes Program
CFDA Number: 66.469
Federal Award Number and Year (or Other Identifying Number): A305-6-186
Pass-Through Entity: Indiana Department of Environmental Management
Compliance Requirement: Reporting
Audit Finding: Material Weakness

Condition

An effective internal control system was not in place at the County in order to ensure compliance with requirements related to the grant agreement and the Reporting compliance requirement.

One employee at the County's Department of Parks and Recreation completed and submitted the quarterly Itemization of Invoice Expenditures and Grant Program Progress reports without a proper system of oversight or review.

LAKE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Context

This was a systemic problem as there was not a proper system of oversight or review for all quarterly reports.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

Cause

Management had not developed a system of internal controls to ensure compliance with the Reporting requirement.

Effect

The failure to establish an effective internal control system placed the County at risk of noncompliance with the grant agreement and the compliance requirement. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirement and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

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.

AUDITEE-PREPARED DOCUMENTS

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

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

FINDING 2015-001

Fiscal year in which the finding initially occurred: 2015
Michael Wieser
219-755-3129

Status of Audit Finding:

In 2017, all information entered into the Gateway system, was audited by the Financial Director as it was entered. At such time no documentation of this action was recorded.

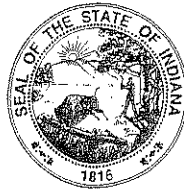
The information that will be used for the submission of the 2017 financial report will be printed and documentation of the interaction of the Financial Director and the employee responsible for entry of information into gateway will be provided.

Time of completion: February 2018

Respectfully submitted, July, 17, 2017

Michael Wieser
Finance Director, Lake County Auditor's Office

JOHN E. PETALAS
AUDITOR



Auditor Lake County

LAKE COUNTY GOVERNMENT CENTER
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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-002

Fiscal year in which the finding initially occurred: 2015
Michael Wieser
219-755-3129

Status of Audit Finding:

On February 14th, 2017 Auditor's office staff met with Grant Coordinator Jeanann Ficker, to examine all information related to grant information prior to submission For SEFA.
Please refer to supporting documentation attached:

Time of completion: February 14, 2017

Respectfully submitted, July, 17, 2017

Michael Wieser
Finance Director, Lake County Auditor's Office



Auditor Lake County

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

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DATE: February 14, 2017
FINDING No.: 2015 -002
RE: Corrective Action Meeting Documentation
Meeting Minutes
PARTICIPANTS: Jeanann Ficker, Consultant
Leah Johnson, Auditor's Associate Accountant
Micki Presnell, Auditor's Associate Accountant
Mike Wieser, Director of Finance
Kathy DeGuilio-Fox, Chief Deputy Auditor


On February 14, 2017 a meeting was held to discuss and determine a resolution for State Board of Accounts Finding No. 2015 -002, Preparation of the Schedule of Expenditures of Federal Awards. The meeting was convened at 11:17 a.m. and adjourned at 11:43 a.m.

The County has identified the errors in the SEFA and has implemented a system including the list of seventeen corrective action activities attached.

Quarterly reviews with county grant managers are to be scheduled. Discussions will include the following:

- Grant Consultant's request for quarterly:
 - Claim Vouchers
 - Reimbursement Requests
 - Expenditure Reports submitted to grant administering agencies during the quarter
- Monitoring of appropriate use of award dollars, expenditures and bookkeeping
- Grant activity during the quarter

This corrective action plan is complete and will be implemented heretofore.
Meeting documentation and report prepared by:


Kathy DeGuilio-Fox
Deputy Chief Auditor



Auditor Lake County

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2293 NORTH MAIN STREET
CROWN POINT, INDIANA 46307

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CORRECTIVE ACTION MEETING DOCUMENTATION

Finding No: 2015-002

Finding Resolution: _____

Meeting Date: 2-14-17

Time Convened: 11:17 a.m. Time Adjourned: 11:43 a.m.

Meeting Participants: Jeanann Ficker, Consultant
Leah Johnson, Assoc. Accountant
Mike Wieser, Director of Finance
Micki Presnell, Assoc Accountant
Rathy DeGuilio, Chief Deputy Auditor

Meeting Minutes: See attached documents.

Corrective Action Plan: Complete X Not Complete _____

Completion Date: 2-14-17

Contact Person: Michael Wieser

Title of Contact Person: Director of Finance

Telephone Number: 219-755-3129

Corrective Action Plan for Finding 2015-002
Schedule of Expenditures of Federal Awards (SEFA) Preparation
February 2017

Background

In its 2015 A-133 Compliance Audit of Lake County, the Indiana State Board of Accounts (SBOA) issued *Finding 2015-002 Preparation of the Schedule of Expenditures of Federal Awards*. This finding cited the following conditions:

- The County did not have a proper system of internal controls 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. And,
- The federal expenditures on the SEFA presented for audit were overstated by \$779,691. Federal expenditures were understated [by] \$340,227 in total for seven grants; and were overstated [by] \$1,119,918 in total for five grants.

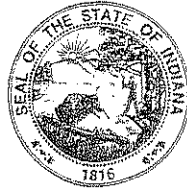
A review of the SBOA's adjusted 2015 SEFA showed that 32 of the County's 46 federal grant programs were reported inaccurately – an error rate of nearly 70%.

This document provides the Auditor's Office Corrective Action Plan (CAP) to address these conditions and ensure accurate reporting of the County's federal grant programs in future SEFAs. The Auditor's Office implemented this Plan on February 14, 2017.

Corrective Action Plan Activities

- (1) On an annual basis, the Grants Consultant will prepare a Grant Conditions and Compliance Summary Letter to be sent to the grant manager for each of the County's programs receiving federal grant funding. This letter will remind County grant managers of the grant program requirements, grant recipient responsibilities, award amount, grant period, and other pertinent information. This letter will also remind department grant managers of the County's SEFA preparation process and the departmental information required to ensure accurate SEFA reporting.
- (2) The Grants Consultant will maintain a Grant File for each active federal grant award received by Lake County. This file will contain: an Award Letter, a copy of the executed award agreement (e.g., grant agreement, cooperative agreement, service contract, etc.), and a copy of the grant application or funding proposal. These Grant Files will remain in the Auditor's Office. Grant Files for expired awards will be retained as required by the original grant agreement.
- (3) Grants Consultant will maintain a working Grant Project Folder for each of the County's federal grant-funded projects. These folders will contain ACH notices for grant receipts, copies of expenditures reports and/or reimbursement requests by County grant program managers to the respective grant-giving agencies, CFDA summary information, and other pertinent information for the Grants Consultant's work and may be relevant for future audit.
- (4) The Grants Consultant will maintain an Excel Grant Project Worksheet for each of the County's federal grant-funded projects. This worksheet will contain:
 - Grant award information such as Federal department, State administering agency, CFDA number, award number or contract number, type of grant, and federal portion of grant revenues,
 - Itemized receipts of grant revenue posted to the AC490 and confirmed by ACH Notices,
 - Grant project expenditures as reported by County grant program managers to the respective grant-giving agencies, and
 - Notes detailing the sources of financial information and other pertinent information.

- (5) The Grants Consultant will seek guidance from the SBOA for proper treatment and reporting of federal grant receipts and federal expenditures when questions emerge.
- (6) On a quarterly basis, the Grants Consultant will contact the County's grant program managers to request claim vouchers, reimbursement requests, and expenditures reports that have been submitted to grant administering agencies during the quarter,
- (7) On a quarterly basis, the Finance Department will generate a year-to-date AC473 Profit and Loss Statements for each of the County's advance grants – including Title IV-D Incentive grants, Justice Assistance Grants, Community Development Block Grants, Home Investment Partnership Program Grants, and Neighborhood Stabilization Program grants.
- (8) The Grants Consultant will conduct follow-up activities with grant program managers whose quarterly expenditures submitted to grant-giving agencies do not match the County's Profit and Loss Statements for program expenditures.
- (9) The Internal Review Division will conduct, at least, one Grant Review meeting with County Departments receiving federal grant revenues during the calendar year.
- (10) Any County department seeking a federal grant – whether for renewal of an existing grant or a new grant program – will submit a “Request to Apply for a Grant” form and a copy of a draft or final grant application to the County Council's Grant Oversight Committee to ensure the County is aware of all federal grant awards and renewals.
- (11) Any County Department receiving a grant renewal or new federal award will provide the Award Letter, copy of the executed contract document, and a copy of the final application. These documents will be placed in the Auditor's Office Grant Files.
- (12) Following the close of the calendar year reported on the SEFA, the Finance Department will print an AC473 Profit and Loss Statement for each the County's advance grants – including Title IV-D Incentive grants, Justice Assistance Grants, Community Development Block Grants, Home Investment Partnership Program Grants, and Neighborhood Stabilization Program grants.
- (13) The Grants consultant will compare the year-end Profit and Loss Statements to department grant program managers' reported expenditures during the year. Grants Consultant conducts follow-up activities with County's grant program managers whose annual expenditures submitted to grant-giving agencies do not match AC473 reports for program expenditures.
- (14) The Grants Consultant and Finance Department conduct a SEFA review meeting to verify that grant receipts and program expenditures for each of the County's federal grant programs reconcile to the County's financial records.
- (15) The Grants Consultant submits electronic and hard copies of the County's Grant Project Worksheets and of the County's Annual SEFA Spreadsheet to the Auditor's Office.
- (16) A Finance Department Bookkeeper enters grant program information from the Lake County Annual SEFA Spreadsheet into the Gateway system.
- (17) An Auditor's Office Supervisor reviews Lake County Annual SEFA Spreadsheet information entered into the Gateway system for accuracy before submitting through Gateway.



Auditor Lake County

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-003

Fiscal year in which the finding initially occurred: 2012
Michael Wieser
219-755-3129

Status of Audit Finding:

The corrective action was presented to the Lake County Treasurer and staff. It was rejected. At this time there is no plan in motion which will rectify the issue.

A handwritten signature in cursive script that reads "John E. Petalas". To the right of the signature are the initials "09".

Lake County Auditor
July, 13, 2013



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

PHONE: (219) 755-3460

FAX: (219) 755-3520



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

June 29, 2017

FINDING 2015-004

Fiscal year in which the finding initially occurred: 2015

Contact Person Responsible for Corrective Action: Rebecca Dowling

Contact Phone Number: 219-755-3067

Status of Audit Finding:

The Clerk's main office in Crown Point has fully implemented and will continue to enforce the procedures daily per the State Board of Accounts manual on segregation of duties.

The satellite offices in Hammond, Gary, and East Chicago are still working on a proper procedure to be in compliance with the segregation of duties finding.

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

Sincerely,


Michael A. Brown
Lake County Clerk



JOHN BUNCICH
LAKE COUNTY SHERIFF
LAKE COUNTY, INDIANA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding 2015-005 Internal Controls and Compliance Over Financial Transactions and Reporting – Sheriff

2016
Lake County Sheriff's Department
Melanie Dillon
219-755-3428

Status of Audit Finding

1. Lack of segregation of duties:

Civil Division – The Civil Division is currently working with an outside CPA firm to reconcile accounts with the software and bring the balances up to date beginning 2017. The previous job duties beginning in 2017 have been divided and there are now checks and balances in place with supervisor oversight.

Inmate Trust – An outside CPA firm is reconciling the accounts. Copies of the checks are supplied and the accounts are reconciled to the division's Form 358. We are still working on improving the segregation of duties over the inmate trust area.

Commissary Division - An outside CPA firm is reconciling the accounts. Copies of the checks are supplied and the accounts are reconciled to the division's Form 358. We are still working on improving the segregation of duties over the commissary division.

Lake County Drug Task Force – Beginning in 2017, the previous job duties have been divided and there are now checks and balances in place with supervisor oversight.

2. Receipt Issuance:

In the prior audit, a receipt was not issued when Trust Account monies were paid to the Commissary Account. As this was an internal payment the office previously didn't think a receipt would be necessary. In response to the audit a receipt is now issued beginning in December 2016.

Melanie L Dillon
Bookkeeping Supervisor

August 23, 2017



**LAKE COUNTY
COMMUNITY ECONOMIC DEVELOPMENT DEPARTMENT**

2293 N. Main Street • Crown Point, In 46307

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

www.lakecountyin.org

Executive Director
Timothy A. Brown

June 30th, 2017

Summary Schedule of Prior Audit Findings

Finding 2015-006

Fiscal year in which the finding initially occurred: 2015

Federal Agency: HUD

Contact Person Responsible for Corrective Action: Timothy A. Brown

Title of Contact Person: Executive Director

Phone Number: (219) 755-3225

Summary Schedule of Prior Audit Findings:

LCCEDD staff has worked with each community to amend their bidding tabulations that now will indicate contractor Suspension and Debarment has been checked. Further, minutes of the bid opening signed by the sub-grantee official are being submitted to LCCEDD. The deadline for this item to be completed has yet to expire as provided in The Corrective Action Plan. LCCEDD has only received a limited number of community responses to date.

After discussing options of changing or amending County Codes to better serve LCCEDD client needs in emergency situations with the County Attorney, Mr. Dull, LCCEDD is using the current purchasing policies as provided in the Lake County Municipal Codes.

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

Timothy A. Brown
Executive Director



LAKE COUNTY
COMMUNITY ECONOMIC DEVELOPMENT DEPARTMENT

2293 N. Main Street • Crown Point, In 46307
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Executive Director
Timothy A. Brown

June 30th, 2017

Summary Schedule of Prior Audit Findings

Finding 2015-007

Fiscal year in which the finding initially occurred: 2015

Federal Agency: HUD

Contact Person Responsible for Corrective Action: Timothy A. Brown

Title of Contact Person: Executive Director

Phone Number: (219) 755-3225

Summary Schedule of Prior Audit Findings:

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 completed therefore there is no further comments to be made for this Summary Schedule.

The Deadline Date provided in the Corrective Action Plan for completion of reporting NSP Income is August of 2017. LCCEDD is working with an outside provider on all policies and guidelines for the department. NSP program income is currently reported and documented with the County Auditor and DRGR with HUD.

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

Timothy A. Brown
Executive Director



Auditor Lake County

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



CORRECTIVE ACTION PLAN

FINDING 2016-001

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

Views of Responsible Official: We concur with the finding, see corrective action plan.

Description of Corrective Action Plan:

There are 3 separate instances in this finding which require additional controls.

The first corrective action plan has to do with the segregation of duties. It shall be documented that all AFR information that is to be submitted via the Gateway system be prepared by the Clerk responsible for gathering the information and then be reviewed by the Director of Finance prior to submission.

A system of verification of information will be implemented between the outside departments that provide financial information to the Auditor's office. This will include a brief summary of what the Auditor's office expects from the outside department to ensure the information is accurate and complete.

The third and final corrective action is to ensure the County Ledger and the pre-numbered forms (Quietuses) mirror the sequenced numbers. This will include a memo to the three employees responsible for creating the Quietus to have another person in their department verify the number on the pre-numbered form with the number manually entered into the County Ledger.

Anticipated Completion Date: 9/27/17



(Signature) OG

AUDITOR

(Title)

9-25-17

(Date)

JOHN E. PETALAS
AUDITOR



Auditor Lake County

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



September 20, 2017

To: Leah Johnson

From: Mike Wieser

Director of Finance

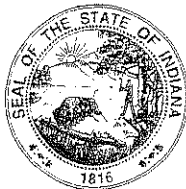
Re: Annual Financial Report

Effective immediately, the following procedure will be in place regarding the Annual Financial Report for Lake County:

All information gathered for entry into the Gateway system will be reviewed by me prior to submission.

Please let me know if there are any questions or concerns about this procedure.

JOHN E. PETALAS
AUDITOR



Auditor Lake County

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

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September 20, 2017

To: Elected Officials
Department Heads
Bookkeepers

From: Mike Wieser
Director of Finance

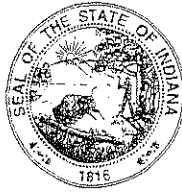
Re: Annual Financial Report

Effective immediately, the following procedure will be in place regarding the Annual Financial Report for Lake County:

When submitting financial information (i.e. Supplemental Annual Reports) to the Finance department for inclusion in the County Annual Financial Report, please be sure that beginning balances agree with the prior year's ending balances. Also, please be sure that all receipts and disbursements balance with your records, that we may request, if deemed necessary. Last, please be sure that your ending balances are accurately computed, agreeing with beginning balances, receipts and disbursements.

Please let me know if there are any questions or concerns about this procedure.

JOHN E. PETALAS
AUDITOR



Auditor Lake County

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

®  1049-M

September 20, 2017

To: Finance Department
Tax Sale Department

From: Mike Wieser
Director of Finance

Re: Quietus Procedure

Effective immediately, the following procedure will be in place to ensure that pre-numbered Quietus forms mirror the numbers in the County ledger:

Before Quietus batches are taken to the Treasurer's office for deposit, those Quietuses must first be verified by a person in your department, who did not create the Quietus, to be sure that the pre-printed number matches the typed-in number on the Quietus. The person who verifies the numbers is required to affix their initials on the "Quietus" part of the four-part receipt, next to the typed-in number.

Please let me know if there are any questions or concerns about this procedure.



Auditor Lake County

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



CORRECTIVE ACTION PLAN

FINDING 2016-002

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

Views of Responsible Official: We concur with the finding, see corrective action plan.

Description of Corrective Action Plan:

At this time the Treasurer and the Auditor have come to an agreement on how to adjust the Cash book to resolve the discrepancy which has been evident since 2013.
This error was first discovered in 2013, since then new internal control procedures have been implemented at the settlement to prevent this from occurring again.
These controls have been effective for the last 5 tax settlements.

Anticipated Completion Date: 12/31/17

 OG

(Signature)

AUDITOR

(Title)

9-25-17

(Date)



Treasurer Lake County

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



CORRECTIVE ACTION PLAN

FINDING 2016-002

Contact Person Responsible for Corrective Action: Peggy Holinga Katona
Contact Phone Number: 755-3769

Views Of Responsible Official:

Settlement of 2011 (Provisional tax bills since no tax bills were available) was overpaid by the Auditor's Finance Department. The procedure to balance with the Lake County Treasurer's cash was bypassed by the Finance Department. The Auditor's Finance Department never balanced the settlement quietus' with the Treasurer's Accounting Department cash totals. The quietus' were not presented to the Treasurer's Accounting Department until after the settlement checks were issued. The Auditor's Finance Department was told by the Treasurer's Accounting Department that the settlement was overpaid and the Auditor's Finance Department agreed there was an overpayment in the TIF allocation for two major cities.

From that point forward the Auditor's Finance Department attempted multiple corrections for the next four years to no avail. Every correction turned out to be erroneous that made the initial shortage more blurred.

The joint efforts between the Treasurer and Auditor have brought in outside accountants to review the situation and they came up with no solution.

Prior to and since this time of 2011 the Treasurer's daily cash sheet has been in balance. I know that this is a Lawson Accounting System error. There is no cash missing whatsoever. Myself or my people cannot come up with an adjusting entry on the Treasurer's side to correct the Auditor's error.

Description of Corrective Action Plan:

I feel that this started off as an Auditor's Finance Department error and that any type of correction plan should come from that department. We do not have the ability to make adjustments or corrections on the Treasurer's system.

Our Corrective Action Plan is to wait until the Auditor's Finance Department can make a correcting entry into the Lawson Accounting System since there is actually **no cash missing**.

Anticipated Completion Date:

Unknown

Peggy Holinga Katona
Lake County Treasurer
September 22, 2017



MICHAEL A. BROWN
CLERK LAKE CIRCUIT/SUPERIOR COURT
CHILD SUPPORT DIVISION
2293 North Main Street
Crown Point, Indiana 46307

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CORRECTIVE ACTION PLAN

September 19, 2017

FINDING 2016-003

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 has been fully implemented starting November 10th, 2016. We will continue to monitor and enforce that these procedures are 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: September 19, 2017

Sincerely,

A handwritten signature in black ink that reads "Michael A. Brown". The signature is written in a cursive style with a horizontal line underneath the name.

Michael A. Brown

OSCAR MARTINEZ

LAKE COUNTY SHERIFF

LAKE COUNTY, INDIANA

Corrective Action Plan

FINDING 2016-004

Contact Person Responsible for Corrective Action: Commander Ron Ladd

Contact Phone Number: 219-755-3191, 219-545-1405

Description of Corrective Action Plan:

1. Lack of Segregation of Duties: The Lake County Sheriff's office acknowledges that, in 2016, there were incompatible duties by the Civil Division personnel. However, at the beginning of 2017, job responsibilities were distributed to separate employees to alleviate the issue of having only one person involved in all duties. The Commander of the Civil Division now reviews and approves all the transactions daily. The department is currently in the process of creating job specific handbooks evaluating each duty with special attention to accountability. To take the segregation further, the Civil Division has retained an outside, independent Certified Public Accounting firm that will, in the future, perform monthly bank reconciliations. After the completion of the reconciliations internally and by an outside firm, they will then be forwarded to a higher command to be reviewed.

The Civil Division is now utilizing the state approved Lieberman Software system to record all in office receipts and disburse funds via computer printed check. We acknowledge that an Excel worksheet was utilized as a substitute check register in the past, but this issue has now been resolved and most of the 2016 transactions are within the, state approved, Lieberman Software which contains a check register with bank reconciliation abilities. There are issues on how to record direct deposits from the state and bank, as there is a question on how to handle payments that did not come directly through the department and were not part of the deposit prepared through the software system. This is now being investigated with Lieberman Software.

We acknowledge the 2016 bank reconciliations were not provided as they had not been prepared. That matter is also currently being resolved. As of 2017, the bank reconciliations have been completed against the check register through 2016. We are currently in the process of reconciling to the software.

2. Lack of Supporting Documentation: Audit sampling is the application of an audit procedure to less than 100% of the items within an account for the purpose of evaluating some characteristic of the balance. A sampling method for audit purposes is dependent upon the particular items to be sampled, the size of the universe under examination, and the risk of assessing control risk too high.

Sampling risk arises from the possibility that, when a test of controls is restricted to a sample, the auditor's conclusions may be different from the conclusions he would reach if the tests were applied in the same way to all items in the class of transactions.

Therefore, we adamantly disagree that there exists the potential material misstatement of \$13,064,144.

We also disagree with the State Board of Account's inclusion of Indiana Code 5-16-6-3 in the audit report. There is no evidence of any unauthorized destruction of financial records. In fact, we believe that there is paperwork readily available that would have clarified any questions in regards to disbursement amounts, but new employees were unsure about exactly what was at question. A detailed record is kept of all disbursements from sales revenue and is noted by case number and recorded on each check. Employees are now being educated on the SBOA's expectations and the division's responsibility of proof. They are reorganizing their filing system and have been advised, for future auditor requests, to err on the side of providing more information to reduce the chance of this issue in the future.

In summary, the Civil Division has been working diligently with the software company, the bank, and an outside independent Certified Public Accounting firm to bring job functions and policies up-to-date ensuring transparency and accuracy.



Lake County Sheriff

September 22nd, 2017



8411 E. Lincoln Hwy. • Crown Point, IN 46307

219.769.7275 • Fax: 219.945.0452

CORRECTIVE ACTION PLAN

Bellaboo's
219-963-2070

Buckley Homestead
219-696-0769

Cedar Creek
219-365-2902

Deep River
219-947-1958

Deep River Waterpark
219-947-7850

Gibson Woods
219-844-3188

Grand Kankakee Marsh
219-552-0033

Lake Etta
219-944-9601
Banquets - 219-949-6533

Lemon Lake
219-663-7627

Oak Ridge Prairie
219-884-7238

Stoney Run
219-996-6500

Three Rivers
219-962-7810

Turkey Creek G.C.
219-980-8101
Pro Shop - 219-980-5170
Banquets - 219-887-3550

Reservations - 219-769-7275

Finding 2016-005

Contact Person Responsible for Corrective Action: **Mindy Gallo**
Contact Phone Number: **219-945-0543**

Views of Responsible Official: **We concur with the finding.**

Description of Corrective Action Plan:

The Lake County Parks and Recreation Board will adopt a policy by January, 2018 in response to 2016-005.

Anticipated Completion Date: **January, 2018**



Jim Basala, CEO

September 19, 2017

Established: June 1, 1968

"A Natural Place For Fun"



CORRECTIVE ACTION PLAN

Bellaboo's
219-963-2070

Buckley Homestead
219-696-0769

Cedar Creek
219-365-2902

Deep River
219-947-1958

Deep River Waterpark
219-947-7850

Gibson Woods
219-844-3188

Grand Kankakee Marsh
219-552-0033

Lake Etta
219-944-9601
Banquets - 219-949-6533

Lemon Lake
219-663-7627

Oak Ridge Prairie
219-884-7238

Stoney Run
219-996-6500

Three Rivers
219-962-7810

Turkey Creek G.C.
219-980-8101
Pro Shop - 219-980-5170
Banquets - 219-887-3550

Reservations - 219-769-7275

Finding 2016-006

Contact Person Responsible for Corrective Action: **Mindy Gallo**
Contact Phone Number: **219-945-0543**

Views of Responsible Official: **We concur with the finding.**

Description of Corrective Action Plan:

An internal control policy & procedures will be adopted by January 2018 in response to 2016-006.

Anticipated Completion Date: **January, 2018**

Jim Basala, CEO

September 19, 2017

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/>.