

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF
MADISON COUNTY, INDIANA
January 1, 2016 to December 31, 2016



FILED
11/21/2018

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Jane Lyons Rick G. Gardner	01-01-13 to 12-31-16 01-01-17 to 12-31-20
County Treasurer	Kelly S. Gaskill	01-01-15 to 12-31-18
Clerk of the Circuit Court	Darlene Likens	01-01-15 to 12-31-18
County Sheriff	Scott Mellinger	01-01-15 to 12-31-18
President of the Board of County Commissioners	John M. Richwine	01-01-15 to 12-31-18
President of the County Council	Clayton Whitson Steve C. Sumner Anthony Emery	01-01-16 to 12-31-16 01-01-17 to 12-31-17 01-01-18 to 12-31-18



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF MADISON COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of Madison 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 (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the County for the year ended December 31, 2016, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Supplementary Information

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


Other Information

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated October 9, 2018, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.


Paul D. Joyce, CPA
State Examiner

October 9, 2018



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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 MADISON 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 Madison 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 October 9, 2018, wherein we noted the County followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

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

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

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

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

Compliance and Other Matters


As part of obtaining reasonable assurance about whether the County's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2016-002.

Madison 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

October 9, 2018

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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.

MADISON COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2016

Fund	Cash and Investments			Cash and Investments 12-31-16
	01-01-16	Receipts	Disbursements	
After Settlement Collections	\$ 3,271,126	\$ 3,267,349	\$ 3,271,126	\$ 3,267,349
Inmate Trust Fund New	44,461	743,121	762,035	25,547
Jail Commissary	140,388	521,198	479,309	182,277
Clerk Trust	775,588	8,225,921	8,062,835	938,674
Sheriff Civil Fund	27,498	3,126,412	3,098,024	55,886
County General	13,270,082	27,144,138	28,669,414	11,744,806
Accident Report Fund	7,475	7,072	8,894	5,653
Performance Bond Fund	5,000	4,000	4,000	5,000
Child Advocacy Fund	325	-	-	325
City & Town Court Costs	17,943	15,437	17,943	15,437
Clerks Rec Perpetuation	33,873	49,885	14,616	69,142
COIT County Distributive Share	1,789,292	9,003,743	10,186,589	606,446
CJC Project Income	149,591	811,665	587,111	374,145
Cong. School-Int.	13,019	47	968	12,098
Cong. School - Principal	23,440	967	-	24,407
Co Sales Disclosure Fund	24,784	16,300	9,004	32,080
Cumulative Bridge	851,068	986,660	883,290	954,438
Co Drug Free Community	95,420	66,413	85,642	76,191
Emg Plan & Right To Know	82,108	6,290	25,366	63,032
Enhanced Access Fund	41,196	27,854	6,167	62,883
County Extradition Fund	8,132	19,508	-	27,640
Firearms Training	40,998	52,280	64,079	29,199
Co Economic Dev (County)	202,138	705,314	836,000	71,452
General Drain Improvement	343,960	817,865	244,596	917,229
Health Fund	232,498	1,092,127	1,040,332	284,293
Co ID Security Protection	27,706	8,968	-	36,674
Landfill Fund	193,784	170	-	193,954
Health Maintenance	272,488	109,008	38,594	342,902
Arterial Roads & Streets	242,239	657,683	474,947	424,975
County Public Safety Fund	2,235,585	1,347,633	778,177	2,805,041
Medical Care For Inmates	51,061	14,830	-	65,891
Co Misdemeanant Fund	221,080	98,503	14,988	304,595
Highway Fund	397,642	4,397,763	4,323,503	471,902
TMA Tax Fund	303,623	-	1,372	302,251
Plat Book Maintenance	115,212	36,395	19,111	132,496
Rainy Day Fund	953,906	360	293,466	660,800
Reassessment 2015	562,306	288,819	279,466	571,659
Recorder's Records	218,359	199,274	168,527	249,106
Sex/Violent Offend Admin	41,232	12,999	11,119	43,112
Mad Co Solid Waste Mgt	72,730	-	72,730	-
Supp Public Defender Serv	26,120	49,053	22,786	52,387
Surplus Tax	903,674	586,824	344,970	1,145,528
Co. Surveyor's Cor Perp.	78,377	27,707	9,130	96,954
SRI Fund	85,107	128,082	84,645	128,544
Tax Sale Redemption 12/11	(18,637)	881,634	855,459	7,538
Tax Sale Surplus 12/11	(37,987)	231,058	-	193,071
LHD Trust Acct Program	397,395	78,343	172,918	302,820
Unsafe Building Fund	84,526	44,726	-	129,252
GAL/CASA Users Fees	-	137,047	98,403	38,644
Auditors Ineligible Deduc	167,102	22,426	61,032	128,496
Co Elected Officials Trng	28,871	8,199	5,650	31,420
Co Offender Transprt Fund	8,055	1,625	-	9,680
Statewide 911	1,234,754	892,209	1,656,879	470,084
Unified Prob Admin Fees	47,617	85,628	103,004	30,241
Juvenile Prob Admin Fees	28,674	7,920	16,411	20,183
Suppl Prob Serv-Unified	460,354	934,975	905,018	490,311
Suppl Prob Serv-Juvenile	74,266	35,339	38,963	70,642
Alternative Dispute Resol	42,248	9,316	6,860	44,704
Co. Users Fees Fund	513,803	325,514	383,711	455,606
General Drain Maintenance	2,020,451	800,478	635,198	2,185,731
Mad Co Drug Task Force	538	-	538	-
Mc Recycling Grant 2005	178,841	107,715	84,535	202,021
Cumulative Its	45,938	22,696	57,402	11,232
Interpreter Grant Award	4,683	6,300	5,969	5,014
Mc Group Ins Reserve Fund	1,969,079	1,279	3,323	1,967,035
Payroll	573,999	7,507,734	7,598,156	483,577
Payroll Withholding Medical	988,318	6,918,155	7,889,245	17,228
Payroll Withholding BestFlex	33,910	152,160	154,425	31,645
Settlement	-	97,887,461	97,887,461	-
Coit Public Safety Fund	-	5,397,133	5,397,133	-
Wheel Tax/Surtax Fund	91,527	3,170,737	3,133,332	128,932
Comm Vehicle Excise Tax	-	803,619	803,619	-
Weed Cutting	19,539	33,428	28,106	24,861
Sewer Service	39,292	77,295	76,446	40,141
Financial Inst Tax	-	735,871	735,871	-
New Credit	158,706	197	489	158,414
Homestead Credit Rebate	669	-	669	-
LOIT PTRC Fund	529,828	10,920,517	11,056,303	394,042
Fines & Forfeitures	4,004	65,443	60,518	8,929
Infraction Judgments	15,004	235,420	234,011	16,413
Overweight Vehicle Fines	1,523	-	1,523	-
Spec Death Benefit Fee Fd	665	9,135	9,095	705
State Assessment Training	1,200	16,030	15,795	1,435
Coroner's Cont Education	1,580	16,692	16,846	1,426
Interstate Compact Appl	145	1,751	1,833	63
Mortgage Fee Fund	640	9,020	8,840	820
DLGF HS Property Database	27	111	135	3
Sex/Violent Offend/State	48	1,444	1,286	206
Child Restraint Sys Fines	50	1,550	1,575	25
Forest Restoration	-	983	983	-
Inheritance Tax	7,924	747	8,641	30
Education Plate Fee	-	2,231	2,231	-
Rev Sharing Riverboat Fund	-	779,773	779,773	-

MADISON 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
Madison Co Conv & Tour	49,727	657,514	663,952	43,289
County Option Income Tax	-	21,588,533	21,588,533	-
Prosecutor PCA CFDA#93.563	13	5,051	-	5,064
Clerk Arra Fund	45,333	-	-	45,333
Co Gen Title IV-D Incentv	84,946	51,073	2,589	133,430
Prosecutor Incentive	5	-	-	5
New Pros Incentive	127,512	76,842	105,299	99,055
New Clerk Incentive	154,909	51,073	19,426	186,556
Clerk Support	23,686	2,426,605	2,427,900	22,391
Donations	27,135	35,034	26,220	35,949
LOIT Special Distribution	-	3,635,054	2,726,290	908,764
Co Local Ord Violations Fines	1,389	2,804	-	4,193
Corr Complex Commissary	147,715	194,189	166,285	175,619
Jury Pay Fund	806	15,115	15,892	29
Advance Tax Fund	39,448	-	-	39,448
Pre-Trial Serv (Unified)	19,401	20,720	28,631	11,490
Circuit Prob Admin Fees	25,770	-	25,770	-
County Owned Land Sale	102,887	500	102,887	500
Prime For Life Program	2,193	-	50	2,143
Planned Unit Dev Inspectn	183	-	-	183
Madison Co Bridge 902	121,402	-	-	121,402
Soil & Water Watershed	-	25,874	21,104	4,770
2010 IDEM MS4 Conference	21,615	90,312	55,930	55,997
MS4-COG Treasurer	6,302	11,664	9,201	8,765
Dissolution Education	4,366	9,887	10,300	3,953
Co Housing Fund	15,322	-	574	14,748
Law Enforcement Aid	7,733	2,293	6,054	3,972
JobSource	470,240	2,385,522	2,642,996	212,766
JobSource-Its Fund	31,436	32,957	33,350	31,043
Juvenile Drug Screens	3,531	1,448	867	4,112
Central Dispatch Fund	918,595	2,176,942	2,581,598	513,939
Bell & Clock	609	-	609	-
2015 COIT Revenue Project Fund	4,681,177	30,000	4,159,738	551,439
County Wheel Tax/Surtax	594,113	1,435,703	1,327,906	701,910
Liability Ins Retainage	9,782	8,806	15,383	3,205
2015 COIT Sinking Fund	-	679,969	679,969	-
Slot Machine Wagering Fee	84	6,171,550	6,171,550	84
Juvenile Facilities Construct	111,263	-	-	111,263
Co Economic Dev (City)	-	1,365,733	1,365,733	-
Series 2015A (Dispatch Center)	1,724,008	-	1,723,749	259
Series 2015B (MCCC)	1,184,555	-	1,183,459	1,096
Cum Recycling Center	93,736	18,835	30,625	81,946
Mad Co Sher Photo Fund	3,417	1,275	1,395	3,297
Mad Co Emg Mgt Cap Equip	74,356	50	-	74,406
Mad Co Hazmat Truck Fund	20,496	3,210	5,372	18,334
Commiss Cert Sale 04/11/14	(925)	925	-	-
Comm Cert Sale 03/13/15	86,491	-	9,039	77,452
Comprehensive Safety Pgm	32,030	25,422	25,145	32,307
Dept Men HTH SA-5-155	11	-	11	-
Tax Sale Surplus-2010	163,985	-	163,985	-
Commissioners Certif Sale	289,147	-	2,999	286,148
Tax Sale Surplus 2013	514,427	1,877	258,059	258,245
Comm Cert Sale 04/08/16	-	327,283	321,147	6,136
Tax Sale Surplus-2006	(7,911)	7,911	-	-
Tax Sale Surplus 2005	6,360	-	6,360	-
Tax Sale Redemption	10,176	-	-	10,176
Commiss Cert Sale 03/29/13	66,744	4,025	-	70,769
Windfarm Rd/Drain Inspect	17,580	-	-	17,580
Windfarm Economic Develop	1,362,970	-	-	1,362,970
Tax Sale Surplus 2014	(165,307)	272,962	-	107,655
Commissioner Vending Fund	2,461	599	-	3,060
Cemetery Maint & Improv Fund	2,800	-	-	2,800
Tax Sale Surplus 2015	2,067,190	87	1,690,661	376,616
Tax Sale Surplus 2016	-	1,713,239	422,629	1,290,610
LOIT 2016 Special Distribution	-	8,720,623	8,720,623	-
Storm Sewer	16,563	21,857	29,073	9,347
10.557 WIC	-	162	-	162
CJC/DOC	170,588	766,252	768,741	168,099
Comm Transition Prog-July	124,722	307,895	151,538	281,079
Crime Vic Assist 93vs001	(1,709)	-	-	(1,709)
Bilingual Advocate (STOP)	(14,799)	24,218	35,294	(25,875)
CJC/Juvenile	13,146	83,129	77,211	19,064
CJC/MC Coal Ag Sub Abuse	-	9,211	9,211	-
Sheriff Victim Advocate 16.575	(20,444)	28,360	37,673	(29,757)
Empg Grant	64,066	-	64,000	66
PS Crts Enhancement Grt 16.585	9,093	-	-	9,093
Jaibg Grant	7,903	-	7,903	-
Polling Place Improv Grnt	202	-	202	-
Council Of Gov't	489,118	1,924,105	2,134,603	278,620
Aggressive Driving Grant	857	-	857	-
Byrne Grant	(72,475)	81,581	9,106	-
Mad Co DUI	3,704	26,570	13,308	16,966
Big City County	2,724	27,866	44,339	(13,749)
Regional Team	36	-	36	-
Fema Fy 2002 (Cert)	157	-	157	-
Dist 6 Training/Exercise	506	-	506	-
Co Youth Center Sch Grt	6,033	29,049	33,057	2,025
ICJI-Madison Co CASA	16,426	170,877	167,836	19,467
Dist Mobile Command Grant	2,209	-	2,166	43
Doe Exercise HLS	154	-	-	154
Fema Pa Grant 1766-Dr	10,447	-	-	10,447
Hazmat Truck Type 2 97.073	2,621	-	-	2,621
EOC upgrade 97.042	(5,085)	-	-	(5,085)

MADISON COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2016

Fund	Cash and	Receipts	Disbursements	Cash and
	Investments			Investments
	01-01-16			12-31-16
Anderson Rental REHAB FY13	(6,163)	6,199	-	36
CJC/Women's Center	57,054	362,528	324,728	94,854
Crime Victim Assistance (VOCA)	(24,206)	129,266	137,308	(32,248)
New EOC Equipment	6,582	-	-	6,582
EOC Upgrade Grant	(8,478)	-	-	(8,478)
Child Advocacy Center Award	(2,664)	88,465	83,893	1,908
Brownfields Grant #66.818	-	191,651	191,651	-
Ebola Grant	(8,944)	15,222	4,447	1,831
CRI Grant	(300)	34,656	50,265	(15,909)
STOP (Bilingual Adv.)	-	8,005	-	8,005
Drug Court Discretionary Grant	-	30,244	48,835	(18,591)
2015 Local Base-Info Distribut	-	4,857	4,742	115
2015 Competitive-EAE	-	11,123	10,935	188
Reading For Life 16.540	-	-	37,577	(37,577)
2015 EMPG De-obligated funds	-	14,960	14,966	(6)
5311 Capital Assistance Grant	-	80,419	20,105	60,314
Adult Protective Service	(34,604)	249,829	245,878	(30,653)
Juvenile Pilot Project	2,499	-	-	2,499
School Attendance Project	414	-	-	414
Court Reform Grant 13-CRG-010	7,703	-	7,703	-
Health Dept Reimb Non-Rev	28,080	-	-	28,080
Health Foundation Fund	12,000	11,400	23,382	18
St Supreme Crt Psc Grant	6,486	11,338	14,368	3,456
Bio Terror Res Prog	2,604	22,180	30,617	(5,833)
Sheriff Technology Grant	16,229	81,550	91,439	6,340
Community Block Grant	3,986	-	-	3,986
Drug Court CPTF	-	2,600	2,600	-
In St Sup Reentry Court Grant	2,420	7,500	2,420	7,500
In St Sup Mental Health Court	3,525	7,500	6,332	4,693
JDAI 15-16 Fund	31,345	31,500	62,845	-
JDAI Grant 16/17	-	52,490	20,613	31,877
DOC-PROB	-	128,313	76,362	51,951
PSC-CRRP	-	121,563	45,532	76,031
DOC Sheriff-Jail Treatment	-	18,750	1,680	17,070
Totals	<u>\$ 54,534,559</u>	<u>\$ 263,567,031</u>	<u>\$ 272,986,368</u>	<u>\$ 45,115,222</u>

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

MADISON COUNTY
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

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

Licenses and permits. Amounts received from businesses, occupations, or 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.

MADISON COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

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

E. Disbursements

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

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

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

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

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.

MADISON 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 lien date (March 1 in a year ending before January 1, 2016 and January 1 in a year beginning after December 31, 2015) 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.

MADISON 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.

MADISON 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. This is a result of the funds being set up for reimbursable grants. The reimbursement for expenditures made by the County was not received by December 31, 2016.

Note 8. Subsequent Events

County Debt Issuances:

On November 14, 2017, the County issued Local Income Tax Remediation Bonds in the amount of \$3,500,000 for courthouse renovations.

MADISON COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

On December 1, 2017, the County entered into a loan in the amount of \$1,495,000 as a buyout of AT&T for cost savings.

On March 6, 2017, the County entered into a loan to purchase the Star Bank Building, which is adjacent to the courthouse, for \$675,000.

Note 9. Other Postemployment Benefits

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

OTHER INFORMATION - UNAUDITED

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

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

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

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

	After Settlement Collections	Inmate Trust Fund New	Jail Commissary	Clerk Trust	Sheriff Civil Fund	County General	Accident Report Fund
Cash and investments - beginning	\$ 3,271,126	\$ 44,461	\$ 140,388	\$ 775,588	\$ 27,498	\$ 13,270,082	\$ 7,475
Receipts:							
Taxes	-	-	-	-	-	18,432,157	-
Licenses and permits	-	-	-	-	-	98,823	-
Intergovernmental receipts	-	-	-	-	-	5,109,404	-
Charges for services	3,267,349	743,121	521,198	8,225,811	3,126,412	1,731,289	1,512
Fines and forfeits	-	-	-	-	-	273,479	-
Other receipts	-	-	-	110	-	1,498,986	5,560
Total receipts	<u>3,267,349</u>	<u>743,121</u>	<u>521,198</u>	<u>8,225,921</u>	<u>3,126,412</u>	<u>27,144,138</u>	<u>7,072</u>
Disbursements:							
Personal services	-	-	-	-	-	25,994,483	-
Supplies	-	-	-	-	-	7,889	-
Other services and charges	3,271,126	762,035	479,309	8,062,835	3,098,024	1,954,296	8,894
Capital outlay	-	-	-	-	-	712,746	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>3,271,126</u>	<u>762,035</u>	<u>479,309</u>	<u>8,062,835</u>	<u>3,098,024</u>	<u>28,669,414</u>	<u>8,894</u>
Excess (deficiency) of receipts over disbursements	<u>(3,777)</u>	<u>(18,914)</u>	<u>41,889</u>	<u>163,086</u>	<u>28,388</u>	<u>(1,525,276)</u>	<u>(1,822)</u>
Cash and investments - ending	\$ <u>3,267,349</u>	\$ <u>25,547</u>	\$ <u>182,277</u>	\$ <u>938,674</u>	\$ <u>55,886</u>	\$ <u>11,744,806</u>	\$ <u>5,653</u>

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

	Performance Bond Fund	Child Advocacy Fund	City & Town Court Costs	Clerks Rec Perpetuation	COIT County Distributive Share	CJC Project Income	Cong. School-Int.
Cash and investments - beginning	\$ 5,000	\$ 325	\$ 17,943	\$ 33,873	\$ 1,789,292	\$ 149,591	\$ 13,019
Receipts:							
Taxes	-	-	-	-	8,998,840	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	15,437	49,780	-	-	-
Other receipts	4,000	-	-	105	4,903	811,665	47
Total receipts	4,000	-	15,437	49,885	9,003,743	811,665	47
Disbursements:							
Personal services	-	-	-	13,562	620,576	537,410	-
Supplies	-	-	-	-	1,080,792	13,514	-
Other services and charges	4,000	-	17,943	1,054	7,384,275	36,187	-
Capital outlay	-	-	-	-	1,100,946	-	-
Other disbursements	-	-	-	-	-	-	968
Total disbursements	4,000	-	17,943	14,616	10,186,589	587,111	968
Excess (deficiency) of receipts over disbursements	-	-	(2,506)	35,269	(1,182,846)	224,554	(921)
Cash and investments - ending	\$ 5,000	\$ 325	\$ 15,437	\$ 69,142	\$ 606,446	\$ 374,145	\$ 12,098

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

	Cong. School - Principal	Co Sales Disclosure Fund	Cumulative Bridge	Co Drug Free Community	Emg Plan & Right To Know	Enhanced Access Fund	County Extradition Fund
Cash and investments - beginning	\$ 23,440	\$ 24,784	\$ 851,068	\$ 95,420	\$ 82,108	\$ 41,196	\$ 8,132
Receipts:							
Taxes	-	-	741,458	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	244,203	-	6,290	-	-
Charges for services	-	16,200	-	41,828	-	27,854	-
Fines and forfeits	-	-	-	24,585	-	-	19,508
Other receipts	967	100	999	-	-	-	-
Total receipts	967	16,300	986,660	66,413	6,290	27,854	19,508
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	9,004	-	85,642	23,008	-	-
Capital outlay	-	-	883,290	-	2,358	6,167	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	-	9,004	883,290	85,642	25,366	6,167	-
Excess (deficiency) of receipts over disbursements	967	7,296	103,370	(19,229)	(19,076)	21,687	19,508
Cash and investments - ending	\$ 24,407	\$ 32,080	\$ 954,438	\$ 76,191	\$ 63,032	\$ 62,883	\$ 27,640

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

	Firearms Training	Co Economic Dev (County)	General Drain Improvement	Health Fund	Co ID Security Protection	Landfill Fund	Health Maintenance
Cash and investments - beginning	\$ 40,998	\$ 202,138	\$ 343,960	\$ 232,498	\$ 27,706	\$ 193,784	\$ 272,488
Receipts:							
Taxes	-	585,314	694,373	712,830	-	-	-
Licenses and permits	-	-	-	298,963	-	-	-
Intergovernmental receipts	8,700	-	-	79,452	-	-	109,008
Charges for services	43,580	-	-	-	8,968	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	120,000	123,492	882	-	170	-
Total receipts	52,280	705,314	817,865	1,092,127	8,968	170	109,008
Disbursements:							
Personal services	-	-	-	981,886	-	-	35,574
Supplies	-	-	-	29,245	-	-	1,860
Other services and charges	64,079	836,000	244,596	21,080	-	-	1,160
Capital outlay	-	-	-	4,639	-	-	-
Other disbursements	-	-	-	3,482	-	-	-
Total disbursements	64,079	836,000	244,596	1,040,332	-	-	38,594
Excess (deficiency) of receipts over disbursements	(11,799)	(130,686)	573,269	51,795	8,968	170	70,414
Cash and investments - ending	\$ 29,199	\$ 71,452	\$ 917,229	\$ 284,293	\$ 36,674	\$ 193,954	\$ 342,902

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

	Arterial Roads & Streets	County Public Safety Fund	Medical Care For Inmates	Co Misdemeanant Fund	Highway Fund	TMA Tax Fund	Plat Book Maintenance
Cash and investments - beginning	\$ 242,239	\$ 2,235,585	\$ 51,061	\$ 221,080	\$ 397,642	\$ 303,623	\$ 115,212
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	125
Intergovernmental receipts	657,530	1,347,633	-	98,503	4,284,530	-	-
Charges for services	4	-	14,830	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	149	-	-	-	113,233	-	36,270
Total receipts	657,683	1,347,633	14,830	98,503	4,397,763	-	36,395
Disbursements:							
Personal services	-	425,136	-	-	2,410,008	-	12,361
Supplies	-	-	-	11,109	1,134,692	-	2,000
Other services and charges	474,947	31,197	-	2,515	127,677	1,372	3,400
Capital outlay	-	321,844	-	1,364	651,126	-	1,350
Other disbursements	-	-	-	-	-	-	-
Total disbursements	474,947	778,177	-	14,988	4,323,503	1,372	19,111
Excess (deficiency) of receipts over disbursements	182,736	569,456	14,830	83,515	74,260	(1,372)	17,284
Cash and investments - ending	\$ 424,975	\$ 2,805,041	\$ 65,891	\$ 304,595	\$ 471,902	\$ 302,251	\$ 132,496

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

	Rainy Day Fund	Reassessment 2015	Recorder's Records	Sex/Violent Offend Admin	Mad Co Solid Waste Mgt	Supp Public Defender Serv
Cash and investments - beginning	\$ 953,906	\$ 562,306	\$ 218,359	\$ 41,232	\$ 72,730	\$ 26,120
Receipts:						
Taxes	-	260,512	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	28,307	-	-	-	-
Charges for services	-	-	199,274	-	-	-
Fines and forfeits	-	-	-	-	-	48,323
Other receipts	360	-	-	12,999	-	730
Total receipts	360	288,819	199,274	12,999	-	49,053
Disbursements:						
Personal services	-	162,234	86,552	-	-	-
Supplies	-	386	-	-	-	-
Other services and charges	89,843	116,846	81,975	11,119	72,730	22,786
Capital outlay	203,623	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	293,466	279,466	168,527	11,119	72,730	22,786
Excess (deficiency) of receipts over disbursements	(293,106)	9,353	30,747	1,880	(72,730)	26,267
Cash and investments - ending	\$ 660,800	\$ 571,659	\$ 249,106	\$ 43,112	\$ -	\$ 52,387

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

	Surplus Tax	Co. Surveyor's Cor Perp.	SRI Fund	Tax Sale Redemption 12/11	Tax Sale Surplus 12/11	LHD Trust Acct Program
Cash and investments - beginning	\$ 903,674	\$ 78,377	\$ 85,107	\$ (18,637)	\$ (37,987)	\$ 397,395
Receipts:						
Taxes	586,824	-	128,082	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	78,343
Charges for services	-	27,707	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	881,634	231,058	-
Total receipts	<u>586,824</u>	<u>27,707</u>	<u>128,082</u>	<u>881,634</u>	<u>231,058</u>	<u>78,343</u>
Disbursements:						
Personal services	-	-	-	-	-	48,873
Supplies	-	3,650	-	-	-	1,916
Other services and charges	344,970	5,480	84,645	855,459	-	7,844
Capital outlay	-	-	-	-	-	114,285
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>344,970</u>	<u>9,130</u>	<u>84,645</u>	<u>855,459</u>	<u>-</u>	<u>172,918</u>
Excess (deficiency) of receipts over disbursements	<u>241,854</u>	<u>18,577</u>	<u>43,437</u>	<u>26,175</u>	<u>231,058</u>	<u>(94,575)</u>
Cash and investments - ending	<u>\$ 1,145,528</u>	<u>\$ 96,954</u>	<u>\$ 128,544</u>	<u>\$ 7,538</u>	<u>\$ 193,071</u>	<u>\$ 302,820</u>

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

	Unsafe Building Fund	GAL/CASA Users Fees	Auditors Ineligible Deduc	Co Elected Officials Trng	Co Offender Transprt Fund	Statewide 911
Cash and investments - beginning	\$ 84,526	\$ -	\$ 167,102	\$ 28,871	\$ 8,055	\$ 1,234,754
Receipts:						
Taxes	9,725	-	15,658	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	137,047	-	-	-	891,782
Charges for services	1	-	-	8,199	1,563	-
Fines and forfeits	-	-	-	-	62	-
Other receipts	35,000	-	6,768	-	-	427
Total receipts	44,726	137,047	22,426	8,199	1,625	892,209
Disbursements:						
Personal services	-	1,965	7,068	-	-	105,089
Supplies	-	-	-	-	-	-
Other services and charges	-	96,438	53,964	5,650	-	1,551,790
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	98,403	61,032	5,650	-	1,656,879
Excess (deficiency) of receipts over disbursements	44,726	38,644	(38,606)	2,549	1,625	(764,670)
Cash and investments - ending	\$ 129,252	\$ 38,644	\$ 128,496	\$ 31,420	\$ 9,680	\$ 470,084

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

	Unified Prob Admin Fees	Juvenile Prob Admin Fees	Suppl Prob Serv-Unified	Suppl Prob Serv-Juvenile	Alternative Dispute Resol	Co. Users Fees Fund
Cash and investments - beginning	\$ 47,617	\$ 28,674	\$ 460,354	\$ 74,266	\$ 42,248	\$ 513,803
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	85,628	7,920	-	3,065	-	113,117
Fines and forfeits	-	-	831,689	31,756	9,183	62,119
Other receipts	-	-	103,286	518	133	150,278
Total receipts	85,628	7,920	934,975	35,339	9,316	325,514
Disbursements:						
Personal services	-	-	542,421	-	-	222,150
Supplies	-	-	-	-	-	3,736
Other services and charges	103,004	16,411	362,597	38,963	6,860	128,594
Capital outlay	-	-	-	-	-	14,207
Other disbursements	-	-	-	-	-	15,024
Total disbursements	103,004	16,411	905,018	38,963	6,860	383,711
Excess (deficiency) of receipts over disbursements	(17,376)	(8,491)	29,957	(3,624)	2,456	(58,197)
Cash and investments - ending	\$ 30,241	\$ 20,183	\$ 490,311	\$ 70,642	\$ 44,704	\$ 455,606

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

	General Drain Maintenance	Mad Co Drug Task Force	Mc Recycling Grant 2005	Cumulative Its	Interpreter Grant Award	Mc Group Ins Reserve Fund
Cash and investments - beginning	\$ 2,020,451	\$ 538	\$ 178,841	\$ 45,938	\$ 4,683	\$ 1,969,079
Receipts:						
Taxes	796,166	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	6,300	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	4,312	-	107,715	22,696	-	1,279
Total receipts	<u>800,478</u>	<u>-</u>	<u>107,715</u>	<u>22,696</u>	<u>6,300</u>	<u>1,279</u>
Disbursements:						
Personal services	-	-	10,239	-	-	-
Supplies	-	-	-	635	-	-
Other services and charges	635,198	538	73,736	18,694	5,969	3,323
Capital outlay	-	-	560	38,073	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>635,198</u>	<u>538</u>	<u>84,535</u>	<u>57,402</u>	<u>5,969</u>	<u>3,323</u>
Excess (deficiency) of receipts over disbursements	<u>165,280</u>	<u>(538)</u>	<u>23,180</u>	<u>(34,706)</u>	<u>331</u>	<u>(2,044)</u>
Cash and investments - ending	<u>\$ 2,185,731</u>	<u>\$ -</u>	<u>\$ 202,021</u>	<u>\$ 11,232</u>	<u>\$ 5,014</u>	<u>\$ 1,967,035</u>

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

	Payroll	Payroll Withholding Medical	Payroll Withholding BestFlex	Settlement	Coit Public Safety Fund	Wheel Tax/Surtax Fund
Cash and investments - beginning	\$ 573,999	\$ 988,318	\$ 33,910	\$ -	\$ -	\$ 91,527
Receipts:						
Taxes	897	-	-	90,888,374	-	2,911,065
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	6,999,087	5,397,133	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	7,506,837	6,918,155	152,160	-	-	259,672
Total receipts	7,507,734	6,918,155	152,160	97,887,461	5,397,133	3,170,737
Disbursements:						
Personal services	7,589,460	7,889,245	154,425	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	8,696	-	-	-	5,397,133	3,133,332
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	97,887,461	-	-
Total disbursements	7,598,156	7,889,245	154,425	97,887,461	5,397,133	3,133,332
Excess (deficiency) of receipts over disbursements	(90,422)	(971,090)	(2,265)	-	-	37,405
Cash and investments - ending	\$ 483,577	\$ 17,228	\$ 31,645	\$ -	\$ -	\$ 128,932

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

	Comm Vehicle Excise Tax	Weed Cutting	Sewer Service	Financial Inst Tax	New Cedit	Homestead Credit Rebate
Cash and investments - beginning	\$ -	\$ 19,539	\$ 39,292	\$ -	\$ 158,706	\$ 669
Receipts:						
Taxes	-	31,843	77,060	-	197	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	803,619	-	-	735,871	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	1,585	235	-	-	-
Total receipts	803,619	33,428	77,295	735,871	197	-
Disbursements:						
Personal services	-	27,293	76,329	-	489	-
Supplies	-	-	-	-	-	-
Other services and charges	803,619	813	117	735,871	-	669
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	803,619	28,106	76,446	735,871	489	669
Excess (deficiency) of receipts over disbursements	-	5,322	849	-	(292)	(669)
Cash and investments - ending	\$ -	\$ 24,861	\$ 40,141	\$ -	\$ 158,414	\$ -

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

	LOIT PTRC Fund	Fines & Forfeitures	Infraction Judgments	Overweight Vehicle Fines	Spec Death Benefit Fee Fd	State Assessment Training
Cash and investments - beginning	\$ 529,828	\$ 4,004	\$ 15,004	\$ 1,523	\$ 665	\$ 1,200
Receipts:						
Taxes	126,251	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	899,522	-	-	-	-	-
Charges for services	-	54,009	235,420	-	4,330	16,030
Fines and forfeits	-	11,434	-	-	4,805	-
Other receipts	9,894,744	-	-	-	-	-
Total receipts	<u>10,920,517</u>	<u>65,443</u>	<u>235,420</u>	<u>-</u>	<u>9,135</u>	<u>16,030</u>
Disbursements:						
Personal services	-	-	234,011	-	9,095	15,795
Supplies	-	-	-	-	-	-
Other services and charges	11,056,303	60,518	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	1,523	-	-
Total disbursements	<u>11,056,303</u>	<u>60,518</u>	<u>234,011</u>	<u>1,523</u>	<u>9,095</u>	<u>15,795</u>
Excess (deficiency) of receipts over disbursements	<u>(135,786)</u>	<u>4,925</u>	<u>1,409</u>	<u>(1,523)</u>	<u>40</u>	<u>235</u>
Cash and investments - ending	\$ 394,042	\$ 8,929	\$ 16,413	\$ -	\$ 705	\$ 1,435

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

	Coroner's Cont Education	Interstate Compact Appl	Mortgage Fee Fund	DLGF HS Property Database	Sex/Violent Offend/State	Child Restraint Sys Fines
Cash and investments - beginning	\$ 1,580	\$ 145	\$ 640	\$ 27	\$ 48	\$ 50
Receipts:						
Taxes	-	-	-	9	-	-
Licenses and permits	16,658	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	1,563	9,020	-	1,444	1,550
Fines and forfeits	-	188	-	-	-	-
Other receipts	34	-	-	102	-	-
Total receipts	16,692	1,751	9,020	111	1,444	1,550
Disbursements:						
Personal services	16,846	1,833	8,840	135	1,286	1,575
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	16,846	1,833	8,840	135	1,286	1,575
Excess (deficiency) of receipts over disbursements	(154)	(82)	180	(24)	158	(25)
Cash and investments - ending	\$ 1,426	\$ 63	\$ 820	\$ 3	\$ 206	\$ 25

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

	Forest Restoration	Inheritance Tax	Education Plate Fee	Rev Sharing Riverboat Fund	Madison Co Conv & Tour	County Option Income Tax
Cash and investments - beginning	\$ -	\$ 7,924	\$ -	\$ -	\$ 49,727	\$ -
Receipts:						
Taxes	908	-	-	-	657,514	21,588,533
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	747	-	779,773	-	-
Charges for services	75	-	2,231	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	983	747	2,231	779,773	657,514	21,588,533
Disbursements:						
Personal services	983	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	8,641	2,231	779,773	663,952	21,588,533
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	983	8,641	2,231	779,773	663,952	21,588,533
Excess (deficiency) of receipts over disbursements	-	(7,894)	-	-	(6,438)	-
Cash and investments - ending	\$ -	\$ 30	\$ -	\$ -	\$ 43,289	\$ -

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

	Prosecutor PCA CFDA#93.563	Clerk Arra Fund	Co Gen Title IV-D Incentv	Prosecutor Incentive	New Pros Incentive	New Clerk Incentive
Cash and investments - beginning	\$ 13	\$ 45,333	\$ 84,946	\$ 5	\$ 127,512	\$ 154,909
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	5,051	-	51,073	-	76,842	51,073
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	5,051	-	51,073	-	76,842	51,073
Disbursements:						
Personal services	-	-	-	-	104,434	9,175
Supplies	-	-	-	-	-	-
Other services and charges	-	-	2,589	-	865	10,251
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	-	2,589	-	105,299	19,426
Excess (deficiency) of receipts over disbursements	5,051	-	48,484	-	(28,457)	31,647
Cash and investments - ending	\$ 5,064	\$ 45,333	\$ 133,430	\$ 5	\$ 99,055	\$ 186,556

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

	Clerk Support	Donations	LOIT Special Distribution	Co Local Ord Violations Fines	Corr Complex Commissary	Jury Pay Fund
Cash and investments - beginning	\$ 23,686	\$ 27,135	\$ -	\$ 1,389	\$ 147,715	\$ 806
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	2,426,605	24,860	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	10,174	3,635,054	2,804	194,189	15,115
Total receipts	2,426,605	35,034	3,635,054	2,804	194,189	15,115
Disbursements:						
Personal services	-	-	-	-	-	15,892
Supplies	-	-	-	-	-	-
Other services and charges	2,427,900	26,220	2,726,290	-	166,285	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	2,427,900	26,220	2,726,290	-	166,285	15,892
Excess (deficiency) of receipts over disbursements	(1,295)	8,814	908,764	2,804	27,904	(777)
Cash and investments - ending	\$ 22,391	\$ 35,949	\$ 908,764	\$ 4,193	\$ 175,619	\$ 29

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

	Advance Tax Fund	Pre-Trial Serv (Unified)	Circuit Prob Admin Fees	County Owned Land Sale	Prime For Life Program	Planned Unit Dev Inspectn
Cash and investments - beginning	\$ 39,448	\$ 19,401	\$ 25,770	\$ 102,887	\$ 2,193	\$ 183
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	20,720	-	-	-	-
Other receipts	-	-	-	500	-	-
Total receipts	-	20,720	-	500	-	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	28,631	25,770	102,887	50	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	28,631	25,770	102,887	50	-
Excess (deficiency) of receipts over disbursements	-	(7,911)	(25,770)	(102,387)	(50)	-
Cash and investments - ending	\$ 39,448	\$ 11,490	\$ -	\$ 500	\$ 2,143	\$ 183

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

	Madison Co Bridge 902	Soil & Water Watershed	2010 IDEM MS4 Conference	MS4-COG Treasurer	Dissolution Education	Co Housing Fund
Cash and investments - beginning	\$ 121,402	\$ -	\$ 21,615	\$ 6,302	\$ 4,366	\$ 15,322
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	9,887	-
Other receipts	-	25,874	90,312	11,664	-	-
Total receipts	-	25,874	90,312	11,664	9,887	-
Disbursements:						
Personal services	-	21,104	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	55,930	9,201	10,300	574
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	21,104	55,930	9,201	10,300	574
Excess (deficiency) of receipts over disbursements	-	4,770	34,382	2,463	(413)	(574)
Cash and investments - ending	\$ 121,402	\$ 4,770	\$ 55,997	\$ 8,765	\$ 3,953	\$ 14,748

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

	Law Enforcement Aid	JobSource	JobSource-Its Fund	Juvenile Drug Screens	Central Dispatch Fund	Bell & Clock
Cash and investments - beginning	\$ 7,733	\$ 470,240	\$ 31,436	\$ 3,531	\$ 918,595	\$ 609
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	1,076,334	-	-	-	-
Charges for services	2,293	-	-	1,448	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	1,309,188	32,957	-	2,176,942	-
Total receipts	2,293	2,385,522	32,957	1,448	2,176,942	-
Disbursements:						
Personal services	-	1,338,030	2,047	-	2,486,755	-
Supplies	-	-	-	-	8,758	-
Other services and charges	6,054	1,304,966	23,803	867	56,656	609
Capital outlay	-	-	7,500	-	29,429	-
Other disbursements	-	-	-	-	-	-
Total disbursements	6,054	2,642,996	33,350	867	2,581,598	609
Excess (deficiency) of receipts over disbursements	(3,761)	(257,474)	(393)	581	(404,656)	(609)
Cash and investments - ending	\$ 3,972	\$ 212,766	\$ 31,043	\$ 4,112	\$ 513,939	\$ -

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

	2015 COIT Revenue Project Fund	County Wheel Tax/Surtax	Liability Ins Retainage	2015 COIT Sinking Fund	Slot Machine Wagering Fee	Juvenile Facilities Construct
Cash and investments - beginning	\$ 4,681,177	\$ 594,113	\$ 9,782	\$ -	\$ 84	\$ 111,263
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	30,000	1,435,703	8,806	679,969	6,171,550	-
Total receipts	30,000	1,435,703	8,806	679,969	6,171,550	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	4,159,738	1,327,906	15,383	679,969	6,171,550	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	4,159,738	1,327,906	15,383	679,969	6,171,550	-
Excess (deficiency) of receipts over disbursements	(4,129,738)	107,797	(6,577)	-	-	-
Cash and investments - ending	\$ 551,439	\$ 701,910	\$ 3,205	\$ -	\$ 84	\$ 111,263

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

	Co Economic Dev (City)	Series 2015A (Dispatch Center)	Series 2015B (MCCC)	Cum Recycling Center	Mad Co Sher Photo Fund	Mad Co Emg Mgt Cap Equip
Cash and investments - beginning	\$ -	\$ 1,724,008	\$ 1,184,555	\$ 93,736	\$ 3,417	\$ 74,356
Receipts:						
Taxes	1,365,733	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	18,835	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	1,275	50
Total receipts	<u>1,365,733</u>	<u>-</u>	<u>-</u>	<u>18,835</u>	<u>1,275</u>	<u>50</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	1,365,733	1,723,749	1,183,459	-	1,395	-
Capital outlay	-	-	-	30,625	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>1,365,733</u>	<u>1,723,749</u>	<u>1,183,459</u>	<u>30,625</u>	<u>1,395</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(1,723,749)</u>	<u>(1,183,459)</u>	<u>(11,790)</u>	<u>(120)</u>	<u>50</u>
Cash and investments - ending	\$ -	\$ 259	\$ 1,096	\$ 81,946	\$ 3,297	\$ 74,406

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

	Mad Co Hazmat Truck Fund	Commiss Cert Sale 04/11/14	Comm Cert Sale 03/13/15	Comprehensive Safety Pgm	Dept Men HTH SA-5-155	Tax Sale Surplus-2010
Cash and investments - beginning	\$ 20,496	\$ (925)	\$ 86,491	\$ 32,030	\$ 11	\$ 163,985
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	3,210	925	-	25,422	-	-
Total receipts	3,210	925	-	25,422	-	-
Disbursements:						
Personal services	-	-	-	25,145	-	-
Supplies	4,856	-	-	-	-	-
Other services and charges	-	-	9,039	-	11	163,985
Capital outlay	516	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	5,372	-	9,039	25,145	11	163,985
Excess (deficiency) of receipts over disbursements	(2,162)	925	(9,039)	277	(11)	(163,985)
Cash and investments - ending	\$ 18,334	\$ -	\$ 77,452	\$ 32,307	\$ -	\$ -

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

	Commissioners Certif Sale	Tax Sale Surplus 2013	Comm Cert Sale 04/08/16	Tax Sale Surplus-2006	Tax Sale Surplus 2005	Tax Sale Redemption
Cash and investments - beginning	\$ 289,147	\$ 514,427	\$ -	\$ (7,911)	\$ 6,360	\$ 10,176
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	1,877	327,283	7,911	-	-
Total receipts	-	1,877	327,283	7,911	-	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	2,999	258,059	321,147	-	6,360	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	2,999	258,059	321,147	-	6,360	-
Excess (deficiency) of receipts over disbursements	(2,999)	(256,182)	6,136	7,911	(6,360)	-
Cash and investments - ending	\$ 286,148	\$ 258,245	\$ 6,136	\$ -	\$ -	\$ 10,176

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

	Commiss Cert Sale 03/29/13	Windfarm Rd/Drain Inspect	Windfarm Economic Develop	Tax Sale Surplus 2014	Commissioner Vending Fund	Cemetery Maint & Improv Fund
Cash and investments - beginning	\$ 66,744	\$ 17,580	\$ 1,362,970	\$ (165,307)	\$ 2,461	\$ 2,800
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	4,025	-	-	272,962	599	-
Total receipts	4,025	-	-	272,962	599	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	4,025	-	-	272,962	599	-
Cash and investments - ending	\$ 70,769	\$ 17,580	\$ 1,362,970	\$ 107,655	\$ 3,060	\$ 2,800

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

	Tax Sale Surplus 2015	Tax Sale Surplus 2016	LOIT 2016 Special Distribution	Storm Sewer	10.557 WIC	CJC/DOC
Cash and investments - beginning	\$ 2,067,190	\$ -	\$ -	\$ 16,563	\$ -	\$ 170,588
Receipts:						
Taxes	-	-	-	21,857	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	766,242
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	87	1,713,239	8,720,623	-	162	10
Total receipts	<u>87</u>	<u>1,713,239</u>	<u>8,720,623</u>	<u>21,857</u>	<u>162</u>	<u>766,252</u>
Disbursements:						
Personal services	-	-	-	29,073	-	544,144
Supplies	-	-	-	-	-	55,291
Other services and charges	1,690,661	422,629	8,720,623	-	-	161,723
Capital outlay	-	-	-	-	-	7,583
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>1,690,661</u>	<u>422,629</u>	<u>8,720,623</u>	<u>29,073</u>	<u>-</u>	<u>768,741</u>
Excess (deficiency) of receipts over disbursements	<u>(1,690,574)</u>	<u>1,290,610</u>	<u>-</u>	<u>(7,216)</u>	<u>162</u>	<u>(2,489)</u>
Cash and investments - ending	\$ <u>376,616</u>	\$ <u>1,290,610</u>	\$ <u>-</u>	\$ <u>9,347</u>	\$ <u>162</u>	\$ <u>168,099</u>

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

	Comm Transition Prog-July	Crime Vic Assist 93vs001	Bilingual Advocate (STOP)	CJC/Juvenile	CJC/MC Coal Ag Sub Abuse	Sheriff Victim Advocate 16,575
Cash and investments - beginning	\$ 124,722	\$ (1,709)	\$ (14,799)	\$ 13,146	\$ -	\$ (20,444)
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	288,625	-	24,218	83,129	-	28,360
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	19,270	-	-	-	9,211	-
Total receipts	307,895	-	24,218	83,129	9,211	28,360
Disbursements:						
Personal services	108,738	-	35,294	71,773	3,500	35,560
Supplies	5,331	-	-	882	-	-
Other services and charges	14,245	-	-	4,556	5,711	2,113
Capital outlay	23,224	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	151,538	-	35,294	77,211	9,211	37,673
Excess (deficiency) of receipts over disbursements	156,357	-	(11,076)	5,918	-	(9,313)
Cash and investments - ending	\$ 281,079	\$ (1,709)	\$ (25,875)	\$ 19,064	\$ -	\$ (29,757)

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

	Empg Grant	PS Crts Enhancement Grt 16,585	Jaibg Grant	Polling Place Improv Grnt	Council Of Gov't	Aggressive Driving Grant
Cash and investments - beginning	\$ 64,066	\$ 9,093	\$ 7,903	\$ 202	\$ 489,118	\$ 857
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	1,924,105	-
Total receipts	-	-	-	-	1,924,105	-
Disbursements:						
Personal services	-	-	-	-	871,132	-
Supplies	-	-	-	-	-	-
Other services and charges	64,000	-	7,903	202	1,263,471	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	857
Total disbursements	64,000	-	7,903	202	2,134,603	857
Excess (deficiency) of receipts over disbursements	(64,000)	-	(7,903)	(202)	(210,498)	(857)
Cash and investments - ending	\$ 66	\$ 9,093	\$ -	\$ -	\$ 278,620	\$ -

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

	Byrne Grant	Mad Co DUI	Big City County	Regional Team	Fema Fy 2002 (Cert)	Dist 6 Training/Exercise
Cash and investments - beginning	\$ (72,475)	\$ 3,704	\$ 2,724	\$ 36	\$ 157	\$ 506
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	81,581	26,373	27,866	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	197	-	-	-	-
Total receipts	81,581	26,570	27,866	-	-	-
Disbursements:						
Personal services	9,106	-	-	-	-	-
Supplies	-	-	-	-	157	506
Other services and charges	-	4,060	28,165	36	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	9,248	16,174	-	-	-
Total disbursements	9,106	13,308	44,339	36	157	506
Excess (deficiency) of receipts over disbursements	72,475	13,262	(16,473)	(36)	(157)	(506)
Cash and investments - ending	\$ -	\$ 16,966	\$ (13,749)	\$ -	\$ -	\$ -

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

	Co Youth Center Sch Grt	ICJI-Madison Co CASA	Dist Mobile Command Grant	Doe Exercise HLS	Fema Pa Grant 1766-Dr	Hazmat Truck Type 2 97.073
Cash and investments - beginning	\$ 6,033	\$ 16,426	\$ 2,209	\$ 154	\$ 10,447	\$ 2,621
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	29,049	170,877	-	-	-	-
Total receipts	29,049	170,877	-	-	-	-
Disbursements:						
Personal services	-	167,836	-	-	-	-
Supplies	-	-	2,166	-	-	-
Other services and charges	33,057	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	33,057	167,836	2,166	-	-	-
Excess (deficiency) of receipts over disbursements	(4,008)	3,041	(2,166)	-	-	-
Cash and investments - ending	\$ 2,025	\$ 19,467	\$ 43	\$ 154	\$ 10,447	\$ 2,621

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

	EOC upgrade 97.042	Anderson Rental REHAB FY13	CJC/Women's Center	Crime Victim Assistance (VOCA)	New EOC Equipment	EOC Upgrade Grant
Cash and investments - beginning	\$ (5,085)	\$ (6,163)	\$ 57,054	\$ (24,206)	\$ 6,582	\$ (8,478)
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	362,528	129,266	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	6,199	-	-	-	-
Total receipts	-	6,199	362,528	129,266	-	-
Disbursements:						
Personal services	-	-	292,691	130,179	-	-
Supplies	-	-	8,250	-	-	-
Other services and charges	-	-	23,787	7,129	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	-	324,728	137,308	-	-
Excess (deficiency) of receipts over disbursements	-	6,199	37,800	(8,042)	-	-
Cash and investments - ending	\$ (5,085)	\$ 36	\$ 94,854	\$ (32,248)	\$ 6,582	\$ (8,478)

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

	Child Advocacy Center Award	Brownfields Grant #66.818	Ebola Grant	CRI Grant	STOP (Bilingual Adv.)	Drug Court Discretionary Grant
Cash and investments - beginning	\$ (2,664)	\$ -	\$ (8,944)	\$ (300)	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	88,465	-	15,222	34,656	8,005	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	191,651	-	-	-	30,244
Total receipts	88,465	191,651	15,222	34,656	8,005	30,244
Disbursements:						
Personal services	-	-	-	-	-	20,711
Supplies	-	-	-	-	-	-
Other services and charges	83,893	191,651	4,447	50,265	-	28,124
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	83,893	191,651	4,447	50,265	-	48,835
Excess (deficiency) of receipts over disbursements	4,572	-	10,775	(15,609)	8,005	(18,591)
Cash and investments - ending	\$ 1,908	\$ -	\$ 1,831	\$ (15,909)	\$ 8,005	\$ (18,591)

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

	2015 Local Base-Info Distribut	2015 Competitive-EAE	Reading For Life 16,540	2015 EMPG De-obligated funds	5311 Capital Assistance Grant	Adult Protective Service
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (34,604)
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	4,857	11,123	-	14,960	80,419	249,829
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	<u>4,857</u>	<u>11,123</u>	<u>-</u>	<u>14,960</u>	<u>80,419</u>	<u>249,829</u>
Disbursements:						
Personal services	-	-	-	-	-	221,077
Supplies	-	-	-	-	-	-
Other services and charges	-	4,567	37,577	-	-	24,801
Capital outlay	4,742	6,368	-	14,966	20,105	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>4,742</u>	<u>10,935</u>	<u>37,577</u>	<u>14,966</u>	<u>20,105</u>	<u>245,878</u>
Excess (deficiency) of receipts over disbursements	<u>115</u>	<u>188</u>	<u>(37,577)</u>	<u>(6)</u>	<u>60,314</u>	<u>3,951</u>
Cash and investments - ending	\$ <u>115</u>	\$ <u>188</u>	\$ <u>(37,577)</u>	\$ <u>(6)</u>	\$ <u>60,314</u>	\$ <u>(30,653)</u>

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

	Juvenile Pilot Project	School Attendance Project	Court Reform Grant 13-CRG-010	Health Dept Reimb Non-Rev	Health Foundation Fund	St Supreme Crt Psc Grant
Cash and investments - beginning	\$ 2,499	\$ 414	\$ 7,703	\$ 28,080	\$ 12,000	\$ 6,486
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	11,338
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	11,400	-
Total receipts	-	-	-	-	11,400	11,338
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	7,703	-	23,382	14,368
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	-	7,703	-	23,382	14,368
Excess (deficiency) of receipts over disbursements	-	-	(7,703)	-	(11,982)	(3,030)
Cash and investments - ending	\$ 2,499	\$ 414	\$ -	\$ 28,080	\$ 18	\$ 3,456

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

	Bio Terror Res Prog	Sheriff Technology Grant	Community Block Grant	Drug Court CPTF	In St Sup Reentry Court Grant	In St Sup Mental Health Court
Cash and investments - beginning	\$ 2,604	\$ 16,229	\$ 3,986	\$ -	\$ 2,420	\$ 3,525
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	21,197	-	-	-	7,500	7,500
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	983	81,550	-	2,600	-	-
Total receipts	22,180	81,550	-	2,600	7,500	7,500
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	30,617	91,439	-	2,600	2,420	6,332
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	30,617	91,439	-	2,600	2,420	6,332
Excess (deficiency) of receipts over disbursements	(8,437)	(9,889)	-	-	5,080	1,168
Cash and investments - ending	\$ (5,833)	\$ 6,340	\$ 3,986	\$ -	\$ 7,500	\$ 4,693

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

	JDAI 15-16 Fund	JDAI Grant 16/17	DOC-PROB	PSC-CRRP	DOC Sheriff-Jail Treatment	Totals
Cash and investments - beginning	\$ 31,345	\$ -	\$ -	\$ -	\$ -	\$ 54,534,559
Receipts:						
Taxes	-	-	-	-	-	149,632,180
Licenses and permits	-	-	-	-	-	414,569
Intergovernmental receipts	31,500	51,250	128,313	121,563	18,750	32,687,792
Charges for services	-	-	-	-	-	21,016,143
Fines and forfeits	-	-	-	-	-	1,412,955
Other receipts	-	1,240	-	-	-	58,403,392
Total receipts	<u>31,500</u>	<u>52,490</u>	<u>128,313</u>	<u>121,563</u>	<u>18,750</u>	<u>263,567,031</u>
Disbursements:						
Personal services	10,041	5,662	56,362	35,532	-	54,896,220
Supplies	324	178	-	-	-	2,378,123
Other services and charges	35,327	14,773	20,000	10,000	1,680	113,558,499
Capital outlay	17,153	-	-	-	-	4,218,789
Other disbursements	-	-	-	-	-	97,934,737
Total disbursements	<u>62,845</u>	<u>20,613</u>	<u>76,362</u>	<u>45,532</u>	<u>1,680</u>	<u>272,986,368</u>
Excess (deficiency) of receipts over disbursements	<u>(31,345)</u>	<u>31,877</u>	<u>51,951</u>	<u>76,031</u>	<u>17,070</u>	<u>(9,419,337)</u>
Cash and investments - ending	\$ -	\$ 31,877	\$ 51,951	\$ 76,031	\$ 17,070	\$ 45,115,222

MADISON COUNTY
SCHEDULE OF PAYABLES AND RECEIVABLES
December 31, 2016

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 3,047,139</u>	<u>\$ 500,721</u>

MADISON COUNTY
SCHEDULE OF LEASES AND DEBT
December 31, 2016

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Adult Protective Services (Prosecutor)	Toyota Corolla Slate Grey	\$ 2,755	6/22/2015	5/22/2018
Adult Protective Services (Prosecutor)	2016 Toyota Corolla Silver	2,532	7/1/2016	6/30/2019
Adult Protective Services (Prosecutor)	2016 Toyota Corolla Red	2,517	3/18/2016	3/17/2019
Adult Protective Services (Prosecutor)	2016 Toyota Corolla Black	2,567	3/18/2016	3/17/2019
Adult Protective Services (Prosecutor)	Toyota Corolla Black	2,755	6/22/2015	6/21/2018
Council of Governments	2016 Ford F-250 w/ Service Body	9,982	9/10/2016	8/10/2021
Prosecutor	Canon Financial Serv-copier & Color printer lease	5,026	3/17/2014	3/20/2019
Prosecutor IV-D	Gordon Flesch-copier & 2 desktop printers	<u>6,759</u>	2/2/2016	2/5/2021
Total of annual lease payments		<u>\$ 34,893</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
Revenue bonds	New County Wide PS Radio Project - P-25 Radio	\$ 7,495,000	\$ 338,759
Notes and loans payable	General Obligated Note Series 2015A-911 Dispatch Center	1,800,000	392,956
Notes and loans payable	General Obligated Note Series 2015B-Minimum Security Facility	<u>1,600,000</u>	<u>349,294</u>
Totals		<u>\$ 10,895,000</u>	<u>\$ 1,081,009</u>

MADISON 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.

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 354,145
Infrastructure	50,248,040
Buildings	30,680,847
Machinery, equipment, and vehicles	<u>14,937,121</u>
Total capital assets	<u>\$ 96,220,153</u>

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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302 WEST WASHINGTON STREET
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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 MADISON COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited Madison 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.

Basis for Disclaimer Opinion on WIA/WIOA Cluster

As described in items 2016-003, 2016-004, 2016-005, 2016-006, and 2016-007 in the accompanying Schedule of Findings and Questioned Costs, we were unable to obtain sufficient documentation supporting the compliance of the County with its WIA/WIOA Cluster regarding Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Cash Management; Period of Performance; and Matching, Level of Effort, Earmarking, nor were we able to satisfy ourselves as to the County's compliance with those requirements by other auditing procedures.

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

Disclaimer of Opinion on WIA/WIOA Cluster

Because of the significance of the matter described in the *Basis for Disclaimer of Opinion on WIA/WIOA Cluster* paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the County's compliance with the types of compliance requirements referred to above that could have a direct and material effect on the WIA/WIOA Cluster for the year ended December 31, 2016.

Unmodified Opinion on the Other Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its other major federal program identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs 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 2016-009. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control over Compliance

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

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

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 2016-003, 2016-004, 2016-005, 2016-006, 2016-007, 2016-008, and 2016-009, that we consider to be material weaknesses.

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

October 9, 2018

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

MADISON 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	Passed Through to Subrecipient	Total Federal Awards Expended
<u>Department of Housing and Urban Development</u>					
CDBG - Entitlement Grants Cluster					
Community Development Block Grants/Entitlement Grants	City of Anderson	14.218	B-13-MC-18-0001	\$ -	\$ 6,199
Total - CDBG - Entitlement Grants Cluster				-	6,199
Total - Department of Housing and Urban Development				-	6,199
<u>Department of Justice</u>					
Crime Victim Assistance	Indiana Criminal Justice Institute	16.575	D3-16-10605 D3-16-10629	- -	28,360 129,266
Total - Crime Victim Assistance				-	157,626
Drug Court Discretionary Grant Program	Direct Grant	16.585	2015-DC-BX-0067	-	30,244
Violence Against Women Formula Grants	Indiana Criminal Justice Institute	16.588	D3-16-10447	-	32,224
Edward Byrne Memorial Justice Assistance Grant Program	Indiana Criminal Justice Institute	16.738	D3-16-10840 D3-16-10837	- -	103,646 66,400
Total - Edward Byrne Memorial Justice Assistance Grant Program				-	170,046
Total - Department of Justice				-	390,140
<u>Department of Labor</u>					
Employment Service Cluster					
Employment Service/Wagner-Peyser Funded Activities	Interlocal Association	17.207	PY15-CR-01-IA	-	5,449
Disabled Veterans' Outreach Program (DVOP)	Interlocal Association	17.801	PY15-CR-01-IA	-	1,284
Local Veterans' Employment Representative Program	Interlocal Association	17.804	PY15-CR-01-IA	-	1,284
Total - Employment Service Cluster				-	8,017
WIA/WIOA Cluster					
WIOA Adult Program	Interlocal Association	17.258	PY15-CR-01-IA	-	403,259
WIOA Youth Activities	Interlocal Association	17.259	PY15-CR-01-IA	-	342,950
WIOA Dislocated Worker Formula Grants	Interlocal Association	17.278	PY15-CR-01-IA	-	209,957
Total - WIA/WIOA Cluster				-	956,166
Unemployment Insurance	Interlocal Association	17.225	PY15-CR-01-IA	-	60,537
Incentive Grants - WIA Section 503	Interlocal Association	17.267	PY15-CR-01-IA	-	8,098
Total - Department of Labor				-	1,032,818
<u>Department of Transportation</u>					
Highway Planning and Construction Cluster					
Highway Planning and Construction	Indiana Department of Transportation	20.205	DES # 100372 DES # 1382752 DES # 1297202 EDS #A249-16-6160073 EDS #A249-17-6160073	- - - - -	154,999 8,638 304,615 715,757 352,556
Total - Highway Planning and Construction Cluster				-	1,536,565
Federal Transit Cluster					
Bus and Bus Facilities Formula Program	Indiana Department of Transportation	20.526	EDS A249-16-G150059	-	80,419
Total - Federal Transit Cluster				-	80,419
Highway Safety Cluster					
State and Community Highway Safety	Indiana Criminal Justice Institute	20.600	D3-16-10159	21,161	43,904

MADISON 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	Passed Through to Subrecipient	Total Federal Awards Expended
Alcohol Impaired Driving Countermeasures Incentive Grants I	Indiana Criminal Justice Institute	20.601	D3-16-10232	3,877	10,334
Total - Highway Safety Cluster				25,038	54,238
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	Indiana Department of Transportation	20.505	EDS #A249-16-160027	-	177,247
Formula Grants for Rural Areas	Indiana Department of Transportation	20.509	EDS A249-15-6150129	-	202,188
Total - Department of Transportation				25,038	2,050,657
<u>Environmental Protection Agency</u> Brownfields Assessment and Cleanup Cooperative Agreements	Direct grant	66.818	BF 00E01385	-	191,651
Total - Environmental Protection Agency				-	191,651
<u>Department of Energy</u> Weatherization Assistance for Low-Income Persons	Indiana Housing and Community Development	81.042	WX-015-015 WX-016-015	- -	112,039 92,309
Total - Weatherization Assistance for Low-Income Persons				-	204,348
Total - Department of Energy				-	204,348
<u>Department of Education</u> Title I Grants to Local Educational Agencies	Anderson Community Schools	84.010	FY16	-	29,049
Total - Department of Education				-	29,049
<u>Department of Health and Human Services</u> Public Health Emergency Preparedness	Indiana Department of Health	93.069	A70-5-0532372 A70-5-0532373	- -	34,656 11,307
Total - Public Health Emergency Preparedness				-	45,963
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	Indiana Department of Health	93.074	5U9OTP000521-04	-	25,112
Child Support Enforcement	Indiana Department of Child Services	93.563	FY 2016	-	913,762
Low-Income Home Energy Assistance	Indiana Housing and Community Development	93.568	LI-016-015 WL-016-015 WL-017-015	- - -	202,025 283,408 20,830
Total - Low-Income Home Energy Assistance				-	506,263
Community Services Block Grant	Indiana Housing and Community Development	93.569	CS-015-015 CS-016-015	- -	14,786 294,257
Total - Community Services Block Grant				-	309,043
Social Services Block Grant	Indiana Family and Social Services Administration	93.667	48-15-99-1225-01	-	7,243
Total - Department of Health and Human Services				-	1,807,386
<u>Department of Homeland Security</u> Emergency Management Performance Grants	Indiana Department of Homeland Security	97.042	C44P-5-781B EMW-2015-EP-00037	- -	31,521 30,940
Total - Emergency Management Performance Grants				-	62,461
Total - Department of Homeland Security				-	62,461
Total federal awards expended				\$ 25,038	\$ 5,774,709

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

MADISON 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* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the County, it is not intended to and does not present the financial position of the County.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received. The County has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

MADISON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

Internal control over major 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:

<u>Name of Federal Program or Cluster</u>	<u>Opinion Issued</u>
WIA/WIOA Cluster	Disclaimer
Highway Planning and Construction Cluster	Unmodified

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

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

FINDING 2016-001

Subject: Financial Transactions and Reporting
Audit Finding: Material Weakness

Condition

The County had not established effective internal controls to prevent, or detect and correct, errors in the financial information entered into the Indiana Gateway for Government Units financial reporting system, which was the source of the financial statement.

Context

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

MADISON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The County had not separated incompatible activities related to financial reporting. Although review of the financial statement was indicated as performed by the County Auditor, the review was not effective and could have resulted in material errors on the financial statement being undetected.

Criteria

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

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

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

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

Cause

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

Effect

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

Recommendation

We recommended that the County's management establish a system of internal controls, including segregation of duties, related to financial transactions and reporting.

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: Preparation of the Schedule of Expenditures of Federal Awards
Audit Findings: Material Weakness, Noncompliance

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2015-001.

MADISON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Condition

The County had not established effective internal controls to prevent, or detect and correct, errors in the financial information entered into the Indiana Gateway for Government Units financial reporting system, which was the source of the Schedule of Expenditures of Federal Awards (SEFA).

Context

The SEFA contained the following types of errors in reporting expenditures: grants were duplicated, grant expenditures were overstated and understated, grant expenditures were omitted, and grant expenditures included state funds. The following is a summary of the net accumulated errors by federal agency:

1. The Department of Housing and Urban Development grants were understated by \$6,199.
2. The Department of Justice grants were overstated by \$75,877.
3. The Department of Labor grants included understatements of \$218,315 and overstatements of \$648,069.
4. The Department of Transportation grants included understatements of \$60,314 and overstatements of \$46,389.
5. The Department of Education grant was understated by \$18,574.
6. The Department of Health and Human Services grants included understatements of \$164,511 and overstatements of \$681.
7. The Passed Through to Subrecipient amounts were overstated by \$7,860.

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

Criteria

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

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

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

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

MADISON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2 CFR 200.508 states in part: "The auditee must: . . . (b) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with § 200.510 financial statements. . . ."

2 CFR 200.510(b) states:

"Schedule of expenditures of Federal awards. The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502 Basis for determining Federal awards expended. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

- (1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available. For a cluster of programs also provide the total for the cluster.
- (4) Include the total amount provided to subrecipients from each Federal program.
- (5) For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.
- (6) Include notes that describe that significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in § 200.414 Indirect (F&A) costs."

Cause

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

Effect

Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA remained undetected. The SEFA contained the errors identified in the *Context*.

MADISON COUNTY
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 (Continued)

Recommendation

We recommended that the County's management establish controls related to the preparation of the SEFA.

Views of Responsible Officials

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

Section III - Federal Award Findings and Questioned Costs

FINDING 2016-003

Subject: WIOA Cluster - Allowable Activities
 Federal Agency: Department of Labor
 Federal Programs: WIA/WIOA Adult Program, WIA/WIOA Youth Activities,
 WIA/WIOA Dislocated Worker Formula Grants
 CFDA Numbers: 17.258, 17.259, 17.278
 Federal Award Number and Year (or Other Identifying Number): PY15-CR-01-IA
 Pass-Through Entity: Interlocal Association
 Compliance Requirement: Activities Allowed or Unallowed
 Audit Findings: Material Weakness, Modified Opinion

Condition

An effective internal control system was not in place at JobSource, a fiscal department of the County, in order to ensure compliance with requirements related to the grant agreement and the Activities Allowed or Unallowed compliance requirement.

Financial records for WIOA Cluster programs at JobSource included journal entries that were unable to be audited. A population of transactions to test allowable activities could not be provided due to various limitations of the accounting records. A detail of expenditures was not retained to support the reimbursement claim. When requested, the information provided did not constitute a detail because it contained considerable differences from the reimbursement request. The reimbursement requests for the three months tested below of \$268,129 had a detail of \$308,400. The detail was comprised of multiple pages of indirect cost allocations from multiple different cost pools, which led to uncertainty as to the validity of the \$308,400.

<u>Month of Request</u>	<u>Reimbursement Request</u>	<u>Detail Provided</u>	<u>Difference</u>
April 2016	\$ 89,848	\$ 106,865	\$ (17,017)
May 2016	100,984	120,732	(19,748)
October 2016	<u>77,297</u>	<u>80,803</u>	<u>(3,506)</u>
Totals	<u>\$ 268,129</u>	<u>\$ 308,400</u>	<u>\$ (40,271)</u>

Context

The lack of substantial detail of transactions was a systemic issue throughout the audit period.

MADISON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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 CFR 200.333 states in part:

"Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. . . ."

Cause

Management had not developed a system of internal controls that segregated key functions and also failed to ensure that documentation was maintained and made available for audit related to the compliance 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 programs.

The failure to retain or provide appropriate supporting documentation prevented the determination of the County's compliance with the Activities Allowed or Unallowed compliance requirement.

Questioned Costs

Although questioned costs exist, we were unable to ascertain the value of these costs due to the poor quality of the records and the inability to project questioned costs findings onto the population.

Recommendation

We recommended that management of the County establish controls related to the grant agreement and the compliance requirement listed above and have audit documentation available related to the compliance requirement.

MADISON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Views of Responsible Officials

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

Auditor's Response

During our audit of this grant, there were one hundred emails that had been sent back and forth requesting audit documentation and answering requests, along with numerous hours of in-person inquiries with JobSource, a fiscal department of the County. The JobSource Controller instructed the auditors to request all information from the Controller and that all information would need to be obtained through him. During the audit, the auditors contacted other JobSource employees for information requests, but often received answers stating that they did not know how to provide the documentation requested. The documentation provided by the Controller of JobSource did not support the reimbursement claims, which consisted of summary entries from cost pools. It was determined through inquiry and inspection that many of the cost pools came from other cost pools, which prevented the auditors from determining if some expenditures were being counted twice, as noted in the *Condition*.

FINDING 2016-004

Subject: WIOA Cluster - Allowable Costs/Cost Principles

Federal Agency: Department of Labor

Federal Programs: WIA/WIOA Adult Program, WIA/WIOA Youth Activities,
WIA/WIOA Dislocated Worker Formula Grants

CFDA Numbers: 17.258, 17.259, 17.278

Federal Award Number and Year (or Other Identifying Number): PY15-CR-01-IA

Pass-Through Entity: Interlocal Association

Compliance Requirement: Allowable Costs/Cost Principles

Audit Findings: Material Weakness, Modified Opinion

Condition

An effective internal control system was not in place at JobSource, a fiscal department of the County, in order to ensure compliance with requirements related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

Financial records for WIOA Cluster programs at JobSource included journal entries that were unable to be audited. A population of transactions to test Allowable Costs/Cost Principles could not be provided due to various limitations of the accounting records. A detail of expenditures was not retained to support the reimbursement claim. When requested, the information provided did not constitute a detail because it contained considerable differences from the reimbursement request. The reimbursement requests for the three months tested below of \$268,129 had a detail of \$308,400. The detail was comprised of multiple pages of indirect cost allocations from multiple different cost pools, which led to uncertainty as to the validity of the \$308,400.

MADISON COUNTY
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 (Continued)

<u>Month of Request</u>	<u>Reimbursement Request</u>	<u>Detail Provided</u>	<u>Difference</u>
April 2016	\$ 89,848	\$ 106,865	\$ (17,017)
May 2016	100,984	120,732	(19,748)
October 2016	<u>77,297</u>	<u>80,803</u>	<u>(3,506)</u>
Totals	<u>\$ 268,129</u>	<u>\$ 308,400</u>	<u>\$ (40,271)</u>

Additionally, JobSource was required to have an approved Cost Allocation Plan (CAP) in order to use indirect costs in its claims for reimbursement. JobSource did create a CAP, but had no documentation to show that it was approved by Interlocal Association. Additionally, the CAP was missing many specific details required by 2 CFR 200 Appendix V section E.

Context

The lack of substantial detail of transactions was a systemic issue throughout the audit period.

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 CFR 200.333 states in part:

"Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. . . ."

2 CFR 200 Appendix V part D(3) states:

"All other local governments claiming central service costs must develop a plan in accordance with the requirements described in this Part and maintain the plan and related supporting documentation for audit. These local governments are not required to submit their plans for Federal approval unless they are specifically requested to do so by the cognizant agency for indirect costs. Where a local government only receives funds as a subrecipient, the pass-through entity will be responsible for monitoring the subrecipient's plan."

MADISON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Cause

Management had not developed a system of internal controls that segregated key functions and also failed to ensure that documentation was maintained and made available for audit related to the compliance 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 programs.

The failure to retain or provide appropriate supporting documentation prevented the determination of the County's compliance with the Allowable Costs/Cost Principles compliance requirement.

Questioned Costs

Although questioned costs exist, we were unable to ascertain the value of these costs due to the poor quality of the records and the inability to project questioned costs findings onto the population.

Recommendation

We recommended that management of the County establish controls related to the grant agreement and the compliance requirement listed above and have audit documentation available related to the compliance requirement.

Views of Responsible Officials

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

Auditor's Response

During our audit of this grant, there were one hundred emails that had been sent back and forth requesting audit documentation and answering requests, along with numerous hours of in-person inquiries with JobSource, a fiscal department of the County. The JobSource Controller instructed the auditors to request all information from the Controller and that all information would need to be obtained through him. During the audit, the auditors contacted other JobSource employees for information requests, but often received answers stating that they did not know how to provide the documentation requested. The documentation provided by the Controller of JobSource did not support the reimbursement claims, which consisted of summary entries from cost pools. It was determined through inquiry and inspection that many of the cost pools came from other cost pools, which prevented the auditors from determining if some expenditures were being counted twice, as noted in the *Condition*.

MADISON COUNTY
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 (Continued)

FINDING 2016-005

Subject: WIOA Cluster - Cash Management
 Federal Agency: Department of Labor
 Federal Programs: WIA/WIOA Adult Program, WIA/WIOA Youth Activities,
 WIA/WIOA Dislocated Worker Formula Grants
 CFDA Numbers: 17.258, 17.259, 17.278
 Federal Award Number and Year (or Other Identifying Number): PY15-CR-01-IA
 Pass-Through Entity: Interlocal Association
 Compliance Requirement: Cash Management
 Audit Findings: Material Weakness, Modified Opinion

Condition

An effective internal control system was not in place at JobSource, a fiscal department of the County, in order to ensure compliance with requirements related to the grant agreement and the Cash Management compliance requirement.

Financial records for WIOA Cluster programs at JobSource included journal entries that were unable to be audited. A population of transactions to test Cash Management could not be provided due to various limitations of the accounting records. A detail of expenditures was not retained to support the reimbursement claim. When requested, the information provided did not constitute a detail because it contained considerable differences from the reimbursement request. The reimbursement requests for the three months tested below of \$268,129 had a detail of \$308,400. The detail was comprised of multiple pages of indirect cost allocations from multiple different cost pools, which led to uncertainty as to the validity of the \$308,400.

Month of Request	Reimbursement Request	Detail Provided	Difference
April 2016	\$ 89,848	\$ 106,865	\$ (17,017)
May 2016	100,984	120,732	(19,748)
October 2016	<u>77,297</u>	<u>80,803</u>	<u>(3,506)</u>
Totals	<u>\$ 268,129</u>	<u>\$ 308,400</u>	<u>\$ (40,271)</u>

Context

The lack of substantial detail of transactions was a systemic issue throughout the audit period.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

MADISON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

(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 CFR 200.333 states in part:

"Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. . . ."

Cause

Management had not developed a system of internal controls that segregated key functions and also failed to ensure that documentation was maintained and made available for audit related to the compliance 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 programs.

The failure to retain or provide appropriate supporting documentation prevented the determination of the County's compliance with the Cash Management compliance requirement.

Questioned Costs

Although questioned costs exist, we were unable to ascertain the value of these costs due to the poor quality of the records and the inability to project questioned costs findings onto the population.

Recommendation

We recommended that management of the County establish controls related to the grant agreement and the compliance requirement listed above and have audit documentation available related to the compliance requirement.

Views of Responsible Officials

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

MADISON COUNTY
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 (Continued)

Auditor's Response

During our audit of this grant, there were one hundred emails that had been sent back and forth requesting audit documentation and answering requests, along with numerous hours of in-person inquiries with JobSource, a fiscal department of the County. The JobSource Controller instructed the auditors to request all information from the Controller and that all information would need to be obtained through him. During the audit, the auditors contacted other JobSource employees for information requests, but often received answers stating that they did not know how to provide the documentation requested. The documentation provided by the Controller of JobSource did not support the reimbursement claims, which consisted of summary entries from cost pools. We determined through inquiry and inspection that many of the cost pools came from other cost pools, which prevented the auditors from determining if some expenditures were being counted twice, as noted in the *Condition*.

FINDING 2016-006

Subject: WIOA Cluster - Period of Performance
 Federal Agency: Department of Labor
 Federal Programs: WIA/WIOA Adult Program, WIA/WIOA Youth Activities,
 WIA/WIOA Dislocated Worker Formula Grants
 CFDA Numbers: 17.258, 17.259, 17.278
 Federal Award Number and Year (or Other Identifying Number): PY15-CR-01-IA
 Pass-Through Entity: Interlocal Association
 Compliance Requirement: Period of Performance
 Audit Findings: Material Weakness, Modified Opinion

Condition

An effective internal control system was not in place at JobSource, a fiscal department of the County, in order to ensure compliance with requirements related to the grant agreement and the Period of Performance compliance requirement.

Financial records for WIOA Cluster programs at JobSource included journal entries that were unable to be audited. A population of transactions to test Period of Performance could not be provided due to various limitations of the accounting records. A detail of expenditures was not retained to support the reimbursement claim. When requested, the information provided did not constitute a detail because it contained considerable differences from the reimbursement request. The reimbursement requests for the three months tested below of \$268,129 had a detail of \$308,400. The detail was comprised of multiple pages of indirect cost allocations from multiple different cost pools, which led to uncertainty as to the validity of the \$308,400.

<u>Month of Request</u>	<u>Reimbursement Request</u>	<u>Detail Provided</u>	<u>Difference</u>
April 2016	\$ 89,848	\$ 106,865	\$ (17,017)
May 2016	100,984	120,732	(19,748)
October 2016	<u>77,297</u>	<u>80,803</u>	<u>(3,506)</u>
Totals	<u>\$ 268,129</u>	<u>\$ 308,400</u>	<u>\$ (40,271)</u>

MADISON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Context

The lack of substantial detail of transactions was a systemic issue throughout the audit period.

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 CFR 200.333 states in part:

"Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. . . ."

Cause

Management had not developed a system of internal controls that segregated key functions and also failed to ensure that documentation was maintained and made available for audit related to the compliance 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 programs.

The failure to retain or provide appropriate supporting documentation prevented the determination of the County's compliance with the Period of Performance compliance requirement.

Questioned Costs

Although questioned costs exist, we were unable to ascertain the value of these costs due to the poor quality of the records and the inability to project questioned costs findings onto the population.

MADISON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Recommendation

We recommended that management of the County establish controls related to the grant agreement and the compliance requirement listed above and have audit documentation available relating to the compliance requirement.

Views of Responsible Officials

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

Auditor's Response

During our audit of this grant, there were one hundred emails that had been sent back and forth requesting audit documentation and answering requests, along with numerous hours of in-person inquiries with JobSource, a fiscal department of the County. The JobSource Controller instructed the auditors to request all information from the Controller and that all information would need to be obtained through him. During the audit, the auditors contacted other JobSource employees for information requests, but often received answers stating that they did not know how to provide the documentation requested. The documentation provided by the Controller of JobSource did not support the reimbursement claims, which consisted of summary entries from cost pools. It was determined through inquiry and inspection that many of the cost pools came from other cost pools, which prevented the auditors from determining if some expenditures were being counted twice, as noted in the *Condition*.

FINDING 2016-007

Subject: WIOA Cluster - Earmarking
Federal Agency: Department of Labor
Federal Programs: WIA/WIOA Adult Program, WIA/WIOA Youth Activities,
WIA/WIOA Dislocated Worker Formula Grants
CFDA Numbers: 17.258, 17.259, 17.278
Federal Award Number and Year (or Other Identifying Number): PY15-CR-01-IA
Pass-Through Entity: Interlocal Association
Compliance Requirement: Matching, Level of Effort, Earmarking
Audit Findings: Material Weakness, Modified Opinion

Condition

An effective internal control system was not in place at JobSource, a fiscal department of the County, in order to ensure compliance with requirements related to the grant agreement and the earmarking requirements.

Financial records for WIOA Cluster programs at JobSource included journal entries that were unable to be audited. A population of transactions to test the earmarking requirements could not be provided due to various limitations of the accounting records. There was no system in place to monitor many of the earmarking requirements. Administration expenses were not being monitored to verify that no more than 10 percent of the amount allocated to the local area were for administrative purposes. Other earmarking requirements, such as the percentage to be used on out-of-school youth, were not being monitored.

MADISON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Context

The lack of substantial detail of transactions was a systemic issue throughout the audit period.

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 CFR 200.333 states in part:

"Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. . . ."

20 CFR 680.800 states in part: "(a) The local area may reserve up to 20 percent of their combined total of adult and dislocated worker allocations for incumbent worker training as described in § 680.790 . . ."

20 CFR 680.195 states: "The local area may use up to 10 percent of their combined total of adult and dislocated worker allocations for transitional jobs as described in § 680.190. Transitional jobs must be combined with comprehensive career services (see § 680.150) and supportive services (see § 680.900)."

20 CFR 683.205(a)(2) states: "Local area expenditures for administrative purposes under WIOA formula grants are limited to no more than 10 percent of the amount allocated to the local area under secs. 128(b) and 133(b) of WIOA."

Workforce Innovation and Opportunity Act, Section 129(a)(4)(A), WIOA, 128 Stat. 1506 states in part: "(b) and not less than 75 percent of funds available to local areas under subsection (c), shall be used to provide youth workforce investment activities for out-of-school youth. . . ."

Cause

Management had not developed a system of internal controls that segregated key functions and also failed to ensure that documentation was maintained and made available for audit related to the compliance requirement.

MADISON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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 programs.

The failure to retain or provide appropriate supporting documentation prevented the determination of the County's compliance with the earmarking requirements.

Questioned Costs

Although questioned costs exist, we were unable to ascertain the value of these costs due to the poor quality of the records and the inability to project questioned costs findings onto the population.

Recommendation

We recommended that management of the County establish controls related to the grant agreement and the compliance requirement listed above and have audit documentation available related to the compliance requirement.

Views of Responsible Officials

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

Auditor's Response

During our audit of this grant, there were one hundred emails that had been sent back and forth requesting audit documentation and answering requests, along with numerous hours of in-person inquiries with JobSource, a fiscal department of the County. The JobSource Controller instructed the auditors to request all information from the Controller and that all information would need to be obtained through him. During the audit, the auditors contacted other JobSource employees for information requests, but often received answers stating that they did not know how to provide the documentation requested. The documentation provided by the Controller of JobSource did not support the reimbursement claims, which consisted of summary entries from cost pools. We determined through inquiry and inspection that many of the cost pools came from other cost pools, which prevented the auditors from determining if some expenditures were being counted twice, as noted in the *Condition*.

FINDING 2016-008

Subject: WIOA Cluster - Eligibility

Federal Agency: Department of Labor

Federal Programs: WIA/WIOA Adult Program, WIA/WIOA Youth Activities,
WIA/WIOA Dislocated Worker Formula Grants

CFDA Numbers: 17.258, 17.259, 17.278

Federal Award Number and Year (or Other Identifying Number): PY15-CR-01-IA

Pass-Through Entity: Interlocal Association

Compliance Requirement: Eligibility

Audit Finding: Material Weakness

MADISON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2015-002.

Condition

An effective internal control system was not in place at JobSource, a fiscal department of the County, in order to ensure compliance with requirements related to the grant agreement and the Eligibility compliance requirement. After inquiry with staff, it was determined that no internal control over Eligibility existed.

Context

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

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 that segregated key functions.

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 programs.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that management of the County establish controls related to the grant agreement and the Eligibility compliance requirement.

Views of Responsible Officials

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

MADISON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2016-009

Subject: Non-Major Programs - Allowable Costs/Cost Principles
Federal Agencies: Department of Labor, Department of Energy, Department of Health and Human Services
Federal Programs: Unemployment Insurance, Weatherization Assistance for Low Income Persons,
Low Income Home Energy Assistance, Community Services Block Grant
CFDA Numbers: 17.225, 81.042, 93.568, 93.569
Federal Award Numbers and Years (or Other Identifying Numbers): PY15-CR-01-IA, WX-015-015,
WX-016-015, LI-016-015,
WL-016-015, WL-017-015,
CS-015-015, CS-016-015
Pass-Through Entities: Interlocal Association, Indiana Housing and Community Development
Compliance Requirement: Allowable Costs/Cost Principles
Audit Findings: Material Weakness, Other Matters

Condition

An effective internal control system was not in place at JobSource, a fiscal department of the County, in order to ensure compliance with requirements related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

During the audit of the WIOA Cluster as a major program for Madison County, it was found that the largest majority of costs for which reimbursements were requested were payroll and indirect costs. Payroll also included indirect costs from the Administrative Cost Pool. These same cost pools were being charged to the other non-major federal programs for which JobSource was also responsible. There were many issues noted with the reimbursement requests that made them unreliable. We were unable to obtain a population of transactions, the detail of specific reimbursements was unable to be verified in almost all cases, and once a detail was received there was a considerable difference between what was received and what was in the detail. The detail was comprised of multiple pages of indirect cost allocations that did not have supporting documentation. These amounts were comprised of numerous entries that came from indirect cost pools.

Due to numerous errors and the lack of detailed information, we were unable to prove whether the reimbursements were for allowable costs. After multiple requests and numerous attempts to get supporting documentation, we were unable to get any detail that matched the reimbursement requests. These same cost pools were being charged to the other non-major federal programs as well.

JobSource was required to have an approved Cost Allocation Plan (CAP) in order to use indirect costs in its claims for reimbursement. JobSource did create a CAP, but had no documentation to show that it was approved by the federal awarding agencies, or the pass-through awarding agencies. This CAP was also lacking the internal approval of a second review for internal control purposes. Additionally, the CAP was missing many specific details required by 2 CFR 200 Appendix V section E.

Context

The lack of substantial detail of transactions was a systemic issue throughout the audit period.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

MADISON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

(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 CFR 200.333 states in part:

"Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. . . ."

2 CFR 200 Appendix V part D(3) states:

"All other local governments claiming central service costs must develop a plan in accordance with the requirements described in this Part and maintain the plan and related supporting documentation for audit. These local governments are not required to submit their plans for Federal approval unless they are specifically requested to do so by the cognizant agency for indirect costs. Where a local government only receives funds as a subrecipient, the pass-through entity will be responsible for monitoring the subrecipient's plan."

Cause

Management had not developed a system of internal controls that segregated key functions to ensure that adequate documentation was maintained and made available for audit related to Allowable Costs/Cost Principles.

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 programs.

The failure to retain or provide appropriate supporting documentation prevented the determination of the County's compliance with the Allowable Costs/Cost Principles compliance requirement.

Questioned Costs

Although questioned costs exist, we were unable to ascertain the value of these costs due to the poor quality of the records and the inability to project questioned costs findings onto the population.

MADISON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Recommendation

We recommended that management of the County establish controls related to the grant agreement and to ensure that adequate documentation is maintained and made available for audit related to Allowable Costs/Cost Principles.

Views of Responsible Officials

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

Auditor's Response

During our audit, there were one hundred emails that had been sent back and forth requesting audit documentation and answering requests, along with numerous hours of in-person inquiries with JobSource, a fiscal department of the County). The JobSource Controller instructed the auditors to request all information from the Controller and that all information would need to be obtained through him. During the audit, the auditors contacted other JobSource employees for information requests, but often received answers stating that they did not know how to provide the documentation requested. The documentation provided by the Controller of JobSource did not support the reimbursement claims, which consisted of summary entries from cost pools. We determined through inquiry and inspection that many of the cost pools came from other cost pools, which prevented the auditors from determining if some expenditures were being counted twice, as noted in the *Condition*.

AUDITEE-PREPARED DOCUMENTS

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



MADISON COUNTY AUDITOR'S OFFICE
ANDERSON, INDIANA

Rick Gardner, Auditor

Summary Schedule of Prior Audit Findings

Finding 2015-001

Fiscal year in which the finding initially occurred: 2015

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Not applicable

Contact Person Responsible for Corrective Action: Rick Gardner, County Auditor

Contact Phone Number: 765-641-9419

Status of Audit Finding:

The Auditor first learned of the finding in May of 2017. At that time, the Auditor discussed additional controls and processes which were to be put into place to prevent, or detect and correct errors on the Schedule of Expenditures of Federal Awards (SEFA).

Rick G Gardner

Auditor

8/3/2018

MADISON COUNTY



INDIANA

**BOARD OF COUNTY COMMISSIONERS
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commissioners@madisoncounty.in.gov**

**John M. Richwine, President
Steffanie L. Owens
W. Michael Phipps
765/641-9474
Fax 765/641-9578**

Finding 2015-002

Fiscal year in which the finding initially occurred: 2014

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Workforce Development

Contact Person responsible for corrective action: John M. Richwine, President of the Madison County Board of Commissioners

Contact number: 765-641-9470

Commissioners have taken the necessary steps to ensure that applications for Workforce Investments Act program benefits are available to future auditors.

John M. Richwine
President



MADISON COUNTY AUDITOR'S OFFICE
ANDERSON, INDIANA

Rick Gardner, Auditor

Corrective Action Plan

Finding 2016 -001

Contact Person Responsible for Corrective Action: Rick Gardner
Contact Phone Number: 765-641-9425

Views of Responsible Official :
We concur with the finding.

Description of Corrective Action Plan:
Annual report will be prepared by our staff and will be reviewed by a team of 3 to ensure accuracy prior to submission on Gateway.

Anticipated Completion Date: Finding communicated on 10/9/2018. Anticipated completion date: 10/9/2018

Rick G. Gardner

Auditor
10/9/2018



MADISON COUNTY AUDITOR'S OFFICE

ANDERSON, INDIANA

Rick Gardner, Auditor

Corrective Action Plan

Finding 2016-002

Contact Person Responsible for Corrective Action: Rick Gardner
Contact Phone Number: 765-641-9425

Views of Responsible Official :
We concur with the finding.

Description of Corrective Action Plan:
Reviews of the Schedule of Expenditures of Federal Awards prepared by our staff will be made by a team of 3 to ensure accuracy prior to submission on Gateway.

Anticipated Completion Date: Finding communicated on 10/9/2018. Anticipated completion date: 10/9/2018

Rick G Gardner

Auditor

10/9/2018

MADISON COUNTY



INDIANA

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CORRECTIVE ACTION PLAN

FINDING 2016-003

Contact Person Responsible for Corrective Action: Board of Commissioners Madison County
Contact Phone Number: 765-641-9470

Views of Responsible Official: We agree with the finding. However, details for all transactions are kept on site for three years, and an additional 3 years at our storage facility. On site auditor never requested detailed information of summary transaction.

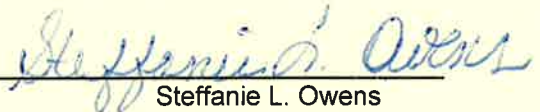
Description of Corrective Action Plan:

We will add an additional internal control in which the Executive Director or a designee of the Executive Director will review and approve claims for reimbursement.

Along with this additional internal control, the new accounting system allow more detail to be retained electronically in the system.


Anticipated Completion Date:

The accounting system is already in use. The new internal control will be effective with the next reimbursement claim submission, tentatively November 10, 2018.



Steffanie L. Owens

Commissioner
Board of
Commissioners
Madison County



(Date)

MADISON COUNTY



INDIANA

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CORRECTIVE ACTION PLAN

FINDING 2016-004

Contact Person Responsible for Corrective Action: Board of Commissioners Madison County
Contact Phone Number: 765-641-9470

Views of Responsible Official: We agree with the finding. However, details for all transactions are kept on site for three years, and an additional 3 years at our storage facility. On site auditor never requested detailed information of summary transaction.

Description of Corrective Action Plan:

We will add an additional internal control in which the Executive Director or a designee of the Executive Director will review and approve claims for reimbursement.

Along with this additional internal control, the new accounting system allow more detail to be retained electronically in the system.

Anticipated Completion Date:


The accounting system is already in use. The new internal control will be effective with the next reimbursement claim submission, tentatively November 10, 2018.



Steffanie L. Owens

Commissioner

Board of
Commissioners
Madison County



(Date)

MADISON COUNTY



INDIANA

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Fax 765/641-9578

CORRECTIVE ACTION PLAN

FINDING 2016-005

Contact Person Responsible for Corrective Action: Board of Commissioners Madison County
Contact Phone Number: 765-641-9470

Views of Responsible Official: We agree with the finding. However, details for all transactions are kept on site for three years, and an additional 3 years at our storage facility. On site auditor never requested detailed information of summary transaction.

Description of Corrective Action Plan:

We will add an additional internal control in which the Executive Director or a designee of the Executive Director will review and approve claims for reimbursement.

Along with this additional internal control, the new accounting system allow more detail to be retained electronically in the system.


Anticipated Completion Date:

The accounting system is already in use. The new internal control will be effective with the next reimbursement claim submission, tentatively November 10, 2018.



Steffanie L. Owens

Commissioner
President,
Board of
Commissioners
Madison County



(Date)



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765/641-9474
Fax 765/641-9578

CORRECTIVE ACTION PLAN

FINDING 2016-006

Contact Person Responsible for Corrective Action: Board of Commissioners Madison County
Contact Phone Number: 765-641-9470

Views of Responsible Official: We agree with the finding. However, details for all transactions are kept on site for three years, and an additional 3 years at our storage facility. On site auditor never requested detailed information of summary transaction.

Description of Corrective Action Plan:

We will add an additional internal control in which the Executive Director or a designee of the Executive Director will review and approve claims for reimbursement.

Along with this additional internal control, the new accounting system allow more detail to be retained electronically in the system.


Anticipated Completion Date:

The accounting system is already in use. The new internal control will be effective with the next reimbursement claim submission, tentatively November 10, 2018.


Steffanie L. Owens

Commissioner

Board of
Commissioners
Madison County


(Date)

MADISON COUNTY



INDIANA

BOARD OF COUNTY COMMISSIONERS
MADISON COUNTY GOVERNMENT CENTER
16 E. 9TH STREET
ANDERSON, INDIANA 46016
commissioners@madisoncounty.in.gov

John M. Richwine, President
Steffanie L. Owens
W. Michael Phipps
765/641-9474
Fax 765/641-9578

CORRECTIVE ACTION PLAN

FINDING 2016-007

Contact Person Responsible for Corrective Action: Board of Commissioners Madison County
Contact Phone Number: 765-641-9470

Views of Responsible Official: We agree with the finding. However, details for all transactions are kept on site for three years, and an additional 3 years at our storage facility. On site auditor never requested detailed information of summary transaction.

Description of Corrective Action Plan:

We will add an additional internal control in which the Executive Director or a designee of the Executive Director will review and approve claims for reimbursement.


Along with this additional internal control, the new accounting system allow more detail to be retained electronically in the system.

Anticipated Completion Date:

The accounting system is already in use. The new internal control will be effective with the next reimbursement claim submission, tentatively November 10, 2018.


Steffanie L. Owens

Commissioner
Board of
Commissioners
Madison County



(Date)

MADISON COUNTY



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CORRECTIVE ACTION PLAN

FINDING 2016-008

Contact Person Responsible for Corrective Action: Board of Commissioners Madison County
Contact Phone Number: 765-641-9470

Views of Responsible Official: We partially agree with the finding

Description of Corrective Action Plan:

We will add an additional internal control in which the team lead or application reviewer will sign off as having reviewed the application.

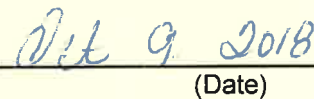
Anticipated Completion Date:

The new internal control will be effective immediately upon the acceptance of this corrective action plan.


Steffanie L. Owens

Commissioner

Board of
Commissioners
Madison County


(Date)



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CORRECTIVE ACTION PLAN

FINDING 2016-009

Contact Person Responsible for Corrective Action: Board of Commissioners Madison County
Contact Phone Number: 765-641-9470

Views of Responsible Official: We agree with the finding. However, details for all transactions are kept on site for three years, and an additional 3 years at our storage facility. On site auditor never requested detailed information of summary transaction.

Description of Corrective Action Plan:

We will add an additional internal control in which the Executive Director or a designee of the Executive Director will review and approve claims for reimbursement.

Along with this additional internal control, the new accounting system allow more detail to be retained electronically in the system.


Anticipated Completion Date:

The accounting system is already in use. The new internal control will be effective with the next reimbursement claim submission, tentatively November 10, 2018.


Steffanie L. Owens

Commissioner

Board of
Commissioners
Madison County


(Date)

OTHER REPORTS

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