

**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, 2017 to December 31, 2017



**FILED**  
11/27/2018



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Rick G. Gardner	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	Steve C. Sumner Anthony Emery	01-01-17 to 12-31-17 01-01-18 to 12-31-18



## 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, 2017, 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, 2017.

***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, 2017, 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, 2017, 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 2017-001 and 2017-002, 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 items 2017-001 and 2017-002.

**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, 2017

Fund	Cash and Investments 01-01-17	Receipts	Disbursements	Cash and Investments 12-31-17
After Settlement Collections	\$ 3,267,349	\$ 3,770,052	\$ 3,267,349	\$ 3,770,052
Inmate Trust Fund New	25,547	815,321	804,645	36,223
Clerk-Juvenile Trust	-	1,480	776	704
Jail Commissary	182,277	548,102	493,472	236,907
Clerk Trust	938,674	9,521,872	9,529,202	931,344
Sheriff Civil Fund	55,886	4,178,869	4,189,387	45,368
County General	11,744,806	38,772,034	39,586,804	10,930,036
Accident Report Fund	5,653	7,907	3,302	10,258
Performance Bond Fund	5,000	3,000	4,000	4,000
Child Advocacy Fund	325	-	-	325
City & Town Court Costs	15,437	19,892	15,437	19,892
Clerks Rec Perpetuation	69,142	65,566	2,670	132,038
COIT County Distributive Share	606,446	11,225	560,583	57,088
CJC Project Income	374,145	762,151	647,121	489,175
Cong. School-Int.	12,098	13,030	14,826	10,302
Cong. School - Principal	24,407	12,013	12,981	23,439
Co Sales Disclosure Fund	32,080	17,350	24,690	24,740
Cumulative Bridge	954,438	962,898	1,630,774	286,562
Co Drug Free Community	76,191	52,377	69,802	58,766
Emg Plan & Right To Know	63,032	6,465	5,608	63,889
Enhanced Access Fund	62,883	26,775	30,000	59,658
County Extradition Fund	27,640	10,132	-	37,772
Firearms Training	29,199	26,410	15,324	40,285
Co Economic Dev (County)	71,452	662,508	733,960	-
General Drain Improvement	917,229	498,042	1,190,090	225,181
Health Fund	284,293	1,000,429	1,004,438	280,284
Co ID Security Protection	36,674	13,253	-	49,927
Landfill Fund	193,954	-	193,954	-
Health Maintenance	342,902	36,336	50,241	328,997
Arterial Roads & Streets	424,975	824,629	446,445	803,159
County Public Safety Fund	2,805,041	1,479,358	3,933,576	350,823
Medical Care For Inmates	65,891	13,574	-	79,465
Co Misdemeanant Fund	304,595	98,503	62,173	340,925
Highway Fund	471,902	4,706,122	4,503,332	674,692
TMA Tax Fund	302,251	-	-	302,251
Plat Book Maintenance	132,496	36,785	10,646	158,635
Rainy Day Fund	660,800	-	94,780	566,020
Reassessment 2015	571,659	121,186	177,149	515,696
Recorder's Records	249,106	253,612	211,072	291,646
Sex/Violent Offend Admin	43,112	12,875	10,507	45,480
Supp Public Defender Serv	52,387	50,833	70,574	32,646
Surplus Tax	1,145,528	407,836	512,468	1,040,896
Co. Surveyor's Cor Perp.	96,954	56,135	32,099	120,990
SRI Fund	128,544	127,991	88,619	167,916
Tax Sale Redemption	7,538	469,897	439,958	37,477
Tax Sale Surplus 12/11	193,071	-	193,071	-
LHD Trust Acct Program	302,820	26,115	47,725	281,210
Unsafe Building Fund	129,252	6,697	5,297	130,652
GAL/CASA Users Fees	38,644	162,429	106,397	94,676
Auditors Ineligible Deduc	128,496	10,591	110,370	28,717
Co Elected Officials Trng	31,420	13,260	3,689	40,991
Co Offender Transprt Fund	9,680	1,500	-	11,180
Statewide 911	470,084	2,484,477	2,791,426	163,135
Unified Prob Admin Fees	30,241	57,303	80,840	6,704
Juvenile Prob Admin Fees	20,183	9,494	23,659	6,018
Suppl Prob Serv-Unified	490,311	824,000	943,373	370,938
Suppl Prob Serv-Juvenile	70,642	26,201	21,776	75,067
Alternative Dispute Resol	44,704	12,219	9,878	47,045
Co. Users Fees Fund	455,606	307,738	363,776	399,568
General Drain Maintenance	2,185,731	751,763	622,632	2,314,862
Mc Recycling Grant 2005	202,021	104,663	96,361	210,323
Cumulative Its	11,232	84,653	57,231	38,654
Interpreter Grant Award	5,014	2,250	7,244	20
Mc Group Ins Reserve Fund	1,967,035	-	-	1,967,035
Payroll	483,577	7,046,750	7,519,178	11,149
Payroll Withholding-Medical	17,228	8,633,405	8,588,837	61,796
Payroll Withholding-BestFlex	31,645	169,168	161,116	39,697
Settlement	-	99,462,040	99,457,391	4,649
Wheel Tax/Surtax Fund	128,932	3,231,097	3,236,012	124,017
Comm Vehicle Excise Tax	-	779,171	779,171	-
Weed Cutting	24,861	12,550	31,561	5,850
Sewer Service	40,141	111,408	98,911	52,638
Financial Inst Tax	-	662,152	662,152	-
New Cedit	158,414	-	158,414	-

MADISON COUNTY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2017

Fund	Cash and Investments 01-01-17	Receipts	Disbursements	Cash and Investments 12-31-17
LOIT PTRC Fund	394,042	158,414	-	552,456
LIT-PTR	-	11,482,270	11,152,609	329,661
Fines & Forfeitures	8,929	44,783	44,452	9,260
Infraction Judgments	16,413	235,860	234,727	17,546
Spec Death Benefit Fee Fd	705	8,755	8,880	580
State Assessment Training	1,435	16,795	16,735	1,495
Coroner's Cont Education	1,426	16,532	16,782	1,176
Interstate Compact Appl	63	1,500	1,438	125
Mortgage Fee Fund	820	9,445	9,475	790
DLGF HS Property Database	3	7	10	-
Sex/Violent Offend/State	206	1,431	1,416	221
Child Restraint Sys Fines	25	1,675	850	850
Inheritance Tax	30	-	-	30
Education Plate Fee	-	2,306	2,306	-
Rev Sharing Riverboat Fund	-	779,801	779,801	-
Madison Co Conv & Tour	43,289	640,210	642,856	40,643
LIT Certified Shares	-	22,863,596	22,863,596	-
LIT Public Safety	-	5,715,899	5,715,899	-
Prosecutor PCA CFDA#93.563	5,064	6,606	9,225	2,445
Clerk Arra Fund	45,333	-	-	45,333
Co Gen Title IV-D Incentv	133,430	54,668	41,561	146,537
Prosecutor Incentive	5	-	-	5
New Pros Incentive	99,055	82,252	86,346	94,961
New Clerk Incentive	186,556	54,668	7,769	233,455
Clerk Support	22,391	2,303,823	2,307,844	18,370
Donations	35,949	12,282	9,574	38,657
LOIT Special Distribution	908,764	-	908,764	-
Co Local Ord Violations Fines	4,193	1,375	-	5,568
Corr Complex Commissary	175,619	200,544	137,488	238,675
Jury Pay Fund	29	14,293	13,908	414
Advance Tax Fund	39,448	-	39,448	-
Pre-Trial Serv (Unified)	11,490	24,265	13,733	22,022
County Owned Land Sale	500	-	500	-
Prime For Life Program	2,143	-	400	1,743
Planned Unit Dev Inspectn	183	-	-	183
Madison Co Bridge 902	121,402	-	121,402	-
Soil & Water Watershed	4,770	27,443	21,971	10,242
2010 IDEM MS4 Conference	55,997	26,223	82,220	-
MS4-COG Treasurer	8,765	9,609	7,169	11,205
Dissolution Education	3,953	6,825	7,200	3,578
Co Housing Fund	14,748	-	1,200	13,548
Law Enforcement Aid	3,972	1,929	2,059	3,842
JobSource	212,766	2,695,964	2,708,348	200,382
JobSource-Its Fund	31,043	32,957	32,516	31,484
Juvenile Drug Screens	4,112	1,665	1,775	4,002
Central Dispatch Fund	513,939	2,731,172	2,719,563	525,548
2015 COIT Revenue Project Fund	551,439	899	508,353	43,985
County Wheel Tax/Surtax	701,910	1,484,486	1,300,000	886,396
Liability Ins Retainage	3,205	-	-	3,205
2015 COIT Sinking Fund	-	680,019	680,019	-
Slot Machine Wagering Fee	84	6,251,854	6,251,938	-
Juvenile Facilities Construct	111,263	-	-	111,263
Co Economic Dev (City)	-	1,409,691	1,409,691	-
Series 2015A (Dispatch Center)	259	-	259	-
Series 2015B (MCCC)	1,096	-	1,096	-
8th Street Bridge Fund	-	300,000	-	300,000
Cum Recycling Center	81,946	22,524	3,392	101,078
Mad Co Sher Photo Fund	3,297	845	439	3,703
Mad Co Emg Mgt Cap Equip	74,406	450	-	74,856
Mad Co Hazmat Truck Fund	18,334	2,625	2,966	17,993
Comm Cert Sale 03/13/15	77,452	28,923	-	106,375
Comprehensive Safety Pgm	32,307	27,380	29,384	30,303
Commissioners Certif Sale	286,148	-	284,597	1,551
Tax Sale Surplus 2013	258,245	-	258,245	-
Star Bank Bldg Fund Non-Revert	-	39,224	-	39,224
Comm Cert Sale 04/08/16	6,136	-	5,332	804
Tax Sale Surplus 2017	-	1,923,681	460,232	1,463,449
Tax Sale Redemption X	10,176	-	10,176	-
Commiss Cert Sale 03/29/13	70,769	-	70,769	-
Windfarm Rd/Drain Inspect	17,580	-	-	17,580
Windfarm Economic Develop	1,362,970	-	-	1,362,970
Tax Sale Surplus 2014	107,655	-	42,628	65,027
Commissioner Vending Fund	3,060	629	-	3,689
Cemetery Maint & Improv Fund	2,800	-	-	2,800

MADISON COUNTY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2017

Fund	Cash and	Receipts	Disbursements	Cash and
	Investments			Investments
	01-01-17			12-31-17
Tax Sale Surplus 2015	376,616	15,986	141,058	251,544
Tax Sale Surplus 2016	1,290,610	-	955,628	334,982
Commiss Cert Sale 04/10/17	-	623,244	411,665	211,579
2017 Project Fund-Govt Ctr Imp	-	3,500,000	-	3,500,000
Storm Sewer	9,347	42,568	42,940	8,975
10.557 WIC	162	-	162	-
CJC/DOC	168,099	858,862	855,268	171,693
Comm Transition Prog-July	281,079	218,250	174,013	325,316
Crime Vic Assist 93vs001	(1,709)	-	-	(1,709)
Bilingual Advocate (STOP)	(25,875)	38,843	19,444	(6,476)
CJC/Juvenile	19,064	78,238	79,179	18,123
CJC/MC Coal Ag Sub Abuse	-	6,383	6,383	-
Sheriff Victim Advocate 16.575	(29,757)	39,189	10,549	(1,117)
Empg Grant	66	-	-	66
PS Crts Enhancement Grt 16.585	9,093	-	-	9,093
Council Of Gov't	278,620	2,599,536	2,484,887	393,269
Mad Co DUI	16,966	16,568	17,235	16,299
Big City County	(13,749)	48,329	45,055	(10,475)
Co Youth Center Sch Grt	2,025	39,736	33,225	8,536
ICJI-Madison Co CASA	19,467	248,506	238,900	29,073
Dist Mobile Command Grant	43	-	-	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)
Anderson HO FY13	-	18,932	30,595	(11,663)
Anderson Rental REHAB FY13	36	7,988	7,988	36
CJC/Women's Center Grant	94,854	341,204	380,063	55,995
Crime Victim Assistance (VOCA)	(32,248)	149,577	150,044	(32,715)
New EOC Equipment	6,582	-	-	6,582
EOC Upgrade Grant	(8,478)	-	-	(8,478)
Child Advocacy Center Award	1,908	395	-	2,303
Brownsfields Grant #66.818	-	180,480	180,480	-
Ebola Grant	1,831	-	97	1,734
CRI Grant	(15,909)	32,017	16,107	1
STOP (Bilingual Adv.)	8,005	-	-	8,005
Drug Court Discretionary Grant	(18,591)	56,670	65,172	(27,093)
2015 Local Base-Info Distribut	115	-	-	115
2015 Competitive-EAE	188	-	-	188
Reading For Life 16.540	(37,577)	100,835	63,258	-
2015 EMPG De-obligated funds	(6)	-	-	(6)
2016 CDB6 Anderson OO Rehab Pr	-	60,000	60,000	-
5311 Capital Assistance Grant	60,314	-	60,314	-
TRAM FTA Non Reverting	-	3,015	-	3,015
CRI Grant 17-18	-	768	25,940	(25,172)
Bio Terror Res Grant	-	4,969	12,945	(7,976)
Bilingual-STOP Grant 17-18	-	-	19,690	(19,690)
Sheriff Victim Advocate 17-18	-	-	8,751	(8,751)
Adult Protective Service	(30,653)	261,511	261,387	(30,529)
Juvenile Pilot Project	2,499	-	-	2,499
School Attendance Project	414	-	-	414
Health Dept Reimb Non-Rev	28,080	-	28,080	-
Health Foundation Fund	18	5,000	5,018	-
St Supreme Crt Psc Grant	3,456	5,985	5,978	3,463
Bio Terror Res Prog	(5,833)	28,337	13,882	8,622
Sheriff Technology Grant	6,340	19,109	10,832	14,617
Community Block Grant	3,986	-	-	3,986
Drug Court CPTF	-	1,924	1,924	-
In St Sup Reentry Court Grant	7,500	9,500	7,692	9,308
In St Sup Mental Health Court	4,693	9,500	5,865	8,328
JDAI Grant 16/17	31,877	30,750	61,387	1,240
DOC-PROB	51,951	202,675	129,188	125,438
PSC-CRRP	76,031	72,937	4,532	144,436
DOC Sheriff-Jail Treatment	17,070	30,000	27,596	19,474
2016 Comm Crossings Matching	-	1,000,000	1,000,000	-
Pro Se Ct Reform Grant	-	-	11,390	(11,390)
JDAI Grant 17/18	-	37,720	11,533	26,187
DOC-Court Recidivism Grant '18	-	114,088	91,175	22,913
DOC-Prosecutor	-	25,038	16,288	8,750
Totals	<u>\$ 45,115,222</u>	<u>\$ 269,094,153</u>	<u>\$ 271,236,435</u>	<u>\$ 42,972,940</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.

*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,

MADISON COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

*Charges for services.* Amounts received for services including, but not limited to, the following: 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.

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

*Capital outlay.* 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 reimbursement grants administered by the County.

**Note 8. 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.

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#### 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, 2017

	After Settlement Collections	Inmate Trust Fund New	Clerk-Juvenile Trust	Jail Commissary	Clerk Trust	Sheriff Civil Fund
Cash and investments - beginning	\$ 3,267,349	\$ 25,547	\$ -	\$ 182,277	\$ 938,674	\$ 55,886
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	3,770,052	-	-	-	9,521,757	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	815,321	1,480	548,102	115	4,178,869
Total receipts	3,770,052	815,321	1,480	548,102	9,521,872	4,178,869
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	3,267,349	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	804,645	776	493,472	9,529,202	4,189,387
Total disbursements	3,267,349	804,645	776	493,472	9,529,202	4,189,387
Excess (deficiency) of receipts over disbursements	502,703	10,676	704	54,630	(7,330)	(10,518)
Cash and investments - ending	\$ 3,770,052	\$ 36,223	\$ 704	\$ 236,907	\$ 931,344	\$ 45,368

MADISON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	County General	Accident Report Fund	Performance Bond Fund	Child Advocacy Fund	City & Town Court Costs	Clerks Rec Perpetuation
Cash and investments - beginning	\$ 11,744,806	\$ 5,653	\$ 5,000	\$ 325	\$ 15,437	\$ 69,142
Receipts:						
Taxes	18,975,674	-	-	-	-	-
Licenses and permits	98,313	-	-	-	-	-
Intergovernmental receipts	14,964,147	-	-	-	-	-
Charges for services	2,031,257	1,763	-	-	-	-
Fines and forfeits	310,308	-	-	-	19,892	65,566
Other receipts	2,392,335	6,144	3,000	-	-	-
Total receipts	38,772,034	7,907	3,000	-	19,892	65,566
Disbursements:						
Personal services	26,309,331	-	-	-	-	-
Supplies	933,807	-	-	-	-	-
Other services and charges	8,377,980	3,302	4,000	-	15,437	2,670
Debt service - principal and interest	33,018	-	-	-	-	-
Capital outlay	3,932,668	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	39,586,804	3,302	4,000	-	15,437	2,670
Excess (deficiency) of receipts over disbursements	(814,770)	4,605	(1,000)	-	4,455	62,896
Cash and investments - ending	\$ 10,930,036	\$ 10,258	\$ 4,000	\$ 325	\$ 19,892	\$ 132,038

MADISON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	COIT County Distributive Share	CJC Project Income	Cong. School-Int.	Cong. School - Principal	Co Sales Disclosure Fund	Cumulative Bridge
Cash and investments - beginning	\$ 606,446	\$ 374,145	\$ 12,098	\$ 24,407	\$ 32,080	\$ 954,438
Receipts:						
Taxes	-	-	-	-	-	727,461
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	235,437
Charges for services	-	-	-	-	16,855	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	11,225	762,151	13,030	12,013	495	-
Total receipts	11,225	762,151	13,030	12,013	17,350	962,898
Disbursements:						
Personal services	-	556,143	-	-	-	-
Supplies	-	13,282	-	-	-	-
Other services and charges	512,630	28,360	2,813	-	24,690	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	47,953	48,176	-	-	-	1,630,774
Other disbursements	-	1,160	12,013	12,981	-	-
Total disbursements	560,583	647,121	14,826	12,981	24,690	1,630,774
Excess (deficiency) of receipts over disbursements	(549,358)	115,030	(1,796)	(968)	(7,340)	(667,876)
Cash and investments - ending	\$ 57,088	\$ 489,175	\$ 10,302	\$ 23,439	\$ 24,740	\$ 286,562

MADISON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	Co Drug Free Community	Emg Plan & Right To Know	Enhanced Access Fund	County Extradition Fund	Firearms Training	Co Economic Dev (County)
Cash and investments - beginning	\$ 76,191	\$ 63,032	\$ 62,883	\$ 27,640	\$ 29,199	\$ 71,452
Receipts:						
Taxes	-	-	-	-	-	614,153
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	6,465	-	-	-	-
Charges for services	31,549	-	26,775	-	26,410	-
Fines and forfeits	20,828	-	-	9,388	-	-
Other receipts	-	-	-	744	-	48,355
Total receipts	52,377	6,465	26,775	10,132	26,410	662,508
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	69,802	5,608	30,000	-	15,324	733,960
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	69,802	5,608	30,000	-	15,324	733,960
Excess (deficiency) of receipts over disbursements	(17,425)	857	(3,225)	10,132	11,086	(71,452)
Cash and investments - ending	\$ 58,766	\$ 63,889	\$ 59,658	\$ 37,772	\$ 40,285	\$ -

MADISON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	General Drain Improvement	Health Fund	Co ID Security Protection	Landfill Fund	Health Maintenance	Arterial Roads & Streets
Cash and investments - beginning	\$ 917,229	\$ 284,293	\$ 36,674	\$ 193,954	\$ 342,902	\$ 424,975
Receipts:						
Taxes	341,573	651,625	-	-	-	-
Licenses and permits	-	277,790	-	-	-	-
Intergovernmental receipts	-	71,014	-	-	36,336	824,629
Charges for services	-	-	13,253	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	156,469	-	-	-	-	-
Total receipts	498,042	1,000,429	13,253	-	36,336	824,629
Disbursements:						
Personal services	-	958,592	-	-	38,548	-
Supplies	-	21,248	-	-	8,873	-
Other services and charges	1,190,090	24,598	-	193,954	2,820	219,808
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	226,637
Other disbursements	-	-	-	-	-	-
Total disbursements	1,190,090	1,004,438	-	193,954	50,241	446,445
Excess (deficiency) of receipts over disbursements	(692,048)	(4,009)	13,253	(193,954)	(13,905)	378,184
Cash and investments - ending	\$ 225,181	\$ 280,284	\$ 49,927	\$ -	\$ 328,997	\$ 803,159

MADISON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	County Public Safety Fund	Medical Care For Inmates	Co Misdemeanant Fund	Highway Fund	TMA Tax Fund	Plat Book Maintenance
Cash and investments - beginning	\$ 2,805,041	\$ 65,891	\$ 304,595	\$ 471,902	\$ 302,251	\$ 132,496
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	1,479,248	-	98,503	4,616,239	-	-
Charges for services	-	13,574	-	-	-	15
Fines and forfeits	-	-	-	-	-	-
Other receipts	110	-	-	89,883	-	36,770
Total receipts	1,479,358	13,574	98,503	4,706,122	-	36,785
Disbursements:						
Personal services	1,668,397	-	31,455	2,361,648	-	8,628
Supplies	67,142	-	23,000	1,243,483	-	-
Other services and charges	573,452	-	3,978	113,546	-	1,035
Debt service - principal and interest	1,090,018	-	-	-	-	-
Capital outlay	534,567	-	3,740	784,655	-	983
Other disbursements	-	-	-	-	-	-
Total disbursements	3,933,576	-	62,173	4,503,332	-	10,646
Excess (deficiency) of receipts over disbursements	(2,454,218)	13,574	36,330	202,790	-	26,139
Cash and investments - ending	\$ 350,823	\$ 79,465	\$ 340,925	\$ 674,692	\$ 302,251	\$ 158,635

MADISON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	Rainy Day Fund	Reassessment 2015	Recorder's Records	Sex/Violent Offend Admin	Supp Public Defender Serv	Surplus Tax
Cash and investments - beginning	\$ 660,800	\$ 571,659	\$ 249,106	\$ 43,112	\$ 52,387	\$ 1,145,528
Receipts:						
Taxes	-	109,540	-	-	-	405,318
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	11,646	-	-	-	-
Charges for services	-	-	253,457	-	-	-
Fines and forfeits	-	-	-	-	50,774	-
Other receipts	-	-	155	12,875	59	2,518
Total receipts	-	121,186	253,612	12,875	50,833	407,836
Disbursements:						
Personal services	-	150,083	108,782	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	94,780	22,083	102,290	10,507	70,574	512,468
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	4,983	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	94,780	177,149	211,072	10,507	70,574	512,468
Excess (deficiency) of receipts over disbursements	(94,780)	(55,963)	42,540	2,368	(19,741)	(104,632)
Cash and investments - ending	\$ 566,020	\$ 515,696	\$ 291,646	\$ 45,480	\$ 32,646	\$ 1,040,896

MADISON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	Co. Surveyor's Cor Perp.	SRI Fund	Tax Sale Redemption	Tax Sale Surplus 12/11	LHD Trust Acct Program	Unsafe Building Fund
Cash and investments - beginning	\$ 96,954	\$ 128,544	\$ 7,538	\$ 193,071	\$ 302,820	\$ 129,252
Receipts:						
Taxes	-	127,991	-	-	-	6,697
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	26,115	-
Charges for services	56,135	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	469,897	-	-	-
Total receipts	56,135	127,991	469,897	-	26,115	6,697
Disbursements:						
Personal services	1,728	-	-	-	33,534	5,297
Supplies	5,975	-	-	-	2,283	-
Other services and charges	3,742	88,619	439,958	193,071	7,942	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	20,654	-	-	-	3,966	-
Other disbursements	-	-	-	-	-	-
Total disbursements	32,099	88,619	439,958	193,071	47,725	5,297
Excess (deficiency) of receipts over disbursements	24,036	39,372	29,939	(193,071)	(21,610)	1,400
Cash and investments - ending	\$ 120,990	\$ 167,916	\$ 37,477	\$ -	\$ 281,210	\$ 130,652

MADISON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	GAL/CASA Users Fees	Auditors Ineligible Deduc	Co Elected Officials Trng	Co Offender Transprt Fund	Statewide 911	Unified Prob Admin Fees
Cash and investments - beginning	\$ 38,644	\$ 128,496	\$ 31,420	\$ 9,680	\$ 470,084	\$ 30,241
Receipts:						
Taxes	-	3,066	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	162,429	-	-	-	882,350	-
Charges for services	-	-	13,260	1,062	-	57,303
Fines and forfeits	-	-	-	438	-	-
Other receipts	-	7,525	-	-	1,602,127	-
Total receipts	162,429	10,591	13,260	1,500	2,484,477	57,303
Disbursements:						
Personal services	-	45,628	-	-	180,004	-
Supplies	-	-	-	-	-	-
Other services and charges	106,397	64,742	3,689	-	2,611,422	80,840
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	106,397	110,370	3,689	-	2,791,426	80,840
Excess (deficiency) of receipts over disbursements	56,032	(99,779)	9,571	1,500	(306,949)	(23,537)
Cash and investments - ending	\$ 94,676	\$ 28,717	\$ 40,991	\$ 11,180	\$ 163,135	\$ 6,704

MADISON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	Juvenile Prob Admin Fees	Suppl Prob Serv-Unified	Suppl Prob Serv-Juvenile	Alternative Dispute Resol	Co. Users Fees Fund	General Drain Maintenance
Cash and investments - beginning	\$ 20,183	\$ 490,311	\$ 70,642	\$ 44,704	\$ 455,606	\$ 2,185,731
Receipts:						
Taxes	-	-	-	-	-	745,109
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	9,494	-	1,165	-	91,536	-
Fines and forfeits	-	746,765	25,016	12,219	74,336	-
Other receipts	-	77,235	20	-	141,866	6,654
Total receipts	9,494	824,000	26,201	12,219	307,738	751,763
Disbursements:						
Personal services	-	584,661	-	-	237,128	-
Supplies	-	-	-	-	4,113	-
Other services and charges	23,659	358,712	21,776	9,878	98,129	622,632
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	10,380	-
Other disbursements	-	-	-	-	14,026	-
Total disbursements	23,659	943,373	21,776	9,878	363,776	622,632
Excess (deficiency) of receipts over disbursements	(14,165)	(119,373)	4,425	2,341	(56,038)	129,131
Cash and investments - ending	\$ 6,018	\$ 370,938	\$ 75,067	\$ 47,045	\$ 399,568	\$ 2,314,862

MADISON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	Mc Recycling Grant 2005	Cumulative Its	Interpreter Grant Award	Mc Group Ins Reserve Fund	Payroll	Payroll Withholding-Medical
Cash and investments - beginning	\$ 202,021	\$ 11,232	\$ 5,014	\$ 1,967,035	\$ 483,577	\$ 17,228
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	2,250	-	-	-
Charges for services	104,663	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	84,653	-	-	7,046,750	8,633,405
Total receipts	104,663	84,653	2,250	-	7,046,750	8,633,405
Disbursements:						
Personal services	37,283	-	-	-	7,519,178	8,588,837
Supplies	-	39	-	-	-	-
Other services and charges	58,083	15,922	7,244	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	995	41,270	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	96,361	57,231	7,244	-	7,519,178	8,588,837
Excess (deficiency) of receipts over disbursements	8,302	27,422	(4,994)	-	(472,428)	44,568
Cash and investments - ending	\$ 210,323	\$ 38,654	\$ 20	\$ 1,967,035	\$ 11,149	\$ 61,796

MADISON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	Payroll Withholding-BestFlex	Settlement	Wheel Tax/Surtax Fund	Comm Vehicle Excise Tax	Weed Cutting
Cash and investments - beginning	\$ 31,645	\$ -	\$ 128,932	\$ -	\$ 24,861
Receipts:					
Taxes	-	91,993,685	2,947,314	-	12,550
Licenses and permits	-	-	120	-	-
Intergovernmental receipts	-	7,468,355	-	779,171	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Other receipts	169,168	-	283,663	-	-
Total receipts	169,168	99,462,040	3,231,097	779,171	12,550
Disbursements:					
Personal services	161,116	-	-	389,575	31,561
Supplies	-	-	-	-	-
Other services and charges	-	-	3,236,012	389,596	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	-	99,457,391	-	-	-
Total disbursements	161,116	99,457,391	3,236,012	779,171	31,561
Excess (deficiency) of receipts over disbursements	8,052	4,649	(4,915)	-	(19,011)
Cash and investments - ending	\$ 39,697	\$ 4,649	\$ 124,017	\$ -	\$ 5,850

MADISON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	Sewer Service	Financial Inst Tax	New Cedit	LOIT PTRC Fund	LIT-PTR	Fines & Forfeitures
Cash and investments - beginning	\$ 40,141	\$ -	\$ 158,414	\$ 394,042	\$ -	\$ 8,929
Receipts:						
Taxes	106,703	-	-	-	50,472	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	662,152	-	-	-	-
Charges for services	-	-	-	-	-	39,320
Fines and forfeits	-	-	-	-	-	5,463
Other receipts	4,705	-	-	158,414	11,431,798	-
Total receipts	111,408	662,152	-	158,414	11,482,270	44,783
Disbursements:						
Personal services	98,911	302,588	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	359,564	158,414	-	11,152,609	44,452
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	98,911	662,152	158,414	-	11,152,609	44,452
Excess (deficiency) of receipts over disbursements	12,497	-	(158,414)	158,414	329,661	331
Cash and investments - ending	\$ 52,638	\$ -	\$ -	\$ 552,456	\$ 329,661	\$ 9,260

MADISON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	Infraction Judgments	Spec Death Benefit Fee Fd	State Assessment Training	Coroner's Cont Education	Interstate Compact Appl	Mortgage Fee Fund
Cash and investments - beginning	\$ 16,413	\$ 705	\$ 1,435	\$ 1,426	\$ 63	\$ 820
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	16,532	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	235,860	3,395	16,795	-	1,500	9,445
Fines and forfeits	-	5,360	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	<u>235,860</u>	<u>8,755</u>	<u>16,795</u>	<u>16,532</u>	<u>1,500</u>	<u>9,445</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	234,727	8,880	16,735	16,782	1,438	9,475
Total disbursements	<u>234,727</u>	<u>8,880</u>	<u>16,735</u>	<u>16,782</u>	<u>1,438</u>	<u>9,475</u>
Excess (deficiency) of receipts over disbursements	<u>1,133</u>	<u>(125)</u>	<u>60</u>	<u>(250)</u>	<u>62</u>	<u>(30)</u>
Cash and investments - ending	<u>\$ 17,546</u>	<u>\$ 580</u>	<u>\$ 1,495</u>	<u>\$ 1,176</u>	<u>\$ 125</u>	<u>\$ 790</u>

MADISON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	DLGF HS Property Database	Sex/Violent Offend/State	Child Restraint Sys Fines	Inheritance Tax	Education Plate Fee	Rev Sharing Riverboat Fund
Cash and investments - beginning	\$ 3	\$ 206	\$ 25	\$ 30	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	779,801
Charges for services	-	1,431	1,675	-	2,306	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	7	-	-	-	-	-
Total receipts	7	1,431	1,675	-	2,306	779,801
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	2,306	779,801
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	10	1,416	850	-	-	-
Total disbursements	10	1,416	850	-	2,306	779,801
Excess (deficiency) of receipts over disbursements	(3)	15	825	-	-	-
Cash and investments - ending	\$ -	\$ 221	\$ 850	\$ 30	\$ -	\$ -

MADISON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	Madison Co Conv & Tour	LIT Certified Shares	LIT Public Safety	Prosecutor PCA CFDA#93.563	Clerk Arra Fund	Co Gen Title IV-D Incentv
Cash and investments - beginning	\$ 43,289	\$ -	\$ -	\$ 5,064	\$ 45,333	\$ 133,430
Receipts:						
Taxes	640,210	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	22,863,596	5,715,899	6,606	-	54,668
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	640,210	22,863,596	5,715,899	6,606	-	54,668
Disbursements:						
Personal services	-	-	-	-	-	31,430
Supplies	-	-	-	-	-	-
Other services and charges	642,856	22,863,596	5,715,899	9,225	-	10,131
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	642,856	22,863,596	5,715,899	9,225	-	41,561
Excess (deficiency) of receipts over disbursements	(2,646)	-	-	(2,619)	-	13,107
Cash and investments - ending	\$ 40,643	\$ -	\$ -	\$ 2,445	\$ 45,333	\$ 146,537

MADISON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	Prosecutor Incentive	New Pros Incentive	New Clerk Incentive	Clerk Support	Donations	LOIT Special Distribution
Cash and investments - beginning	\$ 5	\$ 99,055	\$ 186,556	\$ 22,391	\$ 35,949	\$ 908,764
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	5	-
Intergovernmental receipts	-	82,252	54,668	-	-	-
Charges for services	-	-	-	2,303,823	1,176	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	11,101	-
Total receipts	-	82,252	54,668	2,303,823	12,282	-
Disbursements:						
Personal services	-	86,346	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	7,769	2,307,844	9,574	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	908,764
Other disbursements	-	-	-	-	-	-
Total disbursements	-	86,346	7,769	2,307,844	9,574	908,764
Excess (deficiency) of receipts over disbursements	-	(4,094)	46,899	(4,021)	2,708	(908,764)
Cash and investments - ending	\$ 5	\$ 94,961	\$ 233,455	\$ 18,370	\$ 38,657	\$ -

MADISON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	Co Local Ord Violations Fines	Corr Complex Commissary	Jury Pay Fund	Advance Tax Fund	Pre-Trial Serv (Unified)	County Owned Land Sale
Cash and investments - beginning	\$ 4,193	\$ 175,619	\$ 29	\$ 39,448	\$ 11,490	\$ 500
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	24,265	-
Other receipts	1,375	200,544	14,293	-	-	-
Total receipts	1,375	200,544	14,293	-	24,265	-
Disbursements:						
Personal services	-	-	13,908	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	137,488	-	39,448	13,733	500
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	137,488	13,908	39,448	13,733	500
Excess (deficiency) of receipts over disbursements	1,375	63,056	385	(39,448)	10,532	(500)
Cash and investments - ending	\$ 5,568	\$ 238,675	\$ 414	\$ -	\$ 22,022	\$ -

MADISON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	Prime For Life Program	Planned Unit Dev Inspectn	Madison Co Bridge 902	Soil & Water Watershed	2010 IDEM MS4 Conference	MS4-COG Treasurer
Cash and investments - beginning	\$ 2,143	\$ 183	\$ 121,402	\$ 4,770	\$ 55,997	\$ 8,765
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	27,443	26,223	9,609
Total receipts	-	-	-	27,443	26,223	9,609
Disbursements:						
Personal services	-	-	-	21,971	-	-
Supplies	-	-	-	-	-	-
Other services and charges	400	-	121,402	-	82,220	7,169
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	400	-	121,402	21,971	82,220	7,169
Excess (deficiency) of receipts over disbursements	(400)	-	(121,402)	5,472	(55,997)	2,440
Cash and investments - ending	\$ 1,743	\$ 183	\$ -	\$ 10,242	\$ -	\$ 11,205

MADISON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	Dissolution Education	Co Housing Fund	Law Enforcement Aid	JobSource	JobSource-Its Fund	Juvenile Drug Screens
Cash and investments - beginning	\$ 3,953	\$ 14,748	\$ 3,972	\$ 212,766	\$ 31,043	\$ 4,112
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	952,037	-	-
Charges for services	-	-	1,929	-	-	1,665
Fines and forfeits	6,825	-	-	-	-	-
Other receipts	-	-	-	1,743,927	32,957	-
Total receipts	6,825	-	1,929	2,695,964	32,957	1,665
Disbursements:						
Personal services	-	-	-	1,202,469	9,666	-
Supplies	-	-	-	-	-	-
Other services and charges	7,200	1,200	2,059	1,505,879	15,350	1,775
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	7,500	-
Other disbursements	-	-	-	-	-	-
Total disbursements	7,200	1,200	2,059	2,708,348	32,516	1,775
Excess (deficiency) of receipts over disbursements	(375)	(1,200)	(130)	(12,384)	441	(110)
Cash and investments - ending	\$ 3,578	\$ 13,548	\$ 3,842	\$ 200,382	\$ 31,484	\$ 4,002

MADISON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	Central Dispatch Fund	2015 COIT Revenue Project Fund	County Wheel Tax/Surtax	Liability Ins Retainage	2015 COIT Sinking Fund	Slot Machine Wagering Fee
Cash and investments - beginning	\$ 513,939	\$ 551,439	\$ 701,910	\$ 3,205	\$ -	\$ 84
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	6,397	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	2,731,172	899	1,478,089	-	680,019	6,251,854
Total receipts	2,731,172	899	1,484,486	-	680,019	6,251,854
Disbursements:						
Personal services	2,673,523	-	-	-	-	-
Supplies	7,766	-	-	-	-	-
Other services and charges	29,766	508,353	-	-	680,019	6,251,938
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	8,508	-	1,300,000	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	2,719,563	508,353	1,300,000	-	680,019	6,251,938
Excess (deficiency) of receipts over disbursements	11,609	(507,454)	184,486	-	-	(84)
Cash and investments - ending	\$ 525,548	\$ 43,985	\$ 886,396	\$ 3,205	\$ -	\$ -

MADISON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	Juvenile Facilities Construct	Co Economic Dev (City)	Series 2015A (Dispatch Center)	Series 2015B (MCCC)	8th Street Bridge Fund	Cum Recycling Center
Cash and investments - beginning	\$ 111,263	\$ -	\$ 259	\$ 1,096	\$ -	\$ 81,946
Receipts:						
Taxes	-	1,409,691	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	21,847
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	300,000	677
Total receipts	-	1,409,691	-	-	300,000	22,524
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	1,409,691	259	1,096	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	3,392
Other disbursements	-	-	-	-	-	-
Total disbursements	-	1,409,691	259	1,096	-	3,392
Excess (deficiency) of receipts over disbursements	-	-	(259)	(1,096)	300,000	19,132
Cash and investments - ending	\$ 111,263	\$ -	\$ -	\$ -	\$ 300,000	\$ 101,078

MADISON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	Mad Co Sher Photo Fund	Mad Co Emg Mgt Cap Equip	Mad Co Hazmat Truck Fund	Comm Cert Sale 03/13/15	Comprehensive Safety Pgm	Commissioners Certif Sale
Cash and investments - beginning	\$ 3,297	\$ 74,406	\$ 18,334	\$ 77,452	\$ 32,307	\$ 286,148
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	845	450	2,625	28,923	27,380	-
Total receipts	845	450	2,625	28,923	27,380	-
Disbursements:						
Personal services	-	-	-	-	29,384	-
Supplies	-	-	-	-	-	-
Other services and charges	439	-	1,735	-	-	284,597
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	1,231	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	439	-	2,966	-	29,384	284,597
Excess (deficiency) of receipts over disbursements	406	450	(341)	28,923	(2,004)	(284,597)
Cash and investments - ending	\$ 3,703	\$ 74,856	\$ 17,993	\$ 106,375	\$ 30,303	\$ 1,551

MADISON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	Tax Sale Surplus 2013	Star Bank Bldg Fund Non-Revert	Comm Cert Sale 04/08/16	Tax Sale Surplus 2017	Tax Sale Redemption X	Commiss Cert Sale 03/29/13
Cash and investments - beginning	\$ 258,245	\$ -	\$ 6,136	\$ -	\$ 10,176	\$ 70,769
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	39,224	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	1,923,681	-	-
Total receipts	-	39,224	-	1,923,681	-	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	258,245	-	5,332	460,232	10,176	70,769
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	258,245	-	5,332	460,232	10,176	70,769
Excess (deficiency) of receipts over disbursements	(258,245)	39,224	(5,332)	1,463,449	(10,176)	(70,769)
Cash and investments - ending	\$ -	\$ 39,224	\$ 804	\$ 1,463,449	\$ -	\$ -

MADISON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	Windfarm Rd/Drain Inspect	Windfarm Economic Develop	Tax Sale Surplus 2014	Commissioner Vending Fund	Cemetery Maint & Improv Fund	Tax Sale Surplus 2015
Cash and investments - beginning	\$ 17,580	\$ 1,362,970	\$ 107,655	\$ 3,060	\$ 2,800	\$ 376,616
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	629	-	15,986
Total receipts	-	-	-	629	-	15,986
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	42,628	-	-	141,058
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	-	42,628	-	-	141,058
Excess (deficiency) of receipts over disbursements	-	-	(42,628)	629	-	(125,072)
Cash and investments - ending	\$ 17,580	\$ 1,362,970	\$ 65,027	\$ 3,689	\$ 2,800	\$ 251,544

MADISON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	Tax Sale Surplus 2016	Commiss Cert Sale 04/10/17	2017 Project Fund-Govt Ctr Imp	Storm Sewer	10.557 WIC	CJC/DOC
Cash and investments - beginning	\$ 1,290,610	\$ -	\$ -	\$ 9,347	\$ 162	\$ 168,099
Receipts:						
Taxes	-	-	-	42,568	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	858,862
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	623,244	3,500,000	-	-	-
Total receipts	-	623,244	3,500,000	42,568	-	858,862
Disbursements:						
Personal services	-	-	-	42,940	-	645,255
Supplies	-	-	-	-	-	37,335
Other services and charges	955,628	411,665	-	-	162	157,362
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	15,316
Total disbursements	955,628	411,665	-	42,940	162	855,268
Excess (deficiency) of receipts over disbursements	(955,628)	211,579	3,500,000	(372)	(162)	3,594
Cash and investments - ending	\$ 334,982	\$ 211,579	\$ 3,500,000	\$ 8,975	\$ -	\$ 171,693

MADISON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	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	\$ 281,079	\$ (1,709)	\$ (25,875)	\$ 19,064	\$ -	\$ (29,757)
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	218,250	-	38,843	78,238	-	39,189
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	6,383	-
Total receipts	218,250	-	38,843	78,238	6,383	39,189
Disbursements:						
Personal services	138,748	-	18,034	64,720	2,590	10,549
Supplies	10,137	-	-	2,322	-	-
Other services and charges	20,453	-	1,410	5,042	3,793	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	4,675	-	-	-	-	-
Other disbursements	-	-	-	7,095	-	-
Total disbursements	174,013	-	19,444	79,179	6,383	10,549
Excess (deficiency) of receipts over disbursements	44,237	-	19,399	(941)	-	28,640
Cash and investments - ending	\$ 325,316	\$ (1,709)	\$ (6,476)	\$ 18,123	\$ -	\$ (1,117)

MADISON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	Empg Grant	PS Crts Enhancement Grt 16,585	Council Of Gov't	Mad Co DUI	Big City County	Co Youth Center Sch Grt
Cash and investments - beginning	\$ 66	\$ 9,093	\$ 278,620	\$ 16,966	\$ (13,749)	\$ 2,025
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	16,225	48,329	9,750
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	2,599,536	343	-	29,986
Total receipts	-	-	2,599,536	16,568	48,329	39,736
Disbursements:						
Personal services	-	-	914,033	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	1,570,854	5,624	29,286	33,225
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	11,611	15,769	-
Total disbursements	-	-	2,484,887	17,235	45,055	33,225
Excess (deficiency) of receipts over disbursements	-	-	114,649	(667)	3,274	6,511
Cash and investments - ending	\$ 66	\$ 9,093	\$ 393,269	\$ 16,299	\$ (10,475)	\$ 8,536

MADISON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	ICJI-Madison Co CASA	Dist Mobile Command Grant	Doe Exercise HLS	Fema Pa Grant 1766-Dr	Hazmat Truck Type 2 97.073	EOC upgrade 97.042
Cash and investments - beginning	\$ 19,467	\$ 43	\$ 154	\$ 10,447	\$ 2,621	\$ (5,085)
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	248,506	-	-	-	-	-
Total receipts	248,506	-	-	-	-	-
Disbursements:						
Personal services	233,883	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	5,017	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	238,900	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	9,606	-	-	-	-	-
Cash and investments - ending	\$ 29,073	\$ 43	\$ 154	\$ 10,447	\$ 2,621	\$ (5,085)

MADISON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	Anderson HO FY13	Anderson Rental REHAB FY13	CJC/Women's Center Grant	Crime Victim Assistance (VOCA)	New EOC Equipment	EOC Upgrade Grant
Cash and investments - beginning	\$ -	\$ 36	\$ 94,854	\$ (32,248)	\$ 6,582	\$ (8,478)
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	341,204	149,577	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	18,932	7,988	-	-	-	-
Total receipts	18,932	7,988	341,204	149,577	-	-
Disbursements:						
Personal services	-	-	338,041	146,424	-	-
Supplies	-	-	13,043	-	-	-
Other services and charges	30,595	7,988	12,625	3,620	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	16,354	-	-	-
Total disbursements	30,595	7,988	380,063	150,044	-	-
Excess (deficiency) of receipts over disbursements	(11,663)	-	(38,859)	(467)	-	-
Cash and investments - ending	\$ (11,663)	\$ 36	\$ 55,995	\$ (32,715)	\$ 6,582	\$ (8,478)

MADISON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	Child Advocacy Center Award	Brownsfields Grant #66,818	Ebola Grant	CRI Grant	STOP (Bilingual Adv.)	Drug Court Discretionary Grant
Cash and investments - beginning	\$ 1,908	\$ -	\$ 1,831	\$ (15,909)	\$ 8,005	\$ (18,591)
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	395	-	-	32,017	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	180,480	-	-	-	56,670
Total receipts	395	180,480	-	32,017	-	56,670
Disbursements:						
Personal services	-	-	-	-	-	35,524
Supplies	-	-	-	-	-	-
Other services and charges	-	180,480	97	16,107	-	29,648
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	180,480	97	16,107	-	65,172
Excess (deficiency) of receipts over disbursements	395	-	(97)	15,910	-	(8,502)
Cash and investments - ending	\$ 2,303	\$ -	\$ 1,734	\$ 1	\$ 8,005	\$ (27,093)

MADISON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	2015 Local Base-Info Distribut	2015 Competitive-EAE	Reading For Life 16,540	2015 EMPG De-obligated funds	2016 CDB6 Anderson OO Rehab Pr	5311 Capital Assistance Grant
Cash and investments - beginning	\$ 115	\$ 188	\$ (37,577)	\$ (6)	\$ -	\$ 60,314
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	100,835	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	60,000	-
Total receipts	-	-	100,835	-	60,000	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	63,258	-	60,000	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	60,314
Other disbursements	-	-	-	-	-	-
Total disbursements	-	-	63,258	-	60,000	60,314
Excess (deficiency) of receipts over disbursements	-	-	37,577	-	-	(60,314)
Cash and investments - ending	\$ 115	\$ 188	\$ -	\$ (6)	\$ -	\$ -

MADISON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	TRAM FTA Non Reverting	CRI Grant 17-18	Bio Terror Res Grant	Bilingual-STOP Grant 17-18	Sheriff Victim Advocate 17-18	Adult Protective Service
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (30,653)
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	768	4,969	-	-	261,511
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	3,015	-	-	-	-	-
Total receipts	3,015	768	4,969	-	-	261,511
Disbursements:						
Personal services	-	-	-	19,690	8,751	238,636
Supplies	-	-	-	-	-	-
Other services and charges	-	25,940	12,945	-	-	22,751
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	25,940	12,945	19,690	8,751	261,387
Excess (deficiency) of receipts over disbursements	3,015	(25,172)	(7,976)	(19,690)	(8,751)	124
Cash and investments - ending	\$ 3,015	\$ (25,172)	\$ (7,976)	\$ (19,690)	\$ (8,751)	\$ (30,529)

MADISON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	Juvenile Pilot Project	School Attendance Project	Health Dept Reimb Non-Rev	Health Foundation Fund	St Supreme Crt Psc Grant	Bio Terror Res Prog
Cash and investments - beginning	\$ 2,499	\$ 414	\$ 28,080	\$ 18	\$ 3,456	\$ (5,833)
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	5,985	28,337
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	5,000	-	-
Total receipts	-	-	-	5,000	5,985	28,337
Disbursements:						
Personal services	-	-	28,080	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	5,018	5,978	13,882
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	-	28,080	5,018	5,978	13,882
Excess (deficiency) of receipts over disbursements	-	-	(28,080)	(18)	7	14,455
Cash and investments - ending	\$ 2,499	\$ 414	\$ -	\$ -	\$ 3,463	\$ 8,622

MADISON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	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	\$ 6,340	\$ 3,986	\$ -	\$ 7,500	\$ 4,693
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	9,500	9,500
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Other receipts	19,109	-	1,924	-	-
Total receipts	19,109	-	1,924	9,500	9,500
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	10,832	-	1,924	7,692	5,865
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	10,832	-	1,924	7,692	5,865
Excess (deficiency) of receipts over disbursements	8,277	-	-	1,808	3,635
Cash and investments - ending	\$ 14,617	\$ 3,986	\$ -	\$ 9,308	\$ 8,328

MADISON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	JDAI Grant 16/17	DOC-PROB	PSC-CRRP	DOC Sheriff-Jail Treatment	2016 Comm Crossings Matching
Cash and investments - beginning	\$ 31,877	\$ 51,951	\$ 76,031	\$ 17,070	\$ -
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	30,750	202,675	72,937	30,000	1,000,000
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Other receipts	-	-	-	-	-
Total receipts	30,750	202,675	72,937	30,000	1,000,000
Disbursements:					
Personal services	2,665	128,395	4,532	-	-
Supplies	239	-	-	-	-
Other services and charges	58,483	793	-	27,596	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	1,000,000
Other disbursements	-	-	-	-	-
Total disbursements	61,387	129,188	4,532	27,596	1,000,000
Excess (deficiency) of receipts over disbursements	(30,637)	73,487	68,405	2,404	-
Cash and investments - ending	\$ 1,240	\$ 125,438	\$ 144,436	\$ 19,474	\$ -

MADISON COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	Pro Se Ct Reform Grant	JDAI Grant 17/18	DOC-Court Recidivism Grant '18	DOC-Prosecutor	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 45,115,222
Receipts:					
Taxes	-	-	-	-	119,911,400
Licenses and permits	-	-	-	-	392,760
Intergovernmental receipts	-	37,720	114,088	25,038	66,607,902
Charges for services	-	-	-	-	18,722,726
Fines and forfeits	-	-	-	-	1,377,443
Other receipts	-	-	-	-	62,081,922
Total receipts	-	37,720	114,088	25,038	269,094,153
Disbursements:					
Personal services	-	3,151	64,953	15,231	57,582,158
Supplies	-	175	11,310	-	2,405,572
Other services and charges	11,390	8,207	5,812	-	84,657,216
Debt service - principal and interest	-	-	-	-	1,123,036
Capital outlay	-	-	9,100	1,057	10,596,942
Other disbursements	-	-	-	-	114,871,511
Total disbursements	11,390	11,533	91,175	16,288	271,236,435
Excess (deficiency) of receipts over disbursements	(11,390)	26,187	22,913	8,750	(2,142,282)
Cash and investments - ending	\$ (11,390)	\$ 26,187	\$ 22,913	\$ 8,750	\$ 42,972,940

MADISON COUNTY  
SCHEDULE OF PAYABLES AND RECEIVABLES  
December 31, 2017

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 671,209</u>	<u>\$ 1,864,507</u>

MADISON COUNTY  
SCHEDULE OF LEASES AND DEBT  
December 31, 2017

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
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)	Toyota Corolla Black	1,377	6/22/2015	6/21/2018
Adult Protective Services (Prosecutor)	2016 Toyota Corolla Black	2,567	3/18/2016	3/17/2019
Adult Protective Services (Prosecutor)	Slate Grey Toyota Corolla	1,377	6/22/2015	1/22/2018
Council of Governments	2016 Ford F-250 w/ Service Body	9,982	9/10/2016	8/10/2021
Council of Governments	2017 Ford F-250 Super Cab 4WD w/ service body	10,668	8/10/2017	8/10/2022
Madison County	GBC International Bank-building lease	180,000	10/3/2017	6/30/2018
Madison County	Anderson University-building lease	180,000	10/3/2017	6/30/2018
Prosecutor	Canon Financial Serv-copier & color printer lease	5,026	3/17/2014	3/20/2019
Prosecutor IV-D	Gordon Flesch-Copier & 2 Desktop Printer's	<u>6,759</u>	2/5/2016	2/5/2021
Total of annual lease payments		<u>\$ 402,805</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
Revenue bonds	Local Income Tax Revenue Bonds Series 2017 Remediation	\$ 3,500,000	\$ 207,359
Revenue bonds	New County Wide PS Radio Project - P-25 Radio	6,990,000	338,709
Notes and loans payable	Purchase of Star Bank Building	675,000	82,120
Notes and loans payable	Lump Sum Payment for AT&T	1,495,000	295,564
Notes and loans payable	General Obligated Note Series 2015A-911 Dispatch Center	1,260,000	192,037
Notes and loans payable	General Obligated Note Series 2015B-Minimum Security Facility	<u>1,120,000</u>	<u>170,699</u>
Totals		<u>\$ 15,040,000</u>	<u>\$ 1,286,488</u>

MADISON COUNTY  
SCHEDULE OF CAPITAL ASSETS  
December 31, 2017

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	53,546,944
Buildings	30,673,347
Machinery, equipment, and vehicles	<u>12,366,707</u>
Total capital assets	<u>\$ 96,941,143</u>

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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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, 2017. 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 WIOA Cluster***

As described in items 2017-003, 2017-004, 2017-005, 2017-006, and 2017-007 in the accompanying Schedule of Findings and Questioned Costs, we were unable to obtain sufficient documentation supporting the compliance of the County with the 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 WIOA Cluster***

Because of the significance of the matter described in the *Basis for Disclaimer of Opinion on 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 WIOA Cluster for the year ended December 31, 2017.

***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, 2017.

***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 2017-009. 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 2017-003, 2017-004, 2017-005, 2017-006, 2017-007, 2017-008, and 2017-009, 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, 2017

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-14-MC-18-0001	\$ -	\$ 67,988
Total - CDBG - Entitlement Grants Cluster				-	67,988
Home Investment Partnerships Program	City of Anderson	14.239	M-14-MC-18-0209	-	18,932
Total - Department of Housing and Urban Development				-	86,920
<u>Department of Justice</u>					
Juvenile Accountability Block Grants	Indiana Criminal Justice Institute	16.523	D3-17-11752	-	100,835
Crime Victim Assistance	Indiana Criminal Justice Institute	16.575	D3-17-11473 D3-17-11474	-	149,577 34,412
Total - Crime Victim Assistance				-	183,989
Drug Court Discretionary Grant Program	Direct Grant	16.585	2015-DC-BX-0067	-	56,670
Violence Against Women Formula Grants	Indiana Criminal Justice Institute	16.588	D3-17-11310	-	38,843
Edward Byrne Memorial Justice Assistance Grant Program	Indiana Criminal Justice Institute	16.738	D3-16-10840	-	395
Total - Department of Justice				-	380,732
<u>Department of Labor</u>					
Employment Service Cluster Employment Service/Wagner-Peyser Funded Activities	Interlocal Association	17.207	PY15-CR-01-IA	-	7,231
Disabled Veterans' Outreach Program (DVOP)	Interlocal Association	17.801	PY15-CR-01-IA	-	1,764
Local Veterans' Employment Representative Program	Interlocal Association	17.804	PY15-CR-01-IA	-	1,764
Total - Employment Service Cluster				-	10,759
WIOA Cluster WIOA Adult Program	Interlocal Association	17.258	PY15-CR-01-IA	-	332,873
WIOA Youth Activities	Interlocal Association	17.259	PY15-CR-01-IA	-	236,872
WIOA Dislocated Worker Formula Grants	Interlocal Association	17.278	PY15-CR-01-IA	-	221,373
Total - WIOA Cluster				-	791,118
Unemployment Insurance	Interlocal Association	17.225	PY15-CR-01-IA	-	298,228
Total - Department of Labor				-	1,100,105
<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 # A249-17-6160073 EDS # A249-18-6160073	- - - - -	14,383 156,001 75,508 808,646 593,296
Total - Highway Planning and Construction				-	1,647,834
Total - Highway Planning and Construction Cluster				-	1,647,834
Federal Transit Cluster Bus and Bus Facilities Formula Program	Indiana Department of Transportation	20.526	FY17	-	80,419
Total - Federal Transit Cluster				-	80,419

MADISON COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2017

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
Highway Safety Cluster State and Community Highway Safety	Indiana Criminal Justice Institute	20.600	D3-17-11098	28,814	48,329
Alcohol Impaired Driving Countermeasures Incentive Grants I	Indiana Criminal Justice Institute	20.601	D3-17-11180	5,624	16,225
Total - Highway Safety Cluster				34,438	64,554
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	Indiana Department of Transportation	20.505	EDS #A249-16-160027	-	260,863
Formula Grants for Rural Areas	Indiana Department of Transportation	20.509	EDS #A249-17-6160250	-	201,709
Total - Department of Transportation				34,438	2,255,379
<u>Environmental Protection Agency</u> Brownfields Assessment and Cleanup Cooperative Agreements	Direct grant	66.818	BF 00E01385	-	180,480
Total - Environmental Protection Agency				-	180,480
<u>Department of Energy</u> Weatherization Assistance for Low-Income Persons	Indiana Housing and Community Development	81.042	WX-016-015 WX-017-015	- -	191,351 73,553
Total - Weatherization Assistance for Low-Income Persons				-	264,904
Total - Department of Energy				-	264,904
<u>Department of Education</u> Title I Grants to Local Educational Agencies	Anderson Community Schools	84.010	FY17	-	39,736
Total - Department of Education				-	39,736
<u>Department of Health and Human Services</u> 477 Cluster Temporary Assistance for Needy Families	Interlocal Association	93.558	FY17	-	87,995
Community Services Block Grant	Indiana Housing and Community Development	93.569	CS-016-015 CS-017-015	- -	104,503 223,554
Total - Community Services Block Grant				-	328,057
Total - 477 Cluster				-	416,052
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	Indiana Department of Health	93.074	A70-5-0532372	-	66,091
Child Support Enforcement	Indiana Department of Child Services	93.563	FY 17	-	923,830
Low-Income Home Energy Assistance	Indiana Housing and Community Development	93.568	WL-017-015 WL-018-015	- -	301,197 34,029
Total - Low-Income Home Energy Assistance				-	335,226
Social Services Block Grant	Indiana Family and Social Services Administration	93.667	48-15-99-1225-01	-	6,176
Total - Department of Health and Human Services				-	1,747,375
<u>Department of Homeland Security</u> Emergency Management Performance Grants	Indiana Department of Homeland Security	97.042	C44P-5-781B	-	36,138
Total - Department of Homeland Security				-	36,138
Total federal awards expended				\$ 34,438	\$ 6,091,769

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, 2017. 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>
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

**Section II - Financial Statement Findings**

**FINDING 2017-001**

Subject: Financial Transactions and Reporting  
Audit Findings: Material Weakness, Noncompliance

*Repeat Finding*

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2016-001.

*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.

MADISON COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Context*

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

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 did not detect material errors on the financial statement.

The lack of effective controls enabled errors to occur on the financial statement. The financial statement presented for audit contained the following errors:

1. Beginning cash balance was understated by \$6,356.
2. Cash receipts were overstated by \$3,941,622.
3. Disbursements were overstated by \$3,889,300.
4. Ending cash balance was overstated by \$45,966 within the Sheriff Civil Fund.

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

*Criteria*

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

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

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 enabled misstatements or irregularities to remain undetected.

MADISON COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*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 2017-002***

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 2016-002.

*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 \$26,920.
2. The Department of Justice grants were overstated by \$168,506.
3. The Department of Labor grants were understated by \$288,929 and overstated by \$260,822.
4. The Department of Transportation grants were overstated by \$91,271.
5. The Department of Health and Human Services were understated by \$232,212.
6. The Passed Through to Subrecipients amounts were understated by \$12,573.

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

MADISON COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*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. . . ."

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.

MADISON COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

- (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 the 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*.

*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 2017-003**

Subject: WIOA Cluster - Allowable Activities

Federal Agency: Department of Labor

Federal Programs: WIOA Adult Program, WIOA Youth Activities,

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

*Repeat Finding*

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2016-003.

*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.

MADISON COUNTY  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 (Continued)

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 \$154,977 had a detail of \$148,421. 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 \$148,421.

<u>Month of Request</u>	<u>Reimbursement Request</u>	<u>Detail Provided</u>	<u>Difference</u>
February 2017	\$ 61,768	\$ 68,450	\$ 6,682
March 2017	61,427	48,189	(13,238)
October 2017	<u>31,782</u>	<u>31,782</u>	<u>-</u>
Totals	<u>\$ 154,977</u>	<u>\$ 148,421</u>	<u>\$ (6,556)</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:

- (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.

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 non-compliance 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.

*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 County 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 2017-004**

Subject: WIOA Cluster - Allowable Costs/Cost Principles

Federal Agency: Department of Labor

Federal Programs: WIOA Adult Program, WIOA Youth Activities,  
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

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 2016-004.

*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 \$154,977 had a detail of \$148,421. 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 \$148,421.

<u>Month of Request</u>	<u>Reimbursement Request</u>	<u>Detail Provided</u>	<u>Difference</u>
February 2017	\$ 61,768	\$ 68,450	\$ 6,682
March 2017	61,427	48,189	(13,238)
October 2017	<u>31,782</u>	<u>31,782</u>	<u>-</u>
Totals	<u>\$ 154,977</u>	<u>\$ 148,421</u>	<u>\$ (6,556)</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, this 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). . . ."

MADISON COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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 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 non-compliance 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.

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 County 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 2017-005**

Subject: WIOA Cluster - Cash Management  
Federal Agency: Department of Labor  
Federal Programs: WIOA Adult Program, WIOA Youth Activities,  
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

*Repeat Finding*

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2016-005.

*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 \$154,977 had a detail of \$148,421. 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 \$148,421.

MADISON COUNTY  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 (Continued)

Month of Request	Reimbursement Request	Detail Provided	Difference
February 2017	\$ 61,768	\$ 68,450	\$ 6,682
March 2017	61,427	48,189	(13,238)
October 2017	<u>31,782</u>	<u>31,782</u>	<u>-</u>
Totals	<u>\$ 154,977</u>	<u>\$ 148,421</u>	<u>\$ (6,556)</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:

(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 non-compliance 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.

MADISON COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*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 County 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 2017-006**

Subject: WIOA Cluster - Period of Performance

Federal Agency: Department of Labor

Federal Programs: WIOA Adult Program, WIOA Youth Activities,  
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

*Repeat Finding*

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2016-006.

*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.

MADISON COUNTY  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 (Continued)

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 \$154,977 had a detail of \$148,421. 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 \$148,421.

<u>Month of Request</u>	<u>Reimbursement Request</u>	<u>Detail Provided</u>	<u>Difference</u>
February 2017	\$ 61,768	\$ 68,450	\$ 6,682
March 2017	61,427	48,189	(13,238)
October 2017	<u>31,782</u>	<u>31,782</u>	<u>-</u>
Totals	<u>\$ 154,977</u>	<u>\$ 148,421</u>	<u>\$ (6,556)</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:

- (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.

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 non-compliance 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.

*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 County 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 2017-007**

Subject: WIOA Cluster - Earmarking

Federal Agency: Department of Labor

Federal Programs: WIOA Adult Program, WIOA Youth Activities,  
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

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 2016-007.

*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.

*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(a) states: "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)."

MADISON COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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.

*Effect*

The failure to establish an effective internal control system placed the County at risk of non-compliance 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 County 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 2017-008***

Subject: WIOA Cluster - Eligibility  
Federal Agency: Department of Labor  
Federal Programs: WIOA Adult Program, WIOA Youth Activities,  
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

*Repeat Finding*

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2016-008.

*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 non-compliance 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 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.

MADISON COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*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.

**FINDING 2017-009**

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, Temporary Assistance for Needy  
Families, Low Income Home Energy Assistance,  
and Community Services Block Grant

CFDA Numbers: 17.225, 81.042, 93.558, 93.568, 93.569

Federal Award Numbers and Years (or Other Identifying Numbers): PY15-CR-01-IA, WX-016-015,  
WX-017-015, WL-017-015,  
WL-018-015, CS-016-015,  
CS-017-015, FY17

Pass-Through Entities: Interlocal Association, Indiana Housing and Community Development

Compliance Requirement: Allowable Costs/Cost Principles

Audit Findings: Material Weakness, Other Matters

*Repeat Finding*

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2016-009.

*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.

MADISON COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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:

(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.

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 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 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 County 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**

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Summary Schedule of Prior Audit Findings

Finding 2016-001

Fiscal year in which the finding initially occurred: 2016

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: 765-641-9425

Status of Audit Finding:

County had not separated incompatible activities related to reporting.

Corrective action: Annual report will be prepared by our staff and will be reviewed by a team of 3 to ensure accuracy prior to submitting on Gateway.

Finding 2016-002

Fiscal year in which the finding initially occurred: 2016

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: 765-641-9425

Status of Audit Finding:

Preparation of Schedule of expenditures of federal awards. The SEFA contained errors in reporting on Indiana Gateway for government units

Corrective action: SEFA report will be prepared by our staff and will be reviewed by a team of 3 to ensure accuracy prior to submitting on Gateway.

Rick G Gardner

Auditor

10/11/2018



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

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### ***FINDING 2016-003***

Fiscal year in which the finding initially occurred: 2016  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Interlocal Association  
Contact Person Responsible for Corrective Action: Board of Commissioners Madison County  
Contact Phone Number: 765-641-9470

Status of Audit Finding: A corrective action plan has been implemented, however it has not been accepted as the 2016 and 2017 audits were completed simultaneously.

### ***FINDING 2016-004***

Fiscal year in which the finding initially occurred: 2016  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Interlocal Association  
Contact Person Responsible for Corrective Action: Board of Commissioners Madison County  
Contact Phone Number: 765-641-9470

Status of Audit Finding: A corrective action plan has been implemented, however it has not been accepted as the 2016 and 2017 audits were completed simultaneously.

### ***FINDING 2016-005***

Fiscal year in which the finding initially occurred: 2016  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Interlocal Association  
Contact Person Responsible for Corrective Action: Board of Commissioners Madison County  
Contact Phone Number: 765-641-9470

Status of Audit Finding: A corrective action plan has been implemented, however it has not been accepted as the 2016 and 2017 audits were completed simultaneously.

### ***FINDING 2016-006***

Fiscal year in which the finding initially occurred: 2016  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Interlocal Association  
Contact Person Responsible for Corrective Action: Board of Commissioners Madison County  
Contact Phone Number: 765-641-9470

Status of Audit Finding: A corrective action plan has been implemented, however it has not been accepted as the 2016 and 2017 audits were completed simultaneously.

**FINDING 2016-007**

Fiscal year in which the finding initially occurred: 2016  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Interlocal Association  
Contact Person Responsible for Corrective Action: Board of Commissioners Madison County  
Contact Phone Number: 765-641-9470

Status of Audit Finding: A corrective action plan has been implemented, however it has not been accepted as the 2016 and 2017 audits were completed simultaneously.

**FINDING 2016-008**

Fiscal year in which the finding initially occurred: 2015  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Interlocal Association  
Contact Person Responsible for Corrective Action: Board of Commissioners Madison County  
Contact Phone Number: 765-641-9470

Status of Audit Finding: A corrective action plan was implemented, however as the 2016 and 2017 audits were completed simultaneously an additional recommendation was made and has been implemented.

**FINDING 2016-009**

Fiscal year in which the finding initially occurred: 2016  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Interlocal Association  
Contact Person Responsible for Corrective Action: Board of Commissioners Madison County  
Contact Phone Number: 765-641-9470

Status of Audit Finding: A corrective action plan has been implemented, however it has not been accepted as the 2016 and 2017 audits were completed simultaneously.

Steffanie L. Owens  
Steffanie L. Owens

County Commissioner  
Title

Oct 16, 2018  
Date



**MADISON COUNTY AUDITOR'S OFFICE**  
ANDERSON, INDIANA

**Rick Gardner, Auditor**

Corrective Action Plan

Finding 2017 -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**

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Corrective Action Plan

Finding 2017-002

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



BOARD OF COUNTY COMMISSIONERS  
MADISON COUNTY GOVERNMENT CENTER  
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## CORRECTIVE ACTION PLAN

### **FINDING 2017-003**

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.

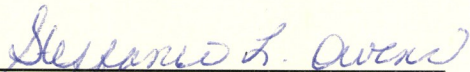
#### Description of Corrective Action Plan:

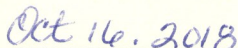
We will add an additional internal control in which the Executive Director or a designee of the Executive Director will review and approve claims for reimbursement.

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 2017-004**

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.

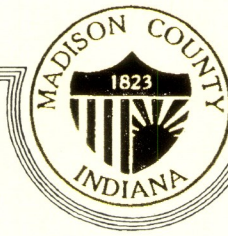
Along with this additional internal control, the new accounting system allow more detail to be retained electronically in the system.

### 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  
Steffanie L. Owens, Commissioner  
Board of Commissioners Madison County

Oct 10, 2018  
Date



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## CORRECTIVE ACTION PLAN

### **FINDING 2017-005**

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.

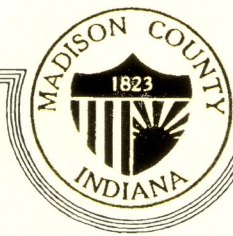
Along with this additional internal control, the new accounting system allow more detail to be retained electronically in the system.

### 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  
Steffanie L. Owens, Commissioner  
Board of Commissioners Madison County

Oct 16, 2018  
Date



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## CORRECTIVE ACTION PLAN

### **FINDING 2017-006**

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.

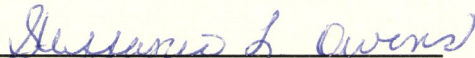
#### Description of Corrective Action Plan:

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.

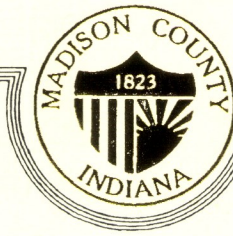
Along with this additional internal control, the new accounting system allow more detail to be retained electronically in the system.

#### 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

Oct 16, 2018  
Date



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## CORRECTIVE ACTION PLAN

### **FINDING 2017-007**

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  
Steffanie L. Owens, Commissioner  
Board of Commissioners Madison County

Oct 16, 2018  
Date

# MADISON COUNTY



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## CORRECTIVE ACTION PLAN

### **FINDING 2017-008**

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 sill sign off as having reviewed the application.

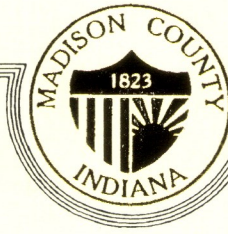
Anticipated Completion Date:

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

Steffanie L. Owens  
Steffanie L. Owens, Commissioner  
Board of Commissioners Madison County

Oct 16, 2018  
Date

# MADISON COUNTY



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## CORRECTIVE ACTION PLAN

### **FINDING 2017-009**

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.

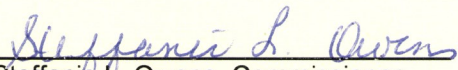
### Description of Corrective Action Plan:


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/>.