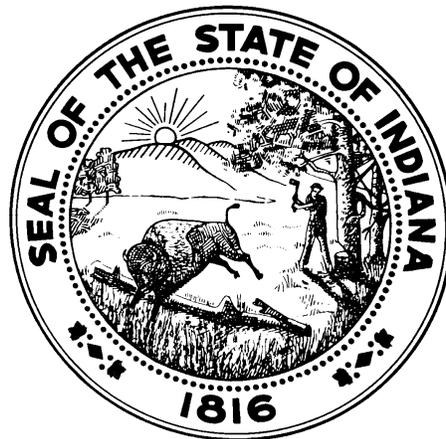


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

ANNUAL FINANCIAL REPORT

2007

ST. JOSEPH COUNTY, INDIANA



FILED

11/26/2008

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SCHEDULE OF OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|---------------------------------------------------|-----------------------------------|----------------------------------------------|
| Auditor | Michael C. Eby Peter H. Mullen | 01-01-04 to 12-31-07 01-01-08 to 12-31-11 |
| Treasurer | Sean J. Coleman | 01-01-05 to 12-31-08 |
| Clerk | Rita L. Glenn | 01-01-07 to 12-31-10 |
| Sheriff | Frank Canarecci | 01-01-07 to 12-31-10 |
| Recorder | Teri J. Rethlake | 01-01-05 to 12-31-08 |
| President of the Board of County Commissioners | Steven Ross Mark A. Dobson | 01-01-07 to 12-31-07 01-01-08 to 12-31-08 |
| President of the County Council | Rafael Morton | 01-01-07 to 12-31-08 |



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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF ST. JOSEPH COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of St. Joseph County (County), as of and for the year ended December 31, 2007, which collectively comprise the County's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements 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 statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note I, the County prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As discussed in Note I, the financial statements referred to above do not include component units of the County which should have been included to fairly present the financial position of the County.

We were unable to audit the trust balance amount for the Office of the Clerk of the Circuit Court at December 31, 2007, because detailed information from the Clerk's trust register was not available or reconciled to the Clerk's cash book totals. This amount is \$8,502,431 of the total agency fund's cash and investment balances at December 31, 2007. We were unable to apply alternative procedures to satisfy ourselves of the amounts of this balance.

In our opinion, except for the effects of such adjustments as might have been determined to be necessary had we been able to verify the trust balance for the Office of the Clerk of the Circuit Court; and except that the omission of the component units of the County referred to in the preceding two paragraphs results in incomplete presentation, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 2007, and the respective cash receipts and cash disbursements during the year then ended on the basis of accounting described in Note I.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

In accordance with Government Auditing Standards, we have also issued a report dated October 29, 2008, 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, and grants. Our report on compliance and on internal control over financial reporting should be read along with this report.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the County taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Schedules of Funding Progress, as listed in the Table of Contents, are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The County has not presented Management's Discussion and Analysis or Budgetary Comparison Schedules that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Combining Schedules, as listed in the Table of Contents, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Capital Assets and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

October 29, 2008



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF ST. JOSEPH COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of St. Joseph County (County), as of and for the year ended December 31, 2007, which collectively comprise the County's basic financial statements and have issued our report thereon dated October 29, 2008. The opinions to the financial statements were qualified because we were unable to verify the trust payable for the Office of the Clerk of the Circuit Court and due to the omission of component units. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies or material weaknesses, as defined above.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are 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 2007-1 and 2007-2.

The County's response to the findings identified in our audit is described in the accompanying section of the report entitled Corrective Action Plan. We did not audit the County's response and accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County's management, the County Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

October 29, 2008

ST. JOSEPH COUNTY
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For The Year Ended December 31, 2007

| Functions/Programs | Disbursements | Program Receipts | | | Net (Disbursement) Receipt and Changes in Net Assets Primary Government Governmental Activities |
|----------------------------------------|------------------------------|-----------------------------|------------------------------------------|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| Primary government: | | | | | |
| Governmental activities: | | | | | |
| General government | \$ 51,993,330 | \$ 6,574,131 | \$ 1,276,853 | \$ - | \$ (44,142,346) |
| Public safety | 31,441,039 | 2,406,151 | 3,295,711 | - | (25,739,177) |
| Highways and streets | 15,340,920 | 8,750 | 5,750,940 | 1,634,687 | (7,946,543) |
| Sanitation | - | 486,928 | - | - | 486,928 |
| Health and welfare | 42,002,765 | 3,359,327 | 7,458,324 | - | (31,185,114) |
| Economic development | 8,324,098 | - | - | - | (8,324,098) |
| Culture and recreation | 5,210,180 | 790,146 | - | - | (4,420,034) |
| Urban redevelopment and housing | 33,429 | - | - | - | (33,429) |
| Principal and interest on indebtedness | 7,717,850 | - | - | - | (7,717,850) |
| Total primary government | <u>\$ 162,063,611</u> | <u>\$ 13,625,433</u> | <u>\$ 17,781,828</u> | <u>\$ 1,634,687</u> | <u>(129,021,663)</u> |
| General receipts: | | | | | |
| Property taxes | | | | | 87,758,642 |
| Income taxes | | | | | 19,635,837 |
| Intergovernmental | | | | | 10,251,365 |
| Other local sources | | | | | 13,880,679 |
| Net proceeds from borrowings | | | | | 3,177,007 |
| Investment earnings | | | | | <u>8,733,484</u> |
| Total general receipts | | | | | <u>143,437,014</u> |
| Change in net assets | | | | | 14,415,351 |
| Net assets - beginning | | | | | <u>71,906,435</u> |
| Net assets - ending | | | | | <u>\$ 86,321,786</u> |
| <u>Assets</u> | | | | | |
| Cash and investments | | | | | \$ 17,376,370 |
| Restricted assets: | | | | | |
| Cash and investments | | | | | <u>68,945,416</u> |
| Total assets | | | | | <u>\$ 86,321,786</u> |
| <u>Net Assets</u> | | | | | |
| Restricted for: | | | | | |
| Public safety | | | | | \$ 2,272,615 |
| Highways and streets | | | | | 24,289,015 |
| Health and welfare | | | | | 30,372,101 |
| Debt service | | | | | 184,045 |
| Capital outlay | | | | | 11,386,043 |
| Other purposes | | | | | 441,597 |
| Unrestricted | | | | | <u>17,376,370</u> |
| Total net assets | | | | | <u>\$ 86,321,786</u> |

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

ST. JOSEPH COUNTY
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2007

| | General | Family and Children | Major Moves Construction | Other Governmental Funds | Totals |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------------|--------------------------------|--------------------------------|----------------------|
| Receipts: | | | | | |
| Taxes | \$ 44,740,867 | \$ 33,069,365 | \$ - | \$ 33,491,819 | \$ 111,302,051 |
| Special assessments | - | - | - | 480,388 | 480,388 |
| Licenses and permits | 55,862 | - | - | 1,227,272 | 1,283,134 |
| Intergovernmental | 5,574,723 | 8,680,294 | - | 15,899,033 | 30,154,050 |
| Charges for services | 6,312,345 | - | - | 3,527,891 | 9,840,236 |
| Fines and forfeits | 1,715,844 | - | - | 64,363 | 1,780,207 |
| Other | 8,451,777 | 379,989 | 1,047,848 | 4,688,116 | 14,567,730 |
| Total receipts | 66,851,418 | 42,129,648 | 1,047,848 | 59,378,882 | 169,407,796 |
| Disbursements: | | | | | |
| General government | 41,477,355 | - | - | 5,917,135 | 47,394,490 |
| Public safety | 29,147,856 | - | - | 3,285,781 | 32,433,637 |
| Highways and streets | 673,463 | - | - | 7,805,319 | 8,478,782 |
| Health and welfare | - | 35,914,861 | - | 6,485,282 | 42,400,143 |
| Economic development | - | - | - | 7,898,757 | 7,898,757 |
| Culture and recreation | 233,512 | - | - | 4,892,525 | 5,126,037 |
| Urban redevelopment and housing | - | - | - | 33,429 | 33,429 |
| Debt service: | | | | | |
| Principal | - | - | - | 5,220,000 | 5,220,000 |
| Interest | - | - | - | 2,497,850 | 2,497,850 |
| Capital outlay: | | | | | |
| General government | 80,025 | - | - | 4,992,418 | 5,072,443 |
| Public safety | 88,831 | - | - | 81,802 | 170,633 |
| Highways and streets | - | - | 1,230,792 | 6,066,346 | 7,297,138 |
| Health and welfare | - | 193,390 | - | 552 | 193,942 |
| Economic development | - | - | - | 425,341 | 425,341 |
| Culture and recreation | 33,652 | - | - | 177,639 | 211,291 |
| Total disbursements | 71,734,694 | 36,108,251 | 1,230,792 | 55,780,176 | 164,853,913 |
| Excess (deficiency) of receipts over disbursements | (4,883,276) | 6,021,397 | (182,944) | 3,598,706 | 4,553,883 |
| Other financing sources (uses): | | | | | |
| Net proceeds from borrowings | - | - | - | 3,177,007 | 3,177,007 |
| Transfers in | 5,353,412 | - | - | 341,276 | 5,694,688 |
| Transfers out | (35,664) | - | - | (5,659,024) | (5,694,688) |
| Other receipts | 1,177,351 | 20,724 | - | 588,574 | 1,786,649 |
| Total other financing sources (uses) | 6,495,099 | 20,724 | - | (1,552,167) | 4,963,656 |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | 1,611,823 | 6,042,121 | (182,944) | 2,046,539 | 9,517,539 |
| Cash and investment fund balance - beginning | 609,641 | 23,115,844 | 20,787,474 | 41,230,538 | 85,743,497 |
| Cash and investment fund balance - ending | <u>\$ 2,221,464</u> | <u>\$ 29,157,965</u> | <u>\$ 20,604,530</u> | <u>\$ 43,277,077</u> | <u>95,261,036</u> |
| Amounts reported for governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis are different because: | | | | | |
| Internal services funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis. | | | | | |
| | | | | | <u>(8,939,250)</u> |
| Net assets of governmental activities | | | | | <u>\$ 86,321,786</u> |

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

ST. JOSEPH COUNTY
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For The Year Ended December 31,
(Continued)

| | <u>General</u> | <u>Family and Children</u> | <u>Major Moves Construction</u> | <u>Other Governmental Funds</u> | <u>Totals</u> |
|--------------------------------------------------|---------------------|------------------------------------|-----------------------------------------|-----------------------------------------|----------------------|
| <u>Cash and Investment Assets - Ending</u> | | | | | |
| Cash and investments | \$ 2,221,464 | \$ - | \$ - | \$ 24,094,156 | \$ 26,315,620 |
| Restricted assets: | | | | | |
| Cash and investments | - | 29,157,965 | 20,604,530 | 19,182,921 | 68,945,416 |
| Total cash and investment assets - ending | <u>\$ 2,221,464</u> | <u>\$ 29,157,965</u> | <u>\$ 20,604,530</u> | <u>\$ 43,277,077</u> | <u>\$ 95,261,036</u> |
| <u>Cash and Investment Fund Balance - Ending</u> | | | | | |
| Restricted for: | | | | | |
| Public safety | \$ - | \$ - | \$ - | \$ 2,272,615 | \$ 2,272,615 |
| Highways and streets | - | - | 20,604,530 | 3,684,485 | 24,289,015 |
| Health and welfare | - | 29,157,965 | - | 1,214,136 | 30,372,101 |
| Debt service | - | - | - | 184,045 | 184,045 |
| Capital outlay | - | - | - | 11,386,043 | 11,386,043 |
| Other purposes | - | - | - | 441,597 | 441,597 |
| Unrestricted | <u>2,221,464</u> | <u>-</u> | <u>-</u> | <u>24,094,156</u> | <u>26,315,620</u> |
| Total cash and investment fund balance - ending | <u>\$ 2,221,464</u> | <u>\$ 29,157,965</u> | <u>\$ 20,604,530</u> | <u>\$ 43,277,077</u> | <u>\$ 95,261,036</u> |

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

ST. JOSEPH COUNTY
STATEMENT OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
PROPRIETARY FUNDS
As of and for the Year Ended December 31, 2007

| | <u>Internal Service Funds</u> |
|-----------------------------------------------------------|---------------------------------------|
| Operating receipts: | |
| Employee/employer contributions | \$ 15,135,895 |
| Miscellaneous | <u>237,624</u> |
| Total operating receipts | <u>15,373,519</u> |
| Operating disbursements: | |
| Insurance claims and expenses | <u>10,475,707</u> |
| Excess of operating receipts over operating disbursements | <u>4,897,812</u> |
| Cash and investment fund balance - beginning | <u>(13,837,062)</u> |
| Cash and investment fund balance - ending | <u>\$ (8,939,250)</u> |
| <u>Cash and Investment Assets - December 31</u> | |
| Cash and investments | \$ - |
| Restricted assets: | |
| Cash and investments | <u>(8,939,250)</u> |
| Total cash and investment assets - December 31 | <u>\$ (8,939,250)</u> |
| <u>Cash and Investment Fund Balance - December 31</u> | |
| Restricted for: | |
| Other purposes | \$ (8,939,250) |
| Unrestricted | <u>-</u> |
| Total cash and investment fund balance - December 31 | <u>\$ (8,939,250)</u> |

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

ST. JOSEPH COUNTY
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For The Year Ended December 31, 2007

| | <u>Pension Trust Fund</u> | <u>Private-Purpose Trust Fund (Congressional School Principal)</u> | <u>Agency Funds</u> |
|-------------------------------------------------|-------------------------------|--------------------------------------------------------------------------------|-------------------------|
| Additions: | | | |
| Contributions: | | | |
| Employer | \$ 2,445,975 | \$ - | \$ - |
| Plan members | <u>1,616</u> | <u>-</u> | <u>-</u> |
| Total contributions | <u>2,447,591</u> | <u>-</u> | <u>-</u> |
| Investment earnings: | | | |
| Realized gain on sale of investments | 227,913 | - | - |
| Interest | 77,757 | - | - |
| Dividends | <u>777,266</u> | <u>-</u> | <u>-</u> |
| Total investment earnings | <u>1,082,936</u> | <u>-</u> | <u>-</u> |
| Agency fund additions | <u>-</u> | <u>-</u> | <u>945,569,271</u> |
| Total additions | <u>3,530,527</u> | <u>-</u> | <u>945,569,271</u> |
| Deductions: | | | |
| Benefits | 1,203,498 | - | - |
| Insurance payments | 51,643 | - | - |
| Trustee and actuarial fees | 40,782 | - | - |
| Agency fund deductions | <u>-</u> | <u>-</u> | <u>919,553,637</u> |
| Total deductions | <u>1,295,923</u> | <u>-</u> | <u>919,553,637</u> |
| Excess of total additions over total deductions | 2,234,604 | - | 26,015,634 |
| Cash and investment fund balance - beginning | <u>33,149,105</u> | <u>37,665</u> | <u>23,750,310</u> |
| Cash and investment fund balance - ending | <u>\$ 35,383,709</u> | <u>\$ 37,665</u> | <u>\$ 49,765,944</u> |

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

ST. JOSEPH COUNTY
NOTES TO FINANCIAL STATEMENTS

I. 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 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 County's financial reporting entity is composed of the following:

| | |
|---------------------|------------------------------------------------------------------------------------------|
| Primary Government: | St. Joseph County |
| Component Units: | St. Joseph County Solid Waste Management District St. Joseph County Airport Authority |

In determining the financial reporting entity, the County complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

The St. Joseph County Solid Waste Management District and the St. Joseph County Airport Authority, component units, have been omitted from these financial statements. Accordingly, the financial statements do not include the data of all of the County's component units necessary to fairly present the financial position of the County. The individual financial statements for the St. Joseph County Solid Waste Management District can be obtained at 621 East Jefferson Blvd., South Bend, Indiana, 46601. The individual financial statements for the St. Joseph County Airport Authority can be obtained at 4477 Progress Drive, South Bend, IN 46628.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The County has no business-type activities.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. However, at this time, the County has not established any enterprise funds.

The County reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

ST. JOSEPH COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

The family and children fund accounts for expenditures related to care of wards of the State, child welfare services, and adoption services. Financing is provided by a specific property tax levy and state distributions.

The major moves construction fund accounts for the County's share of the proceeds received by the State of Indiana from the lease of the Indiana toll road and interest earned on these proceeds. Expenditures are made for the construction of highways, roads, and bridges.

Additionally, the County reports the following fund types:

The internal service funds account for employee medical insurance and for general liability insurance provided to other departments on a cost-reimbursement basis.

The pension trust funds account for the activities of the sheriff's pension trust and the sheriff's benefit pension funds, which accumulate resources for pension benefit payments.

The private-purpose trust fund reports a trust arrangement under which principal and income benefit the local school corporations.

Agency funds account for assets held by the County as an agent for individuals, for the State, and for other governments.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The cash and investment 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. Investment transactions are not presented on the financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to people outside the government (enterprise funds) or other departments or agencies primarily within the government (internal service funds). The County does not have any enterprise funds.

ST. JOSEPH COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental or proprietary fund operations are accounted for as capital outlay disbursements of the fund upon acquisition.

3. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental and proprietary funds is not reported as liabilities in the basic financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as disbursements.

4. Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.

b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

It is the County's policy to first use restricted net assets prior to the use of unrestricted net assets when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

E. Receipts and Disbursements

1. Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

ST. JOSEPH COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

2. Operating Receipts and Disbursements

Operating receipts and disbursements for proprietary funds result from providing services and producing and delivering goods and/or services. They also include all receipts and disbursements not related to capital and related financing, noncapital financing, or investing activities.

F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Activities and Net Assets – Cash and Investment Basis, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are not reported as reimbursements but as adjustments to disbursements in the respective funds.
3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the Statement of Activities and Net Assets – Cash and Investment Basis.

II. Stewardship, Compliance, and Accountability

A. Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at calendar year end.

Prior to the first required publication, the fiscal officer of the County submits to the governing board a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. In September of each year, the governing board, through the passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget

ST. JOSEPH COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

resolution/ordinance and the advertisement for funds for which property taxes are levied or high-way use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the County receives approval of the Indiana Department of Local Government Finance.

The County's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

B. Cash and Investment Balance Deficits

At December 31, 2007, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines and state statute:

| Fund | 2007 |
|---------------------------------|--------------|
| Group Insurance | \$ 8,939,250 |
| Judgement Bond | 72,993 |
| Redevelopment Bond 2001 Payment | 24,192 |
| General Drain Improvement | 73,455 |

Cash and investment deficits arose primarily from disbursements exceeding receipts due to the underestimate of current requirements; these deficits are to be repaid from future receipts.

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The County does not have a deposit policy for custodial credit risk. At December 31, 2007, the County had deposit balances in the amount of \$136,125,395. The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

2. Investments

As of December 31, 2007, the County and the Sheriff's Retirement and Benefit Plan had the following investments:

ST. JOSEPH COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

| Investment Type | Sheriff's Retirement and Benefit Pension Plans |
|-------------------------------|---------------------------------------------------------|
| Mutual funds | \$ 34,091,562 |
| Corporate stock index options | 654,647 |
| Corporate stock | 637,500 |
| Total | \$ 35,383,709 |

Statutory Authorization for Investments

Indiana Code 5-13-9 authorizes the County to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the County to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50% of the funds held by the County and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

Additionally, the County may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the County's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

The Sheriff's Pension Plan is not subject to the same investment laws as the County. The Sheriff's Merit Board has not adopted an investment policy for interest rate and credit risk.

ST. JOSEPH COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The County does not have a formal investment policy for custodial credit risk for investments.

The Sheriff's Merit Board has not adopted an investment policy for custodial credit risk for investments.

The following investments held by Sheriff's Retirement and Benefit Pension Plans were exposed to custodial credit risks because they are uninsured and unregistered with securities held by the counterparty, or the counterparty's trust department or agent, not in the government's name:

Sheriff's Retirement and Benefit Pension Plans:

| Investment Type | Not in the Government's Name |
|-------------------------------|------------------------------------|
| Mutual funds | \$ 34,091,562 |
| Corporate stock index options | 654,647 |
| Corporate stock | 637,500 |
| Total | \$ 35,383,709 |

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County must follow state statute and limit the stated final maturities of the investments to no more than two years. The County does not have a formal investment policy for interest rate risk for investments.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The distribution of securities with credit ratings is summarized below. The County does not have a formal investment policy for credit risk for investments.

The Sheriff's Merit Board has not adopted a policy for credit risk.

ST. JOSEPH COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Sheriff's Retirement and Benefit Pension Plans:

| Standard and Poor's Rating | Mutual Funds | Corporate Stock Index Options | Corporate Stock |
|----------------------------------|----------------------|-------------------------------------|--------------------|
| AA | \$ - | \$ - | \$ 263,315 |
| A | - | - | 374,185 |
| Unrated | <u>34,091,562</u> | <u>654,647</u> | <u>-</u> |
| Totals | <u>\$ 34,091,562</u> | <u>\$ 654,647</u> | <u>\$ 637,500</u> |

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County does not have a policy in regards to concentration of credit risk. United States of America government and United States of America governmental agency securities are exempt from this policy requirement.

The Sheriff's Merit Board has not adopted a policy for the concentration of credit risk.

The County and the Sheriff's Retirement and Benefit Pension Plan held the following investments that were exposed to concentration of credit risk:

Sheriff's Retirement and Benefit Pension Plans:

| Issuer | 2007 |
|------------------------------------------|----------------------|
| Shares Russell 1000 Growth Index | \$ 3,664,838 |
| Shares Goldman Sachs Corporate Bond Fund | 3,360,281 |
| Shares S & P Europe 350 Index | 3,245,096 |
| Shares Lehman 7-10 Year Treasury | 2,995,403 |
| Shares Lehman 1-3 Year Treasury | 2,801,357 |
| Shares MSCI Japan Index | 2,024,741 |
| Shares Trust Dow Jones/Select Div Index | 2,013,238 |
| Path Dow Jones AIGCITR ETN | <u>1,749,022</u> |
| Total | <u>\$ 21,853,976</u> |

Foreign Currency Risk

The County does not have a formal policy in regards to foreign currency risk.

The Sheriff's Merit Board has not adopted a formal policy in regards to foreign currency risk.

ST. JOSEPH COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Sheriff's Retirement and Benefit Pension Plans:

| Investment Type | U.S. Dollar |
|------------------------------|----------------|
| Mutual Fund - Foreign Equity | \$ 5,269,837 |
| Preferred stock | 237,500 |
| Total | \$ 5,507,337 |

B. Interfund Transfers

Interfund transfers for the year ended December 31, 2007, were as follows:

| Transfer From | Transfer To | |
|--------------------------|--------------------------|--------------|
| General Fund | Other governmental funds | \$ 35,664 |
| Other governmental funds | General Fund | 5,353,412 |
| | Other governmental funds | 305,612 |
| Total | | \$ 5,694,688 |

The County typically uses transfers for cash flow purposes as provided by various statutory provisions.

IV. Other Information

A. Risk Management

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

The risks of theft of, damage to, and destruction of assets and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

Liability (Torts) Insurance

The County has chosen to establish a risk financing fund for risks associated with general liability. The risk financing fund is accounted for in the Liability Reserve Fund, (an internal service fund) where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$500,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. Interfund premiums are paid into the fund by all affected funds and are available to pay claims, claim reserves, and administrative costs of the program. In addition to the interfund premiums paid by each affected fund, the County General Fund made additional transfers during 2007 to resolve the negative cash balance this fund has carried for numerous years.

ST. JOSEPH COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Job Related Illnesses or Injuries to Employees

The County has chosen to establish a risk financing fund for risks associated with workmen's compensation. This risk financing fund is accounted for in the Group Insurance Fund, an internal service fund, where assets are set aside for claim settlements. A premium is charged to each fund based on the number of employees and the type of coverage.

Medical Benefits to Employees, Retirees, and Dependents

The County has chosen to establish a risk financing fund for risks associated with medical benefits to employees, their dependents, and qualified retirees. This risk financing fund is accounted for in the Group Insurance Fund, an internal service fund, where assets are set aside for claim settlements. A premium is charged to each fund based on the number of employees and the type of coverage.

B. Holding Corporation

The County has entered into a capital lease with the St. Joseph County Jail Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the County. The lessor has been determined to be a related party of the County. Lease payments during the year totaled \$3,685,000.

C. Subsequent Events

On April 8, 2008, the County Council passed Ordinance 20-08 authorizing the issuance of an amount not to exceed \$6,500,000 of St. Joseph County Limited Tax Bridge Refunding Bonds of 2008 to refinance the County's Limited Tax General Obligation Bonds of 2000.

Due to the ongoing national housing and banking crisis the resulting erratic market fluctuations have caused a material decrease in the market value of the Sheriff's Pension Retirement and Benefit Trust Accounts. The two accounts combined market value at September 30, 2008, amounted to \$33,326,899.

The County anticipates sending property tax bills for 2007 payable 2008 in late November 2008. Tax payers will pay these property taxes in two installments. Based on this estimate of the billing date, and the two payment installment dates being six weeks apart, it is anticipated that final settlement of property taxes to local units of government will not occur until February 2009.

D. Conduit Debt Obligation

From time to time, the County has issued revolving and economic development revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying notes to the financial statements.

ST. JOSEPH COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

During 2007, the County has authorized the issuance of \$122,500,000 of Economic Development Revenue Bonds and Variable Rate Educational Facilities Revenue Bonds. The total amount of bonds outstanding at December 31, 2007, was not available.

E. Postemployment Benefits

In addition to the pension benefits described below, the County provides postemployment medical benefits, as authorized by Indiana Code 5-10-8, to all employees who retire from the County that are eligible for retirement benefits under either the police retirement plan of PERF. Currently, 113 retirees meet these eligibility requirements. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. During the year ended December 31, 2007, disbursements of \$482,648 were recognized for postemployment benefits.

F. Administration of Welfare Programs

The County is required to provide certain funding for administrative costs of welfare programs, the Hospital Care for the Indigent Program, Medical Assistance to Wards and Children with Special Health Care Needs through local property tax levies. The County remits those taxes to the State, which pays the cost.

G. Other Postemployment Benefits

Plan Description

The St. Joseph County Retiree Healthcare Plan is a single-employer defined benefit healthcare plan administered by the County through the County's self-insurance fund. The plan provides for medical insurance benefits to eligible retirees and their families. Indiana Code 5-10-8 gives the unit the authority to establish the plan.

Funding Policy

The contribution requirements of plan members for the St. Joseph County Retiree Healthcare Plan are established by the County Council. The required contribution is based on projected pay-as-you-go financing requirements. For the year ended December 31, 2007, the County contributed \$482,648 to the plan for current premiums. Retired elected officials and general employees contribute at monthly premium rates between \$96 and \$272. Retired merit and matron employees contribute at monthly premium rates between \$55 and \$272.

Annual OPEB and Net OPEB Obligation

The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation to the plan:

ST. JOSEPH COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

| | | |
|-----------------------------------------|----|-------------------------|
| Annual required contribution | \$ | 4,630,633 |
| Interest on net OPEB obligation | | - |
| Contributions made | | <u>(462,648)</u> |
| | | |
| Increase in net OPEB obligation | | 4,167,985 |
| Net OPEB obligation - beginning of year | | <u>-</u> |
| | | |
| Net OPEB obligation - end of year | \$ | <u><u>4,167,985</u></u> |

The County's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for 2007 and the two preceding years were as follows:

| Fiscal Year End | Annual OPEB Cost | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation |
|-----------------------|------------------------|-----------------------------------------------------|---------------------------|
| 12-31-05 | \$ * | * | \$ * |
| 12-31-06 | * | * | * |
| 12-31-07 | 4,630,633 | 10.4% | 4,167,985 |

* Information not available

Funded Status and Funding Progress

As of December 31, 2006, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$36,868,341, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$36,868,341. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. This schedule is not presented since it is the first valuation study.

Actuarial Methods and Assumption

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

ST. JOSEPH COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

In the December 31, 2007, actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 4% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 10% initially, reduced by decrements to an ultimate rate of 4.5% after 10 years. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2007, was 30 years.

H. Pension Plans

Agent Multiple-Employer and Single-Employer Defined Benefit Pension Plans

1. Public Employees' Retirement Fund

Plan Description

The County contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF 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 member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF 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. The report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The County's annual pension cost and related information, as provided by the actuary, is presented in this note.

2. County Police Retirement Plan

Plan Description

The County contributes to the County Police Retirement Plan, which 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

ST. JOSEPH COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

disability benefits to plan members and beneficiaries. 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 and Annual Pension Cost

The contribution requirements of plan members for the County Police Retirement Plan are established by state statute. The County's annual pension cost and related information, as provided by the actuary, is presented in this note.

3. County Police Benefit Plan

Plan Description

The County contributes to the County Police Benefit Plan which 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. 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 and Annual Pension Cost

The contribution requirements of plan members for the County Police Benefit Plan are established by state statute. The County's annual pension cost and related information, as provided by the actuary, is presented in this note.

Actuarial Information for the Above Plans

| | <u>PERF</u> | <u>County Police Retirement Plan</u> | <u>County Police Benefit Plan</u> |
|-----------------------------------------------|-----------------------|----------------------------------------------|-------------------------------------------|
| Annual required contribution | \$ 1,482,012 | \$ 1,378,251 | \$ 70,131 |
| Interest on net pension obligation | (179,915) | 13,792 | - |
| Adjustment to annual required contribution | <u>205,027</u> | <u>(36,351)</u> | <u>-</u> |
| Annual pension cost | 1,507,124 | 1,355,692 | 70,131 |
| Contributions made | <u>1,087,502</u> | <u>1,454,647</u> | <u>70,131</u> |
| Increase (decrease) in net pension obligation | 419,622 | (98,955) | - |
| Net pension obligation, beginning of year | <u>(2,481,585)</u> | <u>197,025</u> | <u>-</u> |
| Net pension obligation, end of year | <u>\$ (2,061,963)</u> | <u>\$ 98,070</u> | <u>\$ -</u> |

ST. JOSEPH COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

| | PERF | County Police Retirement Plan | County Police Benefit Plan |
|---------------------------------|-----------------------------------------------------|--------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| Contribution rates: | | | |
| County | 3.88% | 26.2% | 1.3% |
| Plan members | 3% | 6% | 6% |
| Actuarial valuation date | 07-01-07 | 01-01-08 | 01-01-08 |
| Actuarial cost method | Entry age | Frozen initial liability | Aggregate |
| Amortization method | Level percentage of projected payroll, closed | Level percentage of projected payroll, closed | Level percentage of projected payroll, closed |
| Amortization period | 40 years | 20 years | 20 years |
| Amortization period (from date) | 07-01-97 | 12-31-07 | 12-31-07 |
| Asset valuation method | 4 year smoothed market | 75% of expected actuarial value plus 25% of actual market value | 75% of expected actuarial value plus 25% of actual market value |

Actuarial Assumptions

| | | | |
|------------------------------------|-------|----|----|
| Investment rate of return | 7.25% | 7% | 7% |
| Projected future salary increases: | | | |
| Total | 5% | 5% | 5% |
| Attributed to inflation | 4% | 4% | 4% |
| Attributed to merit/seniority | 1% | 1% | 1% |
| Cost-of-living adjustments | 2% | 2% | 0% |

Three Year Trend Information

| | Year Ending | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|-------------------------------|----------------|---------------------------------|-------------------------------------|------------------------------|
| PERF | 06-30-05 | \$ 1,067,610 | 122% | \$ (2,484,008) |
| | 06-30-06 | 1,162,109 | 100% | (2,481,585) |
| | 06-30-07 | 1,507,124 | 72% | (2,061,963) |
| County Police Retirement Plan | 12-31-05 | 1,442,233 | 97.8% | 228,049 |
| | 12-31-06 | 1,777,227 | 100.3% | 197,025 |
| | 12-31-07 | 1,355,692 | 105.5% | 98,070 |
| County Police Benefit Plan | 12-31-05 | 74,915 | 100% | - |
| | 12-31-06 | 68,764 | 100% | - |
| | 12-31-07 | 70,131 | 100% | - |

ST. JOSEPH COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS

Public Employees' Retirement Fund

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) (b) | Excess of Assets Over AAL (a-b) | Funded Ratio (a/b) | Covered Payroll (c) | Excess AAL as a Percentage of Covered Payroll ((a-b)/c) |
|--------------------------|-------------------------------|---------------------------------------|---------------------------------|--------------------|---------------------|---------------------------------------------------------|
| 07-01-05 | \$ 26,489,421 | \$ 23,646,343 | \$ 2,843,078 | 112% | \$ 28,912,672 | 10% |
| 07-01-06 | 29,501,177 | 25,914,816 | 3,586,361 | 114% | 29,852,133 | 12% |
| 07-01-07 | 32,709,571 | 27,424,684 | 5,284,887 | 119% | 28,908,942 | 18% |

County Police Retirement Plan

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) (b) | Unfunded AAL (a-b) | Funded Ratio (a/b) | Covered Payroll (c) | Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c) |
|--------------------------|-------------------------------|---------------------------------------|--------------------|--------------------|---------------------|-----------------------------------------------------------|
| 01-01-03 | \$ 27,795,463 | \$ 29,559,036 | \$ (1,763,573) | 94% | \$ 5,113,600 | (34%) |
| 01-01-04 | 27,710,286 | 29,927,910 | (2,217,624) | 93% | 5,159,763 | (43%) |
| 01-01-05 | 28,354,546 | 33,096,347 | (4,741,801) | 86% | 5,233,150 | (91%) |
| 01-01-06 | 30,621,155 | 34,947,720 | (4,326,565) | 88% | 5,809,211 | (74%) |
| 01-01-07 | 33,406,053 | 37,658,777 | (4,252,724) | 89% | 5,546,731 | (77%) |
| 01-01-08 | 36,031,421 | 38,629,376 | (2,597,955) | 93% | 5,677,920 | (46%) |

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007

| | Local Road and Street | County User Fee | Accident Report | Firearms Training | Park Nonreverting Operating | Service of Process | Health |
|----------------------------------------------------------------------------------------------------------------|-----------------------------|---------------------|--------------------|----------------------|-----------------------------------|-----------------------|---------------------|
| Receipts: | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,201,033 |
| Special assessments | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | 1,227,058 |
| Intergovernmental | 1,634,687 | - | - | - | - | - | 232,105 |
| Charges for services | - | - | - | - | - | 237,729 | - |
| Fines and forfeits | - | - | - | - | - | - | - |
| Other | 48,340 | 484,431 | 11,153 | 40,756 | 281,439 | - | 13,573 |
| Total receipts | 1,683,027 | 484,431 | 11,153 | 40,756 | 281,439 | 237,729 | 2,673,769 |
| Disbursements: | | | | | | | |
| General government | - | - | - | - | - | - | - |
| Public safety | - | 33,276 | 7,697 | 42,153 | - | - | - |
| Highways and streets | - | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - | 2,681,212 |
| Economic development | - | - | - | - | - | - | - |
| Culture and recreation | - | - | - | - | 154,544 | - | - |
| Urban redevelopment and housing | - | - | - | - | - | - | - |
| Debt service: | | | | | | | |
| Principal | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - |
| Capital outlay: | | | | | | | |
| General government | - | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - | - |
| Highways and streets | 1,279,991 | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - | 552 |
| Economic development | - | - | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - | - |
| Total disbursements | 1,279,991 | 33,276 | 7,697 | 42,153 | 154,544 | - | 2,681,764 |
| Excess (deficiency) of receipts over disbursements | 403,036 | 451,155 | 3,456 | (1,397) | 126,895 | 237,729 | (7,995) |
| Other financing sources (uses): | | | | | | | |
| Net proceeds from borrowings | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | 277 | - | - |
| Transfers out | - | (383,060) | - | - | (10,839) | - | (12,224) |
| Other receipts | 738 | - | - | 1,320 | 2,218 | - | 666 |
| Total other financing sources (uses) | 738 | (383,060) | - | 1,320 | (8,344) | - | (11,558) |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | 403,774 | 68,095 | 3,456 | (77) | 118,551 | 237,729 | (19,553) |
| Cash and investment fund balance - beginning | 1,459,225 | 1,320,598 | 6,827 | 22,127 | 211,797 | - | 1,233,689 |
| Cash and investment fund balance - ending | \$ 1,862,999 | \$ 1,388,693 | \$ 10,283 | \$ 22,050 | \$ 330,348 | \$ 237,729 | \$ 1,214,136 |
| Cash and Investment Assets - Ending | | | | | | | |
| Cash and investments | \$ - | \$ 1,388,693 | \$ 10,283 | \$ 22,050 | \$ 330,348 | \$ - | \$ - |
| Restricted assets: | | | | | | | |
| Cash and investments | 1,862,999 | - | - | - | - | 237,729 | 1,214,136 |
| Total cash and investment assets - ending | \$ 1,862,999 | \$ 1,388,693 | \$ 10,283 | \$ 22,050 | \$ 330,348 | \$ 237,729 | \$ 1,214,136 |
| Cash and Investment Fund Balance - Ending | | | | | | | |
| Restricted for: | | | | | | | |
| Public safety | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Highways and streets | 1,862,999 | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - | 1,214,136 |
| Debt service | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | - |
| Other purposes | - | - | - | - | - | 237,729 | - |
| Unrestricted | - | 1,388,693 | 10,283 | 22,050 | 330,348 | - | - |
| Total cash and investment fund balance - ending | \$ 1,862,999 | \$ 1,388,693 | \$ 10,283 | \$ 22,050 | \$ 330,348 | \$ 237,729 | \$ 1,214,136 |

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007
 (Continued)

| | Federal Grant 1 | Community Development | Housing Authority | Clerk's Records Perpetuation | Enhanced Access | Health Diabetes Grant | Emergency Telephone System |
|---------------------------------------------------------------------------------------------------------|--------------------|--------------------------|----------------------|------------------------------------|--------------------|--------------------------|----------------------------------|
| Receipts: | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Special assessments | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental | - | - | 33,429 | - | - | 4,306 | - |
| Charges for services | - | - | - | - | 26,404 | - | 709,493 |
| Fines and forfeits | - | - | - | - | - | - | - |
| Other | 1,316 | - | - | 80,487 | 17,162 | 1,077 | 1,270,683 |
| Total receipts | 1,316 | - | 33,429 | 80,487 | 43,566 | 5,383 | 1,980,176 |
| Disbursements: | | | | | | | |
| General government | 34,551 | - | - | 37,289 | 1,843 | 5,038 | - |
| Public safety | - | - | - | - | - | - | 1,409,970 |
| Highways and streets | - | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - | - |
| Economic development | - | - | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - | - |
| Urban redevelopment and housing | - | - | 33,429 | - | - | - | - |
| Debt service: | | | | | | | |
| Principal | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - |
| Capital outlay: | | | | | | | |
| General government | - | - | - | 16,971 | - | - | - |
| Public safety | - | - | - | - | - | - | - |
| Highways and streets | - | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - | - |
| Economic development | - | - | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - | - |
| Total disbursements | 34,551 | - | 33,429 | 54,260 | 1,843 | 5,038 | 1,409,970 |
| Excess (deficiency) of receipts over disbursements | (33,235) | - | - | 26,227 | 41,723 | 345 | 570,206 |
| Other financing sources (uses): | | | | | | | |
| Net proceeds from borrowings | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | 947 | - |
| Transfers out | - | - | - | (3,056) | - | - | - |
| Other receipts | - | 300 | - | - | - | - | - |
| Total other financing sources (uses) | - | 300 | - | (3,056) | - | 947 | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (33,235) | 300 | - | 23,171 | 41,723 | 1,292 | 570,206 |
| Cash and investment fund balance - beginning | 37,572 | 14,265 | - | 106,726 | 148,820 | 5,476 | 1,702,409 |
| Cash and investment fund balance - ending | <u>\$ 4,337</u> | <u>\$ 14,565</u> | <u>\$ -</u> | <u>\$ 129,897</u> | <u>\$ 190,543</u> | <u>\$ 6,768</u> | <u>\$ 2,272,615</u> |
| Cash and Investment Assets - Ending | | | | | | | |
| Cash and investments | \$ 4,337 | \$ 14,565 | \$ - | \$ 129,897 | \$ 190,543 | \$ 6,768 | \$ - |
| Restricted assets: | | | | | | | |
| Cash and investments | - | - | - | - | - | - | 2,272,615 |
| Total cash and investment assets - ending | <u>\$ 4,337</u> | <u>\$ 14,565</u> | <u>\$ -</u> | <u>\$ 129,897</u> | <u>\$ 190,543</u> | <u>\$ 6,768</u> | <u>\$ 2,272,615</u> |
| Cash and Investment Fund Balance - Ending | | | | | | | |
| Restricted for: | | | | | | | |
| Public safety | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,272,615 |
| Highways and streets | - | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | - |
| Other purposes | - | - | - | - | - | - | - |
| Unrestricted | 4,337 | 14,565 | - | 129,897 | 190,543 | 6,768 | - |
| Total cash and investment fund balance - ending | <u>\$ 4,337</u> | <u>\$ 14,565</u> | <u>\$ -</u> | <u>\$ 129,897</u> | <u>\$ 190,543</u> | <u>\$ 6,768</u> | <u>\$ 2,272,615</u> |

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007
 (Continued)

| | Drug Free Community | Drainage Maintenance | Emergency Planning /Right to Know | Convention and Tourism | Highway | Parks and Recreation | Property Reassessment |
|----------------------------------------------------------------------------------------------------------------|---------------------------|-------------------------|--------------------------------------------|------------------------------|---------------------|-------------------------|--------------------------|
| Receipts: | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ 3,891,832 | \$ - | \$ 1,762,135 | \$ - |
| Special assessments | - | 460,200 | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | 214 |
| Intergovernmental | - | - | - | - | 6,341,787 | 120,583 | - |
| Charges for services | - | - | - | - | 92,137 | 4,176 | - |
| Fines and forfeits | - | - | - | - | - | - | - |
| Other | 171,103 | - | 19,198 | 28,496 | 454,847 | 153 | - |
| Total receipts | 171,103 | 460,200 | 19,198 | 3,920,328 | 6,888,771 | 1,887,047 | 214 |
| Disbursements: | | | | | | | |
| General government | - | 203,372 | - | - | - | - | 243 |
| Public safety | 168,500 | - | 13,957 | - | - | - | - |
| Highways and streets | - | - | - | - | 6,463,624 | - | - |
| Health and welfare | - | - | - | - | - | - | - |
| Economic development | - | - | - | - | - | - | - |
| Culture and recreation | - | - | - | 3,132,849 | - | 1,605,132 | - |
| Urban redevelopment and housing | - | - | - | - | - | - | - |
| Debt service: | | | | | | | |
| Principal | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - |
| Capital outlay: | | | | | | | |
| General government | - | - | - | - | - | - | - |
| Public safety | - | - | 5,014 | - | - | - | - |
| Highways and streets | - | - | - | - | 536,260 | - | - |
| Health and welfare | - | - | - | - | - | - | - |
| Economic development | - | - | - | - | - | - | - |
| Culture and recreation | - | - | - | 136,329 | - | 132 | - |
| Total disbursements | 168,500 | 203,372 | 18,971 | 3,269,178 | 6,999,884 | 1,605,264 | 243 |
| Excess (deficiency) of receipts over disbursements | 2,603 | 256,828 | 227 | 651,150 | (111,113) | 281,783 | (29) |
| Other financing sources (uses): | | | | | | | |
| Net proceeds from borrowings | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | 724 | - |
| Transfers out | (29,400) | (135,016) | - | - | (4) | (277) | - |
| Other receipts | - | - | 14,407 | 31,793 | 29,491 | 82 | - |
| Total other financing sources (uses) | (29,400) | (135,016) | 14,407 | 31,793 | 29,487 | 529 | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (26,797) | 121,812 | 14,634 | 682,943 | (81,626) | 282,312 | (29) |
| Cash and investment fund balance - beginning | 35,229 | 1,357,872 | 35,666 | 1,476,100 | 1,903,112 | 158,635 | - |
| Cash and investment fund balance - ending | \$ 8,432 | \$ 1,479,684 | \$ 50,300 | \$ 2,159,043 | \$ 1,821,486 | \$ 440,947 | \$ (29) |
| Cash and Investment Assets - Ending | | | | | | | |
| Cash and investments | \$ 8,432 | \$ 1,479,684 | \$ 50,300 | \$ 2,159,043 | \$ - | \$ 440,947 | \$ (29) |
| Restricted assets: | | | | | | | |
| Cash and investments | - | - | - | - | 1,821,486 | - | - |
| Total cash and investment assets - ending | \$ 8,432 | \$ 1,479,684 | \$ 50,300 | \$ 2,159,043 | \$ 1,821,486 | \$ 440,947 | \$ (29) |
| Cash and Investment Fund Balance - Ending | | | | | | | |
| Restricted for: | | | | | | | |
| Public safety | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Highways and streets | - | - | - | - | 1,821,486 | - | - |
| Health and welfare | - | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | - |
| Other purposes | - | - | - | - | - | - | - |
| Unrestricted | 8,432 | 1,479,684 | 50,300 | 2,159,043 | - | 440,947 | (29) |
| Total cash and investment fund balance - ending | \$ 8,432 | \$ 1,479,684 | \$ 50,300 | \$ 2,159,043 | \$ 1,821,486 | \$ 440,947 | \$ (29) |

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007
 (Continued)

| | Juvenile Probation Service | Adult Probation Service | Recorder's Records Perpetuation | Community Corrections - Home Detention | Guardian Ad Litem /Court | Plat Book | Dog |
|---------------------------------------------------------------------------------------------------------|----------------------------------|-------------------------------|---------------------------------------|-------------------------------------------------|--------------------------------|------------------|------------------|
| Receipts: | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Special assessments | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental | - | - | - | 1,190,402 | - | - | - |
| Charges for services | - | - | 19,801 | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - | 10,729 |
| Other | 125,537 | 106,819 | 281,515 | 445,907 | - | 25,720 | - |
| Total receipts | 125,537 | 106,819 | 301,316 | 1,636,309 | - | 25,720 | 10,729 |
| Disbursements: | | | | | | | |
| General government | - | - | 162,825 | - | 100 | 2,429 | - |
| Public safety | 161,704 | 938 | - | 1,352,873 | - | - | - |
| Highways and streets | - | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - | - |
| Economic development | - | - | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - | - |
| Urban redevelopment and housing | - | - | - | - | - | - | - |
| Debt service: | | | | | | | |
| Principal | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - |
| Capital outlay: | | | | | | | |
| General government | - | - | - | - | - | 9,369 | - |
| Public safety | 7,798 | - | - | 45,791 | - | - | - |
| Highways and streets | - | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - | - |
| Economic development | - | - | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - | - |
| Total disbursements | 169,502 | 938 | 162,825 | 1,398,664 | 100 | 11,798 | - |
| Excess (deficiency) of receipts over disbursements | (43,965) | 105,881 | 138,491 | 237,645 | (100) | 13,922 | 10,729 |
| Other financing sources (uses): | | | | | | | |
| Net proceeds from borrowings | - | - | - | - | - | - | - |
| Transfers in | 1,070 | - | - | - | - | - | - |
| Transfers out | - | (100,000) | (13,000) | (888) | - | (29,240) | - |
| Other receipts | - | - | 142 | 324 | - | 240 | - |
| Total other financing sources (uses) | 1,070 | (100,000) | (12,858) | (564) | - | (29,000) | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (42,895) | 5,881 | 125,633 | 237,081 | (100) | (15,078) | 10,729 |
| Cash and investment fund balance - beginning | 499,281 | 297,069 | 696,741 | 1,171,475 | 100 | 70,681 | - |
| Cash and investment fund balance - ending | <u>\$ 456,386</u> | <u>\$ 302,950</u> | <u>\$ 822,374</u> | <u>\$ 1,408,556</u> | <u>\$ -</u> | <u>\$ 55,603</u> | <u>\$ 10,729</u> |
| Cash and Investment Assets - Ending | | | | | | | |
| Cash and investments | \$ 456,386 | \$ 302,950 | \$ 822,374 | \$ 1,408,556 | \$ - | \$ 55,603 | \$ 10,729 |
| Restricted assets: | | | | | | | |
| Cash and investments | - | - | - | - | - | - | - |
| Total cash and investment assets - ending | <u>\$ 456,386</u> | <u>\$ 302,950</u> | <u>\$ 822,374</u> | <u>\$ 1,408,556</u> | <u>\$ -</u> | <u>\$ 55,603</u> | <u>\$ 10,729</u> |
| Cash and Investment Fund Balance - Ending | | | | | | | |
| Restricted for: | | | | | | | |
| Public safety | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Highways and streets | - | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | - |
| Other purposes | - | - | - | - | - | - | - |
| Unrestricted | 456,386 | 302,950 | 822,374 | 1,408,556 | - | 55,603 | 10,729 |
| Total cash and investment fund balance - ending | <u>\$ 456,386</u> | <u>\$ 302,950</u> | <u>\$ 822,374</u> | <u>\$ 1,408,556</u> | <u>\$ -</u> | <u>\$ 55,603</u> | <u>\$ 10,729</u> |

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007
 (Continued)

| | Surveyor's Corner Perpetuation | Sheriff's Continuing Education | Federal Grant 2 | Gift | Healthwin Special Gifts | Campaign Finance | State Grant 2 |
|---------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|--------------------|------------------|-------------------------------|---------------------|------------------|
| Receipts: | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Special assessments | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental | - | - | 353,162 | - | - | - | - |
| Charges for services | - | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - | - |
| Other | 60,930 | - | - | 17,186 | - | - | - |
| Total receipts | 60,930 | - | 353,162 | 17,186 | - | - | - |
| Disbursements: | | | | | | | |
| General government | 138,264 | - | 353,162 | 1,616 | - | - | - |
| Public safety | - | 18,636 | - | - | - | - | - |
| Highways and streets | - | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - | - |
| Economic development | - | - | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - | - |
| Urban redevelopment and housing | - | - | - | - | - | - | - |
| Debt service: | | | | | | | |
| Principal | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - |
| Capital outlay: | | | | | | | |
| General government | - | - | - | 24,764 | - | - | - |
| Public safety | - | - | - | - | - | - | - |
| Highways and streets | - | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - | - |
| Economic development | - | - | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - | - |
| Total disbursements | 138,264 | 18,636 | 353,162 | 26,380 | - | - | - |
| Excess (deficiency) of receipts over disbursements | (77,334) | (18,636) | - | (9,194) | - | - | - |
| Other financing sources (uses): | | | | | | | |
| Net proceeds from borrowings | - | - | - | - | - | - | - |
| Transfers in | - | 12,923 | - | - | - | - | - |
| Transfers out | - | - | - | (30,000) | - | - | - |
| Other receipts | 1,122 | - | - | - | - | - | - |
| Total other financing sources (uses) | 1,122 | 12,923 | - | (30,000) | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (76,212) | (5,713) | - | (39,194) | - | - | - |
| Cash and investment fund balance - beginning | 129,954 | 6,610 | 1 | 73,172 | 2,212 | 25 | 945 |
| Cash and investment fund balance - ending | <u>\$ 53,742</u> | <u>\$ 897</u> | <u>\$ 1</u> | <u>\$ 33,978</u> | <u>\$ 2,212</u> | <u>\$ 25</u> | <u>\$ 945</u> |
| Cash and Investment Assets - Ending | | | | | | | |
| Cash and investments | \$ 53,742 | \$ 897 | \$ 1 | \$ 33,978 | \$ 2,212 | \$ 25 | \$ 945 |
| Restricted assets: | | | | | | | |
| Cash and investments | - | - | - | - | - | - | - |
| Total cash and investment assets - ending | <u>\$ 53,742</u> | <u>\$ 897</u> | <u>\$ 1</u> | <u>\$ 33,978</u> | <u>\$ 2,212</u> | <u>\$ 25</u> | <u>\$ 945</u> |
| Cash and Investment Fund Balance - Ending | | | | | | | |
| Restricted for: | | | | | | | |
| Public safety | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Highways and streets | - | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | - |
| Other purposes | - | - | - | - | - | - | - |
| Unrestricted | 53,742 | 897 | 1 | 33,978 | 2,212 | 25 | 945 |
| Total cash and investment fund balance - ending | <u>\$ 53,742</u> | <u>\$ 897</u> | <u>\$ 1</u> | <u>\$ 33,978</u> | <u>\$ 2,212</u> | <u>\$ 25</u> | <u>\$ 945</u> |

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007
 (Continued)

| | Health STD Grant | Local Health Services Grant | Health AIDS Grant | Health Bioterrorism Grant | Health Lead Elimination Grant | Family Court Grant | Property Reassessment No. 2 |
|---------------------------------------------------------------------------------------------------------|---------------------|-----------------------------------|----------------------|---------------------------------|-------------------------------------|--------------------------|-----------------------------------|
| Receipts: | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 930,847 |
| Special assessments | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental | 28,735 | 90,840 | 58,649 | 44,886 | 96,615 | 19,000 | 63,181 |
| Charges for services | - | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - | - |
| Other | - | - | 36 | 9 | 6,970 | - | 66,718 |
| Total receipts | 28,735 | 90,840 | 58,685 | 44,895 | 103,585 | 19,000 | 1,060,746 |
| Disbursements: | | | | | | | |
| General government | 37,552 | - | 65,570 | 38,544 | 110,352 | 2,387 | 1,838,555 |
| Public safety | - | - | - | - | - | - | - |
| Highways and streets | - | - | - | - | - | - | - |
| Health and welfare | - | 53,378 | - | - | - | - | - |
| Economic development | - | - | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - | - |
| Urban redevelopment and housing | - | - | - | - | - | - | - |
| Debt service: | | | | | | | |
| Principal | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - |
| Capital outlay: | | | | | | | |
| General government | - | - | - | - | - | - | 2,701 |
| Public safety | - | - | - | - | - | - | - |
| Highways and streets | - | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - | - |
| Economic development | - | - | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - | - |
| Total disbursements | 37,552 | 53,378 | 65,570 | 38,544 | 110,352 | 2,387 | 1,841,256 |
| Excess (deficiency) of receipts over disbursements | (8,817) | 37,462 | (6,885) | 6,351 | (6,767) | 16,613 | (780,510) |
| Other financing sources (uses): | | | | | | | |
| Net proceeds from borrowings | - | - | - | - | - | - | - |
| Transfers in | 2,000 | - | 5,859 | 4,365 | - | - | 35,669 |
| Transfers out | - | (947) | - | - | - | (2,388) | - |
| Other receipts | 6 | 20 | - | - | 95 | - | 90 |
| Total other financing sources (uses) | 2,006 | (927) | 5,859 | 4,365 | 95 | (2,388) | 35,759 |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (6,811) | 36,535 | (1,026) | 10,716 | (6,672) | 14,225 | (744,751) |
| Cash and investment fund balance - beginning | (6,938) | 105,269 | 3,562 | (6,983) | (7,943) | 59,947 | 2,960,220 |
| Cash and investment fund balance - ending | <u>\$ (13,749)</u> | <u>\$ 141,804</u> | <u>\$ 2,536</u> | <u>\$ 3,733</u> | <u>\$ (14,615)</u> | <u>\$ 74,172</u> | <u>\$ 2,215,469</u> |
| Cash and Investment Assets - Ending | | | | | | | |
| Cash and investments | \$ (13,749) | \$ 141,804 | \$ 2,536 | \$ 3,733 | \$ (14,615) | \$ 74,172 | \$ 2,215,469 |
| Restricted assets: | | | | | | | |
| Cash and investments | - | - | - | - | - | - | - |
| Total cash and investment assets - ending | <u>\$ (13,749)</u> | <u>\$ 141,804</u> | <u>\$ 2,536</u> | <u>\$ 3,733</u> | <u>\$ (14,615)</u> | <u>\$ 74,172</u> | <u>\$ 2,215,469</u> |
| Cash and Investment Fund Balance - Ending | | | | | | | |
| Restricted for: | | | | | | | |
| Public safety | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Highways and streets | - | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | - |
| Other purposes | - | - | - | - | - | - | - |
| Unrestricted | (13,749) | 141,804 | 2,536 | 3,733 | (14,615) | 74,172 | 2,215,469 |
| Total cash and investment fund balance - ending | <u>\$ (13,749)</u> | <u>\$ 141,804</u> | <u>\$ 2,536</u> | <u>\$ 3,733</u> | <u>\$ (14,615)</u> | <u>\$ 74,172</u> | <u>\$ 2,215,469</u> |

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007
 (Continued)

| | Rainy Day | HAVA/ Voting Machines | County Corrections | Identification Security Protection | Children's Psych Res Treatment Service | Public Defender | Probation User Fee Administrative |
|----------------------------------------------------------------------------------------------------------------|---------------------|-----------------------------|-----------------------|------------------------------------------|-------------------------------------------------|--------------------|-----------------------------------------|
| Receipts: | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ 951,034 | \$ - | \$ - |
| Special assessments | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental | - | - | 183,422 | - | 75,010 | - | - |
| Charges for services | - | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - | 300 |
| Other | - | - | - | 102,384 | - | 66,809 | - |
| Total receipts | - | - | 183,422 | 102,384 | 1,026,044 | 66,809 | 300 |
| Disbursements: | | | | | | | |
| General government | 42,696 | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | 1,365 | - |
| Highways and streets | - | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | 642,230 | - | - |
| Economic development | - | - | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - | - |
| Urban redevelopment and housing | - | - | - | - | - | - | - |
| Debt service: | | | | | | | |
| Principal | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - |
| Capital outlay: | | | | | | | |
| General government | - | 116,623 | - | - | - | - | - |
| Public safety | - | - | - | - | - | - | - |
| Highways and streets | - | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - | - |
| Economic development | - | - | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - | - |
| Total disbursements | 42,696 | 116,623 | - | - | 642,230 | 1,365 | - |
| Excess (deficiency) of receipts over disbursements | (42,696) | (116,623) | 183,422 | 102,384 | 383,814 | 65,444 | 300 |
| Other financing sources (uses): | | | | | | | |
| Net proceeds from borrowings | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - |
| Transfers out | - | - | (366,794) | - | (1,148,940) | (4,070) | - |
| Other receipts | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | (366,794) | - | (1,148,940) | (4,070) | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (42,696) | (116,623) | (183,372) | 102,384 | (765,126) | 61,374 | 300 |
| Cash and investment fund balance - beginning | 1,463,315 | 1,128,200 | 183,372 | 104,024 | 2,723,657 | 246,376 | 11,832 |
| Cash and investment fund balance - ending | <u>\$ 1,420,619</u> | <u>\$ 1,011,577</u> | <u>\$ -</u> | <u>\$ 206,408</u> | <u>\$ 1,958,531</u> | <u>\$ 307,750</u> | <u>\$ 12,132</u> |
| Cash and Investment Assets - Ending | | | | | | | |
| Cash and investments | \$ 1,420,619 | \$ - | \$ - | \$ 206,408 | \$ 1,958,531 | \$ 307,750 | \$ 12,132 |
| Restricted assets: | | | | | | | |
| Cash and investments | - | 1,011,577 | - | - | - | - | - |
| Total cash and investment assets - ending | <u>\$ 1,420,619</u> | <u>\$ 1,011,577</u> | <u>\$ -</u> | <u>\$ 206,408</u> | <u>\$ 1,958,531</u> | <u>\$ 307,750</u> | <u>\$ 12,132</u> |
| Cash and Investment Fund Balance - Ending | | | | | | | |
| Restricted for: | | | | | | | |
| Public safety | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Highways and streets | - | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - |
| Capital outlay | - | 1,011,577 | - | - | - | - | - |
| Other purposes | - | - | - | - | - | - | - |
| Unrestricted | 1,420,619 | - | - | 206,408 | 1,958,531 | 307,750 | 12,132 |
| Total cash and investment fund balance - ending | <u>\$ 1,420,619</u> | <u>\$ 1,011,577</u> | <u>\$ -</u> | <u>\$ 206,408</u> | <u>\$ 1,958,531</u> | <u>\$ 307,750</u> | <u>\$ 12,132</u> |

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007
 (Continued)

| | Tax Increment Financing 1 | Sex Offender Grant | Adult Drug Testing | Community Transition Program | Drug Testing | Emergency Management Grant | Federal D.E.A. |
|----------------------------------------------------------------------------------------------------------------|---------------------------------|-----------------------|-----------------------|------------------------------------|-------------------|----------------------------------|------------------|
| Receipts: | | | | | | | |
| Taxes | \$ 766,191 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Special assessments | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental | - | 97,175 | - | 961,952 | - | 889,408 | - |
| Charges for services | - | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - | 53,334 |
| Other | - | - | - | 35,965 | 85,836 | - | 831 |
| Total receipts | 766,191 | 97,175 | - | 997,917 | 85,836 | 889,408 | 54,165 |
| Disbursements: | | | | | | | |
| General government | - | 66,467 | - | 368,531 | 45,106 | 51,131 | - |
| Public safety | - | - | - | - | - | - | 18,171 |
| Highways and streets | - | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - | - |
| Economic development | 290,000 | - | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - | - |
| Urban redevelopment and housing | - | - | - | - | - | - | - |
| Debt service: | | | | | | | |
| Principal | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - |
| Capital outlay: | | | | | | | |
| General government | - | - | - | - | - | 709,127 | - |
| Public safety | - | - | - | - | - | - | 23,199 |
| Highways and streets | - | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - | - |
| Economic development | - | - | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - | - |
| Total disbursements | 290,000 | 66,467 | - | 368,531 | 45,106 | 760,258 | 41,370 |
| Excess (deficiency) of receipts over disbursements | 476,191 | 30,708 | - | 629,386 | 40,730 | 129,150 | 12,795 |
| Other financing sources (uses): | | | | | | | |
| Net proceeds from borrowings | - | - | - | - | - | - | - |
| Transfers in | - | - | - | 888 | - | - | - |
| Transfers out | - | - | - | - | - | - | - |
| Other receipts | - | - | - | - | - | 210 | - |
| Total other financing sources (uses) | - | - | - | 888 | - | 210 | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | 476,191 | 30,708 | - | 630,274 | 40,730 | 129,360 | 12,795 |
| Cash and investment fund balance - beginning | 1,948,018 | - | 12,844 | 49,493 | 66,616 | (348,880) | 17,511 |
| Cash and investment fund balance - ending | <u>\$ 2,424,209</u> | <u>\$ 30,708</u> | <u>\$ 12,844</u> | <u>\$ 679,767</u> | <u>\$ 107,346</u> | <u>\$ (219,520)</u> | <u>\$ 30,306</u> |
| Cash and Investment Assets - Ending | | | | | | | |
| Cash and investments | \$ 2,424,209 | \$ 30,708 | \$ 12,844 | \$ 679,767 | \$ 107,346 | \$ (219,520) | \$ 30,306 |
| Restricted assets: | | | | | | | |
| Cash and investments | - | - | - | - | - | - | - |
| Total cash and investment assets - ending | <u>\$ 2,424,209</u> | <u>\$ 30,708</u> | <u>\$ 12,844</u> | <u>\$ 679,767</u> | <u>\$ 107,346</u> | <u>\$ (219,520)</u> | <u>\$ 30,306</u> |
| Cash and Investment Fund Balance - Ending | | | | | | | |
| Restricted for: | | | | | | | |
| Public safety | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Highways and streets | - | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | - |
| Other purposes | - | - | - | - | - | - | - |
| Unrestricted | 2,424,209 | 30,708 | 12,844 | 679,767 | 107,346 | (219,520) | 30,306 |
| Total cash and investment fund balance - ending | <u>\$ 2,424,209</u> | <u>\$ 30,708</u> | <u>\$ 12,844</u> | <u>\$ 679,767</u> | <u>\$ 107,346</u> | <u>\$ (219,520)</u> | <u>\$ 30,306</u> |

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007
 (Continued)

| | Healthwin | Portage Manor | Portage Manor Farm Operation | Prosecutor's D.E.A. | Sheriff D.E.A. | Small Town Survey | Special Vehicle Inspection |
|---------------------------------------------------------------------------------------------------------|----------------|---------------------|---------------------------------|------------------------|-----------------|----------------------|----------------------------------|
| Receipts: | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Special assessments | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - | - |
| Charges for services | 120,000 | 2,110,733 | 3,500 | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - | - |
| Other | - | 57,335 | - | 2,726 | 10,095 | - | 5,630 |
| Total receipts | 120,000 | 2,168,068 | 3,500 | 2,726 | 10,095 | - | 5,630 |
| Disbursements: | | | | | | | |
| General government | - | 1,905,131 | 3,146 | - | 5,473 | - | - |
| Public safety | - | - | - | - | - | - | - |
| Highways and streets | - | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - | - |
| Economic development | - | - | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - | - |
| Urban redevelopment and housing | - | - | - | - | - | - | - |
| Debt service: | | | | | | | |
| Principal | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - |
| Capital outlay: | | | | | | | |
| General government | 120,000 | 55,137 | - | - | 1,660 | - | - |
| Public safety | - | - | - | - | - | - | - |
| Highways and streets | - | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - | - |
| Economic development | - | - | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - | - |
| Total disbursements | 120,000 | 1,960,268 | 3,146 | - | 7,133 | - | - |
| Excess (deficiency) of receipts over disbursements | - | 207,800 | 354 | 2,726 | 2,962 | - | 5,630 |
| Other financing sources (uses): | | | | | | | |
| Net proceeds from borrowings | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - |
| Other receipts | - | 3,751 | - | - | - | - | - |
| Total other financing sources (uses) | - | 3,751 | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | - | 211,551 | 354 | 2,726 | 2,962 | - | 5,630 |
| Cash and investment fund balance - beginning | 103 | 2,030,647 | 12,159 | 11,482 | 5,281 | 1,034 | 5,430 |
| Cash and investment fund balance - ending | <u>\$ 103</u> | <u>\$ 2,242,198</u> | <u>\$ 12,513</u> | <u>\$ 14,208</u> | <u>\$ 8,243</u> | <u>\$ 1,034</u> | <u>\$ 11,060</u> |
| Cash and Investment Assets - Ending | | | | | | | |
| Cash and investments | \$ 103 | \$ 2,242,198 | \$ 12,513 | \$ 14,208 | \$ 8,243 | \$ 1,034 | \$ 11,060 |
| Restricted assets: | | | | | | | |
| Cash and investments | - | - | - | - | - | - | - |
| Total cash and investment assets - ending | <u>\$ 103</u> | <u>\$ 2,242,198</u> | <u>\$ 12,513</u> | <u>\$ 14,208</u> | <u>\$ 8,243</u> | <u>\$ 1,034</u> | <u>\$ 11,060</u> |
| Cash and Investment Fund Balance - Ending | | | | | | | |
| Restricted for: | | | | | | | |
| Public safety | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Highways and streets | - | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | - |
| Other purposes | - | - | - | - | - | - | - |
| Unrestricted | 103 | 2,242,198 | 12,513 | 14,208 | 8,243 | 1,034 | 11,060 |
| Total cash and investment fund balance - ending | <u>\$ 103</u> | <u>\$ 2,242,198</u> | <u>\$ 12,513</u> | <u>\$ 14,208</u> | <u>\$ 8,243</u> | <u>\$ 1,034</u> | <u>\$ 11,060</u> |

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007
 (Continued)

| | Jail Commissary | Township Assistance Bond | Judgement Bond | Redevelopment Bond 2001 Payment | Debt Service Other | Cumulative Capital Development |
|----------------------------------------------------------------------------------------------------------------|--------------------|--------------------------------|--------------------|---------------------------------------|--------------------------|--------------------------------------|
| Receipts: | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ 919,812 | \$ 5,770,007 | \$ 2,308,841 |
| Special assessments | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | 391,813 | 159,098 |
| Charges for services | 132,121 | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - |
| Other | - | - | - | - | - | 72,103 |
| Total receipts | 132,121 | - | - | 919,812 | 6,161,820 | 2,540,042 |
| Disbursements: | | | | | | |
| General government | - | - | - | - | - | 133,767 |
| Public safety | 56,541 | - | - | - | - | - |
| Highways and streets | - | - | - | - | - | - |
| Health and welfare | - | - | 3,108,462 | - | - | - |
| Economic development | - | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - |
| Urban redevelopment and housing | - | - | - | - | - | - |
| Debt service: | | | | | | |
| Principal | - | - | - | 465,000 | 4,755,000 | - |
| Interest | - | - | - | 858,000 | 1,639,850 | - |
| Capital outlay: | | | | | | |
| General government | - | - | - | - | - | 1,467,652 |
| Public safety | - | - | - | - | - | - |
| Highways and streets | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - |
| Economic development | - | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - |
| Total disbursements | 56,541 | - | 3,108,462 | 1,323,000 | 6,394,850 | 1,601,419 |
| Excess (deficiency) of receipts over disbursements | 75,580 | - | (3,108,462) | (403,188) | (233,030) | 938,623 |
| Other financing sources (uses): | | | | | | |
| Net proceeds from borrowings | - | - | 3,177,007 | - | - | - |
| Transfers in | - | - | - | - | 141,538 | - |
| Transfers out | - | - | (141,538) | - | - | (793) |
| Other receipts | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | 3,035,469 | - | 141,538 | (793) |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | 75,580 | - | (72,993) | (403,188) | (91,492) | 937,830 |
| Cash and investment fund balance - beginning | 128,288 | 198,165 | - | 378,996 | 150,365 | 2,661,761 |
| Cash and investment fund balance - ending | <u>\$ 203,868</u> | <u>\$ 198,165</u> | <u>\$ (72,993)</u> | <u>\$ (24,192)</u> | <u>\$ 58,873</u> | <u>\$ 3,599,591</u> |
| Cash and Investment Assets - Ending | | | | | | |
| Cash and investments | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Restricted assets: | | | | | | |
| Cash and investments | 203,868 | 198,165 | (72,993) | (24,192) | 58,873 | 3,599,591 |
| Total cash and investment assets - ending | \$ 203,868 | \$ 198,165 | \$ (72,993) | \$ (24,192) | \$ 58,873 | \$ 3,599,591 |
| Cash and Investment Fund Balance - Ending | | | | | | |
| Restricted for: | | | | | | |
| Public safety | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Highways and streets | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - |
| Debt service | - | 198,165 | (72,993) | - | 58,873 | - |
| Capital outlay | - | - | - | (24,192) | - | 3,599,591 |
| Other purposes | 203,868 | - | - | - | - | - |
| Unrestricted | - | - | - | - | - | - |
| Total cash and investment fund balance - ending | \$ 203,868 | \$ 198,165 | \$ (72,993) | \$ (24,192) | \$ 58,873 | \$ 3,599,591 |

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007
 (Continued)

| | Park Nonreverting Capital | Cumulative Bridge | General Drain Improvement | Building | CEDIT Capital Projects | Park Donation |
|----------------------------------------------------------------------------------------------------------------|---------------------------------|----------------------|---------------------------------|---------------------|------------------------------|------------------|
| Receipts: | | | | | | |
| Taxes | \$ - | \$ 1,160,970 | \$ - | \$ - | \$ 11,321,773 | \$ - |
| Special assessments | - | - | 20,188 | - | - | - |
| Licenses and permits | - | - | - | - | - | - |
| Intergovernmental | - | 82,643 | - | 43,062 | - | - |
| Charges for services | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - |
| Other | - | 45,791 | - | 71,992 | - | 30,423 |
| Total receipts | - | 1,289,404 | 20,188 | 115,054 | 11,321,773 | 30,423 |
| Disbursements: | | | | | | |
| General government | - | - | 218,933 | 43,062 | - | - |
| Public safety | - | - | - | - | - | - |
| Highways and streets | - | 210,262 | - | - | - | - |
| Health and welfare | - | - | - | - | - | - |
| Economic development | - | - | - | - | 7,608,757 | - |
| Culture and recreation | - | - | - | - | - | - |
| Urban redevelopment and housing | - | - | - | - | - | - |
| Debt service: | | | | | | |
| Principal | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - |
| Capital outlay: | | | | | | |
| General government | - | - | - | 2,001,809 | - | - |
| Public safety | - | - | - | - | - | - |
| Highways and streets | - | 869,215 | - | - | - | - |
| Health and welfare | - | - | - | - | - | - |
| Economic development | - | - | - | - | 350,341 | - |
| Culture and recreation | - | - | - | - | - | 41,178 |
| Total disbursements | - | 1,079,477 | 218,933 | 2,044,871 | 7,959,098 | 41,178 |
| Excess (deficiency) of receipts over disbursements | - | 209,927 | (198,745) | (1,929,817) | 3,362,675 | (10,755) |
| Other financing sources (uses): | | | | | | |
| Net proceeds from borrowings | - | - | - | - | - | - |
| Transfers in | - | - | 135,016 | - | - | - |
| Transfers out | - | - | - | - | (3,146,000) | - |
| Other receipts | - | 29,091 | - | 650 | 33,027 | - |
| Total other financing sources (uses) | - | 29,091 | 135,016 | 650 | (3,112,973) | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | - | 239,018 | (63,729) | (1,929,167) | 249,702 | (10,755) |
| Cash and investment fund balance - beginning | 11,635 | 1,754,134 | (9,726) | 3,037,247 | 3,427,719 | 21,192 |
| Cash and investment fund balance - ending | <u>\$ 11,635</u> | <u>\$ 1,993,152</u> | <u>\$ (73,455)</u> | <u>\$ 1,108,080</u> | <u>\$ 3,677,421</u> | <u>\$ 10,437</u> |
| Cash and Investment Assets - Ending | | | | | | |
| Cash and investments | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Restricted assets: | | | | | | |
| Cash and investments | 11,635 | 1,993,152 | (73,455) | 1,108,080 | 3,677,421 | 10,437 |
| Total cash and investment assets - ending | \$ 11,635 | \$ 1,993,152 | \$ (73,455) | \$ 1,108,080 | \$ 3,677,421 | \$ 10,437 |
| Cash and Investment Fund Balance - Ending | | | | | | |
| Restricted for: | | | | | | |
| Public safety | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Highways and streets | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - |
| Capital outlay | 11,635 | 1,993,152 | (73,455) | 1,108,080 | 3,677,421 | 10,437 |
| Other purposes | - | - | - | - | - | - |
| Unrestricted | - | - | - | - | - | - |
| Total cash and investment fund balance - ending | \$ 11,635 | \$ 1,993,152 | \$ (73,455) | \$ 1,108,080 | \$ 3,677,421 | \$ 10,437 |

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007
 (Continued)

| | Tax Increment Financing 2 | Major Cumulative Bridge | 2000 CEDIT Construction | Local Highway User Tax Projects | EDD #1 Capital | Totals |
|---------------------------------------------------------------------------------------------------------|---------------------------------|-------------------------------|----------------------------|---------------------------------------|-------------------|----------------------|
| Receipts: | | | | | | |
| Taxes | \$ - | \$ 2,308,841 | \$ - | \$ 198,503 | \$ - | \$ 33,491,819 |
| Special assessments | - | - | - | - | - | 480,388 |
| Licenses and permits | - | - | - | - | - | 1,227,272 |
| Intergovernmental | - | 159,098 | - | 2,543,985 | - | 15,899,033 |
| Charges for services | 71,797 | - | - | - | - | 3,527,891 |
| Fines and forfeits | - | - | - | - | - | 64,363 |
| Other | - | 38,635 | - | - | - | 4,688,116 |
| Total receipts | 71,797 | 2,506,574 | - | 2,742,488 | - | 59,378,882 |
| Disbursements: | | | | | | |
| General government | - | - | - | - | - | 5,917,135 |
| Public safety | - | - | - | - | - | 3,285,781 |
| Highways and streets | - | 1,128,424 | - | 3,009 | - | 7,805,319 |
| Health and welfare | - | - | - | - | - | 6,485,282 |
| Economic development | - | - | - | - | - | 7,898,757 |
| Culture and recreation | - | - | - | - | - | 4,892,525 |
| Urban redevelopment and housing | - | - | - | - | - | 33,429 |
| Debt service: | | | | | | |
| Principal | - | - | - | - | - | 5,220,000 |
| Interest | - | - | - | - | - | 2,497,850 |
| Capital outlay: | | | | | | |
| General government | - | - | 466,605 | - | - | 4,992,418 |
| Public safety | - | - | - | - | - | 81,802 |
| Highways and streets | - | 316,028 | - | 3,064,852 | - | 6,066,346 |
| Health and welfare | - | - | - | - | - | 552 |
| Economic development | 75,000 | - | - | - | - | 425,341 |
| Culture and recreation | - | - | - | - | - | 177,639 |
| Total disbursements | 75,000 | 1,444,452 | 466,605 | 3,067,861 | - | 55,780,176 |
| Excess (deficiency) of receipts over disbursements | (3,203) | 1,062,122 | (466,605) | (325,373) | - | 3,598,706 |
| Other financing sources (uses): | | | | | | |
| Net proceeds from borrowings | - | - | - | - | - | 3,177,007 |
| Transfers in | - | - | - | - | - | 341,276 |
| Transfers out | - | (100,550) | - | - | - | (5,659,024) |
| Other receipts | - | 366,679 | 67,705 | 4,407 | - | 588,574 |
| Total other financing sources (uses) | - | 266,129 | 67,705 | 4,407 | - | (1,552,167) |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (3,203) | 1,328,251 | (398,900) | (320,966) | - | 2,046,539 |
| Cash and investment fund balance - beginning | 75,000 | 1,254,188 | 409,189 | 560,327 | 207,999 | 41,230,538 |
| Cash and investment fund balance - ending | \$ 71,797 | \$ 2,582,439 | \$ 10,289 | \$ 239,361 | \$ 207,999 | \$ 43,277,077 |
| Cash and Investment Assets - Ending | | | | | | |
| Cash and investments | \$ - | \$ 2,582,439 | \$ 10,289 | \$ 239,361 | \$ 207,999 | \$ 24,094,156 |
| Restricted assets: | | | | | | |
| Cash and investments | 71,797 | - | - | - | - | 19,182,921 |
| Total cash and investment assets - ending | \$ 71,797 | \$ 2,582,439 | \$ 10,289 | \$ 239,361 | \$ 207,999 | \$ 43,277,077 |
| Cash and Investment Fund Balance - Ending | | | | | | |
| Restricted for: | | | | | | |
| Public safety | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,272,615 |
| Highways and streets | - | - | - | - | - | 3,684,485 |
| Health and welfare | - | - | - | - | - | 1,214,136 |
| Debt service | - | - | - | - | - | 184,045 |
| Capital outlay | 71,797 | - | - | - | - | 11,386,043 |
| Other purposes | - | - | - | - | - | 441,597 |
| Unrestricted | - | 2,582,439 | 10,289 | 239,361 | 207,999 | 24,094,156 |
| Total cash and investment fund balance - ending | \$ 71,797 | \$ 2,582,439 | \$ 10,289 | \$ 239,361 | \$ 207,999 | \$ 43,277,077 |

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 INTERNAL SERVICE FUNDS
 As of and for the Year Ended December 31, 2007

| | Liability Reserve | Group Insurance | Totals |
|-------------------------------------------------------|----------------------|--------------------|----------------|
| Operating receipts: | | | |
| Employee/employer contributions | \$ 2,681,830 | \$ 12,454,065 | \$ 15,135,895 |
| Miscellaneous | 49,651 | 187,973 | 237,624 |
| Total operating receipts | 2,731,481 | 12,642,038 | 15,373,519 |
| Operating disbursements: | | | |
| Insurance claims and expense | 946,657 | 9,529,050 | 10,475,707 |
| Excess of receipts over disbursements | 1,784,824 | 3,112,988 | 4,897,812 |
| Cash and investment fund balance - beginning | (1,784,824) | (12,052,238) | (13,837,062) |
| Cash and investment fund balance - ending | \$ - | \$ (8,939,250) | \$ (8,939,250) |
| <u>Cash and Investment Assets - December 31</u> | | | |
| Cash and investments | \$ - | \$ - | \$ - |
| Restricted assets: | | | |
| Cash and investments | - | (8,939,250) | (8,939,250) |
| Total cash and investment assets - December 31 | \$ - | \$ (8,939,250) | \$ (8,939,250) |
| <u>Cash and Investment Fund Balance - December 31</u> | | | |
| Restricted for: | | | |
| Other purposes | \$ - | \$ (8,939,250) | \$ (8,939,250) |
| Unrestricted | - | - | - |
| Total cash and investment fund balance - December 31 | \$ - | \$ (8,939,250) | \$ (8,939,250) |

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PENSION TRUST FUNDS
 For The Year Ended December 31, 2007

| | County Police Retirement | County Police Benefit | Totals |
|-------------------------------------------------|-----------------------------|--------------------------|---------------|
| Additions: | | | |
| Contributions: | | | |
| Employer | \$ 2,375,840 | \$ 70,135 | \$ 2,445,975 |
| Other | 1,616 | - | 1,616 |
| Total contributions | 2,377,456 | 70,135 | 2,447,591 |
| Investment receipts: | | | |
| Realized gain on sale of investments | 218,633 | 9,280 | 227,913 |
| Interest | 74,627 | 3,130 | 77,757 |
| Dividends | 751,490 | 25,776 | 777,266 |
| Total investment receipts | 1,044,750 | 38,186 | 1,082,936 |
| Total additions | 3,422,206 | 108,321 | 3,530,527 |
| Deductions: | | | |
| Benefits | 1,178,448 | 25,050 | 1,203,498 |
| Insurance payments | 51,643 | - | 51,643 |
| Trustee and actuarial fees | 39,698 | 1,084 | 40,782 |
| Total deductions | 1,269,789 | 26,134 | 1,295,923 |
| Excess of total additions over total deductions | 2,152,417 | 82,187 | 2,234,604 |
| Cash and investment fund balance - beginning | 32,034,834 | 1,114,271 | 33,149,105 |
| Cash and investment fund balance - ending | \$ 34,187,251 | \$ 1,196,458 | \$ 35,383,709 |

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2007

| | Town Court Costs | County Option Income Tax | Riverboat | Congressional School Interest | Surplus Tax Sale | Tax Sale Redemption | Surplus Tax |
|-----------------------------------------------------------------|------------------------|-----------------------------|--------------|-------------------------------------|------------------------|---------------------------|---------------------|
| Additions: | | | | | | | |
| Agency fund additions | \$ 105,522 | \$ 32,781,834 | \$ 1,674,554 | \$ 2,389 | \$ 7,300,238 | \$ 1,583,294 | \$ 1,793,287 |
| Deductions: | | | | | | | |
| Agency fund deductions | - | 30,859,811 | 1,674,554 | 8,703 | 5,212,708 | 1,530,143 | 490,820 |
| Excess (deficiency) of total additions over total deductions | 105,522 | 1,922,023 | - | (6,314) | 2,087,530 | 53,151 | 1,302,467 |
| Cash and investment fund balance - beginning | - | - | - | 8,703 | 4,761,952 | 126,135 | 2,471,747 |
| Cash and investment fund balance - ending | <u>\$ 105,522</u> | <u>\$ 1,922,023</u> | <u>\$ -</u> | <u>\$ 2,389</u> | <u>\$ 6,849,482</u> | <u>\$ 179,286</u> | <u>\$ 3,774,214</u> |

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2007
 (Continued)

| | State Fines and Forfeitures | Coroners Education | County Sales Disclosure | State Sales Disclosure Fee | Sewage Collections | Inheritance Tax | County Owned Tax Sale |
|-----------------------------------------------------------------|-----------------------------------|-----------------------|-------------------------------|-------------------------------------|-----------------------|---------------------|-----------------------------|
| Additions: | | | | | | | |
| Agency fund additions | \$ 882,434 | \$ 21,322 | \$ 35,970 | \$ 35,835 | \$ 141,610 | \$ 9,706,853 | \$ - |
| Deductions: | | | | | | | |
| Agency fund deductions | 857,519 | 20,839 | - | 36,450 | 19,317 | 7,384,053 | - |
| Excess (deficiency) of total additions over total deductions | 24,915 | 483 | 35,970 | (615) | 122,293 | 2,322,800 | - |
| Cash and investment fund balance - beginning | 114,757 | 1,861 | 198,810 | 2,890 | 21,116 | 1,866,348 | 28,688 |
| Cash and investment fund balance - ending | <u>\$ 139,672</u> | <u>\$ 2,344</u> | <u>\$ 234,780</u> | <u>\$ 2,275</u> | <u>\$ 143,409</u> | <u>\$ 4,189,148</u> | <u>\$ 28,688</u> |

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2007
 (Continued)

| | <u>Payroll</u> | <u>Employees Retirement Fund</u> | <u>Payroll Withholding Federal</u> | <u>Payroll Withholding State</u> | <u>Payroll Withholding OASI</u> | <u>Payroll Withholding Insurance</u> | <u>Special Death Benefit</u> |
|-----------------------------------------------------------------|------------------------|------------------------------------------|--------------------------------------------|------------------------------------------|-----------------------------------------|----------------------------------------------|--------------------------------------|
| Additions: | | | | | | | |
| Agency fund additions | \$ 39,743,355 | \$ 1,049,536 | \$ 4,137,615 | \$ 1,598,093 | \$ 5,903,709 | \$ 2,783 | \$ 26,430 |
| Deductions: | | | | | | | |
| Agency fund deductions | <u>39,742,647</u> | <u>1,046,023</u> | <u>4,137,807</u> | <u>1,660,117</u> | <u>5,903,976</u> | <u>175</u> | <u>27,235</u> |
| Excess (deficiency) of total additions over total deductions | 708 | 3,513 | (192) | (62,024) | (267) | 2,608 | (805) |
| Cash and investment fund balance - beginning | <u>(979)</u> | <u>312,099</u> | <u>170</u> | <u>147,808</u> | <u>435</u> | <u>6</u> | <u>2,935</u> |
| Cash and investment fund balance - ending | <u><u>\$ (271)</u></u> | <u><u>\$ 315,612</u></u> | <u><u>\$ (22)</u></u> | <u><u>\$ 85,784</u></u> | <u><u>\$ 168</u></u> | <u><u>\$ 2,614</u></u> | <u><u>\$ 2,130</u></u> |

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2007
 (Continued)

| | Payroll Withholding US Bonds | Clearing | Education Plate Fees | Wheel Tax | Sur Tax | Mortgage Recording Fee | Homestead Credit Rebate |
|-----------------------------------------------------------------|------------------------------------|-------------------|----------------------------|--------------|--------------|------------------------------|-------------------------------|
| Additions: | | | | | | | |
| Agency fund additions | \$ - | \$ 7,464,285 | \$ 24,900 | \$ 411,218 | \$ 5,269,468 | \$ 35,203 | \$ 16,128,261 |
| Deductions: | | | | | | | |
| Agency fund deductions | - | 7,467,345 | 24,900 | 411,218 | 5,269,468 | 36,003 | - |
| Excess (deficiency) of total additions over total deductions | - | (3,060) | - | - | - | (800) | 16,128,261 |
| Cash and investment fund balance - beginning | 911 | - | 1,969 | - | - | 3,182 | - |
| Cash and investment fund balance - ending | <u>\$ 911</u> | <u>\$ (3,060)</u> | <u>\$ 1,969</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,382</u> | <u>\$ 16,128,261</u> |

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2007
 (Continued)

| | Tax Distribution | Alternative Dispute Resolution | Domestic Relations Counseling Bureau | Miscellaneous State Money Trust | Surplus Drainage Collections | Surplus Replacement | Surplus Sewage Liens |
|-----------------------------------------------------------------|---------------------|--------------------------------------|-----------------------------------------------|---------------------------------------|------------------------------------|------------------------|----------------------------|
| Additions: | | | | | | | |
| Agency fund additions | \$ 335,684,379 | \$ 22,940 | \$ 11,090 | \$ 387,813 | \$ - | \$ - | \$ - |
| Deductions: | | | | | | | |
| Agency fund deductions | <u>335,672,657</u> | <u>1,363</u> | <u>370</u> | <u>387,813</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of total additions over total deductions | 11,722 | 21,577 | 10,720 | - | - | - | - |
| Cash and investment fund balance - beginning | <u>-</u> | <u>8,060</u> | <u>872</u> | <u>81</u> | <u>48</u> | <u>423</u> | <u>422</u> |
| Cash and investment fund balance - ending | <u>\$ 11,722</u> | <u>\$ 29,637</u> | <u>\$ 11,592</u> | <u>\$ 81</u> | <u>\$ 48</u> | <u>\$ 423</u> | <u>\$ 422</u> |

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2007
 (Continued)

| | Welfare Trust | County Home Resident Trust | Sheriff's Inmate Trust | County Sheriff | County Adult Probation | Circuit Court Clerk |
|-----------------------------------------------------------------|------------------|----------------------------------|------------------------------|-------------------|------------------------------|---------------------------|
| Additions: | | | | | | |
| Agency fund additions | \$ 246,959 | \$ 957,691 | \$ 1,082,890 | \$ 4,436,119 | \$ - | \$ 33,370,720 |
| Deductions: | | | | | | |
| Agency fund deductions | 293,448 | 951,386 | 1,106,613 | 4,445,948 | 58,447 | 34,354,357 |
| Excess (deficiency) of total additions over total deductions | (46,489) | 6,305 | (23,723) | (9,829) | (58,447) | (983,637) |
| Cash and investment fund balance - beginning | 69,970 | 31,242 | 94,763 | 46,828 | 58,447 | 9,486,068 |
| Cash and investment fund balance - ending | <u>\$ 23,481</u> | <u>\$ 37,547</u> | <u>\$ 71,040</u> | <u>\$ 36,999</u> | <u>\$ -</u> | <u>\$ 8,502,431</u> |

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2007
 (Continued)

| | County Recorder | County Treasurer | Parkview Detention Center | Prosecutor Check Deception Program | Treasurer's Refund | Totals |
|-----------------------------------------------------------------|--------------------|---------------------|---------------------------------|---------------------------------------------|-----------------------|----------------------|
| Additions: | | | | | | |
| Agency fund additions | \$ 1,175,744 | \$ 430,332,928 | \$ - | \$ - | \$ - | \$ 945,569,271 |
| Deductions: | | | | | | |
| Agency fund deductions | 1,193,700 | 427,252,508 | 13,196 | - | - | 919,553,637 |
| Excess (deficiency) of total additions over total deductions | (17,956) | 3,080,420 | (13,196) | - | - | 26,015,634 |
| Cash and investment fund balance - beginning | 100,401 | 3,767,166 | 13,196 | - | 780 | 23,750,310 |
| Cash and investment fund balance - ending | <u>\$ 82,445</u> | <u>\$ 6,847,586</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 780</u> | <u>\$ 49,765,944</u> |

ST. JOSEPH COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS

As of December 31, 2007

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.

General infrastructure assets (those reported by governmental activities) are included regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

| <u>Primary Government</u> | <u>Ending Balance</u> |
|------------------------------------------------------------------------|---------------------------|
| Governmental activities: | |
| Capital assets, not being depreciated: | |
| Land | \$ 20,868,838 |
| Infrastructure | 331,493,662 |
| Buildings | 75,345,739 |
| Machinery and equipment | 26,116,218 |
| Construction in progress | <u>4,554,299</u> |
| Total governmental activities, capital assets not being depreciated | <u>\$ 458,378,756</u> |

ST. JOSEPH COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2007

The County has entered into the following debt:

| Description of Debt | Ending Principal Balance | Principal and Interest Due Within One Year |
|--------------------------------------------|--------------------------------|-----------------------------------------------------|
| Governmental Activities: | | |
| Capital leases: | | |
| County jail | \$ 28,280,000 | \$ 1,150,000 |
| Bonds payable: | | |
| General obligation bonds: | | |
| 2005 Housing of inmates | 2,630,000 | 2,630,000 |
| Limited general obligation bonds: | | |
| 2000 Bridge bond construction | 5,900,000 | 525,000 |
| 2005 Limited tax bridge funding | 4,000,000 | 200,000 |
| General revenue bonds: | | |
| 1998 Special tax refunding | 1,520,000 | 290,000 |
| 2000 EDIT bonds | 5,500,000 | 1,725,000 |
| Capital appreciation bonds: | | |
| 1997 Redevelopment district bonds | 1,598,252 | 300,000 |
| General obligation judgment funding bonds: | | |
| 2007 Madison Center judgment | 3,175,000 | 850,000 |
| Tax incremental financing bonds: | | |
| 2001 TIF bonds | <u>16,910,000</u> | <u>545,000</u> |
| Total governmental activities debt | <u>\$ 69,513,252</u> | <u>\$ 8,215,000</u> |

ST. JOSEPH COUNTY
OTHER REPORTS

The annual report presented herein was prepared in addition to other official reports prepared for the individual County offices listed below:

Clerk of the Circuit Court
County Auditor
County Sheriff

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF ST. JOSEPH COUNTY, INDIANA

Compliance

We have audited the compliance of the St. Joseph County (County) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2007. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2007.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

A control deficiency in a County's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be significant deficiencies or material weaknesses, as defined above.

The County's response to the findings identified in our audit is described in the accompanying Corrective Action Plan section of the report. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County's management, the County Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

October 29, 2008

ST. JOSEPH COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2007

| Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title | Federal CFDA Number | Pass-Through Entity (or Other) Identifying Number | Total Federal Awards Expended |
|---------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|------------------------------------------------------------|-------------------------------------|
| <u>U.S. DEPARTMENT OF AGRICULTURE</u> | | | |
| Pass-Through Indiana Department of Education Child Nutrition Cluster School Breakfast Program | 10.553 | FY-2007 | \$ 57,264 |
| National School Lunch Program | 10.555 | FY-2007 | 102,701 |
| Child and Adult Care Food Program | 10.558 | FY-2007 | <u>28,085</u> |
| Total for federal grantor agency | | | <u>188,050</u> |
| <u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u> | | | |
| Pass-Through Housing Authority of South Bend Lead-Based Paint Hazard Control in Privately-Owned Housing | 14.900 | | <u>34,317</u> |
| <u>U.S. DEPARTMENT OF INTERIOR</u> | | | |
| Pass-Through Indiana Department of Natural Resources Historic Preservation Fund Grants-In-Aid | 15.904 | 18-06-21517-5 | <u>23,095</u> |
| <u>U.S. DEPARTMENT OF JUSTICE</u> | | | |
| Direct Grant Grants to Encourage Arrest Policies and Enforcement of Protection Orders | 16.590 | 2004 WEAXK-018 | <u>348,277</u> |
| Pass-Through Indiana Criminal Justice Institute Crime Victim Assistance | 16.575 | 06-VA-128 | <u>86,657</u> |
| Violence Against Women Formula Grants | 16.588 | 06-ST-052 07-ST--028 | 111,988 <u>77,206</u> |
| Total for Program | | | <u>189,194</u> |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | 03-JB-065 07-DJ-029 | 74,167 <u>97,175</u> |
| Total for Program | | | <u>171,342</u> |
| Total for federal grantor agency | | | <u>795,470</u> |
| <u>U.S. DEPARTMENT OF TRANSPORTATION</u> | | | |
| Pass-Through Indiana Criminal Justice Institute Highway Safety Cluster Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants | 20.601 | PT-08-04-01-25 AL-08-04-01-25 | 53,000 <u>110,135</u> |
| Total for grantor agency | | | <u>163,135</u> |
| <u>U.S. ELECTIONS ASSISTANCE COMMISSION</u> | | | |
| Pass-Through Indiana Secretary of State Help America Vote Act Requirements Payments | 90.401 | FY-2007 | <u>116,622</u> |

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

ST. JOSEPH COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2007
(Continued)

| Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title | Federal CFDA Number | Pass-Through Entity (or Other) Identifying Number | Total Federal Awards Expended |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|------------------------------------------------------------|-------------------------------------|
| <u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u> | | | |
| Pass-Through Indiana Department of Children's Services Special Programs for the Aging Title VII, Chapter 3 Programs for Prevention of Elder Abuse, Neglect, and Exploitation | 93.041 | 71-06-PV-1244-02 | <u>219,073</u> |
| Pass-Through Indiana Department of Health Childhood Lead Poisoning Prevention Projects State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children | 93.197 | | <u>110,352</u> |
| Centers for Disease Control and Prevention Investigations and Technical Assistance | 93.283 | | <u>38,545</u> |
| Pass-Through Indiana Department of Children's Services Child Support Enforcement | 93.563 | FY-2007 | |
| County Prosecutor's Expenditures | | | 1,172,703 |
| County Clerk's Expenditures | | | 155,341 |
| Probate Court Expenditures | | | 119,079 |
| Indirect Costs | | | <u>130,423</u> |
| Total for program | | | <u>1,577,546</u> |
| Pass-Through Indiana Department of Health HIV Prevention Activities - Health Department Based | 93.940 | AIDS 170-7 | <u>65,570</u> |
| Preventive Health Services - Sexually Transmitted Diseases Control Grants | 93.977 | STD 170-5 | <u>37,551</u> |
| Maternal and Child Health Services Block Grant to the States | 93.994 | MCH 170-4 MCH 170-10 | 39,531 <u>16,065</u> |
| Total for program | | | <u>55,596</u> |
| Total for federal grantor agency | | | <u>2,104,233</u> |
| <u>U.S. DEPARTMENT OF HOMELAND SECURITY</u> | | | |
| Pass-Through Indiana Department of Homeland Security Homeland Security Grant Program | 97.067 | FY-2007 | <u>11,250</u> |
| Law Enforcement Terrorism Prevention Program (LETPP) | 97.074 | FY-2007 | <u>219,191</u> |
| Buffer Zone Protection Program (BZPP) | 97.078 | FY-2007 | <u>45,533</u> |
| Total for federal grantor agency | | | <u>275,974</u> |
| Total federal awards expended | | | <u>\$ 3,700,896</u> |

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

ST. JOSEPH COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the St. Joseph County (County) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

II. Subrecipients

Of the federal expenditures presented in the schedule, the County provided federal awards to subrecipients as follows for the year ended December 31, 2007:

| Program Title | Federal CFDA Number | 2007 |
|-----------------------------------------------------------------------------|---------------------------|---------|
| Crime Victim Assistance | 16.575 | \$ 111 |
| Grants to Encourage Arrest Policies and Enforcement of Protection Orders | 16.590 | 348,277 |

ST. JOSEPH COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Qualified

Internal control over financial reporting:

| | |
|-------------------------------------------------------------------------------------|---------------|
| Material weaknesses identified? | no |
| Reportable conditions identified that are not considered to be material weaknesses? | none reported |

Noncompliance material to financial statements noted? yes

Federal Awards:

Internal control over major programs:

| | |
|-------------------------------------------------------------------------------------|---------------|
| Material weaknesses identified? | no |
| Reportable conditions identified that are not considered to be material weaknesses? | none reported |

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? no

Identification of Major Programs:

| CFDA Number | Name of Federal Program or Cluster |
|----------------|--------------------------------------------------------------------------|
| 16.590 | Grants to Encourage Arrest Policies and Enforcement of Protection Orders |
| 93.563 | Child Support Enforcement |

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

FINDING 2007-1, CIRCUIT COURT CLERK TRUST RECONCILEMENT

The County was unable to reconcile amounts from the office of the Clerk of Circuit Court trust registers with the Clerk's Cash Book record balances. No reconcilements of this kind have been done in many years.

ST. JOSEPH COUNTY
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 (Continued)

Most of these records are maintained on a computer system, where receipts and disbursements for these items are posted by cause number. Officials in the computer department are unable to provide a detailed listing of outstanding items timely, and the Clerk's office does not have a system in place to reconcile the outstanding items to the amount of cash on hand at any given date.

The County is required by the Accounting and Uniform Compliance Guidelines Manual for Clerks of the Circuit Court, Chapter 8, to reconcile the total of all trust items to the Clerk's Cash Book on a monthly basis.

Without trust records reconciled to the cash book, we are not able to verify that the cash on hand is sufficient to pay what is being held and owing to outside parties.

We recommended that the County design and implement procedures that would allow the trust records to be reconciled to the cash book on a continuous basis.

FINDING 2007-2, INSURANCE FUND NEGATIVE CASH BALANCES

At December 31, 2007, the Group Insurance Fund had a negative cash balance of \$8,939,250. At September 30, 2008, the negative cash balance was \$6,049,616. The following schedule shows this funds' negative cash balance at the end of recent years:

| Year Ending | Group Insurance |
|----------------|--------------------|
| 12-31-02 | \$ 2,091,125 |
| 12-31-03 | 4,183,554 |
| 12-31-04 | 5,524,952 |
| 12-31-05 | 9,149,596 |
| 12-31-06 | 12,052,239 |
| 12-31-07 | 8,939,250 |

The negative cash balances have occurred because County officials have not been sufficiently funding costs. This large negative cash balance is, in effect, reducing the available cash balance in other County funds. As of December 31, 2007, the General Fund cash balance was \$2,221,464 and not sufficient to cover the Group Insurance Funds' overdrawn cash balance.

The cash balance of any fund may not be reduced below zero. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 14)

We recommended that County officials review methods to eliminate the negative cash balances in the Group Insurance Fund. Cost allocation methods should be calculated in a manner to meet estimated expenditures and past deficiencies.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

ST. JOSEPH COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

RITA L. GLENN

**St. Joseph Circuit Court Clerk
Ex-officio Clerk of the St. Joseph Superior & Probate Courts**

**101 South Main Street
South Bend, IN. 46601**

**Telephone: (574) 235-9635
Fax: (574) 235-9838**

October 2, 2008

**St. Joseph County
Action Plan to Correct Financial
Statement Findings**

Findings 2007-1

The Clerk's office, believe it or not, is still working on the same system that we have had since 1986. I am told that JTAC is just around the corner. Still. Unfortunately in the interim, I do what needs to be done statutorily by hand. I am very fortunate that I have the hard working group of county employees that I have that continue to balance daily to the reports and monthly bank statements.

I will continue, in every way possible to work with the members of the JTAC committee to help with the implementation of the statewide system into St. Joe County. I would also like to thank Low & Associates for keeping the band aids on our current system.

Yours truly,



**Rita L. Glenn
St. Joseph Circuit Court Clerk**

ST. JOSEPH COUNTY AUDITOR

227 W. Jefferson Blvd. Second Floor

County City Building

South Bend, IN 46601

Telephone 574-235-9668

Fax 574-235-5024

Peter H. Mullen
Auditor

Cynthia A. Bodle
Chief Deputy Auditor

October 31, 2008

John Pajakowski
State Board of Accounts
227 W. Jefferson 9th Floor
South Bend, IN 46601

Re: Negative Balance in the St. Joseph County Health Insurance Fund

Finding 2007-2

Dear John,

The large debt carried by the County's health insurance fund has been an ongoing issue.

The negative balance from 12/31/06 to 12/31/07 was reduced by \$3,112,980.00 or by 25%. We have increased both employee contributions as well as increased the county's participatory share.

As of 9/30/2008 this cash deficit is now reduced an additional \$2,889,634.00 from 12/31/06. In twenty-one (21) months that is a total reduction of \$6,002,614.00 or almost 50%.

Further, the anticipated 2009 budget has appropriated \$900,000.00 to further reduce this debt. Together with the above mentioned increased employee share, the deficit will further be cut.

The process is in place and the debt should be eliminated in four (4) to five(5) years. The Council and the Commissioners have committed to eliminating this debt.



Peter H. Mullen
St. Joseph County Auditor

cc: St. Joseph County Commissioners
St. Joseph County Council

ST. JOSEPH COUNTY
EXIT CONFERENCE

The contents of this report were discussed on October 29, 2008, with Mark A. Dobson and Robert Kovach, Commissioners; Peter H. Mullen, Auditor; and Cynthia A. Bodle, Deputy Auditor.