

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

ANNUAL FINANCIAL REPORT

2010

ST. JOSEPH COUNTY, INDIANA



FILED

08/25/2011

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report on Financial Statements and Supplementary Schedule of Expenditures of Federal Awards	3-4
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	5-6
Financial Statement: Statement of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis	8-9
Notes to Financial Statement	10-14
Supplementary Information: Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis	16-35
Schedule of Capital Assets	36
Schedule of Long-Term Debt	37
Other Reports	38
Supplemental Audit of Federal Awards: 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	40-41
Schedule of Expenditures of Federal Awards	42-43
Notes to Schedule of Expenditures of Federal Awards	44
Schedule of Findings and Questioned Costs	45-46
Auditee Prepared Schedules: Summary Schedule of Prior Audit Findings	47
Corrective Action Plan	48
Exit Conference	49

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Peter H. Mullen	01-01-08 to 12-31-11
Treasurer	Sean J. Coleman	01-01-09 to 12-31-12
Clerk of the Circuit Court	Rita L. Glenn Terri J. Rethlake	01-01-07 to 12-31-10 01-01-11 to 12-31-14
Sheriff	Frank Canarecci John Botich, Jr. Michael D. Grzegorek	01-01-07 to 06-30-10 07-01-10 to 12-31-10 01-01-11 to 12-31-14
Recorder	Phillip G. Dotson	01-01-09 to 12-31-12
President of the Board of County Commissioners	Robert Kovach	01-01-10 to 12-31-11
President of the County Council	Rafael Morton	01-01-10 to 12-31-11



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 FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF ST. JOSEPH COUNTY, INDIANA

We have audited the accompanying financial statement of St. Joseph County (County), for the year ended December 31, 2010. This financial statement is the responsibility of the County's management. Our responsibility is to express opinions on this financial statement based on our audit.

Except as stated in the fourth paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 opinion.

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

We were unable to audit the trust balance amount for the Office of the Clerk of the Circuit Court at December 31, 2010, because detailed information from the Clerk's Trust Register was not available or reconciled to the Clerk's Cash Book totals. This amount is \$4,678,315 of the total cash and investment balances at December 31, 2010. We were unable to apply alternative procedures to satisfy ourselves of the amounts of this balance.

In our opinion, except for the effects on the financial statement of not accounting for certain funds discussed in the preceding paragraph, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the County for the year ended December 31, 2010, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated July 20, 2011, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters.

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

The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

Included in the financial statement are the receipts and disbursements activity from emergency telephone system fees (IC 36-8-16) and enhanced wireless emergency telephone fees (IC 36-8-16.5). In accordance with Indiana Code 36-8-16-14 and Indiana Code 36-8-16.5-41 these fees have been subject to an annual audit performed by the State Board of Accounts and, in our opinion, are fairly stated, in all material respects, in relation to the financial statement taken as a whole.

Our audit was conducted for the purpose of forming an opinion on the County's financial statement. The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the financial statement. The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, 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 financial statement and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the County's management, 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

July 20, 2011



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

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 statement of St. Joseph County (County), for the year ended December 31, 2010, and have issued our report thereon dated July 20, 2011. The opinion to the financial statement was qualified due to a material balance in the Clerk's Trust that could not be verified. 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 opinion on the financial statement, 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.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2010-1 to be material weaknesses.

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 statement 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 item 2010-1.

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, 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

July 20, 2011

FINANCIAL STATEMENT

ST. JOSEPH COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
REGULATORY BASIS
For The Year Ended December 31, 2010

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
County General	\$ 5,497,162	\$ 83,425,209	\$ 78,214,282	\$ 10,708,089
Local Roads And Streets	768,643	1,535,984	1,271,552	1,033,075
Accident Reports Sheriff	15,575	11,608	11,950	15,233
Firearms Training And Police Education	73,303	75,552	52,923	95,932
Park Non Reverting Operating	494,885	342,422	403,417	433,890
County Health	731,193	2,272,416	2,112,021	891,588
Drug Testing Fees	130,096	45,977	52,969	123,104
Federal Grant	85,533	179,000	229,238	35,295
Community Development	15,599	36,896	36,896	15,599
Public Housing Authority	32,062	28,179	32,061	28,180
Special Vehicle Inspection	5,228	3,155	-	8,383
Clerks Record Perpetuation	183,058	80,625	87,604	176,079
Enhanced Access Fee	239,413	40,630	-	280,043
H.A.V.A. 102 Funds	949,732	-	86,545	863,187
Riverboat Revenue Sharing	-	1,661,877	1,661,877	-
Emergency Telephone System	2,421,596	1,788,735	1,443,648	2,766,683
County Drug Free	135,517	130,377	136,000	129,894
Sheriff D.E.A.	57,145	62,765	6,133	113,777
Drainage Maintenance	936,063	1,047,847	648,680	1,335,230
Local Emergency Planning	45,434	-	9,821	35,613
Convention Exhibition Center	1,098,831	3,177,474	3,263,316	1,012,989
Healthwin	10,103	160,000	130,000	40,103
County Highway	586,796	5,172,194	4,927,042	831,948
Park And Recreation	4,197	1,732,581	1,508,495	228,283
Juvenile Probation Fees	643,377	160,867	111,434	692,810
Adult Probation Fees	332,903	128,001	100,638	360,266
Recorder Perpetuation	767,754	213,204	148,999	831,959
User Fees	1,173,846	347,063	367,086	1,153,823
Family And Children's	-	21,206	21,206	-
Community Based Corrections	1,180,854	932,476	1,046,183	1,067,147
Plat Book Maintenance	71,748	59,496	22,736	108,508
County General A.R.R.A.	-	337,099	-	337,099
Animal License Fee (Dog Tax)	16,085	8,432	20,000	4,517
Surveyor Corner	(39,324)	43,940	-	4,616
Sheriff Cef	10,696	8,048	8,472	10,272
Park Gift And Grant	42,412	3,821	3,900	42,333
Family Justice Center Grant	1	-	-	1
Protective Order Project	15,539	231,335	286,242	(39,368)
H1N1 Flu Virus	225,235	3,084	152,143	76,176
County Special Gifts	37,630	47,394	33,414	51,610
Health S.T.D.	(5,154)	14,167	16,670	(7,657)
Health Local Health Services Grant	130,266	72,673	66,066	136,873
Health Aids Grant	12,988	12,575	15,534	10,029
Health Bioterrorism Grant	3,573	3,322	3,850	3,045
Health Lead Elimination Grant	(15,066)	81,609	85,572	(19,029)
Family Court Grant	43,953	53,119	85,973	11,099
2007-S.H.S.P Races	-	469	469	-
2006 Reassessment	961,693	938,821	971,103	929,411
County Rainy Day	4,054,966	2,309,592	11,554	6,353,004
County Sales Disclosure Fees	286,660	22,510	-	309,170
Recorder's Escrow	-	623,357	535,579	87,778
County Corrections	-	183,422	183,422	-
Tax Sale Clearing	-	7,233,882	7,195,016	38,866
Portage Manor	2,699,187	2,293,019	2,175,566	2,816,640
Take Ten Project	-	15,600	15,600	-
Sex Offender Grant Community Correction	(59,928)	137,567	124,669	(47,030)
Excess Levy	4,395,755	1,086,479	264	5,481,970
Identification Security Protection	374,310	114,034	244,741	243,603
Fathers And Families Initiatives	32,710	-	32,710	-
Public Defenders Fees	305,277	40,216	65,187	280,306
C.O.I.T.	10,075,667	79,447,463	85,430,337	4,092,793

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

ST. JOSEPH COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
REGULATORY BASIS
For The Year Ended December 31, 2010
(Continued)

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
Adult Probation Administration Fee	149,983	33,989	25,000	158,972
Wyatt Economic Development Area #1	2,264,222	2,167,435	280,000	4,151,657
E.D.A.#3 Project	-	1,371,259	1,371,259	-
Local Major Moves Construction	15,491,685	444,511	4,305,624	11,630,572
Sex/Violent Offender Fee	16,437	12,550	9,059	19,928
Sex/Violent Offender Additional Fee	5	-	-	5
Emergency Management Grants	(15,068)	15,068	-	-
Portage Manor Farm Operation	15,212	7,187	4,022	18,377
County Poor Relief Bond	198,165	-	-	198,165
2009 Cedit Bond Jackson Road	41,600	-	-	41,600
Redevelopment Bond 2001 Refinancing Bond :	490,615	3,356,017	860,205	2,986,427
County Bonds And Interest	(580,796)	4,825,566	4,752,228	(507,458)
Cumulative Capital Development	4,181,247	1,697,423	1,518,404	4,360,266
Park Nonreverting Capital	11,635	40,869	23,478	29,026
Major Cumulative Bridge	2,571,435	3,196,481	4,355,012	1,412,904
General Drain Improvement	(13,749)	245,253	185,425	46,079
County Emergency Command Center	1,866,035	1,521,474	974,272	2,413,237
C.E.D.I.T.	4,450,191	35,877,932	32,932,185	7,395,938
Local Highway. User Tax Projects	89,896	2,722,504	2,653,110	159,290
County Police Pension Trust	250,742	224,212	354,500	120,454
Congressional School Principal	-	284	-	284
City/Town Court Cost	155,022	93,251	245,921	2,352
Coroner Training. And Continuing. Education	2,590	29,859	29,579	2,870
Tax Sale Surplus	3,865,254	5,367,993	4,505,403	4,727,844
Tax Sale Redemption	154,279	3,103,309	3,073,150	184,438
Surplus Tax	3,082,945	4,669,298	4,046,226	3,706,017
Fines And Forfeitures	132,867	771,876	798,586	106,157
State Sales Disclosure Fees	2,440	22,510	22,995	1,955
Sewage Liens Collections	99	406,554	406,645	8
Alternative Dispute Resolution	60,063	32,465	50,783	41,745
Inheritance Tax	859,734	5,767,104	4,245,756	2,381,082
Commissioner's Certificate Sale	169,641	1,955,368	1,210,062	914,947
Payroll	(1,663)	37,069,781	37,068,118	-
Perf	284,454	997,280	1,001,397	280,337
Federal Withholding	905	3,419,641	3,419,111	1,435
Indiana Gross Withholding	217,806	1,812,006	1,802,192	227,620
Fica	(339)	5,499,485	5,500,015	(869)
Employees Miscellaneous Insurance	-	190	175	15
Group Insurance	(682,049)	13,583,355	10,771,372	2,129,934
Health Plan Reserve	1,136,597	122,196	750,000	508,793
Liability Reserve	1	1,504,701	1,501,800	2,902
Special Death Benefit Fees	2,040	26,900	27,025	1,915
Miscellaneous State Monies Trust	81	641,791	640,760	1,112
Education Plate Fee Distribution	-	8,981	8,981	-
County Wheel Tax	614	429,317	411,765	18,166
Excise Surtax	-	5,256,251	5,256,251	-
Mortgage Recording Fee-State	1,745	22,026	21,623	2,148
C.V.E.T.	11,722	2,328,895	2,340,617	-
2007 Homestead Credit Rebate	19,149	-	-	19,149
Hea 1001-08 State Homestead Credit Settlement	6,966,231	4,980,257	11,941,907	4,581
	-	331,821,311	331,821,311	-
Pension Trust	36,294,028	(67,123)	2,284,054	33,942,851
Juvenile Justice Center	68,804	462,817	494,307	37,314
County Treasurer	56,067,980	245,119,792	292,570,289	8,617,483
County Recorder	77,912	-	77,912	-
Circuit Court Clerk	9,037,660	30,993,985	31,959,259	8,072,386
County Adult Probation	16,528	168,606	163,032	22,102
County Sheriff Civil Division	2,442	2,282,304	2,282,479	2,267
Sheriff Inmate Trust	98,187	882,561	915,735	65,013
County Home Resident Trust	20,538	942,212	942,441	20,309
County Sheriff Jail Commissary	9,810	151,602	126,361	35,051
Totals	\$ 191,908,386	\$ 970,681,586	\$ 1,015,247,983	\$ 147,341,989

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

ST. JOSEPH COUNTY
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

The accompanying financial statement presents the financial information for the County (primary government), and does not include financial information for any of the County's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial information of the County (primary government).

B. Basis of Accounting

The financial statements are reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

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

C. Cash and Investments

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

D. Receipts

Receipts are presented in the aggregate on the face of the financial statements. The aggregate receipts may include, but are not limited to, the following sources:

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

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

ST. JOSEPH COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

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

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

Utility fees which are comprised mostly of charges for current services.

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

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements may include, but are not limited to, the following uses:

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

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

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

ST. JOSEPH COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

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

Utility operating expenses which include all outflows for operating the utilities.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

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

ST. JOSEPH COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

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

Note 5. Risk Management

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

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

Note 6. Pension Plan(s)

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is 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 this 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 members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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. That 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

ST. JOSEPH COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Funding Policy and Annual Pension Cost

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

B. County Police Retirement Plan

Plan Description

The County Police Retirement Plan is a single-employer defined benefit pension plan. With the approval of the County's fiscal body, the plan is administered by the sheriff's department and an appointed trustee as authorized by state statute (IC 36-8-10-12) for full-time police officers. The plan provides retirement, death, and disability benefits to plan members and beneficiaries. The trustee issues a publicly available financial report that includes financial statements and required supplementary information of the plan. The report may be obtained by contacting the county sheriff.

Funding Policy

The contribution requirements of plan members for the County Police Retirement Plan are established by state statute.

C. County Police Benefit Plan

Plan Description

The County Police Benefit Plan is a single-employer defined benefit pension plan. With the approval of the County's fiscal body, the plan is administered by the sheriff's department and an appointed trustee as authorized by state statute (IC 36-8-10-12) for full-time police officers. The plan provides dependent pensions, life insurance, and disability benefits to plan members and beneficiaries. The trustee issues a publicly available financial report that includes financial statements and required supplementary information of the plan. The report may be obtained by contacting the county sheriff.

Funding Policy

The contribution requirements of plan members for the County Police Benefit Plan are established by state statute.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, St. Joseph County's Annual Report can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010

	County General	Local Roads And Streets	Accident Reports Sheriff	Firearms Training And Police Education	Park Non Reverting Operating	County Health	Drug Testing Fees
Cash and investments - beginning	\$ 5,497,162	\$ 768,643	\$ 15,575	\$ 73,303	\$ 494,885	\$ 731,193	\$ 130,096
Receipts:							
Taxes	44,387,854	-	-	-	-	934,719	-
Licenses and permits	75,019	-	-	-	-	1,093,135	-
Intergovernmental	6,414,300	1,466,720	-	-	-	178,089	-
Charges for services	9,064,194	-	-	-	-	-	-
Fines and forfeits	1,597,934	-	-	-	-	-	-
Other receipts	<u>21,885,908</u>	<u>69,264</u>	<u>11,608</u>	<u>75,552</u>	<u>342,422</u>	<u>66,473</u>	<u>45,977</u>
Total receipts	<u>83,425,209</u>	<u>1,535,984</u>	<u>11,608</u>	<u>75,552</u>	<u>342,422</u>	<u>2,272,416</u>	<u>45,977</u>
Disbursements:							
Personal services	46,930,455	-	-	-	55,399	1,885,580	-
Supplies	2,104,412	-	11,950	12,810	228,698	46,104	52,969
Other services and charges	29,107,627	50,705	-	38,161	3,435	180,337	-
Capital outlay	71,788	1,220,847	-	1,952	-	-	-
Other disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>115,885</u>	<u>-</u>	<u>-</u>
Total disbursements	<u>78,214,282</u>	<u>1,271,552</u>	<u>11,950</u>	<u>52,923</u>	<u>403,417</u>	<u>2,112,021</u>	<u>52,969</u>
Excess (deficiency) of receipts over disbursements	<u>5,210,927</u>	<u>264,432</u>	<u>(342)</u>	<u>22,629</u>	<u>(60,995)</u>	<u>160,395</u>	<u>(6,992)</u>
Cash and investments - ending	<u>\$ 10,708,089</u>	<u>\$ 1,033,075</u>	<u>\$ 15,233</u>	<u>\$ 95,932</u>	<u>\$ 433,890</u>	<u>\$ 891,588</u>	<u>\$ 123,104</u>

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Federal Grant	Community Development	Public Housing Authority	Special Vehicle Inspection	Clerks Record Perpetuation	Enhanced Access Fee	H.A.V.A. 102 Funds
Cash and investments - beginning	\$ 85,533	\$ 15,599	\$ 32,062	\$ 5,228	\$ 183,058	\$ 239,413	\$ 949,732
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	179,000	36,896	28,179	-	-	-	-
Charges for services	-	-	-	-	-	34,143	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	3,155	80,625	6,487	-
Total receipts	<u>179,000</u>	<u>36,896</u>	<u>28,179</u>	<u>3,155</u>	<u>80,625</u>	<u>40,630</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	1,768	-	-
Other services and charges	98,423	36,896	32,061	-	5,116	-	86,545
Capital outlay	130,815	-	-	-	720	-	-
Other disbursements	-	-	-	-	80,000	-	-
Total disbursements	<u>229,238</u>	<u>36,896</u>	<u>32,061</u>	<u>-</u>	<u>87,604</u>	<u>-</u>	<u>86,545</u>
Excess (deficiency) of receipts over disbursements	<u>(50,238)</u>	<u>-</u>	<u>(3,882)</u>	<u>3,155</u>	<u>(6,979)</u>	<u>40,630</u>	<u>(86,545)</u>
Cash and investments - ending	<u>\$ 35,295</u>	<u>\$ 15,599</u>	<u>\$ 28,180</u>	<u>\$ 8,383</u>	<u>\$ 176,079</u>	<u>\$ 280,043</u>	<u>\$ 863,187</u>

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Riverboat Revenue Sharing	Emergency Telephone System	County Drug Free	Sheriff D.E.A.	Drainage Maintenance	Local Emergency Planning	Convention Exhibition Center
Cash and investments - beginning	\$ -	\$ 2,421,596	\$ 135,517	\$ 57,145	\$ 936,063	\$ 45,434	\$ 1,098,831
Receipts:							
Taxes	-	-	-	-	1,047,847	-	3,173,793
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	1,661,877	-	-	-	-	-	-
Charges for services	-	935,742	-	60,310	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	852,993	130,377	2,455	-	-	3,681
Total receipts	<u>1,661,877</u>	<u>1,788,735</u>	<u>130,377</u>	<u>62,765</u>	<u>1,047,847</u>	<u>-</u>	<u>3,177,474</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	146	-	4,052	-	211	-
Other services and charges	1,661,877	1,443,502	136,000	1,581	648,680	9,610	3,166,316
Capital outlay	-	-	-	500	-	-	97,000
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>1,661,877</u>	<u>1,443,648</u>	<u>136,000</u>	<u>6,133</u>	<u>648,680</u>	<u>9,821</u>	<u>3,263,316</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>345,087</u>	<u>(5,623)</u>	<u>56,632</u>	<u>399,167</u>	<u>(9,821)</u>	<u>(85,842)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 2,766,683</u>	<u>\$ 129,894</u>	<u>\$ 113,777</u>	<u>\$ 1,335,230</u>	<u>\$ 35,613</u>	<u>\$ 1,012,989</u>

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Healthwin	County Highway	Park And Recreation	Juvenile Probation Fees	Adult Probation Fees	Recorder Perpetuation
Cash and investments - beginning	\$ 10,103	\$ 586,796	\$ 4,197	\$ 643,377	\$ 332,903	\$ 767,754
Receipts:						
Taxes	-	-	1,433,909	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	4,696,875	117,591	-	-	-
Charges for services	160,000	-	-	-	-	44,323
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	475,319	181,081	160,867	128,001	168,881
Total receipts	<u>160,000</u>	<u>5,172,194</u>	<u>1,732,581</u>	<u>160,867</u>	<u>128,001</u>	<u>213,204</u>
Disbursements:						
Personal services	-	3,122,483	1,122,912	-	-	-
Supplies	-	1,317,015	107,623	-	-	3,767
Other services and charges	-	471,342	277,960	111,434	638	144,523
Capital outlay	130,000	16,202	-	-	-	709
Other disbursements	-	-	-	-	100,000	-
Total disbursements	<u>130,000</u>	<u>4,927,042</u>	<u>1,508,495</u>	<u>111,434</u>	<u>100,638</u>	<u>148,999</u>
Excess (deficiency) of receipts over disbursements	<u>30,000</u>	<u>245,152</u>	<u>224,086</u>	<u>49,433</u>	<u>27,363</u>	<u>64,205</u>
Cash and investments - ending	<u>\$ 40,103</u>	<u>\$ 831,948</u>	<u>\$ 228,283</u>	<u>\$ 692,810</u>	<u>\$ 360,266</u>	<u>\$ 831,959</u>

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	User Fees	Family And Children's	Community Based Corrections	Plat Book Maintenance	County General A.R.R.A.	Animal License Fee (Dog Tax)
Cash and investments - beginning	\$ 1,173,846	\$ -	\$ 1,180,854	\$ 71,748	\$ -	\$ 16,085
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	721,881	-	226,053	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	8,432
Other receipts	347,063	21,206	210,595	59,496	111,046	-
Total receipts	<u>347,063</u>	<u>21,206</u>	<u>932,476</u>	<u>59,496</u>	<u>337,099</u>	<u>8,432</u>
Disbursements:						
Personal services	-	-	655,319	-	-	-
Supplies	-	-	42,342	7,843	-	-
Other services and charges	43,002	21,206	83,290	14,893	-	20,000
Capital outlay	-	-	2,291	-	-	-
Other disbursements	324,084	-	262,941	-	-	-
Total disbursements	<u>367,086</u>	<u>21,206</u>	<u>1,046,183</u>	<u>22,736</u>	<u>-</u>	<u>20,000</u>
Excess (deficiency) of receipts over disbursements	<u>(20,023)</u>	<u>-</u>	<u>(113,707)</u>	<u>36,760</u>	<u>337,099</u>	<u>(11,568)</u>
Cash and investments - ending	<u>\$ 1,153,823</u>	<u>\$ -</u>	<u>\$ 1,067,147</u>	<u>\$ 108,508</u>	<u>\$ 337,099</u>	<u>\$ 4,517</u>

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Surveyor Corner	Sheriff Cef	Park Gift And Grant	Family Justice Center Grant	Protective Order Project	H1N1 Flu Virus
Cash and investments - beginning	\$ (39,324)	\$ 10,696	\$ 42,412	\$ 1	\$ 15,539	\$ 225,235
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	230,335	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	43,940	8,048	3,821	-	1,000	3,084
Total receipts	43,940	8,048	3,821	-	231,335	3,084
Disbursements:						
Personal services	-	-	-	-	146,539	48,325
Supplies	-	-	-	-	-	-
Other services and charges	-	8,472	-	-	139,703	103,818
Capital outlay	-	-	3,900	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	8,472	3,900	-	286,242	152,143
Excess (deficiency) of receipts over disbursements	43,940	(424)	(79)	-	(54,907)	(149,059)
Cash and investments - ending	\$ 4,616	\$ 10,272	\$ 42,333	\$ 1	\$ (39,368)	\$ 76,176

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	County Special Gifts	Health S.T.D.	Health Local Health Services Grant	Health Aids Grant	Health Bioterrorism Grant	Health Lead Elimination Grant
Cash and investments - beginning	\$ 37,630	\$ (5,154)	\$ 130,266	\$ 12,988	\$ 3,573	\$ (15,066)
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	12,077	14,167	72,673	12,575	3,322	80,766
Charges for services	230	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	35,087	-	-	-	-	843
Total receipts	<u>47,394</u>	<u>14,167</u>	<u>72,673</u>	<u>12,575</u>	<u>3,322</u>	<u>81,609</u>
Disbursements:						
Personal services	-	12,175	57,716	13,890	-	72,133
Supplies	12,651	1,163	2,575	-	-	-
Other services and charges	5,301	3,332	5,775	1,644	3,850	13,439
Capital outlay	15,462	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>33,414</u>	<u>16,670</u>	<u>66,066</u>	<u>15,534</u>	<u>3,850</u>	<u>85,572</u>
Excess (deficiency) of receipts over disbursements	<u>13,980</u>	<u>(2,503)</u>	<u>6,607</u>	<u>(2,959)</u>	<u>(528)</u>	<u>(3,963)</u>
Cash and investments - ending	<u>\$ 51,610</u>	<u>\$ (7,657)</u>	<u>\$ 136,873</u>	<u>\$ 10,029</u>	<u>\$ 3,045</u>	<u>\$ (19,029)</u>

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Family Court Grant	2007-S.H.S.P Races	2006 Reassessment	County Rainy Day	County Sales Disclosure Fees	Recorder's Escrow
Cash and investments - beginning	\$ 43,953	\$ -	\$ 961,693	\$ 4,054,966	\$ 286,660	\$ -
Receipts:						
Taxes	-	-	865,637	2,304,956	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	12,500	469	69,544	-	-	-
Charges for services	-	-	-	-	22,510	4,630
Fines and forfeits	-	-	-	-	-	-
Other receipts	40,619	-	3,640	4,636	-	618,727
Total receipts	<u>53,119</u>	<u>469</u>	<u>938,821</u>	<u>2,309,592</u>	<u>22,510</u>	<u>623,357</u>
Disbursements:						
Personal services	72,449	-	625,831	-	-	-
Supplies	1,042	-	14,267	-	-	-
Other services and charges	12,482	-	328,706	11,554	-	535,579
Capital outlay	-	469	2,299	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>85,973</u>	<u>469</u>	<u>971,103</u>	<u>11,554</u>	<u>-</u>	<u>535,579</u>
Excess (deficiency) of receipts over disbursements	<u>(32,854)</u>	<u>-</u>	<u>(32,282)</u>	<u>2,298,038</u>	<u>22,510</u>	<u>87,778</u>
Cash and investments - ending	<u>\$ 11,099</u>	<u>\$ -</u>	<u>\$ 929,411</u>	<u>\$ 6,353,004</u>	<u>\$ 309,170</u>	<u>\$ 87,778</u>

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	County Corrections	Tax Sale Clearing	Portage Manor	Take Ten Project	Sex Offender Grant Community Correction	Excess Levy
Cash and investments - beginning	\$ -	\$ -	\$ 2,699,187	\$ -	\$ (59,928)	\$ 4,395,755
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	183,422	-	-	15,600	137,567	-
Charges for services	-	-	2,273,034	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	7,233,882	19,985	-	-	1,086,479
Total receipts	<u>183,422</u>	<u>7,233,882</u>	<u>2,293,019</u>	<u>15,600</u>	<u>137,567</u>	<u>1,086,479</u>
Disbursements:						
Personal services	-	-	1,478,854	-	214	-
Supplies	-	-	318,213	-	-	-
Other services and charges	-	7,195,016	310,762	15,600	124,455	264
Capital outlay	-	-	67,737	-	-	-
Other disbursements	183,422	-	-	-	-	-
Total disbursements	<u>183,422</u>	<u>7,195,016</u>	<u>2,175,566</u>	<u>15,600</u>	<u>124,669</u>	<u>264</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>38,866</u>	<u>117,453</u>	<u>-</u>	<u>12,898</u>	<u>1,086,215</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 38,866</u>	<u>\$ 2,816,640</u>	<u>\$ -</u>	<u>\$ (47,030)</u>	<u>\$ 5,481,970</u>

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Identification Security Protection	Fathers And Families Initiatives	Public Defenders Fees	C.O.I.T.	Adult Probation Administration Fee	Wyatt Economic Development Area #1
Cash and investments - beginning	\$ 374,310	\$ 32,710	\$ 305,277	\$ 10,075,667	\$ 149,983	\$ 2,264,222
Receipts:						
Taxes	-	-	-	79,034,596	-	2,146,935
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	40,000	-	-	-	-	-
Fines and forfeits	-	-	1,075	-	-	-
Other receipts	74,034	-	39,141	412,867	33,989	20,500
Total receipts	<u>114,034</u>	<u>-</u>	<u>40,216</u>	<u>79,447,463</u>	<u>33,989</u>	<u>2,167,435</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	244,741	32,710	18,987	85,430,337	-	280,000
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	46,200	-	25,000	-
Total disbursements	<u>244,741</u>	<u>32,710</u>	<u>65,187</u>	<u>85,430,337</u>	<u>25,000</u>	<u>280,000</u>
Excess (deficiency) of receipts over disbursements	<u>(130,707)</u>	<u>(32,710)</u>	<u>(24,971)</u>	<u>(5,982,874)</u>	<u>8,989</u>	<u>1,887,435</u>
Cash and investments - ending	<u>\$ 243,603</u>	<u>\$ -</u>	<u>\$ 280,306</u>	<u>\$ 4,092,793</u>	<u>\$ 158,972</u>	<u>\$ 4,151,657</u>

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	E.D.A.#3 Project	Local Major Moves Construction	Sex/Violent Offender Fee	Sex/Violent Offender Additional Fee	Emergency Management Grants	Portage Manor Farm Operation
Cash and investments - beginning	\$ -	\$ 15,491,685	\$ 16,437	\$ 5	\$ (15,068)	\$ 15,212
Receipts:						
Taxes	1,371,259	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	14,739	-
Charges for services	-	387,202	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	57,309	12,550	-	329	7,187
Total receipts	<u>1,371,259</u>	<u>444,511</u>	<u>12,550</u>	<u>-</u>	<u>15,068</u>	<u>7,187</u>
Disbursements:						
Personal services	-	-	300	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	1,210	-	-	4,022
Capital outlay	-	4,305,624	7,549	-	-	-
Other disbursements	1,371,259	-	-	-	-	-
Total disbursements	<u>1,371,259</u>	<u>4,305,624</u>	<u>9,059</u>	<u>-</u>	<u>-</u>	<u>4,022</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(3,861,113)</u>	<u>3,491</u>	<u>-</u>	<u>15,068</u>	<u>3,165</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 11,630,572</u>	<u>\$ 19,928</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ 18,377</u>

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	County Poor Relief Bond	2009 Cedit Bond Jackson Road	Redevelopment Bond 2001 Refinancing Bond 2010	County Bonds And Interest	Cumulative Capital Development	Park Nonreverting Capital
Cash and investments - beginning	\$ 198,165	\$ 41,600	\$ 490,615	\$ (580,796)	\$ 4,181,247	\$ 11,635
Receipts:						
Taxes	-	-	1,912,100	4,488,597	1,571,202	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	336,969	125,811	-
Charges for services	-	-	71,797	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	1,372,120	-	410	40,869
Total receipts	-	-	3,356,017	4,825,566	1,697,423	40,869
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	860,205	4,752,228	178,628	23,478
Capital outlay	-	-	-	-	1,339,776	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	-	860,205	4,752,228	1,518,404	23,478
Excess (deficiency) of receipts over disbursements	-	-	2,495,812	73,338	179,019	17,391
Cash and investments - ending	\$ 198,165	\$ 41,600	\$ 2,986,427	\$ (507,458)	\$ 4,360,266	\$ 29,026

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Major Cumulative Bridge	General Drain Improvement	County Emergency Command Center	C.E.D.I.T.	Local Highway. User Tax Projects	County Police Pension Trust
Cash and investments - beginning	\$ 2,571,435	\$ (13,749)	\$ 1,866,035	\$ 4,450,191	\$ 89,896	\$ 250,742
Receipts:						
Taxes	2,257,023	18,502	-	24,257,435	-	-
Licenses and permits	-	-	-	13,807	-	-
Intergovernmental	180,812	-	1,250,000	-	2,722,504	-
Charges for services	299,299	-	-	11,596,599	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	459,347	226,751	271,474	10,091	-	224,212
Total receipts	<u>3,196,481</u>	<u>245,253</u>	<u>1,521,474</u>	<u>35,877,932</u>	<u>2,722,504</u>	<u>224,212</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	15,000	-	-	324,801	-	-
Other services and charges	1,394,482	185,425	358,870	29,093,572	-	354,500
Capital outlay	2,945,530	-	615,402	1,513,812	2,653,110	-
Other disbursements	-	-	-	2,000,000	-	-
Total disbursements	<u>4,355,012</u>	<u>185,425</u>	<u>974,272</u>	<u>32,932,185</u>	<u>2,653,110</u>	<u>354,500</u>
Excess (deficiency) of receipts over disbursements	<u>(1,158,531)</u>	<u>59,828</u>	<u>547,202</u>	<u>2,945,747</u>	<u>69,394</u>	<u>(130,288)</u>
Cash and investments - ending	<u>\$ 1,412,904</u>	<u>\$ 46,079</u>	<u>\$ 2,413,237</u>	<u>\$ 7,395,938</u>	<u>\$ 159,290</u>	<u>\$ 120,454</u>

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Congressional School Principal	City/Town Court Cost	Coroner Training. And Continuing. Education	Tax Sale Surplus	Tax Sale Redemption	Surplus Tax
Cash and investments - beginning	\$ -	\$ 155,022	\$ 2,590	\$ 3,865,254	\$ 154,279	\$ 3,082,945
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	284	93,251	29,859	5,367,993	3,103,309	4,669,298
Total receipts	<u>284</u>	<u>93,251</u>	<u>29,859</u>	<u>5,367,993</u>	<u>3,103,309</u>	<u>4,669,298</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	245,921	29,579	4,505,403	3,073,150	4,046,226
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>245,921</u>	<u>29,579</u>	<u>4,505,403</u>	<u>3,073,150</u>	<u>4,046,226</u>
Excess (deficiency) of receipts over disbursements	<u>284</u>	<u>(152,670)</u>	<u>280</u>	<u>862,590</u>	<u>30,159</u>	<u>623,072</u>
Cash and investments - ending	<u>\$ 284</u>	<u>\$ 2,352</u>	<u>\$ 2,870</u>	<u>\$ 4,727,844</u>	<u>\$ 184,438</u>	<u>\$ 3,706,017</u>

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Fines And Forfeitures	State Sales Disclosure Fees	Sewage Liens Collections	Alternative Dispute Resolution	Inheritance Tax	Commissioner's Certificate Sale
Cash and investments - beginning	\$ 132,867	\$ 2,440	\$ 99	\$ 60,063	\$ 859,734	\$ 169,641
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	771,876	22,510	406,554	32,465	5,767,104	1,955,368
Total receipts	<u>771,876</u>	<u>22,510</u>	<u>406,554</u>	<u>32,465</u>	<u>5,767,104</u>	<u>1,955,368</u>
Disbursements:						
Personal services	-	-	-	7,317	-	-
Supplies	-	-	-	558	-	-
Other services and charges	798,586	22,995	406,645	41,897	4,245,756	1,210,062
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	1,011	-	-
Total disbursements	<u>798,586</u>	<u>22,995</u>	<u>406,645</u>	<u>50,783</u>	<u>4,245,756</u>	<u>1,210,062</u>
Excess (deficiency) of receipts over disbursements	<u>(26,710)</u>	<u>(485)</u>	<u>(91)</u>	<u>(18,318)</u>	<u>1,521,348</u>	<u>745,306</u>
Cash and investments - ending	<u>\$ 106,157</u>	<u>\$ 1,955</u>	<u>\$ 8</u>	<u>\$ 41,745</u>	<u>\$ 2,381,082</u>	<u>\$ 914,947</u>

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Payroll	Perf	Federal Withholding	Indiana Gross Withholding	Fica	Employees Miscellaneous Insurance
Cash and investments - beginning	\$ (1,663)	\$ 284,454	\$ 905	\$ 217,806	\$ (339)	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	37,069,781	997,280	3,419,641	1,812,006	5,499,485	190
Total receipts	37,069,781	997,280	3,419,641	1,812,006	5,499,485	190
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	37,068,118	1,001,397	3,419,111	1,802,192	5,500,015	175
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	37,068,118	1,001,397	3,419,111	1,802,192	5,500,015	175
Excess (deficiency) of receipts over disbursements	1,663	(4,117)	530	9,814	(530)	15
Cash and investments - ending	\$ -	\$ 280,337	\$ 1,435	\$ 227,620	\$ (869)	\$ 15

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Group Insurance	Health Plan Reserve	Liability Reserve	Special Death Benefit Fees	Miscellaneous State Monies Trust	Education Plate Fee Distribution
Cash and investments - beginning	\$ (682,049)	\$ 1,136,597	\$ 1	\$ 2,040	\$ 81	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	<u>13,583,355</u>	<u>122,196</u>	<u>1,504,701</u>	<u>26,900</u>	<u>641,791</u>	<u>8,981</u>
Total receipts	<u>13,583,355</u>	<u>122,196</u>	<u>1,504,701</u>	<u>26,900</u>	<u>641,791</u>	<u>8,981</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	1,839	-	-	-
Other services and charges	10,771,372	-	1,499,961	27,025	640,760	8,981
Capital outlay	-	-	-	-	-	-
Other disbursements	<u>-</u>	<u>750,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total disbursements	<u>10,771,372</u>	<u>750,000</u>	<u>1,501,800</u>	<u>27,025</u>	<u>640,760</u>	<u>8,981</u>
Excess (deficiency) of receipts over disbursements	<u>2,811,983</u>	<u>(627,804)</u>	<u>2,901</u>	<u>(125)</u>	<u>1,031</u>	<u>-</u>
Cash and investments - ending	<u>\$ 2,129,934</u>	<u>\$ 508,793</u>	<u>\$ 2,902</u>	<u>\$ 1,915</u>	<u>\$ 1,112</u>	<u>\$ -</u>

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	County Wheel Tax	Excise Surtax	Mortgage Recording Fee-State	C.V.E.T.	2007 Homestead Credit Rebate	Hea 1001-08 State Homestead Credit
Cash and investments - beginning	\$ 614	\$ -	\$ 1,745	\$ 11,722	\$ 19,149	\$ 6,966,231
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	429,317	5,256,251	22,026	2,328,895	-	4,980,257
Total receipts	429,317	5,256,251	22,026	2,328,895	-	4,980,257
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	411,765	5,256,251	21,623	-	-	5,006,579
Capital outlay	-	-	-	2,340,617	-	6,935,328
Other disbursements	-	-	-	-	-	-
Total disbursements	411,765	5,256,251	21,623	2,340,617	-	11,941,907
Excess (deficiency) of receipts over disbursements	17,552	-	403	(11,722)	-	(6,961,650)
Cash and investments - ending	\$ 18,166	\$ -	\$ 2,148	\$ -	\$ 19,149	\$ 4,581

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Settlement	Pension Trust	Juvenile Justice Center	County Treasurer	County Recorder	Circuit Court Clerk
Cash and investments - beginning	\$ -	\$ 36,294,028	\$ 68,804	\$ 56,067,980	\$ 77,912	\$ 9,037,660
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	331,821,311	(67,123)	462,817	245,119,792	-	30,993,985
Total receipts	<u>331,821,311</u>	<u>(67,123)</u>	<u>462,817</u>	<u>245,119,792</u>	<u>-</u>	<u>30,993,985</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	2,912,862	-	-	-	-	-
Capital outlay	328,908,449	-	-	-	-	-
Other disbursements	-	2,284,054	494,307	292,570,289	77,912	31,959,259
Total disbursements	<u>331,821,311</u>	<u>2,284,054</u>	<u>494,307</u>	<u>292,570,289</u>	<u>77,912</u>	<u>31,959,259</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(2,351,177)</u>	<u>(31,490)</u>	<u>(47,450,497)</u>	<u>(77,912)</u>	<u>(965,274)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 33,942,851</u>	<u>\$ 37,314</u>	<u>\$ 8,617,483</u>	<u>\$ -</u>	<u>\$ 8,072,386</u>

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	County Adult Probation	County Sheriff Civil Division	County Sheriff Inmate Trust	County Home Resident Trust	County Sheriff Jail Commissary	Totals
Cash and investments - beginning	\$ 16,528	\$ 2,442	\$ 98,187	\$ 20,538	\$ 9,810	\$ 191,908,386
Receipts:						
Taxes	-	-	-	-	-	171,206,364
Licenses and permits	-	-	-	-	-	1,181,961
Intergovernmental	-	-	-	-	-	21,203,313
Charges for services	-	-	-	-	-	24,994,013
Fines and forfeits	-	-	-	-	-	1,607,441
Other receipts	168,606	2,282,304	882,561	942,212	151,602	750,488,494
Total receipts	168,606	2,282,304	882,561	942,212	151,602	970,681,586
Disbursements:						
Personal services	-	-	-	-	-	56,307,891
Supplies	-	-	-	-	-	4,633,819
Other services and charges	-	-	-	-	-	263,902,714
Capital outlay	-	-	-	-	-	353,327,888
Other disbursements	163,032	2,282,479	915,735	942,441	126,361	337,075,671
Total disbursements	163,032	2,282,479	915,735	942,441	126,361	1,015,247,983
Excess (deficiency) of receipts over disbursements	5,574	(175)	(33,174)	(229)	25,241	(44,566,397)
Cash and investments - ending	\$ 22,102	\$ 2,267	\$ 65,013	\$ 20,309	\$ 35,051	\$ 147,341,989

ST. JOSEPH COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2010

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	\$ 22,360,844
Infrastructure	507,075,187
Buildings	98,875,396
Machinery and equipment	25,000,530
Construction in progress	<u>358,870</u>
 Total governmental activities, capital assets not being depreciated	 <u><u>\$ 653,670,827</u></u>

ST. JOSEPH COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2010

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	\$ 22,640,000	\$ 3,462,000
E-911 equipments	1,645,181	590,916
Communication System Upgrade	6,674,313	1,095,487
Police Video/Audio Recording System	14,975	8,453
Notes and loans payable		
Mishawaka Main Street Bridge	4,875,000	125,000
Bonds payable:		
Limited general obligation bonds:		
2005 Limited tax bridge funding	3,400,000	335,025
2009 Limited tax bridge refunding	4,250,000	808,370
Revenue bonds:		
2009 EDIT bonds (Jackson landfill)	3,380,000	2,352,200
Capital appreciation bonds:		
1997 Redevelopment district bonds	1,386,932	275,000
TIF bonds:		
2010 TIF Refunding	<u>16,240,000</u>	<u>1,303,825</u>
Total governmental activities debt	<u>\$ 64,506,401</u>	<u>\$ 10,356,276</u>

ST. JOSEPH COUNTY
OTHER REPORTS

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

County Auditor
Clerk of the Circuit Court
Board of County Commissioners
Thomas N. Frederick Juvenile Justice Center
Portage Manor
County Parks and Recreation Department

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 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, 2010. 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, 2010.

Internal Control Over Compliance

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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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 deficiency in 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 and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information and use of the County's management, County Council, others within the entity, 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

July 20, 2011

ST. JOSEPH COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2010

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		\$ 34,637
National School Lunch Program	10.555		57,222
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557		<u>22,200</u>
Total for federal grantor agency			<u>114,059</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Pass-Through Indiana Housing and Community Development Authority CDBG - Entitlement Grants Cluster			
Community Development Block Grants/Entitlement Grants	14.218	HD-009-016	36,896
Pass-Through Housing Authority of South Bend Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900		<u>10,796</u>
Total for federal grantor agency			<u>47,692</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Direct Grant			
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	CY 2010	<u>232,512</u>
Pass-Through Indiana Criminal Justice Institute Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	09JF021	<u>15,600</u>
Crime Victim Assistance	16.575	09VA131 10VAPR162	87,886 <u>40,945</u>
Total for program			<u>128,831</u>
Violence Against Women Formula Grants	16.588	09ST034 09STR006	164,239 <u>250,516</u>
Total for program			<u>414,755</u>
Pass-Through Indiana Criminal Justice Institute JAG Cluster			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2007-DJ-BX-0340 2008-DJ-BX-0134 07-DJ-100 09-DJ-038	8,225 5,411 6,589 118,080
Pass-Through City of South Bend JAG Cluster			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2009-DJ-BX-0926	<u>21,677</u>
Total for program			<u>159,982</u>
ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government	16.804	2009-SB-B9-1280	<u>89,161</u>
Total for cluster			<u>249,143</u>
Total for federal grantor agency			<u>1,040,841</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, 2010
(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 TRANSPORTATION</u>			
Pass-Through Indiana Criminal Justice Institute Highway Safety Cluster Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	K4-2010-03-02-08 KA-2011-03-02-06	113,048 <u>9,231</u>
Total for federal grantor agency			<u>122,279</u>
<u>U.S. DEPARTMENT OF ENERGY</u>			
Direct Grant Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	DE-SC0001868	<u>229,338</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-Through Indiana State Department of Health Public Health Emergency Preparedness	93.069	BPRS 170-14 H1N1 170-66	3,850 <u>152,144</u>
Total for program			<u>155,994</u>
Childhood Lead Poisoning Prevention Projects State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Levels in Children	93.197	CLP 170-1	<u>85,572</u>
Pass-Through Indiana Department of Child Services Child Support Enforcement County Prosecutor's Expenditures County Clerk's Expenditures Probate Court Expenditures Collection Incentives Indirect Costs	93.563		1,060,529 124,276 71,345 456,427 <u>285,152</u>
Total for Child Support Enforcement			1,997,729
ARRA - Child Support Enforcement ARRA Collection Incentives	93.563		<u>258,082</u>
Total for program			<u>2,255,811</u>
Pass-Through Indiana State Department of Health HIV Prevention Activities Health Department Based	93.940	AIDS 170-7	<u>15,535</u>
Preventive Health Services Sexually Transmitted Diseases Control Grants	93.977	STD 170-5	<u>16,713</u>
Total for federal grantor agency			<u>2,529,625</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security State Homeland Security Program (SHSP)	97.073		<u>469</u>
Total federal awards expended			<u>\$ 4,084,303</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

Note 1. 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 cash and investment basis of accounting used in the preparation of the financial statements. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

Note 2. Subrecipients

Of the federal expenditures presented in the schedule, the County provided federal awards to subrecipients as follows for the year ended December 31, 2010:

Program Title	Federal CFDA Number		
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	\$	232,512

ST. JOSEPH COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Qualified
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiency identified?	none reported
Noncompliance material to financial statements noted?	yes

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiency identified?	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
16.588	Violence Against Women Formula Grants
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

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

Section II – Financial Statement Findings

FINDING 2010-1 - 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. The total amount of cash bonds and trust items are \$4,678,315 at December 31, 2010, on the Clerk's Cash Book.

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.

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

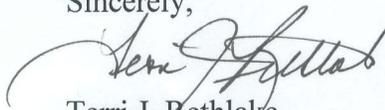
Terri J. Rethlake
St. Joseph County Clerk
EX-OFFICIO CLERK ST JOSEPH SUPERIOR & PROBATE COURTS
101 S. Main St
South Bend, IN 46601
Telephone: 574-235-9635 Fax: 574-235-9838

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

Findings 2010-1

As the newly elected clerk I have been in the process of trying to get the books in the Clerk's office reconciled with the bank and trust. This is a difficult task since we have three (3) computers systems to reconcile and a fourth (4) Odyssey starting soon. The most difficult system is the old Low Clerk's system. As you know, we cannot reconcile our trust account because we cannot run an outstanding trust report on this system anymore. The financial information from this system will **not** be converted to the Odyssey system making the task even more difficult. The Low system will not be shut down because of this. It has been suggested by the State Board of Accounts examiner that we should perhaps go back to making manual entries of all receipts and disbursements.

Sincerely,



Terri J. Rethlake
St Joseph County Clerk

ST. JOSEPH COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 20, 2011, with Peter H. Mullen, Auditor; Robert Kovach, President of the Board of County Commissioners; and Rafael Morton, President of the County Council.