

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF
MARSHALL COUNTY, INDIANA
January 1, 2011 to December 31, 2011



FILED
07/30/2012

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Penny Lukenbill	01-01-08 to 12-31-15
Treasurer	Deborah VanDeMark	01-01-08 to 12-31-15
Clerk	Julie Fox	01-01-08 to 12-31-15
Sheriff	Tom Chamberlin	01-01-11 to 12-31-14
Recorder	Marlene Mahler	01-01-11 to 12-31-14
President of the Board of County Commissioners	Kevin Overmyer	01-01-11 to 12-31-12
President of the County Council	Matthew Hassel	01-01-11 to 12-31-12



STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF MARSHALL COUNTY, INDIANA

We have audited the accompanying financial statement of Marshall County (County), for the year ended December 31, 2011. This financial statement is the responsibility of the County's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free 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.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the County for the year ended December 31, 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated July 9, 2012, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards 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.

INDEPENDENT AUDITOR'S REPORT
(Continued)

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 Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the County's management, the Board of County Commissioners, 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 9, 2012



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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 MARSHALL COUNTY, INDIANA

We have audited the financial statement of Marshall County (County), for the year ended December 31, 2011, and have issued our report thereon dated July 9, 2012. 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.

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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be 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 statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the County's management, the Board of County Commissioners, 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 9, 2012

FINANCIAL STATEMENT

The financial statement and accompanying notes were approved by management of the County. The financial statement and notes are presented as intended by the County.

MARSHALL COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2011

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
General	\$ 6,408,134	\$ 10,602,382	\$ 11,238,123	\$ 5,772,393
General Fund Petty Cash	540	-	-	540
MVH	767,108	3,765,439	3,096,758	1,435,789
Local Road And Street	280,561	412,342	395,618	297,285
Accident Report	4,830	4,552	5,478	3,904
Firearms Training	65,112	12,130	7,122	70,120
Health	467,397	382,020	311,445	537,972
Health Dept. Petty Cash	50	-	-	50
EMS-Distribution	-	626,148	626,148	-
Law Enforcement Continuing Ed	19,972	2,492	2,561	19,903
Clerk's Records Perpetuation	42,127	16,574	10,397	48,304
Electronic Map Generation	3,270	-	-	3,270
Emergency Telephone System	255,592	309,929	326,578	238,943
Drug Free Community	82,848	41,813	50,984	73,677
Drainage Maintenance	1,867,714	405,789	383,847	1,889,656
Emergency Planning/Right To Know	42,417	27,316	26,428	43,305
Prosecutor Title IV-D #1	128,008	64,593	44,751	147,850
Extradition	137,682	10,112	800	146,994
Juvenile Probation Service	3,309	-	-	3,309
Recorder's Records Perpetuation	57,417	47,986	44,564	60,839
User Fee	38,015	16,901	16,402	38,514
Health Maintenance	33,489	33,139	24,470	42,158
Pretrial Diversion	112,477	80,166	65,591	127,052
Court Appointed Special Advocate	102,753	40,454	14,931	128,276
Plat Book	56,315	10,054	7,255	59,114
Misdemeanant	189,875	31,323	44,080	177,118
Supplemental Public Defender Svc	28,692	4,078	-	32,770
Clerk Title IV-D #1	5,550	-	-	5,550
Surveyor's Corner Perpetuation	12,862	7,660	11,204	9,318
Local Option Certified Shares-CAGIT	-	5,021,515	5,021,515	-
Rainy Day	4,444,533	603,138	258,143	4,789,528
Sales Disclosure	18,854	4,305	1,848	21,311
Levy Excess	37,353	208	208	37,353
Identification Security Protection	10,276	8,804	-	19,080
Clerk Title IV-D #2	39,390	42,932	10,837	71,485
Drug Task Force	25,618	289	1,849	24,058
2015 Reassessment	-	291,086	-	291,086
County Training Fund	-	1,464	-	1,464
Cumulative Capital Development	695,304	480,318	459,367	716,255
Cumulative Bridge	1,031,434	1,446,368	1,114,169	1,363,633
General Drain Improvement	422,639	134,746	171,361	386,024
Congressional School Principal	21,223	-	-	21,223
City And Town Court Costs	1,389	16,428	14,916	2,901
Congressional School Interest	16,884	155	424	16,615
Clerk's Trust	833,422	6,038,335	5,998,184	873,573
Surplus Tax Sale	48,042	234,875	75,370	207,547
Tax Sale Redemption	(195)	83,002	83,047	(240)
Surplus Tax	69,678	76,452	74,994	71,136
State Fines And Forfeitures	4,991	67,312	65,249	7,054
State Sales Disclosure Fee	430	4,305	4,360	375
Overweight Vehicle Fines	-	1	1	-
Sheriff	11,262	10	10,578	694
Infraction Judgements	9,911	100,022	101,391	8,542
Inheritance Tax	705,407	1,333,892	1,928,990	110,309
Military Fines	4	-	-	4
Sheriff's Inmate Trust-JVV	16,433	94,319	99,217	11,535
Special Death Benefit	305	4,545	4,510	340
Education Plate Fees Agency	-	1,294	1,088	206
Local Option PTRC	-	1,673,838	1,673,838	-
FIT	-	139,721	139,721	-
Mortgage Fees-State Share	428	5,644	5,597	475

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

MARSHALL COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2011
(Continued)

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
Child Restraint Violations Fines	100	1,435	1,475	60
CVET	-	325,108	325,108	-
Gaming Revenue	-	282,413	282,413	-
Homestead Credit Rebate	29,703	376	8,110	21,969
After Settlement Collections	1,094,819	965,971	1,094,819	965,971
Lake Enforcement Fund	-	45,000	26,975	18,025
EMA Performance Grant	-	7,454	3,807	3,647
Commissioners Certificate Sale	-	4,165	2,064	2,101
MVH Distribution Fund	-	2,416,740	2,416,740	-
Local Health Dept Trust Acct	65,805	25,242	25,821	65,226
Poor Relief	-	232,736	232,736	-
General IV-D Incentive Fund	-	197,544	-	197,544
Corporate Debt Service-Distribution	-	105,416	105,416	-
Police Pension	-	36,934	36,934	-
Storm Sewer-Distribution	-	31,933	31,933	-
Corporation Tax-Distribution	-	5,022,612	5,022,612	-
Fire Fighting-Distribution	-	724,565	724,565	-
Fire Equipment Debt-Distribution	-	37,326	37,326	-
Cum Fire-Distribution	-	255,371	255,371	-
School Cap Projects-Distribution	-	6,405,336	6,405,336	-
School Debt Service-Distribution	-	7,485,086	7,485,086	-
School Pension Debt-Distribution	-	1,056,413	1,056,413	-
Parks & Rec-Town-Distribution	-	1,090,720	1,090,720	-
Recreation-Townships-Distribution	-	38,818	38,818	-
SW Lake Max Conservancy-Distribution	-	94,679	94,679	-
State Settlement PTRC-Distribution	-	19,811	19,811	-
Library-Distribution	-	1,827,972	1,827,972	-
Library Debt Service-Distribution	-	502,641	502,641	-
Cemetery Operating-Distribution	-	251,364	251,364	-
Corporate CCD-Distribution	-	286,521	286,521	-
School Transportation-Distribution	-	3,219,530	3,219,530	-
School Bus Replacement-Distribution	-	821,719	821,719	-
Solid Waste District-Distribution	-	281,778	281,778	-
TIF-Distribution	-	2,404,158	2,404,158	-
Township Taxes-Distribution	-	291,018	291,018	-
Sheriff's Cashbook - TC	-	1,059,681	1,043,226	16,455
Sheriff Inmate Trust-TC	-	628,156	623,000	5,156
Payroll Clearing-Harris	-	3,605,764	3,399,063	206,701
Treasurer Cash	500	-	-	500
Hea 1001-2008 State Hc	2,384	947	-	3,331
Convention And Tourism	6,854	235,486	228,081	14,259
Property Reassessment	754,297	5,467	387,962	371,802
Probation Users Fees	482,004	74,206	71,408	484,802
Family And Children	695	2,018	2,713	-
Comm Corrections - Home Detention	200	-	-	200
Sheriff's Commissary	31,842	79,852	64,735	46,959
Dare	29,234	6,810	7,899	28,145
Surplus Dog Tax Special Revenue	26	-	-	26
Operation Pullover	52	4,793	4,200	645
Drug Task Force #2	488	-	-	488
Sheriff Pension Holding	6,118	26,195	14,529	17,784
Campaign Enforcement	842	-	-	842
Ema Grant Fund	3,276	-	-	3,276
Road Cut Bonds	18,200	7,000	9,000	16,200
Interstate Compact Fees	-	375	375	-
Probation Administrative Fees	3,268	44,911	40,000	8,179
Epics Fund	8,312	13,579	-	21,891
Government Drug Free Indiana	253	-	-	253
Prosecutor Continuing Ed	476	-	-	476
W.I.C.	(31,863)	176,051	158,687	(14,499)
Victim Assistance Fed Grant # 2	2,772	2,390	-	5,162
Victim Impact	2,346	-	-	2,346

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

MARSHALL COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2011
(Continued)

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
Sheriff's Pre-Trial Diversion Fund	4,055	-	-	4,055
Crossroad's Project	15,701	-	14,721	980
Personal Property Judgments	3,065	-	-	3,065
Wireless 9-1-1 Fund	437,083	170,670	161,887	445,866
Sex Offender Registration Fees	6,275	9,735	4,659	11,351
Sex Offender Registr Fees-State	1	410	391	20
Gis Data Enhanced Access	5,254	2,705	-	7,959
Older Adult Services Grant	-	163,146	163,146	-
Court Services Fund	157,512	225,849	301,950	81,411
Public Health Emergency Response	20,896	10,059	30,113	842
Intrastate Compact Fees	963	545	-	1,508
Juvenile Probation User Fees	5,187	3,729	-	8,916
Dui Task Force	2,134	6,500	8,536	98
Prosecutor Arra Fund	36,320	-	442	35,878
Clerk Arra Fund	25,414	-	-	25,414
Cagit Special Revenue Jail	4,430,737	1,704,093	1,728,031	4,406,799
Sheriff's Pension Trust	5,007,804	489,831	367,455	5,130,180
Recorder	18,778	165,059	166,302	17,535
Payroll Clearing-Fundware	190,587	6,676,202	6,866,789	-
Welfare Excise Tax	-	1,627,053	1,627,053	-
Special Assessment	488	13,343	13,343	488
Coroner's Training - Cont Ed	484	4,816	4,660	640
Judgements Due Law Enforcement	2,649	-	-	2,649
County Child Advocacy Fund	2,210	-	-	2,210
Dea Forfeiture Fund	35,810	261	-	36,071
State 2008 Prior Del Tax-Distribution	-	106	106	-
County Sh 2008 Prior Tax Welfare	-	912	912	-
Victim Assistance Donations	695	-	-	695
Totals	<u>\$ 32,602,236</u>	<u>\$ 88,909,325</u>	<u>\$ 88,303,470</u>	<u>\$ 33,208,091</u>

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

MARSHALL COUNTY
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the 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 statement. The aggregate receipts include 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.

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,

MARSHALL COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

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).

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 statement. The aggregate disbursements include 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.

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

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.

MARSHALL COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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.

MARSHALL COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is 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 Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the County authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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

Indiana Public Retirement System
1 North Capital Street, suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

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

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.

MARSHALL COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the County's 2011 Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

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

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

MARSHALL COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011

	General	General Fund Petty Cash	MVH	Local Road And Street	Accident Report	Firearms Training	Health
Cash and investments - beginning	\$ 6,408,134	\$ 540	\$ 767,108	\$ 280,561	\$ 4,830	\$ 65,112	\$ 467,397
Receipts:							
Taxes	8,820,224	-	-	-	-	-	288,401
Licenses and permits	40,149	-	-	-	-	-	35,370
Intergovernmental	883,678	-	3,208,412	412,342	-	-	31,173
Charges for services	214,956	-	-	-	-	-	6,541
Fines and forfeits	218,274	-	-	-	-	-	-
Other receipts	425,101	-	557,027	-	4,552	12,130	20,535
Total receipts	<u>10,602,382</u>	<u>-</u>	<u>3,765,439</u>	<u>412,342</u>	<u>4,552</u>	<u>12,130</u>	<u>382,020</u>
Disbursements:							
Personal services	6,997,582	-	1,402,833	-	-	-	285,137
Supplies	432,606	-	1,043,896	395,618	-	-	7,763
Other services and charges	2,541,526	-	488,294	-	-	-	12,738
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	282,460	-	161,735	-	-	-	5,807
Other disbursements	983,949	-	-	-	5,478	7,122	-
Total disbursements	<u>11,238,123</u>	<u>-</u>	<u>3,096,758</u>	<u>395,618</u>	<u>5,478</u>	<u>7,122</u>	<u>311,445</u>
Excess (deficiency) of receipts over disbursements	<u>(635,741)</u>	<u>-</u>	<u>668,681</u>	<u>16,724</u>	<u>(926)</u>	<u>5,008</u>	<u>70,575</u>
Cash and investments - ending	<u>\$ 5,772,393</u>	<u>\$ 540</u>	<u>\$ 1,435,789</u>	<u>\$ 297,285</u>	<u>\$ 3,904</u>	<u>\$ 70,120</u>	<u>\$ 537,972</u>

MARSHALL COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Health Dept. Petty Cash	EMS-Distribution	Law Enforcement Continuing Ed	Clerk's Records Perpetuation	Electronic Map Generation	Emergency Telephone System	Drug Free Community
Cash and investments - beginning	\$ 50	\$ -	\$ 19,972	\$ 42,127	\$ 3,270	\$ 255,592	\$ 82,848
Receipts:							
Taxes	-	626,148	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	309,929	-
Fines and forfeits	-	-	2,492	16,574	-	-	41,813
Other receipts	-	-	-	-	-	-	-
Total receipts	-	626,148	2,492	16,574	-	309,929	41,813
Disbursements:							
Personal services	-	-	-	1,776	-	326,578	-
Supplies	-	-	-	992	-	-	-
Other services and charges	-	-	-	1,653	-	-	50,984
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	5,976	-	-	-
Other disbursements	-	626,148	2,561	-	-	-	-
Total disbursements	-	626,148	2,561	10,397	-	326,578	50,984
Excess (deficiency) of receipts over disbursements	-	-	(69)	6,177	-	(16,649)	(9,171)
Cash and investments - ending	\$ 50	\$ -	\$ 19,903	\$ 48,304	\$ 3,270	\$ 238,943	\$ 73,677

MARSHALL COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Drainage Maintenance	Emergency Planning/Right To Know	Prosecutor Title IV-D #1	Extradition	Juvenile Probation Service	Recorder's Records Perpetuation	User Fee
Cash and investments - beginning	\$ 1,867,714	\$ 42,417	\$ 128,008	\$ 137,682	\$ 3,309	\$ 57,417	\$ 38,015
Receipts:							
Taxes	383,086	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	64,593	-	-	-	-
Charges for services	-	-	-	-	-	47,986	-
Fines and forfeits	-	-	-	10,112	-	-	16,901
Other receipts	22,703	27,316	-	-	-	-	-
Total receipts	405,789	27,316	64,593	10,112	-	47,986	16,901
Disbursements:							
Personal services	-	-	41,303	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	26,428	-	800	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	383,847	-	3,448	-	-	44,564	16,402
Total disbursements	383,847	26,428	44,751	800	-	44,564	16,402
Excess (deficiency) of receipts over disbursements	21,942	888	19,842	9,312	-	3,422	499
Cash and investments - ending	\$ 1,889,656	\$ 43,305	\$ 147,850	\$ 146,994	\$ 3,309	\$ 60,839	\$ 38,514

MARSHALL COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Health Maintenance	Pretrial Diversion	Court Appointed Special Advocate	Plat Book	Misdemeanant	Supplemental Public Defender Svc	Clerk Title IV-D #1
Cash and investments - beginning	\$ 33,489	\$ 112,477	\$ 102,753	\$ 56,315	\$ 189,875	\$ 28,692	\$ 5,550
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	33,139	-	23,185	-	31,323	-	-
Charges for services	-	-	-	5,524	-	-	-
Fines and forfeits	-	80,166	-	4,530	-	4,078	-
Other receipts	-	-	17,269	-	-	-	-
Total receipts	<u>33,139</u>	<u>80,166</u>	<u>40,454</u>	<u>10,054</u>	<u>31,323</u>	<u>4,078</u>	<u>-</u>
Disbursements:							
Personal services	24,470	29,201	-	5,020	-	-	-
Supplies	-	147	-	310	12,951	-	-
Other services and charges	-	27,668	-	-	27,800	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	8,575	-	1,925	3,329	-	-
Other disbursements	-	-	14,931	-	-	-	-
Total disbursements	<u>24,470</u>	<u>65,591</u>	<u>14,931</u>	<u>7,255</u>	<u>44,080</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>8,669</u>	<u>14,575</u>	<u>25,523</u>	<u>2,799</u>	<u>(12,757)</u>	<u>4,078</u>	<u>-</u>
Cash and investments - ending	<u>\$ 42,158</u>	<u>\$ 127,052</u>	<u>\$ 128,276</u>	<u>\$ 59,114</u>	<u>\$ 177,118</u>	<u>\$ 32,770</u>	<u>\$ 5,550</u>

MARSHALL COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Surveyor's Corner Perpetuation	Local Option Certified Shares-CAGIT	Rainy Day	Sales Disclosure	Levy Excess	Identification Security Protection	Clerk Title IV-D #2
Cash and investments - beginning	\$ 12,862	\$ -	\$ 4,444,533	\$ 18,854	\$ 37,353	\$ 10,276	\$ 39,390
Receipts:							
Taxes	-	5,021,515	3,138	-	208	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	42,932
Charges for services	-	-	-	4,305	-	8,804	-
Fines and forfeits	7,660	-	-	-	-	-	-
Other receipts	-	-	600,000	-	-	-	-
Total receipts	<u>7,660</u>	<u>5,021,515</u>	<u>603,138</u>	<u>4,305</u>	<u>208</u>	<u>8,804</u>	<u>42,932</u>
Disbursements:							
Personal services	-	-	-	-	-	-	8,853
Supplies	-	-	-	-	-	-	895
Other services and charges	-	-	183,908	1,848	-	-	1,089
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	74,235	-	-	-	-
Other disbursements	11,204	5,021,515	-	-	208	-	-
Total disbursements	<u>11,204</u>	<u>5,021,515</u>	<u>258,143</u>	<u>1,848</u>	<u>208</u>	<u>-</u>	<u>10,837</u>
Excess (deficiency) of receipts over disbursements	<u>(3,544)</u>	<u>-</u>	<u>344,995</u>	<u>2,457</u>	<u>-</u>	<u>8,804</u>	<u>32,095</u>
Cash and investments - ending	<u>\$ 9,318</u>	<u>\$ -</u>	<u>\$ 4,789,528</u>	<u>\$ 21,311</u>	<u>\$ 37,353</u>	<u>\$ 19,080</u>	<u>\$ 71,485</u>

MARSHALL COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Drug Task Force	2015 Reassessment	County Training Fund	Cumulative Capital Development	Cumulative Bridge	General Drain Improvement	Congressional School Principal
Cash and investments - beginning	\$ 25,618	\$ -	\$ -	\$ 695,304	\$ 1,031,434	\$ 422,639	\$ 21,223
Receipts:							
Taxes	-	268,848	-	437,489	640,347	101,716	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	22,238	-	38,480	797,628	-	-
Charges for services	-	-	1,464	-	-	-	-
Fines and forfeits	6	-	-	-	-	-	-
Other receipts	283	-	-	4,349	8,393	33,030	-
Total receipts	289	291,086	1,464	480,318	1,446,368	134,746	-
Disbursements:							
Personal services	-	-	-	-	88,417	-	-
Supplies	-	-	-	-	65,971	-	-
Other services and charges	1,849	-	-	288,624	123,265	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	170,743	836,516	-	-
Other disbursements	-	-	-	-	-	171,361	-
Total disbursements	1,849	-	-	459,367	1,114,169	171,361	-
Excess (deficiency) of receipts over disbursements	(1,560)	291,086	1,464	20,951	332,199	(36,615)	-
Cash and investments - ending	\$ 24,058	\$ 291,086	\$ 1,464	\$ 716,255	\$ 1,363,633	\$ 386,024	\$ 21,223

MARSHALL COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	City And Town Court Costs	Congressional School Interest	Clerk's Trust	Surplus Tax Sale	Tax Sale Redemption	Surplus Tax	State Fines And Forfeitures
Cash and investments - beginning	\$ 1,389	\$ 16,884	\$ 833,422	\$ 48,042	\$ (195)	\$ 69,678	\$ 4,991
Receipts:							
Taxes	-	-	-	-	-	76,452	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	16,428	-	-	-	-	-	67,312
Other receipts	-	155	6,038,335	234,875	83,002	-	-
Total receipts	16,428	155	6,038,335	234,875	83,002	76,452	67,312
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	14,916	424	5,998,184	75,370	83,047	74,994	65,249
Total disbursements	14,916	424	5,998,184	75,370	83,047	74,994	65,249
Excess (deficiency) of receipts over disbursements	1,512	(269)	40,151	159,505	(45)	1,458	2,063
Cash and investments - ending	\$ 2,901	\$ 16,615	\$ 873,573	\$ 207,547	\$ (240)	\$ 71,136	\$ 7,054

MARSHALL COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	State Sales Disclosure Fee	Overweight Vehicle Fines	Sheriff	Infraction Judgements	Inheritance Tax	Military Fines	Sheriff's Inmate Trust-JVV
Cash and investments - beginning	\$ 430	\$ -	\$ 11,262	\$ 9,911	\$ 705,407	\$ 4	\$ 16,433
Receipts:							
Taxes	-	-	-	-	1,333,892	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	4,305	-	-	-	-	-	-
Fines and forfeits	-	1	-	100,022	-	-	-
Other receipts	-	-	10	-	-	-	94,319
Total receipts	<u>4,305</u>	<u>1</u>	<u>10</u>	<u>100,022</u>	<u>1,333,892</u>	<u>-</u>	<u>94,319</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	4,360	1	10,578	101,391	1,928,990	-	99,217
Total disbursements	<u>4,360</u>	<u>1</u>	<u>10,578</u>	<u>101,391</u>	<u>1,928,990</u>	<u>-</u>	<u>99,217</u>
Excess (deficiency) of receipts over disbursements	<u>(55)</u>	<u>-</u>	<u>(10,568)</u>	<u>(1,369)</u>	<u>(595,098)</u>	<u>-</u>	<u>(4,898)</u>
Cash and investments - ending	<u>\$ 375</u>	<u>\$ -</u>	<u>\$ 694</u>	<u>\$ 8,542</u>	<u>\$ 110,309</u>	<u>\$ 4</u>	<u>\$ 11,535</u>

MARSHALL COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Special Death Benefit	Education Plate Fees Agency	Local Option PTRC	FIT	Mortgage Fees-State Share	Child Restraint Violations Fines	CVET
Cash and investments - beginning	\$ 305	\$ -	\$ -	\$ -	\$ 428	\$ 100	\$ -
Receipts:							
Taxes	-	1,294	1,673,838	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	139,721	-	-	325,108
Charges for services	-	-	-	-	5,644	-	-
Fines and forfeits	4,545	-	-	-	-	1,435	-
Other receipts	-	-	-	-	-	-	-
Total receipts	4,545	1,294	1,673,838	139,721	5,644	1,435	325,108
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	4,510	1,088	1,673,838	139,721	5,597	1,475	325,108
Total disbursements	4,510	1,088	1,673,838	139,721	5,597	1,475	325,108
Excess (deficiency) of receipts over disbursements	35	206	-	-	47	(40)	-
Cash and investments - ending	<u>\$ 340</u>	<u>\$ 206</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 475</u>	<u>\$ 60</u>	<u>\$ -</u>

MARSHALL COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Gaming Revenue	Homestead Credit Rebate	After Settlement Collections	Lake Enforcement Fund	EMA Performance Grant	Commissioners Certificate Sale	MVH Distribution Fund
Cash and investments - beginning	\$ -	\$ 29,703	\$ 1,094,819	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	376	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	282,413	-	-	-	-	-	2,416,740
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	965,971	45,000	7,454	4,165	-
Total receipts	<u>282,413</u>	<u>376</u>	<u>965,971</u>	<u>45,000</u>	<u>7,454</u>	<u>4,165</u>	<u>2,416,740</u>
Disbursements:							
Personal services	-	-	-	21,975	-	-	-
Supplies	-	-	-	4,716	-	-	-
Other services and charges	-	-	-	284	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	3,807	-	-
Other disbursements	282,413	8,110	1,094,819	-	-	2,064	2,416,740
Total disbursements	<u>282,413</u>	<u>8,110</u>	<u>1,094,819</u>	<u>26,975</u>	<u>3,807</u>	<u>2,064</u>	<u>2,416,740</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(7,734)</u>	<u>(128,848)</u>	<u>18,025</u>	<u>3,647</u>	<u>2,101</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 21,969</u>	<u>\$ 965,971</u>	<u>\$ 18,025</u>	<u>\$ 3,647</u>	<u>\$ 2,101</u>	<u>\$ -</u>

MARSHALL COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Local Health Dept Trust Acct	Poor Relief	General IV-D Incentive Fund	Corporate Debt Service-Distribution	Police Pension	Storm Sewer-Distribution	Corporation Tax-Distribution
Cash and investments - beginning	\$ 65,805	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	232,736	-	105,416	36,934	31,933	5,022,612
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	25,242	-	42,932	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	154,612	-	-	-	-
Total receipts	25,242	232,736	197,544	105,416	36,934	31,933	5,022,612
Disbursements:							
Personal services	15,821	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	10,000	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	232,736	-	105,416	36,934	31,933	5,022,612
Total disbursements	25,821	232,736	-	105,416	36,934	31,933	5,022,612
Excess (deficiency) of receipts over disbursements	(579)	-	197,544	-	-	-	-
Cash and investments - ending	\$ 65,226	\$ -	\$ 197,544	\$ -	\$ -	\$ -	\$ -

MARSHALL COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Fire Fighting- Distribution	Fire Equipment Debt-Distribution	Cum Fire-Distribution	School Cap Projects- Distribution	School Debt Service-Distribution	School Pension Debt-Distribution	Parks & Rec-Town- Distribution
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	724,565	37,326	255,371	6,405,336	7,485,086	1,056,413	1,090,720
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>724,565</u>	<u>37,326</u>	<u>255,371</u>	<u>6,405,336</u>	<u>7,485,086</u>	<u>1,056,413</u>	<u>1,090,720</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	<u>724,565</u>	<u>37,326</u>	<u>255,371</u>	<u>6,405,336</u>	<u>7,485,086</u>	<u>1,056,413</u>	<u>1,090,720</u>
Total disbursements	<u>724,565</u>	<u>37,326</u>	<u>255,371</u>	<u>6,405,336</u>	<u>7,485,086</u>	<u>1,056,413</u>	<u>1,090,720</u>
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MARSHALL COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Recreation- Township- Distribution	SW Lake Max Conservancy- Distribution	State Settlement PTRC-Distribution	Library- Distribution	Library Debt Service- Distribution	Cemetery Operating- Distribution	Corporate CCD-Distribution
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	38,818	94,679	-	1,827,972	502,641	251,364	286,521
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	19,811	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>38,818</u>	<u>94,679</u>	<u>19,811</u>	<u>1,827,972</u>	<u>502,641</u>	<u>251,364</u>	<u>286,521</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	<u>38,818</u>	<u>94,679</u>	<u>19,811</u>	<u>1,827,972</u>	<u>502,641</u>	<u>251,364</u>	<u>286,521</u>
Total disbursements	<u>38,818</u>	<u>94,679</u>	<u>19,811</u>	<u>1,827,972</u>	<u>502,641</u>	<u>251,364</u>	<u>286,521</u>
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MARSHALL COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	School Transportation- Distribution	School Bus Replacement- Distribution	Solid Waste District- Distribution	TIF-Distribution	Township Taxes-Distribution	Sheriff's Cashbook - TC	Sheriff Inmate Trust-TC
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	3,219,530	821,719	281,778	2,404,158	291,018	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	1,059,681	628,156
Total receipts	<u>3,219,530</u>	<u>821,719</u>	<u>281,778</u>	<u>2,404,158</u>	<u>291,018</u>	<u>1,059,681</u>	<u>628,156</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	3,219,530	821,719	281,778	2,404,158	291,018	1,043,226	623,000
Total disbursements	<u>3,219,530</u>	<u>821,719</u>	<u>281,778</u>	<u>2,404,158</u>	<u>291,018</u>	<u>1,043,226</u>	<u>623,000</u>
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	16,455	5,156
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,455</u>	<u>\$ 5,156</u>

MARSHALL COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Payroll Clearing-Harris	Treasurer Cash	Hea 1001-2008 State Hc	Convention And Tourism	Property Reassessment	Probation Users Fees	Family And Children
Cash and investments - beginning	\$ -	\$ 500	\$ 2,384	\$ 6,854	\$ 754,297	\$ 482,004	\$ 695
Receipts:							
Taxes	-	-	-	235,486	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	947	-	1,408	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	74,206	-
Other receipts	3,605,764	-	-	-	4,059	-	2,018
Total receipts	<u>3,605,764</u>	<u>-</u>	<u>947</u>	<u>235,486</u>	<u>5,467</u>	<u>74,206</u>	<u>2,018</u>
Disbursements:							
Personal services	-	-	-	-	123,566	7,054	-
Supplies	-	-	-	-	1,922	2,481	-
Other services and charges	-	-	-	-	260,549	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	1,925	-	-
Other disbursements	3,399,063	-	-	228,081	-	61,873	2,713
Total disbursements	<u>3,399,063</u>	<u>-</u>	<u>-</u>	<u>228,081</u>	<u>387,962</u>	<u>71,408</u>	<u>2,713</u>
Excess (deficiency) of receipts over disbursements	<u>206,701</u>	<u>-</u>	<u>947</u>	<u>7,405</u>	<u>(382,495)</u>	<u>2,798</u>	<u>(695)</u>
Cash and investments - ending	<u>\$ 206,701</u>	<u>\$ 500</u>	<u>\$ 3,331</u>	<u>\$ 14,259</u>	<u>\$ 371,802</u>	<u>\$ 484,802</u>	<u>\$ -</u>

MARSHALL COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Comm Corrections - Home Detention	Sheriff's Commissary	Dare	Surplus Dog Tax Special Revenue	Operation Pullover	Drug Task Force #2	Sheriff Pension Holding
Cash and investments - beginning	\$ 200	\$ 31,842	\$ 29,234	\$ 26	\$ 52	\$ 488	\$ 6,118
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	26,195
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	79,852	6,810	-	4,793	-	-
Total receipts	-	79,852	6,810	-	4,793	-	26,195
Disbursements:							
Personal services	-	-	-	-	4,200	-	-
Supplies	-	-	5,428	-	-	-	-
Other services and charges	-	-	2,471	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	64,735	-	-	-	-	14,529
Total disbursements	-	64,735	7,899	-	4,200	-	14,529
Excess (deficiency) of receipts over disbursements	-	15,117	(1,089)	-	593	-	11,666
Cash and investments - ending	\$ 200	\$ 46,959	\$ 28,145	\$ 26	\$ 645	\$ 488	\$ 17,784

MARSHALL COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Campaign Enforcement	Ema Grant Fund	Road Cut Bonds	Interstate Compact Fees	Probation Administrative Fees	Epics Fund	Government Drug Free Indiana
Cash and investments - beginning	\$ 842	\$ 3,276	\$ 18,200	\$ -	\$ 3,268	\$ 8,312	\$ 253
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	13,579	-
Fines and forfeits	-	-	-	375	44,911	-	-
Other receipts	-	-	7,000	-	-	-	-
Total receipts	-	-	7,000	375	44,911	13,579	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	9,000	375	40,000	-	-
Total disbursements	-	-	9,000	375	40,000	-	-
Excess (deficiency) of receipts over disbursements	-	-	(2,000)	-	4,911	13,579	-
Cash and investments - ending	\$ 842	\$ 3,276	\$ 16,200	\$ -	\$ 8,179	\$ 21,891	\$ 253

MARSHALL COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Prosecutor Continuing Ed	W.I.C.	Victim Assistance Fed Grant # 2	Victim Impact	Sheriff's Pre-Trial Diversion Fund	Crossroad's Project	Personal Property Judgments
Cash and investments - beginning	\$ 476	\$ (31,863)	\$ 2,772	\$ 2,346	\$ 4,055	\$ 15,701	\$ 3,065
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	176,051	2,390	-	-	-	-
Total receipts	-	176,051	2,390	-	-	-	-
Disbursements:							
Personal services	-	114,067	-	-	-	-	-
Supplies	-	10,319	-	-	-	-	-
Other services and charges	-	34,301	-	-	-	14,721	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	-	158,687	-	-	-	14,721	-
Excess (deficiency) of receipts over disbursements	-	17,364	2,390	-	-	(14,721)	-
Cash and investments - ending	\$ 476	\$ (14,499)	\$ 5,162	\$ 2,346	\$ 4,055	\$ 980	\$ 3,065

MARSHALL COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Wireless 9-1-1 Fund	Sex Offender Registration Fees	Sex Offender Registr Fees-State	Gis Data Enhanced Access	Older Adult Services Grant	Court Services Fund	Public Health Emergency Response
Cash and investments - beginning	\$ 437,083	\$ 6,275	\$ 1	\$ 5,254	\$ -	\$ 157,512	\$ 20,896
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	163,146	-	10,059
Charges for services	170,670	-	-	2,705	-	-	-
Fines and forfeits	-	9,735	410	-	-	225,849	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>170,670</u>	<u>9,735</u>	<u>410</u>	<u>2,705</u>	<u>163,146</u>	<u>225,849</u>	<u>10,059</u>
Disbursements:							
Personal services	93,440	-	-	-	-	206,322	-
Supplies	-	-	-	-	-	1,549	-
Other services and charges	55,128	-	-	-	-	88,336	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	13,319	-	-	-	-	75	30,113
Other disbursements	-	4,659	391	-	163,146	5,668	-
Total disbursements	<u>161,887</u>	<u>4,659</u>	<u>391</u>	<u>-</u>	<u>163,146</u>	<u>301,950</u>	<u>30,113</u>
Excess (deficiency) of receipts over disbursements	<u>8,783</u>	<u>5,076</u>	<u>19</u>	<u>2,705</u>	<u>-</u>	<u>(76,101)</u>	<u>(20,054)</u>
Cash and investments - ending	<u>\$ 445,866</u>	<u>\$ 11,351</u>	<u>\$ 20</u>	<u>\$ 7,959</u>	<u>\$ -</u>	<u>\$ 81,411</u>	<u>\$ 842</u>

MARSHALL COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Intrastate Compact Fees	Juvenile Probation User Fees	Dui Task Force	Prosecutor Arra Fund	Clerk Arra Fund	Cagit Special Revenue Jail	Sheriff's Pension Trust
Cash and investments - beginning	\$ 963	\$ 5,187	\$ 2,134	\$ 36,320	\$ 25,414	\$ 4,430,737	\$ 5,007,804
Receipts:							
Taxes	-	-	-	-	-	1,673,838	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	545	3,729	-	-	-	-	-
Other receipts	-	-	6,500	-	-	30,255	489,831
Total receipts	<u>545</u>	<u>3,729</u>	<u>6,500</u>	<u>-</u>	<u>-</u>	<u>1,704,093</u>	<u>489,831</u>
Disbursements:							
Personal services	-	-	879	-	-	455,768	-
Supplies	-	-	-	442	-	49,715	-
Other services and charges	-	-	-	-	-	7,048	-
Debt service - principal and interest	-	-	-	-	-	1,215,500	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	7,657	-	-	-	367,455
Total disbursements	<u>-</u>	<u>-</u>	<u>8,536</u>	<u>442</u>	<u>-</u>	<u>1,728,031</u>	<u>367,455</u>
Excess (deficiency) of receipts over disbursements	<u>545</u>	<u>3,729</u>	<u>(2,036)</u>	<u>(442)</u>	<u>-</u>	<u>(23,938)</u>	<u>122,376</u>
Cash and investments - ending	<u>\$ 1,508</u>	<u>\$ 8,916</u>	<u>\$ 98</u>	<u>\$ 35,878</u>	<u>\$ 25,414</u>	<u>\$ 4,406,799</u>	<u>\$ 5,130,180</u>

MARSHALL COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Recorder	Payroll Clearing-Fundware	Welfare Excise Tax	Special Assessment	Coroner's Training - Cont Ed	Judgements Due Law Enforcement
Cash and investments - beginning	\$ 18,778	\$ 190,587	\$ -	\$ 488	\$ 484	\$ 2,649
Receipts:						
Taxes	-	-	-	13,343	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	1,627,053	-	-	-
Charges for services	-	-	-	-	4,816	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	165,059	6,676,202	-	-	-	-
Total receipts	<u>165,059</u>	<u>6,676,202</u>	<u>1,627,053</u>	<u>13,343</u>	<u>4,816</u>	<u>-</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	166,302	6,866,789	1,627,053	13,343	4,660	-
Total disbursements	<u>166,302</u>	<u>6,866,789</u>	<u>1,627,053</u>	<u>13,343</u>	<u>4,660</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(1,243)</u>	<u>(190,587)</u>	<u>-</u>	<u>-</u>	<u>156</u>	<u>-</u>
Cash and investments - ending	<u>\$ 17,535</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 488</u>	<u>\$ 640</u>	<u>\$ 2,649</u>

MARSHALL COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	County Child Advocacy Fund	Dea Forfeiture Fund	State 2008 Prior Del Tax-Distribution	County Sh 2008 Prior Tax Welfare	Victim Assistance Donations	Totals
Cash and investments - beginning	\$ 2,210	\$ 35,810	\$ -	\$ -	\$ 695	\$ 32,602,236
Receipts:						
Taxes	-	-	106	912	-	54,105,303
Licenses and permits	-	-	-	-	-	75,519
Intergovernmental	-	-	-	-	-	10,643,703
Charges for services	-	-	-	-	-	827,423
Fines and forfeits	-	261	-	-	-	952,370
Other receipts	-	-	-	-	-	22,305,007
Total receipts	-	261	106	912	-	88,909,325
Disbursements:						
Personal services	-	-	-	-	-	10,254,262
Supplies	-	-	-	-	-	2,037,721
Other services and charges	-	-	-	-	-	4,251,312
Debt service - principal and interest	-	-	-	-	-	1,215,500
Capital outlay	-	-	-	-	-	1,600,540
Other disbursements	-	-	106	912	-	68,944,135
Total disbursements	-	-	106	912	-	88,303,470
Excess (deficiency) of receipts over disbursements	-	261	-	-	-	605,855
Cash and investments - ending	\$ 2,210	\$ 36,071	\$ -	\$ -	\$ 695	\$ 33,208,091

MARSHALL COUNTY
SCHEDULE OF PAYABLES AND RECEIVABLES
December 31, 2011

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 830,823</u>	<u>\$ 197,399</u>

MARSHALL COUNTY
 SCHEDULE OF LEASES AND DEBT
 December 31, 2011

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities: Marshall County Holding Corporation	Pay bond issue for jail construction	<u>\$ 1,325,000</u>	01-09-06	03-18-28

MARSHALL COUNTY
SCHEDULE OF CAPITAL ASSETS
December 31, 2011

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	<u>Ending Balance</u>
Land	\$ 985,798
Infrastructure	69,696,782
Buildings	22,764,176
Improvements other than buildings	69,932
Machinery, equipment and vehicles	8,657,163
Books and other	<u>50,000</u>
Total capital assets	<u>\$ 102,223,851</u>

MARSHALL COUNTY
OTHER REPORT

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

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 THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF MARSHALL COUNTY, INDIANA

Compliance

We have audited the compliance of Marshall 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 its major federal program for the year ended December 31, 2011. The County's major federal program is 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 its major federal program 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 its major federal program for the year ended December 31, 2011.

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 THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON 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, Board of County Commissioners, 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 9, 2012

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

MARSHALL COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2011

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 Health Special Supplemental Nutrition Program for Women, Infants, and Children WIC 149-1	10.557	FY 2011	\$ <u>174,403</u>
<u>U.S. DEPARTMENT OF THE INTERIOR</u>			
Pass-Through Indiana Department of Natural Resources Fish and Wildlife Cluster Wildlife Restoration and Basic Hunter Education	15.611	FY 2011	<u>482</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Pass-Through Indiana Criminal Justice Institute Crime Victim Assistance VOCA	16.575	09VA099	<u>2,390</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Criminal Justice Institute Highway Safety Cluster State and Community Highway Safety	20.600	OP11-02-01-22	<u>4,792</u>
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	K8-2011-03-03-22	<u>6,500</u>
Total for cluster			<u>11,292</u>
Pass-Through Indiana Department of Transportation ARRA - Formula Grants for Other Than Urbanized Areas	20.509	ARRA	<u>8,863</u>
Formula Grants for Other Than Urbanized Areas FTA Section 5317 New Freedom Operating Grant	20.509	09NWFR700	<u>141,945</u>
Total for program			<u>150,808</u>
Transit Services Programs Cluster New Freedom Program	20.521	FY 2009 FY 2010	<u>6,714</u> <u>5,624</u>
Total for cluster			<u>12,338</u>
Pass-Through Indiana Department of Homeland Security Interagency Hazardous Materials Public Sector Training and Planning Grants Preparedness Grant Program	20.703	EDS#C44P-0-144A	<u>18,998</u>
Total for federal grantor agency			<u>193,436</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-Through Indiana Department of Health Public Health Emergency Preparedness H1N1 Assistance	93.069	H1N1 149-68	<u>10,058</u>
Pass-Through Indiana Department of Child Services Child Support Enforcement	93.563	FY 2010	<u>224,960</u>
Total for federal grantor agency			<u>235,018</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Natural Resources Boating Safety Financial Assistance	97.012	FY 2011 FY 2012	3,750 <u>4,535</u>
Total for program			<u>8,285</u>
Pass-Through Indiana Department of Homeland Security Emergency Management Performance Grants 2010 Emergency Management Performance	97.042	FY 2010	<u>26,816</u>
Total for federal grantor agency			<u>35,101</u>
Total federal awards expended			<u>\$ 640,830</u>

The accompanying note is an integral part of the Schedule of Expenditures of Federal Awards.

MARSHALL COUNTY
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Marshall County and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. 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.

MARSHALL COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Noncompliance material to the financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies 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 Program:

CFDA Number	Name of Federal Program or Cluster
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? yes

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

MARSHALL COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

MARSHALL COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 9, 2012, with Penny Lukenbill, Auditor; Matthew Hassel, President of the County Council; and Kevin Overmyer, President of the Board of County Commissioners. Our audit disclosed no material items that warrant comment at this time.