

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

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



FILED
08/22/2012

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Peter H. Mullen	01-01-08 to 12-31-15
Treasurer	Sean J. Coleman	01-01-09 to 12-31-12
Clerk	Terri J. Rethlake	01-01-11 to 12-31-14
Sheriff	Michael D. Grzegorek	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	Bob Kovach Andrew Kostielney	01-01-11 to 12-31-11 01-01-12 to 12-31-12
President of the County Council	Rafael Morton	01-01-11 to 12-31-12



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

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, 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.

Except as stated in the fourth and fifth paragraphs, 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.

We were unable to audit the trust balance amount for the Office of the Clerk of the Circuit Court (Clerk) at December 31, 2011, because detailed information from the Clerk's Trust Register was not available or reconciled to the Clerk's Cash Book totals. This amount is \$1,721,509 of the total cash and investment balances at December 31, 2011. We were unable to apply alternative procedures to satisfy ourselves of the amounts of this balance.

We were also unable to verify the accuracy of the Clerk Cash Book-main office fund cash balance, \$10,899,485, because the Clerk has not performed a reconciliation to the bank account balance since September 30, 2011, and because the Clerk's ledger control balance did not agree to the subaccount total balance, \$3,257,648.

In our opinion, except for the effects on the financial statement of not accurately accounting for certain funds discussed in the preceding two paragraphs, the financial statement referred to above present 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.

INDEPENDENT AUDITOR'S REPORT
(Continued)

In accordance with Government Auditing Standards, we have also issued a report dated August 2, 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.

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, 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

August 2, 2012



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

TO: THE OFFICIALS OF ST. JOSEPH COUNTY, INDIANA

We have audited the financial statement of St. Joseph County (County), for the year ended December 31, 2011, and have issued our report thereon dated August 2, 2012. The opinion to the financial statement were qualified because we were unable to verify the trust balance or the Main Office cash balance for the Office of the Clerk of the Circuit Court. 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 items 2011-1 and 2011-2 to be material weaknesses.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statement are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2011-1 and 2011-2.

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

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

August 2, 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.

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

Fund	Cash and Investments		Cash and Investments	
	01-01-11	Receipts	Disbursements	12-31-11
County General	\$ 10,708,089	\$ 74,005,408	\$ 72,441,650	\$ 12,271,847
Local Roads & Streets	1,033,075	1,427,534	1,445,637	1,014,972
Accident Reports Sheriff	15,233	14,296	8,481	21,048
Firearms Training & Police Ed.	95,932	55,628	54,577	96,983
Park & Recr Non Reverting	433,890	244,367	462,461	215,796
County Health	891,588	2,431,201	2,232,463	1,090,326
Drug Testing Fees	123,104	29,210	18,608	133,706
Special Vehicle Inspection	8,383	2,510	5,841	5,052
Clerks Record Perpetuation	176,079	69,876	50,209	195,746
Enhanced Access Fee	280,043	44,042	-	324,085
Riverboat Revenue Sharing	-	1,661,877	1,661,877	-
St Joseph Co. Em.Tel.Sys.Fund	2,766,683	1,731,956	683,526	3,815,113
County Drug Free Fund	129,894	122,526	136,000	116,420
Drainage Maintenance	1,335,230	530,930	471,526	1,394,634
Local Emergency Planning Fund	35,613	12,217	27,071	20,759
Juvenile Probation Fees	692,810	131,878	173,479	651,209
Adult Probation Fees	360,266	122,917	144,764	338,419
Recorder Perpetuation	831,959	232,581	148,508	916,032
User Fees	1,153,823	320,705	28,176	1,446,352
Plat Book Maint. Fund	108,508	47,080	26,775	128,813
JAIL COMMISARY	35,051	154,626	66,654	123,023
Surveyor Corner Fund	4,616	43,275	34,355	13,536
County Rainy Day Fund	6,353,004	-	62,586	6,290,418
County Sales Disclosure Fees	309,170	21,270	-	330,440
Sex Offender Grant - Comm.Corr.	(47,030)	64,535	129,434	(111,929)
Excess Levy Fund	5,481,970	40,030	5,496,650	25,350
SJC Ident. Security Protection	243,603	47,946	160,295	131,254
C.O.I.T. Fund	4,092,793	53,976,755	58,137,304	(67,756)
Wyatt Economic Dev Area #1	4,151,657	840,563	283,050	4,709,170
Local Major Moves Const. Fund	11,630,572	906,666	3,585,496	8,951,742
Sex/Violent Offender Fee	19,928	10,805	23,418	7,315
Ineligible Deductions Fund	-	964,524	79,050	885,474
Title IV-D Clerk Incentive	-	717,519	84,357	633,162
Title IV-D Pros. Incentive	-	989,816	574,250	415,566
Title IV-D Co. Gen. Incentive	-	84,228	-	84,228
Co Elected Ofcls Training Fund	-	7,462	-	7,462
Cum Capital Devlpmt Fund	4,360,266	1,600,350	2,261,645	3,698,971
Park & Recr Capital	29,026	13,080	3,965	38,141
Major Cumulative Bridge	275,886	2,023,950	2,122,896	176,940
General Drain Impr	46,079	148,561	168,344	26,296
C.E.D.I.T. Fund	7,395,938	32,394,450	32,986,455	6,803,933
Congressional School Principal	284	-	284	-
City/Town Court Cost	2,352	91,153	89,545	3,960
Coroner Trng. & Cont. Ed. Fees	2,870	32,771	33,322	2,319
Tax Sale Surplus	4,727,844	3,038,505	4,652,413	3,113,936
Tax Sale Redemption	184,438	2,424,189	2,605,987	2,640
Surplus Tax	3,706,017	2,180,404	2,280,188	3,606,233
Fines & Forfeitures	106,157	669,034	629,396	145,795
State Sales Disclosure Fees	1,955	21,270	20,805	2,420
Sewage Liens Collections	8	198,062	198,062	8
PORTAGE MANOR RESIDENT TRUST	13,682	990,824	989,789	14,717
Inheritance Tax	2,381,082	7,384,646	8,461,900	1,303,828
JAIL INMATE TRUST & UNCLAIMED	65,013	951,440	834,660	181,793
Special Death Benefit Fees	1,915	26,004	23,724	4,195
Education Plate Fee Distr	-	7,706	7,706	-
SHERIFF'S PENSION	33,942,851	1,980,026	2,393,736	33,529,141
County Wheel Tax	18,166	423,012	392,628	48,550
Excise Surtax Fund	-	4,952,771	4,952,771	-
Mortgage Recording Fee - State	2,148	19,683	19,655	2,176
Adult/Juv. Interstate Compact	-	2,000	1,000	1,000
C.V.E.T. Fund	-	2,362,448	2,362,448	-
2007 Homestead Credit Rebate	19,149	151,393	170,541	1
HEA 1001-08ST Homestead Cr Fnd	4,581	-	-	4,581
PUBLIC SAFETY LOIT	-	15,304,452	13,190,329	2,114,123
Settlement	-	262,549,563	262,549,563	-
AFTER SETTLEMENT COLLECTIONS	8,617,483	290,792,466	291,431,490	7,978,459
ADULT PROBATION USER FEES CHECKING ACCOUNT	22,102	148,142	154,731	15,513
JJC RESTITUTION CHECKING ACCOUNT	44,389	33,082	35,402	42,069
JJC EQUIPMENT REIMBURSEMENT CHECKING ACCOUNT	1,837	390	290	1,937
JJC DETAINEE REIMBURSEMENT CHECKING ACCOUNT	3,149	2,672	2,271	3,550

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, 2011
(Continued)

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
JJC PROBATION USER FEES CHECKING ACCOUNT	14,023	373,097	365,764	21,356
CLERK CASH BOOK - MAIN OFFICE	7,367,088	14,594,077	11,061,680	10,899,485
CLERK CASH BOOK - SUPPORT	115,797	5,127,297	5,112,697	130,397
CLERK CASH BOOK - SMALL CLAIMS	197,200	3,545,248	3,358,874	383,574
CLERK CASH BOOK - TRAFFIC VIOLATIONS	189,394	2,184,200	1,483,750	889,844
CLERK CASH BOOK - MISHAWAKA OFFICE	206,054	2,117,707	2,104,944	218,817
SHERIFF CIVIL COLLECTIONS	2,267	2,402,431	2,402,698	2,000
CUMULATIVE BRIDGE	1,137,018	852,208	805,209	1,184,017
Federal Grant Fund	35,295	191,150	221,285	5,160
Community Development	15,599	-	-	15,599
Public Housing Authority	28,180	29,836	29,835	28,181
H.A.V.A. 102 Funds	863,187	-	72,945	790,242
Sheriff D.E.A. Fund	113,777	1,032	31,440	83,369
Convention Exhibition Center	1,012,989	3,574,184	3,132,457	1,454,716
Healthwin	40,103	95,000	-	135,103
County Highway	831,948	5,354,722	4,896,575	1,290,095
Park & Recreation Fund	228,283	1,346,850	1,405,739	169,394
2017 Cum Reassessment	-	1,306,729	463,912	842,817
Family & Children's Fund	-	5,130	5,130	-
Community Based Corrections	520,337	1,394,367	1,082,379	832,325
County General A.R.R.A Fund	337,099	2,013	221,114	117,998
Animal License Fee (Dog Tax)	4,517	10,961	-	15,478
Co Sheriff Cef	10,272	6,872	728	16,416
Park & Recr Gift & Grant	42,333	2,681	1,203	43,811
Fam. Justice Cntr. Grant	1	-	-	1
Protective Order Project	(39,368)	56,767	16,767	632
H1N1 Flu Virus Fund	76,176	29,185	105,361	-
County Special Gifts	51,610	175,084	181,868	44,826
Health S.T.D.	(7,657)	37,944	42,441	(12,154)
Health Local Hlth Services Grt	136,873	87,599	102,781	121,691
Health Aids Grant	10,029	3,715	13,744	-
Health Bioterrorism Grant	3,045	7,372	7,429	2,988
Health Lead Elimination Grant	(19,029)	71,393	78,565	(26,201)
Family Court Grant	11,099	22,800	30,122	3,777
2006 Reassessment Fund	929,411	469,022	1,032,339	366,094
GAL/CASA Program	-	1,500	-	1,500
Monies On Deposit	-	-	-	-
Recorder's Escrow Fund	87,778	848,804	851,343	85,239
2010 E.M.P.G. Competitive Grt.	-	-	3,750	(3,750)
David N Nickerson Memorial Fnd	-	680	-	680
Tax Sale Clearing	38,866	3,749,036	3,785,749	2,153
Portage Manor Fund	2,816,640	2,178,599	2,225,532	2,769,707
Take Ten Project	-	12,500	9,898	2,602
2010 Foundation Grant	-	3,493	3,493	-
Public Defenders Fees	280,306	41,724	39,451	282,579
Adult Pro. Admin. Fee	158,972	30,897	-	189,869
Sex/Violent Off. Add. Fee	5	-	-	5
Ptg Manor Farm Operation	18,377	7,000	5,815	19,562
County Poor Relief Bond	198,165	-	-	198,165
2009 CREDIT Bond Jackson Road	41,600	-	41,600	-
Redv Bnd 2001Refin Bond 2010	2,986,427	2,002,169	2,506,888	2,481,708
County Bonds & Interest	(507,458)	3,852,581	3,468,125	(123,002)
Co. Emergency Command Ctr. Fund	2,413,237	957,544	2,636,132	734,649
Local Hwy. User Tax Projects	159,290	2,567,006	2,469,641	256,655
Co Police Pension Trust	120,454	191,222	180,000	131,676
Alt. Dispute Resolution Fund	41,745	27,369	39,693	29,421
Commissioner's Cert. Sale	914,947	2,272,423	1,679,503	1,507,867
Payroll	-	37,382,568	37,382,568	-
Perf	280,337	1,014,968	1,009,254	286,051
Federal Withholding	1,435	3,866,418	3,867,853	-
Ind Gross Withholding	227,620	1,823,450	1,832,940	218,130
Fica	(869)	4,804,769	4,803,899	1
Employees Miscellaneous Insurance	15	-	15	-
St Joe Co Group Ins	2,129,934	15,005,702	11,142,739	5,992,897
SJC Health Plan Reserve Fund	508,793	39,667	-	548,460
St Joe Co Liability Reserve	2,902	749,201	1,000,414	(248,311)
Misc.State Monies Trust Fund	1,112	409,020	409,020	1,112
Totals	\$ 146,817,783	\$ 904,346,241	\$ 906,233,559	\$ 144,930,465

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.

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,

ST. JOSEPH 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.

ST. JOSEPH 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.

ST. JOSEPH COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

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 statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is 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.

ST. JOSEPH COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

B. County Police Retirement Plan

Plan Description

The County Police Retirement Plan is a single-employer defined benefit pension plan. With the approval of the County's fiscal body, the plan is administered by the sheriff's department and an appointed trustee as authorized by state statute (IC 36-8-10-12) for full-time police officers. The plan provides retirement, death, and disability benefits to plan members and beneficiaries. 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, 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.

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

	County General	Local Roads & Streets	Accident Reports Sheriff	Firearms Training & Police Ed.	Park & Recr Non Reverting	County Health	Drug Testing Fees	Special Vehicle Inspection
Cash and investments - beginning	\$ 10,708,089	\$ 1,033,075	\$ 15,233	\$ 95,932	\$ 433,890	\$ 891,588	\$ 123,104	\$ 8,383
Receipts:								
Taxes	38,435,069	-	-	-	-	959,526	-	-
Licenses and permits	66,732	-	-	-	-	-	-	-
Intergovernmental	7,245,933	1,419,900	-	-	-	213,724	-	-
Charges for services	4,926,241	-	-	-	2,250	1,143,067	-	-
Fines and forfeits	1,482,505	-	-	-	-	-	-	-
Other receipts	<u>21,848,928</u>	<u>7,634</u>	<u>14,296</u>	<u>55,628</u>	<u>242,117</u>	<u>114,884</u>	<u>29,210</u>	<u>2,510</u>
Total receipts	<u>74,005,408</u>	<u>1,427,534</u>	<u>14,296</u>	<u>55,628</u>	<u>244,367</u>	<u>2,431,201</u>	<u>29,210</u>	<u>2,510</u>
Disbursements:								
Personal services	45,811,951	-	-	-	56,186	1,956,059	-	-
Supplies	1,673,998	-	8,481	7,684	133,618	34,624	18,608	5,023
Other services and charges	24,319,157	22,000	-	46,513	845	241,780	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	125,846	1,423,637	-	380	-	-	-	818
Other disbursements	<u>510,698</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>271,812</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total disbursements	<u>72,441,650</u>	<u>1,445,637</u>	<u>8,481</u>	<u>54,577</u>	<u>462,461</u>	<u>2,232,463</u>	<u>18,608</u>	<u>5,841</u>
Excess (deficiency) of receipts over disbursements	<u>1,563,758</u>	<u>(18,103)</u>	<u>5,815</u>	<u>1,051</u>	<u>(218,094)</u>	<u>198,738</u>	<u>10,602</u>	<u>(3,331)</u>
Cash and investments - ending	<u>\$ 12,271,847</u>	<u>\$ 1,014,972</u>	<u>\$ 21,048</u>	<u>\$ 96,983</u>	<u>\$ 215,796</u>	<u>\$ 1,090,326</u>	<u>\$ 133,706</u>	<u>\$ 5,052</u>

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

	Clerks Record Perpetuation	Enhanced Access Fee	Riverboat Revenue Sharing	St Joseph Co. Em.Tel.Sys.Fund	County Drug Free Fund	Drainage Maintenance	Local Emergency Planning Fund	Juvenile Probation Fees
Cash and investments - beginning	\$ 176,079	\$ 280,043	\$ -	\$ 2,766,683	\$ 129,894	\$ 1,335,230	\$ 35,613	\$ 692,810
Receipts:								
Taxes	-	-	-	-	-	530,930	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	1,661,877	838,189	-	-	-	-
Charges for services	-	35,154	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Other receipts	69,876	8,888	-	893,767	122,526	-	12,217	131,878
Total receipts	69,876	44,042	1,661,877	1,731,956	122,526	530,930	12,217	131,878
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	11,262	-
Other services and charges	154	-	1,661,877	683,526	136,000	471,526	14,444	173,479
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	1,365	-
Other disbursements	50,055	-	-	-	-	-	-	-
Total disbursements	50,209	-	1,661,877	683,526	136,000	471,526	27,071	173,479
Excess (deficiency) of receipts over disbursements	19,667	44,042	-	1,048,430	(13,474)	59,404	(14,854)	(41,601)
Cash and investments - ending	\$ 195,746	\$ 324,085	\$ -	\$ 3,815,113	\$ 116,420	\$ 1,394,634	\$ 20,759	\$ 651,209

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

	Adult Probation Fees	Recorder Perpetuation	User Fees	Plat Book Maint. Fund	JAIL COMMISARY	Surveyor Corner Fund	County Rainy Day Fund	County Sales Disclosure Fees
Cash and investments - beginning	\$ 360,266	\$ 831,959	\$ 1,153,823	\$ 108,508	\$ 35,051	\$ 4,616	\$ 6,353,004	\$ 309,170
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	49,829	-	-	-	-	-	21,270
Fines and forfeits	-	-	-	-	-	-	-	-
Other receipts	122,917	182,752	320,705	47,080	154,626	43,275	-	-
Total receipts	122,917	232,581	320,705	47,080	154,626	43,275	-	21,270
Disbursements:								
Personal services	116,316	-	-	-	-	-	57,526	-
Supplies	-	5,929	-	6,578	-	-	-	-
Other services and charges	28,448	142,579	21,304	3,065	-	34,355	5,060	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Other disbursements	-	-	6,872	17,132	66,654	-	-	-
Total disbursements	144,764	148,508	28,176	26,775	66,654	34,355	62,586	-
Excess (deficiency) of receipts over disbursements	(21,847)	84,073	292,529	20,305	87,972	8,920	(62,586)	21,270
Cash and investments - ending	\$ 338,419	\$ 916,032	\$ 1,446,352	\$ 128,813	\$ 123,023	\$ 13,536	\$ 6,290,418	\$ 330,440

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

	Sex Offender Grant - Comm.Corr.	Excess Levy Fund	SJC Ident. Security Protection	C.O.I.T. Fund	Wyatt Economic Dev Area #1	Local Major Moves Const. Fund	Sex/Violent Offender Fee	Ineligible Deductions Fund
Cash and investments - beginning	\$ (47,030)	\$ 5,481,970	\$ 243,603	\$ 4,092,793	\$ 4,151,657	\$ 11,630,572	\$ 19,928	\$ -
Receipts:								
Taxes	-	-	-	53,976,755	833,063	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	64,535	-	-	-	-	358,665	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Other receipts	-	40,030	47,946	-	7,500	548,001	10,805	964,524
Total receipts	64,535	40,030	47,946	53,976,755	840,563	906,666	10,805	964,524
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	384	-
Other services and charges	129,434	5,496,650	160,295	58,137,304	283,050	-	1,939	79,050
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	3,585,496	21,095	-
Other disbursements	-	-	-	-	-	-	-	-
Total disbursements	129,434	5,496,650	160,295	58,137,304	283,050	3,585,496	23,418	79,050
Excess (deficiency) of receipts over disbursements	(64,899)	(5,456,620)	(112,349)	(4,160,549)	557,513	(2,678,830)	(12,613)	885,474
Cash and investments - ending	\$ (111,929)	\$ 25,350	\$ 131,254	\$ (67,756)	\$ 4,709,170	\$ 8,951,742	\$ 7,315	\$ 885,474

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

	Title IV-D Clerk Incentive	Title IV-D Pros. Incentive	Title IV-D Co. Gen. Incentive	Co Elected Ofcls Training Fund	Cum Capital Devlpmt Fund	Park & Recr Capital	Major Cumulative Bridge	General Drain Impr
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 4,360,266	\$ 29,026	\$ 275,886	\$ 46,079
Receipts:								
Taxes	-	-	-	-	1,424,968	-	1,424,968	47,046
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	717,519	983,466	84,228	-	122,348	-	122,348	-
Charges for services	-	-	-	7,462	-	-	475,359	-
Fines and forfeits	-	-	-	-	-	-	-	-
Other receipts	-	6,350	-	-	53,034	13,080	1,275	101,515
Total receipts	<u>717,519</u>	<u>989,816</u>	<u>84,228</u>	<u>7,462</u>	<u>1,600,350</u>	<u>13,080</u>	<u>2,023,950</u>	<u>148,561</u>
Disbursements:								
Personal services	-	-	-	-	-	-	100,550	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	13,390	-	-	144,475	-	-	168,344
Debt service - principal and interest	-	-	-	-	-	-	1,143,395	-
Capital outlay	-	-	-	-	1,917,170	-	878,951	-
Other disbursements	84,357	560,860	-	-	200,000	3,965	-	-
Total disbursements	<u>84,357</u>	<u>574,250</u>	<u>-</u>	<u>-</u>	<u>2,261,645</u>	<u>3,965</u>	<u>2,122,896</u>	<u>168,344</u>
Excess (deficiency) of receipts over disbursements	<u>633,162</u>	<u>415,566</u>	<u>84,228</u>	<u>7,462</u>	<u>(661,295)</u>	<u>9,115</u>	<u>(98,946)</u>	<u>(19,783)</u>
Cash and investments - ending	<u>\$ 633,162</u>	<u>\$ 415,566</u>	<u>\$ 84,228</u>	<u>\$ 7,462</u>	<u>\$ 3,698,971</u>	<u>\$ 38,141</u>	<u>\$ 176,940</u>	<u>\$ 26,296</u>

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

	C.E.D.I.T. Fund	Congressional School Principal	City/Town Court Cost	Coroner Trng. & Cont. Ed. Fees	Tax Sale Surplus	Tax Sale Redemption	Surplus Tax	Fines & Forfeitures
Cash and investments - beginning	\$ 7,395,938	\$ 284	\$ 2,352	\$ 2,870	\$ 4,727,844	\$ 184,438	\$ 3,706,017	\$ 106,157
Receipts:								
Taxes	22,996,375	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	9,351,088	-	-	32,771	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	669,034
Other receipts	46,987	-	91,153	-	3,038,505	2,424,189	2,180,404	-
Total receipts	32,394,450	-	91,153	32,771	3,038,505	2,424,189	2,180,404	669,034
Disbursements:								
Personal services	2,538,886	-	-	-	-	-	-	-
Supplies	761,920	-	-	-	-	-	-	-
Other services and charges	26,625,094	284	89,545	33,322	4,652,413	2,605,987	1,989,964	629,396
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	3,060,555	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	290,224	-
Total disbursements	32,986,455	284	89,545	33,322	4,652,413	2,605,987	2,280,188	629,396
Excess (deficiency) of receipts over disbursements	(592,005)	(284)	1,608	(551)	(1,613,908)	(181,798)	(99,784)	39,638
Cash and investments - ending	\$ 6,803,933	\$ -	\$ 3,960	\$ 2,319	\$ 3,113,936	\$ 2,640	\$ 3,606,233	\$ 145,795

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

	State Sales Disclosure Fees	Sewage Liens Collections	PORTAGE MANOR RESIDENT TRUST	Inheritance Tax	JAIL INMATE TRUST & UNCLAIMED	Special Death Benefit Fees	Education Plate Fee Distr	SHERIFF'S PENSION
Cash and investments - beginning	\$ 1,955	\$ 8	\$ 13,682	\$ 2,381,082	\$ 65,013	\$ 1,915	\$ -	\$ 33,942,851
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	7,706	-
Charges for services	21,270	-	-	-	-	-	-	-
Fines and forfeits	-	49,769	-	-	-	-	-	-
Other receipts	-	148,293	990,824	7,384,646	951,440	26,004	-	1,980,026
Total receipts	21,270	198,062	990,824	7,384,646	951,440	26,004	7,706	1,980,026
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	20,805	198,062	-	8,461,900	-	23,724	7,706	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Other disbursements	-	-	989,789	-	834,660	-	-	2,393,736
Total disbursements	20,805	198,062	989,789	8,461,900	834,660	23,724	7,706	2,393,736
Excess (deficiency) of receipts over disbursements	465	-	1,035	(1,077,254)	116,780	2,280	-	(413,710)
Cash and investments - ending	\$ 2,420	\$ 8	\$ 14,717	\$ 1,303,828	\$ 181,793	\$ 4,195	\$ -	\$ 33,529,141

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

	County Wheel Tax	Excise Surtax Fund	Mortgage Recording Fee - State	Adult/Juv. Interstate Compact	C.V.E.T. Fund	2007 Homestead Credit Rebate	HEA 1001-08ST Homestead Cr Fnd	PUBLIC SAFETY LOIT
Cash and investments - beginning	\$ 18,166	\$ -	\$ 2,148	\$ -	\$ -	\$ 19,149	\$ 4,581	\$ -
Receipts:								
Taxes	-	-	-	-	-	-	-	15,304,452
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	423,012	4,952,771	-	-	2,362,448	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Other receipts	-	-	19,683	2,000	-	151,393	-	-
Total receipts	423,012	4,952,771	19,683	2,000	2,362,448	151,393	-	15,304,452
Disbursements:								
Personal services	-	-	-	-	-	-	-	1,044,164
Supplies	-	-	-	-	-	-	-	-
Other services and charges	392,628	4,952,771	19,655	1,000	-	170,541	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	2,362,448	-	-	-
Other disbursements	-	-	-	-	-	-	-	12,146,165
Total disbursements	392,628	4,952,771	19,655	1,000	2,362,448	170,541	-	13,190,329
Excess (deficiency) of receipts over disbursements	30,384	-	28	1,000	-	(19,148)	-	2,114,123
Cash and investments - ending	<u>\$ 48,550</u>	<u>\$ -</u>	<u>\$ 2,176</u>	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 4,581</u>	<u>\$ 2,114,123</u>

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

	Settlement	AFTER SETTLEMENT COLLECTIONS	ADULT PROBATION USER FEES CHECKING ACCOUNT	JJC RESTITUTION CHECKING ACCOUNT	JJC EQUIPMENT REIMBURSEMENT CHECKING ACCOUNT	JJC DETAINEE REIMBURSEMENT CHECKING ACCOUNT	JJC PROBATION USER FEES CHECKING ACCOUNT	CLERK CASH BOOK - MAIN OFFICE
Cash and investments - beginning	\$ -	\$ 8,617,483	\$ 22,102	\$ 44,389	\$ 1,837	\$ 3,149	\$ 14,023	\$ 7,367,088
Receipts:								
Taxes	262,311,109	290,792,466	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	238,454	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Other receipts	-	-	148,142	33,082	390	2,672	373,097	14,594,077
Total receipts	262,549,563	290,792,466	148,142	33,082	390	2,672	373,097	14,594,077
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	262,549,563	-	-	-	-	-	-	-
Other disbursements	-	291,431,490	154,731	35,402	290	2,271	365,764	11,061,680
Total disbursements	262,549,563	291,431,490	154,731	35,402	290	2,271	365,764	11,061,680
Excess (deficiency) of receipts over disbursements	-	(639,024)	(6,589)	(2,320)	100	401	7,333	3,532,397
Cash and investments - ending	\$ -	\$ 7,978,459	\$ 15,513	\$ 42,069	\$ 1,937	\$ 3,550	\$ 21,356	\$ 10,899,485

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

	CLERK CASH BOOK -	CLERK CASH BOOK -	CLERK CASH BOOK -	CLERK CASH BOOK MISHAWAKA	SHERIFF CIVIL COLLECTIONS	CUMULATIVE BRIDGE	Federal Grant Fund	Community Development
	SUPPORT	SMALL CLAIMS	TRAFFIC VIOLATIONS	MISHAWAKA OFFICE				
Cash and investments - beginning	\$ 115,797	\$ 197,200	\$ 189,394	\$ 206,054	\$ 2,267	\$ 1,137,018	\$ 35,295	\$ 15,599
Receipts:								
Taxes	-	-	-	-	-	701,743	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	150,465	191,150	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Other receipts	5,127,297	3,545,248	2,184,200	2,117,707	2,402,431	-	-	-
Total receipts	5,127,297	3,545,248	2,184,200	2,117,707	2,402,431	852,208	191,150	-
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	805,209	190,600	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	30,685	-
Other disbursements	5,112,697	3,358,874	1,483,750	2,104,944	2,402,698	-	-	-
Total disbursements	5,112,697	3,358,874	1,483,750	2,104,944	2,402,698	805,209	221,285	-
Excess (deficiency) of receipts over disbursements	14,600	186,374	700,450	12,763	(267)	46,999	(30,135)	-
Cash and investments - ending	\$ 130,397	\$ 383,574	\$ 889,844	\$ 218,817	\$ 2,000	\$ 1,184,017	\$ 5,160	\$ 15,599

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

	Public Housing Authority	H.A.V.A. 102 Funds	Sheriff D.E.A. Fund	Convention Exhibition Center	Healthwin	County Highway	Park & Recreation Fund	2017 Cum Reassessment
Cash and investments - beginning	\$ 28,180	\$ 863,187	\$ 113,777	\$ 1,012,989	\$ 40,103	\$ 831,948	\$ 228,283	\$ -
Receipts:								
Taxes	-	-	-	3,572,080	-	-	981,008	773,349
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	29,836	-	-	-	-	4,703,934	84,230	66,399
Charges for services	-	-	490	-	95,000	-	4,390	-
Fines and forfeits	-	-	-	-	-	-	-	-
Other receipts	-	-	542	2,104	-	650,788	277,222	466,981
Total receipts	29,836	-	1,032	3,574,184	95,000	5,354,722	1,346,850	1,306,729
Disbursements:								
Personal services	-	-	-	-	-	3,168,987	1,106,668	257,176
Supplies	-	-	3,695	-	-	1,321,304	113,272	3,398
Other services and charges	29,835	72,945	674	3,125,229	-	401,437	185,799	203,338
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	27,071	7,228	-	4,847	-	-
Other disbursements	-	-	-	-	-	-	-	-
Total disbursements	29,835	72,945	31,440	3,132,457	-	4,896,575	1,405,739	463,912
Excess (deficiency) of receipts over disbursements	1	(72,945)	(30,408)	441,727	95,000	458,147	(58,889)	842,817
Cash and investments - ending	\$ 28,181	\$ 790,242	\$ 83,369	\$ 1,454,716	\$ 135,103	\$ 1,290,095	\$ 169,394	\$ 842,817

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

	Family & Children's Fund	Community Based Corrections	County General A,R,R,A Fund	Animal License Fee (Dog Tax)	Co Sheriff Cef	Park & Recr Gift & Grant	Fam. Justice Cntr. Grant
Cash and investments - beginning	\$ -	\$ 520,337	\$ 337,099	\$ 4,517	\$ 10,272	\$ 42,333	\$ 1
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	1,095,447	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	10,961	-	-	-
Other receipts	5,130	298,920	2,013	-	6,872	2,681	-
Total receipts	5,130	1,394,367	2,013	10,961	6,872	2,681	-
Disbursements:							
Personal services	-	861,381	-	-	-	-	-
Supplies	-	70,665	-	-	-	-	-
Other services and charges	5,130	105,735	-	-	728	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	44,598	-	-	-	1,203	-
Other disbursements	-	-	221,114	-	-	-	-
Total disbursements	5,130	1,082,379	221,114	-	728	1,203	-
Excess (deficiency) of receipts over disbursements	-	311,988	(219,101)	10,961	6,144	1,478	-
Cash and investments - ending	\$ -	\$ 832,325	\$ 117,998	\$ 15,478	\$ 16,416	\$ 43,811	\$ 1

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

	Protective Order Project	H1N1 Flu Virus Fund	County Special Gifts	Health S.T.D.	Health Local Hlth Services Grt	Health Aids Grant	Health Bioterrorism Grant
Cash and investments - beginning	\$ (39,368)	\$ 76,176	\$ 51,610	\$ (7,657)	\$ 136,873	\$ 10,029	\$ 3,045
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	16,767	29,185	-	37,944	87,599	3,715	7,372
Charges for services	-	-	636	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	40,000	-	174,448	-	-	-	-
Total receipts	56,767	29,185	175,084	37,944	87,599	3,715	7,372
Disbursements:							
Personal services	14,324	-	-	38,579	74,042	197	-
Supplies	-	-	9,911	3,320	8,282	-	-
Other services and charges	2,443	105,361	170,282	542	20,457	13,547	7,429
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	1,675	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	16,767	105,361	181,868	42,441	102,781	13,744	7,429
Excess (deficiency) of receipts over disbursements	40,000	(76,176)	(6,784)	(4,497)	(15,182)	(10,029)	(57)
Cash and investments - ending	\$ 632	\$ -	\$ 44,826	\$ (12,154)	\$ 121,691	\$ -	\$ 2,988

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

	Health Lead Elimination Grant	Family Court Grant	2006 Reassessment Fund	GAL/CASA Program	Monies On Deposit	Recorder's Escrow Fund	2010 E.M.P.G. Competitive Grt.
Cash and investments - beginning	\$ (19,029)	\$ 11,099	\$ 929,411	\$ -	\$ -	\$ 87,778	\$ -
Receipts:							
Taxes	-	-	425,737	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	66,654	22,800	27,582	1,500	-	-	-
Charges for services	-	-	-	-	-	7,476	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	4,739	-	15,703	-	-	841,328	-
Total receipts	<u>71,393</u>	<u>22,800</u>	<u>469,022</u>	<u>1,500</u>	<u>-</u>	<u>848,804</u>	<u>-</u>
Disbursements:							
Personal services	68,342	20,588	511,192	-	-	-	-
Supplies	101	-	2,248	-	-	-	-
Other services and charges	10,122	3,534	518,899	-	-	851,343	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	3,750
Other disbursements	-	6,000	-	-	-	-	-
Total disbursements	<u>78,565</u>	<u>30,122</u>	<u>1,032,339</u>	<u>-</u>	<u>-</u>	<u>851,343</u>	<u>3,750</u>
Excess (deficiency) of receipts over disbursements	<u>(7,172)</u>	<u>(7,322)</u>	<u>(563,317)</u>	<u>1,500</u>	<u>-</u>	<u>(2,539)</u>	<u>(3,750)</u>
Cash and investments - ending	<u>\$ (26,201)</u>	<u>\$ 3,777</u>	<u>\$ 366,094</u>	<u>\$ 1,500</u>	<u>\$ -</u>	<u>\$ 85,239</u>	<u>\$ (3,750)</u>

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

	David N Nickerson Memorial Fnd	Tax Sale Clearing	Portage Manor Fund	Take Ten Project	2010 Foundation Grant	Public Defenders Fees	Adult Pro. Admin. Fee
Cash and investments - beginning	\$ -	\$ 38,866	\$ 2,816,640	\$ -	\$ -	\$ 280,306	\$ 158,972
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	12,500	-	-	-
Charges for services	-	-	2,165,925	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	270
Other receipts	680	3,749,036	12,674	-	3,493	41,724	30,627
Total receipts	680	3,749,036	2,178,599	12,500	3,493	41,724	30,897
Disbursements:							
Personal services	-	-	1,482,274	-	-	-	-
Supplies	-	-	320,070	-	-	-	-
Other services and charges	-	3,785,749	285,534	9,898	-	8,251	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	137,654	-	3,493	-	-
Other disbursements	-	-	-	-	-	31,200	-
Total disbursements	-	3,785,749	2,225,532	9,898	3,493	39,451	-
Excess (deficiency) of receipts over disbursements	680	(36,713)	(46,933)	2,602	-	2,273	30,897
Cash and investments - ending	\$ 680	\$ 2,153	\$ 2,769,707	\$ 2,602	\$ -	\$ 282,579	\$ 189,869

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

	Sex/Violent Off. Add. Fee	Ptg Manor Farm Operation	County Poor Relief Bond	2009 CEDIT Bond Jackson Road	Redv Bnd 2001Refin Bond 2010	County Bonds & Interest	Co. Emergency Command Ctr. Fund
Cash and investments - beginning	\$ 5	\$ 18,377	\$ 198,165	\$ 41,600	\$ 2,986,427	\$ (507,458)	\$ 2,413,237
Receipts:							
Taxes	-	-	-	-	1,322,442	3,554,622	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	297,959	350,000
Charges for services	-	-	-	-	71,797	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	7,000	-	-	607,930	-	607,544
Total receipts	-	7,000	-	-	2,002,169	3,852,581	957,544
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	5,815	-	41,600	2,506,888	3,468,125	276,582
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	2,359,550
Other disbursements	-	-	-	-	-	-	-
Total disbursements	-	5,815	-	41,600	2,506,888	3,468,125	2,636,132
Excess (deficiency) of receipts over disbursements	-	1,185	-	(41,600)	(504,719)	384,456	(1,678,588)
Cash and investments - ending	\$ 5	\$ 19,562	\$ 198,165	\$ -	\$ 2,481,708	\$ (123,002)	\$ 734,649

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

	Local Hwy. User Tax Projects	Co Police Pension Trust	Alt. Dispute Resolution Fund	Commissioner's Cert. Sale	Payroll	Perf	Federal Withholding
Cash and investments - beginning	\$ 159,290	\$ 120,454	\$ 41,745	\$ 914,947	\$ -	\$ 280,337	\$ 1,435
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	2,567,006	-	-	-	-	-	-
Charges for services	-	191,222	-	-	-	-	-
Fines and forfeits	-	-	23,949	-	-	-	-
Other receipts	-	-	3,420	2,272,423	37,382,568	1,014,968	3,866,418
Total receipts	<u>2,567,006</u>	<u>191,222</u>	<u>27,369</u>	<u>2,272,423</u>	<u>37,382,568</u>	<u>1,014,968</u>	<u>3,866,418</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	521	-	-	-	-
Other services and charges	-	180,000	39,172	1,679,503	37,382,568	1,009,254	3,867,853
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	2,469,641	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>2,469,641</u>	<u>180,000</u>	<u>39,693</u>	<u>1,679,503</u>	<u>37,382,568</u>	<u>1,009,254</u>	<u>3,867,853</u>
Excess (deficiency) of receipts over disbursements	<u>97,365</u>	<u>11,222</u>	<u>(12,324)</u>	<u>592,920</u>	<u>-</u>	<u>5,714</u>	<u>(1,435)</u>
Cash and investments - ending	<u>\$ 256,655</u>	<u>\$ 131,676</u>	<u>\$ 29,421</u>	<u>\$ 1,507,867</u>	<u>\$ -</u>	<u>\$ 286,051</u>	<u>\$ -</u>

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

	Ind Gross Withholding	Fica	Employees Miscellaneous Insurance	St Joe Co Group Ins	SJC Health Plan Reserve Fund	St Joe Co Liability Reserve	Misc.State Monies Trust Fund	Totals
Cash and investments - beginning	\$ 227,620	\$ (869)	\$ 15	\$ 2,129,934	\$ 508,793	\$ 2,902	\$ 1,112	\$ 146,817,783
Receipts:								
Taxes	-	-	-	-	-	-	409,020	700,776,728
Licenses and permits	-	-	-	-	-	-	-	66,732
Intergovernmental	-	-	-	-	-	-	-	31,667,167
Charges for services	-	-	-	-	-	-	-	18,602,697
Fines and forfeits	-	-	-	-	-	-	-	2,236,488
Other receipts	1,823,450	4,804,769	-	15,005,702	39,667	749,201	-	150,996,429
Total receipts	1,823,450	4,804,769	-	15,005,702	39,667	749,201	409,020	904,346,241
Disbursements:								
Personal services	-	-	-	-	-	-	-	59,285,388
Supplies	-	-	-	-	-	2,525	-	4,527,421
Other services and charges	1,832,940	4,803,899	15	11,142,739	-	997,889	409,020	224,058,752
Debt service - principal and interest	-	-	-	-	-	-	-	1,143,395
Capital outlay	-	-	-	-	-	-	-	281,018,719
Other disbursements	-	-	-	-	-	-	-	336,199,884
Total disbursements	1,832,940	4,803,899	15	11,142,739	-	1,000,414	409,020	906,233,559
Excess (deficiency) of receipts over disbursements	(9,490)	870	(15)	3,862,963	39,667	(251,213)	-	(1,887,318)
Cash and investments - ending	\$ 218,130	\$ 1	\$ -	\$ 5,992,897	\$ 548,460	\$ (248,311)	\$ 1,112	\$ 144,930,465

ST. JOSEPH 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>\$ 3,358,094</u>	<u>\$ -</u>

ST. JOSEPH COUNTY
SCHEDULE OF LEASES AND DEBT
December 31, 2011

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Capital leases	County jail	\$ 3,461,000	09-01-05	01-19-19
Capital leases	E-911 equipment	590,906	06-24-03	12-31-13
Capital leases	Police video/audio recording system	8,453	02-24-10	02-24-12
Capital leases	Motorola equipment	<u>1,095,487</u>	01-15-11	01-15-17
Total of annual lease payments		<u>\$ 5,155,846</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	Logan street bridge	\$ 3,200,000	\$ 327,025
General obligation bonds	Bittersweet bridge	3,585,000	803,420
Revenue bonds	Jackson Road landfill	1,135,000	1,157,700
Capital appreciation bonds	IN-TEK TIF redevelopment	1,213,946	270,000
TIF bonds	AM General	14,530,000	2,237,325
Notes and loans payable	Mishawaka main street bridge	<u>4,750,000</u>	<u>125,000</u>
Totals		<u>\$ 28,413,946</u>	<u>\$ 4,920,470</u>

ST. JOSEPH 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.

	Ending Balance
Governmental activities:	
Land	\$ 22,629,756
Infrastructure	547,013,889
Buildings	98,841,358
Machinery, equipment and vehicles	25,687,751
Construction in progress	358,870
Total governmental activities	694,531,624
Total capital assets	\$ 694,531,624

ST. JOSEPH COUNTY
OTHER REPORTS

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

County Auditor
Clerk of the Circuit Court
County Sheriff
Park and Recreation
Portage Manor

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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 ST. JOSEPH COUNTY, INDIANA

Compliance

We have audited the compliance of the St. Joseph County (County) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2011. 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, 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, 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

August 2, 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.

ST. JOSEPH 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 Education			
Child Nutrition Cluster			
School Breakfast Program	10.553		\$ 34,141
National School Lunch Program	10.555		<u>55,968</u>
Total for cluster			<u>90,109</u>
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557		<u>19,941</u>
Child and Adult Care Food Program	10.558		<u>842</u>
Total for federal grantor agency			<u>110,892</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Direct Grant			
Public Safety Partnership and Community Policing Grants	16.710	2010-CK-WX-0449	<u>32,924</u>
Direct Grant			
Equitable Sharing Program	16.922		<u>30,766</u>
Pass-Through Indiana Criminal Justice Institute			
Crime Victim Assistance	16.575	2010-VA-GX-0100	56,602
		2010-VA-GX-0100	18,814
		2011-VA-GX-0039	<u>12,584</u>
Total for program			<u>88,000</u>
Violence Against Women Formula Grants	16.588	2009-EF-S6-0020	256,272
		2010-WF-AX-0022	<u>83,620</u>
Total for program			<u>339,892</u>
Pass-Through City of South Bend			
JAG Cluster			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2010-DJ-BX-0855	<u>20,000</u>
Total for federal grantor agency			<u>511,582</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation			
Highway Planning and Construction Cluster			
Highway Planning and Construction	20.205		
		DES #0400740	155,514
		DES #0089120	32,398
		DES #9880160	66,063
		DES #0600665	205,885
		DES #0710356	81,862
		DES #0800210	84,990
		DES #0100623	186,221
		DES #0710358	268,410
		DES #0902236	59,483
		DES #0500180	506
		DES #0600445	20,235
		DES #0400083	<u>4,880</u>
Total for Cluster			<u>1,166,447</u>
Pass-Through Indiana Criminal Justice Institute			
Highway Safety Cluster			
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	KA-2011-03-02-06	114,750
		K4-2010-03-02-08	<u>13,584</u>
Total for program			<u>128,334</u>
Pass-Through the City of Mishawaka			
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	RDP-2011-02-02-21	2,710
		K8-2011-0303-26	9,278
		PT-2011-04-04-21	21,355
		CA-2011-08-01-16	<u>5,129</u>
Total for program			<u>38,472</u>
Total for cluster			<u>166,806</u>
Total for federal grantor agency			<u>1,333,253</u>

The accompanying note is 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, 2011
(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. ENVIRONMENTAL PROTECTION AGENCY</u>			
Direct Grant			
State Underground Water Source Protection	66.433		15,000
<u>U.S. DEPARTMENT OF ENERGY</u>			
Direct Grant			
Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	DE-SC0001868	211,285
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-Through Indiana State Department of Health			
Public Health Emergency Preparedness	93.069	BPRS 170-70 BPRS 170-70 H1N1 170-68	6,695 734 105,361
Total for program			112,790
Childhood Lead Poisoning Prevention Projects - State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Levels in Children	93.197	CLP 170-1 CLP 170-2 CLP 170-1	46,958 14,585 17,022
Total for program			78,565
Pass-Through Indiana Department of Child Services			
Child Support Enforcement	93.563		
County Prosecutor's Expenditures			1,046,951
County Clerk's Expenditures			221,833
Probate Court Expenditures			84,804
Collection Incentives			658,607
Indirect Costs			189,076
Total for program			2,201,271
Pass-Through Indiana State Department of Health			
HIV Prevention Activities - Health Department Based	93.940	AIDS 170-7	13,744
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	STD 170-5	42,440
Total for federal grantor agency			2,448,810
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security			
Emergency Management Performance Grants	97.042	C44P-1-360A C44P-1-143A	57,331 3,750
Total for federal grantor agency			61,081
Total federal awards expended			<u>\$ 4,691,903</u>

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

ST. JOSEPH 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 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.

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 statement 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
93.563	Highway Planning and Construction Cluster Child Support Enforcement

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

FINDING 2011-1 - CIRCUIT COURT CLERK TRUST RECONCILEMENT

The County was unable to reconcile amounts from the Office of the Clerk of Circuit Court's Trust Fund Registers with the Clerk's Cash Book record balances. No reconcilements of this kind have been done in many years. The cash book balance shows a total of cash bonds and trust funds of \$1,721,509 held by the Clerk in the main office on December 31, 2011.

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 an alternative system in place to reconcile the outstanding items to the amount of cash on hand at any given date.

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

As soon as possible after the cash book and the daily balance record have been closed for the month, the clerk should reconcile the trust fund register with these two records. (Accounting and Uniform Compliance Guidelines Manual for Clerks of the Circuit Court, Chapter 8)

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 Clerk of the Circuit Court design and implement procedures that would allow the trust records to be reconciled to the cash book on a continuous basis.

FINDING 2011-2 - CONDITION OF RECORDS AND BANK RECONCILEMENTS

During the audit of the Clerk of the Circuit Court (Clerk) records the following deficiencies were noted:

The Clerk is responsible for five separate bank accounts. Three of the five bank accounts had been reconciled to the Clerk's ledger balances at December 31, 2011. As of May 2012, the bank reconciliation for the main office bank account had not been completed since September 2011. At December 31, 2011, the bank balance for the main office bank account was \$7,938,324. As of May 2012, the bank reconciliation for the small claims bank account had not been completed since April 2011. At December 31, 2011, the bank balance for the small claims bank account was \$214,706.

The December 31, 2011 Cash Book balance did not agree to the total of the subaccount balances. The balance of the cash book control account shows \$10,899,485 and the balance of the subaccounts totals \$3,257,648, which leaves a discrepancy of \$6,426,564.

The difference noted in the preceding paragraph, was caused by posting errors to the subaccounts. We found instances where a subaccount's cash balance was not carried forward to the next day and instead started the next day with a zero balance. We also found instances in which the total disbursements for the day were posted to the control account however those disbursements were not posted to the subaccounts which caused the subaccount balances to be inflated.

The 2012 cash book is not being posted timely. As of June 4, 2012, the Clerk's staff is in the process of posting transactions for March 2012.

Indiana Code 5-13-6-1(1)(e) states in part: "All local investment officers shall reconcile at least monthly the balances of public funds, as disclosed by the records of the local officers with the balance statements provided by the respective depositories."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund.

All documents and entries to records should be done in a timely manner to ensure that accurate financial information is available to allow the governmental unit to make informed management decisions and to help ensure compliance with IC 5-15-1-1 et seq., commonly referred to as the Public Records Law. (Accounting and Uniform Compliance Guidelines Manual for Clerks of the Circuit Court, Chapter 13)

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

We recommended that the Clerk of the Circuit Court perform regular monthly reconcilements and any found errors should be corrected timely.

We also recommended that the Clerk review the Accounting and Uniform Compliance Guidelines Manual for Clerks of the Circuit Court to design a program to properly train staff on how to maintain and post a Cash Book.

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

July 9, 2012

**St Joseph County Clerk Action Plan
To Correct Financial Statement Findings**

Findings 2011-1 Circuit Court Clerk Trust Reconciliation

The St. Joseph County Clerk's Office is in the process of converting to JTAC's Odyssey Case Management System. While that will help with financial & reconciling our trust items from the starting date forward it will still be difficult to reconcile our trust account of the item contained in the Low computer system. JTAC will not be converting the financial information from our old system to Odyssey. Scott Seniff from Low & Associates has been working with me, SBOA and JTAC to see if they can create a listing of all trust items in the old computer system. These items will have to be entered into the new Odyssey system by hand.

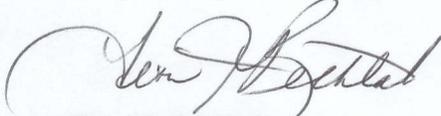
Findings 2011-2 Condition of Records & Bank Reconcilements

As a result of the audit findings the following has been or will be done to improve the condition of the Clerk's financial records & bank reconcilements:

- Bookkeeper has been transferred to another position and a new employee knowledgeable in Excel is currently working in this position
- Cash book sheets have been revised to reflect all fees collected and are posted to the appropriate column and not combined as in the past.
- Standard operating procedures for all 3 bookkeeping positions have been written or updated. This way everyone knows how to do each others jobs.
- 2011 is reconciled but does not balance

- Cash book sheets are completed
- SBOA has given us another form to reconcile the trust account
- Supervisor is to give Clerk monthly updates of reconcilements

Respectfully Submitted,

A handwritten signature in cursive script, appearing to read "Terri J. Rethlake". The signature is written in dark ink and is positioned above the printed name.

Terri J. Rethlake
Clerk of the Circuit Court

ST. JOSEPH COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 26, 2012, with Peter H. Mullin, Auditor.

The contents of this report were discussed on August 2, 2012, with Andrew Kostielney, President of the Board of County Commissioners, and with Rafael Morton, President of the County Council.