

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, 2012 to December 31, 2012



FILED
08/21/2013

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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 Michael J. Kruk	01-01-09 to 12-31-12 01-01-13 to 12-31-16
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 12-31-16
President of the Board of County Commissioners	Andrew Kostielney	01-01-12 to 12-31-13
President of the County Council	Rafael Morton	01-01-12 to 12-31-13



STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF ST. JOSEPH COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of St. Joseph County (County), which comprises the financial position and results of operations for the year ended December 31, 2012, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the County for the year ended December 31, 2012.

Basis for Qualified Opinion on Regulatory Basis of Accounting

We were unable to audit the trust balance amount for the Office of the Clerk of the Circuit Court (Clerk) at December 31, 2012, because detailed information from the Clerk's Trust Register was not available. This amount is \$4,590,084 of the total cash and investment balances at December 31, 2012. 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, \$8,513,655, because the Clerk's ledger control balance did not agree to the subaccount total balance of \$5,215,720. We were unable to determine the reason for the difference.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects on the financial statement, if any, of not being able to obtain sufficient audit evidence as discussed in the *Basis for Qualified Opinion on Regulatory Basis of Accounting* paragraph, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the County for the year ended December 31, 2012, on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated July 31, 2013, 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* in considering the County's internal control over financial reporting and compliance.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Accompanying Information

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the County's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

Our audit was conducted for the purpose of forming an opinion on the County's financial statement. The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

Other Information

Included in the financial statement are the receipts and disbursements activity from emergency telephone system fees (IC 36-8-16), enhanced wireless emergency telephone fees (IC 36-8-16.5), and statewide 911 services fees (IC 36-8-16.7). In accordance with Indiana Code 36-8-16-14, Indiana Code 36-8-16.5-41, and Indiana Code 36-8-16.7-38, these fees have been subject to an annual audit performed by the Indiana 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.



Bruce Hartman
State Examiner

July 31, 2013



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

TO: THE OFFICIALS OF ST. JOSEPH COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of St. Joseph County (County), which comprises the financial position and results of operations for the year ended December 31, 2012, and the related notes to the financial statement, and have issued our report thereon dated July 31, 2013, wherein we noted the County followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America. The opinion to the financial statement relative to the regulatory basis of accounting was 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.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 2012-1, 2012-2, and 2012-3 to be material weaknesses.

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

Compliance and Other Matters

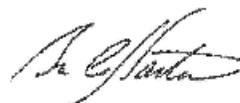
As part of obtaining reasonable assurance about whether the County's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2012-1 and 2012-2.

St. Joseph County's Response to Findings

The County's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The County's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Bruce Hartman
State Examiner

July 31, 2013

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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, 2012

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12
Treasurer After Settlement Collections	\$ 7,978,459	\$ 8,061,789	\$ 7,978,459	\$ 8,061,789
Jail Commissary	123,022	99,774	32,152	190,644
County General	12,271,847	62,437,858	70,814,631	3,895,074
Accident Reports Sheriff	21,049	14,686	10,441	25,294
Public Housing Authority	28,180	21,094	21,094	28,180
Tax Sale Clearing	2,153	5,217,637	5,217,637	2,153
City/Town Court Cost	3,960	82,690	38,617	48,033
Clerks Record Perpetuation	195,745	74,597	61,515	208,827
County C.O.I.T. Dist. Fund	-	3,331,102	-	3,331,102
Community Based Corrections	760,787	2,506,547	2,879,408	387,926
Community Transition Program	71,538	125,585	87,512	109,611
Animal License Fee (Dog Tax)	15,478	6,713	-	22,191
County Sales Disclosure Fees	330,440	23,700	-	354,140
Cumulative Bridge	1,184,017	839,878	765,074	1,258,821
Cum Capital Devlpmt Fund	3,698,970	1,470,235	1,416,779	3,752,426
County Drug Free Fund	116,419	126,655	130,000	113,074
Local Emergency Planning Fund	20,759	18,633	9,875	29,517
St Joseph Co. Em.Tel.Sys. Fund	3,815,113	992,400	1,557,710	3,249,803
Enhanced Access Fee	324,085	56,862	-	380,947
Firearms Training & Police Ed.	96,983	61,841	28,417	130,407
General Drain Impr	26,295	268,586	258,756	36,125
County Health	1,090,326	1,902,622	2,226,531	766,417
SJC Ident. Security Protection	131,254	20,931	115,866	36,319
Excess Levy Fund	25,349	29,100	-	54,449
Local Roads & Streets	1,014,971	1,467,723	1,190,030	1,292,664
Major Cumulative Bridge	176,940	1,552,881	1,284,675	445,146
Local Major Moves Const. Fund	8,951,741	607,106	4,391,860	5,166,987
County Highway	1,290,095	5,240,193	5,645,120	885,168
Park & Recr Capital	38,141	8,502	-	46,643
Park & Recr Non Reverting	215,795	257,820	212,429	261,186
Plat Book Maint. Fund	128,812	51,720	17,710	162,822
County Rainy Day Fund	6,290,418	60	1,500	6,288,978
2006 Reassessment Fund	366,095	6,769	372,863	1
2017 Cum Reassessment	842,817	1,206,508	486,053	1,563,272
Recorder Perpetuation	916,032	273,921	218,559	971,394
Co Police Pension Trust	131,676	187,069	300,000	18,745
Surplus Tax	3,606,233	1,736,793	2,585,748	2,757,278
Surveyor Corner Fund	13,536	47,395	49,939	10,992
Tax Sale Redemption	2,639	1,032,210	984,336	50,513
Tax Sale Surplus	3,113,936	4,246,260	3,572,038	3,788,158
Special Vehicle Inspection	5,051	3,370	1,869	6,552
GAL/CASA Program	1,500	13,901	-	15,401
H.A.V.A. 102 Funds	790,242	-	-	790,242
Ineligible Deductions Fund	885,474	674,324	464,023	1,095,775
Co Elected Ofcls Training Fund	7,462	21,966	11,713	17,715
Park & Recreation Fund	169,393	1,251,931	1,472,786	(51,462)
Statewide 9-1-1 Fund	-	734,212	-	734,212
Adult Probation Fees	338,419	170,650	197,228	311,841
Juvenile Probation Fees	651,209	96,600	320,022	427,787
User Fees	1,446,352	295,000	52,303	1,689,049

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, 2012
(Continued)

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12
Drainage Maintenance	1,394,634	505,241	437,090	1,462,785
Portage Manor Fund	2,769,708	2,488,966	2,183,576	3,075,098
Park & Recr Gift & Grant	88,637	131,167	125,697	94,107
Wyatt Economic Dev Area #1	4,709,170	867,649	409,807	5,167,012
Redv Bnd 2001Refin Bond 2010	2,481,708	2,168,074	2,758,305	1,891,477
County Bonds & Interest	75,162	5,215,801	3,463,000	1,827,963
St Joe Co Group Ins	6,541,358	15,486,209	11,895,912	10,131,655
St Joe Co Liability Ins	(248,311)	1,331,636	996,948	86,377
Payroll	-	39,661,038	39,660,485	553
Mich St Withholding	8,329	70,676	73,338	5,667
Federal Withholding	-	4,119,105	4,119,105	-
Fica	-	5,100,502	5,100,502	-
Perf	286,051	1,387,456	1,665,981	7,526
Ind Gross Withholding	209,800	1,868,075	1,930,879	146,996
Settlement	-	259,646,964	259,646,964	-
Public Safety L.O.I.T.	2,114,124	18,213,167	17,270,568	3,056,723
County Wheel Tax	48,550	394,353	442,526	377
C.V.E.T. Fund	-	2,369,382	2,369,382	-
Excise Surtax Fund	-	4,878,793	4,878,793	-
Sewage Liens Collections	8	223,784	223,785	7
HEA 1001-08ST Homestead Credit	4,581	17,743	-	22,324
Fines & Forfeitures	145,795	717,008	642,481	220,322
Special Death Benefit Fees	4,195	26,767	28,990	1,972
State Sales Disclosure Fees	2,420	23,700	23,335	2,785
Coroner Trng. & Cont. Ed. Fees	2,319	31,568	31,456	2,431
Adult/Juv. Interstate Compact	1,000	3,225	1,613	2,612
Mortgage Recording Fee - State	2,175	24,323	24,453	2,045
Inheritance Tax	1,303,828	6,584,951	5,745,653	2,143,126
Education Plate Fee Distr	-	5,531	5,531	-
Riverboat Revenue Sharing	-	1,581,278	1,581,278	-
Convention Exhibition Center	1,454,716	3,637,234	3,145,224	1,946,726
C.E.D.I.T. Fund	6,803,933	32,949,716	28,961,781	10,791,868
C.O.I.T. Fund	(67,756)	61,679,033	54,474,990	7,136,287
Prosecutor P.C.A. 93.563	-	39,820	22,133	17,687
County Prosecutor A.R.R.A. Fund	108,614	21	108,635	-
County Clerk A.R.R.A. Fund	9,384	-	-	9,384
93.563 Title IV-D Incentive	84,228	294,855	27,308	351,775
Title IV-D Pros. Incentive	415,567	286,844	316,334	386,077
Title IV-D Clerk Incentive	633,162	152,860	6,516	779,506
Jail Inmate Trust and Unclaimed	181,793	1,144,186	1,148,548	177,431
Portage Manor Resident Trust	12,648	1,091,403	1,081,800	22,251
Sheriff Civil Collections	2,000	4,014,150	4,014,150	2,000
Clerk Cash Book (Main Office)	10,899,484	16,386,566	18,772,395	8,513,655
Clerk Cash Book (Support)	130,397	4,672,883	4,690,916	112,364
Clerk Cash Book (Mishawaka/Traffic Violation)	218,859	2,161,070	2,138,484	241,445
Clerk Cash Book (Small Claims)	229,602	3,652,597	3,600,091	282,108
Clerk Cash Book (Traffic Violations)	889,844	2,360,112	3,092,666	157,290
JJC Detainee Reimbursement	1,456	1,934	1,822	1,568
JJC Equipment Reimbursement	1,937	490	130	2,297
Restitution JJC	16,776	35,496	41,920	10,352

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, 2012
(Continued)

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12
Probation User Fees JJC	17,812	344,011	322,998	38,825
D.R.C.B. Fee Fund	20,598	7,475	3,393	24,680
Alt. Dispute Resolution Fund	8,823	21,467	17,451	12,839
David N Nickerson Memorial Fund	680	-	680	-
Co Sheriff Cef	16,416	48,252	68	64,600
Sex/Violent Offender Fee	7,315	12,534	2,378	17,471
Sex/Violent Off. Add. Fee	5	-	-	5
Ptg Manor Farm Operation	19,562	7,000	4,693	21,869
Commissioner's Cert. Sale	-	376,299	376,299	-
County Owned Tax Sale	1,507,866	969,085	1,179,302	1,297,649
Drug Testing Fees	120,862	26,423	19,563	127,722
Adult Drug Testing Fees	12,844	-	-	12,844
Community Development	14,565	-	-	14,565
Small Town Survey	1,034	-	-	1,034
Sheriff D.E.A. Fund	5,480	-	811	4,669
Pros D.E.A. Fund	14,209	-	-	14,209
Federal D.E.A.	63,681	39,216	8,025	94,872
Healthwin	135,103	96,425	-	231,528
Recorder's Escrow Fund	85,238	1,010,036	1,007,205	88,069
Public Defenders Fees	282,579	41,745	18,187	306,137
Co. Emergency Command Ctr. Fund	317,926	-	-	317,926
County Building Fund	(24,570)	-	50,466	(75,036)
Comm. Corrections Bldg. Fund	441,293	330,363	130,212	641,444
Local Hwy. User Tax Projects	256,655	2,548,382	2,636,058	168,979
Misc. State Monies Trust Fund	1,112	783,152	721,763	62,501
Adult Pro. Admin. Fee	189,869	79,652	68,999	200,522
Federal Grant Fund	4,337	35	-	4,372
Energy Stimulus Grant	823	-	823	-
S.T.O.P. ARRA Special Victims	-	11,330	16,168	(4,838)
Fam. Justice Cntr. Grant	1	-	-	1
Protective Order Project	632	-	-	632
S.T.O.P. Violence Against Women	-	66,837	78,151	(11,314)
2011 E.M.P.G. Competitive Grt.	(3,750)	3,750	3,631	(3,631)
Take Ten Project	2,602	2,999	7,104	(1,503)
2012 Justice Assistance Grant	-	6,946	6,946	-
Health S.T.D.	(12,154)	41,882	41,982	(12,254)
Weed and Seed II	-	10,000	10,000	-
Health Bioterrorism Grant	2,988	6,856	6,635	3,209
Health Lead Elimination Grant	(26,200)	60,580	34,380	-
Protective Order Project/SJC	-	2,668	4,001	(1,333)
Victims of Crime Act - Assist.	-	15,731	-	15,731
Sex Offender Grant - Comm. Corr.	(111,929)	140,012	28,351	(268)
Health Local Hlth Services Grt	121,691	71,688	80,183	113,196
Drug Free Comm. Council Grant	-	17,500	5,738	11,762
Health H.U.D. Grant	-	8,099	20,548	(12,449)
2012 Problem Solving Grant	-	5,000	-	5,000
Family Court Grant	3,777	15,000	8,446	10,331
Data Share Initiative Grant	-	2,000	-	2,000
Adult Protective Services Grnt	-	59,951	118,906	(58,955)
Influenza Immunization Grant	-	-	37,973	(37,973)
Totals	\$ 111,198,867	\$ 625,972,182	\$ 617,945,071	\$ 119,225,978

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. Funds designated for payments related to this plan are accounted for in a pension trust fund. The activity of this trust fund has not been reflected in the financial statement. The trustee issues a publicly available financial report that includes financial statements and required supplementary information of the plan. The report may be obtained by contacting the county sheriff.

Funding Policy

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

C. County Police Benefit Plan

Plan Description

The County Police Benefit Plan is a single-employer defined benefit pension plan. With the approval of the County's fiscal body, the plan is administered by the sheriff's department and an appointed trustee as authorized by state statute (IC 36-8-10-12) for full-time police officers. The plan provides dependent pensions, life insurance, and disability benefits to plan members and beneficiaries. Funds designated for payments related to this plan are accounted for in a pension trust fund. The activity of this trust fund has not been reflected in the financial statement. The trustee issues a publicly available financial report that includes financial statements and required supplementary information of the plan. The report may be obtained by contacting the county sheriff.

Funding Policy

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

Note 7. Restatement of County Offices

Certain funds that were included on the prior year financial statement have been omitted from the current year financial statement to more accurately reflect the financial activity of the County. These funds account for receipts and disbursements of County offices that are also eventually accounted for in the County's general ledger and this financial statement.

Note 8. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. The Park and Recreation Fund is overdrawn \$51,462 because of a shortfall in revenues. The County Building Fund is overdrawn \$75,036 because disbursements should have been posted to another fund. Several other grant funds are overdrawn because reimbursements were received at a later date.

ST. JOSEPH COUNTY
 NOTES TO FINANCIAL STATEMENT
 (Continued)

Note 9. Restatements

For the year ended December 31, 2012, certain changes have been made to some of the beginning balances of the financial statement to more appropriately reflect financial activity of the County. The following schedule presents a summary of restated beginning balances.

Fund Name	Balance 12-31-11	Adjustment	Balance 01-01-12
Portage Manor Resident Trust	\$ 14,717	\$ (2,069)	\$ 12,648
JJC Detainee Reimbursement	3,550	(2,094)	1,456
Restitution JJC	42,069	(25,293)	16,776
Probation User Fees JJC	21,356	(3,544)	17,812
Clerk Cash Book (Small Claims)	383,574	(153,972)	229,602

Note 10. Holding Corporation

The County has entered into a capital lease with St. Joseph County Jail Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the County. The lessor has been determined to be a related party of the County. Lease payments during the year 2012 totaled \$3,461,000.

Note 11. Other Postemployment Benefits

The County provides to eligible retirees and their spouses the following benefit: medical insurance. This benefit poses a liability to the County for this year and in future years. Information regarding the benefit can be obtained by contacting the County.

Note 12. Combined Funds

Funds related to community based corrections, drug testing fees, grants, emergency command center, dispute resolution, state income tax withholding, and employee health insurance were reported individually in the current financial statement but were combined into one fund for the prior financial statement and funds related to gifts and debt service were reported individually in the prior financial statement but were combined into one fund for the current financial statement.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the County's 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, 2012

	Treasurer After Settlement Collections	Jail Commissary	County General	Accident Reports Sheriff	Public Housing Authority	Tax Sale Clearing	City/Town Court Cost	Clerks Record Perpetuation
Cash and investments - beginning	\$ 7,978,459	\$ 123,022	\$ 12,271,847	\$ 21,049	\$ 28,180	\$ 2,153	\$ 3,960	\$ 195,745
Receipts:								
Taxes	8,061,789	-	41,234,335	-	-	-	-	-
Licenses and permits	-	-	87,773	-	-	-	-	-
Intergovernmental	-	-	5,338,731	-	21,094	-	-	2,030
Charges for services	-	-	5,603,864	13,624	-	-	-	29
Fines and forfeits	-	-	1,566,017	-	-	-	-	-
Other receipts	-	99,774	8,607,138	1,062	-	5,217,637	82,690	72,538
Total receipts	8,061,789	99,774	62,437,858	14,686	21,094	5,217,637	82,690	74,597
Disbursements:								
Personal services	-	-	48,615,869	-	-	-	-	-
Supplies	-	-	2,361,372	10,441	-	-	-	8,483
Other services and charges	-	-	19,768,467	-	21,094	5,217,637	38,617	3,828
Capital outlay	-	-	27,340	-	-	-	-	956
Other disbursements	7,978,459	32,152	41,583	-	-	-	-	48,248
Total disbursements	7,978,459	32,152	70,814,631	10,441	21,094	5,217,637	38,617	61,515
Excess (deficiency) of receipts over disbursements	83,330	67,622	(8,376,773)	4,245	-	-	44,073	13,082
Cash and investments - ending	\$ 8,061,789	\$ 190,644	\$ 3,895,074	\$ 25,294	\$ 28,180	\$ 2,153	\$ 48,033	\$ 208,827

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	County C.O.I.T. Dist. Fund	Community Based Corrections	Community Transition Program	Animal License Fee (Dog Tax)	County Sales Disclosure Fees	Cumulative Bridge	Cum Capital Devlpmt Fund	County Drug Free Fund
Cash and investments - beginning	\$ -	\$ 760,787	\$ 71,538	\$ 15,478	\$ 330,440	\$ 1,184,017	\$ 3,698,970	\$ 116,419
Receipts:								
Taxes	3,331,102	-	-	-	-	697,152	1,365,849	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	1,070,612	77,645	-	-	52,864	103,570	-
Charges for services	-	-	-	-	23,700	89,170	-	-
Fines and forfeits	-	-	-	6,713	-	-	-	-
Other receipts	-	1,435,935	47,940	-	-	692	816	126,655
Total receipts	<u>3,331,102</u>	<u>2,506,547</u>	<u>125,585</u>	<u>6,713</u>	<u>23,700</u>	<u>839,878</u>	<u>1,470,235</u>	<u>126,655</u>
Disbursements:								
Personal services	-	1,107,675	43,690	-	-	-	-	-
Supplies	-	136,857	474	-	-	30,000	-	-
Other services and charges	-	173,734	98	-	-	120,907	341,624	130,000
Capital outlay	-	33,902	-	-	-	614,167	1,075,155	-
Other disbursements	-	1,427,240	43,250	-	-	-	-	-
Total disbursements	<u>-</u>	<u>2,879,408</u>	<u>87,512</u>	<u>-</u>	<u>-</u>	<u>765,074</u>	<u>1,416,779</u>	<u>130,000</u>
Excess (deficiency) of receipts over disbursements	<u>3,331,102</u>	<u>(372,861)</u>	<u>38,073</u>	<u>6,713</u>	<u>23,700</u>	<u>74,804</u>	<u>53,456</u>	<u>(3,345)</u>
Cash and investments - ending	<u>\$ 3,331,102</u>	<u>\$ 387,926</u>	<u>\$ 109,611</u>	<u>\$ 22,191</u>	<u>\$ 354,140</u>	<u>\$ 1,258,821</u>	<u>\$ 3,752,426</u>	<u>\$ 113,074</u>

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Local Emergency Planning Fund	St Joseph Co Em.Tel.Sys. Fund	Enhanced Access Fee	Firearms Training & Police Ed.	General Drain Impr	County Health	SJC Ident. Security Protection	Excess Levy Fund
Cash and investments - beginning	\$ 20,759	\$ 3,815,113	\$ 324,085	\$ 96,983	\$ 26,295	\$ 1,090,326	\$ 131,254	\$ 25,349
Receipts:								
Taxes	-	-	-	-	22,644	604,673	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	141,482	-	-
Charges for services	6,032	374,512	40,393	-	70,000	1,148,562	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Other receipts	12,601	617,888	16,469	61,841	175,942	7,905	20,931	29,100
Total receipts	18,633	992,400	56,862	61,841	268,586	1,902,622	20,931	29,100
Disbursements:								
Personal services	-	-	-	-	-	1,994,220	-	-
Supplies	67	-	-	-	-	27,919	-	-
Other services and charges	9,808	1,557,710	-	28,417	258,756	204,392	115,866	-
Capital outlay	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-	-
Total disbursements	9,875	1,557,710	-	28,417	258,756	2,226,531	115,866	-
Excess (deficiency) of receipts over disbursements	8,758	(565,310)	56,862	33,424	9,830	(323,909)	(94,935)	29,100
Cash and investments - ending	\$ 29,517	\$ 3,249,803	\$ 380,947	\$ 130,407	\$ 36,125	\$ 766,417	\$ 36,319	\$ 54,449

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Local Roads & Streets	Major Cumulative Bridge	Local Major Moves Const. Fund	County Highway	Park & Recr & Capital	Park & Recr Non Reverting	Plat Book Maint. Fund	County Rainy Day Fund
Cash and investments - beginning	\$ 1,014,971	\$ 176,940	\$ 8,951,741	\$ 1,290,095	\$ 38,141	\$ 215,795	\$ 128,812	\$ 6,290,418
Receipts:								
Taxes	-	1,365,849	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	1,467,723	103,570	-	4,725,904	-	-	-	-
Charges for services	-	83,112	133,131	20,000	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Other receipts	-	350	473,975	494,289	8,502	257,820	51,720	60
Total receipts	<u>1,467,723</u>	<u>1,552,881</u>	<u>607,106</u>	<u>5,240,193</u>	<u>8,502</u>	<u>257,820</u>	<u>51,720</u>	<u>60</u>
Disbursements:								
Personal services	-	-	-	3,309,039	-	37,642	8,151	60
Supplies	-	-	-	1,793,036	-	127,358	6,131	-
Other services and charges	-	1,231,995	-	525,082	-	-	3,428	1,440
Capital outlay	1,190,030	52,680	4,391,860	17,963	-	-	-	-
Other disbursements	-	-	-	-	-	47,429	-	-
Total disbursements	<u>1,190,030</u>	<u>1,284,675</u>	<u>4,391,860</u>	<u>5,645,120</u>	<u>-</u>	<u>212,429</u>	<u>17,710</u>	<u>1,500</u>
Excess (deficiency) of receipts over disbursements	<u>277,693</u>	<u>268,206</u>	<u>(3,784,754)</u>	<u>(404,927)</u>	<u>8,502</u>	<u>45,391</u>	<u>34,010</u>	<u>(1,440)</u>
Cash and investments - ending	<u>\$ 1,292,664</u>	<u>\$ 445,146</u>	<u>\$ 5,166,987</u>	<u>\$ 885,168</u>	<u>\$ 46,643</u>	<u>\$ 261,186</u>	<u>\$ 162,822</u>	<u>\$ 6,288,978</u>

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	2006 Reassessment Fund	2017 Cum Reassessment	Recorder Perpetuation	Co Police Pension Trust	Surplus Tax	Surveyor Corner Fund	Tax Sale Redemption
Cash and investments - beginning	\$ 366,095	\$ 842,817	\$ 916,032	\$ 131,676	\$ 3,606,233	\$ 13,536	\$ 2,639
Receipts:							
Taxes	-	789,631	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	59,877	-	-	-	-	-
Charges for services	-	-	38,000	187,069	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	6,769	357,000	235,921	-	1,736,793	47,395	1,032,210
Total receipts	<u>6,769</u>	<u>1,206,508</u>	<u>273,921</u>	<u>187,069</u>	<u>1,736,793</u>	<u>47,395</u>	<u>1,032,210</u>
Disbursements:							
Personal services	14,204	359,675	32,208	-	-	-	-
Supplies	-	11,311	5,975	-	-	-	-
Other services and charges	6,405	115,067	180,376	300,000	1,583,637	49,939	984,336
Capital outlay	-	-	-	-	-	-	-
Other disbursements	352,254	-	-	-	1,002,111	-	-
Total disbursements	<u>372,863</u>	<u>486,053</u>	<u>218,559</u>	<u>300,000</u>	<u>2,585,748</u>	<u>49,939</u>	<u>984,336</u>
Excess (deficiency) of receipts over disbursements	<u>(366,094)</u>	<u>720,455</u>	<u>55,362</u>	<u>(112,931)</u>	<u>(848,955)</u>	<u>(2,544)</u>	<u>47,874</u>
Cash and investments - ending	<u>\$ 1</u>	<u>\$ 1,563,272</u>	<u>\$ 971,394</u>	<u>\$ 18,745</u>	<u>\$ 2,757,278</u>	<u>\$ 10,992</u>	<u>\$ 50,513</u>

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Tax Sale Surplus	Special Vehicle Inspection	GAL/CASA Program	H.A.V.A. 102 Funds	Ineligible Deductions Fund	Co Elected Ofcls Training Fund	Park & Recreation Fund
Cash and investments - beginning	\$ 3,113,936	\$ 5,051	\$ 1,500	\$ 790,242	\$ 885,474	\$ 7,462	\$ 169,393
Receipts:							
Taxes	-	-	-	-	-	-	1,109,752
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	13,901	-	-	-	84,152
Charges for services	-	-	-	-	-	20,931	3,965
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	4,246,260	3,370	-	-	674,324	1,035	54,062
Total receipts	4,246,260	3,370	13,901	-	674,324	21,966	1,251,931
Disbursements:							
Personal services	-	-	-	-	6,000	-	1,178,249
Supplies	-	1,869	-	-	-	-	110,185
Other services and charges	3,572,038	-	-	-	448,993	1,035	182,199
Capital outlay	-	-	-	-	4,784	-	2,153
Other disbursements	-	-	-	-	4,246	10,678	-
Total disbursements	3,572,038	1,869	-	-	464,023	11,713	1,472,786
Excess (deficiency) of receipts over disbursements	674,222	1,501	13,901	-	210,301	10,253	(220,855)
Cash and investments - ending	\$ 3,788,158	\$ 6,552	\$ 15,401	\$ 790,242	\$ 1,095,775	\$ 17,715	\$ (51,462)

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Statewide 9-1-1 Fund	Adult Probation Fees	Juvenile Probation Fees	User Fees	Drainage Maintenance	Portage Manor Fund	Park & Recr Gift & Grant
Cash and investments - beginning	\$ -	\$ 338,419	\$ 651,209	\$ 1,446,352	\$ 1,394,634	\$ 2,769,708	\$ 88,637
Receipts:							
Taxes	-	-	-	-	503,627	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	734,212	-	-	-	-	2,471,549	628
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	170,650	96,600	295,000	1,614	17,417	130,539
Total receipts	<u>734,212</u>	<u>170,650</u>	<u>96,600</u>	<u>295,000</u>	<u>505,241</u>	<u>2,488,966</u>	<u>131,167</u>
Disbursements:							
Personal services	-	105,814	120,123	-	-	1,514,081	-
Supplies	-	-	933	-	-	320,950	12,764
Other services and charges	-	91,414	198,863	46,672	437,090	285,461	29,761
Capital outlay	-	-	103	-	-	63,084	81,468
Other disbursements	-	-	-	5,631	-	-	1,704
Total disbursements	<u>-</u>	<u>197,228</u>	<u>320,022</u>	<u>52,303</u>	<u>437,090</u>	<u>2,183,576</u>	<u>125,697</u>
Excess (deficiency) of receipts over disbursements	<u>734,212</u>	<u>(26,578)</u>	<u>(223,422)</u>	<u>242,697</u>	<u>68,151</u>	<u>305,390</u>	<u>5,470</u>
Cash and investments - ending	<u>\$ 734,212</u>	<u>\$ 311,841</u>	<u>\$ 427,787</u>	<u>\$ 1,689,049</u>	<u>\$ 1,462,785</u>	<u>\$ 3,075,098</u>	<u>\$ 94,107</u>

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Wyatt Economic Dev Area #1	Redv Bnd 2001Refin Bond 2010	County Bonds & Interest	St Joe Co Group Ins	St Joe Co Liability Ins	Payroll	Mich St Withholding
Cash and investments - beginning	\$ 4,709,170	\$ 2,481,708	\$ 75,162	\$ 6,541,358	\$ (248,311)	\$ -	\$ 8,329
Receipts:							
Taxes	867,649	2,096,277	4,857,453	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	358,348	-	-	-	-
Charges for services	-	71,797	-	-	-	-	-
Fines and forfeits	-	-	-	15,862	-	-	-
Other receipts	-	-	-	15,470,347	1,331,636	39,661,038	70,676
Total receipts	<u>867,649</u>	<u>2,168,074</u>	<u>5,215,801</u>	<u>15,486,209</u>	<u>1,331,636</u>	<u>39,661,038</u>	<u>70,676</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	1,052	-	-	-
Other services and charges	409,807	2,237,825	3,463,000	11,894,860	996,948	39,660,485	73,338
Capital outlay	-	520,480	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>409,807</u>	<u>2,758,305</u>	<u>3,463,000</u>	<u>11,895,912</u>	<u>996,948</u>	<u>39,660,485</u>	<u>73,338</u>
Excess (deficiency) of receipts over disbursements	<u>457,842</u>	<u>(590,231)</u>	<u>1,752,801</u>	<u>3,590,297</u>	<u>334,688</u>	<u>553</u>	<u>(2,662)</u>
Cash and investments - ending	<u>\$ 5,167,012</u>	<u>\$ 1,891,477</u>	<u>\$ 1,827,963</u>	<u>\$ 10,131,655</u>	<u>\$ 86,377</u>	<u>\$ 553</u>	<u>\$ 5,667</u>

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Federal Withholding	Fica	Perf	Ind Gross Withholding	Settlement	Public Safety L.O.I.T.	County Wheel Tax
Cash and investments - beginning	\$ -	\$ -	\$ 286,051	\$ 209,800	\$ -	\$ 2,114,124	\$ 48,550
Receipts:							
Taxes	-	-	-	-	259,417,061	13,637,796	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	229,903	-	394,353
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	4,119,105	5,100,502	1,387,456	1,868,075	-	4,575,371	-
Total receipts	<u>4,119,105</u>	<u>5,100,502</u>	<u>1,387,456</u>	<u>1,868,075</u>	<u>259,646,964</u>	<u>18,213,167</u>	<u>394,353</u>
Disbursements:							
Personal services	-	-	-	-	-	1,740,273	-
Supplies	-	-	-	-	-	105,763	-
Other services and charges	4,119,105	5,100,502	1,665,981	1,930,879	236,580	15,424,532	442,526
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	259,410,384	-	-
Total disbursements	<u>4,119,105</u>	<u>5,100,502</u>	<u>1,665,981</u>	<u>1,930,879</u>	<u>259,646,964</u>	<u>17,270,568</u>	<u>442,526</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>(278,525)</u>	<u>(62,804)</u>	<u>-</u>	<u>942,599</u>	<u>(48,173)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,526</u>	<u>\$ 146,996</u>	<u>\$ -</u>	<u>\$ 3,056,723</u>	<u>\$ 377</u>

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	C.V.E.T. Fund	Excise Surtax Fund	Sewage Liens Collections	HEA 1001-08ST Homestead Credit	Fines & Forfeitures	Special Death Benefit Fees	State Sales Disclosure Fees
Cash and investments - beginning	\$ -	\$ -	\$ 8	\$ 4,581	\$ 145,795	\$ 4,195	\$ 2,420
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	2,369,382	4,878,793	-	17,743	-	-	-
Charges for services	-	-	-	-	-	-	23,480
Fines and forfeits	-	-	46,189	-	717,008	-	-
Other receipts	-	-	177,595	-	-	26,767	220
Total receipts	<u>2,369,382</u>	<u>4,878,793</u>	<u>223,784</u>	<u>17,743</u>	<u>717,008</u>	<u>26,767</u>	<u>23,700</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	4,878,793	223,785	-	642,481	28,990	23,335
Capital outlay	2,369,382	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>2,369,382</u>	<u>4,878,793</u>	<u>223,785</u>	<u>-</u>	<u>642,481</u>	<u>28,990</u>	<u>23,335</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>17,743</u>	<u>74,527</u>	<u>(2,223)</u>	<u>365</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7</u>	<u>\$ 22,324</u>	<u>\$ 220,322</u>	<u>\$ 1,972</u>	<u>\$ 2,785</u>

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Coroner Trng. & Cont. Ed. Fees	Adult/Juv. Interstate Compact	Mortgage Recording Fee - State	Inheritance Tax	Education Plate Fee Distr	Riverboat Revenue Sharing	Convention Exhibition Center
Cash and investments - beginning	\$ 2,319	\$ 1,000	\$ 2,175	\$ 1,303,828	\$ -	\$ -	\$ 1,454,716
Receipts:							
Taxes	-	-	-	-	450	-	3,630,006
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	5,081	1,581,278	-
Charges for services	31,568	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	3,225	24,323	6,584,951	-	-	7,228
Total receipts	<u>31,568</u>	<u>3,225</u>	<u>24,323</u>	<u>6,584,951</u>	<u>5,531</u>	<u>1,581,278</u>	<u>3,637,234</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	31,456	1,613	24,453	5,745,653	5,531	1,581,278	3,145,224
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>31,456</u>	<u>1,613</u>	<u>24,453</u>	<u>5,745,653</u>	<u>5,531</u>	<u>1,581,278</u>	<u>3,145,224</u>
Excess (deficiency) of receipts over disbursements	<u>112</u>	<u>1,612</u>	<u>(130)</u>	<u>839,298</u>	<u>-</u>	<u>-</u>	<u>492,010</u>
Cash and investments - ending	<u>\$ 2,431</u>	<u>\$ 2,612</u>	<u>\$ 2,045</u>	<u>\$ 2,143,126</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,946,726</u>

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	C.E.D.I.T. Fund	C.O.I.T. Fund	Prosecutor P.C.A. 93.563	County Prosecutor A.R.R.A. Fund	County Clerk A.R.R.A. Fund	93.563 Title IV-D Incentive	Title IV-D Pros. Incentive
Cash and investments - beginning	\$ 6,803,933	\$ (67,756)	\$ -	\$ 108,614	\$ 9,384	\$ 84,228	\$ 415,567
Receipts:							
Taxes	22,530,346	61,669,802	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	39,820	-	-	270,111	195,974
Charges for services	9,908,733	-	-	-	-	24,744	37,227
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	510,637	9,231	-	21	-	-	53,643
Total receipts	<u>32,949,716</u>	<u>61,679,033</u>	<u>39,820</u>	<u>21</u>	<u>-</u>	<u>294,855</u>	<u>286,844</u>
Disbursements:							
Personal services	1,127	-	-	49,429	-	-	282,300
Supplies	743,095	-	-	-	-	-	-
Other services and charges	24,191,601	54,474,990	22,133	9,916	-	27,308	34,034
Capital outlay	4,025,958	-	-	1,114	-	-	-
Other disbursements	-	-	-	48,176	-	-	-
Total disbursements	<u>28,961,781</u>	<u>54,474,990</u>	<u>22,133</u>	<u>108,635</u>	<u>-</u>	<u>27,308</u>	<u>316,334</u>
Excess (deficiency) of receipts over disbursements	<u>3,987,935</u>	<u>7,204,043</u>	<u>17,687</u>	<u>(108,614)</u>	<u>-</u>	<u>267,547</u>	<u>(29,490)</u>
Cash and investments - ending	<u>\$ 10,791,868</u>	<u>\$ 7,136,287</u>	<u>\$ 17,687</u>	<u>\$ -</u>	<u>\$ 9,384</u>	<u>\$ 351,775</u>	<u>\$ 386,077</u>

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Title IV-D Clerk Incentive	Jail Inmate Trust and Unclaimed	Portage Manor Resident Trust	Sheriff Civil Collections	Clerk Cash Book (Main Office)	Clerk Cash Book (Support)	Clerk Cash Book (Mishawaka/Traffic Violation)
Cash and investments - beginning	\$ 633,162	\$ 181,793	\$ 12,648	\$ 2,000	\$ 10,899,484	\$ 130,397	\$ 218,859
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	128,116	-	-	-	-	-	-
Charges for services	24,744	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	1,144,186	1,091,403	4,014,150	16,386,566	4,672,883	2,161,070
Total receipts	<u>152,860</u>	<u>1,144,186</u>	<u>1,091,403</u>	<u>4,014,150</u>	<u>16,386,566</u>	<u>4,672,883</u>	<u>2,161,070</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	6,516	1,148,548	1,081,800	4,014,150	18,772,395	4,690,916	2,138,484
Total disbursements	<u>6,516</u>	<u>1,148,548</u>	<u>1,081,800</u>	<u>4,014,150</u>	<u>18,772,395</u>	<u>4,690,916</u>	<u>2,138,484</u>
Excess (deficiency) of receipts over disbursements	<u>146,344</u>	<u>(4,362)</u>	<u>9,603</u>	<u>-</u>	<u>(2,385,829)</u>	<u>(18,033)</u>	<u>22,586</u>
Cash and investments - ending	<u>\$ 779,506</u>	<u>\$ 177,431</u>	<u>\$ 22,251</u>	<u>\$ 2,000</u>	<u>\$ 8,513,655</u>	<u>\$ 112,364</u>	<u>\$ 241,445</u>

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Clerk Cash Book (Small Claims)	Clerk Cash Book (Traffic Violations)	JJC Detainee Reimbursement	JJC Equipment Reimbursement	Restitution JJC	Probation User Fees JJC	D.R.C.B. Fee Fund
Cash and investments - beginning	\$ 229,602	\$ 889,844	\$ 1,456	\$ 1,937	\$ 16,776	\$ 17,812	\$ 20,598
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	3,652,597	2,360,112	1,934	490	35,496	344,011	7,475
Total receipts	3,652,597	2,360,112	1,934	490	35,496	344,011	7,475
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	80
Other services and charges	-	-	-	-	-	-	1,289
Capital outlay	-	-	-	-	-	-	2,024
Other disbursements	3,600,091	3,092,666	1,822	130	41,920	322,998	-
Total disbursements	3,600,091	3,092,666	1,822	130	41,920	322,998	3,393
Excess (deficiency) of receipts over disbursements	52,506	(732,554)	112	360	(6,424)	21,013	4,082
Cash and investments - ending	\$ 282,108	\$ 157,290	\$ 1,568	\$ 2,297	\$ 10,352	\$ 38,825	\$ 24,680

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Alt. Dispute Resolution Fund	David N Nickerson Memorial Fund	Co Sheriff Cef	Sex/Violent Offender Fee	Sex/Violent Off. Add. Fee	Ptg Manor Farm Operation	Commissioner's Cert. Sale
Cash and investments - beginning	\$ 8,823	\$ 680	\$ 16,416	\$ 7,315	\$ 5	\$ 19,562	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	21,427	-	-	-	-	-	-
Other receipts	40	-	48,252	12,534	-	7,000	376,299
Total receipts	<u>21,467</u>	<u>-</u>	<u>48,252</u>	<u>12,534</u>	<u>-</u>	<u>7,000</u>	<u>376,299</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	314	-	-	-	-	-	-
Other services and charges	17,137	680	68	2,378	-	4,693	376,299
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>17,451</u>	<u>680</u>	<u>68</u>	<u>2,378</u>	<u>-</u>	<u>4,693</u>	<u>376,299</u>
Excess (deficiency) of receipts over disbursements	<u>4,016</u>	<u>(680)</u>	<u>48,184</u>	<u>10,156</u>	<u>-</u>	<u>2,307</u>	<u>-</u>
Cash and investments - ending	<u>\$ 12,839</u>	<u>\$ -</u>	<u>\$ 64,600</u>	<u>\$ 17,471</u>	<u>\$ 5</u>	<u>\$ 21,869</u>	<u>\$ -</u>

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	County Owned Tax Sale	Drug Testing Fees	Adult Drug Testing Fees	Community Development	Small Town Survey	Sheriff D.E.A. Fund	Pros D.E.A. Fund
Cash and investments - beginning	\$ 1,507,866	\$ 120,862	\$ 12,844	\$ 14,565	\$ 1,034	\$ 5,480	\$ 14,209
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	969,085	26,423	-	-	-	-	-
Total receipts	<u>969,085</u>	<u>26,423</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	19,563	-	-	-	811	-
Other services and charges	1,179,302	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>1,179,302</u>	<u>19,563</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>811</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(210,217)</u>	<u>6,860</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(811)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 1,297,649</u>	<u>\$ 127,722</u>	<u>\$ 12,844</u>	<u>\$ 14,565</u>	<u>\$ 1,034</u>	<u>\$ 4,669</u>	<u>\$ 14,209</u>

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Federal D.E.A.	Healthwin	Recorder's Escrow Fund	Public Defenders Fees	Co. Emergency Command Ctr. Fund	County Building Fund	Comm. Corrections Bldg. Fund
Cash and investments - beginning	\$ 63,681	\$ 135,103	\$ 85,238	\$ 282,579	\$ 317,926	\$ (24,570)	\$ 441,293
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	321,813
Charges for services	39,216	96,425	6,219	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	1,003,817	41,745	-	-	8,550
Total receipts	<u>39,216</u>	<u>96,425</u>	<u>1,010,036</u>	<u>41,745</u>	<u>-</u>	<u>-</u>	<u>330,363</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	1,546	-	1,007,205	18,187	-	-	30,713
Capital outlay	6,479	-	-	-	-	50,466	99,499
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>8,025</u>	<u>-</u>	<u>1,007,205</u>	<u>18,187</u>	<u>-</u>	<u>50,466</u>	<u>130,212</u>
Excess (deficiency) of receipts over disbursements	<u>31,191</u>	<u>96,425</u>	<u>2,831</u>	<u>23,558</u>	<u>-</u>	<u>(50,466)</u>	<u>200,151</u>
Cash and investments - ending	<u>\$ 94,872</u>	<u>\$ 231,528</u>	<u>\$ 88,069</u>	<u>\$ 306,137</u>	<u>\$ 317,926</u>	<u>\$ (75,036)</u>	<u>\$ 641,444</u>

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Local Hwy. User Tax Projects	Misc. State Monies Trust Fund	Adult Pro. Admin. Fee	Federal Grant Fund	Energy Stimulus Grant	S.T.O.P. ARRA Special Victims	Fam. Justice Cntr. Grant
Cash and investments - beginning	\$ 256,655	\$ 1,112	\$ 189,869	\$ 4,337	\$ 823	\$ -	\$ 1
Receipts:							
Taxes	-	783,152	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	2,548,382	-	-	-	-	-	-
Charges for services	-	-	-	-	-	11,330	-
Fines and forfeits	-	-	50	-	-	-	-
Other receipts	-	-	79,602	35	-	-	-
Total receipts	<u>2,548,382</u>	<u>783,152</u>	<u>79,652</u>	<u>35</u>	<u>-</u>	<u>11,330</u>	<u>-</u>
Disbursements:							
Personal services	-	-	16,964	-	-	16,168	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	721,763	52,035	-	823	-	-
Capital outlay	2,636,058	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>2,636,058</u>	<u>721,763</u>	<u>68,999</u>	<u>-</u>	<u>823</u>	<u>16,168</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(87,676)</u>	<u>61,389</u>	<u>10,653</u>	<u>35</u>	<u>(823)</u>	<u>(4,838)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 168,979</u>	<u>\$ 62,501</u>	<u>\$ 200,522</u>	<u>\$ 4,372</u>	<u>\$ -</u>	<u>\$ (4,838)</u>	<u>\$ 1</u>

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Protective Order Project	S.T.O.P. Violence Against Women	2011 E.M.P.G. Competitive Grt.	Take Ten Project	2012 Justice Assistance Grant	Health S.T.D.	Weed and Seed II
Cash and investments - beginning	\$ 632	\$ -	\$ (3,750)	\$ 2,602	\$ -	\$ (12,154)	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	2,999	-	41,813	-
Charges for services	-	65,802	-	-	6,946	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	1,035	3,750	-	-	69	10,000
Total receipts	-	66,837	3,750	2,999	6,946	41,882	10,000
Disbursements:							
Personal services	-	78,151	-	-	-	33,721	10,000
Supplies	-	-	-	-	-	5,272	-
Other services and charges	-	-	-	7,104	6,946	2,989	-
Capital outlay	-	-	3,631	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	-	78,151	3,631	7,104	6,946	41,982	10,000
Excess (deficiency) of receipts over disbursements	-	(11,314)	119	(4,105)	-	(100)	-
Cash and investments - ending	\$ 632	\$ (11,314)	\$ (3,631)	\$ (1,503)	\$ -	\$ (12,254)	\$ -

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Health Bioterrorism Grant	Health Lead Elimination Grant	Protective Order Project/SJC	Victims of Crime Act - Assist.	Sex Offender Grant - Comm. Corr.	Health Local Hlth Services Grt	Drug Free Comm. Council Grant
Cash and investments - beginning	\$ 2,988	\$ (26,200)	\$ -	\$ -	\$ (111,929)	\$ 121,691	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	6,790	59,781	-	-	140,004	71,647	-
Charges for services	-	-	2,668	15,731	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	66	799	-	-	8	41	17,500
Total receipts	<u>6,856</u>	<u>60,580</u>	<u>2,668</u>	<u>15,731</u>	<u>140,012</u>	<u>71,688</u>	<u>17,500</u>
Disbursements:							
Personal services	-	24,683	-	-	-	72,316	-
Supplies	-	242	-	-	-	7,302	-
Other services and charges	6,635	9,455	4,001	-	28,351	565	5,738
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>6,635</u>	<u>34,380</u>	<u>4,001</u>	<u>-</u>	<u>28,351</u>	<u>80,183</u>	<u>5,738</u>
Excess (deficiency) of receipts over disbursements	<u>221</u>	<u>26,200</u>	<u>(1,333)</u>	<u>15,731</u>	<u>111,661</u>	<u>(8,495)</u>	<u>11,762</u>
Cash and investments - ending	<u>\$ 3,209</u>	<u>\$ -</u>	<u>\$ (1,333)</u>	<u>\$ 15,731</u>	<u>\$ (268)</u>	<u>\$ 113,196</u>	<u>\$ 11,762</u>

ST. JOSEPH COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Health H.U.D. Grant	2012 Problem Solving Grant	Family Court Grant	Data Share Initiative Grant	Adult Protective Services Gmt	Influenza Immunization Grant	Totals
Cash and investments - beginning	\$ -	\$ -	\$ 3,777	\$ -	\$ -	\$ -	\$ 111,198,867
Receipts:							
Taxes	-	-	-	-	-	-	428,576,395
Licenses and permits	-	-	-	-	-	-	87,773
Intergovernmental	-	5,000	15,000	2,000	-	-	26,947,286
Charges for services	-	-	-	-	59,951	-	21,489,064
Fines and forfeits	-	-	-	-	-	-	2,373,266
Other receipts	8,099	-	-	-	-	-	146,498,398
Total receipts	<u>8,099</u>	<u>5,000</u>	<u>15,000</u>	<u>2,000</u>	<u>59,951</u>	<u>-</u>	<u>625,972,182</u>
Disbursements:							
Personal services	16,706	-	1,006	-	111,893	1,275	60,902,712
Supplies	669	-	-	-	-	-	5,850,288
Other services and charges	3,173	-	440	-	7,013	36,698	224,548,354
Capital outlay	-	-	-	-	-	-	17,270,736
Other disbursements	-	-	7,000	-	-	-	309,372,981
Total disbursements	<u>20,548</u>	<u>-</u>	<u>8,446</u>	<u>-</u>	<u>118,906</u>	<u>37,973</u>	<u>617,945,071</u>
Excess (deficiency) of receipts over disbursements	<u>(12,449)</u>	<u>5,000</u>	<u>6,554</u>	<u>2,000</u>	<u>(58,955)</u>	<u>(37,973)</u>	<u>8,027,111</u>
Cash and investments - ending	<u>\$ (12,449)</u>	<u>\$ 5,000</u>	<u>\$ 10,331</u>	<u>\$ 2,000</u>	<u>\$ (58,955)</u>	<u>\$ (37,973)</u>	<u>\$ 119,225,978</u>

ST. JOSEPH COUNTY
SCHEDULE OF PAYABLES AND RECEIVABLES
December 31, 2012

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 3,771,902</u>	<u>\$ -</u>

ST. JOSEPH COUNTY
SCHEDULE OF LEASES AND DEBT
December 31, 2012

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Motorola	Communication Equipment	\$ 1,095,486	01-01-10	01-15-17
US Bank	Jail Building Corporation	3,461,000	12-31-05	12-31-18
Ameritech	E-911 Communication Equipment	84,415	02-01-05	01-01-14
Ameritech	E-911 Communication Equipment	<u>506,490</u>	01-01-04	01-01-14
Total of annual lease payments		<u>\$ 5,147,391</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	LOGAN STREET BRIDGE	\$ 3,000,000	\$ 344,026
General obligation bonds	BITTERSWEET BRIDGE	2,905,000	793,020
Revenue bonds	AM GENERAL TIF	12,800,000	2,237,325
Revenue bonds	IN-TEK TIF REDEVELOPMENT	1,260,000	265,000
Revenue bonds	MENTAL HEALTH	3,910,000	273,000
Notes and loans payable	MAIN STREET BRIDGE SEPARATION	<u>4,625,000</u>	<u>125,000</u>
Totals		<u>\$ 28,500,000</u>	<u>\$ 4,037,371</u>

ST. JOSEPH COUNTY
SCHEDULE OF CAPITAL ASSETS
December 31, 2012

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 23,345,476
Infrastructure	557,900,588
Buildings	102,996,492
Machinery, equipment, and vehicles	<u>25,982,951</u>
Total capital assets	<u>\$ 710,225,507</u>

ST. JOSEPH COUNTY
OTHER REPORTS

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

County Auditor
Clerk of the Circuit Court
County Sheriff
Portage Manor

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 FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

TO: THE OFFICIALS OF ST. JOSEPH COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited St. Joseph County's (County) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012. The County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Unmodified Opinion on Each of the Major Federal Programs

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the year ended December 31, 2012.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
(Continue)

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the type of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be a material weakness.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or 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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2012-4 to be material weaknesses.

The County's response to the internal control over compliance findings identified in our audit is described in the accompanying Corrective Action Plan. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Bruce Hartman
State Examiner

July 31, 2013

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Schedule of Expenditures of Federal Awards and accompanying note presented were prepared 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, 2012

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>Department of Agriculture</u>				
Child Nutrition Cluster	Indiana Department of Education			
School Breakfast Program		10.553		\$ 35,698
National School Lunch Program		10.555		<u>58,948</u>
Total - Child Nutrition Cluster				<u>94,646</u>
Special Supplemental Nutrition Program for Women, Infants and Children	Indiana Department of Education	10.557		<u>17,578</u>
Total - Department of Agriculture				<u>112,224</u>
<u>Department of Housing and Urban Development</u>				
Lead-Based Paint Hazard Control in Privately Owned Housing	Indiana State Department of Health	14.900		<u>8,099</u>
Total - Department of Housing and Urban Development				<u>8,099</u>
<u>Department of Justice</u>				
JAG Program Cluster				
Edward Byrne Memorial Justice Assistance Grant Program	Indiana Criminal Justice Institute	16.738	2009-DJ-BX-0049	6,946
Edward Byrne Memorial Justice Assistance Grant Program	City of South Bend	16.738	2011-DJ-BX-3458	<u>14,796</u>
Total - JAG Program Cluster				<u>21,742</u>
Missing Children's Assistance	Indiana Department of State Police	16.543	2008-MC-CX-K006	<u>15,616</u>
Crime Victim Assistance	Indiana Criminal Justice Institute	16.575	2011-VA-GX-0039 2012-VA-GX-0017	81,799 <u>15,731</u>
Total - Crime Victim Assistance				<u>97,530</u>
Violence Against Women Formula Grants	Indiana Criminal Justice Institute	16.588	2009-EF-S6-0020 2011-WF-AX-0010 2012-WF-AX-0035	11,330 169,239 <u>65,802</u>
Total - Violence Against Women Formula Grants				<u>246,371</u>
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	Direct grant	16.590	2012-WE-AX-0056	<u>4,001</u>
Public Safety Partnership and Community Policing Grants	Direct grant	16.710	201CKWX0449	<u>51,760</u>
Equitable Sharing Program	Direct grant	16.922		<u>8,025</u>
Total - Department of Justice				<u>445,045</u>
<u>Department of Transportation</u>				
Highway Planning and Construction Cluster	Indiana Department of Transportation	20.205		
Highway Planning and Construction			CE 0500180	84
			CE 0600665	130,570
			CE 9971052	14,575
			CE 0710358	1,241
			DES 0710360	322,344
			CE 0902236	16,954
			CE 0600445	14,579
			RW 0902236	12,165
			CE 0500919	<u>17,075</u>
Total - Highway Planning and Construction Cluster				<u>529,587</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, 2012
(Continued)

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>Department of Transportation (continued)</u>				
Highway Safety Cluster Alcohol Impaired Driving Countermeasures Incentive Grants I	Indiana Criminal Justice Institute	20.601	K8-2011-03-02-06	<u>96,724</u>
Total - Highway Safety Cluster				<u>96,724</u>
Interagency Hazardous Materials Public Sector Training and Planning Grants	Indiana Department of Homeland Security	20.703	HM-HMP-0250-11-01-00	<u>6,032</u>
Total - Department of Transportation				<u>632,343</u>
<u>Environmental Protection Agency</u>				
State Underground Water Source Protection	Direct grant	66.433		<u>2,700</u>
Total - Environmental Protection Agency				<u>2,700</u>
<u>Department of Health and Human Services</u>				
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	Indiana State Department of Health	93.074	BPRS 170-70	<u>6,856</u>
Childhood Lead Poisoning Prevention Projects - State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	Indiana State Department of Health	93.197	CLP 170-1	<u>60,581</u>
Child Support Enforcement County Prosecutor Expenditures County Clerk Expenditures Probate Court Expenditures Collection Incentives Indirect Cost	Indiana State Department of Child Services	93.563		<u>1,046,008</u> 144,015 63,166 350,158 192,229
Total - Child Support Enforcement				<u>1,795,576</u>
Preventive Health Services - Sexually Transmitted Diseases Control Grants	Indiana State Department of Health	93.977	STD 170-5	<u>41,883</u>
Total - Department of Health and Human Services				<u>1,904,896</u>
<u>Department of Homeland Security</u>				
Emergency Management Performance Grants	Indiana Department of Homeland Security	97.042	C44P-2-126A C44P-2-379A	<u>3,623</u> <u>44,255</u>
Total - Department of Homeland Security				<u>47,878</u>
Total federal awards expended				<u>\$ 3,153,185</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 St. Joseph 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.

ST. JOSEPH COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Qualified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unqualified for all programs except highway planning and construction cluster
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	yes

Identification of Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
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 2012-1 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING - SEFA

St. Joseph County (County) did not have a proper system of internal control in place to prevent or detect and correct errors on the Schedule of Expenditures of Federal Awards (SEFA). The County should have proper controls in place over the preparation of the SEFA to ensure accurate reporting of federal awards. Without a proper system of internal control in place that operates effectively, material misstatements of the SEFA could remain undetected.

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

During the audit of the SEFA, we noted the following errors: the SEFA included State Grants totaling \$881,815, the SEFA did not include expenditures for one major grant (CFDA # 20.205) totaling \$529,587, the expenditures reported for another grant (CFDA # 93.563) were understated by \$590,222, and 13 program grants were not properly named. Audit adjustments were proposed, accepted by the County, and made to the SEFA presented in this report. These adjustments resulted in a presentation of the SEFA that is materially correct in relation to the financial statements.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

OMB Circular A-133, Subpart C, section .300 states in part: "The auditee shall: . . . (d) Prepare appropriate financial statements, including the schedule of expenditures of Federal Awards in accordance with section .310."

OMB Circular A-133, Subpart C, section .310(b) states:

"Schedule of expenditures of Federal awards. The auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple award years, the auditee may list the amount of Federal awards expended for each award year separately. At a minimum, the schedule shall:

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.

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

- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

***FINDING 2012-2 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS
AND REPORTING FOR THE CLERK OF THE CIRCUIT COURT***

The Clerk of the Circuit Court (Clerk) did not have a proper system of internal control in place to identify and correct errors noted during the monthly bank reconciliements for the main bank account. The December 31, 2012 bank reconciliation had \$449,681 of unidentified adjustments. The Clerk should have proper controls in place over the preparation of the bank reconciliation process to ensure that the cash book balance is accurate at the end of each month. Without a proper system of internal control in place that operates effectively, material misstatements of the cash book balance could remain undetected. At December 31, 2012, the adjusted bank balance of \$7,860,018, which includes the unidentified adjustment noted above, did not agree to the adjusted cash book balance of \$8,858,127 which resulted in a difference of \$998,109 at year end.

The Clerk did not have a proper system of internal controls in place to identify the difference between the Cash Book Control account balance and the subaccount balances. The ending balance of the cash book control account shows \$8,513,656 and the ending balance of the subaccounts totals \$5,215,720, which leaves a discrepancy of \$3,297,936. Additionally, the cash book balance used on the December 31, 2012 bank reconciliation did not agree to the actual cash book control account.

The Clerk did not have a proper system of internal controls in place to identify all the open items held in the Trust Register and Cash Bond Register. The cash book subaccount balances for the cash bonds and trust funds show a total of \$4,590,084 held by the Clerk in the main office on December 31, 2012. A summary schedule of the outstanding cash bonds and trust funds at December 31, 2012, was not presented for audit. The cash book subaccount balances for the cash bonds and trust funds show a total of \$206,120 held by the Clerk in the Mishawaka office on December 31, 2012. A summary schedule of the outstanding cash bonds and trust funds at December 31, 2012, was not presented for audit.

The Clerk did not have a proper system of internal controls in place to ensure that the information presented on the Supplemental Annual Financial Report was correct and that it included information on all the cash books maintained by the Clerk. The Clerk maintains five cash books. Some of the problems noted on the Supplemental Annual Financial Report included wrong beginning balances for two cash books, the receipts and disbursement reported on another cash book did not agree to the actual amount posted on the cash book, and information for another cash book was not included in the reports. The amounts not reported were material to the County's financial statement. The County's financial statement, with the acceptance of County officials, has been adjusted to correct these known errors.

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance 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. (Accounting and Uniform Compliance Guidelines Manual for Clerks of the Circuit Courts of Indiana, Chapter 13)

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

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Clerks of the Circuit Courts of Indiana, Chapter 13)

***FINDING 2012-3 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS
AND REPORTING – FINANCIAL STATEMENT***

The County has not established controls to ensure an accurate and complete financial statement. The 2012 financial statement submitted by the County Auditor using the Gateway reporting system, included the following errors: (1) the COIT fund receipts and December 31 balance were understated by \$9,135,767 due to receipt posting errors corrected in March 2013; (2) the Clerk's accounts January 1 balance, receipts, disbursements, and December 31 balance were understated \$925,169, \$2,602,154, \$3,136,573, and \$390,750, respectively, largely due to omitting one account; (3) the financial statement included the Clerk's monies on deposit fund with a January 1 and December 31 balance of \$1,545,000, but this amount was already included in the Clerk's accounts; (4) the Community Based Corrections Fund and Community Transition Program Fund included the July 1 balance reported as the January 1 balance (understated by a combined \$377,475), and reported calendar year receipts and disbursements were actually receipts and disbursements from July 1 to December 31 (understated by a combined \$1,093,016 and \$1,470,491, respectively); (5) the County Sheriff's jail inmate trust and unclaimed fund and jail commissary funds were reported based on the bank transactions and not based on financial record transactions, which resulted in the reported receipts and December 31 balances overstated by \$32,974.

Audit adjustments were proposed for items (1) thru (5), accepted by the County, and made to the financial statement presented in this report.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

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

Section III – Federal Award Findings and Questioned Costs

**FINDING 2012-4 - INTERNAL CONTROLS OVER
HIGHWAY PLANNING AND CONSTRUCTION**

Federal Agency: U.S. Department of Transportation
Federal Program: Highway Planning and Construction
CFDA Number: 20.205
Federal Award Number and Year (or Other Identifying Number): DES No. 0710360
Pass-Through Entity: Indiana Department of Transportation

Management of St. Joseph County has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the cash management compliance requirements. The failure to establish an effective internal control system places the County at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the grant.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement, or a type of compliance requirement of a federal program will be prevented, detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

Reimbursement request vouchers were prepared by the County Engineer, but no other County official reviewed or approved the vouchers or monitored the process. As a result of this lack of internal control, the County Engineer had not submitted reimbursements on a timely basis. For example, requests for \$1,461,380, dating back to May 2012 had not been submitted as of June 6, 2013.

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

The failure to establish internal controls could enable material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirements that have a direct and material effect to the program could result in the loss of federal funds to the County.

We recommended that the County's management establish controls, including segregation of duties, related to the grant agreement and cash management compliance requirements that have a direct and material effect to the program.

ST. JOSEPH COUNTY AUDITOR

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227 West Jefferson Boulevard
South Bend, Indiana 46601
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Fax (574) 235-5024
pmullen@co.st-joseph.in.us

Peter H. Mullen
Auditor

Teresa Shuter
Chief Deputy

To: State Board of Accounts

Subject: Action Plan-To Correct Financial Transactions & Reporting-SEFA

The St. Joseph County Auditor's Office has initiated and started a system of internal controls to prevent or detect errors on the schedule of expenditures of Federal Awards (SEFA).

Effective immediately this office will advertise, interview, and hire a Grant Administrator. (See attached job description) This new individual will be responsible for providing reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of our objectives, and compliance with laws and regulations.

With the reduction of local and state revenues, grant applications and administration becomes paramount not only now but certainly in the future. And, because we presently have more than 50 grants our Council and Commissioners recognize the importance of proper administration and management.

We expect this funding to be completely mitigated within the year.

Very Truly Yours,



Peter H. Mullen



County of Saint Joseph, Indiana
Department of Human Resources
227 West Jefferson Boulevard
South Bend, IN 46601
Phone: 574-235-9547 Fax: 574-245-6602

Position: Grant Coordinator

Opening Date: 7/17/2013

Closing Date: Until Filled

Salary: up to \$49,500

Department: Auditor

Location: County City Building

Description:

This position could start as part time and work into full time, is exempt and is covered under the Saint Joseph County Employee Policy Manual.

To perform this position successfully, an individual must be able to perform each essential duty satisfactorily. The requirements listed in this document are representative of the knowledge, skill, and/or ability required. St. Joseph County provides reasonable accommodation to qualified employees and applicants with known disabilities who require accommodation to complete the application process or perform essential functions of the job, unless the accommodation would cause an undue hardship.

Incumbent serves as Grant Coordinator for St. Joseph County, responsible for monitoring the reporting, accounting, and auditing functions of grants for compliance with prescribed guidelines.

Hours: as assigned

Shift Times: as assigned

Essential Functions:

Monitors in excess of 50 grants in conjunction with grantee department, demonstrating compliance with granting agency requirements, including tracking grant appropriations, verifying use of funds in accordance with prescribed laws and grant agreements.

Assists in gathering and prepares reliable data for report disclosure to the granting agency and other interested parties.

Coordinates with the grantee department regarding granting agency requirements for administration of funded programs, including record keeping, reporting, and financial accounting requirements.

Responsible for following guidelines of the Federal Compliance Supplement.
Will provide annually to the Chief Deputy Auditor the required information for the County Annual Report (CAR).

Assists each department in researching and applying for grants, as needed.

Performs related duties as assigned.

The majority of incumbent's work is guided by general accounting procedures and established regulations and guidelines of various granting agencies. Incumbent discusses unusual situations with supervisor as

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needed. Work is reviewed for soundness of judgment, accuracy, and compliance with established policies and procedures.

Incumbent maintains frequent contact with co-workers, officials and personnel in other county departments, representatives of local, state and federal agencies, and the public for purposes of exchanging information, providing instruction and assistance to other departments, exploring opportunities for grant monies for County services, and preparing reports and documents as requested.

Incumbent reports directly to the Chief Deputy Auditor.

Incumbent performs a majority of duties in a standard office environment, involving sitting for long periods, sitting/walking at will, close vision, keyboarding, lifting/carrying objects weighing less than 25 pounds, speaking clearly, and hearing sounds/communication. Incumbent occasionally works extended hours and travels out of town for seminars and training, sometimes overnight.

Qualifications:

Baccalaureate Degree in Business Administration, Accounting, Public Administration, or equivalent combination of education and experience, with demonstrated ability in grant administration.

Thorough knowledge of and ability to make practical application of local government accounting principles and practices, and ability to make simple arithmetic calculations, maintain accurate, concise financial records, and prepare detailed reports.

Working knowledge of computer applications and ability to operate standard office equipment, including computer, typewriter, fax machine, copier, calculator, and telephone.

Ability to understand and interpret various state and federal grant regulations, forms and guidelines, and various technical materials, including contracts, maps, and legal terminology.

Ability to effectively communicate orally and in writing with co-workers, officials and personnel in other county departments, representatives of local, state, and federal agencies, including being sensitive to professional ethics, gender, cultural diversities and disabilities.

Ability to provide public access to or maintain confidentiality of department information and records according to state requirements.

Ability to comply with all employer and department policies and work rules, including, but not limited to, attendance, safety, drug free workplace, and personal conduct.

Ability to work alone with minimum supervision and with others in a team environment.

Ability to work on several tasks at the same time and work rapidly for long periods, occasionally under time pressure.

Ability to understand, memorize, retain, and carry out written and oral instructions and present findings in oral or written form.

Ability to occasionally work extended hours and travel out of town for seminars and training, sometimes overnight.

Possession of a valid driver's license and demonstrated safe driving record.

Coordination and cooperation with all departments.

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APPLICANT/EMPLOYEE ACKNOWLEDGEMENT

The job description for the position of Grant Coordinator for St. Joseph County describes the duties and responsibilities for employment in this position. I acknowledge that I have received this job description, and understand that it is not a contract of employment. I am responsible for reading this job description and complying with all job duties, requirements and responsibilities contained herein, and any subsequent revisions.

Is there anything that would keep you from meeting the job duties and requirements as outlined?

Yes _____ No _____

Applicant/Employee Signature

Date

Print or Type Name

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 16, 2013

**ST JOSEPH COUNTY CLERK ACTION PLAN
TO CORRECT FINANCIAL STATEMENT FINDINGS**

Findings 2012 – Internal Controls

1. Test of receipts from cashbook to deposits have been put in place to determine any differences that may have occurred in the deposit. This will be done on a daily basis and any discrepancies will be researched on that day. We will also go back to prior years, identify, and clean up those discrepancies.
2. A new employee carried forward an incorrect figure for the first six (6) months of working on the books. This error was found in Oct of 2012 and the bookkeepers began fixing the issue. We also found some incorrect formulas in the Excel program that were corrected as well. The bookkeepers have since put into the cashbook a double check with daily receipt tapes as well as a triple check against green bar entry.
3. The St. Joseph County Clerk's Office is in the process of converting to JTAC's Odyssey Case Management System. All criminal cases went live on the system Feb 4, 2013. However, JTAC did not convert any of our financial data to the Odyssey system. Therefore, we still have the problem of financial information in the old Low system and no way to print a report of outstanding bonds or judgment payments in our bank account.

4. Summary of Receipts, Disbursements and Cash Balances has been put into place to ensure all financial statements are properly reported on our CAR-1 report.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Terri J. Rethlake". The signature is written in a cursive style with a large, sweeping initial "T" that loops around the first part of the name.

Terri J. Rethlake
Clerk of St Joseph County Circuit Court

ST. JOSEPH COUNTY AUDITOR
227 W. Jefferson Blvd. Second Floor
County City Building
South Bend, IN 46601
Telephone 574-235-9668
Fax 574-235-5024

Peter H. Mullen
Auditor

Teresa Shuter
Chief Deputy Auditor

July 31, 2013

State Board of Accounts
302 W. Washington St. Room E418
Indianapolis, IN. 46204-2765

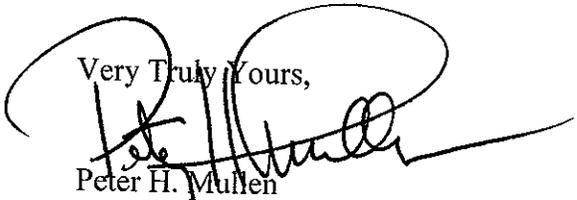
Finding 2012-3 Internal controls over Financial Transactions and Reporting Financial Statements.

The action taken regarding the 5 findings of errors are as follows:

- 1) Posting errors found in 2013 and corrected in March 2013. Posting error was made in 2012.
- 2) The incorrect information was incorrectly provided to this office and has since been corrected.
- 3) The incorrect balance has been corrected.
- 4) The Community Corrections Fund and the Community Transaction Funds were confused in posting due to calendar year versus fiscal year. They will be calculated on calendar not fiscal year.
- 5) The Sheriff's jail inmate trust, unclaimed fund and jail commissary fund were incorrectly reported and have since been corrected.

Constant vigilance and controls will continue with all departments. Execution and supervision by management will be a constant effort by this office.

Very Truly Yours,



Peter H. Mullen
St. Joseph County Auditor

June 28, 2013

CORRECTIVE ACTION PLAN

State Board of Accounts Audit Review – 2012

Finding 2012-4 Internal Controls over compliance requirements that have a direct and material effect to Highway Planning and Construction

Federal Agency: U.S. Department of Transportation

Federal Program: High Planning and Construction

CFDA Number: 20.205

Federal Award Number & Year (or other Identifying Number): Des. No. 0710360

Pass-Through Entity: Indiana Department of Transportation

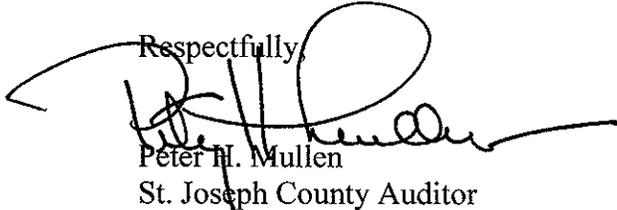
The St. Joseph County Auditor's Office will take the following action in correcting the above named findings in the recent audit from the State Board of Accounts:

- Review established internal controls

Name of Contact responsible for correction: Jessica J. Clark – County Engineer

The County Engineer, who is the supervisory official and is the Employee in Responsible Charge of this federal aid program, has been made aware of this reporting finding and will make the proper corrections within her Department so that this is not an ongoing issue.

Respectfully,



Peter H. Mullen

St. Joseph County Auditor

ST. JOSEPH COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 31, 2013, with Peter H. Mullen, Auditor; Rafael Morton, President of the County Council; and with Andrew Kostielney, President of the Board of County Commissioners.