

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

ANNUAL FINANCIAL REPORT

2005

KOSCIUSKO COUNTY, INDIANA



FILED
7/28/06

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Sue Ann Mitchell	01-01-04 to 12-31-07
Treasurer	Kent Adams	01-01-05 to 12-31-08
Clerk	Sharon Christner	01-01-05 to 12-31-08
Sheriff	C. Aaron Rovenstine	01-01-03 to 12-31-06
Recorder	LaShawn Brumfield	01-01-03 to 12-31-06
President of the Board of County Commissioners	Avis B. Gunter Brad Jackson	01-01-05 to 12-31-05 01-01-06 to 12-31-06
President of the County Council	Harold Jones	01-01-05 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2765

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

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

TO: THE OFFICIALS OF KOSCIUSKO COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Kosciusko County (County), as of and for the year ended December 31, 2005, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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

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

In our opinion, except that the omission of the component unit of the County referred to in the preceding paragraph results in incomplete presentation, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 2005, and the respective cash receipts and cash disbursements during the year then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated June 28, 2006, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Our report on compliance and on internal control over financial reporting should be read along with this report.

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

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

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

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

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

STATE BOARD OF ACCOUNTS

June 28, 2006



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

TO: THE OFFICIALS OF KOSCIUSKO COUNTY, INDIANA

We have audited the financial statements of Kosciusko County (County), as of and for the year ended December 31, 2005, and have issued our report thereon dated June 28, 2006. The opinion on the financial statements was qualified due to the omission of a component unit, which resulted in incomplete presentation. 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.

Compliance

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

We noted other matters involving the internal control over financial reporting that we have discussed with the management of the County on June 28, 2006. These immaterial instances of noncompliance were subsequently communicated to management in separate letters.

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

STATE BOARD OF ACCOUNTS

June 28, 2006

KOSCIUSKO COUNTY
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For The Year Ended December 31, 2005

Functions/Programs	Disbursements	Program Receipts			Net (Disbursement) Receipt and Changes in Net Assets Primary Government
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary government:					
Governmental activities:					
General government	\$ 19,176,796	\$ 3,558,831	\$ 4,484,059	\$ -	\$ (11,133,906)
Public safety	8,021,955	2,055,714	337,068	166,791	(5,462,382)
Highways and streets	4,896,613	24,302	4,450,180	-	(422,131)
Health and welfare	2,769,250	29,076	574,336	-	(2,165,838)
Economic development	1,154,281	-	-	-	(1,154,281)
Culture and recreation	378,767	-	-	1,000,000	621,233
Interest on long-term debt	658,460	-	-	-	(658,460)
Total primary government	<u>\$ 37,056,122</u>	<u>\$ 5,667,923</u>	<u>\$ 9,845,643</u>	<u>\$ 1,166,791</u>	<u>(20,375,765)</u>
General receipts:					
Property taxes					8,976,920
Franchise taxes					54,228
Grants and contributions not restricted to specific programs					4,679,916
Unrestricted investment earnings					1,191,933
Other local sources					1,945,200
Total general receipts					16,848,197
Change in net assets					(3,527,568)
Net assets - beginning					30,386,748
Net assets - ending					\$ 26,859,180
 <u>Assets</u>					
Cash and investments					\$ 26,747,727
Cash with fiscal agent					111,453
Total assets					\$ 26,859,180
 <u>Net Assets</u>					
Unrestricted					\$ 26,859,180

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

KOSCIUSKO COUNTY
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2005

	General	Motor Vehicle Highway	Other Governmental Funds	Totals
Receipts:				
Taxes	\$ 9,553,476	\$ -	\$ 2,551,992	\$ 12,105,468
Special assessments	-	-	818,306	818,306
Licenses and permits	436	24,302	54,145	78,883
Intergovernmental	1,589,004	3,666,604	6,132,998	11,388,606
Charges for services	1,589,640	-	1,151,440	2,741,080
Fines and forfeits	325,269	-	87,820	413,089
Other	2,061,257	89,195	1,695,491	3,845,943
 Total receipts	 15,119,082	 3,780,101	 12,492,192	 31,391,375
Disbursements:				
General government	9,838,147	-	2,520,670	12,358,817
Public safety	4,624,508	-	2,937,330	7,561,838
Highways and streets	-	4,025,480	-	4,025,480
Health and welfare	694,662	-	2,074,588	2,769,250
Culture and recreation	64,382	-	314,385	378,767
Urban redevelopment and housing	27,020	-	1,000,000	1,027,020
Capital outlay	-	-	4,885,882	4,885,882
Debt service:				
Principal	-	-	1,330,000	1,330,000
Interest and paying agent fees	-	-	658,460	658,460
 Total disbursements	 15,248,719	 4,025,480	 15,721,315	 34,995,514
Deficiency of receipts over disbursements	(129,637)	(245,379)	(3,229,123)	(3,604,139)
Other financing sources (uses)				
Transfers in	35,046	-	42,750	77,796
Transfers out	(42,750)	-	(35,046)	(77,796)
 Total other financing sources (uses)	 (7,704)	 -	 7,704	 -
Deficiency of receipts and other financing sources over disbursements and other financing sources (uses)	(137,341)	(245,379)	(3,221,419)	(3,604,139)
Cash and investment fund balance - beginning	6,764,028	1,994,350	20,840,645	29,599,023
Cash and investment fund balance - ending	\$ 6,626,687	\$ 1,748,971	\$ 17,619,226	\$ 25,994,884
 Amounts reported for governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis are different because:				
Internal services are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.				
				864,296
Net assets of governmental activities				\$ 26,859,180
 <u>Cash and Investment Assets - December 31</u>				
Cash and investments	\$ 6,626,687	\$ 1,748,971	\$ 17,619,226	\$ 25,994,884
 <u>Cash and Investment Fund Balance - December 31</u>				
Unrestricted	\$ 6,626,687	\$ 1,748,971	\$ 17,619,226	\$ 25,994,884

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

KOSCIUSKO COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
PROPRIETARY FUND
For The Year Ended December 31, 2005

	<u>Internal Service</u>
Operating receipts:	
Charges for services	\$ 2,137,179
Operating disbursements:	
General government	<u>2,060,608</u>
Excess of receipts over disbursements	76,571
Cash and investment fund balance - beginning	<u>787,725</u>
Cash and investment fund balance - ending	<u><u>\$ 864,296</u></u>

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

KOSCIUSKO COUNTY
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For The Year Ended December 31, 2005

	<u>Pension Trust Fund</u>	<u>Private-Purpose Trust Fund</u>	<u>Agency Funds</u>
Additions:			
Contributions:			
Employer	\$ 325,785	\$ -	\$ -
Plan members	<u>45,090</u>	<u>-</u>	<u>-</u>
Total contributions	<u>370,875</u>	<u>-</u>	<u>-</u>
Investment earnings:			
Net increase in fair value of investments	32,758	-	-
Interest and dividends	<u>106,259</u>	<u>-</u>	<u>-</u>
Net investment earnings	139,017	-	-
Agency fund additions	<u>-</u>	<u>-</u>	<u>248,174,403</u>
Total additions	<u>509,892</u>	<u>-</u>	<u>248,174,403</u>
Deductions:			
Benefits	219,408	-	-
Administrative expense	42,179	-	-
Agency fund deductions	<u>-</u>	<u>-</u>	<u>255,850,477</u>
Total deductions	<u>261,587</u>	<u>-</u>	<u>255,850,477</u>
Excess (deficiency) of total additions over (under) total deductions	248,305	-	(7,676,074)
Cash and investment fund balance - beginning	<u>3,655,750</u>	<u>28,129</u>	<u>12,186,087</u>
Cash and investment fund balance - ending	<u>\$ 3,904,055</u>	<u>\$ 28,129</u>	<u>\$ 4,510,013</u>

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

KOSCIUSKO COUNTY
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

Primary Government:	Kosciusko County
Discretely Presented Component Unit:	Kosciusko County Solid Waste Management District

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

The Kosciusko County Solid Waste Management District, a discretely presented component unit has been omitted from these financial statements. Accordingly, the financial statements do not include the data of the County's component unit that is necessary to fairly present the financial position of the County.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. However, there are no business-type activities to report at this time. Likewise, the primary government is reported separately from a certain legally separate component unit for which the County is financially accountable.

Fund Financial Statements

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

The County reports the following major governmental funds:

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

KOSCIUSKO COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

The county highway fund accounts for all financial resources allocated for maintaining county thoroughfares.

Additionally, the County reports the following fund types:

The internal service fund accounts for medical benefits provided to employees, retirees, and dependents.

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

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

Agency funds account for assets held by the County as an agent for other governmental entities and individuals and serves as control of accounts for certain cash transactions during the time they are a liability to the County.

C. Measurement Focus and Basis of Accounting

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

The cash and investment basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash rather than when earned and disbursements are recognized when paid rather than when a liability is incurred. Investment transactions are not presented on the financial statements.

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

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

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Capital Assets

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

KOSCIUSKO COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

3. Long-Term Debt

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

4. Equity Classification

Government-Wide Statements

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

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments or (2) law through constitutional provisions or enabling legislations.
- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

It is the County's policy to first use restricted net assets prior to the use of unrestricted net assets when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available. The County does not have any restricted net assets

Fund Financial Statements

Governmental fund equity is classified as fund balance.

E. Receipts and Disbursements

1. Program Receipts

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

2. Operating Receipts and Disbursements

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

F. Internal and Interfund Balances and Activities

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

KOSCIUSKO COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund Financial Statements

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

Government-Wide Financial Statements

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

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

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

On or before August 31, the fiscal officer of the County submits to the governing board a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. In September of each year, the governing board, through the passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the County receives approval of the Indiana Department of Local Government Finance.

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

KOSCIUSKO COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Cash and Investment Balance Deficits

At December 31, 2005, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines and State statute:

Fund	2005
Industrial Development (Debt Service)	\$ (1,039)
Tax Sale Redemption	(11)

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

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds; and has a principal office or branch that qualifies to receive public funds of the political subdivision. At December 31, 2005, the bank balance held at Lake City Bank, First Source Bank, and Morgan Stanley in the amount of \$103,024 was uncollateralized. The remaining bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

2. Investments

Authorization for investment activity is stated in Indiana Code 5-13. The Sheriff's Merit Board had established an investment policy for the Sheriff's Retirement and Benefit Pension Plan. This investment policy outlines parameters for investment activity for the Sheriff's Pension Plans. As of December 31, 2005, the County had the following investments:

Investment Type	Sheriff's Retirement and Benefit Pension Plans Market Value
U.S. treasuries and securities	\$ 112,618
U.S. agencies	129,539
Mutual funds	1,611,169
Corporate stocks	1,694,386
Corporate bonds	405,659
Total	\$ 3,953,371

KOSCIUSKO COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Investment Policies

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

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

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

The Sheriff's Pension Plan is not subject to the same investment laws as the County. The investment policy for the Sheriff's Retirement and Benefit Pension Plans was adopted by the Sheriff's Merit Board on March 3, 2005. Authorized investments include everything but the following; short sales, futures contracts, commodities, restricted stock or letter stock, nonmarketable securities except for securities subject to rule 144A, and margin transaction.

Investment Custodial Credit Risk

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

The Sheriff's Merit Board has not adopted an investment policy for custodial credit risk for investments. At December 31, 2005, the Sheriff's Retirement and Benefit Pension Plans held investments in corporate stocks, corporate bonds, mutual funds, U.S. Treasuries and Securities, and U.S. Agencies in the amount of \$ 3,953,371. These investments are held by the investment's counterparty, not in the name of the Sheriff's Pension Plan.

KOSCIUSKO COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County must follow state statute and limit the stated final maturities of the investments to no more than two years.

The Sheriff's Merit Board for the Sheriff's Retirement and Benefit Pension Plans manages interest rate risk by authorizing investments with a duration and average maturity of less than ten years.

Sheriff's Retirement and Benefit Pension Plans			
Investment Type	Investment Maturities (in Years)		
	Less Than 1	1-2	More Than 2
U.S. treasuries and securities	\$ 33,771	\$ 26,311	\$ 52,536
U.S. agencies	-	52,448	77,091
Corporate bonds	61,387	55,931	288,341
Totals	\$ 95,158	\$ 134,690	\$ 417,968

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The distribution of securities with credit ratings is summarized below.

Sheriff's Pension Investments				
Standard and Poor's Rating	Moody's Rating	Mutual Funds	Corporate Bonds	U.S. Agencies
AAA	Aaa	\$ -	\$ 43,068	\$ 129,539
AA	Aa	-	21,296	-
A	A	261,676	25,346	-
BBB	Baa	-	8,412	-
Unrated	Unrated	1,349,493	307,537	-
Totals		\$ 1,611,169	\$ 405,659	\$ 129,539

Concentration of Credit Risk

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

The Sheriff's Merit board has adopted the following policy for the concentration of credit risk: no more than 20% of the investment account and total assets in any one industry, no more that 5% of the investment account and total asset in the equity securities of any one issuer, and no more

KOSCIUSKO COUNTY
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

than 5% of the investment account and total assets shall be committed to the fixed income securities of any one issuer at the time of purchase, with the exception of securities issued or guaranteed by the full faith and credit of the United States or AAA-rated securities issued by government-sponsored enterprises. More than 5% of the Sheriff's Retirement and Benefit investments are in Dodge and Cox Income Fund and Vanguard Short Term Bond Index. These investments each represent 7% of the total investments.

Foreign Currency Risk

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

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

B. Interfund Transfers

Interfund transfers for the year ended December 31, 2005, were as follows:

Transfer From	Transfer To	2005
General	Other Governmental	\$ 42,750
Other Governmental	General	35,046
Total		\$ 77,796

The County typically uses transfers to fund ongoing operating subsidies and to transfer the portion of state-shared revenues from the General Fund to the debt service fund for current-year debt service requirements.

C. Restatements and Reclassifications

For the year ended December 31, 2005, certain changes have been made to the financial statements to more appropriately reflect financial activity of the County. The following schedule presents a summary of restated beginning balances by opinion unit. New Funds represents the inclusion of existing funds which were not presented in the prior report.

Opinion Unit	Balance as Reported December 31, 2004	New Funds	Balance as Restated January 1, 2005
Governmental activities	\$ 30,134,460	\$ 252,288	\$ 30,386,748

IV. Other Information

A. Risk Management

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

KOSCIUSKO COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

The risks of 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 are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

Medical Benefits to Employees, Retirees, and Dependents

The County has chosen to establish a risk financing fund for risks associated with medical benefits to employees, retirees, and dependents. The risk financing fund is accounted for in the Employee Key Benefit Plan Self-Insurance Fund, an internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$25,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. Interfund premiums are paid into the fund by all affected funds and are available to pay claims, claim reserves, and administrative costs of the program. Interfund premiums are based upon an overall premium percentage which is applied to each affected fund and are reported as quasi-external interfund transactions.

B. Holding Corporation

The County has entered into a capital lease with Kosciusko County Justice Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the County. The lessor has been determined to be a related party of the County. Lease payments during the year totaled \$1,895,000.

C. Administration of Welfare Programs

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

D. Pension Plans

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

a. Public Employees' Retirement Fund

Plan Description

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

KOSCIUSKO COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

Funding Policy and Annual Pension Cost

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

b. County Police Retirement Plan

Plan Description

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

Funding Policy and Annual Pension Cost

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

c. County Police Benefit Plan

Plan Description

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

Funding Policy and Annual Pension Cost

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

KOSCIUSKO COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Actuarial Information for the Above Plans

	<u>PERF</u>	<u>County Police Retirement Plan</u>	<u>County Police Benefit Plan</u>
Annual required contribution	\$ 356,301	\$ 279,655	\$ 40,297
Interest on net pension obligation	(25,902)	(1,322)	-
Adjustment to annual required contribution	<u>29,517</u>	<u>1,899</u>	<u>-</u>
Annual pension cost	359,916	280,232	40,297
Contributions made	<u>342,340</u>	<u>285,488</u>	<u>40,297</u>
Increase (decrease) in net pension obligation	17,576	(5,256)	-
Net pension obligation, beginning of year	<u>(357,267)</u>	<u>(18,891)</u>	<u>-</u>
Net pension obligation, end of year	<u>\$ (339,691)</u>	<u>\$ (24,147)</u>	<u>\$ -</u>
Contribution rates:			
Government	4.5%	23%	3%
Plan members	3%	6%	6%
Actuarial valuation date	07-01-05	01-01-04	01-01-04
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed
Amortization period	40 years	40 years	40 years
Amortization period (from date)	07-01-97	12-31-97	12-31-97
Asset valuation method	4 year smoothed market	4 year smoothed market	4 year smoothed market

Actuarial Assumptions

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

KOSCIUSKO COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-03	\$ 313,350	91%	\$ (280,669)
	06-30-04	257,639	130%	(357,267)
	06-30-05	359,916	133%	(339,691)
County Police Retirement Plan	12-31-02	203,756	102%	(13,910)
	12-31-03	241,692	102%	(18,891)
	12-31-04	280,232	102%	(24,147)
County Police Benefit Plan	12-31-02	38,421	100%	-
	12-31-03	37,671	100%	-
	12-31-04	40,297	100%	-

KOSCIUSKO COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-03	\$ 5,554,578	\$ 5,143,291	\$ 411,287	108%	\$ 6,348,330	6%
07-01-04	5,672,136	5,954,611	(282,475)	95%	7,349,926	(4%)
07-01-05	5,942,860	6,868,419	(925,559)	87%	7,277,017	(13%)

County Police Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-00	\$ 3,189,240	\$ 3,522,743	\$ (333,503)	91%	\$ 1,121,433	(30%)
01-01-01	3,308,004	3,631,004	(323,000)	91%	1,233,274	(26%)
01-01-02	3,394,161	3,499,218	(105,057)	97%	1,274,518	(8%)
01-01-03	3,390,983	3,489,352	(98,369)	97%	1,308,153	(8%)
01-01-04	3,478,345	3,570,482	(92,137)	97%	1,500,862	(6%)
01-01-05	3,657,726	3,743,194	(85,468)	98%	1,487,054	(6%)

KOSCIUSKO COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005

	Mental Health	Alcohol and Drug Services	County Health	Local Road and Street	Property Reassessment	Accident Report	Firearms Training
Receipts:							
Taxes	\$ 59,148	\$ -	\$ 399,199	\$ -	\$ 385,036	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Licenses and permits	-	-	54,145	-	-	-	-
Intergovernmental	7,974	-	53,982	749,224	52,141	-	-
Charges for services	-	-	-	-	-	5,518	6,830
Fines and forfeits	-	-	-	-	-	-	-
Other	-	38,775	3,535	23,316	44,692	-	-
Total receipts	<u>67,122</u>	<u>38,775</u>	<u>510,861</u>	<u>772,540</u>	<u>481,869</u>	<u>5,518</u>	<u>6,830</u>
Disbursements:							
General government	-	-	-	-	298,502	-	-
Public safety	120,715	12,876	-	870,229	-	4,487	5,539
Health and welfare	-	-	480,600	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest and paying agent fees	-	-	-	-	-	-	-
Total disbursements	<u>120,715</u>	<u>12,876</u>	<u>480,600</u>	<u>870,229</u>	<u>298,502</u>	<u>4,487</u>	<u>5,539</u>
Excess (deficiency) of receipts over (under) disbursements	<u>(53,593)</u>	<u>25,899</u>	<u>30,261</u>	<u>(97,689)</u>	<u>183,367</u>	<u>1,031</u>	<u>1,291</u>
Other financing sources (uses)							
Transfers in	42,750	-	-	-	-	-	-
Transfers out	<u>(35,046)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	7,704	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing sources (uses)	<u>(45,889)</u>	<u>25,899</u>	<u>30,261</u>	<u>(97,689)</u>	<u>183,367</u>	<u>1,031</u>	<u>1,291</u>
Cash and investment fund balance - beginning	<u>45,889</u>	<u>69,153</u>	<u>279,632</u>	<u>1,116,877</u>	<u>2,076,398</u>	<u>6,907</u>	<u>2,743</u>
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 95,052</u>	<u>\$ 309,893</u>	<u>\$ 1,019,188</u>	<u>\$ 2,259,765</u>	<u>\$ 7,938</u>	<u>\$ 4,034</u>
<u>Cash and Investment Assets - December 31</u>							
Cash and investments	<u>\$ -</u>	<u>\$ 95,052</u>	<u>\$ 309,893</u>	<u>\$ 1,019,188</u>	<u>\$ 2,259,765</u>	<u>\$ 7,938</u>	<u>\$ 4,034</u>
<u>Cash and Investment Fund Balance - December 31</u>							
Unrestricted	<u>\$ -</u>	<u>\$ 95,052</u>	<u>\$ 309,893</u>	<u>\$ 1,019,188</u>	<u>\$ 2,259,765</u>	<u>\$ 7,938</u>	<u>\$ 4,034</u>

KOSCIUSKO COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005
 (Continued)

	Child Advocacy	Cops In School	Surveyor's Corner Perpetuation	Supplemental Adult Probation Services	Supplemental Juvenile Probation Services	County Extradition	Recorder's Records Perpetuation
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	23,730	525	-	-	114,535
Fines and forfeits	-	-	-	-	-	-	-
Other	150	-	-	110,215	4,888	16,079	-
Total receipts	<u>150</u>	<u>-</u>	<u>23,730</u>	<u>110,740</u>	<u>4,888</u>	<u>16,079</u>	<u>114,535</u>
Disbursements:							
General government	-	-	-	-	-	10,583	156,602
Public safety	-	-	-	60,559	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest and paying agent fees	-	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,559</u>	<u>-</u>	<u>10,583</u>	<u>156,602</u>
Excess (deficiency) of receipts over (under) disbursements	<u>150</u>	<u>-</u>	<u>23,730</u>	<u>50,181</u>	<u>4,888</u>	<u>5,496</u>	<u>(42,067)</u>
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing sources (uses)	<u>150</u>	<u>-</u>	<u>23,730</u>	<u>50,181</u>	<u>4,888</u>	<u>5,496</u>	<u>(42,067)</u>
Cash and investment fund balance - beginning	<u>3,825</u>	<u>14,863</u>	<u>41,955</u>	<u>337,417</u>	<u>49,025</u>	<u>53,891</u>	<u>320,605</u>
Cash and investment fund balance - ending	<u>\$ 3,975</u>	<u>\$ 14,863</u>	<u>\$ 65,685</u>	<u>\$ 387,598</u>	<u>\$ 53,913</u>	<u>\$ 59,387</u>	<u>\$ 278,538</u>
<u>Cash and Investment Assets - December 31</u>							
Cash and investments	<u>\$ 3,975</u>	<u>\$ 14,863</u>	<u>\$ 65,685</u>	<u>\$ 387,598</u>	<u>\$ 53,913</u>	<u>\$ 59,387</u>	<u>\$ 278,538</u>
<u>Cash and Investment Fund Balance - December 31</u>							
Unrestricted	<u>\$ 3,975</u>	<u>\$ 14,863</u>	<u>\$ 65,685</u>	<u>\$ 387,598</u>	<u>\$ 53,913</u>	<u>\$ 59,387</u>	<u>\$ 278,538</u>

KOSCIUSKO COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005
 (Continued)

	Emergency Response Services	County Law Enforcement Continuing Education	County User Fee	Local Health Maintenance	Sheriff's Commissary	PDA/GPS Units Fingerprint TP3500 Terrorism Prevention	Rainy Day
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	39,429	-	166,791	-
Charges for services	612,245	-	-	-	242,021	-	-
Fines and forfeits	-	-	15,309	-	-	-	-
Other	62	2,926	-	-	-	-	-
Total receipts	<u>612,307</u>	<u>2,926</u>	<u>15,309</u>	<u>39,429</u>	<u>242,021</u>	<u>166,791</u>	<u>-</u>
Disbursements:							
General government	-	-	13,899	-	234,441	-	-
Public safety	724,020	2,840	-	-	-	497,991	-
Health and welfare	-	-	-	63,153	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest and paying agent fees	-	-	-	-	-	-	-
Total disbursements	<u>724,020</u>	<u>2,840</u>	<u>13,899</u>	<u>63,153</u>	<u>234,441</u>	<u>497,991</u>	<u>-</u>
Excess (deficiency) of receipts over (under) disbursements	<u>(111,713)</u>	<u>86</u>	<u>1,410</u>	<u>(23,724)</u>	<u>7,580</u>	<u>(331,200)</u>	<u>-</u>
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing sources (uses)	<u>(111,713)</u>	<u>86</u>	<u>1,410</u>	<u>(23,724)</u>	<u>7,580</u>	<u>(331,200)</u>	<u>-</u>
Cash and investment fund balance - beginning	<u>793,630</u>	<u>4,123</u>	<u>35,148</u>	<u>184,283</u>	<u>61,825</u>	<u>319,196</u>	<u>305,756</u>
Cash and investment fund balance - ending	<u>\$ 681,917</u>	<u>\$ 4,209</u>	<u>\$ 36,558</u>	<u>\$ 160,559</u>	<u>\$ 69,405</u>	<u>\$ (12,004)</u>	<u>\$ 305,756</u>
<u>Cash and Investment Assets - December 31</u>							
Cash and investments	<u>\$ 681,917</u>	<u>\$ 4,209</u>	<u>\$ 36,558</u>	<u>\$ 160,559</u>	<u>\$ 69,405</u>	<u>\$ (12,004)</u>	<u>\$ 305,756</u>
<u>Cash and Investment Fund Balance - December 31</u>							
Unrestricted	<u>\$ 681,917</u>	<u>\$ 4,209</u>	<u>\$ 36,558</u>	<u>\$ 160,559</u>	<u>\$ 69,405</u>	<u>\$ (12,004)</u>	<u>\$ 305,756</u>

KOSCIUSKO COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005
 (Continued)

	Drainage Maintenance	Law Enforcement Forfeitures	Pretrial Diversion	Misdemeanant	County Drug Free Community	Donation	Anti-Drug Grant
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	576,423	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	20,721	-	49,560	-	-	102,257
Charges for services	-	-	40,562	-	-	-	-
Fines and forfeits	-	-	-	-	72,511	-	-
Other	-	-	-	-	410	4,739	-
Total receipts	576,423	20,721	40,562	49,560	72,921	4,739	102,257
Disbursements:							
General government	490,761	-	29,040	-	-	-	-
Public safety	-	44,576	-	58,564	93,047	12,120	98,114
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest and paying agent fees	-	-	-	-	-	-	-
Total disbursements	490,761	44,576	29,040	58,564	93,047	12,120	98,114
Excess (deficiency) of receipts over (under) disbursements	85,662	(23,855)	11,522	(9,004)	(20,126)	(7,381)	4,143
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing sources (uses)	85,662	(23,855)	11,522	(9,004)	(20,126)	(7,381)	4,143
Cash and investment fund balance - beginning	595,209	106,974	100,592	29,102	104,714	19,326	(1,685)
Cash and investment fund balance - ending	<u>\$ 680,871</u>	<u>\$ 83,119</u>	<u>\$ 112,114</u>	<u>\$ 20,098</u>	<u>\$ 84,588</u>	<u>\$ 11,945</u>	<u>\$ 2,458</u>
Cash and Investment Assets - December 31							
Cash and investments	<u>\$ 680,871</u>	<u>\$ 83,119</u>	<u>\$ 112,114</u>	<u>\$ 20,098</u>	<u>\$ 84,588</u>	<u>\$ 11,945</u>	<u>\$ 2,458</u>
Cash and Investment Fund Balance - December 31							
Unrestricted	<u>\$ 680,871</u>	<u>\$ 83,119</u>	<u>\$ 112,114</u>	<u>\$ 20,098</u>	<u>\$ 84,588</u>	<u>\$ 11,945</u>	<u>\$ 2,458</u>

KOSCIUSKO COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005
 (Continued)

	Prenatal Care	Emergency Planning and Right to Know	Guardian Ad Litem/Court	Sheriff's Homeland Security	Eradication Grant	Syracuse D.U.I.	Family Violence and Victim Assistance
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	28,558	-	10,238	85,414	-	5,675	23,611
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	13,095	-	-	-	-	-
Total receipts	28,558	13,095	10,238	85,414	-	5,675	23,611
Disbursements:							
General government	-	-	10,238	-	-	-	-
Public safety	-	13,300	-	109,812	-	5,395	-
Health and welfare	15,962	-	-	-	-	-	22,968
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest and paying agent fees	-	-	-	-	-	-	-
Total disbursements	15,962	13,300	10,238	109,812	-	5,395	22,968
Excess (deficiency) of receipts over (under) disbursements	12,596	(205)	-	(24,398)	-	280	643
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing sources (uses)	12,596	(205)	-	(24,398)	-	280	643
Cash and investment fund balance - beginning	-	31,216	-	40,905	705	120	(7,103)
Cash and investment fund balance - ending	<u>\$ 12,596</u>	<u>\$ 31,011</u>	<u>\$ -</u>	<u>\$ 16,507</u>	<u>\$ 705</u>	<u>\$ 400</u>	<u>\$ (6,460)</u>
Cash and Investment Assets - December 31							
Cash and investments	<u>\$ 12,596</u>	<u>\$ 31,011</u>	<u>\$ -</u>	<u>\$ 16,507</u>	<u>\$ 705</u>	<u>\$ 400</u>	<u>\$ (6,460)</u>
Cash and Investment Fund Balance - December 31							
Unrestricted	<u>\$ 12,596</u>	<u>\$ 31,011</u>	<u>\$ -</u>	<u>\$ 16,507</u>	<u>\$ 705</u>	<u>\$ 400</u>	<u>\$ (6,460)</u>

KOSCIUSKO COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005
 (Continued)

	County Family and Children	Meth Grant	Marijuana Grow Meth Grant	Victim Assistance STOP Grant	Sales Disclosurer	Clerk's Records Perpetuation	Well Child
Receipts:							
Taxes	\$ 180,570	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	254,615	-	-	-	-	-	39,917
Charges for services	29,076	-	-	-	13,300	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	556,843	-	-	-	13,355	18,835	-
Total receipts	1,021,104	-	-	-	26,655	18,835	39,917
Disbursements:							
General government	-	-	-	-	13,525	-	-
Public safety	-	-	-	-	-	-	-
Health and welfare	1,404,668	-	-	-	-	-	32,027
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest and paying agent fees	-	-	-	-	-	-	-
Total disbursements	1,404,668	-	-	-	13,525	-	32,027
Excess (deficiency) of receipts over (under) disbursements	(383,564)	-	-	-	13,130	18,835	7,890
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing sources (uses)	(383,564)	-	-	-	13,130	18,835	7,890
Cash and investment fund balance - beginning	1,004,040	86	120	137	22,993	4,255	36,067
Cash and investment fund balance - ending	<u>\$ 620,476</u>	<u>\$ 86</u>	<u>\$ 120</u>	<u>\$ 137</u>	<u>\$ 36,123</u>	<u>\$ 23,090</u>	<u>\$ 43,957</u>
Cash and Investment Assets - December 31							
Cash and investments	<u>\$ 620,476</u>	<u>\$ 86</u>	<u>\$ 120</u>	<u>\$ 137</u>	<u>\$ 36,123</u>	<u>\$ 23,090</u>	<u>\$ 43,957</u>
Cash and Investment Fund Balance - December 31							
Unrestricted	<u>\$ 620,476</u>	<u>\$ 86</u>	<u>\$ 120</u>	<u>\$ 137</u>	<u>\$ 36,123</u>	<u>\$ 23,090</u>	<u>\$ 43,957</u>

KOSCIUSKO COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005
 (Continued)

	Prenatal Well Child Medical	Emergency Cleanup	County Transition Program	Electronic Map Generation	Tobacco Prevention	Big City/ County Seat Belt	Public Mass Transportation
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	3,000	329,070
Charges for services	-	-	-	3,006	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,006</u>	<u>-</u>	<u>3,000</u>	<u>329,070</u>
Disbursements:							
General government	-	-	45,980	-	-	-	329,070
Public safety	-	-	-	-	-	4,000	-
Health and welfare	-	-	-	-	8,920	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest and paying agent fees	-	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>45,980</u>	<u>-</u>	<u>8,920</u>	<u>4,000</u>	<u>329,070</u>
Excess (deficiency) of receipts over (under) disbursements	<u>-</u>	<u>-</u>	<u>(45,980)</u>	<u>3,006</u>	<u>(8,920)</u>	<u>(1,000)</u>	<u>-</u>
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(45,980)</u>	<u>3,006</u>	<u>(8,920)</u>	<u>(1,000)</u>	<u>-</u>
Cash and investment fund balance - beginning	<u>34,489</u>	<u>989</u>	<u>45,980</u>	<u>9,722</u>	<u>80,568</u>	<u>1,000</u>	<u>-</u>
Cash and investment fund balance - ending	<u>\$ 34,489</u>	<u>\$ 989</u>	<u>\$ -</u>	<u>\$ 12,728</u>	<u>\$ 71,648</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cash and Investment Assets - December 31</u>							
Cash and investments	<u>\$ 34,489</u>	<u>\$ 989</u>	<u>\$ -</u>	<u>\$ 12,728</u>	<u>\$ 71,648</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cash and Investment Fund Balance - December 31</u>							
Unrestricted	<u>\$ 34,489</u>	<u>\$ 989</u>	<u>\$ -</u>	<u>\$ 12,728</u>	<u>\$ 71,648</u>	<u>\$ -</u>	<u>\$ -</u>

KOSCIUSKO COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005
 (Continued)

	<u>Plat Book</u>	<u>Jury Pay</u>	<u>Operation Pull-over</u>	<u>Bioterrorism</u>	<u>K-code PDA/GPS Fuel Reimbursement</u>	<u>Emergency Management</u>	<u>Open Alcohol</u>
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	6,000	23,048	5,550	-	16,000
Charges for services	24,273	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	11,188	-	-	-	-	-
Total receipts	<u>24,273</u>	<u>11,188</u>	<u>6,000</u>	<u>23,048</u>	<u>5,550</u>	<u>-</u>	<u>16,000</u>
Disbursements:							
General government	26	-	-	-	-	-	-
Public safety	-	-	3,071	137,913	1,184	17,518	16,534
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest and paying agent fees	-	-	-	-	-	-	-
Total disbursements	<u>26</u>	<u>-</u>	<u>3,071</u>	<u>137,913</u>	<u>1,184</u>	<u>17,518</u>	<u>16,534</u>
Excess (deficiency) of receipts over (under) disbursements	<u>24,247</u>	<u>11,188</u>	<u>2,929</u>	<u>(114,865)</u>	<u>4,366</u>	<u>(17,518)</u>	<u>(534)</u>
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing sources (uses)	<u>24,247</u>	<u>11,188</u>	<u>2,929</u>	<u>(114,865)</u>	<u>4,366</u>	<u>(17,518)</u>	<u>(534)</u>
Cash and investment fund balance - beginning	<u>14,075</u>	<u>19,144</u>	<u>-</u>	<u>122,846</u>	<u>-</u>	<u>17,518</u>	<u>534</u>
Cash and investment fund balance - ending	<u>\$ 38,322</u>	<u>\$ 30,332</u>	<u>\$ 2,929</u>	<u>\$ 7,981</u>	<u>\$ 4,366</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cash and Investment Assets - December 31</u>							
Cash and investments	<u>\$ 38,322</u>	<u>\$ 30,332</u>	<u>\$ 2,929</u>	<u>\$ 7,981</u>	<u>\$ 4,366</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cash and Investment Fund Balance - December 31</u>							
Unrestricted	<u>\$ 38,322</u>	<u>\$ 30,332</u>	<u>\$ 2,929</u>	<u>\$ 7,981</u>	<u>\$ 4,366</u>	<u>\$ -</u>	<u>\$ -</u>

KOSCIUSKO COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005
 (Continued)

	Counter Terrorism	Beamon Home	Center of Hope	Prosecutor Title IV-D	Clerk of the Circuit Court Title IV-D	Convention and Visitor's Bureau	Tobacco Settlement
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 389,255	\$ -
Special assessments	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	35,355	14,749	-	-	-	32,721
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	-	-	64,495	64,497	-	-
Total receipts	-	35,355	14,749	64,495	64,497	389,255	32,721
Disbursements:							
General government	-	-	-	1,577	2,486	-	-
Public safety	22,926	-	-	-	-	-	-
Health and welfare	-	35,355	10,935	-	-	-	-
Culture and recreation	-	-	-	-	-	314,385	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest and paying agent fees	-	-	-	-	-	-	-
Total disbursements	22,926	35,355	10,935	1,577	2,486	314,385	-
Excess (deficiency) of receipts over (under) disbursements	(22,926)	-	3,814	62,918	62,011	74,870	32,721
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing sources (uses)	(22,926)	-	3,814	62,918	62,011	74,870	32,721
Cash and investment fund balance - beginning	22,926	-	(318)	51,270	38,736	252,288	-
Cash and investment fund balance - ending	\$ -	\$ -	\$ 3,496	\$ 114,188	\$ 100,747	\$ 327,158	\$ 32,721
Cash and Investment Assets - December 31							
Cash and investments	\$ -	\$ -	\$ 3,496	\$ 114,188	\$ 100,747	\$ 327,158	\$ 32,721
Cash and Investment Fund Balance - December 31							
Unrestricted	\$ -	\$ -	\$ 3,496	\$ 114,188	\$ 100,747	\$ 327,158	\$ 32,721

KOSCIUSKO COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005
 (Continued)

	Sheriff Sale <u>Administration</u>	<u>Reimbursement</u>	<u>Gift</u>	Local Government <u>Grants 1 and 2</u>	Inmate <u>Meals</u>	Industrial Development <u>(Debt Service)</u>
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 49,692
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	1,000,000	302,739	-
Charges for services	35,819	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	563,616	5,000	-	-	19,437
Total receipts	<u>35,819</u>	<u>563,616</u>	<u>5,000</u>	<u>1,000,000</u>	<u>302,739</u>	<u>69,129</u>
Disbursements:						
General government	7,700	563,616	647	-	311,977	-
Public safety	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	1,000,000	-	-
Capital outlay	-	-	-	-	-	57,261
Debt service:						
Principal	-	-	-	-	-	70,000
Interest and paying agent fees	-	-	-	-	-	23,460
Total disbursements	<u>7,700</u>	<u>563,616</u>	<u>647</u>	<u>1,000,000</u>	<u>311,977</u>	<u>150,721</u>
Excess (deficiency) of receipts over (under) disbursements	<u>28,119</u>	<u>-</u>	<u>4,353</u>	<u>-</u>	<u>(9,238)</u>	<u>(81,592)</u>
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing sources (uses)	<u>28,119</u>	<u>-</u>	<u>4,353</u>	<u>-</u>	<u>(9,238)</u>	<u>(81,592)</u>
Cash and investment fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,717</u>	<u>80,553</u>
Cash and investment fund balance - ending	<u>\$ 28,119</u>	<u>\$ -</u>	<u>\$ 4,353</u>	<u>\$ -</u>	<u>\$ 479</u>	<u>\$ (1,039)</u>
<u>Cash and Investment Assets - December 31</u>						
Cash and investments	<u>\$ 28,119</u>	<u>\$ -</u>	<u>\$ 4,353</u>	<u>\$ -</u>	<u>\$ 479</u>	<u>\$ (1,039)</u>
<u>Cash and Investment Fund Balance - December 31</u>						
Unrestricted	<u>\$ 28,119</u>	<u>\$ -</u>	<u>\$ 4,353</u>	<u>\$ -</u>	<u>\$ 479</u>	<u>\$ (1,039)</u>

KOSCIUSKO COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005
 (Continued)

	Cumulative Bridge	Cumulative Capital Development	Cumulative Jail	CEDIT Capital Projects	General Drain Improvement	Total
Receipts:						
Taxes	\$ 254,089	\$ 784,955	\$ 50,048	\$ -	\$ -	\$ 2,551,992
Special assessments	-	-	-	-	241,883	818,306
Licenses and permits	-	-	-	-	-	54,145
Intergovernmental	34,352	106,125	6,748	2,527,434	-	6,132,998
Charges for services	-	-	-	-	-	1,151,440
Fines and forfeits	-	-	-	-	-	87,820
Other	46,839	68,504	-	-	-	1,695,491
Total receipts	335,280	959,584	56,796	2,527,434	241,883	12,492,192
Disbursements:						
General government	-	-	-	-	-	2,520,670
Public safety	-	-	-	-	-	2,937,330
Health and welfare	-	-	-	-	-	2,074,588
Culture and recreation	-	-	-	-	-	314,385
Urban redevelopment and housing	-	-	-	-	-	1,000,000
Capital outlay	871,133	3,498,966	150,000	2,770	305,752	4,885,882
Debt service:						
Principal	-	-	-	1,260,000	-	1,330,000
Interest and paying agent fees	-	-	-	635,000	-	658,460
Total disbursements	871,133	3,498,966	150,000	1,897,770	305,752	15,721,315
Excess (deficiency) of receipts over (under) disbursements	(535,853)	(2,539,382)	(93,204)	629,664	(63,869)	(3,229,123)
Other financing sources (uses)						
Transfers in	-	-	-	-	-	42,750
Transfers out	-	-	-	-	-	(35,046)
Total other financing sources (uses)	-	-	-	-	-	7,704
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing sources (uses)	(535,853)	(2,539,382)	(93,204)	629,664	(63,869)	(3,221,419)
Cash and investment fund balance - beginning	1,374,848	5,259,694	397,133	4,594,180	201,839	20,840,645
Cash and investment fund balance - ending	<u>\$ 838,995</u>	<u>\$ 2,720,312</u>	<u>\$ 303,929</u>	<u>\$ 5,223,844</u>	<u>\$ 137,970</u>	<u>\$ 17,619,226</u>
Cash and Investment Assets - December 31						
Cash and investments	<u>\$ 838,995</u>	<u>\$ 2,720,312</u>	<u>\$ 303,929</u>	<u>\$ 5,223,844</u>	<u>\$ 137,970</u>	<u>\$ 17,619,226</u>
Cash and Investment Fund Balance - December 31						
Unrestricted	<u>\$ 838,995</u>	<u>\$ 2,720,312</u>	<u>\$ 303,929</u>	<u>\$ 5,223,844</u>	<u>\$ 137,970</u>	<u>\$ 17,619,226</u>

KOSCIUSKO COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2005

	County Hospital Care for the Indigent	Medical Assistance to Wards	Children With Special Health Care Needs	Mortgage Fees State Share	Overweight Vehicle Fees	Dog	Subdivision Escrow
Additions:							
Agency fund additions	\$ 249,822	\$ 20,394	\$ 50,984	\$ 14,349	\$ 600	\$ 11,911	\$ 21,200
Deductions:							
Agency fund deductions	<u>249,822</u>	<u>20,394</u>	<u>50,984</u>	<u>13,231</u>	<u>600</u>	<u>11,911</u>	<u>4,000</u>
Excess (deficiency) of total additions over (under) total deductions	-	-	-	1,118	-	-	17,200
Cash and investment fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,750</u>
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,118</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,950</u>

KOSCIUSKO COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2005
 (Continued)

	Coroner's Training and Continuing Education	Welfare Trust	City and Town Court Costs	Congressional School Interest	Weed Cutting	Surplus Tax Sale	Tax Sale Redemption
Additions:							
Agency fund additions	\$ 4,541	\$ 42,189	\$ 23,723	\$ 855	\$ 2,045	\$ 1,189,183	\$ 165,809
Deductions:							
Agency fund deductions	<u>4,504</u>	<u>30,883</u>	<u>22,004</u>	<u>1,125</u>	<u>2,045</u>	<u>1,194,767</u>	<u>165,820</u>
Excess (deficiency) of total additions over (under) total deductions	37	11,306	1,719	(270)	-	(5,584)	(11)
Cash and investment fund balance - beginning	<u>24</u>	<u>26,346</u>	<u>-</u>	<u>14,828</u>	<u>-</u>	<u>1,222,050</u>	<u>-</u>
Cash and investment fund balance - ending	<u>\$ 61</u>	<u>\$ 37,652</u>	<u>\$ 1,719</u>	<u>\$ 14,558</u>	<u>\$ -</u>	<u>\$ 1,216,466</u>	<u>\$ (11)</u>

KOSCIUSKO COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2005
 (Continued)

	Surplus Tax	State Fair Board	State Fines and Forfeitures	State Forestry Tax	Sewage Collections	Recorder	Infraction Judgments
Additions:							
Agency fund additions	\$ 246,572	\$ 40,787	\$ 117,732	\$ 81,575	\$ 44,435	\$ 100	\$ 167,327
Deductions:							
Agency fund deductions	298,818	40,787	112,473	81,575	44,435	37	194,235
Excess (deficiency) of total additions over (under) total deductions	(52,246)	-	5,259	-	-	63	(26,908)
Cash and investment fund balance - beginning	683,189	-	19,465	-	-	367	114,766
Cash and investment fund balance - ending	<u>\$ 630,943</u>	<u>\$ -</u>	<u>\$ 24,724</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 430</u>	<u>\$ 87,858</u>

KOSCIUSKO COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2005
 (Continued)

	Inheritance Tax	United Way, Payroll and PERF	Deferred Compensation	Garnishment	Special Death Benefit	Education Plate Fees	CEDIT Agency
Additions:							
Agency fund additions	\$ 4,478,158	\$ 12,165,602	\$ 77,708	\$ 76,950	\$ 2,590	\$ 3,319	\$ 3,933,139
Deductions:							
Agency fund deductions	4,401,899	12,157,044	77,708	76,950	1,870	3,319	3,933,139
Excess (deficiency) of total additions over (under) total deductions	76,259	8,558	-	-	720	-	-
Cash and investment fund balance - beginning	353,343	65,985	-	-	-	-	-
Cash and investment fund balance - ending	<u>\$ 429,602</u>	<u>\$ 74,543</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 720</u>	<u>\$ -</u>	<u>\$ -</u>

KOSCIUSKO COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2005
 (Continued)

	COIT Agency	Convention and Tourism	Direct Deposit Clearing	Tax Distribution	Riverboat Revenue Sharing	Prosecuting Attorney	Sheriff
Additions:							
Agency fund additions	\$ 8,470,025	\$ 381,543	\$ 5,208,213	\$ 77,035,049	\$ 466,984	\$ 24,845	\$ 3,096,600
Deductions:							
Agency fund deductions	<u>8,470,025</u>	<u>389,265</u>	<u>5,208,213</u>	<u>77,035,049</u>	<u>466,984</u>	<u>22,459</u>	<u>3,096,600</u>
Excess (deficiency) of total additions over (under) total deductions	-	(7,722)	-	-	-	2,386	-
Cash and investment fund balance - beginning	<u>-</u>	<u>30,410</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 22,688</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,386</u>	<u>\$ -</u>

KOSCIUSKO COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2005
 (Continued)

	Surveyor	Clerk of the Circuit Court	Sheriff's Inmate Trust	Treasurer	Probation	Total
Additions:						
Agency fund additions	\$ -	\$ 18,424,222	\$ 992,898	\$ 110,603,660	\$ 236,765	\$ 248,174,403
Deductions:						
Agency fund deductions	-	25,868,161	993,114	110,872,161	232,067	255,850,477
Excess (deficiency) of total additions over (under) total deductions	-	(7,443,939)	(216)	(268,501)	4,698	(7,676,074)
Cash and investment fund balance - beginning	50	8,348,590	9,972	1,286,651	3,301	12,186,087
Cash and investment fund balance - ending	<u>\$ 50</u>	<u>\$ 904,651</u>	<u>\$ 9,756</u>	<u>\$ 1,018,150</u>	<u>\$ 7,999</u>	<u>\$ 4,510,013</u>

KOSCIUSKO COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended December 31, 2005

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

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

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land and building	\$ 38,023,868
Infrastructure	42,051,289
Machinery and equipment	4,906,854
Construction in progress	<u>61,800</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 85,043,811</u>

KOSCIUSKO COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 For The Year Ended December 31, 2005

	Ending Balance	Due Within One Year
Governmental activities:		
Capital lease:		
Justice building	\$ 13,340,000	\$ 1,310,000
Bonds payable:		
General obligation bonds:	425,000	75,000
 Total governmental activities long-term debt	 \$ 13,765,000	 \$ 1,385,000

KOSCIUSKO COUNTY
AUDIT RESULTS AND COMMENTS

CHANGE OF VENUE

During the years 1996 to 2005, the County held court for change of venue cases; however, the County did not bill the other counties for the expenses incurred and paid. Therefore, no revenue was recognized in these years to offset the associated costs.

Indiana Code 34-2-15-1(a) states in part: "In all cases, civil or criminal or otherwise, where there has been or shall be a change of venue from one (1) county to another, the county in which such cause, either civil, criminal, or otherwise, shall have originated and from which such change of venue shall be taken shall pay to the county to which such change of venue has been or shall be taken all such expenses as shall have been or shall be incurred by the county to which said change of venue shall be taken. . . ."

TRANSACTION RECORDING

As stated in the prior Audit Reports B23171 and B25337, some transactions such as stamp purchases and stamp revenue were not entered in the records of the Clerk of the Circuit Court.

All financial transactions pertaining to the governmental unit should be recorded in the records of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Clerk of the Circuit Courts, Chapter 13)

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2765

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

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

TO: THE OFFICIALS OF KOSCIUSKO COUNTY, INDIANA

Compliance

We have audited the compliance of the Kosciusko County (County) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2005. The County's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, the County complied in all material respects with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2005.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

STATE BOARD OF ACCOUNTS

June 28, 2006

KOSCIUSKO COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2005

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Pass-Through Indiana Criminal Justice Institute Crime Victim Assistance	16.575	04VA076 04VA078 04VA079 04VA080 05VA061 05VA062 05VA063	\$ 10,935 15,243 25,707 6,528 7,725 9,648 <u>1,632</u>
Total for program			<u>77,418</u>
Edward Byrne Memorial Formula Grant Program	16.579	03DB027 04DB022	17,330 <u>80,784</u>
Total for program			<u>98,114</u>
Public Safety Partnership and Community Policing Grants	16.710	2003UMWX0041	<u>49,646</u>
Total for federal grantor agency			<u>225,178</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation Federal Transit Cluster Federal Transit - Formula Grants	20.507	FY2005	<u>343,631</u>
Highway Safety Cluster State and Community Highway Safety DUI Enforcement 04-05 Operation Pull Over/Open Alcohol Beverage Operation Pull Over/PT Safety Incentive Grants for Use of Seatbelts	20.600 20.604	OP-05-02 OP-05-02, T-03 PT-06-04-07-21 IN-05-02	5,395 16,534 3,071 <u>4,000</u>
Total for cluster			<u>29,000</u>
Total for federal grantor agency			<u>372,631</u>
<u>ELECTION ASSISTANCE COMMISSION</u>			
Pass-Through Indiana Secretary of State Help America Vote Act Requirements Payments	90.401	Section 102 Title III	201,096 <u>362,520</u>
Total for federal grantor agency			<u>563,616</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-Through Indiana Department of Health Center for Disease Control and Prevention-Investigations and and Technical Assistance	93.283	BPRS142-2	<u>12,217</u>
Pass-Through Indiana Department of Children's Services Child Support Enforcement	93.563	FY2005	<u>267,121</u>
Pass-Through Indiana Department of Health Maternal and Child Health Services Block Grant to the States	93.994	MCH142-2	<u>15,962</u>
Total for federal grantor agency			<u>295,300</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security State Domestic Preparedness Equipment Support Program Finger Print TP3500 Terrorism Prevention First Responder Communication Counter Terrorism Part I Counter Terrorism Part II	97.004	2003-TE-TX-0198 2003-MU-T3-0027	34,483 359,691 125,696 6,188 <u>16,738</u>
Total for program			<u>542,796</u>
Emergency Management Performance Grant	97.042		<u>17,518</u>
Total for federal grantor agency			<u>560,314</u>
Total federal awards expended			<u>\$ 2,017,039</u>

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

KOSCIUSKO COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

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

II. Subrecipient

Of the federal expenditures presented in the schedule, the County provided federal awards to a sub-recipient as follows for the year ended December 31, 2005:

Program Title	Federal CFDA Number	2005
Federal Transit – Formula Grants	20.507	\$ <u>343,631</u>

KOSCIUSKO COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Qualified

Internal control over financial reporting:
 Material weaknesses identified? no
 Reportable conditions identified that are not considered to be material weaknesses? none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:
 Material weaknesses identified? no
 Reportable conditions identified that are not considered to be material weaknesses? none reported

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

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

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
90.401	Help America Vote Act Requirements Payments

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

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

KOSCIUSKO COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

KOSCIUSKO COUNTY
EXIT CONFERENCE

The contents of this report were discussed on June 28, 2006, with Sue Ann Mitchell, Auditor; Avis B. Gunter, President of the Board of County Commissioners; Michelle Puckett, Chief Deputy Auditor; and Ann Torpy, Chief Deputy Clerk of the Circuit Court.