

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

ANNUAL FINANCIAL REPORT

2005

HARRISON COUNTY, INDIANA



FILED
08/29/2006

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Patricia A. Wolfe	01-01-03 to 12-31-06
Treasurer	Lorena A. Stepro	01-01-03 to 12-31-06
Clerk	Sherry Brown	01-01-05 to 12-31-08
Sheriff	Mike Deatrick	01-01-03 to 12-31-06
Recorder	Barbara Mathes	01-01-05 to 12-31-08
President of the Board of County Commissioners	J.R. Eckart	01-01-05 to 12-31-06
President of the County Council	Gary Davis	01-01-05 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF HARRISON COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Harrison 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 number of component units 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 units 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 July 25, 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, 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

July 25, 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 HARRISON COUNTY, INDIANA

We have audited the financial statements of Harrison County (County), as of and for the year ended December 31, 2005, and have issued our report thereon dated July 25, 2006. The opinion to the financial statements was qualified due to omission of component units. 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.

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

July 25, 2006

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

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts			<u>Net (Disbursements) Receipts</u>
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	<u>Governmental Activities</u>
Primary government:					
Governmental activities:					
General government	\$ 20,205,732	\$ 547,035	\$ 1,973,913	\$ 74,957	\$ (17,609,827)
Public safety	7,940,848	1,002,736	647,049	674	(6,290,389)
Highways and streets	10,971,744	-	2,915,918	91,198	(7,964,628)
Health and welfare	6,773,004	41,812	847,387	-	(5,883,805)
Economic development	526,500	-	-	-	(526,500)
Culture and recreation	782,852	-	78,602	-	(704,250)
Interest on long-term debt	183,020	-	-	-	(183,020)
Total primary government	<u>\$ 47,383,700</u>	<u>\$ 1,591,583</u>	<u>\$ 6,462,869</u>	<u>\$ 166,829</u>	<u>(39,162,419)</u>
General receipts:					
Property taxes					5,646,293
Other local sources					3,925,126
Unrestricted intergovernmental receipts					365,959
Gaming taxes					22,875,957
Riverboat revenue sharing					572,721
Unrestricted investment earnings					1,067,616
Other operating receipts					<u>1,317,846</u>
Total general receipts					<u>35,771,518</u>
Change in net assets					(3,390,901)
Net assets - beginning					<u>39,011,401</u>
Net assets - ending					<u>\$ 35,620,500</u>
<u>Assets</u>					
Cash and investments					\$ 22,657,991
Restricted assets:					
Cash and investments					<u>12,962,509</u>
Total assets					<u>\$ 35,620,500</u>
<u>Net Assets</u>					
Restricted for:					
General government					\$ 3,644,604
Public safety					1,375,297
Highways and streets					3,384,061
Health and welfare					617,357
Culture and recreation					282,255
Economic development					3,658,935
Unrestricted					<u>22,657,991</u>
Total net assets					<u>\$ 35,620,500</u>

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

HARRISON 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	Riverboat Fund Ordinance 98-12	County Economic Development Income Tax	Other Governmental Funds	Totals
Receipts:					
Taxes	\$ 4,413,089	\$ -	\$ 1,256,829	\$ 3,901,501	\$ 9,571,419
Intergovernmental	657,847	22,875,957	-	6,910,531	30,444,335
Charges for services	834,354	-	-	757,229	1,591,583
Other	1,194,727	609,874	-	580,861	2,385,462
Total receipts	7,100,017	23,485,831	1,256,829	12,150,122	43,992,799
Disbursements:					
General government	4,553,125	11,471,578	-	3,219,076	19,243,779
Public safety	2,583,758	3,425,162	-	1,931,928	7,940,848
Highways and streets	-	7,971,736	-	2,667,443	10,639,179
Health and welfare	268,649	4,053,000	-	2,451,355	6,773,004
Culture and recreation	-	8,038	-	774,814	782,852
Economic development	-	526,500	-	-	526,500
Debt service:					
Principal	-	-	605,000	-	605,000
Interest	-	-	183,020	-	183,020
Capital outlay:					
Highways and streets	-	-	-	332,565	332,565
General government	-	-	-	356,953	356,953
Total disbursements	7,405,532	27,456,014	788,020	11,734,134	47,383,700
Excess (deficiency) of revenue over (under) disbursements	(305,515)	(3,970,183)	468,809	415,988	(3,390,901)
Other financing sources (uses)					
Transfers in	68,902	-	-	24,519	93,421
Transfers out	-	-	-	(93,421)	(93,421)
Total other financing sources (uses)	68,902	-	-	(68,902)	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(236,613)	(3,970,183)	468,809	347,086	(3,390,901)
Cash and investment fund balance - beginning	1,038,398	25,494,604	3,190,126	9,288,273	39,011,401
Cash and investment fund balance - ending	<u>\$ 801,785</u>	<u>\$ 21,524,421</u>	<u>\$ 3,658,935</u>	<u>\$ 9,635,359</u>	<u>\$ 35,620,500</u>
<u>Cash and Investment Assets - December 31</u>					
Cash and investments	\$ 801,785	\$ 21,524,421	\$ -	\$ 331,785	\$ 22,657,991
Restricted assets:					
Cash and investments	-	-	3,658,935	9,303,574	12,962,509
Total cash and investment assets - December 31	<u>\$ 801,785</u>	<u>\$ 21,524,421</u>	<u>\$ 3,658,935</u>	<u>\$ 9,635,359</u>	<u>\$ 35,620,500</u>
<u>Cash and Investment Fund Balance - December 31</u>					
Restricted for:					
General government	\$ -	\$ -	\$ -	\$ 3,644,604	\$ 3,644,604
Public safety	-	-	-	1,375,297	1,375,297
Highways and streets	-	-	-	3,384,061	3,384,061
Health and welfare	-	-	-	617,357	617,357
Culture and recreation	-	-	-	282,255	282,255
Economic development	-	-	3,658,935	-	3,658,935
Unrestricted	801,785	21,524,421	-	331,785	22,657,991
Total cash and investment fund balance - December 31	<u>\$ 801,785</u>	<u>\$ 21,524,421</u>	<u>\$ 3,658,935</u>	<u>\$ 9,635,359</u>	<u>\$ 35,620,500</u>

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

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

	<u>Pension</u> <u>Trust Funds</u>	<u>Private-Purpose</u> <u>Trust Funds</u>	<u>Agency</u> <u>Funds</u>
Additions:			
Contributions:			
Employer	\$ 127,007	\$ -	\$ -
Plan members	<u>22,926</u>	<u>-</u>	<u>-</u>
Total contributions	<u>149,933</u>	<u>-</u>	<u>-</u>
Investment earnings:			
Net increase in fair value of investments	80,800	-	-
Interest/dividends	<u>37,498</u>	<u>-</u>	<u>-</u>
Total investment earnings	<u>118,298</u>	<u>-</u>	<u>-</u>
Agency fund additions	<u>-</u>	<u>-</u>	<u>82,192,268</u>
Total additions	<u>268,231</u>	<u>-</u>	<u>82,192,268</u>
Deductions:			
Benefits	25,236	-	-
Administrative and general	19,437	-	-
Agency fund deductions	<u>-</u>	<u>-</u>	<u>81,444,506</u>
Total deductions	<u>44,673</u>	<u>-</u>	<u>81,444,506</u>
Excess of total additions over total deductions	223,558	-	747,762
Cash and investment fund balance - beginning	<u>1,452,117</u>	<u>32,536</u>	<u>1,704,737</u>
Cash and investment fund balance - ending	<u>\$ 1,675,675</u>	<u>\$ 32,536</u>	<u>\$ 2,452,499</u>

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

HARRISON 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 Primary Government (Harrison County).

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

Management has chosen to omit from these financial statements component units which have significant operational or financial relationships with the County. Accordingly, the financial statements do not include the data of all of the County's component units necessary to fairly present the financial position of the County.

Related Organizations

The County's officials are also responsible for appointing the members of the boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointments.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis display 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 non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. There are no business-type activities to report at this time.

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.

HARRISON COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

The riverboat fund ordinance 98-12 was established to account for revenues received pursuant to the development agreement with RDI Caesar's Riverboat Casino, L.L.C. Money in the fund may be used for any legal or corporate purpose of Harrison County.

The county economic development income tax (CEDIT) fund was established to account for collection of taxes imposed on the adjusted gross income of county taxpayers. CEDIT funds may be used for any lawful purpose for which money in any other County fund may be used. The County must adopt a plan for the uses of CEDIT collections.

Additionally, the County reports the following fund types:

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 income benefits the school corporations of the county.

Agency funds account for assets held by the County as an agent for a variety of entities and serve as a 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, 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.

HARRISON COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

2. Capital Assets

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

3. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental 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 legislation.
- 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.

Fund Financial Statements

Governmental fund equity is classified as fund balance.

E. Receipts and Disbursements

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.

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.

Fund Financial Statements

1. 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.

HARRISON COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

2. 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.

II. Stewardship, Compliance and Accountability

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.

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. The 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.

HARRISON COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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. The 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
Mutual Funds	\$ <u>1,988,345</u>

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.

HARRISON COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 June 12, 2003. Authorized investments include common or preferred stocks, or options to purchase such stocks, bonds, debentures, notes or other evidences of indebtedness or ownership, or other securities, in any corporation, mutual investment fund, investment company, association or business trust; bonds, or other obligations or securities issued by the United States of America or any State or governmental subdivision or instrumentality thereof; shares in any common trust fund operated by the Trustee, individual or group annuity contracts or any other insurance contracts with legal reserve life insurance company authorized to do business in the State of Indiana; and real and personal property of all kinds, including leaseholds on improved and unimproved real estate.

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 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 mutual funds in the amount of \$1,988,345. Of these investments, \$1,988,345 was held by the counterparty's trust department or agent but not in the name of the Sheriff's Pension Plan.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Sheriff's Merit Board has not adopted a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses.

Sheriff's Retirement and Benefit Pension Plans:

Investment Type	Investment Maturities (in Years)		
	Less Than 1	1-2	More Than 2
Mutual Bond Funds*	\$ -	\$ -	\$ 161,487
Mutual Funds	1,826,858	-	-
Totals	<u>\$ 1,826,858</u>	<u>\$ -</u>	<u>\$ 161,487</u>

*The mutual bond fund had a weighted average maturity of four years.

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.

HARRISON COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Sheriff's Retirement and Benefit Pension Plans:

Standard and Poor's Rating	Moody's Rating	County's Investments	
		Mutual Funds	Corporate Bonds
AA Unrated	Aa Unrated	\$ - 1,826,858	\$ 161,487 -
Totals		\$ 1,826,858	\$ 161,487

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 Sheriff's Merit Board has not adopted a policy for the concentration of credit risk.

Foreign Currency Risk

The Sheriff's Merit Board does not have 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
Riverboat Fund Ordinance 98-12 Other governmental	Other governmental General Fund Riverboat Fund Ordinance 98-12 Other governmental	\$ 400,000 68,902 400,000 24,519
Total		\$ 893,421

The County typically uses transfers for cash flow purposes as provided by various statutory provisions.

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; and natural disasters.

HARRISON COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; 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.

Job Related Illnesses or Injuries to Employees

During 1993, the County joined a public entity risk pool, the Indiana Public Employer's Plan, currently operating as a common risk management and insurance program for member governmental entities. This risk pool was formed in 1989 for the purpose of providing a medium for the funding and administration of workers compensation claims. The County pays an annual premium to the risk pool for its workers compensation coverage. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$1,000,000 per insured event.

B. Holding Corporation

The County has entered into a capital lease with Harrison 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 totaled \$788,000.

C. Subsequent Events

In June 2005, the County approved \$12,000,000 in riverboat funds to assist the Harrison County Hospital in the construction of a new hospital. The monies are to be paid in three equal installments. The amount of \$4,000,000 was paid to the Hospital September 2005 and June 2006. The last installment is to be paid to the Hospital by January 1, 2007.

D. 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.

E. Pension Plans

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

1. 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

HARRISON COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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.

2. 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.

3. 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.

HARRISON COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

Actuarial Information for the Above Plans

	PERF	County Police Retirement Plan	County Police Benefit Plan
Annual required contribution	\$ 283,487	\$ 112,431	\$ 14,576
Interest on net pension obligation	(12,364)	5,095	-
Adjustment to annual required contribution	14,090	(7,315)	-
Annual pension cost	285,213	110,211	14,576
Contributions made	317,274	112,431	14,576
Decrease in net pension obligation	(32,061)	(2,220)	-
Net pension obligation, beginning of year	(170,543)	72,780	-
Net pension obligation, end of year	\$ (202,604)	\$ 70,560	\$ -

	PERF	County Police Retirement Plan	County Police Benefit Plan
Contribution rates:			
County	5.75%	17.1%	1.9%
Plan members	3%	6%	6%
Actuarial valuation date	07-01-05	01-01-06	01-01-06
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

HARRISON COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

<u>Actuarial Assumptions</u>	<u>PERF</u>	<u>County Police Retirement Plan</u>	<u>County Police Benefit Plan</u>
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%

Three Year Trend Information

	<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
PERF	06-30-03	\$ 304,987	97%	\$ (143,581)
	06-30-04	271,323	110%	(170,543)
	06-30-05	285,213	117%	(202,604)
County Police Retirement Plan	12-31-03	101,521	98%	80,518
	12-31-04	106,744	107%	72,780
	12-31-05	110,211	102%	70,560
County Police Benefit Plan	12-31-03	14,551	100%	-
	12-31-04	13,448	100%	-
	12-31-05	14,576	100%	-

HARRISON 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)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-03	\$ 3,327,858	\$ 3,818,740	\$ (490,882)	87%	\$ 4,944,805	(10%)
07-01-04	3,479,303	3,957,945	(478,642)	88%	5,166,268	(9%)
07-01-05	3,731,279	4,501,796	(770,517)	83%	5,160,974	(15%)

County Police Retirement Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-01	\$ 933,676	\$ 933,676	\$ -	100%	\$ 590,608	0%
01-01-02	1,030,138	1,030,138	-	100%	637,750	0%
01-01-03	1,125,513	1,125,513	-	100%	629,604	0%
01-01-04	1,255,864	1,255,864	-	100%	672,147	0%
01-01-05	1,421,124	1,421,124	-	100%	637,781	0%
01-01-06	1,679,355	1,679,355	-	100%	714,627	0%

HARRISON 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

	County Highway	County Health	Local Road and Street	Property Reassessment	Accident Report	Firearms Training	Surveyor's Corner Perpetuation
Receipts:							
Taxes	\$ -	\$ 381,500	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	2,423,655	141,298	492,263	-	-	-	-
Charges for services	-	40,464	-	-	2,714	6,650	10,210
Other	78,234	1,022	15,620	-	-	-	-
Total receipts	2,501,889	564,284	507,883	-	2,714	6,650	10,210
Disbursements:							
General government	-	-	-	-	-	-	125
Public safety	-	-	-	-	2,877	8,755	-
Highways and streets	2,242,231	-	425,212	-	-	-	-
Health and welfare	-	508,320	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Capital outlay:							
Highways and streets	-	-	-	-	-	-	-
General government	-	-	-	-	-	-	-
Total disbursements	2,242,231	508,320	425,212	-	2,877	8,755	125
Excess (deficiency) of revenue over (under) disbursements	259,658	55,964	82,671	-	(163)	(2,105)	10,085
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	(24,519)	-	-	-
Total other financing sources (uses)	-	-	-	(24,519)	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	259,658	55,964	82,671	(24,519)	(163)	(2,105)	10,085
Cash and investment fund balance - beginning	1,083,154	152,264	803,348	24,519	1,088	10,173	63,785
Cash and investment fund balance - ending	<u>\$ 1,342,812</u>	<u>\$ 208,228</u>	<u>\$ 886,019</u>	<u>\$ -</u>	<u>\$ 925</u>	<u>\$ 8,068</u>	<u>\$ 73,870</u>
Cash and Investment Assets - December 31							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	1,342,812	208,228	886,019	-	925	8,068	73,870
Total cash and investment assets - December 31	<u>\$ 1,342,812</u>	<u>\$ 208,228</u>	<u>\$ 886,019</u>	<u>\$ -</u>	<u>\$ 925</u>	<u>\$ 8,068</u>	<u>\$ 73,870</u>
Cash and Investment Fund Balance - December 31							
Restricted for:							
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 73,870
Public safety	-	-	-	-	925	8,068	-
Highways and streets	1,342,812	-	886,019	-	-	-	-
Health and welfare	-	208,228	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 1,342,812</u>	<u>\$ 208,228</u>	<u>\$ 886,019</u>	<u>\$ -</u>	<u>\$ 925</u>	<u>\$ 8,068</u>	<u>\$ 73,870</u>

HARRISON 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)

	Supplemental Adult Probation Services	Supplemental Juvenile Probation Services	County Extradition	Recorder's Records Perpetuation	County Law Enforcement Continuing Education	Local Health Maintenance	Sheriff's Commissary
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	26,570	-
Charges for services	87	19,916	7,916	43,159	2,294	-	79,279
Other	-	1,778	-	-	-	135	-
Total receipts	87	21,694	7,916	43,159	2,294	26,705	79,279
Disbursements:							
General government	-	-	-	28,004	-	-	-
Public safety	-	27,220	200	-	622	-	83,193
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	23,350	-
Culture and recreation	-	-	-	-	-	-	-
Capital outlay:							
Highways and streets	-	-	-	-	-	-	-
General government	-	-	-	-	-	-	-
Total disbursements	-	27,220	200	28,004	622	23,350	83,193
Excess (deficiency) of revenue over (under) disbursements	87	(5,526)	7,716	15,155	1,672	3,355	(3,914)
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 uses	87	(5,526)	7,716	15,155	1,672	3,355	(3,914)
Cash and investment fund balance - beginning	678	66,549	62,710	173,857	675	87,358	78,362
Cash and investment fund balance - ending	<u>765</u>	<u>61,023</u>	<u>70,426</u>	<u>189,012</u>	<u>2,347</u>	<u>90,713</u>	<u>74,448</u>
Cash and Investment Assets - December 31							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	765	61,023	70,426	189,012	2,347	90,713	74,448
Total cash and investment assets - December 31	<u>765</u>	<u>61,023</u>	<u>70,426</u>	<u>189,012</u>	<u>2,347</u>	<u>90,713</u>	<u>74,448</u>
Cash and Investment Fund Balance - December 31							
Restricted for:							
General government	\$ -	\$ -	\$ -	\$ 189,012	\$ -	\$ -	\$ -
Public safety	765	61,023	70,426	-	2,347	-	74,448
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	90,713	-
Culture and recreation	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>765</u>	<u>61,023</u>	<u>70,426</u>	<u>189,012</u>	<u>2,347</u>	<u>90,713</u>	<u>74,448</u>

HARRISON 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)

	Park and Recreation	County Ambulance	County Court Juvenile Probation Services	Convention and Visitor's Bureau	Clerk's Records Perpetuation	Supplemental Public Defender Services	Humane Society
Receipts:							
Taxes	\$ 438,471	\$ 488,491	\$ -	\$ 379,539	\$ -	\$ -	\$ -
Intergovernmental	78,602	82,860	-	572,721	-	-	774
Charges for services	-	-	100,577	-	9,338	6,467	-
Other	215,555	-	376	26,225	-	-	-
Total receipts	732,628	571,351	100,953	978,485	9,338	6,467	774
Disbursements:							
General government	-	-	-	1,370,000	1,410	-	-
Public safety	-	596,226	137,013	-	-	11,635	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	745,658	-	-	-	-	-	-
Capital outlay:							
Highways and streets	-	-	-	-	-	-	-
General government	-	-	-	-	-	-	-
Total disbursements	745,658	596,226	137,013	1,370,000	1,410	11,635	-
Excess (deficiency) of revenue over (under) disbursements	(13,030)	(24,875)	(36,060)	(391,515)	7,928	(5,168)	774
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 uses	(13,030)	(24,875)	(36,060)	(391,515)	7,928	(5,168)	774
Cash and investment fund balance - beginning	262,868	349,257	120,180	490,385	34,564	6,498	9,804
Cash and investment fund balance - ending	<u>\$ 249,838</u>	<u>\$ 324,382</u>	<u>\$ 84,120</u>	<u>\$ 98,870</u>	<u>\$ 42,492</u>	<u>\$ 1,330</u>	<u>\$ 10,578</u>
Cash and Investment Assets - December 31							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	249,838	324,382	84,120	98,870	42,492	1,330	10,578
Total cash and investment assets - December 31	\$ 249,838	\$ 324,382	\$ 84,120	\$ 98,870	\$ 42,492	\$ 1,330	\$ 10,578
Cash and Investment Fund Balance - December 31							
Restricted for:							
General government	\$ -	\$ -	\$ -	\$ 98,870	\$ 42,492	\$ -	\$ -
Public safety	-	324,382	84,120	-	-	1,330	10,578
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	249,838	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-
Total cash and investment fund balance - December 31	\$ 249,838	\$ 324,382	\$ 84,120	\$ 98,870	\$ 42,492	\$ 1,330	\$ 10,578

HARRISON 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)

	Donation For Drug Enforcement	Emergency Planning and Right to Know	County Drug Free Community	Special Vehicle Inspection	Emergency Telephone System	Work Release	Donations for Administrative Cost for Riverboat
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	12,483	-	221,663	11,260	-
Other	-	-	-	-	-	1,264	-
Total receipts	-	-	12,483	-	221,663	12,524	-
Disbursements:							
General government	-	-	-	-	-	-	-
Public safety	-	-	13,424	-	171,454	5,744	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Capital outlay:							
Highways and streets	-	-	-	-	-	-	-
General government	-	-	-	-	-	-	-
Total disbursements	-	-	13,424	-	171,454	5,744	-
Excess (deficiency) of revenue over (under) disbursements	-	-	(941)	-	50,209	6,780	-
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 uses	-	-	(941)	-	50,209	6,780	-
Cash and investment fund balance - beginning	151	730	13,424	338	212,869	2,202	656
Cash and investment fund balance - ending	<u>\$ 151</u>	<u>\$ 730</u>	<u>\$ 12,483</u>	<u>\$ 338</u>	<u>\$ 263,078</u>	<u>\$ 8,982</u>	<u>\$ 656</u>
<u>Cash and Investment Assets - December 31</u>							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	151	730	12,483	338	263,078	8,982	656
Total cash and investment assets - December 31	<u>\$ 151</u>	<u>\$ 730</u>	<u>\$ 12,483</u>	<u>\$ 338</u>	<u>\$ 263,078</u>	<u>\$ 8,982</u>	<u>\$ 656</u>
<u>Cash and Investment Fund Balance - December 31</u>							
Restricted for:							
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 656
Public safety	151	730	12,483	338	263,078	8,982	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 151</u>	<u>\$ 730</u>	<u>\$ 12,483</u>	<u>\$ 338</u>	<u>\$ 263,078</u>	<u>\$ 8,982</u>	<u>\$ 656</u>

HARRISON 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)

	Family and Children	Misdemeanor Housing	County Parks Donations	County Convention and Tourism Bureau	Jury Pay	Pretrial Diversion	Alcohol and Drug
Receipts:							
Taxes	\$ 1,095,038	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	468,983	24,500	-	1,370,000	-	-	-
Charges for services	-	-	-	-	7,145	23,120	87,188
Other	159,172	-	24,687	6,884	15	-	1,163
Total receipts	1,723,193	24,500	24,687	1,376,884	7,160	23,120	88,351
Disbursements:							
General government	-	-	-	914,846	8,000	-	-
Public safety	-	13,851	-	-	-	-	93,962
Highways and streets	-	-	-	-	-	-	-
Health and welfare	1,852,130	-	-	-	-	-	-
Culture and recreation	-	-	29,156	-	-	-	-
Capital outlay:							
Highways and streets	-	-	-	-	-	-	-
General government	-	-	-	-	-	-	-
Total disbursements	1,852,130	13,851	29,156	914,846	8,000	-	93,962
Excess (deficiency) of revenue over (under) disbursements	(128,937)	10,649	(4,469)	462,038	(840)	23,120	(5,611)
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 uses	(128,937)	10,649	(4,469)	462,038	(840)	23,120	(5,611)
Cash and investment fund balance - beginning	304,436	35,346	9,864	406,679	13,607	119,012	57,855
Cash and investment fund balance - ending	\$ 175,499	\$ 45,995	\$ 5,395	\$ 868,717	\$ 12,767	\$ 142,132	\$ 52,244
Cash and Investment Assets - December 31							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	175,499	45,995	5,395	868,717	12,767	142,132	52,244
Total cash and investment assets - December 31	\$ 175,499	\$ 45,995	\$ 5,395	\$ 868,717	\$ 12,767	\$ 142,132	\$ 52,244
Cash and Investment Fund Balance - December 31							
Restricted for:							
General government	\$ -	\$ -	\$ -	\$ 868,717	\$ 12,767	\$ -	\$ -
Public safety	-	45,995	-	-	-	142,132	52,244
Highways and streets	-	-	-	-	-	-	-
Health and welfare	175,499	-	-	-	-	-	-
Culture and recreation	-	-	5,395	-	-	-	-
Unrestricted	-	-	-	-	-	-	-
Total cash and investment fund balance - December 31	\$ 175,499	\$ 45,995	\$ 5,395	\$ 868,717	\$ 12,767	\$ 142,132	\$ 52,244

HARRISON 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)

	Drug Abuse Interdiction	Law Enforcement User Fee	K-9	Federal Transportation Grant IN-80-2005-15	Operation Pullover	Donations Lifelong Learning	Tobacco Settlement
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	424,892	11,250	-	20,531
Charges for services	7,056	8,648	-	-	-	-	1,348
Other	-	-	-	-	-	3,187	-
Total receipts	7,056	8,648	-	424,892	11,250	3,187	21,879
Disbursements:							
General government	-	-	-	424,892	-	3,187	-
Public safety	-	3,260	-	-	11,034	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	7,044
Culture and recreation	-	-	-	-	-	-	-
Capital outlay:							
Highways and streets	-	-	-	-	-	-	-
General government	-	-	-	-	-	-	-
Total disbursements	-	3,260	-	424,892	11,034	3,187	7,044
Excess (deficiency) of revenue over (under) disbursements	7,056	5,388	-	-	216	-	14,835
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 uses	7,056	5,388	-	-	216	-	14,835
Cash and investment fund balance - beginning	73,893	22,054	42	-	57	14,812	71,434
Cash and investment fund balance - ending	<u>\$ 80,949</u>	<u>\$ 27,442</u>	<u>\$ 42</u>	<u>\$ -</u>	<u>\$ 273</u>	<u>\$ 14,812</u>	<u>\$ 86,269</u>
Cash and Investment Assets - December 31							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	80,949	27,442	42	-	273	14,812	86,269
Total cash and investment assets - December 31	\$ 80,949	\$ 27,442	\$ 42	\$ -	\$ 273	\$ 14,812	\$ 86,269
Cash and Investment Fund Balance - December 31							
Restricted for:							
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,812	\$ -
Public safety	80,949	27,442	42	-	273	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	86,269
Culture and recreation	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-
Total cash and investment fund balance - December 31	\$ 80,949	\$ 27,442	\$ 42	\$ -	\$ 273	\$ 14,812	\$ 86,269

HARRISON 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)

	Meth Lab Prevention	Property Reassessment #2	Family Violence and Victim Assistance	MCH Donations	EMA Planning Grant	Lucas Oil IDGF-01-560	Health Department BPRS-A-31
Receipts:							
Taxes	\$ -	\$ 162,337	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	27,545	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Other	-	1,133	-	477	-	-	-
Total receipts	-	191,015	-	477	-	-	-
Disbursements:							
General government	-	82,282	-	-	-	-	-
Public safety	-	-	-	-	494	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	460	-	-	9,921
Culture and recreation	-	-	-	-	-	-	-
Capital outlay:							
Highways and streets	-	-	-	-	-	-	-
General government	-	-	-	-	-	-	-
Total disbursements	-	82,282	-	460	494	-	9,921
Excess (deficiency) of revenue over (under) disbursements	-	108,733	-	17	(494)	-	(9,921)
Other financing sources (uses)							
Transfers in	-	24,519	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	24,519	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	-	133,252	-	17	(494)	-	(9,921)
Cash and investment fund balance - beginning	1,950	412,343	251	-	15,558	5,526	22,724
Cash and investment fund balance - ending	<u>\$ 1,950</u>	<u>\$ 545,595</u>	<u>\$ 251</u>	<u>\$ 17</u>	<u>\$ 15,064</u>	<u>\$ 5,526</u>	<u>\$ 12,803</u>
Cash and Investment Assets - December 31							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	1,950	545,595	251	17	15,064	5,526	12,803
Total cash and investment assets - December 31	<u>\$ 1,950</u>	<u>\$ 545,595</u>	<u>\$ 251</u>	<u>\$ 17</u>	<u>\$ 15,064</u>	<u>\$ 5,526</u>	<u>\$ 12,803</u>
Cash and Investment Fund Balance - December 31							
Restricted for:							
General government	\$ -	\$ 545,595	\$ -	\$ -	\$ -	\$ 5,526	\$ -
Public safety	1,950	-	251	-	15,064	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	17	-	-	12,803
Culture and recreation	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 1,950</u>	<u>\$ 545,595</u>	<u>\$ 251</u>	<u>\$ 17</u>	<u>\$ 15,064</u>	<u>\$ 5,526</u>	<u>\$ 12,803</u>

HARRISON 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 Courthouse Buildings	Cumulative Capital Development	Park Special Nonreverting Capital	Infraction Deferral	Auditor's Plat Book Perpetuation	Rainy Day
Receipts:							
Taxes	\$ 455,842	\$ 166,169	\$ 275,090	\$ -	\$ -	\$ -	\$ -
Intergovernmental	91,198	28,222	46,735	-	-	-	-
Charges for services	-	-	-	-	29,632	10,980	-
Other	68	600	-	-	-	-	-
Total receipts	547,108	194,991	321,825	-	29,632	10,980	-
Disbursements:							
General government	-	-	-	-	-	1,000	351,607
Public safety	-	-	-	-	37,826	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Capital outlay:							
Highways and streets	332,565	-	-	-	-	-	-
General government	-	35,234	321,719	-	-	-	-
Total disbursements	332,565	35,234	321,719	-	37,826	1,000	351,607
Excess (deficiency) of revenue over (under) disbursements	214,543	159,757	106	-	(8,194)	9,980	(351,607)
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 uses	214,543	159,757	106	-	(8,194)	9,980	(351,607)
Cash and investment fund balance - beginning	940,687	462,376	1,146,428	27,022	60,825	2,675	705,808
Cash and investment fund balance - ending	\$ 1,155,230	\$ 622,133	\$ 1,146,534	\$ 27,022	\$ 52,631	\$ 12,655	\$ 354,201
Cash and Investment Assets - December 31							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 354,201
Restricted assets:							
Cash and investments	1,155,230	622,133	1,146,534	27,022	52,631	12,655	-
Total cash and investment assets - December 31	\$ 1,155,230	\$ 622,133	\$ 1,146,534	\$ 27,022	\$ 52,631	\$ 12,655	\$ 354,201
Cash and Investment Fund Balance - December 31							
Restricted for:							
General government	\$ -	\$ 622,133	\$ 1,146,534	\$ -	\$ -	\$ 12,655	\$ -
Public safety	-	-	-	-	52,631	-	-
Highways and streets	1,155,230	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	27,022	-	-	-
Unrestricted	-	-	-	-	-	-	354,201
Total cash and investment fund balance - December 31	\$ 1,155,230	\$ 622,133	\$ 1,146,534	\$ 27,022	\$ 52,631	\$ 12,655	\$ 354,201

HARRISON 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)

	Sales Disclosure	Animal Control Donations	County Children's PRTS	Impact Grant 31-01-SY-1211	Juvenile Justice Grant 03-JB-026	Homeland Security Grant	Youth Shelter Grant HD-003-021
Receipts:							
Taxes	\$ -	\$ -	\$ 59,024	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	9,935	24,999	2,536	-	78,308
Charges for services	5,960	-	-	-	-	-	-
Other	-	16,038	-	-	839	-	-
Total receipts	5,960	16,038	68,959	24,999	3,375	-	78,308
Disbursements:							
General government	-	-	-	-	-	-	-
Public safety	-	141,753	-	-	9,731	29,140	78,308
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	25,131	24,999	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Capital outlay:							
Highways and streets	-	-	-	-	-	-	-
General government	-	-	-	-	-	-	-
Total disbursements	-	141,753	25,131	24,999	9,731	29,140	78,308
Excess (deficiency) of revenue over (under) disbursements	5,960	(125,715)	43,828	-	(6,356)	(29,140)	-
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	(68,902)	-	-	-	-
Total other financing sources (uses)	-	-	(68,902)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	5,960	(125,715)	(25,074)	-	(6,356)	(29,140)	-
Cash and investment fund balance - beginning	5,005	130,000	68,902	-	-	29,140	-
Cash and investment fund balance - ending	<u>\$ 10,965</u>	<u>\$ 4,285</u>	<u>\$ 43,828</u>	<u>\$ -</u>	<u>\$ (6,356)</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Assets - December 31							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ (6,356)	\$ -	\$ -
Restricted assets:							
Cash and investments	10,965	4,285	43,828	-	-	-	-
Total cash and investment assets - December 31	<u>\$ 10,965</u>	<u>\$ 4,285</u>	<u>\$ 43,828</u>	<u>\$ -</u>	<u>\$ (6,356)</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Fund Balance - December 31							
Restricted for:							
General government	\$ 10,965	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	4,285	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	43,828	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	(6,356)	-	-
Total cash and investment fund balance - December 31	<u>\$ 10,965</u>	<u>\$ 4,285</u>	<u>\$ 43,828</u>	<u>\$ -</u>	<u>\$ (6,356)</u>	<u>\$ -</u>	<u>\$ -</u>

HARRISON 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)

	Domestic Violence Grant 04-ST-025	HCCF Grant 2004F-1035	Health Terrorism Grant BPRS-130-4	Drug Prosecution 04-DB-014	Domestic Violence 05-ST-022	Animal Control Fines and Fees	Marijuana Eradication
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	12,525	-	55,470	32,063	6,263	-	674
Charges for services	-	-	-	-	-	1,675	-
Other	3,438	20,677	90	-	1,528	-	-
Total receipts	15,963	20,677	55,560	32,063	7,791	1,675	674
Disbursements:							
General government	-	32,224	-	-	-	-	-
Public safety	20,207	-	59,637	30,506	13,053	-	674
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Capital outlay:							
Highways and streets	-	-	-	-	-	-	-
General government	-	-	-	-	-	-	-
Total disbursements	20,207	32,224	59,637	30,506	13,053	-	674
Excess (deficiency) of revenue over (under) disbursements	(4,244)	(11,547)	(4,077)	1,557	(5,262)	1,675	-
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 uses	(4,244)	(11,547)	(4,077)	1,557	(5,262)	1,675	-
Cash and investment fund balance - beginning	4,244	9,788	(4,516)	-	-	-	-
Cash and investment fund balance - ending	\$ -	\$ (1,759)	\$ (8,593)	\$ 1,557	\$ (5,262)	\$ 1,675	\$ -
Cash and Investment Assets - December 31							
Cash and investments	\$ -	\$ (1,759)	\$ (8,593)	\$ -	\$ (5,262)	\$ -	\$ -
Restricted assets:							
Cash and investments	-	-	-	1,557	-	1,675	-
Total cash and investment assets - December 31	\$ -	\$ (1,759)	\$ (8,593)	\$ 1,557	\$ (5,262)	\$ 1,675	\$ -
Cash and Investment Fund Balance - December 31							
Restricted for:							
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	1,557	-	1,675	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Unrestricted	-	(1,759)	(8,593)	-	(5,262)	-	-
Total cash and investment fund balance - December 31	\$ -	\$ (1,759)	\$ (8,593)	\$ 1,557	\$ (5,262)	\$ 1,675	\$ -

HARRISON 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)

	Spencer Township Fire Station CF-04-232	Emergency Gas Award	EMA Grant PSF-5-58	EMA Homeland Security	CASA Grant 2005-F-1353	Totals
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,901,501
Intergovernmental	242,602	950	1,503	110,104	-	6,910,531
Charges for services	-	-	-	-	-	757,229
Other	-	-	-	-	656	580,861
Total receipts	242,602	950	1,503	110,104	656	12,150,122
Disbursements:						
General government	-	-	1,499	-	-	3,219,076
Public safety	242,602	-	-	86,425	1,102	1,931,928
Highways and streets	-	-	-	-	-	2,667,443
Health and welfare	-	-	-	-	-	2,451,355
Culture and recreation	-	-	-	-	-	774,814
Capital outlay:						
Highways and streets	-	-	-	-	-	332,565
General government	-	-	-	-	-	356,953
Total disbursements	242,602	-	1,499	86,425	1,102	11,734,134
Excess (deficiency) of revenue over (under) disbursements	-	950	4	23,679	(446)	415,988
Other financing sources (uses)						
Transfers in	-	-	-	-	-	24,519
Transfers out	-	-	-	-	-	(93,421)
Total other financing sources (uses)	-	-	-	-	-	(68,902)
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	-	950	4	23,679	(446)	347,086
Cash and investment fund balance - beginning	-	-	-	-	-	9,288,273
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 950</u>	<u>\$ 4</u>	<u>\$ 23,679</u>	<u>\$ (446)</u>	<u>\$ 9,635,359</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ (446)	\$ 331,785
Restricted assets:						
Cash and investments	-	950	4	23,679	-	9,303,574
Total cash and investment assets - December 31	<u>\$ -</u>	<u>\$ 950</u>	<u>\$ 4</u>	<u>\$ 23,679</u>	<u>\$ (446)</u>	<u>\$ 9,635,359</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,644,604
Public safety	-	950	4	23,679	-	1,375,297
Highways and streets	-	-	-	-	-	3,384,061
Health and welfare	-	-	-	-	-	617,357
Culture and recreation	-	-	-	-	-	282,255
Unrestricted	-	-	-	-	(446)	331,785
Total cash and investment fund balance - December 31	<u>\$ -</u>	<u>\$ 950</u>	<u>\$ 4</u>	<u>\$ 23,679</u>	<u>\$ (446)</u>	<u>\$ 9,635,359</u>

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

	Education Plate Fee	Tax Sale Redemption	Tax Sale Surplus	State Fees	Inheritance Tax	Surplus Tax	Congressional Interest
Additions:							
Agency fund additions	\$ 1,800	\$ 88,692	\$ 334,647	\$ 176,892	\$ 563,488	\$ 33,042	\$ 599
Deductions:							
Agency fund deductions	1,763	92,949	277,077	173,149	444,408	45,796	-
Excess (deficiency) of total additions over (under) total deductions	37	(4,257)	57,570	3,743	119,080	(12,754)	599
Cash and investment fund balance - beginning	-	5,184	239,871	16,316	72,498	34,317	20,986
Cash and investment fund balance - ending	<u>\$ 37</u>	<u>\$ 927</u>	<u>\$ 297,441</u>	<u>\$ 20,059</u>	<u>\$ 191,578</u>	<u>\$ 21,563</u>	<u>\$ 21,585</u>

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

	Park and Recreation	County Sheriff	Tax Distributions	Police Retirement Late Surrender Fees	County Payroll	Clerk of the Circuit Court	Sheriff's Inmate Trust
Additions:							
Agency fund additions	\$ 213,971	\$ 1,177,764	\$ 31,754,185	\$ 8,919	\$ 4,082,562	\$ 4,304,939	\$ 202,349
Deductions:							
Agency fund deductions	214,371	1,175,163	31,752,703	200	4,087,872	4,254,248	181,703
Excess (deficiency) of total additions over (under) total deductions	(400)	2,601	1,482	8,719	(5,310)	50,691	20,646
Cash and investment fund balance - beginning	600	9,859	5,535	10,871	154,759	874,806	19,712
Cash and investment fund balance - ending	<u>\$ 200</u>	<u>\$ 12,460</u>	<u>\$ 7,017</u>	<u>\$ 19,590</u>	<u>\$ 149,449</u>	<u>\$ 925,497</u>	<u>\$ 40,358</u>

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

	County Recorder	County Treasurer	County Prosecutor	City/Town Court Costs	County Probation Superior Court	County Probation Circuit Court	Tax Sale
Additions:							
Agency fund additions	\$ 204,647	\$ 32,567,754	\$ 189,236	\$ 10,681	\$ 111,129	\$ 1,519	\$ -
Deductions:							
Agency fund deductions	204,647	32,334,946	189,258	-	111,129	2,918	-
Excess (deficiency) of total additions over (under) total deductions	-	232,808	(22)	10,681	-	(1,399)	-
Cash and investment fund balance - beginning	50	196,081	1,654	21,878	-	1,399	1,750
Cash and investment fund balance - ending	<u>\$ 50</u>	<u>\$ 428,889</u>	<u>\$ 1,632</u>	<u>\$ 32,559</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,750</u>

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

	County Health	County Adjusted Gross Income Tax	County Economic Development Income Tax	Coroner's Training Continuing Education	Plan Commission	Welfare Trust	Children With Special Health Needs
Additions:							
Agency fund additions	\$ 59,869	\$ 4,118,100	\$ 1,387,209	\$ 1,740	\$ 87,488	\$ 2,096	\$ 43,454
Deductions:							
Agency fund deductions	62,757	4,118,100	1,387,209	1,776	87,488	6,608	43,454
Excess (deficiency) of total additions over (under) total deductions	(2,888)	-	-	(36)	-	(4,512)	-
Cash and investment fund balance - beginning	7,385	-	-	144	-	9,082	-
Cash and investment fund balance - ending	<u>\$ 4,497</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 108</u>	<u>\$ -</u>	<u>\$ 4,570</u>	<u>\$ -</u>

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

	Health Care For The Indigent	Levy Excess	Spencer Township Fire Station Retainage	Medical Assistance To Wards	Sewage Collections	Animal Shelter	Total
Additions:							
Agency fund additions	\$ 114,828	\$ 251,591	\$ 57,614	\$ 15,503	\$ 1,104	\$ 22,857	\$ 82,192,268
Deductions:							
Agency fund deductions	114,828	43,345	-	15,503	1,104	18,034	81,444,506
Excess (deficiency) of total additions over (under) total deductions	-	208,246	57,614	-	-	4,823	747,762
Cash and investment fund balance - beginning	-	-	-	-	-	-	1,704,737
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 208,246</u>	<u>\$ 57,614</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,823</u>	<u>\$ 2,452,499</u>

HARRISON 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.

The County has decided to delay the retroactive reporting of infrastructure until January 1, 2007.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 578,972
Buildings	18,864,404
Improvements other than buildings	621,145
Machinery and equipment	<u>7,266,498</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 27,331,019</u>

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

CAPITAL LEASES

The County has entered into the following capital leases:

Description of Asset	Present Value of Net Minimum Lease Payments	Ending Balance	Due Within One Year
Harrison County Justice Center	\$ 4,795,000	\$ 5,477,220	\$ 310,000
Highway equipment	774,526	863,557	191,280
	<u>Ending Balance</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:			
Loans payable	<u>\$ 164,640</u>	<u>\$ 113,397</u>	

HARRISON COUNTY
OTHER REPORTS

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

County Auditor
County Sheriff
County Convention and Tourism Bureau
County Animal Shelter

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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 HARRISON COUNTY, INDIANA

Compliance

We have audited the compliance of Harrison 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 programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; 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

July 25, 2006

HARRISON 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 HOUSING AND URBAN DEVELOPMENT</u>			
Pass-Through Indiana Economic Development Corporation Community Development Block Grants/State's Program	14.228	CF-04-232	\$ 242,601
Pass-Through Indiana Housing and Community Development Authority Community Development Block Grants/State's Program	14.228	HD-003-021	<u>78,308</u>
Total for federal grantor agency			<u>320,909</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Pass-Through Indiana Criminal Justice Institute Juvenile Accountability Incentive Block Grants	16.523	03-JB-026	8,892
Crime Victim Assistance	16.575	05-ST-022	11,525
Byrne Formula Grant Program	16.579	04-DB-014	30,505
Violence Against Women Formula Grants	16.588	04-ST-025	<u>10,761</u>
Total for federal grantor agency			<u>61,683</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Criminal Justice Institute Highway Safety Cluster Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	OP-05-02-03-62 OP-06-02-03-52	7,125 <u>2,862</u>
Total for cluster			<u>9,987</u>
Pass-Through Indiana Department of Transportation Formula Grants for Other Than Urbanized Areas	20.509	1802030	<u>266,928</u>
Total for federal grantor agency			<u>276,915</u>
<u>U.S. GENERAL SERVICES ADMINISTRATION</u>			
Pass-Through Indiana Secretary of State Election Reform Payments	39.011		<u>161,875</u>

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

HARRISON COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2005
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-Through Indiana State Department of Health Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283		
8-31-03 to 8-30-05		BPRS 130-3	3,546
8-31-04 to 8-30-06		BPRS 130-4	43,724
		BPRS 130-4	<u>20,049</u>
Total for program			<u>67,319</u>
Pass-Through Indiana Department of Children's Services Child Support Enforcement	93.563		
Prosecutor			69,447
Clerk			27,293
IV-D Collection Incentives			29,950
Indirect Costs			<u>21,758</u>
Total for program			<u>148,448</u>
Pass-Through Indiana Family and Social Services Administration Maternal and Child Health Services Block Grant to the States	93.994		
10-1-04 to 9-30-05			65,531
10-1-05 to 9-30-06			<u>1,494</u>
Total for program			<u>67,025</u>
Total for federal grantor agency			<u>282,792</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security Homeland Security Grant Program	97.004		
FY 2003			51,064
FY 2004			<u>64,500</u>
Total for federal grantor agency			<u>115,564</u>
Total federal awards expended			<u><u>\$ 1,219,738</u></u>

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

HARRISON 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 Harrison 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. Subrecipients

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

Program Title	Federal CFDA Number	2005
Formula Grant for Other Than Urbanized Areas	20.509	\$ 266,928
Community Development Block Grants/State's Program	14.228	78,308

HARRISON 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
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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
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Identification of Major Program:

CFDA Number	Name of Federal Program or Cluster
14.228	Community Development Block Grants/State's Program

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

Auditee qualified as low-risk auditee?	yes
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Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

HARRISON COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

HARRISON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 10, 2006, with J.R. Eckart, President of the Board of County Commissioners; Gary Davis, President of the County Council; and Patricia A. Wolfe, Auditor.