

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

ANNUAL FINANCIAL REPORT

2005

CASS COUNTY, INDIANA



FILED
09/29/2006

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Dawn R. Conner	01-01-05 to 12-31-08
Treasurer	Shelia K. Thompson	01-01-05 to 12-31-08
Clerk	Linda Crimmins	01-01-05 to 12-31-08
Sheriff	Gene L. Isaacs	01-01-03 to 12-31-06
Recorder	Kathy Adair	01-01-05 to 12-31-08
President of the Board of County Commissioners	Richard L. Rusk Richard Eller	01-01-05 to 12-31-05 01-01-06 to 12-31-06
President of the County Council	Stephen D. Sims Chod H. Gibson	01-01-05 to 12-31-05 01-01-06 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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**INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

TO: THE OFFICIALS OF CASS COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Cass 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, the discretely presented component unit, 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 August 29, 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

August 29, 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 CASS COUNTY, INDIANA

We have audited the financial statements of Cass County (County), as of and for the year ended December 31, 2005, and have issued our report thereon dated August 29, 2006. The opinion to the financial statements was qualified due to omission of significant component units which results 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 August 29, 2006. These immaterial instances of noncompliance were subsequently communicated to management in a separate letter.

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

August 29, 2006

CASS 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			Net (Disbursement) Receipt and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Unit
		Governmental Activities	Cass County Hospitality and Tourism Commission			
Primary government:						
Governmental activities:						
General government	\$ 10,256,915	\$ 3,215,237	\$ 626,153	\$ 360,000	\$ (6,055,525)	\$ -
Public safety	5,703,479	1,606,625	942,244	134,483	(3,020,127)	-
Highways and streets	3,973,631	-	2,885,094	190,192	(898,345)	-
Health and welfare	4,704,023	88,881	1,032,384	412,583	(3,170,175)	-
Economic development	896,947	-	837,884	-	(59,063)	-
Culture and recreation	403,708	190,184	19,704	-	(193,820)	-
Debt service	1,382,850	-	-	-	(1,382,850)	-
Capital outlay	1,757,189	-	-	-	(1,757,189)	-
Total primary government	<u>\$ 29,078,742</u>	<u>\$ 5,100,927</u>	<u>\$ 6,343,463</u>	<u>\$ 1,097,258</u>	<u>(16,537,094)</u>	<u>-</u>
Component unit:						
Cass County Hospitality and Tourism Commission	<u>\$ 26,239</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>(26,239)</u>
General receipts:						
Property taxes					12,406,595	-
Other local sources					1,308,573	71,376
Grants and contributions not restricted to specific programs					1,825,963	-
Unrestricted investment earnings					625,278	-
Total general receipts					<u>16,166,409</u>	<u>71,376</u>
Change in net assets					<u>(370,685)</u>	<u>45,137</u>
Net assets - beginning					<u>18,020,783</u>	<u>23,855</u>
Net assets - ending					<u>\$ 17,650,098</u>	<u>\$ 68,992</u>
<u>Assets</u>						
Cash and investments					\$ 835,466	\$ 68,992
Restricted assets:						
Cash and investments					<u>16,814,632</u>	<u>-</u>
Total assets					<u>\$ 17,650,098</u>	<u>\$ 68,992</u>
<u>Net Assets</u>						
Restricted for:						
Public safety					\$ 1,545,533	\$ -
Highways and streets					2,022,416	-
Health and welfare					3,071,576	-
Culture and recreation					336,502	-
Urban redevelopment and housing					2,162,727	-
Debt service					619,883	-
Capital outlay					4,654,519	-
Other purposes					2,401,476	-
Unrestricted					<u>835,466</u>	<u>68,992</u>
Total net assets					<u>\$ 17,650,098</u>	<u>\$ 68,992</u>

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

CASS 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	County Highway	County Economic Development Income Tax	Family and Children	Cumulative Bridge	Cumulative Capital Development	Other Governmental Funds	Totals
Receipts:								
Taxes	\$ 7,018,844	\$ -	\$ -	\$ 2,705,689	\$ 314,140	\$ 293,790	\$ 2,074,132	\$ 12,406,595
Special assessments	-	-	-	-	-	-	106,709	106,709
Licenses and permits	-	-	-	-	-	-	92,123	92,123
Intergovernmental	1,276,770	2,493,682	837,884	1,313,078	243,043	49,429	2,923,866	9,137,752
Charges for services	306,381	-	-	-	-	-	1,244,409	1,550,790
Fines and forfeits	136,493	-	-	-	-	-	551,045	687,538
Other	1,417,579	44,699	-	127,905	21,429	-	372,230	1,983,842
Total receipts	10,156,067	2,538,381	837,884	4,146,672	578,612	343,219	7,364,514	25,965,349
Disbursements:								
General government	6,014,689	-	-	-	-	-	1,619,222	7,633,911
Public safety	3,193,386	-	-	-	-	-	2,510,093	5,703,479
Highways and streets	-	2,864,707	-	-	339,352	-	769,572	3,973,631
Health and welfare	366,688	-	-	3,378,829	-	-	958,506	4,704,023
Culture and recreation	-	-	-	-	-	-	403,708	403,708
Urban redevelopment and housing	-	-	896,947	-	-	-	-	896,947
Debt service:								
Principal	-	-	170,000	-	-	-	773,855	943,855
Interest	-	-	5,850	-	-	-	433,145	438,995
Capital outlay:								
Highways and streets	-	-	-	-	888,004	764,936	-	1,652,940
Special assessments	-	-	-	-	-	-	104,249	104,249
Total disbursements	9,574,763	2,864,707	1,072,797	3,378,829	1,227,356	764,936	7,572,350	26,455,738
Excess (deficiency) of revenue over disbursements	581,304	(326,326)	(234,913)	767,843	(648,744)	(421,717)	(207,836)	(490,389)
Other financing sources (uses)								
Transfers in	-	-	-	-	-	-	155,488	155,488
Transfers out	-	-	-	-	-	-	(155,488)	(155,488)
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	581,304	(326,326)	(234,913)	767,843	(648,744)	(421,717)	(207,836)	(490,389)
Cash and investment fund balance - beginning	254,162	1,199,831	2,397,640	1,514,006	2,617,700	2,569,016	6,871,193	17,423,548
Cash and investment fund balance - ending	\$ 835,466	\$ 873,505	\$ 2,162,727	\$ 2,281,849	\$ 1,968,956	\$ 2,147,299	\$ 6,663,357	\$ 16,933,159
Amounts reported for governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis are different because:								
Internal services funds 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.								716,939
Net assets of governmental activities								\$ 17,650,098
Cash and Investment Assets - December 31								
Cash and investments	\$ 835,466	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 835,466
Restricted assets:								
Cash and investments	-	873,505	2,162,727	2,281,849	1,968,956	2,147,299	6,663,357	16,097,693
Total cash and investment assets - December 31	\$ 835,466	\$ 873,505	\$ 2,162,727	\$ 2,281,849	\$ 1,968,956	\$ 2,147,299	\$ 6,663,357	\$ 16,933,159
Cash and Investment Fund Balance - December 31								
Restricted for:								
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,545,533	\$ 1,545,533
Highways and streets	-	873,505	-	-	-	-	1,148,911	2,022,416
Health and welfare	-	-	-	2,281,849	-	-	789,727	3,071,576
Culture and recreation	-	-	-	-	-	-	336,502	336,502
Urban redevelopment and housing	-	-	2,162,727	-	-	-	-	2,162,727
Debt service	-	-	-	-	-	-	619,883	619,883
Capital outlay	-	-	-	-	1,968,956	2,147,299	538,264	4,654,519
Other purposes	-	-	-	-	-	-	1,684,537	1,684,537
Unrestricted	835,466	-	-	-	-	-	-	835,466
Total cash and investment fund balance - December 31	\$ 835,466	\$ 873,505	\$ 2,162,727	\$ 2,281,849	\$ 1,968,956	\$ 2,147,299	\$ 6,663,357	\$ 16,933,159

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

CASS COUNTY
STATEMENT OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
PROPRIETARY FUND
As of and for the Year Ended December 31, 2005

	Internal Service Fund
Operating receipts:	
Insurance proceeds	\$ 517,053
Other	2,225,655
Total operating receipts	2,742,708
Operating disbursements:	
Other	2,623,004
Excess of receipts over disbursements	119,704
Cash and investment fund balance - beginning	597,235
Cash and investment fund balance - ending	\$ 716,939
 <u>Cash and Investment Assets - December 31</u>	
Restricted assets:	
Cash and investments	\$ 716,939
 <u>Cash and Investment Fund Balance - December 31</u>	
Restricted for:	
Other purposes	\$ 716,939

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

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

	Pension Trust Funds	Private-Purpose Trust Fund	Agency Funds
Additions:			
Contributions:			
Employer	\$ 300,000	\$ -	\$ -
Plan members	17	-	-
	<u>300,017</u>	<u>-</u>	<u>-</u>
Total contributions	<u>300,017</u>	<u>-</u>	<u>-</u>
Investment earnings:			
Interest and dividends	146,493	701	-
Less investment disbursements	-	(1,207)	-
	<u>-</u>	<u>(1,207)</u>	<u>-</u>
Net investment earnings	<u>146,493</u>	<u>(506)</u>	<u>-</u>
Agency fund additions	<u>-</u>	<u>-</u>	<u>130,443,713</u>
Total additions	<u>446,510</u>	<u>(506)</u>	<u>130,443,713</u>
Deductions:			
Benefits	82,187	-	-
Administrative and general	25,790	-	-
Agency fund deductions	-	-	137,560,532
	<u>-</u>	<u>-</u>	<u>137,560,532</u>
Total deductions	<u>107,977</u>	<u>-</u>	<u>137,560,532</u>
Excess (deficiency) of total additions over total deductions	338,533	(506)	(7,116,819)
Cash and investment fund balance - beginning	<u>2,446,257</u>	<u>34,127</u>	<u>12,561,615</u>
Cash and investment fund balance - ending	<u>\$ 2,784,790</u>	<u>\$ 33,621</u>	<u>\$ 5,444,796</u>

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

CASS 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: Cass County
Discretely Presented Component Unit: Cass County Hospitality and Tourism Commission

The Logansport Memorial Hospital and the Cass County Solid Waste District, which would be presented as blended component units have been omitted from these financial statements. 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.

Discretely Presented Component Units

Discretely presented component units are separate legal entities that meet the component unit criteria but do not meet the criteria for blending. The component unit that is discretely presented in the County's report is presented below:

Component Unit	Description/Inclusion Criteria
Cass County Hospitality and Tourism Commission	The Cass County Hospitality and Tourism Commission is a significant discretely presented component unit of the County. The primary government appoints a voting majority of the Cass County Hospitality and Tourism Commission's board and is able to impose its will.

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. The County appoints the board members of the Cass County Hospital Authority, Royal Center-Boone Township Public Library, Walton-Tipton Township Library, Logansport Library, Cass County Plan Commission, Logansport Plan Commission, and Wabash River Heritage.

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.

CASS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

The county highway fund accounts for the state motor vehicle highway distributions. Funds may be used for the direct and indirect costs of repairing and maintaining the County's roads.

The county economic development income tax fund accounts for the County's share of the county economic development income tax. Funds may be used to promote economic development in the County.

The family and children fund accounts for the costs of providing various assistance programs administered by the Indiana Family and Social Services Administration and the Indiana Department of Child Services. Financing is provided by property taxes and state and federal reimbursements.

The cumulative bridge fund accounts for the construction, repair, and replacement of all bridges in the County that are not a part of the state highway system. Financing is provided by property taxes and federal reimbursements.

The cumulative capital development fund accounts for the costs of projects undertaken in accordance with the County's capital projects plan. Financing is provided by property taxes.

Additionally, the County reports the following fund types:

The internal service fund accounts for employee health benefits provided to other departments on a cost-reimbursement basis.

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

The private-purpose trust fund reports a trust arrangement under which the income on endowment principal benefits the County school corporations.

Agency funds account for assets held by the County as an agent for county jail inmates, wards, and various taxing authorities.

CASS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the internal service fund and other governmental funds. Elimination of these charges would distort the direct costs and program receipts reported for the various functions concerned.

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.

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.

3. Long-Term Debt

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

CASS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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. Proprietary fund equity is classified the same as in the government-wide statements.

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.

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.

CASS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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:

1. 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.
2. Primary government and component unit activity and balances – Resource flows between the primary government and the discretely-presented component unit(s) are reported as if they were external transactions and are classified separately from internal balances and activities within the primary government.

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.

B. Disbursements in Excess of Appropriations

For the year ended December 31, 2005, disbursements exceeded budgeted appropriations in the following funds by the amounts below:

CASS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund	2005
Work Release	\$ 6,200
User Fee	156,202
Health Maintenance	4,699
Rainy Day	167,554
Sales Disclosure	1,688
 Total	 \$ 336,343

These disbursements were funded by unappropriated balances in the respective 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. At December 31, 2005, the bank balance held at National City Bank in the amount of \$18,378,000 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-County's name. 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 has not established an Investment policy for the Sheriff's Retirement and Benefit Pension Plan. As of December 31, 2005, the County had the following investments:

Investment Type	Primary Government Market Value	Sheriff's Retirement and Benefit Pension Plans
U.S. Treasuries and securities	\$ -	\$ 289,609
U.S. Agencies	-	202,872
Corporate debt securities	-	289,044
Corporate equity securities	-	1,906,508
Mutual funds	-	202,191
Repurchase agreements	18,378,000	-
 Totals	 \$ 18,378,000	 \$ 2,890,224

CASS 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 Sheriff's Merit Board has not adopted an investment policy for interest rate and credit risk.

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. At December 31, 2005, the County held investments in repurchase agreements in the amount of \$18,378,000. Of these investments \$18,378,000 were held by the counterparty's trust department or agent but not in the County's name.

The Sheriff's Merit Board has not adopted an investment policy for custodial credit risk for investments.

CASS 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 has not adopted a formal Investment policy that limits investment maturities as a means of managing its exposure to fair value losses.

Primary Government

Investment Type	Investment Maturities (in Years)		
	Less Than 1	1-2	More Than 2
Repurchase agreements	\$ 18,378,000	\$ -	\$ -

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	\$ 32,000	\$ 135,920	\$ 121,690
U.S. Agencies	-	103,002	99,869
Corporate debt securities	-	62	288,982
Totals	\$ 32,000	\$ 238,984	\$ 510,541

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.

Standard and Poor's Rating	Moody's Rating	Corporate Bonds	Government Sponsored Enterprise
AAA	Aaa	\$ 10,431	\$ -
AA	Aa	36,822	-
A	A	110,928	-
BBB	Baa	103,615	-
BB	Ba	12,365	-
Other	Other	8,658	-
Unrated	Unrated	6,225	202,872
Totals		\$ 289,044	\$ 202,872

CASS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 not adopted a policy for the concentration of credit risk. At December 31, 2005, the Sheriff's Retirement and Benefit Pension Plans did not hold investments in any one issuer that exceeded five percent of the total assets of the plan.

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
Drainage Maintenance Fund	General Drain Improvement	\$ 15,670
Children's Psychiatric Residential Treatment Services Fund	Juvenile Services Treatment	77,274
Homeland Security Grant	Cass County Emergency Management Agency Grant Fund	62,544
Total		\$ 155,488

The County typically uses transfers to fund ongoing operating subsidies, to correct posting errors from a prior period, and to reimburse the general drain fund for maintenance expenses paid in a prior period.

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 (excluding postemployment benefits); and natural disasters.

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.

CASS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Medical Benefits to Employees

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 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 \$50,000 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 the number of employees paid from each affected fund and are reported as quasi-external interfund transactions.

Workers' Compensation

During 1991, the County joined with other governmental entities in the Indiana Public Employer's Plan, Inc., a public entity risk pool currently operating as a common risk management and insurance program for member governmental entities. This risk pool was formed in 1989. The purpose of the risk pool is to provide a medium for the funding and administration of workers' compensation coverage. 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. The risk pool obtains independent coverage for insured events in excess of the \$1,000,000 limit.

B. Holding Corporation

The County has entered into a capital lease with Cass County Indiana 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 \$1,207,000.

C. Obligation of Funds

On September 16, 2005, the County Council passed ordinance 05-01 granting up to \$2,000,000 from the County Economic Development Income Tax Fund to The Andersons for construction of an ethanol plant. The first payment of \$1,000,000 is to be made the later of March 1, 2007, or when the plant is certified to produce 80 million gallons of ethanol. The remainder is to be paid in semiannual installments of \$100,000 over five years, from 2008 through 2012, conditioned upon The Andersons meeting certain employment and payroll levels.

D. Subsequent Events

On May 30, 2006, the County purchased commercial real property to house probation offices and the E-911 operation. The cost of \$1,180,000 was paid from the Cumulative Capital Development Fund.

E. 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.

CASS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

F. 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 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.

CASS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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	\$ 239,062	\$ 322,570	\$ 6,156
Interest on net pension obligation	(23,920)	5,519	-
Adjustment to annual required contribution	27,259	(12,654)	-
Annual pension cost	242,401	315,435	6,156
Contributions made	240,238	293,861	6,156
Increase in net pension obligation	2,163	21,574	-
Net pension obligation, beginning of year	(329,932)	78,836	-
Net pension obligation, end of year	\$ (327,769)	\$ 100,410	\$ -

CASS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

	PERF	County Police Retirement Plan	County Police Benefit Plan
Contribution rates:			
County	5%	48%	1%
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

<u>Actuarial Assumptions</u>	PERF	County Police Retirement Plan	County Police Benefit Plan
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%	3%	0%

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-03	\$ 224,219	108%	\$ (301,790)
	06-30-04	214,178	113%	(329,932)
	06-30-05	242,401	112%	(327,769)
County Police Retirement Plan	12-31-03	221,750	110%	52,216
	12-31-04	267,222	90%	78,836
	12-31-05	315,435	93%	100,410
County Police Benefit Plan	12-31-03	2,714	100%	-
	12-31-04	5,740	100%	-
	12-31-05	6,156	100%	-

CASS 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	\$ 3,858,594	\$ 3,721,567	\$ 137,027	104%	\$ 4,834,918	3%
07-01-04	3,951,508	4,070,390	(118,882)	97%	4,900,375	(2%)
07-01-05	4,145,841	4,540,634	(394,793)	91%	4,657,239	(8%)

County Police Retirement 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)
01-01-01	\$ 1,987,580	\$ 2,570,749	\$ (583,169)	77%	\$ 474,201	(123%)
01-01-02	1,982,190	2,395,229	(413,039)	83%	534,901	(77%)
01-01-03	1,948,820	3,197,927	(1,249,107)	61%	552,561	(226%)
01-01-04	2,098,446	3,312,225	(1,213,779)	63%	611,158	(199%)
01-01-05	2,258,591	3,482,764	(1,224,173)	65%	635,121	(193%)
01-01-06	2,677,080	3,982,393	(1,305,313)	67%	668,525	(195%)

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CASS 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

	Accident Report	Supplemental Adult Probation Services	Adult Protective Services	Alternative School	Arson Investigation	Auditor's Plat Book Perpetuation	Clerk's Title 4D	Clerk's Records Perpetuation
Receipts:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	76,500	-	-	-	36,422	-
Charges for services	1,760	25,307	-	26,732	-	8,876	-	-
Fines and forfeits	-	118,953	-	-	-	-	-	8,495
Other	-	-	7,010	-	-	-	-	-
Total receipts	1,760	144,260	83,510	26,732	-	8,876	36,422	8,495
Disbursements:								
General government	-	-	-	-	-	11,718	411	1,093
Public safety	546	88,391	104,560	30,723	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Capital outlay:								
Special assessments	-	-	-	-	-	-	-	-
Total disbursements	546	88,391	104,560	30,723	-	11,718	411	1,093
Excess (deficiency) of revenue over disbursements	1,214	55,869	(21,050)	(3,991)	-	(2,842)	36,011	7,402
Other financing sources (uses)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,214	55,869	(21,050)	(3,991)	-	(2,842)	36,011	7,402
Cash and investment fund balance - beginning	2,896	32,249	27,514	52,151	226	10,663	10,304	8,189
Cash and investment fund balance - ending	\$ 4,110	\$ 88,118	\$ 6,464	\$ 48,160	\$ 226	\$ 7,821	\$ 46,315	\$ 15,591
Cash and Investment Assets - December 31								
Restricted assets:								
Cash and investments	\$ 4,110	\$ 88,118	\$ 6,464	\$ 48,160	\$ 226	\$ 7,821	\$ 46,315	\$ 15,591
Total cash and investment assets - December 31	\$ 4,110	\$ 88,118	\$ 6,464	\$ 48,160	\$ 226	\$ 7,821	\$ 46,315	\$ 15,591
Cash and Investment Fund Balance - December 31								
Restricted for:								
Public safety	\$ 4,110	\$ 88,118	\$ 6,464	\$ 48,160	\$ 226	\$ -	\$ 46,315	\$ -
Highways and streets	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	7,821	-	15,591
Total cash and investment fund balance - December 31	\$ 4,110	\$ 88,118	\$ 6,464	\$ 48,160	\$ 226	\$ 7,821	\$ 46,315	\$ 15,591

CASS 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)

	Community Corrections Home Detention	Corrections Grant	Community Transition Program	County Corrections	Cumulative Reassessment	Dissolution Education Workshop	Donation	Cass County Memorial Home Donation
Receipts:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 161,989	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	113,010	41,325	27,768	26,742	-	-	-
Charges for services	234,767	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	3,630	-	-
Other	25	-	-	-	3,828	-	-	-
Total receipts	234,792	113,010	41,325	27,768	192,559	3,630	-	-
Disbursements:								
General government	-	-	-	-	226,774	5,244	-	-
Public safety	319,940	134,746	26,860	38,868	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Capital outlay:								
Special assessments	-	-	-	-	-	-	-	-
Total disbursements	319,940	134,746	26,860	38,868	226,774	5,244	-	-
Excess (deficiency) of revenue over disbursements	(85,148)	(21,736)	14,465	(11,100)	(34,215)	(1,614)	-	-
Other financing sources (uses)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(85,148)	(21,736)	14,465	(11,100)	(34,215)	(1,614)	-	-
Cash and investment fund balance - beginning	176,684	76,670	21,330	48,734	407,568	11,875	87	5,838
Cash and investment fund balance - ending	\$ 91,536	\$ 54,934	\$ 35,795	\$ 37,634	\$ 373,353	\$ 10,261	\$ 87	\$ 5,838
Cash and Investment Assets - December 31								
Restricted assets:								
Cash and investments	\$ 91,536	\$ 54,934	\$ 35,795	\$ 37,634	\$ 373,353	\$ 10,261	\$ 87	\$ 5,838
Total cash and investment assets - December 31	\$ 91,536	\$ 54,934	\$ 35,795	\$ 37,634	\$ 373,353	\$ 10,261	\$ 87	\$ 5,838
Cash and Investment Fund Balance - December 31								
Restricted for:								
Public safety	\$ 91,536	\$ 54,934	\$ 35,795	\$ 37,634	\$ -	\$ -	\$ 87	\$ 5,838
Highways and streets	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Other purposes	-	-	-	-	373,353	10,261	-	-
Total cash and investment fund balance - December 31	\$ 91,536	\$ 54,934	\$ 35,795	\$ 37,634	\$ 373,353	\$ 10,261	\$ 87	\$ 5,838

CASS 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	Drug Free Community	Emergency Planning and Right to Know	Emergency Telephone	Extradition	Stop Grant	Transit Authority Grant	Victim Advocacy Grant
Receipts:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	106,709	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	8,116	-	-	11,000	526,196	17,000
Charges for services	-	-	-	511,840	-	-	-	-
Fines and forfeits	-	21,219	-	-	9,400	-	-	-
Other	-	-	-	-	643	1,116	-	639
Total receipts	106,709	21,219	8,116	511,840	10,043	12,116	526,196	17,639
Disbursements:								
General government	89,026	-	-	-	-	-	526,196	-
Public safety	-	26,909	1,126	529,793	4,253	19,542	-	24,683
Highways and streets	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Capital outlay:								
Special assessments	-	-	-	-	-	-	-	-
Total disbursements	89,026	26,909	1,126	529,793	4,253	19,542	526,196	24,683
Excess (deficiency) of revenue over disbursements	17,683	(5,690)	6,990	(17,953)	5,790	(7,426)	-	(7,044)
Other financing sources (uses)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(15,670)	-	-	-	-	-	-	-
Total other financing sources (uses)	(15,670)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,013	(5,690)	6,990	(17,953)	5,790	(7,426)	-	(7,044)
Cash and investment fund balance - beginning	597,358	25,829	(316)	164,047	38,476	8,511	-	11,779
Cash and investment fund balance - ending	\$ 599,371	\$ 20,139	\$ 6,674	\$ 146,094	\$ 44,266	\$ 1,085	\$ -	\$ 4,735
Cash and Investment Assets - December 31								
Restricted assets:								
Cash and investments	\$ 599,371	\$ 20,139	\$ 6,674	\$ 146,094	\$ 44,266	\$ 1,085	\$ -	\$ 4,735
Total cash and investment assets - December 31	\$ 599,371	\$ 20,139	\$ 6,674	\$ 146,094	\$ 44,266	\$ 1,085	\$ -	\$ 4,735
Cash and Investment Fund Balance - December 31								
Restricted for:								
Public safety	\$ -	\$ 20,139	\$ 6,674	\$ 146,094	\$ 44,266	\$ 1,085	\$ -	\$ 4,735
Highways and streets	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Other purposes	599,371	-	-	-	-	-	-	-
Total cash and investment fund balance - December 31	\$ 599,371	\$ 20,139	\$ 6,674	\$ 146,094	\$ 44,266	\$ 1,085	\$ -	\$ 4,735

CASS 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)

	Byrne Grant	Bulletproof Vest Grant	Local Law Enforcement Block Grant	Homeland Security Grant	Law Enforcement Terror Prevention Program	Integrated Public Safety Commission	Livescan TP3500	Emmaus Grant
Receipts:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	212,698	-	391	347	4,444	-	34,483	412,583
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Other	1,214	-	-	-	-	-	-	-
Total receipts	213,912	-	391	347	4,444	-	34,483	412,583
Disbursements:								
General government	-	-	-	-	-	-	-	-
Public safety	262,409	-	3,910	2,752	11,477	86,393	34,483	-
Highways and streets	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	412,583
Culture and recreation	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Capital outlay:								
Special assessments	-	-	-	-	-	-	-	-
Total disbursements	262,409	-	3,910	2,752	11,477	86,393	34,483	412,583
Excess (deficiency) of revenue over disbursements	(48,497)	-	(3,519)	(2,405)	(7,033)	(86,393)	-	-
Other financing sources (uses)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	(62,544)	-	-	-	-
Total other financing sources (uses)	-	-	-	(62,544)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(48,497)	-	(3,519)	(64,949)	(7,033)	(86,393)	-	-
Cash and investment fund balance - beginning	51,293	592	20,847	62,544	11,275	86,393	-	-
Cash and investment fund balance - ending	\$ 2,796	\$ 592	\$ 17,328	\$ (2,405)	\$ 4,242	\$ -	\$ -	\$ -
Cash and Investment Assets - December 31								
Restricted assets:								
Cash and investments	\$ 2,796	\$ 592	\$ 17,328	\$ (2,405)	\$ 4,242	\$ -	\$ -	\$ -
Total cash and investment assets - December 31	\$ 2,796	\$ 592	\$ 17,328	\$ (2,405)	\$ 4,242	\$ -	\$ -	\$ -
Cash and Investment Fund Balance - December 31								
Restricted for:								
Public safety	\$ 2,796	\$ 592	\$ 17,328	\$ (2,405)	\$ 4,242	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-	-
Total cash and investment fund balance - December 31	\$ 2,796	\$ 592	\$ 17,328	\$ (2,405)	\$ 4,242	\$ -	\$ -	\$ -

CASS 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)

	Firearms Training	Cass County Emergency Management Agency Grant	Walmart K-9 Grant	GAL/CASA	County Health	Health Grant	Public Health Coordinator Grant	Health Maintenance
Receipts:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 493,803	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Licenses and permits	3,242	-	-	-	88,881	-	-	-
Intergovernmental	-	-	-	-	77,140	1,993	59,764	28,306
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	17,273	-	-	-	-
Other	-	-	-	-	267	-	-	-
Total receipts	<u>3,242</u>	<u>-</u>	<u>-</u>	<u>17,273</u>	<u>660,091</u>	<u>1,993</u>	<u>59,764</u>	<u>28,306</u>
Disbursements:								
General government	-	-	-	-	-	-	-	-
Public safety	3,684	121,132	-	5,448	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	346,197	5,116	59,133	42,152
Culture and recreation	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Capital outlay:								
Special assessments	-	-	-	-	-	-	-	-
Total disbursements	<u>3,684</u>	<u>121,132</u>	<u>-</u>	<u>5,448</u>	<u>346,197</u>	<u>5,116</u>	<u>59,133</u>	<u>42,152</u>
Excess (deficiency) of revenue over disbursements	<u>(442)</u>	<u>(121,132)</u>	<u>-</u>	<u>11,825</u>	<u>313,894</u>	<u>(3,123)</u>	<u>631</u>	<u>(13,846)</u>
Other financing sources (uses)								
Transfers in	-	62,544	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>62,544</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(442)</u>	<u>(58,588)</u>	<u>-</u>	<u>11,825</u>	<u>313,894</u>	<u>(3,123)</u>	<u>631</u>	<u>(13,846)</u>
Cash and investment fund balance - beginning	<u>2,705</u>	<u>53,231</u>	<u>50</u>	<u>29,608</u>	<u>231,629</u>	<u>6,886</u>	<u>(5,240)</u>	<u>51,055</u>
Cash and investment fund balance - ending	<u>\$ 2,263</u>	<u>\$ (5,357)</u>	<u>\$ 50</u>	<u>\$ 41,433</u>	<u>\$ 545,523</u>	<u>\$ 3,763</u>	<u>\$ (4,609)</u>	<u>\$ 37,209</u>
Cash and Investment Assets - December 31								
Restricted assets:								
Cash and investments	<u>\$ 2,263</u>	<u>\$ (5,357)</u>	<u>\$ 50</u>	<u>\$ 41,433</u>	<u>\$ 545,523</u>	<u>\$ 3,763</u>	<u>\$ (4,609)</u>	<u>\$ 37,209</u>
Total cash and investment assets - December 31	<u>\$ 2,263</u>	<u>\$ (5,357)</u>	<u>\$ 50</u>	<u>\$ 41,433</u>	<u>\$ 545,523</u>	<u>\$ 3,763</u>	<u>\$ (4,609)</u>	<u>\$ 37,209</u>
Cash and Investment Fund Balance - December 31								
Restricted for:								
Public safety	\$ 2,263	(5,357)	50	41,433	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	545,523	3,763	(4,609)	37,209
Culture and recreation	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 2,263</u>	<u>\$ (5,357)</u>	<u>\$ 50</u>	<u>\$ 41,433</u>	<u>\$ 545,523</u>	<u>\$ 3,763</u>	<u>\$ (4,609)</u>	<u>\$ 37,209</u>

CASS 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)

	Juvenile Incentive Block Grant	Supplemental Juvenile Probation Services	Juvenile Services Treatment	Law Enforcement Continuing Education	Vehicle Inspection	Park Donation	France Park Planning Grant	Parks Disaster Relief Grant
Receipts:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	5,000	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	29,723	-	11,352	642	-	-	-
Other	-	-	-	-	-	285	-	2,585
Total receipts	5,000	29,723	-	11,352	642	285	-	2,585
Disbursements:								
General government	-	-	-	-	-	-	-	-
Public safety	5,181	9,572	-	9,579	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	4,166
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Capital outlay:								
Special assessments	-	-	-	-	-	-	-	-
Total disbursements	5,181	9,572	-	9,579	-	-	-	4,166
Excess (deficiency) of revenue over disbursements	(181)	20,151	-	1,773	642	285	-	(1,581)
Other financing sources (uses)								
Transfers in	-	-	77,274	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	77,274	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(181)	20,151	77,274	1,773	642	285	-	(1,581)
Cash and investment fund balance - beginning	532	36,968	-	2,013	1,198	234	194	1,805
Cash and investment fund balance - ending	<u>\$ 351</u>	<u>\$ 57,119</u>	<u>\$ 77,274</u>	<u>\$ 3,786</u>	<u>\$ 1,840</u>	<u>\$ 519</u>	<u>\$ 194</u>	<u>\$ 224</u>
Cash and Investment Assets - December 31								
Restricted assets:								
Cash and investments	<u>\$ 351</u>	<u>\$ 57,119</u>	<u>\$ 77,274</u>	<u>\$ 3,786</u>	<u>\$ 1,840</u>	<u>\$ 519</u>	<u>\$ 194</u>	<u>\$ 224</u>
Total cash and investment assets - December 31	<u>\$ 351</u>	<u>\$ 57,119</u>	<u>\$ 77,274</u>	<u>\$ 3,786</u>	<u>\$ 1,840</u>	<u>\$ 519</u>	<u>\$ 194</u>	<u>\$ 224</u>
Cash and Investment Fund Balance - December 31								
Restricted for:								
Public safety	\$ 351	\$ 57,119	\$ 77,274	\$ 3,786	\$ 1,840	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	519	194	224
Debt service	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 351</u>	<u>\$ 57,119</u>	<u>\$ 77,274</u>	<u>\$ 3,786</u>	<u>\$ 1,840</u>	<u>\$ 519</u>	<u>\$ 194</u>	<u>\$ 224</u>

CASS 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 Nonreverting Operating	Park and Recreation	Community Corrections Project Income	Prosecutor's Title 4D	Rainy Day	Recorder's Records Perpetuation	Section II Help America Vote Act	Help America Vote Act Title III
Receipts:								
Taxes	\$ -	\$ 131,707	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	36,700	-	36,421	-	-	-	-
Charges for services	-	190,184	-	-	-	38,879	-	-
Fines and forfeits	-	-	100,878	-	-	-	-	-
Other	16,834	6,364	2,096	-	-	-	-	-
Total receipts	16,834	364,955	102,974	36,421	-	38,879	-	-
Disbursements:								
General government	-	-	-	21,827	167,554	33,692	-	18,133
Public safety	-	-	43,147	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-
Culture and recreation	29,498	370,044	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Capital outlay:								
Special assessments	-	-	-	-	-	-	-	-
Total disbursements	29,498	370,044	43,147	21,827	167,554	33,692	-	18,133
Excess (deficiency) of revenue over disbursements	(12,664)	(5,089)	59,827	14,594	(167,554)	5,187	-	(18,133)
Other financing sources (uses)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(12,664)	(5,089)	59,827	14,594	(167,554)	5,187	-	(18,133)
Cash and investment fund balance - beginning	54,642	298,153	19,993	10,321	311,823	99,288	109,635	164,000
Cash and investment fund balance - ending	\$ 41,978	\$ 293,064	\$ 79,820	\$ 24,915	\$ 144,269	\$ 104,475	\$ 109,635	\$ 145,867
Cash and Investment Assets - December 31								
Restricted assets:								
Cash and investments	\$ 41,978	\$ 293,064	\$ 79,820	\$ 24,915	\$ 144,269	\$ 104,475	\$ 109,635	\$ 145,867
Total cash and investment assets - December 31	\$ 41,978	\$ 293,064	\$ 79,820	\$ 24,915	\$ 144,269	\$ 104,475	\$ 109,635	\$ 145,867
Cash and Investment Fund Balance - December 31								
Restricted for:								
Public safety	\$ -	\$ -	\$ 79,820	\$ 24,915	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-
Culture and recreation	41,978	293,064	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Other purposes	-	-	-	-	144,269	104,475	109,635	145,867
Total cash and investment fund balance - December 31	\$ 41,978	\$ 293,064	\$ 79,820	\$ 24,915	\$ 144,269	\$ 104,475	\$ 109,635	\$ 145,867

CASS 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	Election and Registration	State Deputy Project	Law Enforcement Grant	CPF Grant	WRHC Grant	Brownfield Grant	Superior Courts Interpreter Grant
Receipts:								
Taxes	\$ -	\$ 41,315	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	14,631	7,000	-	-	-	-	7,500
Charges for services	4,888	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Other	-	100	-	-	-	-	-	-
Total receipts	4,888	56,046	7,000	-	-	-	-	7,500
Disbursements:								
General government	7,875	32,481	-	-	-	-	-	7,770
Public safety	-	-	6,969	-	-	1,289	43,789	-
Highways and streets	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Capital outlay:								
Special assessments	-	-	-	-	-	-	-	-
Total disbursements	7,875	32,481	6,969	-	-	1,289	43,789	7,770
Excess (deficiency) of revenue over disbursements	(2,987)	23,565	31	-	-	(1,289)	(43,789)	(270)
Other financing sources (uses)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,987)	23,565	31	-	-	(1,289)	(43,789)	(270)
Cash and investment fund balance - beginning	5,715	80,647	46	2,826	5,000	1,812	43,790	282
Cash and investment fund balance - ending	\$ 2,728	\$ 104,212	\$ 77	\$ 2,826	\$ 5,000	\$ 523	\$ 1	\$ 12
Cash and Investment Assets - December 31								
Restricted assets:								
Cash and investments	\$ 2,728	\$ 104,212	\$ 77	\$ 2,826	\$ 5,000	\$ 523	\$ 1	\$ 12
Total cash and investment assets - December 31	\$ 2,728	\$ 104,212	\$ 77	\$ 2,826	\$ 5,000	\$ 523	\$ 1	\$ 12
Cash and Investment Fund Balance - December 31								
Restricted for:								
Public safety	\$ -	\$ -	\$ 77	\$ 2,826	\$ -	\$ -	\$ 1	\$ -
Highways and streets	-	-	-	-	5,000	-	-	-
Health and welfare	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	523	-	-
Debt service	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Other purposes	2,728	104,212	-	-	-	-	-	12
Total cash and investment fund balance - December 31	\$ 2,728	\$ 104,212	\$ 77	\$ 2,826	\$ 5,000	\$ 523	\$ 1	\$ 12

CASS 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 Gas Award	Hoosier Safety Foundation	Community Comeback Grant	Supplemental Public Defender Services	Surveyor's Corner Perpetuation	Tobacco Settlement	User Fee
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	1,638	-	19,614	-	-	22,610	-
Charges for services	-	-	-	-	8,455	-	-
Fines and forfeits	-	-	-	29,257	-	-	200,223
Other	-	550	-	-	-	-	5,465
Total receipts	1,638	550	19,614	29,257	8,455	22,610	205,688
Disbursements:							
General government	-	-	19,614	-	-	-	-
Public safety	335	-	-	-	-	-	224,702
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	19,138	-
Culture and recreation	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
Special assessments	-	-	-	-	-	-	-
Total disbursements	335	-	19,614	-	-	19,138	224,702
Excess (deficiency) of revenue over disbursements	1,303	550	-	29,257	8,455	3,472	(19,014)
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,303	550	-	29,257	8,455	3,472	(19,014)
Cash and investment fund balance - beginning	-	-	-	70,172	58,487	72,905	467,155
Cash and investment fund balance - ending	\$ 1,303	\$ 550	\$ -	\$ 99,429	\$ 66,942	\$ 76,377	\$ 448,141
Cash and Investment Assets - December 31							
Restricted assets:							
Cash and investments	\$ 1,303	\$ 550	\$ -	\$ 99,429	\$ 66,942	\$ 76,377	\$ 448,141
Total cash and investment assets - December 31	\$ 1,303	\$ 550	\$ -	\$ 99,429	\$ 66,942	\$ 76,377	\$ 448,141
Cash and Investment Fund Balance - December 31							
Restricted for:							
Public safety	\$ 1,303	\$ 550	\$ -	\$ 99,429	\$ -	\$ -	\$ 448,141
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	76,377	-
Culture and recreation	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other purposes	-	-	-	-	66,942	-	-
Total cash and investment fund balance - December 31	\$ 1,303	\$ 550	\$ -	\$ 99,429	\$ 66,942	\$ 76,377	\$ 448,141

CASS 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)

	Work Crew	Lease Rental Payment	General Drain Improvement	Emergency Management Nonreverting Capital	Host Agreement Capital	Sheriff Photo	Emergency Management Nonreverting Operating
Receipts:							
Taxes	\$ -	\$ 1,113,946	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	183,419	-	-	-	-	-
Charges for services	6,250	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	-	-	-	306,898	997	-
Total receipts	6,250	1,297,365	-	-	306,898	997	-
Disbursements:							
General government	-	-	-	-	89,814	-	-
Public safety	6,200	-	-	1,118	-	726	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service:							
Principal	-	773,855	-	-	-	-	-
Interest	-	433,145	-	-	-	-	-
Capital outlay:							
Special assessments	-	-	104,249	-	-	-	-
Total disbursements	6,200	1,207,000	104,249	1,118	89,814	726	-
Excess (deficiency) of revenue over disbursements	50	90,365	(104,249)	(1,118)	217,084	271	-
Other financing sources (uses)							
Transfers in	-	-	15,670	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	15,670	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	50	90,365	(88,579)	(1,118)	217,084	271	-
Cash and investment fund balance - beginning	(49)	529,518	255,141	5,948	149,788	1,036	7,003
Cash and investment fund balance - ending	\$ 1	\$ 619,883	\$ 166,562	\$ 4,830	\$ 366,872	\$ 1,307	\$ 7,003
Cash and Investment Assets - December 31							
Restricted assets:							
Cash and investments	\$ 1	\$ 619,883	\$ 166,562	\$ 4,830	\$ 366,872	\$ 1,307	\$ 7,003
Total cash and investment assets - December 31	\$ 1	\$ 619,883	\$ 166,562	\$ 4,830	\$ 366,872	\$ 1,307	\$ 7,003
Cash and Investment Fund Balance - December 31							
Restricted for:							
Public safety	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ 1,307	\$ 7,003
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service	-	619,883	-	-	-	-	-
Capital outlay	-	-	166,562	4,830	366,872	-	-
Other purposes	-	-	-	-	-	-	-
Total cash and investment fund balance - December 31	\$ 1	\$ 619,883	\$ 166,562	\$ 4,830	\$ 366,872	\$ 1,307	\$ 7,003

CASS 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's Commissary	Police Pension	Children's Psychiatric Residential Treatment Services	Local Road and Street	Senior Citizen Center Grant	Young America Fire Dept. Grant	Totals
Receipts:							
Taxes	\$ -	\$ -	\$ 131,372	\$ -	\$ -	\$ -	\$ 2,074,132
Special assessments	-	-	-	-	-	-	106,709
Licenses and permits	-	-	-	-	-	-	92,123
Intergovernmental	-	-	21,693	391,412	360,000	100,000	2,923,866
Charges for services	173,174	13,297	-	-	-	-	1,244,409
Fines and forfeits	-	-	-	-	-	-	551,045
Other	-	-	-	15,314	-	-	372,230
Total receipts	<u>173,174</u>	<u>13,297</u>	<u>153,065</u>	<u>406,726</u>	<u>360,000</u>	<u>100,000</u>	<u>7,364,514</u>
Disbursements:							
General government	-	-	-	-	360,000	-	1,619,222
Public safety	169,238	5,620	-	-	-	100,000	2,510,093
Highways and streets	-	-	-	769,572	-	-	769,572
Health and welfare	-	-	74,187	-	-	-	958,506
Culture and recreation	-	-	-	-	-	-	403,708
Debt service:							
Principal	-	-	-	-	-	-	773,855
Interest	-	-	-	-	-	-	433,145
Capital outlay:							
Special assessments	-	-	-	-	-	-	104,249
Total disbursements	<u>169,238</u>	<u>5,620</u>	<u>74,187</u>	<u>769,572</u>	<u>360,000</u>	<u>100,000</u>	<u>7,572,350</u>
Excess (deficiency) of revenue over disbursements	<u>3,936</u>	<u>7,677</u>	<u>78,878</u>	<u>(362,846)</u>	<u>-</u>	<u>-</u>	<u>(207,836)</u>
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	155,488
Transfers out	-	-	(77,274)	-	-	-	(155,488)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(77,274)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>3,936</u>	<u>7,677</u>	<u>1,604</u>	<u>(362,846)</u>	<u>-</u>	<u>-</u>	<u>(207,836)</u>
Cash and investment fund balance - beginning	<u>20,826</u>	<u>4,199</u>	<u>129,860</u>	<u>1,506,757</u>	<u>-</u>	<u>-</u>	<u>6,871,193</u>
Cash and investment fund balance - ending	<u>\$ 24,762</u>	<u>\$ 11,876</u>	<u>\$ 131,464</u>	<u>\$ 1,143,911</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,663,357</u>
<u>Cash and Investment Assets - December 31</u>							
Restricted assets:							
Cash and investments	<u>\$ 24,762</u>	<u>\$ 11,876</u>	<u>\$ 131,464</u>	<u>\$ 1,143,911</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,663,357</u>
Total cash and investment assets - December 31	<u>\$ 24,762</u>	<u>\$ 11,876</u>	<u>\$ 131,464</u>	<u>\$ 1,143,911</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,663,357</u>
<u>Cash and Investment Fund Balance - December 31</u>							
Restricted for:							
Public safety	\$ 24,762	\$ 11,876	\$ -	\$ -	\$ -	\$ -	\$ 1,545,533
Highways and streets	-	-	-	1,143,911	-	-	1,148,911
Health and welfare	-	-	131,464	-	-	-	789,727
Culture and recreation	-	-	-	-	-	-	336,502
Debt service	-	-	-	-	-	-	619,883
Capital outlay	-	-	-	-	-	-	538,264
Other purposes	-	-	-	-	-	-	1,684,537
Total cash and investment fund balance - December 31	<u>\$ 24,762</u>	<u>\$ 11,876</u>	<u>\$ 131,464</u>	<u>\$ 1,143,911</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,663,357</u>

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

	<u>Sheriff Retirement</u>	<u>Sheriff Benefit</u>	<u>Total</u>
Additions:			
Contributions:			
Employer	\$ 293,844	\$ 6,156	\$ 300,000
Plan members	<u>17</u>	<u>-</u>	<u>17</u>
Total contributions	293,861	6,156	300,017
Investment receipts:			
Interest and dividends	<u>135,760</u>	<u>10,733</u>	<u>146,493</u>
Total additions	<u>429,621</u>	<u>16,889</u>	<u>446,510</u>
Deductions:			
Benefits	80,281	1,906	82,187
Administrative and general	<u>24,554</u>	<u>1,236</u>	<u>25,790</u>
Total deductions	<u>104,835</u>	<u>3,142</u>	<u>107,977</u>
Excess of total additions over total deductions	324,786	13,747	338,533
Cash and investment fund balance - beginning	<u>2,253,499</u>	<u>192,758</u>	<u>2,446,257</u>
Cash and investment fund balance - ending	<u>\$ 2,578,285</u>	<u>\$ 206,505</u>	<u>\$ 2,784,790</u>

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

	Coroner's Education	Surplus Dog Tax	Welfare Trust	CAGIT Agency	CEDIT Agency	City and Town Court Costs	Congressional School Interest
Additions:							
Agency fund additions	\$ 2,070	\$ 1,445	\$ 77,645	\$ 5,342,418	\$ 1,368,721	\$ 11,216	\$ 1,207
Deductions:							
Agency fund deductions	3,102	1,421	73,993	5,342,417	1,368,552	-	-
Excess (deficiency) of total additions over total deductions	(1,032)	24	3,652	1	169	11,216	1,207
Cash and investment fund balance - beginning	1,299	-	23,196	-	7,678	54,725	79,097
Cash and investment fund balance - ending	<u>\$ 267</u>	<u>\$ 24</u>	<u>\$ 26,848</u>	<u>\$ 1</u>	<u>\$ 7,847</u>	<u>\$ 65,941</u>	<u>\$ 80,304</u>

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

	Infraction Judgment	Inheritance Tax	Mortgage Fee	Overweight Vehicles	Payroll	Property Tax Replacement Homestead Credit	Fines and Forfeitures
Additions:							
Agency fund additions	\$ 110,092	\$ 1,005,778	\$ 5,165	\$ 2,587	\$ 6,510,318	\$ 211,077	\$ 112,443
Deductions:							
Agency fund deductions	153,975	1,062,599	4,557	1,501	6,510,318	211,077	93,903
Excess (deficiency) of total additions over total deductions	(43,883)	(56,821)	608	1,086	-	-	18,540
Cash and investment fund balance - beginning	61,491	166,874	-	-	24	-	13,231
Cash and investment fund balance - ending	<u>\$ 17,608</u>	<u>\$ 110,053</u>	<u>\$ 608</u>	<u>\$ 1,086</u>	<u>\$ 24</u>	<u>\$ -</u>	<u>\$ 31,771</u>

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

	Sales Disclosure Fee	Special Death Benefit	Surplus Tax	Tax Sale Surplus	Tax Distribution	Tax Sale	Tax Sale Redemption
Additions:							
Agency fund additions	\$ 4,723	\$ 2,225	\$ 66,609	\$ 1,303,762	\$ 56,197,711	\$ 68,190	\$ 291,101
Deductions:							
Agency fund deductions	7,208	1,630	64,842	1,006,302	56,551,640	39,190	299,488
Excess (deficiency) of total additions over total deductions	(2,485)	595	1,767	297,460	(353,929)	29,000	(8,387)
Cash and investment fund balance - beginning	2,915	-	13,910	559,548	353,929	-	8,222
Cash and investment fund balance - ending	<u>\$ 430</u>	<u>\$ 595</u>	<u>\$ 15,677</u>	<u>\$ 857,008</u>	<u>\$ -</u>	<u>\$ 29,000</u>	<u>\$ (165)</u>

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

	Delinquent Personal Property Tax Collection	Sewage Collections	Riverboat	Innkeeper's Tax	Interstate Compact Fee	CEDIT Special Revenue
Additions:						
Agency fund additions	\$ 11,752	\$ 35,001	\$ 258,094	\$ 62,072	\$ 188	\$ 1,369,527
Deductions:						
Agency fund deductions	11,752	35,169	258,094	71,377	338	2,706,454
Excess (deficiency) of total additions over total deductions	-	(168)	-	(9,305)	(150)	(1,336,927)
Cash and investment fund balance - beginning	-	180	-	10,193	150	1,369,528
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 12</u>	<u>\$ -</u>	<u>\$ 888</u>	<u>\$ -</u>	<u>\$ 32,601</u>

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

	<u>County Clerk</u>	<u>County Sheriff</u>	<u>Inmate Trust</u>	<u>County Recorder</u>	<u>County Treasurer</u>	<u>Totals</u>
Additions:						
Agency fund additions	\$ 5,759,036	\$ 741,541	\$ 244,891	\$ 152,639	\$ 49,112,469	\$ 130,443,713
Deductions:						
Agency fund deductions	<u>5,729,045</u>	<u>745,021</u>	<u>236,006</u>	<u>152,639</u>	<u>54,816,922</u>	<u>137,560,532</u>
Excess (deficiency) of total additions over total deductions	29,991	(3,480)	8,885	-	(5,704,453)	(7,116,819)
Cash and investment fund balance - beginning	<u>520,044</u>	<u>6,859</u>	<u>6,016</u>	<u>25</u>	<u>9,302,481</u>	<u>12,561,615</u>
Cash and investment fund balance - ending	<u>\$ 550,035</u>	<u>\$ 3,379</u>	<u>\$ 14,901</u>	<u>\$ 25</u>	<u>\$ 3,598,028</u>	<u>\$ 5,444,796</u>

CASS COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 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 completed in the current and prior year have been reported. Retroactive reporting of general infrastructure assets will occur by January 1, 2007.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 2,557,189
Infrastructure	1,355,731
Buildings	16,123,976
Improvements other than buildings	254,170
Machinery and equipment	<u>6,911,705</u>
 Total governmental activities, capital assets not being depreciated	 \$ <u><u>27,202,771</u></u>

CASS COUNTY
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT
December 31, 2005

CAPITAL LEASES

The County has entered into the following capital lease:

<u>Description of Asset</u>	<u>Present Value of Net Minimum Lease Payments</u>
County jail building and equipment	<u>\$ 8,431,145</u>

CASS COUNTY
OTHER REPORTS

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

Clerk of the Circuit Court
County Auditor
County Home
County Treasurer

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 CASS COUNTY, INDIANA

Compliance

We have audited the compliance of the Cass 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 each of its major federal programs for the year ended December 31, 2005. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2005-1.

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)

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the County's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as item 2005-1.

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 the 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. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are considered to be material weaknesses. However, of the reportable conditions described above, we consider item 2005-1 to be a material weakness.

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

August 29, 2006

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

Federal Grantor Agency/Pass-Through Entity 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 Office of Community and Rural Affairs Community Development Block Grants States Program	14.228	CF-99-240 CF-05-104	\$ 100,000 360,000
Pass-Through Indiana Housing Finance Authority Community Development Block Grants States Program	14.228	HD-004-004	<u>412,583</u>
Total for federal grantor agency			<u>872,583</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Pass-Through Indiana Criminal Justice Institute Juvenile Accountability Incentive Block Grants	16.523	03-JB-005	<u>5,000</u>
Crime Victim Assistance	16.575	04VA030 05VA019	11,779 <u>12,265</u>
Total for program			<u>24,044</u>
Edward Byrne Memorial Formula Grant Program	16.579	03DB005 04DB006	51,292 <u>205,979</u>
Total for program			<u>257,271</u>
Violence Against Women Formula Grants	16.588	04ST008 05ST008	8,511 <u>9,915</u>
Total for program			<u>18,426</u>
Local Law Enforcement Block Grant	16.592		<u>3,519</u>
Total for federal grantor agency			<u>308,260</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation Highway Planning and Construction	20.205	No. 0300219 No. 0301163	34,391 <u>93,287</u>
Total for program			<u>127,678</u>
Formula Grants for Other Than Urbanized Areas	20.509	18023210	<u>328,475</u>
Pass-Through Indiana Criminal Justice Institute Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	OP 04-02-03-12 OP 05-02-03-13 OP 06-02-03-15	46 5,500 <u>1,500</u>
Total for program			<u>7,046</u>
Pass-Through Indiana Department of Homeland Security Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703		<u>8,117</u>
Total for federal grantor agency			<u>471,316</u>

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

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

Federal Grantor Agency/Pass-Through Entity Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. GENERAL SERVICES ADMINISTRATION</u>			
Pass-Through Indiana Secretary of State Election Reform Payments	39.011		<u>18,133</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-Through Indiana Family and Social Services Administration Special Programs for the Aging - Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041		
		09-04-OV-1192	13,000
		09-06-PV-1192	<u>56,000</u>
Total for program			<u>69,000</u>
Pass-Through Indiana Department of Health Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283		
		04-05 BPRS 108-2	36,346
		05-06 BPRS 108-2	<u>14,424</u>
Total for program			<u>50,770</u>
Pass-Through Indiana Department of Child Services Child Support Enforcement	93.563		
Clerk Expenditures			21,743
Prosecutor Expenditures			116,815
Incentive Payments			58,660
Indirect Costs			<u>19,939</u>
Total for program			<u>217,157</u>
Total for federal grantor agency			<u>336,927</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036		
		No. 1476	1,805
Homeland Security Grant Program	97.067		
			<u>230,275</u>
Total for federal grantor agency			<u>232,080</u>
Total federal awards expended			<u>\$ 2,239,299</u>

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

CASS 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 Cass 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
Community Development Block Grants States Program	14.228	\$ 872,583
Formula Grants for Other Than Urbanized Areas	20.509	328,475

CASS 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?	yes
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? yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
14.228	Community Development Block Grants States Program
20.509	Formula Grants for Other Than Urbanized Areas

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable

Section III – Federal Award Findings and Questioned Costs

CASS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2005-1, SUBRECIPIENT MONITORING

Federal Agency: U.S. Department of Housing and Urban Development
Federal Program: Community Development Block Grant States Program
CFDA Number: 14.228
Federal Award Number: CF-05-104
Pass-Through Agency: Indiana Office of Community and Rural Affairs

Federal Agency: U.S. Department of Transportation
Federal Program: Formula Grants for Other Than Urbanized Areas
CFDA Number: 20.509
Federal Award Number: 18023210
Pass-Through Agency: Indiana Department of Transportation

The County does not have a tracking systems to ensure that subrecipients: (1) prepare and file reports required by the grant agreement in a timely manner, or (2) obtain a single audit under OMB circular A-133 when required.

The County had not received an audit report for the Cass County Council on Aging, Inc., for 2003, 2004, or 2005. Upon request for copies of these audits, county officials obtained a copy of the 2003 audit report and learned that audits for 2004 and 2005 had not been completed. County officials were not aware that the audits had not been completed.

Failure to adequately monitor the subrecipient could allow noncompliance with program requirements by the subrecipient to occur and not be discovered in a timely manner. Noncompliance with program requirements could jeopardize future funding or cause the grantor agencies to request a refund of grant monies already received.

31 USC 7502(f)(2) states in part: "Each pass-through entity shall . . . monitor the subrecipient's use of Federal awards through site visits, limited scope audits, or other means" and "review the audit of a subrecipient as necessary to determine whether prompt and appropriate corrective action has been taken with respect to audit findings, as defined by the Director, pertaining to Federal awards provided to the subrecipient by the pass-through entity . . ."

31 USC 7502(h) states in part: "The non-Federal entity shall transmit the reporting package, which shall include the non-Federal entity's financial statements, schedule of expenditures of Federal awards, corrective action plan defined under subsection (i), and auditor's reports developed pursuant to this section, to a Federal clearinghouse designated by the Director, and make it available for public inspection within the earlier of 30 days after receipt of the auditor's report; or . . . 9 months after the end of the period audited . . ."

We recommended that county officials implement procedures to adequately monitor subrecipients. These procedures should ensure that required reports are filed in a timely manner; that audits of subrecipients, when required, are performed in a timely manner with copies of the audit reports provided to the county; that program funds are properly disbursed; and that the subrecipients are achieving the program goals.

August 8, 2006

Re: Summary Schedule of Prior Audit Findings

Finding No 2004-1

Original SBA Audit Report Number: B25729

Auditee Contact Person: Dawn R. Conner

Title of Contact Person: Cass County Auditor

Phone Number: 574-753-7722

Status of Finding: The County has received the subrecipient agreement with Cass County Council on Aging, Inc., d/b/a Cass Area Transit for the year 2004. The County has also received the 2003 audit report for the Cass County Council on Aging, Inc. The County has requested audit reports for 2004 and 2005.


August 8, 2006

Corrective Action Plan

Finding No. 2005-01

Federal Agency: U.S. Department of Housing and Urban Development
Federal Program: Community Development Block Grant States Program
CFDA No: 14.228
Federal Award Number: CF-05-104
Pass-Through Agency: Indiana Office of Community and Rural Affairs

Federal Agency: U.S. Department of Transportation
Federal Program: Formula Grants for Other than Urbanized Areas
CFDA No: 20.509
Federal Award Number: 18023210
Pass-Through Agency: Indiana Department of Transportation

Title of Contact Person: Cass County Auditor
Phone Number: 574-753-7722
Expected Completion Date: December 31, 2006

Corrective Action Planned:

Cass County has requested audit reports for Cass County Council on Aging, Inc for 2004 and 2005.



Dawn R. Conner, Cass County Auditor



Steve Kain, Cass County Commissioner

August 24, 2006

CASS COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 29, 2006, with Dawn R. Conner, Auditor; Richard L. Rusk, County Commissioner; Steven Kain, County Commissioner; and Thomas Keplar, County Councilman.