

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

ANNUAL FINANCIAL REPORT

2005

MARSHALL COUNTY, INDIANA



FILED
11/21/2006

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials.....	2
Independent Auditor's Report on Financial Statements and Supplementary Schedule of Expenditures of Federal Awards	3-4
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.....	5
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Activities and Net Assets – Cash and Investment Basis	6
Fund Financial Statements:	
Governmental Funds:	
Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Governmental Funds.....	7
Proprietary Fund:	
Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Proprietary Fund.....	8
Fiduciary Funds:	
Statement of Additions, Deductions, and Changes in Cash and Investment Balances – Fiduciary Funds	9
Notes to Financial Statements	10-21
Required Supplementary Information:	
Schedules of Funding Progress.....	22
Supplementary Information:	
Combining Schedule of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Other Governmental Funds.....	23-34
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Agency Funds.....	35-40
Schedule of Capital Assets.....	41
Schedule of Long-Term Debt.....	42
Other Report.....	43
Supplemental Audit of Federal Awards:	
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	46-47
Schedule of Expenditures of Federal Awards.....	48
Notes to Schedule of Expenditures of Federal Awards	49
Schedule of Findings and Questioned Costs.....	50
Auditee Prepared Schedules:	
Summary Schedule of Prior Audit Findings.....	51
Exit Conference.....	52

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Jan Allen Quivey	01-01-04 to 12-31-07
Treasurer	Penny Lukenbill	01-01-05 to 12-31-08
Clerk	Jan Fisher	01-01-05 to 12-31-08
Sheriff	Robert E. Ruff	01-01-03 to 12-31-06
Recorder	Betty Engle	01-01-03 to 12-31-06
President of the Board of County Commissioners	John Zentz Kevin Overmyer	01-01-05 to 12-31-05 01-01-06 to 12-31-06
President of the County Council	J. Frederick Lintner	01-01-05 to 12-31-06



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 FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF MARSHALL COUNTY, INDIANA

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

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

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

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

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

In accordance with Government Auditing Standards, we have also issued a report dated October 10, 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

October 10, 2006



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 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 MARSHALL COUNTY, INDIANA

We have audited the financial statements of Marshall County (County), as of and for the year ended December 31, 2005, and have issued our report thereon dated October 10, 2006. The opinion to the basic financial statements was qualified due to an omission of a component unit 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 certain immaterial instances of noncompliance that we have discussed with the management of the County on October 30, 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

October 10, 2006

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

Functions/Programs	Program Receipts				Net (Disbursement) Receipt and Changes in Net Assets
	Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:					
Governmental activities:					
General government	\$ 7,753,780	\$ 1,628,158	\$ 573,730	\$ 252,483	\$ (5,299,409)
Public safety	4,047,885	183,138	1,810,366	-	(2,054,381)
Highways and streets	3,871,899	-	3,243,883	-	(628,016)
Health and welfare	4,465,864	-	979,332	-	(3,486,532)
Culture and recreation	568,608	-	181,654	-	(386,954)
Capital outlay	924,810	-	-	-	(924,810)
Total primary government	\$ 21,632,846	\$ 1,811,296	\$ 6,788,965	\$ 252,483	(12,780,102)
General receipts:					
Property taxes					7,965,412
County local option income taxes					2,429,939
Other local sources					1,657,933
Grants and contributions not restricted to specific programs					752,758
Unrestricted investment earnings					1,402,844
Total general receipts					14,208,886
Change in net assets					1,428,784
Net assets - beginning					12,784,587
Net assets - ending					\$ 14,213,371
 <u>Assets</u>					
Cash and investments					\$ 14,213,371
 <u>Net Assets</u>					
Unrestricted					\$ 14,213,371

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

MARSHALL 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 Family and Children	Drainage Maintenance	Other Governmental Funds	Totals
Receipts:						
Taxes	\$ 6,678,751	\$ -	\$ 1,893,208	\$ -	\$ 2,005,045	\$ 10,577,004
Licenses and permits	-	-	-	-	3,810	3,810
Intergovernmental	930,358	2,693,653	805,460	-	1,804,701	6,234,172
Charges for services	295,522	-	-	-	700,793	996,315
Fines and forfeits	250,067	-	-	-	351,514	601,581
Other	1,400,576	95,373	60,109	752,978	2,187,429	4,496,465
Total receipts	9,555,274	2,789,026	2,758,777	752,978	7,053,292	22,909,347
Disbursements:						
General government	6,518,099	-	-	-	1,093,965	7,612,064
Public safety	2,240,688	-	-	-	1,807,197	4,047,885
Highways and streets	-	2,976,703	-	351,514	543,682	3,871,899
Health and welfare	325,451	-	3,173,889	-	966,524	4,465,864
Culture and recreation	332,124	-	-	-	236,484	568,608
Capital outlay	-	-	-	-	924,810	924,810
Total disbursements	9,416,362	2,976,703	3,173,889	351,514	5,572,662	21,491,130
Excess (deficiency) of receipts over disbursements	138,912	(187,677)	(415,112)	401,464	1,480,630	1,418,217
Other financing sources (uses)						
Interfund loans received	1,625,000	-	-	-	1,625,000	3,250,000
Interfund loans disbursed	(1,625,000)	-	-	-	(1,625,000)	(3,250,000)
Transfers in	456,349	-	-	-	10,774	467,123
Transfers out	-	-	-	(8,858)	(458,265)	(467,123)
Total other financing sources (uses)	456,349	-	-	(8,858)	(447,491)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	595,261	(187,677)	(415,112)	392,606	1,033,139	1,418,217
Cash and investment fund balance - beginning	1,532,374	861,629	1,561,621	869,924	7,957,218	12,782,766
Cash and investment fund balance - ending	<u>\$ 2,127,635</u>	<u>\$ 673,952</u>	<u>\$ 1,146,509</u>	<u>\$ 1,262,530</u>	<u>\$ 8,990,357</u>	14,200,983
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.						12,388
Net assets of governmental activities						<u>\$ 14,213,371</u>
Cash and Investment Assets - December 31						
Cash and investments	<u>\$ 2,127,635</u>	<u>\$ 673,952</u>	<u>\$ 1,146,509</u>	<u>\$ 1,262,530</u>	<u>\$ 8,990,357</u>	<u>\$ 14,200,983</u>
Cash and Investment Fund Balance - December 31						
Unrestricted	<u>\$ 2,127,635</u>	<u>\$ 673,952</u>	<u>\$ 1,146,509</u>	<u>\$ 1,262,530</u>	<u>\$ 8,990,357</u>	<u>\$ 14,200,983</u>

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

MARSHALL 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

	<u>Internal Service Fund</u>
Operating receipts:	
Charges for services	\$ <u>81,162</u>
Operating disbursements:	
General government	<u>70,595</u>
Excess of operating receipts over operating disbursements	<u>10,567</u>
Cash and investment fund balance - beginning	<u>1,821</u>
Cash and investment fund balance - ending	<u>\$ 12,388</u>
<u>Cash and Investment Assets - December 31</u>	
Cash and investments	<u>\$ 12,388</u>
<u>Cash and Investment Fund Balance - December 31</u>	
Unrestricted	<u>\$ 12,388</u>

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

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

	Pension Trust Fund	Private-Purpose Trust Fund	Agency Funds
Additions:			
Contributions:			
Employer	\$ 197,033	\$ -	\$ -
Investment earnings:			
Net increase in fair value of investments	101,801	-	-
Interest and dividends	142,426	-	-
Total investment earnings	244,227	-	-
Agency fund additions	-	-	138,937,960
Total additions	441,260	-	138,937,960
Deductions:			
Benefits	103,255	-	-
Administrative and general	23,518	-	-
Agency fund deductions	-	-	147,505,493
Total deductions	126,773	-	147,505,493
Excess (deficiency) of total additions over total deductions	314,487	-	(8,567,533)
Cash and investment fund balance - beginning	3,564,338	21,223	12,194,026
Cash and investment fund balance - ending	<u>\$ 3,878,825</u>	<u>\$ 21,223</u>	<u>\$ 3,626,493</u>

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

MARSHALL 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: Marshall County

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

The Marshall County Solid Waste Management District, a component unit has 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.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis display information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

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 all financial resources allocated for maintaining County thoroughfares.

The county family and children fund accounts for all the financial resources allocated for the social services needs of County residents.

MARSHALL COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

The drainage maintenance fund accounts for all financial resources allocated for the repairing and maintaining of County drains.

The County reports the following major proprietary fund:

The internal service fund accounts for dental health benefits provided to county employees and dependents.

Additionally, the County reports the following fund types:

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

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

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

C. Measurement Focus and Basis of Accounting

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

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

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the governmental funds and the internal service fund. 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.

MARSHALL COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 liabilities in the basic financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as disbursements.

4. Equity Classification

Government-Wide Statements

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

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

It is the County's policy to first use restricted net assets prior to the use of unrestricted net assets when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance. 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. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

MARSHALL COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

2. Operating Receipts and Disbursements

Operating receipts and disbursements for proprietary funds and the similar discretely presented component unit result from providing services and producing and delivering goods and/or services. They also include all receipts and disbursements not related to capital and related financing, noncapital financing, or investing activities.

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.
3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

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

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

II. Stewardship, Compliance and Accountability

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.

MARSHALL COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

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	Sheriff's Retirement and Benefit Pension Plan
U.S. Treasuries and Securities	\$ 850,891
U.S. Agencies	155,475
Mutual Funds	1,591,086
Corporate Bonds	1,090,438
Total	\$ 3,687,890

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.

MARSHALL COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

The Sheriff's Merit Board has not adopted an investment policy for custodial credit risk for investments. At December 31, 2005, the Sheriff's Retirement and Benefit Pension Plans held investments in pooled equity funds, government and nongovernmental obligations, and fixed income funds in the amount of \$3,716,728. All of these investments are held by the investment's counterparty, in the name of the Sheriff's Pension Plan.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The 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.

MARSHALL COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Investment Type	Investment Maturities (in Years)		
	Less Than 1	1-2	More Than 2
U.S. Treasuries and Securities	\$ -	\$ 199,056	\$ 651,835
U.S. Agencies	105,211	-	50,264
Corporate Bonds	101,858	365,156	623,424
Totals	<u>\$ 207,069</u>	<u>\$ 564,212</u>	<u>\$ 1,325,523</u>

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	Marshall County's Investments		
		Mutual Funds	Corporate Bonds	Government Sponsored Enterprise
AAA	Aaa	\$ -	\$ 102,829	\$ -
AA	Aa	-	204,994	-
A	A	-	782,615	-
Unrated	Unrated	1,591,086	-	-
Totals		<u>\$ 1,591,086</u>	<u>\$ 1,090,438</u>	<u>\$ -</u>

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. More than 5% of the Sheriff's Retirement and Benefit investments are in private equity funds, nongovernment obligations, and private fixed income funds. These investments represent 25%, 6%, and 13%, respectively, of the total investments.

B. Interfund Transfers

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

MARSHALL COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Transfer From	Transfer To	2005
Drainage Maintenance Fund	Other governmental funds	\$ 8,858
Other governmental funds	General Fund	456,349
	Other governmental funds	1,916
Total		\$ 467,123

The County typically uses transfers to fund ongoing operating subsidies.

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; dental health benefits to employees 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. Risk financing is not utilized for the other risks of loss.

Dental Health

The County has chosen to establish a risk financing fund for risks associated with dental health. The risk financing fund is accounted for in the Dental Reimbursement Fund, an internal service fund, where assets are set aside for claim settlements. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. Amounts are paid into the fund by all funds with payrolls and are available to pay claims, claim reserves, and administrative costs of the program. Interfund premiums are based upon an overall premium percentage which is applied to each affected fund and are reported as quasi-external interfund transactions.

Job Related Illnesses or Injuries to Employees

During 1992, the County joined with other governmental entities to form the Indiana Public Employers Plan, a public entity risk pool currently operating as a common risk management and insurance program for several member governmental entities. The purpose of the risk pool is to provide a medium for the funding and administration of claims for job related illnesses or injuries to employees. The County pays an annual premium to the risk pool. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$1,000,000 per insured event.

B. Subsequent Events

Major Moves

In 2006, the State of Indiana entered into a seventy-five year lease for the Indiana toll road. The state will receive \$3.8 billion in proceeds from the lease. Marshall County will receive \$1,228,500 as its share of these proceeds and did receive this money in October 2006.

MARSHALL COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Correctional Facility Lease

In 2006, the County (the lessee) has entered into a capital lease with the Marshall County Holding Corporation (the lessor) for the purpose of leasing certain governmental buildings, including a correctional facility. 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. Estimated project costs are \$21,285,889. Annual lease payments will approximate \$1,215,000 and continue through February 2027. It is anticipated that the facility will be available for occupancy in the fall of 2007.

C. Contingent Liabilities

There are several pending lawsuits in which the County could incur some financial liability in excess of \$100,000. These lawsuits are at various stages of court proceedings.

D. Administration of Welfare Programs

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

E. Pension Plans

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

1. Public Employees' Retirement Fund

Plan Description

The County contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system and give the County authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer 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

MARSHALL COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Funding Policy and Annual Pension Cost

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

2. County Police Retirement Plan

Plan Description

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

Funding Policy and Annual Pension Cost

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

3. County Police Benefit Plan

Plan Description

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

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.

MARSHALL COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Actuarial Information for the Above Plans

	PERF	County Police Retirement Plan	County Police Benefit Plan
Annual required contribution	\$ 224,323	\$ 143,623	\$ 15,481
Interest on net pension obligation	(20,748)	257	-
Adjustment to annual required contribution	23,644	(539)	-
Annual pension cost	227,219	143,341	15,481
Contributions made	241,008	155,808	15,481
Decrease in net pension obligation	(13,789)	(12,467)	-
Net pension obligation, beginning of year	(286,175)	3,949	-
Net pension obligation, end of year	\$ (299,964)	\$ (8,518)	\$ -

	PERF	County Police Retirement Plan	County Police Benefit Plan
Contribution rates:			
County	4.63%	18.19%	1.96%
Plan members	3%	3%	None
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

Actuarial Assumptions

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

MARSHALL COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-03	\$ 248,379	87%	\$ (213,443)
	06-30-04	163,594	144%	(286,175)
	06-30-05	227,219	147%	(299,964)
County Police Retirement Plan	12-31-03	145,964	105.0%	11,663
	12-31-04	142,251	104.9%	3,949
	12-31-05	143,341	108.5%	(8,518)
County Police Benefit Plan	12-31-03	14,527	100%	-
	12-31-04	15,787	100%	-
	12-31-05	15,481	100%	-

MARSHALL 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)
07-01-02	\$ 4,927,559	\$ 4,985,492	\$ (57,933)	99%	\$ 4,744,132	(1%)
07-01-03	4,948,825	4,356,473	592,352	114%	4,597,816	13%
07-01-04	5,007,801	4,858,290	149,511	103%	5,263,382	3%

County Police Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-00	\$ 2,293,908	\$ 2,293,908	\$ -	100%	\$ 659,027	0%
01-01-01	2,554,879	2,554,879	-	100%	719,630	0%
01-01-02	2,838,823	2,838,823	-	100%	754,255	0%
01-01-03	3,021,993	3,429,912	(407,919)	88%	732,172	(56%)
01-01-04	3,320,432	3,708,265	(387,833)	90%	801,270	(48%)
01-01-05	3,556,769	3,929,458	(372,689)	91%	789,460	(47%)

MARSHALL 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

	2006 Property Reassessment	Health	LRS	Identification Security Protection	Accident Report	Firearms Training	Pretrial Diversion
Receipts:							
Taxes	\$ 219,720	\$ 123,883	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	3,810	-
Intergovernmental	30,708	16,551	472,518	-	-	-	-
Charges for services	-	-	-	-	2,755	-	-
Fines and forfeits	-	-	-	105	-	-	139,777
Other	32,706	100,685	-	-	-	-	-
Total receipts	283,134	241,119	472,518	105	2,755	3,810	139,777
Disbursements:							
General government	336,719	-	-	-	-	-	108,729
Public safety	-	-	-	-	13,496	-	-
Highways and streets	-	-	538,682	-	-	-	-
Health and welfare	-	312,431	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total disbursements	336,719	312,431	538,682	-	13,496	-	108,729
Excess (deficiency) of receipts over disbursements	(53,585)	(71,312)	(66,164)	105	(10,741)	3,810	31,048
Other financing sources (uses)							
Interfund loans received	700,000	-	100,000	-	-	-	-
Interfund loans disbursed	(700,000)	-	(100,000)	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(53,585)	(71,312)	(66,164)	105	(10,741)	3,810	31,048
Cash and investment fund balance - beginning	1,218,215	142,569	700,794	-	16,931	36,088	77,503
Cash and investment fund balance - ending	<u>\$ 1,164,630</u>	<u>\$ 71,257</u>	<u>\$ 634,630</u>	<u>\$ 105</u>	<u>\$ 6,190</u>	<u>\$ 39,898</u>	<u>\$ 108,551</u>
Cash and Investment Assets - December 31							
Cash and investments	<u>\$ 1,164,630</u>	<u>\$ 71,257</u>	<u>\$ 634,630</u>	<u>\$ 105</u>	<u>\$ 6,190</u>	<u>\$ 39,898</u>	<u>\$ 108,551</u>
Cash and Investment Fund Balance - December 31							
Unrestricted	<u>\$ 1,164,630</u>	<u>\$ 71,257</u>	<u>\$ 634,630</u>	<u>\$ 105</u>	<u>\$ 6,190</u>	<u>\$ 39,898</u>	<u>\$ 108,551</u>

MARSHALL 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)

	Sheriffs Pretrial Diversion	Prosecutor Title IV-D	Surveyor Corner Perpetuation	Probation Users Fees	County Alcohol and Drug Program	Administrative Probation Fees
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	43,801	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	10,275	62,275	-	-
Other	1,440	-	-	75	-	51,917
Total receipts	1,440	43,801	10,275	62,350	-	51,917
Disbursements:						
General government	-	2,653	12,171	4,787	-	40
Public safety	7,184	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total disbursements	7,184	2,653	12,171	4,787	-	40
Excess (deficiency) of receipts over disbursements	(5,744)	41,148	(1,896)	57,563	-	51,877
Other financing sources (uses)						
Interfund loans received	-	-	-	200,000	-	-
Interfund loans disbursed	-	-	-	(200,000)	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(4,000)	-	(38,274)
Total other financing sources (uses)	-	-	-	(4,000)	-	(38,274)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,744)	41,148	(1,896)	53,563	-	13,603
Cash and investment fund balance - beginning	56,846	29,843	33,606	255,556	253	49,344
Cash and investment fund balance - ending	<u>\$ 51,102</u>	<u>\$ 70,991</u>	<u>\$ 31,710</u>	<u>\$ 309,119</u>	<u>\$ 253</u>	<u>\$ 62,947</u>
Cash and Investment Assets - December 31						
Cash and investments	<u>\$ 51,102</u>	<u>\$ 70,991</u>	<u>\$ 31,710</u>	<u>\$ 309,119</u>	<u>\$ 253</u>	<u>\$ 62,947</u>
Cash and Investment Fund Balance - December 31						
Unrestricted	<u>\$ 51,102</u>	<u>\$ 70,991</u>	<u>\$ 31,710</u>	<u>\$ 309,119</u>	<u>\$ 253</u>	<u>\$ 62,947</u>

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

	County Extradition	County Drug-Free Community	Recorder's Records Perpetuation	Clerk's Records Perpetuation	Plat Book	County Law Enforcement Continuing Education
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	59,433	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	63,526	17,655	9,601	1,640
Other	18,489	772	-	-	-	-
Total receipts	<u>18,489</u>	<u>60,205</u>	<u>63,526</u>	<u>17,655</u>	<u>9,601</u>	<u>1,640</u>
Disbursements:						
General government	9,252	-	73,567	50,655	24,600	-
Public safety	-	56,900	-	-	-	4,833
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total disbursements	<u>9,252</u>	<u>56,900</u>	<u>73,567</u>	<u>50,655</u>	<u>24,600</u>	<u>4,833</u>
Excess (deficiency) of receipts over disbursements	<u>9,237</u>	<u>3,305</u>	<u>(10,041)</u>	<u>(33,000)</u>	<u>(14,999)</u>	<u>(3,193)</u>
Other financing sources (uses)						
Interfund loans received	-	-	-	-	40,000	-
Interfund loans disbursed	-	-	-	-	(40,000)	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<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>9,237</u>	<u>3,305</u>	<u>(10,041)</u>	<u>(33,000)</u>	<u>(14,999)</u>	<u>(3,193)</u>
Cash and investment fund balance - beginning	<u>83,487</u>	<u>96,133</u>	<u>94,421</u>	<u>63,528</u>	<u>47,008</u>	<u>18,156</u>
Cash and investment fund balance - ending	<u>\$ 92,724</u>	<u>\$ 99,438</u>	<u>\$ 84,380</u>	<u>\$ 30,528</u>	<u>\$ 32,009</u>	<u>\$ 14,963</u>
<u>Cash and Investment Assets - December 31</u>						
Cash and investments	<u>\$ 92,724</u>	<u>\$ 99,438</u>	<u>\$ 84,380</u>	<u>\$ 30,528</u>	<u>\$ 32,009</u>	<u>\$ 14,963</u>
<u>Cash and Investment Fund Balance - December 31</u>						
Unrestricted	<u>\$ 92,724</u>	<u>\$ 99,438</u>	<u>\$ 84,380</u>	<u>\$ 30,528</u>	<u>\$ 32,009</u>	<u>\$ 14,963</u>

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

	County User Fee	Local Health Maintenance	Alcohol and Drug Services	Juvenile Probation Services	Misdemeanant	Community Corrections Home Detention
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	50,415	298,065	-	35,000	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	15,548	-	-	-	-	-
Other	-	-	33	-	-	-
Total receipts	15,548	50,415	298,098	-	35,000	-
Disbursements:						
General government	16,028	-	-	-	17,806	-
Public safety	-	-	301,543	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	20,029	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total disbursements	16,028	20,029	301,543	-	17,806	-
Excess (deficiency) of receipts over disbursements	(480)	30,386	(3,445)	-	17,194	-
Other financing sources (uses)						
Interfund loans received	-	-	-	-	-	-
Interfund loans disbursed	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(480)	30,386	(3,445)	-	17,194	-
Cash and investment fund balance - beginning	37,462	11,824	276,138	3,309	145,575	200
Cash and investment fund balance - ending	<u>\$ 36,982</u>	<u>\$ 42,210</u>	<u>\$ 272,693</u>	<u>\$ 3,309</u>	<u>\$ 162,769</u>	<u>\$ 200</u>
Cash and Investment Assets - December 31						
Cash and investments	<u>\$ 36,982</u>	<u>\$ 42,210</u>	<u>\$ 272,693</u>	<u>\$ 3,309</u>	<u>\$ 162,769</u>	<u>\$ 200</u>
Cash and Investment Fund Balance - December 31						
Unrestricted	<u>\$ 36,982</u>	<u>\$ 42,210</u>	<u>\$ 272,693</u>	<u>\$ 3,309</u>	<u>\$ 162,769</u>	<u>\$ 200</u>

MARSHALL 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)

	Clerk Title IV-D	Prior Clerk Title IV-D	Family Support Services	Prosecutor's Continuing Education	Emergency Telephone System	Emergency Planning and Right To Know
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	17,009
Charges for services	-	-	-	-	516,703	-
Fines and forfeits	-	-	-	-	-	-
Other	43,803	-	-	-	-	-
Total receipts	43,803	-	-	-	516,703	17,009
Disbursements:						
General government	16,643	1,212	303	-	-	-
Public safety	-	-	-	-	517,496	15,478
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total disbursements	16,643	1,212	303	-	517,496	15,478
Excess (deficiency) of receipts over disbursements	27,160	(1,212)	(303)	-	(793)	1,531
Other financing sources (uses)						
Interfund loans received	-	-	-	-	-	-
Interfund loans disbursed	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	27,160	(1,212)	(303)	-	(793)	1,531
Cash and investment fund balance - beginning	24,496	8,570	1,693	476	612,796	46,470
Cash and investment fund balance - ending	<u>\$ 51,656</u>	<u>\$ 7,358</u>	<u>\$ 1,390</u>	<u>\$ 476</u>	<u>\$ 612,003</u>	<u>\$ 48,001</u>
Cash and Investment Assets - December 31						
Cash and investments	<u>\$ 51,656</u>	<u>\$ 7,358</u>	<u>\$ 1,390</u>	<u>\$ 476</u>	<u>\$ 612,003</u>	<u>\$ 48,001</u>
Cash and Investment Fund Balance - December 31						
Unrestricted	<u>\$ 51,656</u>	<u>\$ 7,358</u>	<u>\$ 1,390</u>	<u>\$ 476</u>	<u>\$ 612,003</u>	<u>\$ 48,001</u>

MARSHALL 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)

	Guardian Act Litem/Court	Supplemental Public Defender Services	WIC # 1	WIC # 2	Multi-County Drug Task Force # 1	Multi-County Drug Task Force # 2
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	5,566	-	106,906	-	49,916	20,788
Charges for services	-	-	-	-	78	-
Fines and forfeits	-	2,247	-	-	-	-
Other	200	-	27	-	3,952	1,438
Total receipts	5,766	2,247	106,933	-	53,946	22,226
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	24,435	34,419
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	119,355	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total disbursements	-	-	119,355	-	24,435	34,419
Excess (deficiency) of receipts over disbursements	5,766	2,247	(12,422)	-	29,511	(12,193)
Other financing sources (uses)						
Interfund loans received	-	-	-	-	-	-
Interfund loans disbursed	-	-	-	-	-	-
Transfers in	-	-	1,916	-	-	-
Transfers out	-	-	-	(1,916)	-	-
Total other financing sources (uses)	-	-	1,916	(1,916)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	5,766	2,247	(10,506)	(1,916)	29,511	(12,193)
Cash and investment fund balance - beginning	21,790	9,230	3,822	1,916	10,767	26,725
Cash and investment fund balance - ending	<u>\$ 27,556</u>	<u>\$ 11,477</u>	<u>\$ (6,684)</u>	<u>\$ -</u>	<u>\$ 40,278</u>	<u>\$ 14,532</u>
Cash and Investment Assets - December 31						
Cash and investments	<u>\$ 27,556</u>	<u>\$ 11,477</u>	<u>\$ (6,684)</u>	<u>\$ -</u>	<u>\$ 40,278</u>	<u>\$ 14,532</u>
Cash and Investment Fund Balance - December 31						
Unrestricted	<u>\$ 27,556</u>	<u>\$ 11,477</u>	<u>\$ (6,684)</u>	<u>\$ -</u>	<u>\$ 40,278</u>	<u>\$ 14,532</u>

MARSHALL 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)

	Victim Assistance # 1	Victim Assistance # 2	Victim Impact	DARE Grant	Operation Pullover	Shady Rest Donation
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	7,104	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	1,960	-	-	-
Other	-	-	-	14,193	-	-
Total receipts	7,104	-	1,960	14,193	-	-
Disbursements:						
General government	11,247	-	4,401	10,366	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total disbursements	11,247	-	4,401	10,366	-	-
Excess (deficiency) of receipts over disbursements	(4,143)	-	(2,441)	3,827	-	-
Other financing sources (uses)						
Interfund loans received	-	-	-	-	-	-
Interfund loans disbursed	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	(195)	-
Total other financing sources (uses)	-	-	-	-	(195)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(4,143)	-	(2,441)	3,827	(195)	-
Cash and investment fund balance - beginning	4,143	5,280	12,711	38,651	195	588
Cash and investment fund balance - ending	\$ -	\$ 5,280	\$ 10,270	\$ 42,478	\$ -	\$ 588
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ 5,280	\$ 10,270	\$ 42,478	\$ -	\$ 588
Cash and Investment Fund Balance - December 31						
Unrestricted	\$ -	\$ 5,280	\$ 10,270	\$ 42,478	\$ -	\$ 588

MARSHALL 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)

	Campaign Enforcement	Convention and Visitors Bureau	Personal Property Judgment	County Police Equipment Grant	Tobacco Cessation	Road Cut Bonds
Receipts:						
Taxes	\$ -	\$ 181,654	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	858	-	-	5,000
Total receipts	-	181,654	858	-	-	5,000
Disbursements:						
General government	-	-	858	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	5,000
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	179,543	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total disbursements	-	179,543	858	-	-	5,000
Excess (deficiency) of receipts over disbursements	-	2,111	-	-	-	-
Other financing sources (uses)						
Interfund loans received	-	-	-	-	-	-
Interfund loans disbursed	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	2,111	-	-	-	-
Cash and investment fund balance - beginning	80	11,346	2,925	2,000	30,066	7,200
Cash and investment fund balance - ending	<u>\$ 80</u>	<u>\$ 13,457</u>	<u>\$ 2,925</u>	<u>\$ 2,000</u>	<u>\$ 30,066</u>	<u>\$ 7,200</u>
<u>Cash and Investment Assets - December 31</u>						
Cash and investments	<u>\$ 80</u>	<u>\$ 13,457</u>	<u>\$ 2,925</u>	<u>\$ 2,000</u>	<u>\$ 30,066</u>	<u>\$ 7,200</u>
<u>Cash and Investment Fund Balance - December 31</u>						
Unrestricted	<u>\$ 80</u>	<u>\$ 13,457</u>	<u>\$ 2,925</u>	<u>\$ 2,000</u>	<u>\$ 30,066</u>	<u>\$ 7,200</u>

MARSHALL 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)

	Bond Forfeitures	Coroner's Substance Abuse Education	Sales Disclosure	DEA Forfeiture	Levy Excess Special Revenue	Emergency Management Assistance Grants
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	34,483
Charges for services	-	-	-	-	-	-
Fines and forfeits	5,739	-	7,085	13,797	-	-
Other	-	-	-	-	143,930	-
Total receipts	5,739	-	7,085	13,797	143,930	34,483
Disbursements:						
General government	79,446	1,350	-	-	-	-
Public safety	-	-	-	-	-	237,571
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total disbursements	79,446	1,350	-	-	-	237,571
Excess (deficiency) of receipts over disbursements	(73,707)	(1,350)	7,085	13,797	143,930	(203,088)
Other financing sources (uses)						
Interfund loans received	-	-	-	-	-	-
Interfund loans disbursed	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(73,707)	(1,350)	7,085	13,797	143,930	(203,088)
Cash and investment fund balance - beginning	73,707	1,351	18,909	15,337	-	206,364
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 25,994</u>	<u>\$ 29,134</u>	<u>\$ 143,930</u>	<u>\$ 3,276</u>
Cash and Investment Assets - December 31						
Cash and investments	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 25,994</u>	<u>\$ 29,134</u>	<u>\$ 143,930</u>	<u>\$ 3,276</u>
Cash and Investment Fund Balance - December 31						
Unrestricted	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 25,994</u>	<u>\$ 29,134</u>	<u>\$ 143,930</u>	<u>\$ 3,276</u>

MARSHALL 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)

	EPICS	Hemminger House	Cumulative Bridge	Capital Projects Enabling Funds	Cumulative Capital Development	General Drain Improvement
Receipts:						
Taxes	\$ -	\$ -	\$ 552,699	\$ -	\$ 433,379	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	77,712	-	50,258	-
Charges for services	-	-	32,660	101,200	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	85,128	3,917	484	-	24,344
Total receipts	-	85,128	666,988	101,684	483,637	24,344
Disbursements:						
General government	-	-	-	-	-	-
Public safety	118,876	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	56,941	-	-	-	-
Capital outlay	-	-	263,087	23,964	552,562	85,197
Total disbursements	118,876	56,941	263,087	23,964	552,562	85,197
Excess (deficiency) of receipts over disbursements	(118,876)	28,187	403,901	77,720	(68,925)	(60,853)
Other financing sources (uses)						
Interfund loans received	-	-	-	25,000	-	-
Interfund loans disbursed	-	-	-	(25,000)	-	-
Transfers in	-	-	-	-	-	8,858
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	8,858
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(118,876)	28,187	403,901	77,720	(68,925)	(51,995)
Cash and investment fund balance - beginning	120,000	5,084	937,768	29,251	364,894	388,774
Cash and investment fund balance - ending	<u>\$ 1,124</u>	<u>\$ 33,271</u>	<u>\$ 1,341,669</u>	<u>\$ 106,971</u>	<u>\$ 295,969</u>	<u>\$ 336,779</u>
Cash and Investment Assets - December 31						
Cash and investments	<u>\$ 1,124</u>	<u>\$ 33,271</u>	<u>\$ 1,341,669</u>	<u>\$ 106,971</u>	<u>\$ 295,969</u>	<u>\$ 336,779</u>
Cash and Investment Fund Balance - December 31						
Unrestricted	<u>\$ 1,124</u>	<u>\$ 33,271</u>	<u>\$ 1,341,669</u>	<u>\$ 106,971</u>	<u>\$ 295,969</u>	<u>\$ 336,779</u>

MARSHALL 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	Interstate Compact Fees	Rainy Day	Electronic Map Generation	Riverboat Revenue Sharing	Shady Rest Restoration Grant
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	160,607	252,483
Charges for services	47,397	-	-	-	-	-
Fines and forfeits	-	-	-	284	-	-
Other	793	75	-	-	-	-
Total receipts	48,190	75	-	284	160,607	252,483
Disbursements:						
General government	-	75	-	-	-	311,057
Public safety	47,223	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total disbursements	47,223	75	-	-	-	311,057
Excess (deficiency) of receipts over disbursements	967	-	-	284	160,607	(58,574)
Other financing sources (uses)						
Interfund loans received	-	-	400,000	-	160,000	-
Interfund loans disbursed	-	-	(400,000)	-	(160,000)	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	(321,214)	-
Total other financing sources (uses)	-	-	-	-	(321,214)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	967	-	-	284	(160,607)	(58,574)
Cash and investment fund balance - beginning	23,472	-	403,263	231	160,607	75,769
Cash and investment fund balance - ending	<u>\$ 24,439</u>	<u>\$ -</u>	<u>\$ 403,263</u>	<u>\$ 515</u>	<u>\$ -</u>	<u>\$ 17,195</u>
Cash and Investment Assets - December 31						
Cash and investments	<u>\$ 24,439</u>	<u>\$ -</u>	<u>\$ 403,263</u>	<u>\$ 515</u>	<u>\$ -</u>	<u>\$ 17,195</u>
Cash and Investment Fund Balance - December 31						
Unrestricted	<u>\$ 24,439</u>	<u>\$ -</u>	<u>\$ 403,263</u>	<u>\$ 515</u>	<u>\$ -</u>	<u>\$ 17,195</u>

MARSHALL 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)

	Correctional Facility CAGIT	Healthcare for the Indigent	Medical Assistance to Wards	Children with Special Healthcare Needs	DFC - CPRTS	Totals
Receipts:						
Taxes	\$ -	\$ 305,690	\$ 8,691	\$ 69,523	\$ 109,806	\$ 2,005,045
Licenses and permits	-	-	-	-	-	3,810
Intergovernmental	-	-	-	-	15,378	1,804,701
Charges for services	-	-	-	-	-	700,793
Fines and forfeits	-	-	-	-	-	351,514
Other	1,653,170	-	-	-	-	2,187,429
Total receipts	1,653,170	305,690	8,691	69,523	125,184	7,053,292
Disbursements:						
General government	-	-	-	-	-	1,093,965
Public safety	427,743	-	-	-	-	1,807,197
Highways and streets	-	-	-	-	-	543,682
Health and welfare	-	305,690	8,691	69,523	130,805	966,524
Culture and recreation	-	-	-	-	-	236,484
Capital outlay	-	-	-	-	-	924,810
Total disbursements	427,743	305,690	8,691	69,523	130,805	5,572,662
Excess (deficiency) of receipts over disbursements	1,225,427	-	-	-	(5,621)	1,480,630
Other financing sources (uses)						
Interfund loans received	-	-	-	-	-	1,625,000
Interfund loans disbursed	-	-	-	-	-	(1,625,000)
Transfers in	-	-	-	-	-	10,774
Transfers out	-	-	-	-	(92,666)	(458,265)
Total other financing sources (uses)	-	-	-	-	(92,666)	(447,491)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,225,427	-	-	-	(98,287)	1,033,139
Cash and investment fund balance - beginning	623,448	-	-	-	130,264	7,957,218
Cash and investment fund balance - ending	<u>\$ 1,848,875</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,977</u>	<u>\$ 8,990,357</u>
Cash and Investment Assets - December 31						
Cash and investments	<u>\$ 1,848,875</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,977</u>	<u>\$ 8,990,357</u>
Cash and Investment Fund Balance - December 31						
Unrestricted	<u>\$ 1,848,875</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,977</u>	<u>\$ 8,990,357</u>

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

	Welfare Excise Tax Allocation	Coroner's Education Continuing Education	Child Advocacy	Surplus Dog Tax	Welfare Trust	Sheriff
Additions:						
Agency fund additions	\$ 36,601	\$ 3,486	\$ 175	\$ 2,569	\$ 31,716	\$ 1,091,568
Deductions:						
Agency fund deductions	<u>36,601</u>	<u>3,388</u>	<u>-</u>	<u>2,569</u>	<u>16,900</u>	<u>1,091,668</u>
Excess (deficiency) of total additions over total deductions	-	98	175	-	14,816	(100)
Cash and investment fund balance - beginning	<u>-</u>	<u>241</u>	<u>150</u>	<u>-</u>	<u>23,486</u>	<u>256</u>
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 339</u>	<u>\$ 325</u>	<u>\$ -</u>	<u>\$ 38,302</u>	<u>\$ 156</u>

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

	<u>Inmate Trust</u>	<u>Clerk</u>	<u>Recorder</u>	<u>Treasurer</u>	<u>Tax Sale Redemption</u>	<u>Tax Sale Surplus</u>
Additions:						
Agency fund additions	\$ 168,906	\$ 8,181,779	\$ 228,657	\$ 51,765,824	\$ 394,328	\$ 1,245,590
Deductions:						
Agency fund deductions	<u>175,616</u>	<u>8,087,495</u>	<u>218,294</u>	<u>60,909,610</u>	<u>395,720</u>	<u>1,026,089</u>
Excess (deficiency) of total additions over total deductions	(6,710)	94,284	10,363	(9,143,786)	(1,392)	219,501
Cash and investment fund balance - beginning	<u>3,210</u>	<u>687,737</u>	<u>6,365</u>	<u>10,109,074</u>	<u>1,392</u>	<u>904,363</u>
Cash and investment fund balance - ending	<u>\$ (3,500)</u>	<u>\$ 782,021</u>	<u>\$ 16,728</u>	<u>\$ 965,288</u>	<u>\$ -</u>	<u>\$ 1,123,864</u>

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

	State Fees					Surplus Tax
	State Fines and Forfeitures	Fair Board	Forestry	State Sales Disclosure Fee	Inheritance Tax	
Additions:						
Agency fund additions	\$ 96,783	\$ 23,485	\$ 46,971	\$ 7,920	\$ 1,728,554	\$ 126,780
Deductions:						
Agency fund deductions	80,099	23,485	46,971	7,410	1,583,506	40,039
Excess (deficiency) of total additions over total deductions	16,684	-	-	510	145,048	86,741
Cash and investment fund balance - beginning	12,807	-	-	-	139,235	29,918
Cash and investment fund balance - ending	<u>\$ 29,491</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 510</u>	<u>\$ 284,283</u>	<u>\$ 116,659</u>

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

	Congressional Interest	Victim Assistance Donation	Tax Distribution	Payroll	City and Town Court Costs	Infraction Judgments
Additions:						
Agency fund additions	\$ 620	\$ -	\$ 64,025,520	\$ 9,245,831	\$ 22,194	\$ 161,927
Deductions:						
Agency fund deductions	849	15	64,025,520	9,273,410	-	162,163
Excess (deficiency) of total additions over total deductions	(229)	(15)	-	(27,579)	22,194	(236)
Cash and investment fund balance - beginning	18,808	45	-	147,288	94,012	12,930
Cash and investment fund balance - ending	<u>\$ 18,579</u>	<u>\$ 30</u>	<u>\$ -</u>	<u>\$ 119,709</u>	<u>\$ 116,206</u>	<u>\$ 12,694</u>

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

	Additional Judgment Excise Tax	Overweight Vehicle Fines	Military Fines	Special Assessments	Education Plate Fees	Mortgage Fees
Additions:						
Agency fund additions	\$ -	\$ 2,571	\$ -	\$ 16,459	\$ 2,063	\$ 7,213
Deductions:						
Agency fund deductions	-	2,571	-	15,971	1,819	6,555
Excess (deficiency) of total additions over total deductions	-	-	-	488	244	658
Cash and investment fund balance - beginning	2,649	-	4	-	56	-
Cash and investment fund balance - ending	<u>\$ 2,649</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ 488</u>	<u>\$ 300</u>	<u>\$ 658</u>

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

	HAVA Title 3	Special Death Benefit	Child Restraint Violation Fines	State Settlement	Total
Additions:					
Agency fund additions	\$ 149,300	\$ 2,541	\$ 750	\$ 119,279	\$ 138,937,960
Deductions:					
Agency fund deductions	149,300	1,881	700	119,279	147,505,493
Excess (deficiency) of total additions over total deductions	-	660	50	-	(8,567,533)
Cash and investment fund balance - beginning	-	-	-	-	12,194,026
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 660</u>	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ 3,626,493</u>

MARSHALL COUNTY
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2005

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 964,988
Infrastructure	50,465,607
Buildings	8,101,689
Machinery and equipment	7,438,622
Construction in progress	<u>480,227</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 67,451,133</u>

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

<u>Description of Asset</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Postage Machine Lease	\$ 24,584	\$ 3,412

MARSHALL COUNTY
OTHER REPORT

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

County Sheriff

(This page intentionally left blank.)

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 MARSHALL COUNTY, INDIANA

Compliance

We have audited the compliance of the Marshall 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.

Internal Control Over Compliance

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

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

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

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

STATE BOARD OF ACCOUNTS

October 10, 2006

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

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Pass-Through Indiana State Department of Health Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	FY 2006	\$ <u>106,906</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Pass-Through Indiana Department of Commerce Community Development Block Grants/State's Program	14.228	CF-01-135	<u>252,483</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Pass-Through Indiana Criminal Justice Institute Crime Victim Assistance	16.575	FY 06 #1	<u>7,104</u>
Byrne Formula Grant Program	16.579	03 DB 035 04 DB 032	<u>20,788</u> <u>24,435</u>
Total for program			<u>45,223</u>
Total for federal grantor agency			<u>52,327</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation Highway Planning and Construction Cluster Highway Planning and Construction	20.205	STP 9950 (044) Bridge #1 Bridge #2	127,828 14,516 <u>18,144</u>
Total for cluster			<u>160,488</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-Through Indiana State Department of Health Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	Public Health	<u>44,948</u>
Pass-Through Indiana Department of Children's Services Child Support Enforcement	93.563	FY 2005	<u>208,253</u>
Total for federal grantor agency			<u>253,201</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security Homeland Security Grant Program	97.004	Equipment Support	<u>34,483</u>
Total federal awards expended			<u>\$ 859,888</u>

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

MARSHALL 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 Marshall 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 sub-recipients as follows for the year ended December 31, 2005:

Program Title	Federal CFDA Number	2005
Community Development Block Grants/State's Program	14.228	<u>\$ 252,483</u>

MARSHALL COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Qualified

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

Noncompliance material to financial statements noted? no

Federal Awards:

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

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

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

Identification of Major Programs:

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

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

MARSHALL COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

MARSHALL COUNTY
EXIT CONFERENCE

The contents of this report were discussed on October 31, 2006, with Jan Allen Quivey, Auditor.