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**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

ANNUAL FINANCIAL REPORT

2005

FAYETTE COUNTY, INDIANA



**FILED**  
12/29/2006



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Jane L. Klemme	01-01-04 to 12-31-07
Treasurer	Debra Shaw Kidd	01-01-05 to 12-31-08
Clerk	Melinda Sudhoff	01-01-03 to 12-31-06
Sheriff	Franklin Jackson	01-01-03 to 12-31-06
Recorder	Ann Frost	01-01-03 to 12-31-06
President of the Board of County Commissioners	Russell Sidell, Jr.	01-01-05 to 12-31-06
President of the County Council	Richard Pflum	01-01-05 to 12-31-06



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF FAYETTE COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Fayette 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.

In our opinion, 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 November 27, 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.

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.

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

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

November 27, 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 FAYETTE COUNTY, INDIANA

We have audited the financial statements of Fayette County (County), as of and for the year ended December 31, 2005, and have issued our report thereon dated November 27, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

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

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

STATE BOARD OF ACCOUNTS

November 27, 2006

FAYETTE 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>	<u>Program Receipts</u>		<u>Net (Disbursement) Receipt and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
				<u>Primary Government</u>
				<u>Governmental Activities</u>
Primary government:				
Governmental activities:				
General government	\$ 4,874,451	\$ 294,590	\$ 256,493	\$ -
Public safety	4,628,425	748,945	425,708	448,200
Highways and streets	2,285,857	266,177	1,338,338	-
Sanitation	39,375	-	-	-
Health and welfare	4,263,999	1,238,410	475,700	-
Economic development	110,385	-	7,143	-
Culture and recreation	6,503	-	-	-
Capital outlay	124,458	13,599	-	-
	<u>\$ 16,333,453</u>	<u>\$ 2,561,721</u>	<u>\$ 2,503,382</u>	<u>\$ 448,200</u>
Total primary government				<u>(10,820,150)</u>
General receipts:				
Property taxes				6,637,621
Other local sources				3,832,328
Grants and contributions not restricted to specific programs				2,075
Unrestricted investment earnings				<u>230,389</u>
Total general receipts, special items, and transfers				<u>10,702,413</u>
Change in net assets				(117,737)
Net assets - beginning				<u>9,676,210</u>
Net assets - ending				<u>\$ 9,558,473</u>
<u>Assets</u>				
Cash and investments				\$ 1,113,067
Restricted assets:				
Cash and investments				<u>8,445,406</u>
Total assets				<u>\$ 9,558,473</u>
<u>Net Assets</u>				
Restricted for:				
General government				\$ 3,391,933
Public safety				1,387,091
Highways and streets				1,977,653
Sanitation				2,329
Health and welfare				961,924
Economic development				273,627
Debt service				450,849
Unrestricted				<u>1,113,067</u>
Total net assets				<u>\$ 9,558,473</u>

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

FAYETTE 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 Family and Children	Cumulative Bridge	Cumulative Capital Development	Other Governmental Funds	Totals
<b>Receipts:</b>						
Taxes	\$ 3,255,437	\$ 1,829,149	\$ 329,248	\$ 240,359	\$ 983,428	\$ 6,637,621
Licenses and permits	24,665	-	-	-	28,135	52,800
Intergovernmental	2,299,049	380,224	31,850	23,288	3,793,097	6,527,508
Charges for services	593,446	1,089,457	13,599	-	555,964	2,252,466
Fines and forfeits	98,911	-	-	-	157,544	256,455
Other	334,573	-	-	200	153,933	488,706
<b>Total receipts</b>	<b>6,606,081</b>	<b>3,298,830</b>	<b>374,697</b>	<b>263,847</b>	<b>5,672,101</b>	<b>16,215,556</b>
<b>Disbursements:</b>						
General government	3,805,330	-	-	200,024	504,097	4,509,451
Public safety	2,444,445	-	-	-	1,653,905	4,098,350
Highways and streets	88,981	-	-	-	2,196,876	2,285,857
Sanitation	39,375	-	-	-	-	39,375
Health and welfare	123,173	3,423,072	-	-	717,754	4,263,999
Culture and recreation	6,503	-	-	-	-	6,503
Economic development	69,414	-	-	-	40,971	110,385
Debt service:						
Principal	-	-	-	-	455,000	455,000
Interest	-	-	-	-	440,075	440,075
Capital outlay:						
Highways and streets	-	-	124,458	-	-	124,458
<b>Total disbursements</b>	<b>6,577,221</b>	<b>3,423,072</b>	<b>124,458</b>	<b>200,024</b>	<b>6,008,678</b>	<b>16,333,453</b>
Excess (deficiency) of revenue over disbursements	28,860	(124,242)	250,239	63,823	(336,577)	(117,897)
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	-	135,000	135,000
Transfers out	-	-	-	-	(135,000)	(135,000)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	28,860	(124,242)	250,239	63,823	(336,577)	(117,897)
Cash and investment fund balance - beginning	1,084,207	498,957	1,004,072	1,937,027	5,146,817	9,671,080
Cash and investment fund balance - ending	<u>\$ 1,113,067</u>	<u>\$ 374,715</u>	<u>\$ 1,254,311</u>	<u>\$ 2,000,850</u>	<u>\$ 4,810,240</u>	9,553,183
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.						
						5,290
Net assets of governmental activities						<u>\$ 9,558,473</u>
<b>Cash and Investment Assets - December 31</b>						
Cash and investments	\$ 1,113,067	\$ -	\$ -	\$ -	\$ -	\$ 1,113,067
Restricted assets:						
Cash and investments	-	374,715	1,254,311	2,000,850	4,810,240	8,440,116
<b>Total cash and investment assets - December 31</b>	<u>\$ 1,113,067</u>	<u>\$ 374,715</u>	<u>\$ 1,254,311</u>	<u>\$ 2,000,850</u>	<u>\$ 4,810,240</u>	<u>\$ 9,553,183</u>
<b>Cash and Investment Fund Balance - December 31</b>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ 2,000,850	\$ 1,391,082	\$ 3,391,932
Public safety	-	-	-	-	1,387,091	1,387,091
Highways and streets	-	-	1,254,311	-	723,343	1,977,654
Sanitation	-	-	-	-	2,329	2,329
Health and welfare	-	374,715	-	-	581,919	956,634
Economic development	-	-	-	-	273,627	273,627
Debt service	-	-	-	-	450,849	450,849
Unrestricted	1,113,067	-	-	-	-	1,113,067
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 1,113,067</u>	<u>\$ 374,715</u>	<u>\$ 1,254,311</u>	<u>\$ 2,000,850</u>	<u>\$ 4,810,240</u>	<u>\$ 9,553,183</u>

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

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

	Internal Service Funds
Operating receipts:	
Other receipts	\$ 160
Cash and investment fund balance - beginning	5,130
Cash and investment fund balance - ending	\$ 5,130
<u>Cash and Investment Assets - December 31</u>	
Restricted assets:	\$ 5,290
<u>Cash and Investment Fund Balance - December 31</u>	
Restricted for:	
Medical insurance	\$ 5,290

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

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

	Pension Trust Funds	Investment Trust Funds	Agency Funds
Additions:			
Contributions:			
Employer	\$ 88,493	\$ -	\$ -
Plan members	<u>9,268</u>	<u>-</u>	<u>-</u>
Total contributions	<u>97,761</u>	<u>-</u>	<u>-</u>
Investment earnings:			
Net increase in fair value of investments	28,582	-	-
Interest	<u>33,970</u>	<u>-</u>	<u>-</u>
Total investment earnings	<u>62,552</u>	<u>-</u>	<u>-</u>
Agency fund additions	<u>-</u>	<u>-</u>	<u>71,927,854</u>
Total additions	<u>160,313</u>	<u>-</u>	<u>71,927,854</u>
Deductions:			
Benefits	92,476	-	-
Administrative and general	20,434	-	-
Agency fund deductions	<u>-</u>	<u>-</u>	<u>75,221,215</u>
Total deductions	<u>112,910</u>	<u>-</u>	<u>75,221,215</u>
Excess (deficiency) of total additions over total deductions	47,403	-	(3,293,361)
Cash and investment fund balance - beginning	<u>1,185,094</u>	<u>19,515</u>	<u>5,314,201</u>
Cash and investment fund balance - ending	<u>\$ 1,232,497</u>	<u>\$ 19,515</u>	<u>\$ 2,020,840</u>

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

FAYETTE 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: Fayette County

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

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 Everton Regional Sewer District.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other 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 family and children fund accounts for financial resources restricted for welfare expenditures.

The cumulative bridge fund accounts for financial resources restricted for capital expenditures on county bridges.

FAYETTE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

The cumulative capital development fund accounts for financial resources restricted for capital expenditures.

Additionally, the County reports the following fund types:

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

The pension trust funds account for the activities of the County Police Retirement Plan and the County Police Benefit Plan, which accumulate resources for pension benefit payments.

Agency funds account for assets held by the County as an agent for the State, 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

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.

FAYETTE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

3. Long-Term Debt

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

4. Equity Classification

Government-Wide Statements

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

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling 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

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.

FAYETTE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Fund Financial Statements

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

Government-Wide Financial Statements

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

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 and Net Assets – 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

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.

Prior to the first required publication, 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.

FAYETTE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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, all 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 Plans
Corporate Bonds	\$ 98,159
Mutual Funds	180,817
Equity Stocks	545,015
Total	\$ 823,991

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

FAYETTE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
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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 corporate bonds in the amount of \$98,159. All of these investments are held by the investment's counterparty, not in the name of the Sheriff's Pension Plan.

Interest Rate Risk

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

Sheriff's Retirement and Benefit Pension Plans:

Investment Type	Investment Maturities (in Years)		
	Less Than 1	1-2	More Than 2
Corporate Bonds	\$ -	\$ -	\$ 98,159

FAYETTE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
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Credit Risk

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

Sheriff's Retirement and Benefit Pension Plans:

<u>Fitch Rating</u>	<u>Corporate Bonds</u>
A	\$ 22,265
BBB	71,294
BB	<u>4,600</u>
Total	<u>\$ 98,159</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.

B. Interfund Transfers

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

<u>Transfer From</u>	<u>Transfer To</u>	<u>2005</u>
Other governmental	Other governmental	<u>\$ 135,000</u>

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

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.

FAYETTE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; medical benefits to employees, retirees, and dependents (excluding postemployment benefits); and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

Job Related Illnesses or Injuries to Employees

During 2001, the County joined with other governmental entities in the Indiana Public Employers' Plan, Inc., (IPEP) a public entity risk pool currently operating as a common risk management and insurance program for 350 member governmental entities. This risk pool was formed in 1990. The purpose of the risk pool is to provide a medium for the funding and administration of workers' compensation coverage. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$1,000,000 per insured event.

B. Holding Corporation

The County has entered into capital leases with the Fayette County 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 \$893,575.

C. Postemployment Benefits

In addition to the pension benefits described below, the County provides postemployment health insurance benefits, as authorized by Indiana Code 5-10-8, to all employees who retire from the County on or after attaining age 55 with at least 12 years of service. Currently, 3 retirees meet these eligibility requirements. The County (and retirees) provide from 45% to 85% (and 15% to 55%, respectively, depending on years of service) of these postemployment benefits. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. During the year ended December 31, 2005, disbursements of \$15,222 were recognized for postemployment benefits.

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,

FAYETTE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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.

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.

FAYETTE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
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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	\$ 171,416	\$ 40,386	\$ 39,429
Interest on net pension obligation	(2,800)	(1,812)	-
Adjustment to annual required contribution	3,191	3,035	-
Annual pension cost	171,807	41,609	39,429
Contributions made	190,895	40,245	39,429
Increase (decrease) in net pension obligation	(19,088)	1,364	-
Net pension obligation, beginning of year	(38,619)	(25,891)	-
Net pension obligation, end of year	\$ (57,707)	\$ (24,527)	\$ -

	PERF	County Police Retirement Plan	County Police Benefit Plan
Contribution rates:			
County	5.5%	14%	15%
Plan members	3%	6%	6%
Actuarial valuation date	07-01-05	01-01-05	01-01-05
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	None
Amortization period (from date)	07-01-97	12-31-97	-
Asset valuation method	4 year smoothed Market	Market value	Market value

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%

FAYETTE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
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Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-03	\$ 215,115	82%	\$ (25,662)
	06-30-04	167,823	108%	(38,619)
	06-30-05	171,807	114%	(57,707)
County Police Retirement Plan	12-31-03	29,586	100%	(27,175)
	12-31-04	34,131	100%	(25,891)
	12-31-05	40,386	100%	(24,527)
County Police Benefit Plan	12-31-03	49,944	100%	-
	12-31-04	44,415	100%	-
	12-31-05	39,429	100%	-

FAYETTE COUNTY  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-03	\$ 3,355,235	\$ 3,576,792	\$ (221,557)	94%	\$ 3,381,448	(7%)
07-01-04	3,412,060	3,700,544	(288,484)	92%	3,224,307	(9%)
07-01-05	3,563,855	4,281,257	(717,402)	83%	3,375,501	(21%)

County Police Retirement Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-01	\$ 1,269,659	\$ 1,269,659	\$ -	100%	\$ 296,428	0%
01-01-02	1,238,206	1,238,206	-	100%	269,946	0%
01-01-03	1,139,512	1,139,512	-	100%	273,096	0%
01-01-04	1,159,421	1,159,421	-	100%	297,769	0%
01-01-05	1,174,709	1,174,709	-	100%	267,514	0%
01-01-06	1,257,478	1,257,478	-	100%	288,206	0%

FAYETTE 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

	Bond Proceeds	County Highway	Local Road and Street	Property Reassessment	County Health	Accident Report
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ (52,207)	\$ 167,256	\$ -
Licenses and permits	-	-	-	-	26,215	-
Intergovernmental	-	1,259,612	404,148	7,289	12,613	-
Charges for services	-	-	266,177	-	29,931	702
Fines and forfeits	-	-	-	-	-	-
Other	27,302	10,693	1,090	2,194	-	-
<b>Total receipts</b>	<b>27,302</b>	<b>1,270,305</b>	<b>671,415</b>	<b>(42,724)</b>	<b>236,015</b>	<b>702</b>
Disbursements:						
General government	227,021	-	-	71,163	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	1,393,082	723,194	-	-	-
Health and welfare	-	-	-	-	209,510	-
Economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<b>Total disbursements</b>	<b>227,021</b>	<b>1,393,082</b>	<b>723,194</b>	<b>71,163</b>	<b>209,510</b>	<b>-</b>
Excess (deficiency) of revenue over disbursements	(199,719)	(122,777)	(51,779)	(113,887)	26,505	702
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(199,719)	(122,777)	(51,779)	(113,887)	26,505	702
Cash and investment fund balance - beginning	955,064	455,245	434,611	338,210	34,640	1,172
Cash and investment fund balance - ending	\$ 755,345	\$ 332,468	\$ 382,832	\$ 224,323	\$ 61,145	\$ 1,874
<b>Cash and Investment Assets - December 31</b>						
Restricted assets:						
Cash and investments	\$ 755,345	\$ 332,468	\$ 382,832	\$ 224,323	\$ 61,145	\$ 1,874
<b>Cash and Investment Fund Balance - December 31</b>						
Restricted for:						
General government	\$ 755,345	\$ -	\$ -	\$ 224,323	\$ -	\$ -
Public safety	-	-	-	-	-	1,874
Highways and streets	-	332,468	382,832	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	61,145	-
Economic development	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 755,345</b>	<b>\$ 332,468</b>	<b>\$ 382,832</b>	<b>\$ 224,323</b>	<b>\$ 61,145</b>	<b>\$ 1,874</b>

FAYETTE 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	Co. Surveyor Corner Perpetuation	Supplemental Juvenile Probation	Supplemental Adult Probation	Pre-Trial Diversion	Prosecutor IV-D
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	1,920	-	-	-	-	-
Intergovernmental	-	-	-	-	-	13,529
Charges for services	-	5,030	3,903	33,861	-	-
Fines and forfeits	-	-	-	-	23,850	-
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>1,920</b>	<b>5,030</b>	<b>3,903</b>	<b>33,861</b>	<b>23,850</b>	<b>13,529</b>
Disbursements:						
General government	-	5,772	-	-	-	-
Public safety	58	-	241	17,908	23,250	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	14,798
Economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<b>Total disbursements</b>	<b>58</b>	<b>5,772</b>	<b>241</b>	<b>17,908</b>	<b>23,250</b>	<b>14,798</b>
Excess (deficiency) of revenue over disbursements	1,862	(742)	3,662	15,953	600	(1,269)
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,862	(742)	3,662	15,953	600	(1,269)
Cash and investment fund balance - beginning	681	18,576	17,903	82,869	13,181	11,566
Cash and investment fund balance - ending	<u>\$ 2,543</u>	<u>\$ 17,834</u>	<u>\$ 21,565</u>	<u>\$ 98,822</u>	<u>\$ 13,781</u>	<u>\$ 10,297</u>
<u>Cash and Investment Assets - December 31</u>						
Restricted assets:						
Cash and investments	<u>\$ 2,543</u>	<u>\$ 17,834</u>	<u>\$ 21,565</u>	<u>\$ 98,822</u>	<u>\$ 13,781</u>	<u>\$ 10,297</u>
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
General government	\$ -	\$ 17,834	\$ -	\$ -	\$ -	\$ -
Public safety	2,543	-	21,565	98,822	13,781	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	10,297
Economic development	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 2,543</u>	<u>\$ 17,834</u>	<u>\$ 21,565</u>	<u>\$ 98,822</u>	<u>\$ 13,781</u>	<u>\$ 10,297</u>

FAYETTE 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)

	CASA Donations	Community Drug Free	County Extradition	Recorder's Records Perpetuation	Clerk's Records Perpetuation	Election/ Registration
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	26,862	-	-
Fines and forfeits	-	29,290	-	-	7,848	-
Other	925	-	-	-	-	-
<b>Total receipts</b>	<b>925</b>	<b>29,290</b>	<b>-</b>	<b>26,862</b>	<b>7,848</b>	<b>-</b>
Disbursements:						
General government	-	-	3,650	15,632	-	-
Public safety	1,743	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<b>Total disbursements</b>	<b>1,743</b>	<b>-</b>	<b>3,650</b>	<b>15,632</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenue over disbursements	(818)	29,290	(3,650)	11,230	7,848	-
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(818)	29,290	(3,650)	11,230	7,848	-
Cash and investment fund balance - beginning	877	17,213	5,361	27,703	27,255	463
Cash and investment fund balance - ending	\$ 59	\$ 46,503	\$ 1,711	\$ 38,933	\$ 35,103	\$ 463
<b>Cash and Investment Assets - December 31</b>						
Restricted assets:						
Cash and investments	\$ 59	\$ 46,503	\$ 1,711	\$ 38,933	\$ 35,103	\$ 463
<b>Cash and Investment Fund Balance - December 31</b>						
Restricted for:						
General government	\$ -	\$ -	\$ 1,711	\$ 38,933	\$ 35,103	\$ 463
Public safety	59	46,503	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 59</b>	<b>\$ 46,503</b>	<b>\$ 1,711</b>	<b>\$ 38,933</b>	<b>\$ 35,103</b>	<b>\$ 463</b>

FAYETTE 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)

	Hazardous Materials	User Fee	Covered Bridge	Health Maintenance	Community Corrections Adult	Animal Shelter Donations
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	1,250	33,156	147,807	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	6,237	-	-	-	-
Other	-	-	-	-	-	1,150
<b>Total receipts</b>	<b>-</b>	<b>6,237</b>	<b>1,250</b>	<b>33,156</b>	<b>147,807</b>	<b>1,150</b>
Disbursements:						
General government	-	3,906	872	-	-	-
Public safety	-	-	-	-	203,037	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	14,350	-	53,253
Economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>3,906</b>	<b>872</b>	<b>14,350</b>	<b>203,037</b>	<b>53,253</b>
Excess (deficiency) of revenue over disbursements	-	2,331	378	18,806	(55,230)	(52,103)
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(23,000)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(23,000)</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	2,331	378	(4,194)	(55,230)	(52,103)
Cash and investment fund balance - beginning	5,687	34,731	3,400	33,254	111,100	52,409
Cash and investment fund balance - ending	<u>\$ 5,687</u>	<u>\$ 37,062</u>	<u>\$ 3,778</u>	<u>\$ 29,060</u>	<u>\$ 55,870</u>	<u>\$ 306</u>
<b>Cash and Investment Assets - December 31</b>						
Restricted assets:						
Cash and investments	<u>\$ 5,687</u>	<u>\$ 37,062</u>	<u>\$ 3,778</u>	<u>\$ 29,060</u>	<u>\$ 55,870</u>	<u>\$ 306</u>
<b>Cash and Investment Fund Balance - December 31</b>						
Restricted for:						
General government	\$ -	\$ 37,062	\$ 3,778	\$ -	\$ -	\$ -
Public safety	5,687	-	-	-	55,870	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	29,060	-	306
Economic development	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<b><u>\$ 5,687</u></b>	<b><u>\$ 37,062</u></b>	<b><u>\$ 3,778</u></b>	<b><u>\$ 29,060</u></b>	<b><u>\$ 55,870</u></b>	<b><u>\$ 306</u></b>

FAYETTE 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 Panning and Right to Know	County Drug Free Community	Emergency Telephone System 911	Guardian Ad Litem CASA	Plat Book	Supplemental Public Defender
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	6,672	194,656	6,216	-	-
Charges for services	-	-	140,817	-	4,955	-
Fines and forfeits	-	-	-	-	-	56,912
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>6,672</b>	<b>335,473</b>	<b>6,216</b>	<b>4,955</b>	<b>56,912</b>
Disbursements:						
General government	-	-	-	-	8,129	-
Public safety	-	6,086	362,048	816	-	59,180
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>6,086</b>	<b>362,048</b>	<b>816</b>	<b>8,129</b>	<b>59,180</b>
Excess (deficiency) of revenue over disbursements	-	586	(26,575)	5,400	(3,174)	(2,268)
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(12,000)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(12,000)</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	586	(26,575)	(6,600)	(3,174)	(2,268)
Cash and investment fund balance - beginning	341	3,384	47,797	9,830	11,656	39,872
Cash and investment fund balance - ending	<u>\$ 341</u>	<u>\$ 3,970</u>	<u>\$ 21,222</u>	<u>\$ 3,230</u>	<u>\$ 8,482</u>	<u>\$ 37,604</u>
<b>Cash and Investment Assets - December 31</b>						
Restricted assets:						
Cash and investments	<u>\$ 341</u>	<u>\$ 3,970</u>	<u>\$ 21,222</u>	<u>\$ 3,230</u>	<u>\$ 8,482</u>	<u>\$ 37,604</u>
<b>Cash and Investment Fund Balance - December 31</b>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ 8,482	\$ -
Public safety	341	3,970	21,222	3,230	-	37,604
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 341</u>	<u>\$ 3,970</u>	<u>\$ 21,222</u>	<u>\$ 3,230</u>	<u>\$ 8,482</u>	<u>\$ 37,604</u>

FAYETTE 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)

	Southern By-Pass	Community Corrections Project Income	County Law Enforcement Continuing Education	Community Corrections Juvenile	Holdover Supervisor	Deferral Program
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	117,980	-	40,686	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	7,022
Other	-	10,415	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>128,395</b>	<b>-</b>	<b>40,686</b>	<b>-</b>	<b>7,022</b>
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	26,589	-	46,875	-	-
Highways and streets	1,874	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<b>Total disbursements</b>	<b>1,874</b>	<b>26,589</b>	<b>-</b>	<b>46,875</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenue over disbursements	(1,874)	101,806	-	(6,189)	-	7,022
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,874)	101,806	-	(6,189)	-	7,022
Cash and investment fund balance - beginning	9,917	621,433	701	27,376	200	11,827
Cash and investment fund balance - ending	\$ 8,043	\$ 723,239	\$ 701	\$ 21,187	\$ 200	\$ 18,849
<u>Cash and Investment Assets - December 31</u>						
Restricted assets:						
Cash and investments	\$ 8,043	\$ 723,239	\$ 701	\$ 21,187	\$ 200	\$ 18,849
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	723,239	701	21,187	200	18,849
Highways and streets	8,043	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 8,043</b>	<b>\$ 723,239</b>	<b>\$ 701</b>	<b>\$ 21,187</b>	<b>\$ 200</b>	<b>\$ 18,849</b>

FAYETTE 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)

	Solid Waste Landfill	County Cemetery	Violence and Victim Assistance	Clerk's IV-D Incentive	Tobacco Settlement	Victim's Assistance Advocates
Receipts:						
Taxes	\$ -	\$ 18,422	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	1,851	65,792	13,060	24,070	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>20,273</b>	<b>65,792</b>	<b>13,060</b>	<b>24,070</b>	<b>-</b>
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	88,010	-	-	1,780
Highways and streets	-	-	-	-	-	-
Health and welfare	-	47,497	-	-	28,210	-
Economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>47,497</b>	<b>88,010</b>	<b>-</b>	<b>28,210</b>	<b>1,780</b>
Excess (deficiency) of revenue over disbursements	-	(27,224)	(22,218)	13,060	(4,140)	(1,780)
Other financing sources (uses)						
Transfers in	-	-	12,000	-	-	-
Transfers out	-	-	-	-	(20,000)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>12,000</b>	<b>-</b>	<b>(20,000)</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(27,224)	(10,218)	13,060	(24,140)	(1,780)
Cash and investment fund balance - beginning	2,329	34,276	13,414	24,801	35,624	1,780
Cash and investment fund balance - ending	\$ 2,329	\$ 7,052	\$ 3,196	\$ 37,861	\$ 11,484	\$ -
<u>Cash and Investment Assets - December 31</u>						
Restricted assets:						
Cash and investments	\$ 2,329	\$ 7,052	\$ 3,196	\$ 37,861	\$ 11,484	\$ -
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	3,196	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	2,329	-	-	-	-	-
Health and welfare	-	7,052	-	37,861	11,484	-
Economic development	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 2,329</b>	<b>\$ 7,052</b>	<b>\$ 3,196</b>	<b>\$ 37,861</b>	<b>\$ 11,484</b>	<b>\$ -</b>

FAYETTE 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)

	Regional Planning	Neighborhood Watch	Felony Fund	Administrative Fees	Day Reporting Community Corrections	Stop Grant
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	35,218	4,462
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	7,404	-	-
Other	7,820	-	-	-	-	-
<b>Total receipts</b>	<b>7,820</b>	<b>-</b>	<b>-</b>	<b>7,404</b>	<b>35,218</b>	<b>4,462</b>
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	35,412	10,321
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35,412</b>	<b>10,321</b>
Excess (deficiency) of revenue over disbursements	7,820	-	-	7,404	(194)	(5,859)
Other financing sources (uses)						
Transfers in	80,000	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>80,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	87,820	-	-	7,404	(194)	(5,859)
Cash and investment fund balance - beginning	134,337	101	501	46,670	2,910	5,821
Cash and investment fund balance - ending	\$ 222,157	\$ 101	\$ 501	\$ 54,074	\$ 2,716	\$ (38)
<b>Cash and Investment Assets - December 31</b>						
Restricted assets:						
Cash and investments	\$ 222,157	\$ 101	\$ 501	\$ 54,074	\$ 2,716	\$ (38)
<b>Cash and Investment Fund Balance - December 31</b>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ 54,074	\$ -	\$ -
Public safety	-	101	501	-	2,716	(38)
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	222,157	-	-	-	-	-
Debt service	-	-	-	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 222,157</b>	<b>\$ 101</b>	<b>\$ 501</b>	<b>\$ 54,074</b>	<b>\$ 2,716</b>	<b>\$ (38)</b>

FAYETTE 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)

	Orange Planning Grant	Wireless Emergency Telephone	Senior Center Transportation Grant	Operation Pullover	J.A.I.B.G. Grant	Drainage Maintenance
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,529
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	84,577	78,726	875	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>84,577</b>	<b>78,726</b>	<b>875</b>	<b>-</b>	<b>2,529</b>
Disbursements:						
General government	-	-	-	-	-	4,798
Public safety	-	22,257	-	762	6,684	-
Highways and streets	-	-	78,726	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	472	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<b>Total disbursements</b>	<b>472</b>	<b>22,257</b>	<b>78,726</b>	<b>762</b>	<b>6,684</b>	<b>4,798</b>
Excess (deficiency) of revenue over disbursements	(472)	62,320	-	113	(6,684)	(2,269)
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(472)	62,320	-	113	(6,684)	(2,269)
Cash and investment fund balance - beginning	41,101	65,670	-	-	6,684	27,468
Cash and investment fund balance - ending	<u>\$ 40,629</u>	<u>\$ 127,990</u>	<u>\$ -</u>	<u>\$ 113</u>	<u>\$ -</u>	<u>\$ 25,199</u>
<b>Cash and Investment Assets - December 31</b>						
Restricted assets:						
Cash and investments	<u>\$ 40,629</u>	<u>\$ 127,990</u>	<u>\$ -</u>	<u>\$ 113</u>	<u>\$ -</u>	<u>\$ 25,199</u>
<b>Cash and Investment Fund Balance - December 31</b>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,199
Public safety	-	127,990	-	113	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	40,629	-	-	-	-	-
Debt service	-	-	-	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<b><u>\$ 40,629</u></b>	<b><u>\$ 127,990</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 113</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 25,199</u></b>

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

	Child Care Development Grant	Adult Probation Administration Fees	Health Fitness Grant	Dental Health Grant	West Nile Control	Bioterrorism Grant
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	1,999	-	1,000	-
Charges for services	-	-	-	-	-	43,726
Fines and forfeits	-	18,981	-	-	-	-
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>18,981</b>	<b>1,999</b>	<b>-</b>	<b>1,000</b>	<b>43,726</b>
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	22,177	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	1,999	-	2,947	58,673
Economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>22,177</b>	<b>1,999</b>	<b>-</b>	<b>2,947</b>	<b>58,673</b>
Excess (deficiency) of revenue over disbursements	-	(3,196)	-	-	(1,947)	(14,947)
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(3,196)	-	-	(1,947)	(14,947)
Cash and investment fund balance - beginning	421	6,687	-	93	1,947	17,674
Cash and investment fund balance - ending	<u>421</u>	<u>3,491</u>	<u>-</u>	<u>93</u>	<u>-</u>	<u>2,727</u>
<b>Cash and Investment Assets - December 31</b>						
Restricted assets:						
Cash and investments	<u>421</u>	<u>3,491</u>	<u>-</u>	<u>93</u>	<u>-</u>	<u>2,727</u>
<b>Cash and Investment Fund Balance - December 31</b>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	3,491	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	421	-	-	93	-	2,727
Economic development	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<b><u>421</u></b>	<b><u>3,491</u></b>	<b><u>-</u></b>	<b><u>93</u></b>	<b><u>-</u></b>	<b><u>2,727</u></b>

FAYETTE 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)

	Co. Children Psy. Res. Treatment Service	Housing Assessment Grant	Terrorism Planning Grant	County Share of CEDIT	Drug Coalition Grant	Emergency Management Planning Grant
Receipts:						
Taxes	\$ 339,044	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	32,713	7,143	-	556,446	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	7,246	-	-	-	-	-
<b>Total receipts</b>	<b>379,003</b>	<b>7,143</b>	<b>-</b>	<b>556,446</b>	<b>-</b>	<b>-</b>
Disbursements:						
General government	-	7,778	-	75,950	-	-
Public safety	-	-	-	-	225	-
Highways and streets	-	-	-	-	-	-
Health and welfare	274,554	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	365,000	-	-
<b>Total disbursements</b>	<b>274,554</b>	<b>7,778</b>	<b>-</b>	<b>440,950</b>	<b>225</b>	<b>-</b>
Excess (deficiency) of revenue over disbursements	104,449	(635)	-	115,496	(225)	-
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(80,000)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(80,000)</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	104,449	(635)	-	35,496	(225)	-
Cash and investment fund balance - beginning	285,987	635	17,276	145,057	325	25,652
Cash and investment fund balance - ending	\$ 390,436	\$ -	\$ 17,276	\$ 180,553	\$ 100	\$ 25,652
<b>Cash and Investment Assets - December 31</b>						
Restricted assets:						
Cash and investments	\$ 390,436	\$ -	\$ 17,276	\$ 180,553	\$ 100	\$ 25,652
<b>Cash and Investment Fund Balance - December 31</b>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	17,276	-	100	25,652
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	390,436	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service	-	-	-	180,553	-	-
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 390,436</b>	<b>\$ -</b>	<b>\$ 17,276</b>	<b>\$ 180,553</b>	<b>\$ 100</b>	<b>\$ 25,652</b>

FAYETTE 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 Management Donations	Homeland Security Grant	Sheriff's Commissary	Everton Fire Station	Courthouse Operating	Health Vital Records
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	448,200	100,044	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	81,525	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>-</b>	<b>81,525</b>	<b>448,200</b>	<b>100,044</b>	<b>-</b>
Disbursements:						
General government	-	-	-	-	76,386	-
Public safety	-	125,230	77,635	448,200	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	11,963
Economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>125,230</b>	<b>77,635</b>	<b>448,200</b>	<b>76,386</b>	<b>11,963</b>
Excess (deficiency) of revenue over disbursements	-	(125,230)	3,890	-	23,658	(11,963)
Other financing sources (uses)						
Transfers in	-	-	-	-	-	43,000
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>43,000</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(125,230)	3,890	-	23,658	31,037
Cash and investment fund balance - beginning	790	125,230	3,210	-	-	-
Cash and investment fund balance - ending	<u>790</u>	<u>-</u>	<u>7,100</u>	<u>-</u>	<u>23,658</u>	<u>31,037</u>
<b>Cash and Investment Assets - December 31</b>						
Restricted assets:						
Cash and investments	<u>790</u>	<u>-</u>	<u>7,100</u>	<u>-</u>	<u>23,658</u>	<u>31,037</u>
<b>Cash and Investment Fund Balance - December 31</b>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ 23,658	-
Public safety	790	-	7,100	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	31,037
Economic development	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<b><u>790</u></b>	<b><u>-</u></b>	<b><u>7,100</u></b>	<b><u>-</u></b>	<b><u>23,658</u></b>	<b><u>31,037</u></b>

FAYETTE 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)

	Convention and Tourism	Debt Service Jail Lease	General Drain Improvement	Cumulative Courthouse	Cumulative Jail	Totals
<b>Receipts:</b>						
Taxes	\$ -	\$ 491,584	\$ -	\$ 34,532	\$ (17,732)	\$ 983,428
Licenses and permits	-	-	-	-	-	28,135
Intergovernmental	36,959	47,498	-	3,301	3,549	3,793,097
Charges for services	-	-	-	-	-	555,964
Fines and forfeits	-	-	-	-	-	157,544
Other	-	-	3,573	-	-	153,933
<b>Total receipts</b>	<b>36,959</b>	<b>539,082</b>	<b>3,573</b>	<b>37,833</b>	<b>(14,183)</b>	<b>5,672,101</b>
<b>Disbursements:</b>						
General government	-	-	294	2,746	-	504,097
Public safety	-	-	-	-	67,381	1,653,905
Highways and streets	-	-	-	-	-	2,196,876
Health and welfare	-	-	-	-	-	717,754
Economic development	40,499	-	-	-	-	40,971
Debt service:						
Principal	-	455,000	-	-	-	455,000
Interest	-	75,075	-	-	-	440,075
<b>Total disbursements</b>	<b>40,499</b>	<b>530,075</b>	<b>294</b>	<b>2,746</b>	<b>67,381</b>	<b>6,008,678</b>
Excess (deficiency) of revenue over disbursements	(3,540)	9,007	3,279	35,087	(81,564)	(336,577)
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	-	-	135,000
Transfers out	-	-	-	-	-	(135,000)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,540)	9,007	3,279	35,087	(81,564)	(336,577)
Cash and investment fund balance - beginning	14,381	261,289	2,956	123,795	202,420	5,146,817
Cash and investment fund balance - ending	\$ 10,841	\$ 270,296	\$ 6,235	\$ 158,882	\$ 120,856	\$ 4,810,240
<b>Cash and Investment Assets - December 31</b>						
<b>Restricted assets:</b>						
Cash and investments	\$ 10,841	\$ 270,296	\$ 6,235	\$ 158,882	\$ 120,856	\$ 4,810,240
<b>Cash and Investment Fund Balance - December 31</b>						
<b>Restricted for:</b>						
General government	\$ -	\$ -	\$ 6,235	\$ 158,882	\$ -	\$ 1,391,082
Public safety	-	-	-	-	120,856	1,387,091
Highways and streets	-	-	-	-	-	723,343
Sanitation	-	-	-	-	-	2,329
Health and welfare	-	-	-	-	-	581,919
Economic development	10,841	-	-	-	-	273,627
Debt service	-	270,296	-	-	-	450,849
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 10,841</b>	<b>\$ 270,296</b>	<b>\$ 6,235</b>	<b>\$ 158,882</b>	<b>\$ 120,856</b>	<b>\$ 4,810,240</b>

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

	<u>State Fees</u>	<u>Inheritance Tax</u>	<u>Surplus Tax</u>	<u>Tax Sale Redemption</u>	<u>Tax Sale Surplus</u>	<u>Surplus Dog Tax</u>
Additions:						
Agency fund additions	\$ 31,270	\$ 183,770	\$ 91,593	\$ 559,800	\$ 723,676	\$ 1,117
Deductions:						
Agency fund deductions	<u>32,358</u>	<u>577,965</u>	<u>53,360</u>	<u>595,056</u>	<u>499,109</u>	<u>1,117</u>
Excess (deficiency) of total additions over total deductions	(1,088)	(394,195)	38,233	(35,256)	224,567	-
Cash and investment fund balance - beginning	<u>3,041</u>	<u>453,964</u>	<u>33,447</u>	<u>53,179</u>	<u>252,200</u>	<u>-</u>
Cash and investment fund balance - ending	<u>\$ 1,953</u>	<u>\$ 59,769</u>	<u>\$ 71,680</u>	<u>\$ 17,923</u>	<u>\$ 476,767</u>	<u>\$ -</u>

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

	Congressional School Interest	Welfare Trust	Police Pension Trust	Recorder Mortgage Fees	Coroner's Training and Continuing Education	City and Town Court Costs
Additions:						
Agency fund additions	\$ -	\$ 87,919	\$ 721	\$ 3,035	\$ 1,281	\$ 8,181
Deductions:						
Agency fund deductions	-	91,370	-	2,767	1,292	8,181
Excess (deficiency) of total additions over total deductions	-	(3,451)	721	268	(11)	-
Cash and investment fund balance - beginning	1,311	29,326	-	-	152	-
Cash and investment fund balance - ending	<u>\$ 1,311</u>	<u>\$ 25,875</u>	<u>\$ 721</u>	<u>\$ 268</u>	<u>\$ 141</u>	<u>\$ -</u>

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

	<u>Payroll Withholdings</u>	<u>Tax Distributions</u>	<u>County Treasurer</u>	<u>Clerk of the Circuit Court</u>	<u>County Sheriff</u>	<u>County Recorder</u>
Additions:						
Agency fund additions	\$ 1,443,682	\$ 31,547,415	\$ 31,498,665	\$ 4,354,950	\$ 1,182,547	\$ 94,583
Deductions:						
Agency fund deductions	<u>1,441,591</u>	<u>31,522,385</u>	<u>34,919,222</u>	<u>4,081,186</u>	<u>1,185,371</u>	<u>94,583</u>
Excess (deficiency) of total additions over total deductions	2,091	25,030	(3,420,557)	273,764	(2,824)	-
Cash and investment fund balance - beginning	<u>51,487</u>	<u>414,545</u>	<u>3,761,233</u>	<u>241,806</u>	<u>4,188</u>	<u>-</u>
Cash and investment fund balance - ending	<u>\$ 53,578</u>	<u>\$ 439,575</u>	<u>\$ 340,676</u>	<u>\$ 515,570</u>	<u>\$ 1,364</u>	<u>\$ -</u>

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

	Probation Department	Prosecuting Attorney	Interstate Compact Fees	Special Death	Tourism Bureau (Innkeepers' Tax)	Total
Additions:						
Agency fund additions	\$ 56,816	\$ 17,796	\$ 465	\$ 2,315	\$ 36,257	\$ 71,927,854
Deductions:						
Agency fund deductions	57,207	17,796	540	1,800	36,959	75,221,215
Excess (deficiency) of total additions over total deductions	(391)	-	(75)	515	(702)	(3,293,361)
Cash and investment fund balance - beginning	3,782	-	75	-	10,465	5,314,201
Cash and investment fund balance - ending	<u>\$ 3,391</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 515</u>	<u>\$ 9,763</u>	<u>\$ 2,020,840</u>

FAYETTE COUNTY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2005

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

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

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 526,392
Infrastructure	12,032,195
Buildings	6,261,332
Machinery and equipment	<u>4,344,711</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 23,164,630</u>

FAYETTE COUNTY  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF LONG-TERM DEBT

For The Year Ended December 31, 2005

CAPITAL LEASES

The County has entered into the following capital leases:

Description of Asset	Ending Balance	Due Within One Year
Governmental Activities:		
Capital leases:		
Jail Lease	\$ 1,470,000	\$ 470,000
Courthouse	<u>8,660,000</u>	<u>-</u>
Total governmental activities long-term debt	<u>\$ 10,130,000.00</u>	<u>\$ 470,000.00</u>

FAYETTE COUNTY  
OTHER REPORTS

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

County Sheriff  
Board of County Commissioners

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

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 FAYETTE COUNTY, INDIANA

Compliance

We have audited the compliance of the Fayette 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

November 27, 2006

FAYETTE 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 Grant	14.228	CF-04-112	\$ 448,200
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Pass-Through Indiana Criminal Justice Institute Juvenile Accountability Incentive Block Grant	16.523	03JB020	5,726
Pass-Through Indiana Criminal Justice Institute Crime Victim Assistance Grant Program FY 2004-2005 FY 2005-2006	16.575	04VA045 05VA033	45,000 20,792
Total for program			65,792
Pass-Through Indiana Criminal Justice Institute Stop Violence Against Women Formula Grant	16.588	04ST015	10,321
Total for federal grantor agency			81,839
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation Public Transportation Grant	20.509	18023400	78,726
Pass-Through Indiana Department of Transportation State and Community Highway Safety	20.601	OP-06-02-05-42	762
Total for federal grantor agency			79,488
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-Through Indiana Department of Health Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	BPRS 120-3	58,673
Pass-Through Indiana Department of Child Services Child Support Enforcement County Prosecutor's Expenditures Circuit Court Clerk's Expenditures Indirect Costs	93.563		37,815 23,499 12,314
Total for program			73,628
Pass-Through Indiana Department of Health Health Fitness Grant	93.991	U90/CCU517024-05	1,999
Total for federal grantor agency			134,300
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Direct Grant Public Assistance Grant Winter Ice Storm and Flooding Winter Snow Storm	97.036	DR 1573 EM 3197	3,112 19,172
Total for program			22,284
Pass-Through Indiana Department of Homeland Security State Domestic Preparedness Equipment Support Program	97.004	C44P-7-094	97,018
Total for federal grantor agency			119,302
Total federal awards expended			\$ 863,129

The accompanying note is an integral part of the Schedule of Expenditures of Federal Awards.

FAYETTE COUNTY  
NOTE 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 Fayette 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.

FAYETTE COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

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 Grant

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.

FAYETTE COUNTY  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

FAYETTE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on November 27, 2006, with Russell Sidell, Jr., President of the Board of County Commissioners; and Jane L. Klemme, Auditor.