

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

ANNUAL FINANCIAL REPORT

2006

ADAMS COUNTY, INDIANA



FILED
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SCHEDULE OF OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|---|-------------------------|----------------------|
| Auditor | William A. Borne | 01-01-05 to 12-31-08 |
| Treasurer | Rex M. Moore | 01-01-06 to 12-31-09 |
| Clerk | Nanette S. Nidlinger | 01-01-04 to 12-31-07 |
| Sheriff | Charles E. Padgett, Jr. | 01-01-03 to 12-31-10 |
| Recorder | Constance J. Moser | 01-01-05 to 12-31-08 |
| President of the Board of County Commissioners | Douglas L. Bauman | 01-01-06 to 12-31-07 |
| President of the County Council | Matthew S. Lehman | 01-01-06 to 12-31-07 |



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 FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF ADAMS COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Adams County (County), as of and for the year ended December 31, 2006, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

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

In our opinion, except that the omission of the component units of the County referred to in the preceding paragraph results in incomplete presentation, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 2006, 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 April 12, 2007, 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, and Schedule of Capital Assets 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 has 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 it.

STATE BOARD OF ACCOUNTS

April 12, 2007



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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 ADAMS COUNTY, INDIANA

We have audited the financial statements of Adams County (County), as of and for the year ended December 31, 2006, and have issued our report thereon dated April 12, 2007. The opinion to the financial statements was qualified due to the omission of the component units of Adams County. 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

April 12, 2007

ADAMS COUNTY
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For The Year Ended December 31, 2006

| Functions/Programs | Disbursements | Program Receipts | | | Net (Disbursements) Receipts and Changes in Net Assets |
|---|----------------------|-------------------------|--|--|--|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Total |
| Governmental activities: | | | | | |
| General government | \$ 7,312,321 | \$ 327,175 | \$ 294,367 | \$ 68,522 | \$ (6,622,257) |
| Public safety | 3,410,781 | 892,514 | 165,225 | 71,744 | (2,281,298) |
| Highways and streets | 3,957,832 | 95,490 | 2,494,379 | 361,545 | (1,006,418) |
| Health and welfare | 3,146,502 | 450,569 | 1,055,533 | - | (1,640,400) |
| Culture and recreation | 216,229 | 83,279 | 8,054 | - | (124,896) |
| Economic development | 76,426 | - | - | 710,398 | 633,972 |
| Total governmental activities | \$ 18,120,091 | \$ 1,849,027 | \$ 4,017,558 | \$ 1,212,209 | (11,041,297) |
| General receipts: | | | | | |
| Property taxes | | | | | 8,414,152 |
| Other local sources | | | | | 3,657,471 |
| Grants and contributions not restricted to specific programs | | | | | 112,895 |
| Unrestricted investment earnings | | | | | 1,125,106 |
| Total general receipts | | | | | 13,309,624 |
| Change in net assets | | | | | 2,268,327 |
| Net assets - beginning | | | | | 14,753,814 |
| Net assets - ending | | | | | \$ 17,022,141 |
| <u>Assets</u> | | | | | |
| Cash and investments | | | | | \$ 8,538,146 |
| Restricted assets: | | | | | |
| Cash and investments | | | | | 8,483,995 |
| Total assets | | | | | \$ 17,022,141 |
| <u>Net Assets</u> | | | | | |
| Restricted for: | | | | | |
| Highways and streets | | | | | \$ 2,707,281 |
| Health and welfare | | | | | 1,654,555 |
| Culture and recreation | | | | | 145,923 |
| Other purposes | | | | | 3,976,236 |
| Unrestricted | | | | | 8,538,146 |
| Total net assets | | | | | \$ 17,022,141 |

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

ADAMS 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, 2006

| | General | County Highway | Family and Children | Other Governmental Funds | Totals |
|---|---------------------|---------------------|------------------------|--------------------------------|----------------------|
| Receipts: | | | | | |
| Taxes | \$ 5,060,090 | \$ - | \$ 1,808,980 | \$ 1,545,082 | \$ 8,414,152 |
| Special assessments | - | - | - | 289,060 | 289,060 |
| Licenses and permits | 26,864 | 70,115 | - | 22,985 | 119,964 |
| Intergovernmental | 2,664,904 | 2,409,123 | 800,597 | 1,380,501 | 7,255,125 |
| Charges for services | 570,708 | 25,375 | - | 899,214 | 1,495,297 |
| Fines and forfeits | 125,847 | - | - | 3,172 | 129,019 |
| Other | 961,638 | 99,775 | 146,708 | 157,702 | 1,365,823 |
| Total receipts | 9,410,051 | 2,604,388 | 2,756,285 | 4,297,716 | 19,068,440 |
| Disbursements: | | | | | |
| General government | 4,988,083 | - | - | 689,219 | 5,677,302 |
| Public safety | 2,683,346 | - | - | 727,435 | 3,410,781 |
| Highways and streets | - | 2,292,726 | - | 278,489 | 2,571,215 |
| Health and welfare | 1,270,171 | - | 1,513,137 | 363,194 | 3,146,502 |
| Culture and recreation | 30,000 | - | - | 186,229 | 216,229 |
| Economic development | - | - | - | 76,426 | 76,426 |
| Capital outlay: | | | | | |
| General government | - | - | - | 438,045 | 438,045 |
| Highways and streets | - | - | - | 1,386,617 | 1,386,617 |
| Total disbursements | 8,971,600 | 2,292,726 | 1,513,137 | 4,145,654 | 16,923,117 |
| Excess of receipts over disbursements | 438,451 | 311,662 | 1,243,148 | 152,062 | 2,145,323 |
| Other financing sources (uses) | | | | | |
| Transfers in | - | - | - | 20,015 | 20,015 |
| Transfers out | - | - | - | (20,015) | (20,015) |
| Total other financing sources (uses) | - | - | - | - | - |
| Excess of receipts and other financing sources over disbursements and other financing uses | 438,451 | 311,662 | 1,243,148 | 152,062 | 2,145,323 |
| Cash and investment fund balance - beginning | 5,272,723 | 792,995 | 411,407 | 7,366,382 | 13,843,507 |
| Cash and investment fund balance - ending | <u>\$ 5,711,174</u> | <u>\$ 1,104,657</u> | <u>\$ 1,654,555</u> | <u>\$ 7,518,444</u> | 15,988,830 |
| 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 of the internal service fund is included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis. | | | | | |
| | | | | | <u>1,033,311</u> |
| Net assets of governmental activities | | | | | <u>\$ 17,022,141</u> |
| Cash and Investment Assets - December 31 | | | | | |
| Cash and investments | \$ 5,711,174 | \$ - | \$ - | \$ 2,826,972 | \$ 8,538,146 |
| Restricted assets: | | | | | |
| Cash and investments | - | 1,104,657 | 1,654,555 | 4,691,472 | 7,450,684 |
| Total cash and investment assets - December 31 | <u>\$ 5,711,174</u> | <u>\$ 1,104,657</u> | <u>\$ 1,654,555</u> | <u>\$ 7,518,444</u> | <u>\$ 15,988,830</u> |
| Cash and Investment Fund Balance - December 31 | | | | | |
| Restricted for: | | | | | |
| Highways and streets | \$ - | \$ 1,104,657 | \$ - | \$ 1,602,624 | \$ 2,707,281 |
| Health and welfare | - | - | 1,654,555 | - | 1,654,555 |
| Culture and recreation | - | - | - | 145,923 | 145,923 |
| Other purposes | - | - | - | 2,942,925 | 2,942,925 |
| Unrestricted | 5,711,174 | - | - | 2,826,972 | 8,538,146 |
| Total cash and investment fund balance - December 31 | <u>\$ 5,711,174</u> | <u>\$ 1,104,657</u> | <u>\$ 1,654,555</u> | <u>\$ 7,518,444</u> | <u>\$ 15,988,830</u> |

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

ADAMS 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, 2006

| | <u>Internal Service Fund</u> |
|---|--------------------------------------|
| Operating receipts: | |
| Employer/employee contributions | \$ 1,319,978 |
| Operating disbursements: | |
| Insurance benefits | <u>1,196,974</u> |
| Excess of total receipts over total disbursements | 123,004 |
| Cash and investment fund balance - beginning | <u>910,307</u> |
| Cash and investment fund balance - ending | <u><u>\$ 1,033,311</u></u> |
| <u>Cash and Investment Assets - December 31</u> | |
| Restricted assets: | |
| Cash and investments | <u><u>\$ 1,033,311</u></u> |
| <u>Cash and Investment Fund Balance - December 31</u> | |
| Restricted for: | |
| Other purposes | <u><u>\$ 1,033,311</u></u> |

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

ADAMS COUNTY
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For The Year Ended December 31, 2006

| | <u>Pension Trust Funds</u> | <u>Private-Purpose Funds</u> | <u>Agency Funds</u> |
|---|--------------------------------|----------------------------------|-------------------------|
| Additions: | | | |
| Contributions: | | | |
| Employer | \$ 157,477 | \$ - | \$ - |
| Plan members | 18,389 | - | - |
| Other | <u>-</u> | <u>6,488</u> | <u>-</u> |
| Total contributions | <u>175,866</u> | <u>6,488</u> | <u>-</u> |
| Investment earnings: | | | |
| Net increase in fair value of investments | 234,531 | - | - |
| Interest | 69,449 | - | - |
| Dividends | <u>18,502</u> | <u>-</u> | <u>-</u> |
| Total investment earnings | <u>322,482</u> | <u>-</u> | <u>-</u> |
| Agency fund additions | <u>-</u> | <u>-</u> | <u>97,753,984</u> |
| Total additions | <u>498,348</u> | <u>6,488</u> | <u>97,753,984</u> |
| Deductions: | | | |
| Benefits | 107,946 | - | - |
| Administrative and general | 18,263 | 5,424 | - |
| Agency fund deductions | <u>-</u> | <u>-</u> | <u>98,333,060</u> |
| Total deductions | <u>126,209</u> | <u>5,424</u> | <u>98,333,060</u> |
| Excess (deficiency) of total additions over total deductions | 372,139 | 1,064 | (579,076) |
| Cash and investment fund balance - beginning | <u>2,086,295</u> | <u>70,336</u> | <u>1,554,547</u> |
| Cash and investment fund balance - ending | <u>\$ 2,458,434</u> | <u>\$ 71,400</u> | <u>\$ 975,471</u> |

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

ADAMS COUNTY
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

The County's financial reporting entity is composed of the Primary Government.

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

The Adams County Solid Waste Management District and the Adams County Memorial Hospital, discretely presented component units, have been omitted from these financial statements. Accordingly, the financial statements do not include the data of all of the County's component units necessary to fairly present the financial position of the County.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

Fund Financial Statements

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

The County reports the following major governmental funds:

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

The county highway fund accounts for the collection of state motor vehicle highway distributions and other related taxes and fees. The principal uses are for the maintenance, repair, and preservation of county highways.

ADAMS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

The family and children fund is used to account for collections of property taxes and state distributions to be used for the health and welfare of the citizens of the County.

Additionally, the County reports the following fund types:

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

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

The private-purpose trust funds report donations held by the county which benefits the schools and private organizations.

Agency funds account for assets held by the County as an agent for individuals, private organizations, other governments and/or other funds 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, 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.

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.

ADAMS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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. At this time, the County does not have any long-term debt.

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 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.

ADAMS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 and Net Assets – Cash and Investment Basis.

II. Stewardship, Compliance and Accountability

Budgetary Information

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

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.

ADAMS 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. 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, 2006, the County had the following investments:

| Investment Type | Sheriff's Retirement and Benefit Pension Plans |
|--------------------------------|---|
| Corporate stock | \$ 1,073,506 |
| U.S. agencies | 221,387 |
| U.S. treasuries and securities | 50,094 |
| Corporate bonds | 1,052,134 |
| Total | \$ 2,397,121 |

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

ADAMS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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. Neither the County nor the Sheriff's Pension Plans have a formal investment policy for custodial credit risk. At December 31, 2006, the Sheriff's Pension Plans held investments in Corporate Stocks, Government Sponsored Enterprises, U.S. Treasuries and Securities and Corporate Bonds in the amount of \$2,397,121. These investments were held by the counterparty's trust department or agent in the County's name.

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 stock | \$ 1,073,506 | \$ - | \$ - |
| U.S. agencies | 10,377 | 136,048 | 74,962 |
| U.S. treasuries and securities | - | 50,094 | - |
| Corporate bonds | 50,000 | 401,793 | 600,341 |
| Totals | <u>\$ 1,133,883</u> | <u>\$ 587,935</u> | <u>\$ 675,303</u> |

ADAMS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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: | | | |
|---|-------------------|--------------------|---------------------------------------|
| Standard and Poor's Rating | Moody's Rating | Corporate Bonds | Government Sponsored Enterprise |
| AAA | Aaa | \$ - | \$ 221,387 |
| AA | Aa | 403,613 | - |
| A | A | 522,828 | - |
| Unrated | Unrated | 125,693 | - |
| Totals | | \$ 1,052,134 | \$ 221,387 |

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 corporate stock, U.S. agencies, and corporate bonds. These investments represent 45%, 9%, and 44%, respectively, of the total investments.

Foreign Currency Risk

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

B. Interfund Transfers

Interfund transfers for the year ended December 31, 2006, were as follows:

| Transfer From | Transfer To | 2006 |
|--------------------|--------------------|-----------|
| Other governmental | Other governmental | \$ 20,015 |

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

ADAMS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

IV. Other Information

A. Risk Management

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

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

Medical Benefits to Employees, Retirees, and Dependents

The County has chosen to establish a risk financing fund for risks associated with medical benefits to employees, retirees, and dependents (excluding postemployment benefits). The risk financing fund is accounted for in the Health Insurance Fund, an internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$55,000 per year. 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 payroll expenditures and are available to pay claims, claim reserves, and administrative cost of the program. Interfund premiums are based upon an overall premium percentage which is applied to each fund based upon the number of employees covered in each fund.

B. 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.

C. Hospital Debt Obligation

The Indiana Bond Bank issued special program bonds in 2003 in the amount of \$40,385,000. The proceeds were used to purchase \$40,000,000 of lease rental revenue bonds issued by the Adams County Hospital Association. The County and Hospital anticipate that the full lease rental payments will be paid from Hospital funds (net revenues) and receipts from the County Economic Development Income Tax (CEDIT) pledged to pay the lease rental, and that the County will not need to levy property taxes for this purpose. In 2006, the county remitted \$1,091,648 from the County Economic Development Income Tax Distribution fund to the Hospital. This debt is an obligation of the Hospital, and is not a direct liability of the County itself. Accordingly, no liability account is presented in the primary government's financial statements.

ADAMS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

D. Pension Plans

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

1. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

2. County Police Retirement Plan

Plan Description

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

ADAMS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

Actuarial Information for the Above Plans

| | <u>PERF</u> | <u>County Police Retirement Plan</u> | <u>County Police Benefit Plan</u> |
|---|---------------------|--|---------------------------------------|
| Annual required contribution | \$ 199,184 | \$ 146,055 | \$ 11,422 |
| Interest on net pension obligation | (25,637) | (2,543) | - |
| Adjustment to annual required contribution | <u>29,215</u> | <u>4,663</u> | <u>-</u> |
| Annual pension cost | 202,762 | 148,175 | 11,422 |
| Contributions made | <u>226,540</u> | <u>146,055</u> | <u>11,422</u> |
| Increase (decrease) in net pension obligation | (23,778) | 2,120 | - |
| Net pension obligation, beginning of year | <u>(353,610)</u> | <u>(36,328)</u> | <u>-</u> |
| Net pension obligation, end of year | <u>\$ (377,388)</u> | <u>\$ (34,208)</u> | <u>\$ -</u> |

ADAMS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

| | PERF | County Police Retirement Plan | County Police Benefit Plan |
|---------------------------------|---|----------------------------------|-------------------------------|
| Contribution rates: | | | |
| County | 5.25% | 23% | 2% |
| Plan members | 3% | 3% | 0% |
| Actuarial valuation date | 07-01-04 | 10-01-06 | 10-01-06 |
| Actuarial cost method | Entry age | Entry age | Entry age |
| Amortization method | Level percentage of projected payroll, closed | Frozen initial liability | Aggregate * |
| Amortization period | 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 |

*The aggregate cost method does not identify or separately amortize unfunded actuarial liabilities. The actuarial present value of projected benefits of the group in excess of the actuarial value of assets is allocated on a level basis over the earnings of the group.

| Actuarial Assumptions | PERF | County Police Retirement Plan | County Police Benefit Plan |
|------------------------------------|-------|----------------------------------|-------------------------------|
| Investment rate of return | 7.25% | 7% | 7% |
| Projected future salary increases: | | | |
| Total | 5% | 5% | 5% |
| Attributed to inflation | 4% | 4% | 4% |
| Attributed to merit/seniority | 1% | 1% | 1% |
| Cost-of-living adjustments | 2% | 2% | 0% |

Three Year Trend Information

| | Year Ending | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|-------------------------------|----------------|---------------------------------|-------------------------------------|------------------------------|
| PERF | 06-30-03 | \$ 218,081 | 104% | \$ (265,227) |
| | 06-30-04 | 146,382 | 160% | (353,610) |
| | 06-30-05 | 202,762 | 155% | (377,388) |
| County Police Retirement Plan | 10-01-04 | 120,237 | 103% | (61,055) |
| | 10-01-05 | 144,595 | 121% | (36,328) |
| | 10-01-06 | 146,055 | 100% | (34,208) |
| County Police Benefit Plan | 10-01-04 | 13,727 | 100% | - |
| | 10-01-05 | 11,132 | 100% | - |
| | 10-01-06 | 11,422 | 100% | - |

ADAMS COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS

Public Employees' Retirement Fund

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) (b) | Excess of Assets Over (Unfunded) AAL (a-b) | Funded Ratio (a/b) | Covered Payroll (c) | Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c) |
|--------------------------------|--|---|--|--------------------------|---------------------------|--|
| 07-01-03 | \$ 3,886,125 | \$ 3,614,519 | \$ 271,606 | 108% | \$ 3,621,210 | 8% |
| 07-01-04 | 3,971,870 | 4,129,219 | (157,349) | 96% | 3,890,456 | (4%) |
| 07-01-05 | 4,151,712 | 4,872,693 | (720,981) | 85% | 4,151,444 | (17%) |

County Police Retirement Plan

| 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) |
|--------------------------------|--|---|--|--------------------------|---------------------------|--|
| 10-01-01 | \$ 1,851,035 | \$ 1,851,035 | - | 100% | \$ 538,686 | 0% |
| 10-01-02 | 1,879,942 | 1,879,942 | - | 100% | 553,839 | 0% |
| 10-01-03 | 1,962,457 | 1,962,457 | - | 100% | 561,792 | 0% |
| 10-01-04 | 2,032,881 | 2,032,881 | - | 100% | 585,911 | 0% |
| 10-01-05 | 2,206,281 | 2,206,281 | - | 100% | 615,274 | 0% |
| 10-01-06 | 2,395,069 | 2,395,069 | - | 100% | 632,804 | 0% |

ADAMS 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, 2006

| | Victim Crime Assistance | County Sales Disclosure | Surveyor's Corner Perpetuation | Property Reassessment 2007 | Recorder's Records Perpetuation | Clerk's Records Perpetuation | Urinalysis Fee |
|---|-------------------------|-------------------------|--------------------------------|----------------------------|---------------------------------|------------------------------|------------------|
| Receipts: | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ 68,209 | \$ - | \$ - | \$ - |
| Special assessments | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental | 9,869 | - | - | 5,903 | - | - | - |
| Charges for services | - | 4,415 | 6,730 | - | 37,444 | 7,147 | 2,845 |
| Fines and forfeits | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - |
| Total receipts | <u>9,869</u> | <u>4,415</u> | <u>6,730</u> | <u>74,112</u> | <u>37,444</u> | <u>7,147</u> | <u>2,845</u> |
| Disbursements: | | | | | | | |
| General government | - | - | 15,014 | 52,722 | 58,335 | 36,877 | - |
| Public safety | 9,962 | - | - | - | - | - | - |
| Highways and streets | - | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - | - |
| Economic development | - | - | - | - | - | - | - |
| Capital outlay: | | | | | | | |
| General government | - | - | - | - | - | - | - |
| Highways and streets | - | - | - | - | - | - | - |
| Total disbursements | <u>9,962</u> | <u>-</u> | <u>15,014</u> | <u>52,722</u> | <u>58,335</u> | <u>36,877</u> | <u>-</u> |
| Excess (deficiency) of receipts over disbursements | <u>(93)</u> | <u>4,415</u> | <u>(8,284)</u> | <u>21,390</u> | <u>(20,891)</u> | <u>(29,730)</u> | <u>2,845</u> |
| Other financing sources (uses) | | | | | | | |
| Transfers in | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | <u>(93)</u> | <u>4,415</u> | <u>(8,284)</u> | <u>21,390</u> | <u>(20,891)</u> | <u>(29,730)</u> | <u>2,845</u> |
| Cash and investment fund balance - beginning | <u>12,518</u> | <u>13,984</u> | <u>28,174</u> | <u>351,656</u> | <u>40,151</u> | <u>41,997</u> | <u>21,779</u> |
| Cash and investment fund balance - ending | <u>\$ 12,425</u> | <u>\$ 18,399</u> | <u>\$ 19,890</u> | <u>\$ 373,046</u> | <u>\$ 19,260</u> | <u>\$ 12,267</u> | <u>\$ 24,624</u> |
| <u>Cash and Investment Assets - December 31</u> | | | | | | | |
| Cash and investments | \$ 12,425 | \$ 18,399 | \$ 19,890 | \$ 373,046 | \$ 19,260 | \$ 12,267 | \$ 24,624 |
| Restricted assets: | | | | | | | |
| Cash and investments | - | - | - | - | - | - | - |
| Total cash and investment assets - December 31 | <u>\$ 12,425</u> | <u>\$ 18,399</u> | <u>\$ 19,890</u> | <u>\$ 373,046</u> | <u>\$ 19,260</u> | <u>\$ 12,267</u> | <u>\$ 24,624</u> |
| <u>Cash and Investment Fund Balance - December 31</u> | | | | | | | |
| Restricted for: | | | | | | | |
| Highways and streets | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Culture and recreation | - | - | - | - | - | - | - |
| Other purposes | - | - | - | - | - | - | - |
| Unrestricted | <u>12,425</u> | <u>18,399</u> | <u>19,890</u> | <u>373,046</u> | <u>19,260</u> | <u>12,267</u> | <u>24,624</u> |
| Total cash and investment fund balance - December 31 | <u>\$ 12,425</u> | <u>\$ 18,399</u> | <u>\$ 19,890</u> | <u>\$ 373,046</u> | <u>\$ 19,260</u> | <u>\$ 12,267</u> | <u>\$ 24,624</u> |

ADAMS 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, 2006
 (Continued)

| | Supplemental Juvenile Probation Services | Supplemental Adult Probation Services | House Arrest | Probation Administration Fee | Supplemental Public Defender Service | Pretrial Diversion | Guardian Ad Litem |
|---|---|--|------------------|------------------------------------|---|-----------------------|----------------------|
| Receipts: | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Special assessments | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - | - |
| Charges for services | 420 | 47,108 | 11,135 | 22,750 | 15,967 | 3,670 | - |
| Fines and forfeits | - | - | - | - | - | - | - |
| Other | - | 60 | - | - | - | - | - |
| Total receipts | 420 | 47,168 | 11,135 | 22,750 | 15,967 | 3,670 | - |
| Disbursements: | | | | | | | |
| General government | - | - | - | - | - | - | - |
| Public safety | 685 | 27,187 | 7,302 | - | - | 17,745 | - |
| Highways and streets | - | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - | - |
| Economic development | - | - | - | - | - | - | - |
| Capital outlay: | | | | | | | |
| General government | - | - | - | - | - | - | - |
| Highways and streets | - | - | - | - | - | - | - |
| Total disbursements | 685 | 27,187 | 7,302 | - | - | 17,745 | - |
| Excess (deficiency) of receipts over disbursements | (265) | 19,981 | 3,833 | 22,750 | 15,967 | (14,075) | - |
| Other financing sources (uses) | | | | | | | |
| Transfers in | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (265) | 19,981 | 3,833 | 22,750 | 15,967 | (14,075) | - |
| Cash and investment fund balance - beginning | 16,899 | 78,428 | 10,932 | 10,959 | 29,434 | 15,570 | 1,089 |
| Cash and investment fund balance - ending | <u>\$ 16,634</u> | <u>\$ 98,409</u> | <u>\$ 14,765</u> | <u>\$ 33,709</u> | <u>\$ 45,401</u> | <u>\$ 1,495</u> | <u>\$ 1,089</u> |
| <u>Cash and Investment Assets - December 31</u> | | | | | | | |
| Cash and investments | \$ 16,634 | \$ 98,409 | \$ 14,765 | \$ 33,709 | \$ 45,401 | \$ 1,495 | \$ 1,089 |
| Restricted assets: | | | | | | | |
| Cash and investments | - | - | - | - | - | - | - |
| Total cash and investment assets - December 31 | \$ 16,634 | \$ 98,409 | \$ 14,765 | \$ 33,709 | \$ 45,401 | \$ 1,495 | \$ 1,089 |
| <u>Cash and Investment Fund Balance - December 31</u> | | | | | | | |
| Restricted for: | | | | | | | |
| Highways and streets | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Culture and recreation | - | - | - | - | - | - | - |
| Other purposes | - | - | - | - | - | - | - |
| Unrestricted | 16,634 | 98,409 | 14,765 | 33,709 | 45,401 | 1,495 | 1,089 |
| Total cash and investment fund balance - December 31 | \$ 16,634 | \$ 98,409 | \$ 14,765 | \$ 33,709 | \$ 45,401 | \$ 1,495 | \$ 1,089 |

ADAMS 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, 2006
 (Continued)

| | Special Advocate | Covered Bridge | Local Road and Street | County Health | Tobacco Grant | Public Health Maintenance | Health Maintenance |
|---|---------------------|-------------------|--------------------------|-------------------|------------------|------------------------------|-----------------------|
| Receipts: | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ 174,531 | \$ - | \$ - | \$ - |
| Special assessments | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | 19,285 | - | - | - |
| Intergovernmental | - | 1,250 | 303,152 | 16,673 | 20,298 | 15,783 | 33,139 |
| Charges for services | - | - | - | 35,854 | - | - | - |
| Fines and forfeits | - | - | - | - | - | - | - |
| Other | - | - | 5,890 | - | - | - | - |
| Total receipts | - | 1,250 | 309,042 | 246,343 | 20,298 | 15,783 | 33,139 |
| Disbursements: | | | | | | | |
| General government | - | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - | - |
| Highways and streets | - | - | 278,489 | - | - | - | - |
| Health and welfare | - | - | - | 240,609 | 14,614 | 23,787 | 18,615 |
| Culture and recreation | - | - | - | - | - | - | - |
| Economic development | - | - | - | - | - | - | - |
| Capital outlay: | | | | | | | |
| General government | - | - | - | - | - | - | - |
| Highways and streets | - | - | - | - | - | - | - |
| Total disbursements | - | - | 278,489 | 240,609 | 14,614 | 23,787 | 18,615 |
| Excess (deficiency) of receipts over disbursements | - | 1,250 | 30,553 | 5,734 | 5,684 | (8,004) | 14,524 |
| Other financing sources (uses) | | | | | | | |
| Transfers in | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | - | 1,250 | 30,553 | 5,734 | 5,684 | (8,004) | 14,524 |
| Cash and investment fund balance - beginning | 256 | 6,282 | 82,191 | 118,257 | 48,441 | 15,000 | 75,121 |
| Cash and investment fund balance - ending | <u>\$ 256</u> | <u>\$ 7,532</u> | <u>\$ 112,744</u> | <u>\$ 123,991</u> | <u>\$ 54,125</u> | <u>\$ 6,996</u> | <u>\$ 89,645</u> |
| <u>Cash and Investment Assets - December 31</u> | | | | | | | |
| Cash and investments | \$ 256 | \$ 7,532 | \$ - | \$ 123,991 | \$ 54,125 | \$ 6,996 | \$ 89,645 |
| Restricted assets: | | | | | | | |
| Cash and investments | - | - | 112,744 | - | - | - | - |
| Total cash and investment assets - December 31 | <u>\$ 256</u> | <u>\$ 7,532</u> | <u>\$ 112,744</u> | <u>\$ 123,991</u> | <u>\$ 54,125</u> | <u>\$ 6,996</u> | <u>\$ 89,645</u> |
| <u>Cash and Investment Fund Balance - December 31</u> | | | | | | | |
| Restricted for: | | | | | | | |
| Highways and streets | \$ - | \$ - | \$ 112,744 | \$ - | \$ - | \$ - | \$ - |
| Culture and recreation | - | - | - | - | - | - | - |
| Other purposes | - | - | - | - | - | - | - |
| Unrestricted | 256 | 7,532 | - | 123,991 | 54,125 | 6,996 | 89,645 |
| Total cash and investment fund balance - December 31 | <u>\$ 256</u> | <u>\$ 7,532</u> | <u>\$ 112,744</u> | <u>\$ 123,991</u> | <u>\$ 54,125</u> | <u>\$ 6,996</u> | <u>\$ 89,645</u> |

ADAMS 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, 2006
 (Continued)

| | Children's Psychiatric | County Prosecutor IV-D No. 2 | Drainage Maintenance | Accident Report | Firearms Training | County Drug Free Community | Special Drug Detection |
|---|---------------------------|------------------------------------|-------------------------|--------------------|----------------------|----------------------------------|---------------------------|
| Receipts: | | | | | | | |
| Taxes | \$ 2,671 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Special assessments | - | - | 252,988 | - | - | - | - |
| Licenses and permits | - | - | - | - | 3,700 | - | - |
| Intergovernmental | - | 18,332 | - | - | - | - | - |
| Charges for services | - | - | - | 1,679 | - | 20,065 | - |
| Fines and forfeits | - | - | - | - | - | - | - |
| Other | - | - | 4,658 | - | - | - | - |
| Total receipts | <u>2,671</u> | <u>18,332</u> | <u>257,646</u> | <u>1,679</u> | <u>3,700</u> | <u>20,065</u> | <u>-</u> |
| Disbursements: | | | | | | | |
| General government | - | - | 239,463 | - | - | - | - |
| Public safety | - | - | - | 1,370 | 747 | 27,501 | - |
| Highways and streets | - | - | - | - | - | - | - |
| Health and welfare | 28,804 | 1,998 | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - | - |
| Economic development | - | - | - | - | - | - | - |
| Capital outlay: | | | | | | | |
| General government | - | - | - | - | - | - | - |
| Highways and streets | - | - | - | - | - | - | - |
| Total disbursements | <u>28,804</u> | <u>1,998</u> | <u>239,463</u> | <u>1,370</u> | <u>747</u> | <u>27,501</u> | <u>-</u> |
| Excess (deficiency) of receipts over disbursements | <u>(26,133)</u> | <u>16,334</u> | <u>18,183</u> | <u>309</u> | <u>2,953</u> | <u>(7,436)</u> | <u>-</u> |
| Other financing sources (uses) | | | | | | | |
| Transfers in | - | - | - | - | - | - | - |
| Transfers out | - | - | (20,015) | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>(20,015)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | <u>(26,133)</u> | <u>16,334</u> | <u>(1,832)</u> | <u>309</u> | <u>2,953</u> | <u>(7,436)</u> | <u>-</u> |
| Cash and investment fund balance - beginning | <u>334,608</u> | <u>34,933</u> | <u>664,658</u> | <u>357</u> | <u>2,226</u> | <u>36,649</u> | <u>120</u> |
| Cash and investment fund balance - ending | <u>\$ 308,475</u> | <u>\$ 51,267</u> | <u>\$ 662,826</u> | <u>\$ 666</u> | <u>\$ 5,179</u> | <u>\$ 29,213</u> | <u>\$ 120</u> |
| <u>Cash and Investment Assets - December 31</u> | | | | | | | |
| Cash and investments | \$ 308,475 | \$ 51,267 | \$ 662,826 | \$ 666 | \$ 5,179 | \$ 29,213 | \$ 120 |
| Restricted assets: | | | | | | | |
| Cash and investments | - | - | - | - | - | - | - |
| Total cash and investment assets - December 31 | <u>\$ 308,475</u> | <u>\$ 51,267</u> | <u>\$ 662,826</u> | <u>\$ 666</u> | <u>\$ 5,179</u> | <u>\$ 29,213</u> | <u>\$ 120</u> |
| <u>Cash and Investment Fund Balance - December 31</u> | | | | | | | |
| Restricted for: | | | | | | | |
| Highways and streets | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Culture and recreation | - | - | - | - | - | - | - |
| Other purposes | - | - | - | - | - | - | - |
| Unrestricted | <u>308,475</u> | <u>51,267</u> | <u>662,826</u> | <u>666</u> | <u>5,179</u> | <u>29,213</u> | <u>120</u> |
| Total cash and investment fund balance - December 31 | <u>\$ 308,475</u> | <u>\$ 51,267</u> | <u>\$ 662,826</u> | <u>\$ 666</u> | <u>\$ 5,179</u> | <u>\$ 29,213</u> | <u>\$ 120</u> |

ADAMS 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, 2006
 (Continued)

| | County Law Enforcement Continuing Education | County Clerk IV-D No. 2 | Emergency Response Services | Emergency Planning and Right to Know | Communications Equipment | Hazard Mitigation | Homeland Security |
|---|--|-------------------------------|-----------------------------------|--|-----------------------------|----------------------|----------------------|
| Receipts: | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Special assessments | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental | - | 12,185 | - | 7,102 | 55,038 | - | - |
| Charges for services | 90 | - | 471,372 | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - |
| Total receipts | <u>90</u> | <u>12,185</u> | <u>471,372</u> | <u>7,102</u> | <u>55,038</u> | <u>-</u> | <u>-</u> |
| Disbursements: | | | | | | | |
| General government | - | - | - | - | - | - | - |
| Public safety | 2,709 | - | 398,097 | 3,333 | 55,038 | - | 570 |
| Highways and streets | - | - | - | - | - | - | - |
| Health and welfare | - | 29,917 | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - | - |
| Economic development | - | - | - | - | - | - | - |
| Capital outlay: | | | | | | | |
| General government | - | - | - | - | - | - | - |
| Highways and streets | - | - | - | - | - | - | - |
| Total disbursements | <u>2,709</u> | <u>29,917</u> | <u>398,097</u> | <u>3,333</u> | <u>55,038</u> | <u>-</u> | <u>570</u> |
| Excess (deficiency) of receipts over disbursements | <u>(2,619)</u> | <u>(17,732)</u> | <u>73,275</u> | <u>3,769</u> | <u>-</u> | <u>-</u> | <u>(570)</u> |
| Other financing sources (uses) | | | | | | | |
| Transfers in | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | <u>(2,619)</u> | <u>(17,732)</u> | <u>73,275</u> | <u>3,769</u> | <u>-</u> | <u>-</u> | <u>(570)</u> |
| Cash and investment fund balance - beginning | <u>2,757</u> | <u>44,572</u> | <u>568,268</u> | <u>31,509</u> | <u>-</u> | <u>1,215</u> | <u>570</u> |
| Cash and investment fund balance - ending | <u>\$ 138</u> | <u>\$ 26,840</u> | <u>\$ 641,543</u> | <u>\$ 35,278</u> | <u>\$ -</u> | <u>\$ 1,215</u> | <u>\$ -</u> |
| <u>Cash and Investment Assets - December 31</u> | | | | | | | |
| Cash and investments | \$ 138 | \$ 26,840 | \$ 641,543 | \$ 35,278 | \$ - | \$ 1,215 | \$ - |
| Restricted assets: | | | | | | | |
| Cash and investments | - | - | - | - | - | - | - |
| Total cash and investment assets - December 31 | <u>\$ 138</u> | <u>\$ 26,840</u> | <u>\$ 641,543</u> | <u>\$ 35,278</u> | <u>\$ -</u> | <u>\$ 1,215</u> | <u>\$ -</u> |
| <u>Cash and Investment Fund Balance - December 31</u> | | | | | | | |
| Restricted for: | | | | | | | |
| Highways and streets | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Culture and recreation | - | - | - | - | - | - | - |
| Other purposes | - | - | - | - | - | - | - |
| Unrestricted | <u>138</u> | <u>26,840</u> | <u>641,543</u> | <u>35,278</u> | <u>-</u> | <u>1,215</u> | <u>-</u> |
| Total cash and investment fund balance - December 31 | <u>\$ 138</u> | <u>\$ 26,840</u> | <u>\$ 641,543</u> | <u>\$ 35,278</u> | <u>\$ -</u> | <u>\$ 1,215</u> | <u>\$ -</u> |

ADAMS 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, 2006
 (Continued)

| | Park and Recreation | Park Nonreverting Operating | Park and Recreation Nonreverting Operating | Airport Feasibility Study | Jury Fee | Disaster Public Assistance |
|---|------------------------|-----------------------------------|---|---------------------------------|-----------------|----------------------------------|
| Receipts: | | | | | | |
| Taxes | \$ 92,641 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Special assessments | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - |
| Intergovernmental | 8,019 | - | - | - | - | - |
| Charges for services | 14,334 | 68,945 | - | - | 4,882 | - |
| Fines and forfeits | - | - | - | - | - | - |
| Other | - | 35 | - | - | 1 | - |
| Total receipts | 114,994 | 68,980 | - | - | 4,883 | - |
| Disbursements: | | | | | | |
| General government | - | - | - | - | - | - |
| Public safety | - | - | - | - | 5,131 | 1,389 |
| Highways and streets | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - |
| Culture and recreation | 138,079 | 48,150 | - | - | - | - |
| Economic development | - | - | - | - | - | - |
| Capital outlay: | | | | | | |
| General government | - | - | - | - | - | - |
| Highways and streets | - | - | - | - | - | - |
| Total disbursements | 138,079 | 48,150 | - | - | 5,131 | 1,389 |
| Excess (deficiency) of receipts over disbursements | (23,085) | 20,830 | - | - | (248) | (1,389) |
| Other financing sources (uses) | | | | | | |
| Transfers in | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (23,085) | 20,830 | - | - | (248) | (1,389) |
| Cash and investment fund balance - beginning | 98,990 | 48,420 | 768 | 247 | 1,760 | 1,745 |
| Cash and investment fund balance - ending | <u>\$ 75,905</u> | <u>\$ 69,250</u> | <u>\$ 768</u> | <u>\$ 247</u> | <u>\$ 1,512</u> | <u>\$ 356</u> |
| <u>Cash and Investment Assets - December 31</u> | | | | | | |
| Cash and investments | \$ - | \$ - | \$ - | \$ 247 | \$ 1,512 | \$ 356 |
| Restricted assets: | | | | | | |
| Cash and investments | 75,905 | 69,250 | 768 | - | - | - |
| Total cash and investment assets - December 31 | \$ 75,905 | \$ 69,250 | \$ 768 | \$ 247 | \$ 1,512 | \$ 356 |
| <u>Cash and Investment Fund Balance - December 31</u> | | | | | | |
| Restricted for: | | | | | | |
| Highways and streets | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Culture and recreation | 75,905 | 69,250 | 768 | - | - | - |
| Other purposes | - | - | - | - | - | - |
| Unrestricted | - | - | - | 247 | 1,512 | 356 |
| Total cash and investment fund balance - December 31 | \$ 75,905 | \$ 69,250 | \$ 768 | \$ 247 | \$ 1,512 | \$ 356 |

ADAMS 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, 2006
 (Continued)

| | County Corrections | Adams County Drug Enforcement | Golden Meadows Special Needs | St. Mary's River Basin | Deferral Fee | County Home Commissary |
|---|-----------------------|-------------------------------------|------------------------------------|---------------------------|-----------------|---------------------------|
| Receipts: | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Special assessments | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - |
| Intergovernmental | 23,541 | - | - | - | - | - |
| Charges for services | 152 | 1,713 | - | - | 34,650 | 515 |
| Fines and forfeits | - | - | - | - | - | - |
| Other | - | - | 4,718 | - | - | - |
| Total receipts | 23,693 | 1,713 | 4,718 | - | 34,650 | 515 |
| Disbursements: | | | | | | |
| General government | - | - | - | - | - | - |
| Public safety | 26,588 | 5,500 | - | - | 59,579 | - |
| Highways and streets | - | - | - | - | - | - |
| Health and welfare | - | - | 4,269 | - | - | 581 |
| Culture and recreation | - | - | - | - | - | - |
| Economic development | - | - | - | - | - | - |
| Capital outlay: | | | | | | |
| General government | - | - | - | - | - | - |
| Highways and streets | - | - | - | - | - | - |
| Total disbursements | 26,588 | 5,500 | 4,269 | - | 59,579 | 581 |
| Excess (deficiency) of receipts over disbursements | (2,895) | (3,787) | 449 | - | (24,929) | (66) |
| Other financing sources (uses) | | | | | | |
| Transfers in | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (2,895) | (3,787) | 449 | - | (24,929) | (66) |
| Cash and investment fund balance - beginning | 34,326 | 15,707 | 10,368 | 585 | 30,026 | 202 |
| Cash and investment fund balance - ending | <u>\$ 31,431</u> | <u>\$ 11,920</u> | <u>\$ 10,817</u> | <u>\$ 585</u> | <u>\$ 5,097</u> | <u>\$ 136</u> |
| <u>Cash and Investment Assets - December 31</u> | | | | | | |
| Cash and investments | \$ 31,431 | \$ 11,920 | \$ 10,817 | \$ 585 | \$ 5,097 | \$ 136 |
| Restricted assets: | | | | | | |
| Cash and investments | - | - | - | - | - | - |
| Total cash and investment assets - December 31 | <u>\$ 31,431</u> | <u>\$ 11,920</u> | <u>\$ 10,817</u> | <u>\$ 585</u> | <u>\$ 5,097</u> | <u>\$ 136</u> |
| <u>Cash and Investment Fund Balance - December 31</u> | | | | | | |
| Restricted for: | | | | | | |
| Highways and streets | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Culture and recreation | - | - | - | - | - | - |
| Other purposes | - | - | - | - | - | - |
| Unrestricted | 31,431 | 11,920 | 10,817 | 585 | 5,097 | 136 |
| Total cash and investment fund balance - December 31 | <u>\$ 31,431</u> | <u>\$ 11,920</u> | <u>\$ 10,817</u> | <u>\$ 585</u> | <u>\$ 5,097</u> | <u>\$ 136</u> |

ADAMS 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, 2006
 (Continued)

| | Sheriff's Commissary | Clerk's Election Equipment | Sheriff's Retirement | Miscellaneous Grant | Identification Protection | Cumulative Bridge |
|--|-------------------------|----------------------------------|-------------------------|------------------------|------------------------------|----------------------|
| Receipts: | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 650,956 |
| Special assessments | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | 91,486 |
| Charges for services | 74,308 | - | - | - | 11,024 | - |
| Fines and forfeits | - | - | 3,172 | - | - | - |
| Other | - | - | - | 1,500 | - | 111,380 |
| Total receipts | 74,308 | - | 3,172 | 1,500 | 11,024 | 853,822 |
| Disbursements: | | | | | | |
| General government | - | 286,808 | - | - | - | - |
| Public safety | 77,002 | - | - | - | - | - |
| Highways and streets | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - |
| Economic development | - | - | - | - | - | - |
| Capital outlay: | | | | | | |
| General government | - | - | - | - | - | - |
| Highways and streets | - | - | - | - | - | 850,094 |
| Total disbursements | 77,002 | 286,808 | - | - | - | 850,094 |
| Excess (deficiency) of receipts over disbursements | (2,694) | (286,808) | 3,172 | 1,500 | 11,024 | 3,728 |
| Other financing sources (uses) | | | | | | |
| Transfers in | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (2,694) | (286,808) | 3,172 | 1,500 | 11,024 | 3,728 |
| Cash and investment fund balance - beginning | 15,151 | 286,808 | - | - | - | 1,486,152 |
| Cash and investment fund balance - ending | \$ 12,457 | \$ - | \$ 3,172 | \$ 1,500 | \$ 11,024 | \$ 1,489,880 |
| <u>Cash and Investment Assets - December 31</u> | | | | | | |
| Cash and investments | \$ 12,457 | \$ - | \$ 3,172 | \$ 1,500 | \$ 11,024 | \$ - |
| Restricted assets: | | | | | | |
| Cash and investments | - | - | - | - | - | 1,489,880 |
| Total cash and investment assets - December 31 | \$ 12,457 | \$ - | \$ 3,172 | \$ 1,500 | \$ 11,024 | \$ 1,489,880 |
| <u>Cash and Investment Fund Balance - December 31</u> | | | | | | |
| Restricted for: | | | | | | |
| Highways and streets | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,489,880 |
| Culture and recreation | - | - | - | - | - | - |
| Other purposes | - | - | - | - | - | - |
| Unrestricted | 12,457 | - | 3,172 | 1,500 | 11,024 | - |
| Total cash and investment fund balance - December 31 | \$ 12,457 | \$ - | \$ 3,172 | \$ 1,500 | \$ 11,024 | \$ 1,489,880 |

ADAMS 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, 2006
 (Continued)

| | General Drain Improvement | Cumulative Capital Development | Cumulative Courthouse Buildings | Economic Development Income Tax | Cumulative Jail | Totals |
|---|------------------------------|--------------------------------------|---------------------------------------|---------------------------------------|--------------------|---------------------|
| Receipts: | | | | | | |
| Taxes | \$ - | \$ 316,068 | \$ 48,823 | \$ - | \$ 191,183 | \$ 1,545,082 |
| Special assessments | 36,072 | - | - | - | - | 289,060 |
| Licenses and permits | - | - | - | - | - | 22,985 |
| Intergovernmental | - | 27,395 | 4,232 | 710,398 | 16,706 | 1,380,501 |
| Charges for services | - | - | - | - | - | 899,214 |
| Fines and forfeits | - | - | - | - | - | 3,172 |
| Other | 823 | 20,270 | 1,000 | - | 7,367 | 157,702 |
| Total receipts | 36,895 | 363,733 | 54,055 | 710,398 | 215,256 | 4,297,716 |
| Disbursements: | | | | | | |
| General government | - | - | - | - | - | 689,219 |
| Public safety | - | - | - | - | - | 727,435 |
| Highways and streets | - | - | - | - | - | 278,489 |
| Health and welfare | - | - | - | - | - | 363,194 |
| Culture and recreation | - | - | - | - | - | 186,229 |
| Economic development | - | - | - | 76,426 | - | 76,426 |
| Capital outlay: | | | | | | |
| General government | 48,092 | 263,997 | 125,956 | - | - | 438,045 |
| Highways and streets | - | - | - | 536,523 | - | 1,386,617 |
| Total disbursements | 48,092 | 263,997 | 125,956 | 612,949 | - | 4,145,654 |
| Excess (deficiency) of receipts over disbursements | (11,197) | 99,736 | (71,901) | 97,449 | 215,256 | 152,062 |
| Other financing sources (uses) | | | | | | |
| Transfers in | 20,015 | - | - | - | - | 20,015 |
| Transfers out | - | - | - | - | - | (20,015) |
| Total other financing sources (uses) | 20,015 | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | 8,818 | 99,736 | (71,901) | 97,449 | 215,256 | 152,062 |
| Cash and investment fund balance - beginning | 517,271 | 1,310,598 | 251,936 | 147,545 | 366,217 | 7,366,382 |
| Cash and investment fund balance - ending | <u>\$ 526,089</u> | <u>\$ 1,410,334</u> | <u>\$ 180,035</u> | <u>\$ 244,994</u> | <u>\$ 581,473</u> | <u>\$ 7,518,444</u> |
| Cash and Investment Assets - December 31 | | | | | | |
| Cash and investments | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,826,972 |
| Restricted assets: | | | | | | |
| Cash and investments | 526,089 | 1,410,334 | 180,035 | 244,994 | 581,473 | 4,691,472 |
| Total cash and investment assets - December 31 | \$ 526,089 | \$ 1,410,334 | \$ 180,035 | \$ 244,994 | \$ 581,473 | \$ 7,518,444 |
| Cash and Investment Fund Balance - December 31 | | | | | | |
| Restricted for: | | | | | | |
| Highways and streets | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,602,624 |
| Culture and recreation | - | - | - | - | - | 145,923 |
| Other purposes | 526,089 | 1,410,334 | 180,035 | 244,994 | 581,473 | 2,942,925 |
| Unrestricted | - | - | - | - | - | 2,826,972 |
| Total cash and investment fund balance - December 31 | \$ 526,089 | \$ 1,410,334 | \$ 180,035 | \$ 244,994 | \$ 581,473 | \$ 7,518,444 |

ADAMS COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For The Year Ended December 31, 2006

| | Victim Assistance Donations | Highway Donations | Health Donations | Congressional School Principal | K-9 Donations | Dare Donations | Total |
|---|-----------------------------------|----------------------|---------------------|--------------------------------------|------------------|-------------------|------------------|
| Additions: | | | | | | | |
| Contributions: | | | | | | | |
| Other | \$ - | \$ 675 | \$ 5,038 | \$ - | \$ 30 | \$ 745 | \$ 6,488 |
| Deductions: | | | | | | | |
| Administrative and general | - | 695 | 4,631 | - | - | 98 | 5,424 |
| Excess (deficiency) of total additions over total deductions | - | (20) | 407 | - | 30 | 647 | 1,064 |
| Cash and investment fund balance - beginning | 5,755 | 698 | 44,173 | 18,513 | 5 | 1,192 | 70,336 |
| Cash and investment fund balance - ending | <u>\$ 5,755</u> | <u>\$ 678</u> | <u>\$ 44,580</u> | <u>\$ 18,513</u> | <u>\$ 35</u> | <u>\$ 1,839</u> | <u>\$ 71,400</u> |

ADAMS COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2006

| | Probation Interstate Compact Fee | Education Plate Fee | Medical Assistance to Wards | Children With Special Health Care Needs | Hospital Care for the Indigent | Welfare Trust | Surplus Tax |
|---|--|------------------------|-----------------------------------|---|--------------------------------------|------------------|------------------|
| Additions: | | | | | | | |
| Agency fund additions | \$ 375 | \$ 1,706 | \$ 29,103 | \$ 44,350 | \$ 241,151 | \$ 8,082 | \$ 67,937 |
| Deductions: | | | | | | | |
| Agency fund deductions | 300 | 1,706 | 29,103 | 44,350 | 241,151 | 7,760 | 74,827 |
| Excess (deficiency) of total additions over total deductions | 75 | - | - | - | - | 322 | (6,890) |
| Cash and investment fund balance - beginning | - | - | - | - | - | 78 | 52,795 |
| Cash and investment fund balance - ending | <u>\$ 75</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 400</u> | <u>\$ 45,905</u> |

ADAMS COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2006
 (Continued)

| | <u>Tax Sale Redemption</u> | <u>Surplus Tax Sale</u> | <u>State Sales Disclosure Fee</u> | <u>Coroner's Training and Continuing Education</u> | <u>City and Town Court Cost</u> | <u>Congressional School Interest</u> | <u>Inheritance Tax</u> |
|---|--------------------------------|-----------------------------|---------------------------------------|--|---|--|----------------------------|
| Additions: | | | | | | | |
| Agency fund additions | \$ 124,117 | \$ 74,215 | \$ 4,415 | \$ 1,567 | \$ 8,565 | \$ 1,113 | \$ 818,669 |
| Deductions: | | | | | | | |
| Agency fund deductions | 124,117 | 284,045 | 4,485 | 1,665 | 9,556 | 740 | 724,320 |
| Excess (deficiency) of total additions over total deductions | - | (209,830) | (70) | (98) | (991) | 373 | 94,349 |
| Cash and investment fund balance - beginning | 70 | 284,043 | 365 | 129 | 5,221 | 15,565 | 87,925 |
| Cash and investment fund balance - ending | <u>\$ 70</u> | <u>\$ 74,213</u> | <u>\$ 295</u> | <u>\$ 31</u> | <u>\$ 4,230</u> | <u>\$ 15,938</u> | <u>\$ 182,274</u> |

ADAMS COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2006
 (Continued)

| | Improvement Location Permit Money | User Fees | State Fees | Tax Distributions | Payroll Withholdings | Work Release | County Sheriff |
|---|---|------------------|-----------------|----------------------|-------------------------|-----------------|-------------------|
| Additions: | | | | | | | |
| Agency fund additions | \$ 480 | \$ 6,549 | \$ 107,634 | \$ 35,035,625 | \$ 2,206,816 | \$ 96,372 | \$ 1,108,678 |
| Deductions: | | | | | | | |
| Agency fund deductions | 480 | 4,242 | 109,490 | 35,317,816 | 2,206,816 | 96,372 | 1,108,053 |
| Excess (deficiency) of total additions over total deductions | - | 2,307 | (1,856) | (282,191) | - | - | 625 |
| Cash and investment fund balance - beginning | - | 13,377 | 6,647 | 339,545 | 11 | - | - |
| Cash and investment fund balance - ending | <u>\$ -</u> | <u>\$ 15,684</u> | <u>\$ 4,791</u> | <u>\$ 57,354</u> | <u>\$ 11</u> | <u>\$ -</u> | <u>\$ 625</u> |

ADAMS COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2006
 (Continued)

| | Sheriff's Inmate Trust | Clerk of the Circuit Court | County Recorder | County Treasurer | Probation Department | County Home Resident's Trust | Total |
|---|---------------------------|----------------------------------|--------------------|---------------------|-------------------------|------------------------------------|-------------------|
| Additions: | | | | | | | |
| Agency fund additions | \$ 98,039 | \$ 3,720,199 | \$ 143,053 | \$ 53,501,234 | \$ 73,491 | \$ 230,449 | \$ 97,753,984 |
| Deductions: | | | | | | | |
| Agency fund deductions | 100,160 | 3,931,442 | 143,053 | 53,466,251 | 73,491 | 227,269 | 98,333,060 |
| Excess (deficiency) of total additions over total deductions | (2,121) | (211,243) | - | 34,983 | - | 3,180 | (579,076) |
| Cash and investment fund balance - beginning | 10,769 | 462,880 | 50 | 262,415 | 50 | 12,612 | 1,554,547 |
| Cash and investment fund balance - ending | <u>\$ 8,648</u> | <u>\$ 251,637</u> | <u>\$ 50</u> | <u>\$ 297,398</u> | <u>\$ 50</u> | <u>\$ 15,792</u> | <u>\$ 975,471</u> |

ADAMS COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS

December 31, 2006

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 back trending (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 | \$ 84,567 |
| Infrastructure | 58,871,986 |
| Buildings | 6,907,874 |
| Improvements other than buildings | 518,328 |
| Machinery and equipment | 5,288,060 |
| Construction in progress | <u>35,460</u> |
| Total governmental activities, capital assets not being depreciated | <u><u>\$ 71,706,275</u></u> |

ADAMS COUNTY
OTHER REPORT

The annual report presented herein was prepared in addition to the official report prepared for the County Sheriff.

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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 ADAMS COUNTY, INDIANA

Compliance

We have audited the compliance of Adams 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, 2006. 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, 2006.

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

April 12, 2007

ADAMS COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2006

| 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 JUSTICE</u> | | | |
| Pass-Through Indiana Criminal Justice Institute Crime Victim Assistance | 16.575 | 06-VA-002 | \$ 9,962 |
| <u>GENERAL SERVICES ADMINISTRATION</u> | | | |
| Pass-Through Indiana Secretary of State Election Reform Payments | 39.011 | | 95,760 |
| <u>ELECTION ASSISTANCE COMMISSION</u> | | | |
| Pass-Through Indiana Secretary of State Help America Vote Act Requirements Payments | 90.401 | | 181,496 |
| <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-100-2 | 13,783 |
| Pass-Through Department of Child Services Child Support Enforcement | 93.563 | | |
| County Prosecutor's Expenditures | | | 71,012 |
| Collection Incentives | | | 42,702 |
| County Clerk's Expenditures | | | 19,057 |
| Indirect Cost | | | 11,263 |
| Total for program | | | 144,034 |
| Total for federal grantor agency | | | 157,817 |
| <u>U.S. DEPARTMENT OF HOMELAND SECURITY</u> | | | |
| Pass-Through Indiana Department of Homeland Security State Domestic Preparedness Equipment Support Program | 97.004 | | 570 |
| Emergency Management Performance Grants | 97.042 | | 37,000 |
| Homeland Security Grant Program | 97.067 | | 34,722 |
| State Homeland Security Program | 97.073 | | 11,250 |
| Law Enforcement Terrorism Prevention Program | 97.074 | | 20,316 |
| Total for federal grantor agency | | | 103,858 |
| Total federal awards expended | | | \$ 548,893 |

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

ADAMS COUNTY
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Adams 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.

ADAMS 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 |
|----------------|---|
| 39.011 | Election Reform Payments |
| 90.401 | Help America Vote Act Requirements Payments |

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

ADAMS COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

ADAMS COUNTY
EXIT CONFERENCE

The contents of this report were discussed on April 12, 2007, with William A. Borne, Auditor; and Douglas L. Bauman, President of the Board of County Commissioners.