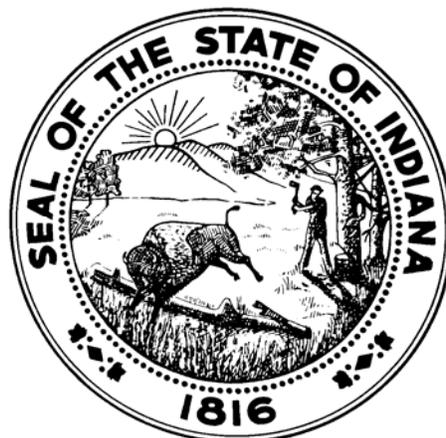


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

ANNUAL FINANCIAL REPORT

2006

ORANGE COUNTY, INDIANA



FILED

04/26/2007

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Diann Mathers	01-01-05 to 12-31-08
Treasurer	Barbara J. Hall	01-01-05 to 12-31-08
Clerk	Beth A. Jones	01-01-05 to 12-31-08
Sheriff	Doyle M. Cornwell Richard W. Dixon	01-01-03 to 12-31-06 01-01-07 to 12-31-10
Recorder	Stacie L. Owens	01-01-03 to 12-31-08
President of the Board of County Commissioners	Donald R. Crockett James L. Springer	01-01-06 to 12-31-06 01-01-07 to 12-31-07
President of the County Council	Kermit A. Lamb Greg A. Farlow	01-01-06 to 12-31-06 01-01-07 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF ORANGE COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Orange 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 March 23, 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, Schedule of Capital Assets and Schedule of Long-Term Debt are presented for additional analysis and are not a required part of the basic financial statements. The Combining Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Capital Assets and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

March 23, 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 ORANGE COUNTY, INDIANA

We have audited the financial statements of Orange County (County), as of and for the year ended December 31, 2006, and have issued our report thereon dated March 23, 2007. The opinion to the financial statements was qualified due to the County not including a number of component units which should have been included to fairly present the financial position of the 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.

We noted other matters involving the internal control over financial reporting that we have discussed with the management of the County on March 21, 2007. These immaterial instances of noncompliance were subsequently communicated to management in a separate letter.

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

March 23, 2007

STATE BOARD OF ACCOUNTS

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

<u>Functions/Programs</u>	Program Receipts				Net (Disbursement) Receipt and Changes in Net Assets
	Disbursements	Operating		Capital	Governmental Activities
		Charges for Services	Grants and Contributions	Grants and Contributions	
Primary government:					
Governmental activities:					
General government	\$ 2,867,356	\$ 402,737	\$ 479,672	\$ -	\$ (1,984,947)
Public safety	2,370,749	1,022,825	308,177	97,492	(942,255)
Highways and streets	2,571,473	-	2,386,096	-	(185,377)
Sanitation	106,995	-	-	-	(106,995)
Health and welfare	991,765	314,417	216,159	-	(461,189)
Culture and recreation	166,939	8,563	23,174	-	(135,202)
Urban redevelopment	403,024	-	-	-	(403,024)
Economic development	517,367	-	-	-	(517,367)
Debt service	123,403	-	-	-	(123,403)
Capital outlay	91,595	-	-	-	(91,595)
Total primary government	<u>\$ 10,210,666</u>	<u>\$ 1,748,542</u>	<u>\$ 3,413,278</u>	<u>\$ 97,492</u>	<u>(4,951,354)</u>
General receipts:					
Property taxes					2,203,978
Other local sources					1,740,167
Unrestricted intergovernmental receipts					465,741
Unrestricted investment earnings					349,349
Riverboat revenue sharing					121,489
Loan proceeds					206,083
Insurance proceeds					43,780
Other receipts					103,431
Total general receipts					<u>5,234,018</u>
Change in net assets					282,664
Net assets - beginning					<u>5,420,997</u>
Net assets - ending					<u>\$ 5,703,661</u>
<u>Assets</u>					
Cash and investments					\$ 1,451,767
Restricted assets:					
Cash and investments					<u>4,251,894</u>
Total assets					<u>\$ 5,703,661</u>
<u>Net Assets</u>					
Restricted for:					
General government					\$ 826,203
Public safety					614,813
Highways and streets					784,950
Health and welfare					689,181
Culture and recreation					69,867
Urban redevelopment					4,211
Economic development					5,831
Debt service					43,049
Capital outlay					1,213,789
Unrestricted					<u>1,451,767</u>
Total net assets					<u>\$ 5,703,661</u>

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

ORANGE 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	Highway	Property Reassessment	Cumulative Bridge	Other Governmental Funds	Totals
Receipts:						
Taxes	\$ 2,492,540	\$ -	\$ 106,940	\$ 436,485	\$ 908,180	\$ 3,944,145
Intergovernmental	449,984	2,171,541	-	20,538	1,139,647	3,781,710
Charges for services	946,603	-	-	-	916,280	1,862,883
Other	314,087	32,771	22,488	20,884	106,330	496,560
Total receipts	4,203,214	2,204,312	129,428	477,907	3,070,437	10,085,298
Disbursements:						
General government	2,560,667	-	151,501	-	155,188	2,867,356
Public safety	1,529,119	-	-	-	841,630	2,370,749
Highways and streets	-	2,075,851	-	292,237	203,385	2,571,473
Sanitation	106,995	-	-	-	-	106,995
Health and welfare	194,865	-	-	-	796,900	991,765
Culture and recreation	77,273	-	-	-	89,666	166,939
Urban redevelopment and housing	-	-	-	-	403,024	403,024
Economic development	-	-	-	-	517,367	517,367
Debt service:						
Principal	-	-	-	-	106,403	106,403
Interest	-	-	-	-	17,000	17,000
Capital outlay:						
Highways and streets	-	-	-	59,879	31,716	91,595
Total disbursements	4,468,919	2,075,851	151,501	352,116	3,162,279	10,210,666
Excess (deficiency) of revenue over disbursements	(265,705)	128,461	(22,073)	125,791	(91,842)	(125,368)
Other financing sources (uses)						
Loan proceeds	-	206,083	-	-	-	206,083
Interfund loan proceeds/repayment	-	-	-	175,805	175,805	351,610
Interfund loan payments	-	-	-	(175,805)	(175,805)	(351,610)
Other receipts	201,949	-	-	-	-	201,949
Total other financing sources (uses)	201,949	206,083	-	-	-	408,032
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(63,756)	334,544	(22,073)	125,791	(91,842)	282,664
Cash and investment fund balance - beginning	1,401,171	433,525	785,253	941,705	1,859,343	5,420,997
Cash and investment fund balance - ending	<u>\$ 1,337,415</u>	<u>\$ 768,069</u>	<u>\$ 763,180</u>	<u>\$ 1,067,496</u>	<u>\$ 1,767,501</u>	<u>\$ 5,703,661</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ 1,337,415	\$ -	\$ -	\$ -	\$ 114,352	\$ 1,451,767
Restricted assets:						
Cash and investments	-	768,069	763,180	1,067,496	1,653,149	4,251,894
Total cash and investment assets - December 31	<u>\$ 1,337,415</u>	<u>\$ 768,069</u>	<u>\$ 763,180</u>	<u>\$ 1,067,496</u>	<u>\$ 1,767,501</u>	<u>\$ 5,703,661</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ 63,023	\$ 63,023
Public safety	-	-	-	-	614,813	614,813
Highways and streets	-	768,069	-	-	16,881	784,950
Health and welfare	-	-	-	-	689,181	689,181
Culture and recreation	-	-	-	-	69,867	69,867
Urban redevelopment	-	-	-	-	4,211	4,211
Economic development	-	-	-	-	5,831	5,831
Debt service	-	-	-	-	43,049	43,049
Capital outlay	-	-	763,180	1,067,496	146,293	1,976,969
Unrestricted	1,337,415	-	-	-	114,352	1,451,767
Total cash and investment fund balance - December 31	<u>\$ 1,337,415</u>	<u>\$ 768,069</u>	<u>\$ 763,180</u>	<u>\$ 1,067,496</u>	<u>\$ 1,767,501</u>	<u>\$ 5,703,661</u>

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

ORANGE 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 Trust Funds</u>	<u>Agency Funds</u>
Additions:			
Contributions:			
Employer	\$ 75,179	\$ -	\$ -
Plan members	<u>7,683</u>	<u>-</u>	<u>-</u>
Total contributions	<u>82,862</u>	<u>-</u>	<u>-</u>
Investment earnings:			
Net increase in fair value of investments	447,656	-	-
Interest	19,147	354	-
Dividends	<u>8,981</u>	<u>-</u>	<u>-</u>
Total investment earnings	475,784	354	-
Less investment disbursements	<u>(387,213)</u>	<u>-</u>	<u>-</u>
Net investment earnings	<u>88,571</u>	<u>354</u>	<u>-</u>
Agency fund additions	<u>-</u>	<u>-</u>	<u>39,925,775</u>
Total additions	<u>171,433</u>	<u>354</u>	<u>39,925,775</u>
Deductions:			
Benefits	19,572	-	-
Administrative and general	11,598	117	-
Agency fund deductions	<u>-</u>	<u>-</u>	<u>39,653,302</u>
Total deductions	<u>31,170</u>	<u>117</u>	<u>39,653,302</u>
Excess of total additions over total deductions	140,263	237	272,473
Cash and investment fund balance - beginning	<u>606,200</u>	<u>23,631</u>	<u>1,523,997</u>
Cash and investment fund balance - ending	<u>\$ 746,463</u>	<u>\$ 23,868</u>	<u>\$ 1,796,470</u>

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

ORANGE COUNTY
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

The County's financial reporting entity is composed of the following:

Primary Government:	Orange County
Discretely Presented Component Unit:	Orange County Solid Waste Management District
Discretely Presented Component Unit:	Orange County Fire Protection District

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

The Orange County Solid Waste Management District and Orange County Fire Protection District, 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.

Joint Venture

The County is a participant with Crawford, Dubois, Perry, Pike, and Spencer Counties in a joint venture to operate Region 15 Planning Commission which was created to help units improve economic conditions. The County is obligated by contract to support the Planning Commission. County funds are raised by a local tax levy. The Planning Commission's continued existence depends on continued funding by the Counties. Complete financial statements for the Planning Commission can be obtained from the Region 15 Planning Commission Office at 610 Main Street, Jasper, IN 47546-0786.

Related Organizations

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

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The County has no business-type activities.

ORANGE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund Financial Statements

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

The County reports the following major governmental funds:

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

The highway fund is used for construction, reconstruction and maintenance of the highways of the County.

The property reassessment fund is used to accumulate funds to pay for reassessment expenses.

The cumulative bridge fund is used for the cost of construction, maintenance, and repair of bridges, approaches, and grade separations as authorized by Indiana Code 8-16-3-1.

Additionally, the County reports the following fund types:

The pension trust funds account for the activities of the Sheriff's Pension Trust which accumulates resources for pension benefit payments.

The private-purpose trust funds report trust arrangements under which principal and income benefit the congressional school and Wolfe Cemetery funds.

Agency funds account for assets held by the County as an agent for other entities 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.

ORANGE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

D. Assets and Cash and Investment Balances

1. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as interest receipts in the year of the sale of the investment.

2. Capital Assets

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

3. Long-Term Debt

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

4. Equity Classification

Government-Wide Statements

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

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

b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

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

Fund Financial Statements

Governmental fund equity is classified as fund balance.

E. 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.

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

Government-Wide Financial Statements

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

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

II. Stewardship, Compliance and Accountability

Budgetary Information

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

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.

ORANGE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

III. Detailed Notes on All Funds

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. 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
U.S. Treasuries and Securities	\$ 48,893
U.S. Agencies	177,038
Mutual Funds	165,873
Corporate bonds	30,183
Corporate stock	150,760
Total	\$ 572,747

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

ORANGE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

agency, a federal instrumentality, or a federal government sponsored enterprise or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

Additionally, the County may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the unit's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

The Sheriff's Pension Plan is not subject to the same investment laws as the county. The Sheriff's Merit Board has not adopted an investment policy for interest rate and credit risk.

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The County does not have a formal investment policy for custodial credit risk for investments.

The Sheriff's Merit Board has not adopted an investment policy for custodial credit risk for investments. At December 31, 2006, the Sheriff's Retirement and Benefit Pension Plans held investments in U.S. Treasury Securities, U.S. Agencies, corporate bonds, and corporate stocks in the amount of \$406,874. Of these investments \$406,874 are held by the investment counterparty, not in the name of the Sheriff's Pension Plan.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County must follow state statute and limit the stated final maturities of the investments to no more than two years.

The Sheriff's Merit Board has not adopted a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses.

ORANGE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Sheriff's Retirement and Benefit Pension Plans:

Investment Type	Investment Maturities (in Years)		
	Less Than 1	1-2	More Than 2
U.S. Treasuries and Securities	\$ -	\$ -	\$ 48,893
U.S. Agencies	15,056	14,700	147,282
Mutual Bond Funds*	-	-	69,693
Totals	<u>\$ 15,056</u>	<u>\$ 14,700</u>	<u>\$ 265,868</u>

*The mutual bond funds had a weighted average maturity of 2.5 years.

Credit Risk

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

Sheriff's Retirement and Benefit Pension Plans:

Standard and Poor's Rating	Moody's Rating	County's Investments		
		Mutual Funds	Corporate Bonds	Government Sponsored Enterprise
AAA	Aaa	\$ -	\$ -	\$ 147,282
AA	Aa	69,693	10,057	-
A	A	-	10,124	-
Unrated	Unrated	-	10,002	-
Totals		<u>\$ 69,693</u>	<u>\$ 30,183</u>	<u>\$ 147,282</u>

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County does not have a policy in regards to concentration of credit risk. United States of America government and United States of America governmental agency securities are exempt from this policy requirement.

The Sheriff's Merit Board has not adopted a policy for the concentration of credit risk. More than 5% of the Sheriff's Retirement and Benefit investments are in U.S. Treasury Securities, U.S. Agencies, mutual equity funds, and corporate stocks. These investments represent 6%, 23%, 22%, and 20%, respectively, of the total investments.

ORANGE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Foreign Currency Risk

The County does not have a formal policy in regards to foreign currency risk. There is no foreign currency related to this investment.

The Sheriff's Merit Board has not adopted a formal policy in regards to foreign currency risk. There is no foreign currency related to this investment.

IV. Other Information

A. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters.

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

Torts, Theft of, Damage to and destruction of Assets, and Errors and Omissions

During 1985, the County joined together with other governmental entities to form the Governmental Interinsurance Exchange (GIE), a public entity risk pool currently operating as a common risk management and insurance program for more than 400 member governmental entities. This risk pool was formed in 1978. The purpose of the risk pool is to provide a medium for the funding and administration of group insurance plans for the benefit of the member's employees. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$1,000,000 per insured event. The risk pool obtains independent coverage for insured events in excess of the \$1,000,000 limit.

Job Related Illnesses or Injuries to Employees

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

B. Related Party Transactions

During the period in which financial statements are presented, the County had material transactions with Kermit Lamb, Branch Manager of Mid-Southern Savings and Loan Inc., in relation to financing arrangements of highway equipment, an ambulance, and community building owned by the County in the amount of \$169,012. As of December 31, 2006, the amount of outstanding loans due to Mid-Southern Savings and Loan Inc., was \$1,166,902.

ORANGE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

During the period in which financial statements are presented, the County had material transactions with Thomas Lamb, Vice President of Old National Bank of Paoli, in relation to financing arrangements of highway equipment owned by the County in the amount of \$27,583. As of December 31, 2006, the amount of outstanding loans due to Old National Bank was \$246,572.

C. Subsequent Events

On December 31, 2006, the County was awarded a Community Focus Fund Grant. The \$525,000 grant was to finance construction on the County Courthouse. The grant requires a \$145,000 local match.

D. Administration of Welfare Programs

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

E. Pension Plans

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

1. Public Employees' Retirement Fund

Plan Description

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

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

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

ORANGE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Funding Policy and Annual Pension Cost

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

2. County Police Retirement Plan

Plan Description

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

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.

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.

ORANGE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Actuarial Information for the Above Plans

	PERF	County Police Retirement Plan	County Police Benefit Plan
Annual required contribution	\$ 110,866	\$ 64,435	\$ 2,296
Interest on net pension obligation	(7,405)	2,978	-
Adjustment to annual required contribution	8,439	(11,436)	-
Annual pension cost	111,900	55,977	2,296
Contributions made	130,442	100,825	2,296
Decrease in net pension obligation	(18,542)	(44,848)	-
Net pension obligation, beginning of year	(102,141)	42,543	-
Net pension obligation, end of year	\$ (120,683)	\$ (2,305)	\$ -

	PERF	County Police Retirement Plan	County Police Benefit Plan
Contribution rates:			
County	5.5%	25%	1%
Plan members	3%	6%	6%
Actuarial valuation date	07-01-05	10-01-06	10-01-06
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed	Level percentage of projected Payroll, closed
Amortization period	40 years	40 years	40 years
Amortization period (from date)	07-01-97	12-31-97	12-31-97
Asset valuation method	4 year smoothed market	4 year smoothed market	4 year smoothed market
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%

ORANGE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-03	\$ 111,958	106%	\$ (69,289)
	06-30-04	90,202	136%	(102,141)
	06-30-05	111,900	145%	(120,683)
County Police Retirement Plan	12-31-03	79,364	92%	7,045
	12-31-04	52,561	30%	42,543
	12-31-05	55,977	180%	(2,305)
County Police Benefit Plan	12-31-03	2,535	100%	-
	12-31-04	2,338	100%	-
	12-31-05	2,296	100%	-

ORANGE COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-03	\$ 1,676,015	\$ 1,710,094	\$ (34,079)	98%	\$ 1,874,505	(2%)
07-01-04	1,730,477	1,920,634	(190,157)	90%	1,992,039	(10%)
07-01-05	1,833,974	2,149,697	(315,723)	85%	2,393,919	(13%)

County Police Retirement Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-01	\$ 303,723	\$ 374,314	\$ (70,591)	81%	\$ 206,500	(34%)
01-01-02	376,551	410,750	(34,199)	92%	211,550	(16%)
01-01-03	427,978	459,240	(31,262)	93%	218,250	(14%)
01-01-04	488,024	650,895	(162,871)	75%	222,600	(73%)
01-01-05	499,121	693,356	(194,235)	72%	232,625	(83%)
01-01-06	618,213	742,383	(124,170)	83%	253,500	(49%)

ORANGE 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

	Health	Local Health Maintenance	Supplemental Adult Probation Services	Park and Recreation	Rainy Day	Local Road and Street
Receipts:						
Taxes	\$ 29,827	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	69,361	33,139	-	-	-	180,961
Charges for services	16,726	-	137,507	1,250	-	-
Other	-	-	-	903	-	4,098
Total receipts	115,914	33,139	137,507	2,153	-	185,059
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	130,488	-	-	-
Highways and streets	-	-	-	-	-	190,329
Health and welfare	181,901	25,879	-	-	-	-
Culture and recreation	-	-	-	11,702	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
Highways and streets	-	-	-	-	-	-
Total disbursements	181,901	25,879	130,488	11,702	-	190,329
Excess (deficiency) of revenue over disbursements	(65,987)	7,260	7,019	(9,549)	-	(5,270)
Other financing sources (uses)						
Interfund loan proceeds/repayments	-	-	-	-	-	-
Interfund loan payments	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(65,987)	7,260	7,019	(9,549)	-	(5,270)
Cash and investment fund balance - beginning	106,339	34,836	114,946	38,641	25,284	22,151
Cash and investment fund balance - ending	<u>\$ 40,352</u>	<u>\$ 42,096</u>	<u>\$ 121,965</u>	<u>\$ 29,092</u>	<u>\$ 25,284</u>	<u>\$ 16,881</u>
<u>Cash and Investment Assets - December 31</u>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 25,284	\$ -
Restricted assets:						
Cash and investments	40,352	42,096	121,965	29,092	-	16,881
Total cash and investment assets - December 31	<u>\$ 40,352</u>	<u>\$ 42,096</u>	<u>\$ 121,965</u>	<u>\$ 29,092</u>	<u>\$ 25,284</u>	<u>\$ 16,881</u>
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	121,965	-	-	-
Highways and streets	-	-	-	-	-	16,881
Health and welfare	40,352	42,096	-	-	-	-
Culture and recreation	-	-	-	29,092	-	-
Urban redevelopment	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	25,284	-
Total cash and investment fund balance - December 31	<u>\$ 40,352</u>	<u>\$ 42,096</u>	<u>\$ 121,965</u>	<u>\$ 29,092</u>	<u>\$ 25,284</u>	<u>\$ 16,881</u>

ORANGE 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)

	Accident Report	Firearms Training	Emergency Telephone System	County Surveyor's Corner Perpetuation	Recorder's Records Perpetuation	Supplemental Juvenile Probation
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	61,673	-	-	1,250
Charges for services	1,418	4,170	195,390	7,040	18,255	4,310
Other	-	-	2,386	-	-	-
Total receipts	1,418	4,170	259,449	7,040	18,255	5,560
Disbursements:						
General government	-	-	-	7,074	18,151	-
Public safety	852	1,297	257,393	-	-	8,563
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
Highways and streets	-	-	-	-	-	-
Total disbursements	852	1,297	257,393	7,074	18,151	8,563
Excess (deficiency) of revenue over disbursements	566	2,873	2,056	(34)	104	(3,003)
Other financing sources (uses)						
Interfund loan proceeds/repayments	-	-	-	-	-	-
Interfund loan payments	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	566	2,873	2,056	(34)	104	(3,003)
Cash and investment fund balance - beginning	1,055	1,541	216,319	25,294	14,113	12,024
Cash and investment fund balance - ending	<u>\$ 1,621</u>	<u>\$ 4,414</u>	<u>\$ 218,375</u>	<u>\$ 25,260</u>	<u>\$ 14,217</u>	<u>\$ 9,021</u>
<u>Cash and Investment Assets - December 31</u>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	1,621	4,414	218,375	25,260	14,217	9,021
Total cash and investment assets - December 31	<u>\$ 1,621</u>	<u>\$ 4,414</u>	<u>\$ 218,375</u>	<u>\$ 25,260</u>	<u>\$ 14,217</u>	<u>\$ 9,021</u>
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ 25,260	\$ 14,217	\$ -
Public safety	1,621	4,414	218,375	-	-	9,021
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 1,621</u>	<u>\$ 4,414</u>	<u>\$ 218,375</u>	<u>\$ 25,260</u>	<u>\$ 14,217</u>	<u>\$ 9,021</u>

ORANGE 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)

	Family And Children	County Corrections	County Drug Free Community	Plat Book	County Drug Probation	Special Vehicle Inspection
Receipts:						
Taxes	\$ 139,163	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	6,420	13,337	-	-	-	-
Charges for services	297,241	-	18,241	2,930	3,828	520
Other	-	-	-	539	-	-
Total receipts	442,824	13,337	18,241	3,469	3,828	520
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	13,171	23,398	-	1,200	417
Highways and streets	-	-	-	-	-	-
Health and welfare	546,730	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
Highways and streets	-	-	-	-	-	-
Total disbursements	546,730	13,171	23,398	-	1,200	417
Excess (deficiency) of revenue over disbursements	(103,906)	166	(5,157)	3,469	2,628	103
Other financing sources (uses)						
Interfund loan proceeds/repayments	-	-	-	-	-	-
Interfund loan payments	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(103,906)	166	(5,157)	3,469	2,628	103
Cash and investment fund balance - beginning	588,100	32,360	5,157	19,977	13,379	239
Cash and investment fund balance - ending	<u>\$ 484,194</u>	<u>\$ 32,526</u>	<u>\$ -</u>	<u>\$ 23,446</u>	<u>\$ 16,007</u>	<u>\$ 342</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	484,194	32,526	-	23,446	16,007	342
Total cash and investment assets - December 31	<u>\$ 484,194</u>	<u>\$ 32,526</u>	<u>\$ -</u>	<u>\$ 23,446</u>	<u>\$ 16,007</u>	<u>\$ 342</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ 23,446	\$ -	\$ -
Public safety	-	32,526	-	-	16,007	342
Highways and streets	-	-	-	-	-	-
Health and welfare	484,194	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 484,194</u>	<u>\$ 32,526</u>	<u>\$ -</u>	<u>\$ 23,446</u>	<u>\$ 16,007</u>	<u>\$ 342</u>

ORANGE 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)

	Truck Hauling Permits	Donations Probation	County Law Enforcement Education	Impact	Emergency Management Assistance Donation	Emergency Planning and Right to Know
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	3,330
Charges for services	825	-	2,446	-	-	-
Other	-	-	-	-	-	-
Total receipts	825	-	2,446	-	-	3,330
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	414	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	7,030	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
Highways and streets	-	-	-	-	-	-
Total disbursements	-	-	414	7,030	-	-
Excess (deficiency) of revenue over disbursements	825	-	2,032	(7,030)	-	3,330
Other financing sources (uses)						
Interfund loan proceeds/repayments	-	-	-	-	-	-
Interfund loan payments	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	825	-	2,032	(7,030)	-	3,330
Cash and investment fund balance - beginning	1,082	1,573	659	7,032	154	3,884
Cash and investment fund balance - ending	<u>\$ 1,907</u>	<u>\$ 1,573</u>	<u>\$ 2,691</u>	<u>\$ 2</u>	<u>\$ 154</u>	<u>\$ 7,214</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	1,907	1,573	2,691	2	154	7,214
Total cash and investment assets - December 31	<u>\$ 1,907</u>	<u>\$ 1,573</u>	<u>\$ 2,691</u>	<u>\$ 2</u>	<u>\$ 154</u>	<u>\$ 7,214</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	1,907	1,573	2,691	-	154	7,214
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	2	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 1,907</u>	<u>\$ 1,573</u>	<u>\$ 2,691</u>	<u>\$ 2</u>	<u>\$ 154</u>	<u>\$ 7,214</u>

ORANGE 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)

	Region 15 Planning	Children Psychiatric Residential Treatment	Drug Treatment	Pretrial Diversion	Law Enforcement Education	Jury Duty
Receipts:						
Taxes	\$ 4,366	\$ 44,278	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	69,162	-	-
Charges for services	-	-	68,462	-	631	2,681
Other	-	-	-	2,251	-	-
Total receipts	4,366	44,278	68,462	71,413	631	2,681
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	62,892	56,495	723	904
Highways and streets	-	-	-	-	-	-
Health and welfare	-	18,932	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	2,705	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
Highways and streets	-	-	-	-	-	-
Total disbursements	2,705	18,932	62,892	56,495	723	904
Excess (deficiency) of revenue over disbursements	1,661	25,346	5,570	14,918	(92)	1,777
Other financing sources (uses)						
Interfund loan proceeds/repayments	-	-	-	-	-	-
Interfund loan payments	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,661	25,346	5,570	14,918	(92)	1,777
Cash and investment fund balance - beginning	2,550	21,623	69,997	37,490	29,580	7,192
Cash and investment fund balance - ending	<u>\$ 4,211</u>	<u>\$ 46,969</u>	<u>\$ 75,567</u>	<u>\$ 52,408</u>	<u>\$ 29,488</u>	<u>\$ 8,969</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	4,211	46,969	75,567	52,408	29,488	8,969
Total cash and investment assets - December 31	<u>\$ 4,211</u>	<u>\$ 46,969</u>	<u>\$ 75,567</u>	<u>\$ 52,408</u>	<u>\$ 29,488</u>	<u>\$ 8,969</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	52,408	29,488	8,969
Highways and streets	-	-	-	-	-	-
Health and welfare	-	46,969	75,567	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment	4,211	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 4,211</u>	<u>\$ 46,969</u>	<u>\$ 75,567</u>	<u>\$ 52,408</u>	<u>\$ 29,488</u>	<u>\$ 8,969</u>

ORANGE 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)

	Prosecutor's Drug Investigation	Drug Testing	Indiana Railway Grant	Emergency Management Planning	Interstate Compact Fee	Orange County Comeback Grant
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	25,000	-	23,174
Charges for services	800	-	-	-	188	-
Other	57,099	-	-	-	-	-
Total receipts	57,899	-	-	25,000	188	23,174
Disbursements:						
General government	-	-	-	-	188	-
Public safety	25,000	2,172	-	25,000	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	25,854
Urban redevelopment and housing	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
Highways and streets	-	-	-	-	-	-
Total disbursements	25,000	2,172	-	25,000	188	25,854
Excess (deficiency) of revenue over disbursements	32,899	(2,172)	-	-	-	(2,680)
Other financing sources (uses)						
Interfund loan proceeds/repayments	-	-	-	-	-	-
Interfund loan payments	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	32,899	(2,172)	-	-	-	(2,680)
Cash and investment fund balance - beginning	6,080	2,262	100	-	-	2,680
Cash and investment fund balance - ending	<u>\$ 38,979</u>	<u>\$ 90</u>	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cash and Investment Assets - December 31</u>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	38,979	90	100	-	-	-
Total cash and investment assets - December 31	<u>\$ 38,979</u>	<u>\$ 90</u>	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	38,979	90	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	100	-	-	-
Urban redevelopment	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 38,979</u>	<u>\$ 90</u>	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ORANGE 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)

	USDA Road Grant	Co Supp Public Def Services	Alternative Dispute Resolution	Administrative Fee Fund	Operation Pullover	Criminal Justice Grant
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	13,056	-	-	-	13,977	-
Charges for services	-	438	2,568	-	-	-
Other	-	-	-	-	-	-
Total receipts	13,056	438	2,568	-	13,977	-
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	13,919	-
Highways and streets	13,056	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
Highways and streets	-	-	-	-	-	-
Total disbursements	13,056	-	-	-	13,919	-
Excess (deficiency) of revenue over disbursements	-	438	2,568	-	58	-
Other financing sources (uses)						
Interfund loan proceeds/repayments	-	-	-	-	-	-
Interfund loan payments	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	438	2,568	-	58	-
Cash and investment fund balance - beginning	-	-	-	100	1,354	(802)
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 438</u>	<u>\$ 2,568</u>	<u>\$ 100</u>	<u>\$ 1,412</u>	<u>\$ (802)</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (802)
Restricted assets:						
Cash and investments	-	438	2,568	100	1,412	-
Total cash and investment assets - December 31	<u>\$ -</u>	<u>\$ 438</u>	<u>\$ 2,568</u>	<u>\$ 100</u>	<u>\$ 1,412</u>	<u>\$ (802)</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ 100	\$ -	\$ -
Public safety	-	438	2,568	-	1,412	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	(802)
Total cash and investment fund balance - December 31	<u>\$ -</u>	<u>\$ 438</u>	<u>\$ 2,568</u>	<u>\$ 100</u>	<u>\$ 1,412</u>	<u>\$ (802)</u>

ORANGE 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)

	Guardian Ad/Litem	Donation	Hoosier Hills Pact	French Lick EDA # 1	ID Security Protection Fund	GED Grant Fund
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ 3,014	\$ -	\$ -
Intergovernmental	-	-	61,524	-	-	400
Charges for services	-	-	-	-	9,874	-
Other	-	-	-	-	-	-
Total receipts	-	-	61,524	3,014	9,874	400
Disbursements:						
General government	-	-	-	-	-	-
Public safety	585	-	61,524	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	399
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Economic development	-	-	-	3,014	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
Highways and streets	-	-	-	-	-	-
Total disbursements	585	-	61,524	3,014	-	399
Excess (deficiency) of revenue over disbursements	(585)	-	-	-	9,874	1
Other financing sources (uses)						
Interfund loan proceeds/repayments	-	-	-	-	-	-
Interfund loan payments	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(585)	-	-	-	9,874	1
Cash and investment fund balance - beginning	815	4,048	-	-	-	-
Cash and investment fund balance - ending	<u>230</u>	<u>4,048</u>	<u>-</u>	<u>-</u>	<u>9,874</u>	<u>1</u>
<u>Cash and Investment Assets - December 31</u>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	230	4,048	-	-	9,874	1
Total cash and investment assets - December 31	<u>230</u>	<u>4,048</u>	<u>-</u>	<u>-</u>	<u>9,874</u>	<u>1</u>
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	230	4,048	-	-	9,874	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	1
Culture and recreation	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>230</u>	<u>4,048</u>	<u>-</u>	<u>-</u>	<u>9,874</u>	<u>1</u>

ORANGE 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)

	Nonreverting Election	Community Development Block Grant	Riverboat Revenue Sharing	Indiana Housing Grant	Homeland Security Grant	Sheriff's Commissary
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	293,080	121,489	107,239	42,075	-
Charges for services	-	-	-	-	-	114,341
Other	39,054	-	-	-	-	-
Total receipts	39,054	293,080	121,489	107,239	42,075	114,341
Disbursements:						
General government	-	-	129,775	-	-	-
Public safety	-	-	-	-	42,075	113,148
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	293,080	-	107,239	-	-
Economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
Highways and streets	-	-	-	-	-	-
Total disbursements	-	293,080	129,775	107,239	42,075	113,148
Excess (deficiency) of revenue over disbursements	39,054	-	(8,286)	-	-	1,193
Other financing sources (uses)						
Interfund loan proceeds/repayments	-	-	-	-	-	-
Interfund loan payments	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	39,054	-	(8,286)	-	-	1,193
Cash and investment fund balance - beginning	(39,054)	-	98,156	-	-	47,306
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89,870</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,499</u>
<u>Cash and Investment Assets - December 31</u>						
Cash and investments	\$ -	\$ -	\$ 89,870	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	48,499
Total cash and investment assets - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89,870</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,499</u>
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-	48,499
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	89,870	-	-	-
Total cash and investment fund balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89,870</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,499</u>

ORANGE 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)

	Lease Rental	Cumulative Capital Development	Economic Development Income Tax	Community Building	Totals
Receipts:					
Taxes	\$ -	\$ 173,140	\$ 514,392	\$ -	\$ 908,180
Intergovernmental	-	-	-	-	1,139,647
Charges for services	-	-	-	4,200	916,280
Other	-	-	-	-	106,330
Total receipts	-	173,140	514,392	4,200	3,070,437
Disbursements:					
General government	-	-	-	-	155,188
Public safety	-	-	-	-	841,630
Highways and streets	-	-	-	-	203,385
Health and welfare	-	16,029	-	-	796,900
Culture and recreation	-	-	-	52,110	89,666
Urban redevelopment and housing	-	-	-	-	403,024
Economic development	-	-	514,353	-	517,367
Debt service:					
Principal	-	106,403	-	-	106,403
Interest	-	17,000	-	-	17,000
Capital outlay:					
Highways and streets	1,500	30,216	-	-	31,716
Total disbursements	1,500	169,648	514,353	52,110	3,162,279
Excess (deficiency) of revenue over disbursements	(1,500)	3,492	39	(47,910)	(91,842)
Other financing sources (uses)					
Interfund loan proceeds/repayments	-	-	175,805	-	175,805
Interfund loan payments	-	-	(175,805)	-	(175,805)
Total other financing sources (uses)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,500)	3,492	39	(47,910)	(91,842)
Cash and investment fund balance - beginning	44,549	142,801	5,792	88,585	1,859,343
Cash and investment fund balance - ending	\$ 43,049	\$ 146,293	\$ 5,831	\$ 40,675	\$ 1,767,501
<u>Cash and Investment Assets - December 31</u>					
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 114,352
Restricted assets:					
Cash and investments	43,049	146,293	5,831	40,675	1,653,149
Total cash and investment assets - December 31	\$ 43,049	\$ 146,293	\$ 5,831	\$ 40,675	\$ 1,767,501
<u>Cash and Investment Fund Balance - December 31</u>					
Restricted for:					
General government	\$ -	\$ -	\$ -	\$ -	\$ 63,023
Public safety	-	-	-	-	614,813
Highways and streets	-	-	-	-	16,881
Health and welfare	-	-	-	-	689,181
Culture and recreation	-	-	-	40,675	69,867
Urban redevelopment	-	-	-	-	4,211
Economic development	-	-	5,831	-	5,831
Debt service	43,049	-	-	-	43,049
Capital outlay	-	146,293	-	-	146,293
Unrestricted	-	-	-	-	114,352
Total cash and investment fund balance - December 31	\$ 43,049	\$ 146,293	\$ 5,831	\$ 40,675	\$ 1,767,501

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

	<u>County Police Retirement Pension Trust Fund</u>	<u>County Police Benefit Pension Trust Fund</u>	<u>Total</u>
Additions:			
Contributions:			
Employer	\$ 75,179	\$ -	\$ 75,179
Plan members	<u>7,683</u>	<u>-</u>	<u>7,683</u>
Total contributions	<u>82,862</u>	<u>-</u>	<u>82,862</u>
Investment receipts:			
Net increase in investments	447,656	-	447,656
Interest	18,678	469	19,147
Dividends	<u>8,981</u>	<u>-</u>	<u>8,981</u>
Total investment receipts	475,315	469	475,784
Less investment disbursements	<u>(387,213)</u>	<u>-</u>	<u>(387,213)</u>
Net investment receipts	<u>88,102</u>	<u>469</u>	<u>88,571</u>
Total additions	<u>170,964</u>	<u>469</u>	<u>171,433</u>
Deductions:			
Benefits	19,572	-	19,572
Administrative and general	<u>9,684</u>	<u>1,914</u>	<u>11,598</u>
Total deductions	<u>29,256</u>	<u>1,914</u>	<u>31,170</u>
Excess (deficiency) of total additions over total deductions	141,708	(1,445)	140,263
Cash and investment fund balance - beginning	<u>594,918</u>	<u>11,282</u>	<u>606,200</u>
Cash and investment fund balance - ending	<u>\$ 736,626</u>	<u>\$ 9,837</u>	<u>\$ 746,463</u>

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

	Congressional Principal	Wolfe Cemetery	Total
Additions:			
Investment earnings:			
Interest	\$ -	\$ 354	\$ 354
Deductions:			
Administrative and general	-	117	117
Excess of total additions over total deductions	-	237	237
Cash and investment fund balance - beginning	13,631	10,000	23,631
Cash and investment fund balance - ending	\$ 13,631	\$ 10,237	\$ 23,868

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

	State Fines and Fees	Special Death Benefits	Riverboat Revenue Sharing Tax	Overweight Vehicles	Sales Disclosure	Tax Sale Redemption
Additions:						
Agency fund additions	\$ 12,696	\$ 1,751	\$ 128,323	\$ 1,064	\$ 7,400	\$ 35,520
Deductions:						
Agency fund deductions	<u>14,804</u>	-	-	<u>1,550</u>	<u>3,800</u>	<u>33,148</u>
Excess (deficiency) of total additions over total deductions	(2,108)	1,751	128,323	(486)	3,600	2,372
Cash and investment fund balance - beginning	<u>2,532</u>	<u>127</u>	-	<u>486</u>	<u>8,362</u>	-
Cash and investment fund balance - ending	<u>\$ 424</u>	<u>\$ 1,878</u>	<u>\$ 128,323</u>	<u>\$ -</u>	<u>\$ 11,962</u>	<u>\$ 2,372</u>

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

	<u>Surplus Tax</u>	<u>Inheritance Tax</u>	<u>Tax Sale Surplus</u>	<u>Congressional Interest</u>	<u>Tax Distribution</u>	<u>Springs Valley Conservancy</u>
Additions:						
Agency fund additions	\$ 27,189	\$ 379,752	\$ 178,526	\$ 1,575	\$ 16,712,695	\$ 31,472
Deductions:						
Agency fund deductions	<u>13,856</u>	<u>321,998</u>	<u>137,926</u>	<u>818</u>	<u>16,712,695</u>	<u>31,472</u>
Excess (deficiency) of total additions over total deductions	13,333	57,754	40,600	757	-	-
Cash and investment fund balance - beginning	<u>27,951</u>	<u>56,321</u>	<u>123,148</u>	<u>25,250</u>	-	-
Cash and investment fund balance - ending	<u>\$ 41,284</u>	<u>\$ 114,075</u>	<u>\$ 163,748</u>	<u>\$ 26,007</u>	<u>-</u>	<u>-</u>

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

	<u>Payroll</u>	<u>Welfare Trust</u>	<u>After Settlement Collections</u>	<u>Coroner's Training</u>	<u>Surplus Dog</u>	<u>City and Town Court</u>
Additions:						
Agency fund additions	\$ 2,214,673	\$ 2,366	\$ 16,566,387	\$ 996	\$ 798	\$ 13,011
Deductions:						
Agency fund deductions	<u>2,212,365</u>	<u>1,617</u>	<u>16,497,139</u>	<u>1,109</u>	<u>798</u>	<u>-</u>
Excess (deficiency) of total additions over total deductions	2,308	749	69,248	(113)	-	13,011
Cash and investment fund balance - beginning	<u>57,358</u>	<u>3,149</u>	<u>459,921</u>	<u>191</u>	<u>-</u>	<u>15,312</u>
Cash and investment fund balance - ending	<u>\$ 59,666</u>	<u>\$ 3,898</u>	<u>\$ 529,169</u>	<u>\$ 78</u>	<u>\$ -</u>	<u>\$ 28,323</u>

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

	Convention and Tourism	Sewage Collection	Sheriff's Inmate Trust	County Recorder	Prosecutor's Drug Investigation	Probation Department
Additions:						
Agency fund additions	\$ 128,115	\$ 4,561	\$ 136,083	\$ 111,642	\$ 41,727	\$ 74,960
Deductions:						
Agency fund deductions	<u>117,250</u>	<u>-</u>	<u>135,324</u>	<u>111,809</u>	<u>39,475</u>	<u>74,690</u>
Excess (deficiency) of total additions over total deductions	10,865	4,561	759	(167)	2,252	270
Cash and investment fund balance - beginning	<u>44,276</u>	<u>26</u>	<u>16,170</u>	<u>8,095</u>	<u>1,298</u>	<u>145</u>
Cash and investment fund balance - ending	<u>\$ 55,141</u>	<u>\$ 4,587</u>	<u>\$ 16,929</u>	<u>\$ 7,928</u>	<u>\$ 3,550</u>	<u>\$ 415</u>

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

	<u>County Sheriff</u>	<u>County Clerk</u>	<u>Levy Excess</u>	<u>State Mortgage Fee</u>	<u>Children With Special Health Care Needs</u>
Additions:					
Agency fund additions	\$ 18,033	\$ 2,783,558	\$ 124,007	\$ 3,387	\$ 46,115
Deductions:					
Agency fund deductions	<u>16,933</u>	<u>2,989,218</u>	<u>-</u>	<u>-</u>	<u>46,115</u>
Excess (deficiency) of total additions over total deductions	1,100	(205,660)	124,007	3,387	-
Cash and investment fund balance - beginning	<u>200</u>	<u>646,875</u>	<u>26,804</u>	<u>-</u>	<u>-</u>
Cash and investment fund balance - ending	<u>\$ 1,300</u>	<u>\$ 441,215</u>	<u>\$ 150,811</u>	<u>\$ 3,387</u>	<u>\$ -</u>

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

	Health Care for the Indigent	Medical Assistance to Wards	Welfare Administration	Education Plate	Total
Additions:					
Agency fund additions	\$ 106,641	\$ 5,044	\$ 24,733	\$ 975	\$ 39,925,775
Deductions:					
Agency fund deductions	<u>106,641</u>	<u>5,044</u>	<u>24,733</u>	<u>975</u>	<u>39,653,302</u>
Excess (deficiency) of total additions over total deductions	-	-	-	-	272,473
Cash and investment fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,523,997</u>
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,796,470</u>

ORANGE COUNTY
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS

For The Year Ended 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 completed in the current year are considered immaterial, and have not been reported. Retroactive reporting of general infrastructure assets will occur by 2010.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 401,370
Buildings	8,105,240
Improvements other than buildings	63,000
Machinery and equipment	<u>3,447,685</u>
Total governmental activities, capital assets not being depreciated	<u><u>\$ 12,017,295</u></u>

ORANGE COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT

For The Year Ended December 31, 2006

Description of Asset	Ending Balance	Due Within One Year
Governmental Activities:		
Capital leases:		
Equipment	\$ 664,340	\$ 140,297
Notes and loans payable	518,524	97,372
Bonds payable:		
General obligation bonds:		
Community Building	<u>608,837</u>	<u>52,110</u>
Total governmental activities long-term debt	<u>\$ 1,791,701</u>	<u>\$ 289,779</u>

ORANGE COUNTY
OTHER REPORTS

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

County Clerk
Health Department
County Sheriff

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 ORANGE COUNTY, INDIANA

Compliance

We have audited the compliance of the Orange 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

March 23, 2007

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

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Direct grant			
Emergency Watershed Protection Program	10		\$ 50,531
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Pass-Through Indiana Housing Community Development Authority			
Community Development Block Grants/State's Program	14.228	HD-005-007	118,476
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Pass-Through Indiana Criminal Justice Institute			
Title V - Delinquency Prevention Program	16.548	04-JP-FX-0018	61,524
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation			
Highway Planning and Construction Cluster			
Highway Planning and Construction	20.205	BR-NBIS562	20,538
Bridge Inspection			
Pass-Through Indiana Criminal Justice Institute			
Highway Safety Cluster			
State and Community Highway Safety	20.600	OP-06-02-05-01	2,998
Operation Pull Over		PT-10-10-07	1,492
Total for program			4,490
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601		
Operation Pull Over (OPO) Seat Belt Enforcement		OP-07-01-01-92	716
Total for cluster			5,206
Pass-Through Indiana Department of Transportation			
Formula Grants for Other Than Urbanized Areas	20.509	1802429O	111,625
		1802329C	37,507
Total for program			149,132
Total for federal grantor agency			174,876

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

ORANGE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2006
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-Through Indiana Department of Health			
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283		
Bioterrorism Preparedness and Response		U90/CCU5177024-06	20,829
		U90/CCU5177024-07	21,260
			2,000
Total for program			44,089
Pass-Through Indiana Department of Child Services			
Child Support Enforcement	93.563		
Title IV-D Expenditures			84,964
Title IV-D Indirect Costs			14,831
Total for program			99,795
Total for federal grantor agency			143,884
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security			
Homeland Security Grant Program	97.067		
Project Hoosier Safety			42,075
Total federal awards expended			\$ 591,366

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

ORANGE COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Orange County (County) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

II. Subrecipients

Of the federal expenditures presented in the schedule, the County provided federal awards to subrecipients as follows for the year ended December 31, 2006:

Program Title	Federal CFDA Number	2006
Community Development Block Grants/State's Program	14.228	\$ 118,476
Title V - Delinquency Prevention Program	16.548	61,524
Formula Grants for Other Than Urbanized Areas	20.509	149,132

ORANGE 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?	no

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Reportable conditions identified that are not considered to be material weaknesses?	none reported

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

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

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
14.228	Community Development Block Grants/State's Program
20.509	Formula Grants for Other Than Urbanized Areas
93.563	Child Support Enforcement

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

ORANGE COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

ORANGE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on April 5, 2007, with Diann Mathers, Auditor; James L. Springer, President of the Board of County Commissioners; and Greg A. Farlow, President of the County Council.