

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

ANNUAL FINANCIAL REPORT

2006

FOUNTAIN COUNTY, INDIANA



FILED
05/09/2007

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Colleen S. Chambers	01-01-05 to 12-31-08
Treasurer	Susan A. Coffing	01-01-05 to 12-31-08
Clerk	Mariann Martin Patty Gritten	01-01-03 to 12-31-06 01-01-07 to 12-31-10
Sheriff	Robert Bass	01-01-03 to 12-31-10
Recorder	Brenda Holycross	01-01-03 to 12-31-10
President of the Board of County Commissioners	David Ziegler Lowell M. Osborn	01-01-06 to 12-31-06 01-01-07 to 12-31-07
President of the County Council	Ron Howard	01-01-06 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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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 FOUNTAIN COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Fountain 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 9, 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 Schedule of Funding Progress, as listed in the Table of Contents, is not a required part of the basic financial statements but is 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 Long-Term Debt are presented for additional analysis and are not required parts 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 Long-Term Debt 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 9, 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 FOUNTAIN COUNTY, INDIANA

We have audited the financial statements of Fountain County (County), as of and for the year ended December 31, 2006, and have issued our report thereon dated April 9, 2007. The opinion to the financial statements was qualified due to the omission of a component unit of Fountain County which results in incomplete presentation. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

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

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 9, 2007

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

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts			<u>Net (Disbursement) Receipt and Changes in Net Assets</u>
	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>		
Primary government:					
Governmental activities:					
General government	\$ 3,429,397	\$ 235,038	\$ 88,445	\$ 48,000	\$ (3,057,914)
Public safety	4,459,540	1,690,916	1,143,026	-	(1,625,598)
Highways and streets	3,366,031	-	-	-	(3,366,031)
Sanitation	8,566	-	-	-	(8,566)
Health and welfare	2,836,711	1,487,450	-	-	(1,349,261)
Culture and recreation	734	-	-	-	(734)
	<u>\$ 14,100,979</u>	<u>\$ 3,413,404</u>	<u>\$ 1,231,471</u>	<u>\$ 48,000</u>	<u>(9,408,104)</u>
Total primary government					
General receipts:					
Property taxes					3,606,638
Other taxes					4,267,549
Other state sources					355,143
Other local sources					788,949
Unrestricted investment earnings					551,471
					<u>9,569,750</u>
					161,646
					<u>8,911,832</u>
					<u>\$ 9,073,478</u>
<u>Assets</u>					
Cash and investments					\$ 4,139,654
Restricted assets:					
Cash and investments					4,864,937
Cash with fiscal agent					68,887
					<u>9,073,478</u>
<u>Net Assets</u>					
Restricted for:					
General government					\$ 721,004
Public safety					926,196
Health and welfare					1,404,887
Highways and streets					1,392,288
Other purposes					489,449
Unrestricted					4,139,654
					<u>9,073,478</u>
Total net assets					
					<u>\$ 9,073,478</u>

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

FOUNTAIN 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	Emergency Management	Family and Children	Other Governmental Funds	Totals
Receipts:						
Taxes	\$ 3,473,548	\$ 39,911	\$ -	\$ 586,585	\$ 921,833	\$ 5,021,877
Licenses and permits	-	-	-	-	1,970	1,970
Intergovernmental	364,239	2,346,544	869,563	104,250	760,793	4,445,389
Charges for services	729,203	-	-	228,589	115,664	1,073,456
Fines and forfeits	95,249	-	-	-	1,088,002	1,183,251
Other	611,797	-	-	-	231,618	843,415
Total receipts	5,274,036	2,386,455	869,563	919,424	3,119,880	12,569,358
Disbursements:						
General government	2,764,778	-	-	-	664,619	3,429,397
Public safety	1,884,475	-	922,944	-	1,652,121	4,459,540
Highways and streets	-	2,206,794	-	-	1,159,237	3,366,031
Sanitation	8,566	-	-	-	-	8,566
Health and welfare	49,083	-	-	1,136,043	500,595	1,685,721
Culture and recreation	734	-	-	-	-	734
Total disbursements	4,707,636	2,206,794	922,944	1,136,043	3,976,572	12,949,989
Excess (deficiency) of receipts over disbursements	566,400	179,661	(53,381)	(216,619)	(856,692)	(380,631)
Other financing sources (uses)						
Other receipts	180,667	133,336	-	-	185,901	499,904
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	747,067	312,997	(53,381)	(216,619)	(670,791)	119,273
Cash and investment fund balance - beginning	2,446,639	777,402	38,834	1,179,339	4,443,104	8,885,318
Cash and investment fund balance - ending	<u>\$ 3,193,706</u>	<u>\$ 1,090,399</u>	<u>\$ (14,547)</u>	<u>\$ 962,720</u>	<u>\$ 3,772,313</u>	9,004,591

Amounts reported for governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis are different because:

Internal services funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.

68,887

Net assets of governmental activities \$ 9,073,478

Cash and Investment Assets - December 31

Cash and investments	\$ 3,193,706	\$ -	\$ -	\$ -	\$ 945,948	\$ 4,139,654
Restricted assets:						
Cash and investments	-	1,090,399	(14,547)	962,720	2,826,365	4,864,937
Total cash and investment assets - December 31	\$ 3,193,706	\$ 1,090,399	\$ (14,547)	\$ 962,720	\$ 3,772,313	\$ 9,004,591

Cash and Investment Fund Balance - December 31

Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ 721,004	\$ 721,004
Public safety	-	-	(14,547)	-	940,743	926,196
Health and welfare	-	-	-	962,720	373,280	1,336,000
Highways and streets	-	1,090,399	-	-	301,889	1,392,288
Other purposes	-	-	-	-	489,449	489,449
Unrestricted	3,193,706	-	-	-	945,948	4,139,654
Total cash and investment fund balance - December 31	\$ 3,193,706	\$ 1,090,399	\$ (14,547)	\$ 962,720	\$ 3,772,313	\$ 9,004,591

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

FOUNTAIN 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>
	<u>Employee Benefit Trust</u>
Operating receipts:	
Other	\$ <u>1,193,364</u>
Operating disbursements:	
Other	<u>1,150,991</u>
Excess of operating receipts over operating disbursements	<u>42,373</u>
Cash and investment fund balance - beginning	<u>26,514</u>
Cash and investment fund balance - ending	<u>\$ 68,887</u>
<u>Cash and Investment Assets - December 31</u>	
Cash with fiscal agent	<u>\$ 68,887</u>
<u>Cash and Investment Fund Balance - December 31</u>	
Restricted for:	
Health and welfare	<u>\$ 68,887</u>

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

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

	Sheriff Pension	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Employer	\$ 49,744	\$ -	\$ -
Plan members	<u>7,812</u>	<u>-</u>	<u>-</u>
Total contributions	<u>57,556</u>	<u>-</u>	<u>-</u>
Investment earnings:			
Net (decrease) in fair value of investments	82,022	-	-
Interest	16,112	1,943	-
Dividends	<u>19,753</u>	<u>-</u>	<u>-</u>
Total investment earnings	<u>117,887</u>	<u>1,943</u>	<u>-</u>
Agency fund additions	<u>-</u>	<u>-</u>	<u>45,481,491</u>
Total additions	<u>175,443</u>	<u>1,943</u>	<u>45,481,491</u>
Deductions:			
Benefits	13,782	-	-
Administrative and general	6,138	4,829	-
Agency fund deductions	<u>-</u>	<u>-</u>	<u>45,210,949</u>
Total deductions	<u>19,920</u>	<u>4,829</u>	<u>45,210,949</u>
Excess (deficiency) of total additions over total deductions	155,523	(2,886)	270,542
Cash and investment fund balance - beginning	<u>777,653</u>	<u>90,381</u>	<u>674,064</u>
Cash and investment fund balance - ending	<u>\$ 933,176</u>	<u>\$ 87,495</u>	<u>\$ 944,606</u>

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

FOUNTAIN 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:	Fountain County
Discretely Presented Component Unit:	Fountain County Solid Waste Management District

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

The Fountain County Solid Waste Management District, a discretely presented component unit has been omitted from these financial statements. Accordingly, the financial statements do not include the data of all of the County's component units necessary to fairly present the financial position of the County.

Related Organizations

The County's officials are also responsible for appointing the members of the boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointments. The County appoints the board members of Wabash Valley Mental Health, Alcoholic Beverage Commission, Covington-Veedersburg Public Library, Community Action Board, Wabash River Heritage Corridor Commission, Emergency Management Advisory Council, and Wabash Valley Hospital.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

Fund Financial Statements

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

FOUNTAIN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 emergency management fund is used to account for proceeds from grants and expenditures made to promote disaster preparedness.

The county highway fund is used to account for state and local funding designated for the construction and maintenance of county roads.

The family and children fund is used to account for state and local funding granted to aid in the health and welfare of families with dependent children.

Additionally, the County reports the following fund types:

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

The pension trust funds account for the activities of the Sheriff's pension fund which accumulate resources for pension benefit payments.

The private-purpose trust fund reports a trust arrangement under which principal and income benefit the county schools and the landfill.

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

FOUNTAIN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to people outside the government (enterprise funds) or other departments or agencies primarily within the government (internal service funds). The County does not have any enterprise funds.

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Capital Assets

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

3. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental and proprietary funds is not reported as 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 (2) law through constitutional provisions or enabling legislations.
- 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.

FOUNTAIN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

2. Operating Receipts and Disbursements

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

F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Activities and Net Assets – Cash and Investment Basis, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

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

Government-Wide Financial Statements

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

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

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

On or before August 31, the fiscal officer of the County submits to the governing board a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. In September of each year, the governing board, through the passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the County receives approval of the Indiana Department of Local Government Finance.

FOUNTAIN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

B. Cash and Investment Balance Deficits

At December 31, 2006, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines and state statute:

Fund	2006
Emergency Management	\$ (14,547)
Public Health Coordinator	(3,174)

Cash and investment deficits arose primarily from disbursements exceeding receipts due to the timing of grant funding in relation to disbursements.

III. Detailed Notes on All Funds

Deposits and Investments

A. 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.

B. 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	\$ 44,885
U.S. Agencies	165,518
Mutual Funds	124,753
Total	\$ 335,156

FOUNTAIN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Investment Policies

Indiana Code 5-13-9 authorizes the County to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the unit to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50% of the funds held by the County and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise; or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

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

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

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The County does not have a formal investment policy for custodial credit risk for investments. At December 31, 2006, the County held investments in corporate stock and fixed income securities in the amount of \$526,079 and \$211,115, respectively. These investments were held by the Counterparty.

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.

FOUNTAIN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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
U.S. Treasuries and Securities	\$ -	\$ 25,066	\$ 19,819
U.S. Agencies	24,706	-	140,812
Mutual Bond Funds	124,753	-	-
Totals	<u>\$ 149,459</u>	<u>\$ 25,066</u>	<u>\$ 160,631</u>

Credit Risk

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

Sheriff's Retirement and Benefit Pension Plans:

Standard and Poor's Rating	Moody's Rating	Government Sponsored Enterprise
AAA	Aaa	<u>\$ 210,403</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.

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.

FOUNTAIN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

Medical Benefits to Employees, Retirees, and Dependents (Excluding Postemployment Benefits)

The County has chosen to establish a risk financing fund for risks associated with medical benefits to employees, retirees and dependents. The risk financing fund is accounted for in the employee benefit trust, an internal service fund where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$1,000,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years.

Job Related Illnesses or Injuries to Employees

During 2002, the County joined with other governmental entities in the Indiana Public Employers' Plan, a public entity risk pool currently operating as a common risk management and insurance program for 751 member governmental entities. This risk pool was formed in 1990. The purpose of the risk pool is to provide a medium for the funding and administration of job related illnesses or injuries to employees. The County pays an annual premium to the risk pool for its job related illnesses or injuries to employees coverage. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$1,000,000 per insured event.

B. Subsequent Events

On February 21, 2006, the County passed a resolution to enter into a lease agreement with a Building Corporation to finance the construction of a new jail. The cost of the project is estimated to be \$9,800,000. As of the date of this report, no bonds had been issued by the holding corporation and the project was stalled due to a remonstrance being filed.

C. Administration of Welfare Programs

The County is required to provide certain funding for administrative costs of welfare programs, the Hospital Care for the 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.

D. Pension Plans

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

a. 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.

FOUNTAIN 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.

b. 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>County Police Retirement Plan</u>	<u>County Police Benefit Plan</u>
Annual required contribution	\$ 35,924	\$ 10,535
Interest on net pension obligation	(115)	-
Adjustment to annual required contribution	193	-
	<u>36,002</u>	<u>10,535</u>
Annual pension cost	36,002	10,535
Contributions made	<u>32,543</u>	<u>10,535</u>
	3,459	-
Increase in net pension obligation	3,459	-
Net pension obligation, beginning of year	<u>(1,649)</u>	<u>-</u>
	1,810	-
Net pension obligation, end of year	<u>\$ 1,810</u>	<u>\$ -</u>

FOUNTAIN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

	County Police Retirement Plan	County Police Benefit Plan
Contribution rates:		
County	14%	3%
Plan members	6%	6%
Actuarial valuation date	01-01-06	01-01-06
Actuarial cost method	Entry age	Entry age
Amortization method	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed
Amortization period	40 years	40 years
Amortization period (from date)	12-31-97	12-31-97
Asset valuation method	4 year smoothed market	4 year smoothed market

Actuarial Assumptions

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

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
County Police				
Retirement Plan	12-31-03	\$ 28,168	85%	\$ (4,938)
	12-31-04	32,728	91%	(1,649)
	12-31-05	36,002	91%	1,810
County Police				
Benefit Plan	12-31-03	10,480	100%	-
	12-31-04	10,231	100%	-
	12-31-05	10,535	100%	-

2. Defined Contribution Pension Plan

Plan Description

The County has a defined contribution pension plan administered by American United Life as authorized by IC 5-10.2-2-1. The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by written agreement between the County and the Plan Administrator. The Plan Administrator issues a publicly available financial report that includes financial statements and required supplementary information of the plan. That report may be obtained by contacting:

FOUNTAIN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

American United Life
PO Box 7134
One American Square
Indianapolis, IN 46204-7134
Ph. (317) 285-4363

Funding Policy and Annual Pension Cost

The contribution requirements of plan members are established by the written agreement between the County and the Plan Administrator. Plan members are required to contribute 3% of the annual covered salary. The County is required to contribute at an actuarially determined rate. The current rate is 3% of annual covered payroll. Employer and employee contributions to the plan were \$71,231 and \$71,231, respectively.

FOUNTAIN COUNTY
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

County Police Retirement Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-01	\$ 588,536	\$ 588,536	\$ -	100%	\$ 222,370	0%
01-01-02	606,751	606,751	-	100%	251,692	0%
01-01-03	613,284	613,284	-	100%	254,320	0%
01-01-04	638,688	638,688	-	100%	262,400	0%
01-01-05	674,600	674,600	-	100%	262,667	0%
01-01-06	746,411	746,411	-	100%	273,871	0%

FOUNTAIN 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

	Property Reassessment	Surveyor's Corner Perpetuation	Federal Law Enforcement Distribution	Infraction Deferral	Jury Pay	County ID Security Protection
Receipts:						
Taxes	\$ 93,597	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	8,568	-	-	-	-	-
Charges for services	-	4,751	-	-	-	-
Fines and forfeits	-	-	-	43,914	4,157	6,900
Other	-	-	-	-	-	-
Total receipts	102,165	4,751	-	43,914	4,157	6,900
Disbursements:						
General government	205,341	-	-	-	-	-
Public safety	-	-	-	59,617	10,282	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total disbursements	205,341	-	-	59,617	10,282	-
Excess (deficiency) of receipts over disbursements	(103,176)	4,751	-	(15,703)	(6,125)	6,900
Other financing sources (uses)						
Other receipts	12,587	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(90,589)	4,751	-	(15,703)	(6,125)	6,900
Cash and investment fund balance - beginning	277,162	23,903	67	18,667	23,076	-
Cash and investment fund balance - ending	<u>\$ 186,573</u>	<u>\$ 28,654</u>	<u>\$ 67</u>	<u>\$ 2,964</u>	<u>\$ 16,951</u>	<u>\$ 6,900</u>
<u>Cash and Investment Assets - December 31</u>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	186,573	28,654	67	2,964	16,951	6,900
Total cash and investment assets - December 31	<u>\$ 186,573</u>	<u>\$ 28,654</u>	<u>\$ 67</u>	<u>\$ 2,964</u>	<u>\$ 16,951</u>	<u>\$ 6,900</u>
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
General government	\$ 186,573	\$ 28,654	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	67	2,964	16,951	6,900
Health and welfare	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 186,573</u>	<u>\$ 28,654</u>	<u>\$ 67</u>	<u>\$ 2,964</u>	<u>\$ 16,951</u>	<u>\$ 6,900</u>

FOUNTAIN 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)

	Recorder's Records Perpetuation	County Sales Disclosure	E911 Sinking	CERT Training Grant	Homeland Security LE Terror	County Misdemeanant
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	21,280	-	-	-	-	-
Fines and forfeits	-	3,992	92,545	-	-	18,073
Other	-	-	-	-	-	-
Total receipts	21,280	3,992	92,545	-	-	18,073
Disbursements:						
General government	26,751	-	-	-	-	-
Public safety	-	-	92,545	-	7,143	13,252
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total disbursements	26,751	-	92,545	-	7,143	13,252
Excess (deficiency) of receipts over disbursements	(5,471)	3,992	-	-	(7,143)	4,821
Other financing sources (uses) Other receipts	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,471)	3,992	-	-	(7,143)	4,821
Cash and investment fund balance - beginning	15,057	4,600	-	2,139	26,872	9,412
Cash and investment fund balance - ending	<u>9,586</u>	<u>8,592</u>	<u>-</u>	<u>2,139</u>	<u>19,729</u>	<u>14,233</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	<u>9,586</u>	<u>8,592</u>	<u>-</u>	<u>2,139</u>	<u>19,729</u>	<u>14,233</u>
Total cash and investment assets - December 31	<u>9,586</u>	<u>8,592</u>	<u>-</u>	<u>2,139</u>	<u>19,729</u>	<u>14,233</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
General government	\$ 9,586	\$ 8,592	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	2,139	19,729	14,233
Health and welfare	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>9,586</u>	<u>8,592</u>	<u>-</u>	<u>2,139</u>	<u>19,729</u>	<u>14,233</u>

FOUNTAIN 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)

	Farm Maintenance	Riverboat Revenue	General Maintenance	Clerk's Records Perpetuation	Cannabis Marijuana Eradication	Service Process
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	112,981	-	-	-	-
Charges for services	31,628	-	-	-	-	-
Fines and forfeits	-	-	-	7,158	-	15,511
Other	-	-	-	-	-	-
Total receipts	<u>31,628</u>	<u>112,981</u>	<u>-</u>	<u>7,158</u>	<u>-</u>	<u>15,511</u>
Disbursements:						
General government	2,514	61,990	125,650	16,373	-	-
Public safety	-	-	-	-	-	46,417
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total disbursements	<u>2,514</u>	<u>61,990</u>	<u>125,650</u>	<u>16,373</u>	<u>-</u>	<u>46,417</u>
Excess (deficiency) of receipts over disbursements	<u>29,114</u>	<u>50,991</u>	<u>(125,650)</u>	<u>(9,215)</u>	<u>-</u>	<u>(30,906)</u>
Other financing sources (uses)						
Other receipts	-	-	31,281	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	29,114	50,991	(94,369)	(9,215)	-	(30,906)
Cash and investment fund balance - beginning	<u>281,037</u>	<u>113,584</u>	<u>363,066</u>	<u>20,701</u>	<u>4,500</u>	<u>46,417</u>
Cash and investment fund balance - ending	<u>\$ 310,151</u>	<u>\$ 164,575</u>	<u>\$ 268,697</u>	<u>\$ 11,486</u>	<u>\$ 4,500</u>	<u>\$ 15,511</u>
<u>Cash and Investment Assets - December 31</u>						
Cash and investments	\$ 310,151	\$ 164,575	\$ 268,697	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	11,486	4,500	15,511
Total cash and investment assets - December 31	<u>\$ 310,151</u>	<u>\$ 164,575</u>	<u>\$ 268,697</u>	<u>\$ 11,486</u>	<u>\$ 4,500</u>	<u>\$ 15,511</u>
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ 11,486	\$ -	\$ -
Public safety	-	-	-	-	4,500	15,511
Health and welfare	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-
Unrestricted	<u>310,151</u>	<u>164,575</u>	<u>268,697</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash and investment fund balance - December 31	<u>\$ 310,151</u>	<u>\$ 164,575</u>	<u>\$ 268,697</u>	<u>\$ 11,486</u>	<u>\$ 4,500</u>	<u>\$ 15,511</u>

FOUNTAIN 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)

	Community Correction Local	Community Correction Home Detention	Community Transition	Administrative Fee Probation Users	Adult Probation Services	Guardian Ad Litem
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	11,576	-	-
Fines and forfeits	14,251	742,067	-	-	50,623	-
Other	-	-	28,556	-	-	-
Total receipts	14,251	742,067	28,556	11,576	50,623	-
Disbursements:						
General government	-	-	-	-	-	-
Public safety	17,638	733,899	20,317	16,270	76,190	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total disbursements	17,638	733,899	20,317	16,270	76,190	-
Excess (deficiency) of receipts over disbursements	(3,387)	8,168	8,239	(4,694)	(25,567)	-
Other financing sources (uses) Other receipts	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,387)	8,168	8,239	(4,694)	(25,567)	-
Cash and investment fund balance - beginning	12,431	512,260	3,642	15,815	38,283	13,385
Cash and investment fund balance - ending	<u>9,044</u>	<u>520,428</u>	<u>11,881</u>	<u>11,121</u>	<u>12,716</u>	<u>13,385</u>
<u>Cash and Investment Assets - December 31</u>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	9,044	520,428	11,881	11,121	12,716	13,385
Total cash and investment assets - December 31	<u>9,044</u>	<u>520,428</u>	<u>11,881</u>	<u>11,121</u>	<u>12,716</u>	<u>13,385</u>
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	9,044	520,428	11,881	11,121	12,716	13,385
Health and welfare	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>9,044</u>	<u>520,428</u>	<u>11,881</u>	<u>11,121</u>	<u>12,716</u>	<u>13,385</u>

FOUNTAIN 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 Death Benefit Fee	Interstate Compact	Public Defense Administrative Fee	Court Administrative Fee	DNA Sample Processing	Pretrial Diversion
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	1,055	-	-	-	-	-
Fines and forfeits	-	-	5,745	4,635	1,667	2,552
Other	-	-	-	-	-	-
Total receipts	<u>1,055</u>	<u>-</u>	<u>5,745</u>	<u>4,635</u>	<u>1,667</u>	<u>2,552</u>
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	125	-	-	-	4,000
Highways and streets	-	-	-	-	-	-
Health and welfare	1,025	-	-	-	-	-
Total disbursements	<u>1,025</u>	<u>125</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,000</u>
Excess (deficiency) of receipts over disbursements	<u>30</u>	<u>(125)</u>	<u>5,745</u>	<u>4,635</u>	<u>1,667</u>	<u>(1,448)</u>
Other financing sources (uses) Other receipts	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	30	(125)	5,745	4,635	1,667	(1,448)
Cash and investment fund balance - beginning	-	125	2,550	1,954	621	6,996
Cash and investment fund balance - ending	<u>\$ 30</u>	<u>\$ -</u>	<u>\$ 8,295</u>	<u>\$ 6,589</u>	<u>\$ 2,288</u>	<u>\$ 5,548</u>
<u>Cash and Investment Assets - December 31</u>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	<u>30</u>	<u>-</u>	<u>8,295</u>	<u>6,589</u>	<u>2,288</u>	<u>5,548</u>
Total cash and investment assets - December 31	<u>\$ 30</u>	<u>\$ -</u>	<u>\$ 8,295</u>	<u>\$ 6,589</u>	<u>\$ 2,288</u>	<u>\$ 5,548</u>
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ 2,288	\$ -
Public safety	30	-	8,295	6,589	-	5,548
Health and welfare	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 30</u>	<u>\$ -</u>	<u>\$ 8,295</u>	<u>\$ 6,589</u>	<u>\$ 2,288</u>	<u>\$ 5,548</u>

FOUNTAIN 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)

	Child Restraint	Eradication	Community Correction 05-06	Community Correction 06-07	Rainy Day	County Highway Christmas Fund
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	142,941	214,224	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	100	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	100	-	142,941	214,224	-	-
Disbursements:						
General government	-	-	-	-	-	-
Public safety	125	-	122,548	191,368	-	-
Highways and streets	-	-	-	-	-	1,600
Health and welfare	-	-	-	-	-	-
Total disbursements	125	-	122,548	191,368	-	1,600
Excess (deficiency) of receipts over disbursements	(25)	-	20,393	22,856	-	(1,600)
Other financing sources (uses) Other receipts	-	-	-	-	-	1,700
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(25)	-	20,393	22,856	-	100
Cash and investment fund balance - beginning	25	558	(20,193)	5,522	202,325	100
Cash and investment fund balance - ending	\$ -	\$ 558	\$ 200	\$ 28,378	\$ 202,325	\$ 200
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 202,325	\$ 200
Restricted assets:						
Cash and investments	-	558	200	28,378	-	-
Total cash and investment assets - December 31	\$ -	\$ 558	\$ 200	\$ 28,378	\$ 202,325	\$ 200
Cash and Investment Fund Balance - December 31						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	558	200	28,378	-	-
Health and welfare	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-
Unrestricted	-	-	-	-	202,325	200
Total cash and investment fund balance - December 31	\$ -	\$ 558	\$ 200	\$ 28,378	\$ 202,325	\$ 200

FOUNTAIN 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)

	Local Roads and Streets	Cumulative Bridge	County Health	Public Health Bioterrorism	Public Health Coordinator	County Alcohol and Drug
Receipts:						
Taxes	\$ 170,844	\$ 369,875	\$ 71,690	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	47,056	9,611	-	57,117	-
Charges for services	-	-	2,370	-	-	-
Fines and forfeits	-	-	-	-	-	49,323
Other	-	-	1,410	-	-	-
Total receipts	170,844	416,931	85,081	-	57,117	49,323
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	161,239	758,417	-	-	-	-
Health and welfare	-	-	227,017	210	55,501	41,568
Total disbursements	161,239	758,417	227,017	210	55,501	41,568
Excess (deficiency) of receipts over disbursements	9,605	(341,486)	(141,936)	(210)	1,616	7,755
Other financing sources (uses)						
Other receipts	3,259	24,175	73,164	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	12,864	(317,311)	(68,772)	(210)	1,616	7,755
Cash and investment fund balance - beginning	39,465	542,275	214,254	1,624	(4,790)	10,861
Cash and investment fund balance - ending	\$ 52,329	\$ 224,964	\$ 145,482	\$ 1,414	\$ (3,174)	\$ 18,616
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	52,329	224,964	145,482	1,414	(3,174)	18,616
Total cash and investment assets - December 31	\$ 52,329	\$ 224,964	\$ 145,482	\$ 1,414	\$ (3,174)	\$ 18,616
Cash and Investment Fund Balance - December 31						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-	-
Health and welfare	-	-	145,482	1,414	(3,174)	18,616
Highways and streets	52,329	224,964	-	-	-	-
Other purposes	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	\$ 52,329	\$ 224,964	\$ 145,482	\$ 1,414	\$ (3,174)	\$ 18,616

FOUNTAIN 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)

	Health Maintenance	Tobacco Settlement	Clerk IV-D Incentive	Prosecutor IV-D Incentive	Children's Psychiatric Residential Treatment	General Drain Improvement
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 61,073	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	46,569	48,902	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	46,569	48,902	-	-	61,073	-
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	-	1,995	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	37,131	41,116	-	-	63,298	-
Total disbursements	37,131	41,116	-	1,995	63,298	-
Excess (deficiency) of receipts over disbursements	9,438	7,786	-	(1,995)	(2,225)	-
Other financing sources (uses) Other receipts	-	-	-	-	-	13,745
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	9,438	7,786	-	(1,995)	(2,225)	13,745
Cash and investment fund balance - beginning	15,519	77,655	16,886	18,685	69,193	206,102
Cash and investment fund balance - ending	<u>\$ 24,957</u>	<u>\$ 85,441</u>	<u>\$ 16,886</u>	<u>\$ 16,690</u>	<u>\$ 66,968</u>	<u>\$ 219,847</u>
<u>Cash and Investment Assets - December 31</u>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	24,957	85,441	16,886	16,690	66,968	219,847
Total cash and investment assets - December 31	<u>\$ 24,957</u>	<u>\$ 85,441</u>	<u>\$ 16,886</u>	<u>\$ 16,690</u>	<u>\$ 66,968</u>	<u>\$ 219,847</u>
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 219,847
Public safety	-	-	-	-	-	-
Health and welfare	24,957	85,441	16,886	16,690	66,968	-
Highways and streets	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 24,957</u>	<u>\$ 85,441</u>	<u>\$ 16,886</u>	<u>\$ 16,690</u>	<u>\$ 66,968</u>	<u>\$ 219,847</u>

FOUNTAIN 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)

	Drainage Maintenance	Law Enforcement Equipment	Sheriff's Dive Team	HAVA Voting Machines	Covered Bridge	Accident Report
Receipts:						
Taxes	\$ 13,698	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	2,122	-	48,000	3,750	-
Charges for services	-	-	-	-	-	662
Fines and forfeits	-	-	-	-	-	-
Other	-	1,401	1,099	-	-	-
Total receipts	13,698	3,523	1,099	48,000	3,750	662
Disbursements:						
General government	-	-	-	226,000	-	-
Public safety	-	3,508	800	-	-	257
Highways and streets	52,633	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total disbursements	52,633	3,508	800	226,000	-	257
Excess (deficiency) of receipts over disbursements	(38,935)	15	299	(178,000)	3,750	405
Other financing sources (uses)						
Other receipts	16,764	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(22,171)	15	299	(178,000)	3,750	405
Cash and investment fund balance - beginning	275,913	-	-	178,000	20,846	1,088
Cash and investment fund balance - ending	<u>\$ 253,742</u>	<u>\$ 15</u>	<u>\$ 299</u>	<u>\$ -</u>	<u>\$ 24,596</u>	<u>\$ 1,493</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	253,742	15	299	-	24,596	1,493
Total cash and investment assets - December 31	<u>\$ 253,742</u>	<u>\$ 15</u>	<u>\$ 299</u>	<u>\$ -</u>	<u>\$ 24,596</u>	<u>\$ 1,493</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
General government	\$ 253,742	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	15	299	-	-	1,493
Health and welfare	-	-	-	-	-	-
Highways and streets	-	-	-	-	24,596	-
Other purposes	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 253,742</u>	<u>\$ 15</u>	<u>\$ 299</u>	<u>\$ -</u>	<u>\$ 24,596</u>	<u>\$ 1,493</u>

FOUNTAIN 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)

	Firearms Training	Operation Pullover	County Drug Free Community	Law Enforcement Continuing Education	User Fee	Emergency Telephone System
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	1,970	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	13,804	1,958	4,461	-
Other	-	-	-	-	-	197,367
Total receipts	1,970	-	13,804	1,958	4,461	197,367
Disbursements:						
General government	-	-	-	-	-	-
Public safety	936	-	-	3,400	2,700	185,748
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	32,155	-	-	-
Total disbursements	936	-	32,155	3,400	2,700	185,748
Excess (deficiency) of receipts over disbursements	1,034	-	(18,351)	(1,442)	1,761	11,619
Other financing sources (uses) Other receipts	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,034	-	(18,351)	(1,442)	1,761	11,619
Cash and investment fund balance - beginning	2,857	2,209	40,017	4,067	2,963	122,931
Cash and investment fund balance - ending	<u>\$ 3,891</u>	<u>\$ 2,209</u>	<u>\$ 21,666</u>	<u>\$ 2,625</u>	<u>\$ 4,724</u>	<u>\$ 134,550</u>
<u>Cash and Investment Assets - December 31</u>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	3,891	2,209	21,666	2,625	4,724	134,550
Total cash and investment assets - December 31	<u>\$ 3,891</u>	<u>\$ 2,209</u>	<u>\$ 21,666</u>	<u>\$ 2,625</u>	<u>\$ 4,724</u>	<u>\$ 134,550</u>
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	3,891	2,209	21,666	2,625	4,724	134,550
Health and welfare	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 3,891</u>	<u>\$ 2,209</u>	<u>\$ 21,666</u>	<u>\$ 2,625</u>	<u>\$ 4,724</u>	<u>\$ 134,550</u>

FOUNTAIN 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 Prison Reimbursement	Emergency Planning Right to Know	AFDC Local Plan Committee	Cumulative Capital Development	DARE Donations
Receipts:					
Taxes	\$ -	\$ -	\$ -	\$ 141,056	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	18,952	-
Charges for services	-	-	-	-	-
Fines and forfeits	4,566	-	-	-	-
Other	-	-	-	-	-
Total receipts	4,566	-	-	160,008	-
Disbursements:					
General government	-	-	-	-	-
Public safety	-	1,513	-	-	-
Highways and streets	-	-	-	185,348	-
Health and welfare	-	-	-	-	-
Total disbursements	-	1,513	-	185,348	-
Excess (deficiency) of receipts over disbursements	4,566	(1,513)	-	(25,340)	-
Other financing sources (uses)					
Other receipts	-	9,226	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,566	7,713	-	(25,340)	-
Cash and investment fund balance - beginning	19,410	16,720	384	514,536	275
Cash and investment fund balance - ending	<u>\$ 23,976</u>	<u>\$ 24,433</u>	<u>\$ 384</u>	<u>\$ 489,196</u>	<u>\$ 275</u>
<u>Cash and Investment Assets - December 31</u>					
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:					
Cash and investments	23,976	24,433	384	489,196	275
Total cash and investment assets - December 31	<u>\$ 23,976</u>	<u>\$ 24,433</u>	<u>\$ 384</u>	<u>\$ 489,196</u>	<u>\$ 275</u>
<u>Cash and Investment Fund Balance - December 31</u>					
Restricted for:					
General government	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	23,976	24,433	384	-	275
Health and welfare	-	-	-	-	-
Highways and streets	-	-	-	-	-
Other purposes	-	-	-	489,196	-
Unrestricted	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 23,976</u>	<u>\$ 24,433</u>	<u>\$ 384</u>	<u>\$ 489,196</u>	<u>\$ 275</u>

FOUNTAIN 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)

	DARE Grant	Every 15 Minutes	Mural Restoration	Sheriff's Commissary	Totals
Receipts:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 921,833
Licenses and permits	-	-	-	-	1,970
Intergovernmental	-	-	-	-	760,793
Charges for services	-	-	-	42,342	115,664
Fines and forfeits	-	-	-	-	1,088,002
Other	-	1,775	10	-	231,618
Total receipts	-	1,775	10	42,342	3,119,880
Disbursements:					
General government	-	-	-	-	664,619
Public safety	-	-	-	39,528	1,652,121
Highways and streets	-	-	-	-	1,159,237
Health and welfare	-	1,574	-	-	500,595
Total disbursements	-	1,574	-	39,528	3,976,572
Excess (deficiency) of receipts over disbursements	-	201	10	2,814	(856,692)
Other financing sources (uses)					
Other receipts	-	-	-	-	185,901
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	201	10	2,814	(670,791)
Cash and investment fund balance - beginning	1	52	226	6,221	4,443,104
Cash and investment fund balance - ending	<u>1</u>	<u>253</u>	<u>236</u>	<u>9,035</u>	<u>3,772,313</u>
<u>Cash and Investment Assets - December 31</u>					
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 945,948
Restricted assets:					
Cash and investments	1	253	236	9,035	2,826,365
Total cash and investment assets - December 31	<u>1</u>	<u>253</u>	<u>236</u>	<u>9,035</u>	<u>3,772,313</u>
<u>Cash and Investment Fund Balance - December 31</u>					
Restricted for:					
General government	\$ -	\$ -	\$ 236	\$ -	\$ 721,004
Public safety	1	-	-	9,035	940,743
Health and welfare	-	-	-	-	373,280
Highways and streets	-	-	-	-	301,889
Other purposes	-	253	-	-	489,449
Unrestricted	-	-	-	-	945,948
Total cash and investment fund balance - December 31	<u>1</u>	<u>253</u>	<u>236</u>	<u>9,035</u>	<u>3,772,313</u>

FOUNTAIN 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 School Principal	Landfill Postclosure Trust	Total
Additions:			
Investment earnings:			
Interest	\$ -	\$ 1,943	\$ 1,943
Deductions:			
Administrative and general	-	4,829	4,829
Deficiency of total additions over total deductions	-	(2,886)	(2,886)
Cash and investment fund balance - beginning	26,327	64,054	90,381
Cash and investment fund balance - ending	\$ 26,327	\$ 61,168	\$ 87,495

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

	Mortgage Fee Fund	State Sales Disclosure	Wheel Tax	Surtax	Welfare Excise Tax	Surplus Tax	Surplus Dog
Additions:							
Agency fund additions	\$ 2,510	\$ 5,265	\$ 49,334	\$ 251,311	\$ 6,252	\$ 23,727	\$ 909
Deductions:							
Agency fund deductions	2,650	6,658	49,254	250,942	6,252	12,567	1,169
Excess (deficiency) of total additions over total deductions	(140)	(1,393)	80	369	-	11,160	(260)
Cash and investment fund balance - beginning	425	1,743	-	-	-	20,414	-
Cash and investment fund balance - ending	<u>\$ 285</u>	<u>\$ 350</u>	<u>\$ 80</u>	<u>\$ 369</u>	<u>\$ -</u>	<u>\$ 31,574</u>	<u>\$ (260)</u>

FOUNTAIN 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>Financial Institution Tax</u>	<u>CVET Distributions</u>	<u>Option Tax Certified</u>	<u>Option Tax PTR</u>
Additions:						
Agency fund additions	\$ 14,925	\$ 215,156	\$ 119,734	\$ 94,480	\$ 1,955,404	\$ 645,852
Deductions:						
Agency fund deductions	<u>14,086</u>	<u>148,604</u>	<u>119,734</u>	<u>94,474</u>	<u>1,955,404</u>	<u>645,852</u>
Excess (deficiency) of total additions over total deductions	839	66,552	-	6	-	-
Cash and investment fund balance - beginning	<u>153</u>	<u>119,606</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investment fund balance - ending	<u>\$ 992</u>	<u>\$ 186,158</u>	<u>\$ -</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ -</u>

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

	<u>CEDIT Homestead Credit Fund</u>	<u>Coroner's Continuing Education</u>	<u>Police Pension</u>	<u>AFLAC</u>	<u>Money Services</u>	<u>Prudential</u>
Additions:						
Agency fund additions	\$ 251,417	\$ 470	\$ 38,180	\$ 36,031	\$ 1,208,494	\$ 851
Deductions:						
Agency fund deductions	<u>249,289</u>	<u>490</u>	<u>38,180</u>	<u>36,055</u>	<u>1,205,090</u>	<u>780</u>
Excess (deficiency) of total additions over total deductions	2,128	(20)	-	(24)	3,404	71
Cash and investment fund balance - beginning	<u>4,141</u>	<u>69</u>	<u>-</u>	<u>356</u>	<u>756</u>	<u>45</u>
Cash and investment fund balance - ending	<u>\$ 6,269</u>	<u>\$ 49</u>	<u>\$ -</u>	<u>\$ 332</u>	<u>\$ 4,160</u>	<u>\$ 116</u>

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

	<u>Central United Life</u>	<u>Prepaid Legal</u>	<u>Boston Mutual</u>	<u>Colonial Insurance</u>	<u>Dental Insurance</u>	<u>Vision Insurance</u>
Additions:						
Agency fund additions	\$ 5,169	\$ 1,324	\$ 7,431	\$ 14,635	\$ 4,239	\$ 5,142
Deductions:						
Agency fund deductions	<u>4,768</u>	<u>1,330</u>	<u>7,431</u>	<u>14,720</u>	<u>4,277</u>	<u>5,261</u>
Excess (deficiency) of total additions over total deductions	401	(6)	-	(85)	(38)	(119)
Cash and investment fund balance - beginning	<u>441</u>	<u>6</u>	<u>408</u>	<u>760</u>	<u>65</u>	<u>439</u>
Cash and investment fund balance - ending	<u>\$ 842</u>	<u>\$ -</u>	<u>\$ 408</u>	<u>\$ 675</u>	<u>\$ 27</u>	<u>\$ 320</u>

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

	Key Life Insurance	City and Town Court Costs	Infraction Judgments	Overweight Vehicle Fines	Education Plates	MVH
Additions:						
Agency fund additions	\$ 2,810	\$ 3,297	\$ 54,532	\$ 2,631	\$ 881	\$ 431,007
Deductions:						
Agency fund deductions	2,810	-	62,319	2,631	881	431,007
Excess (deficiency) of total additions over total deductions	-	3,297	(7,787)	-	-	-
Cash and investment fund balance - beginning	100	105,608	8,342	-	-	-
Cash and investment fund balance - ending	<u>\$ 100</u>	<u>\$ 108,905</u>	<u>\$ 555</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Township Assistance	Welfare Trust	Health Care for the Indigent	Medical Assistance to Wards	Special Health Care Needs	Bid Bond
Additions:						
Agency fund additions	\$ 64,556	\$ 36,772	\$ 64,708	\$ 4,920	\$ 11,252	\$ -
Deductions:						
Agency fund deductions	64,556	38,181	65,304	4,969	11,357	-
Excess (deficiency) of total additions over total deductions	-	(1,409)	(596)	(49)	(105)	-
Cash and investment fund balance - beginning	-	9,851	3,513	290	620	283
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 8,442</u>	<u>\$ 2,917</u>	<u>\$ 241</u>	<u>\$ 515</u>	<u>\$ 283</u>

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

	<u>Corporate Tax</u>	<u>Firefighting</u>	<u>Park</u>	<u>Cumulative Fire Special</u>	<u>Swimming Pool</u>	<u>Cumulative Fire Special</u>
Additions:						
Agency fund additions	\$ 868,968	\$ 93,590	\$ 85,059	\$ 11,792	\$ 22,569	\$ 35,532
Deductions:						
Agency fund deductions	<u>860,327</u>	<u>93,590</u>	<u>85,059</u>	<u>11,792</u>	<u>22,569</u>	<u>36,072</u>
Excess (deficiency) of total additions over total deductions	8,641	-	-	-	-	(540)
Cash and investment fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>540</u>
Cash and investment fund balance - ending	<u>\$ 8,641</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	School General	Pre-School Special Education	Congressional School Interest	School Pension Debt	School Capital Projects	School Debt Service
Additions: Agency fund additions	\$ 4,826,889	\$ 14,878	\$ 1,464	\$ 127,683	\$ 1,793,122	\$ 2,548,596
Deductions: Agency fund deductions	<u>4,414,577</u>	<u>14,878</u>	<u>1,580</u>	<u>127,683</u>	<u>1,793,122</u>	<u>2,548,596</u>
Excess (deficiency) of total additions over total deductions	412,312	-	(116)	-	-	-
Cash and investment fund balance - beginning	<u>-</u>	<u>-</u>	<u>26,025</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investment fund balance - ending	<u>\$ 412,312</u>	<u>\$ -</u>	<u>\$ 25,909</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	<u>Park and Recreation Towns</u>	<u>Recreation Township</u>	<u>Inheritance Tax</u>	<u>State Fair Board</u>	<u>State Forestry Tax</u>	<u>State Fines and Forfeitures</u>
Additions:						
Agency fund additions	\$ 83,346	\$ 5,524	\$ 522,647	\$ 5,679	\$ 11,357	\$ 7,782
Deductions:						
Agency fund deductions	<u>83,346</u>	<u>5,524</u>	<u>589,411</u>	<u>5,679</u>	<u>11,357</u>	<u>8,264</u>
Excess (deficiency) of total additions over total deductions	-	-	(66,764)	-	-	(482)
Cash and investment fund balance - beginning	<u>-</u>	<u>-</u>	<u>95,274</u>	<u>-</u>	<u>-</u>	<u>1,652</u>
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,510</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,170</u>

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

	Library	Library Lease Rental	Library Capital Projects	Riverside Cemetery	Lease Rental	Corporation Cumulative Capital Development
Additions:						
Agency fund additions	\$ 279,193	\$ 145,766	\$ 34,494	\$ 82,525	\$ 39,708	\$ 76,625
Deductions:						
Agency fund deductions	<u>277,793</u>	<u>145,766</u>	<u>34,494</u>	<u>82,525</u>	<u>39,708</u>	<u>76,625</u>
Excess (deficiency) of total additions over total deductions	1,400	-	-	-	-	-
Cash and investment fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investment fund balance - ending	<u>\$ 1,400</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	<u>Fringe Benefit Fund</u>	<u>Transportation</u>	<u>School Bus Replacement</u>	<u>Weed Control</u>	<u>Sewer Liens</u>	<u>Solid Waste</u>
Additions:						
Agency fund additions	\$ 100	\$ 1,066,505	\$ 193,379	\$ 3,246	\$ 2,395	\$ 129,189
Deductions:						
Agency fund deductions	<u>100</u>	<u>1,066,505</u>	<u>193,379</u>	<u>3,690</u>	<u>1,420</u>	<u>129,189</u>
Excess (deficiency) of total additions over total deductions	-	-	-	(444)	975	-
Cash and investment fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,431</u>	<u>542</u>	<u>-</u>
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 987</u>	<u>\$ 1,517</u>	<u>\$ -</u>

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

	<u>TIF</u>	<u>Township Taxes</u>	<u>Clerk of the Circuit Court</u>	<u>Community Corrections</u>	<u>EMS</u>	<u>Health Department</u>
Additions:						
Agency fund additions	\$ 213,852	\$ 97,994	\$ 2,282,063	\$ 740,070	\$ 561,521	\$ 4,720
Deductions:						
Agency fund deductions	<u>213,852</u>	<u>505,491</u>	<u>2,096,882</u>	<u>740,020</u>	<u>561,521</u>	<u>4,724</u>
Excess (deficiency) of total additions over total deductions	-	(407,497)	185,181	50	-	(4)
Cash and investment fund balance - beginning	<u>-</u>	<u>(540)</u>	<u>175,357</u>	<u>-</u>	<u>-</u>	<u>4</u>
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ (408,037)</u>	<u>\$ 360,538</u>	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Prosecutor	Recorder	Sheriff	Sheriff's Inmate Trust	Treasurer	Total
Additions: Agency fund additions	\$ 70,841	\$ 81,951	\$ 479,682	\$ 32,441	\$ 22,161,146	\$ 45,481,491
Deductions: Agency fund deductions	<u>70,841</u>	<u>81,951</u>	<u>480,725</u>	<u>32,372</u>	<u>22,098,618</u>	<u>45,210,949</u>
Excess (deficiency) of total additions over total deductions	-	-	(1,043)	69	62,528	270,542
Cash and investment fund balance - beginning	<u>-</u>	<u>75</u>	<u>1,043</u>	<u>325</u>	<u>93,902</u>	<u>674,064</u>
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 75</u>	<u>\$ -</u>	<u>\$ 394</u>	<u>\$ 156,430</u>	<u>\$ 944,606</u>

FOUNTAIN COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT

For The Year Ended December 31, 2002

Description of Asset	Ending Balance	Due Within One Year
Governmental Activities:		
Capital leases:		
Emergency Telephone Equipment	\$ 464,538	\$ 60,508
Computer Equipment	74,058	36,064
Road Grader	108,600	33,946
Notes and loans payable	60,988	60,988
Total governmental activities long-term debt	\$ 708,184	\$ 191,506

FOUNTAIN COUNTY
OTHER REPORT

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

County Treasurer

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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 FOUNTAIN COUNTY, INDIANA

Compliance

We have audited the compliance of the Fountain 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 9, 2007

FOUNTAIN 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 JUSTICE</u>			
Pass-Through Indiana Criminal Justice Institute Local Law Enforcement Block Grant Program	16.592	04-LB-089	\$ <u>800</u>
<u>U.S. ELECTION ASSISTANCE COMMISSION</u>			
Pass-Through Indiana Election Commission Help America Vote Act Requirements Payments	90.401	FY 05	<u>226,000</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-Through Indiana Department of Health Development and Coordination of Rural Health Services	93.223	BPRS 122-2	<u>55,501</u>
Pass-Through Indiana Family and Social Services Administration Child Support Enforcement General Prosecutor Clerk	93.563		27,623 33,845 <u>14,947</u>
Total for program			<u>76,415</u>
Total for federal grantor agency			<u>131,916</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security State Domestic Preparedness Equipment Support Program	97.004	FY 04	<u>57,143</u>
Chemical Stockpile Emergency Preparedness Program	97.040	FY 05	<u>922,944</u>
State Homeland Security Program	97.073	FY 05	<u>11,250</u>
Total for federal grantor agency			<u>991,337</u>
Total federal awards expended			<u>\$ 1,350,053</u>

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

FOUNTAIN COUNTY
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

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

FOUNTAIN 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
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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
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Identification of Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
97.040	Chemical Stockpile Emergency Preparedness Program

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

Auditee qualified as low-risk auditee?	no
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Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

FOUNTAIN COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

FOUNTAIN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on April 9, 2007, with Colleen S. Chambers, Auditor; and Lowell M. Osborn, President of the Board of County Commissioners.