

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

ANNUAL FINANCIAL REPORT

2006

VERMILLION COUNTY, INDIANA



FILED

06/21/2007

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials.....	2
Independent Auditor's Report on Financial Statements and Supplementary Schedule of Expenditures of Federal Awards	3-4
Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards.....	5
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Activities and Net Assets – Cash and Investment Basis	6
Fund Financial Statements:	
Governmental Funds:	
Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Governmental Funds.....	7
Fiduciary Funds:	
Statement of Additions, Deductions, and Changes in Cash and Investment Balances – Fiduciary Funds	8
Notes to Financial Statements	9-20
Required Supplementary Information:	
Schedules of Funding Progress.....	21
Supplementary Information:	
Combining Schedule of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Other Governmental Funds.....	22-31
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Private-Purpose Trust Funds.....	32
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Agency Funds.....	33-36
Other Reports.....	37
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133	40-41
Schedule of Expenditures of Federal Awards.....	42
Notes to Schedule of Expenditures of Federal Awards	43
Schedule of Findings and Questioned Costs.....	44
Auditee Prepared Schedule:	
Summary Schedule of Prior Audit Findings.....	45
Exit Conference.....	46

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Sherrie A. Koma	01-01-05 to 12-31-08
Treasurer	Phyllis Orman	01-01-05 to 12-31-08
Clerk	Martha Padish	01-01-05 to 12-31-08
Sheriff	Kim H. Hawkins Robert Spence	01-01-03 to 12-31-06 01-01-07 to 12-31-10
Recorder	Marjorie A. Hennis Lori Porter	01-01-03 to 12-31-06 01-01-07 to 12-31-10
President of the Board of County Commissioners	Tim J. Wilson	01-01-06 to 12-31-07
President of the County Council	Michael Costello John Yoho	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 VERMILLION COUNTY, INDIANA

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 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 May 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.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the County taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

The Schedules of Funding Progress, as listed in the table of contents, are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The County has not presented Management's Discussion and Analysis or Budgetary Comparison Schedules that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Combining Schedules, as listed in the table of contents, 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.

STATE BOARD OF ACCOUNTS

May 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 VERMILLION COUNTY, INDIANA

We have audited the financial statements of Vermillion County (County), as of and for the year ended December 31, 2006, and have issued our report thereon dated May 9, 2007. 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

May 9, 2007

VERMILLION 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
<u>Disbursements</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Disbursement and Change in Net Assets</u>	
Primary government:					
Governmental activities:					
General government	\$ 4,489,346	\$ 152,465	\$ 168,420	\$ 176,736	\$ (3,991,725)
Public safety	3,327,314	489,343	1,278,977	-	(1,558,994)
Highways and streets	2,052,988	-	1,485,162	-	(567,826)
Health and welfare	667,726	76,026	330,180	-	(261,520)
Culture and recreation	129,992	-	-	-	(129,992)
Interest on long-term debt	114,636	-	-	-	(114,636)
Total governmental activities	<u>\$ 10,782,002</u>	<u>\$ 717,834</u>	<u>\$ 3,262,739</u>	<u>\$ 176,736</u>	<u>(6,624,693)</u>
General receipts:					
Property taxes					5,036,533
Other local sources					906,834
Other general receipts					979,646
Unrestricted investment earnings					143,689
Special item:					
Proceeds from sale of County hospital					1,869,919
Total general receipts and special item					<u>8,936,621</u>
Change in net assets					2,311,928
Net assets - beginning					<u>9,583,478</u>
Net assets - ending					<u>\$ 11,895,406</u>
 <u>Assets</u>					
Cash and investments					\$ 3,174,004
Restricted assets:					
Cash and investments					8,721,402
Total assets					<u>\$ 11,895,406</u>
 <u>Net Assets</u>					
Restricted for:					
Highways and streets					\$ 1,371,571
Public safety					953,567
Culture and recreation					98,048
Health and welfare					1,018,811
Debt service					601,216
Other purposes					4,678,189
Unrestricted					3,174,004
Total net assets					<u>\$ 11,895,406</u>

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

VERMILLION 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	Cumulative Reassessment 2003	Other Governmental Funds	Totals
Receipts:					
Taxes	\$ 4,520,168	\$ 169,115	\$ 137,352	\$ 1,285,847	\$ 6,112,482
Licenses and permits	-	-	-	2,580	2,580
Intergovernmental	557,331	1,329,789	-	1,633,273	3,520,393
Charges for services	123,309	-	-	379,781	503,090
Fines and forfeits	-	-	-	132,144	132,144
Other	680,655	105,232	-	167,435	953,322
Total receipts	<u>5,881,463</u>	<u>1,604,136</u>	<u>137,352</u>	<u>3,601,060</u>	<u>11,224,011</u>
Disbursements:					
General government	3,982,070	-	11,451	495,825	4,489,346
Public safety	1,705,502	-	-	1,329,201	3,034,703
Highways and streets	-	1,460,832	-	161,187	1,622,019
Health and welfare	53,064	-	-	614,662	667,726
Culture and recreation	129,992	-	-	-	129,992
Debt service:					
Principal	-	-	-	287,168	287,168
Interest	-	-	-	114,636	114,636
Capital outlay:					
Highways and streets	-	-	-	430,968	430,968
Public safety	-	-	-	5,444	5,444
Total disbursements	<u>5,870,628</u>	<u>1,460,832</u>	<u>11,451</u>	<u>3,439,091</u>	<u>10,782,002</u>
Excess of receipts over disbursements	<u>10,835</u>	<u>143,304</u>	<u>125,901</u>	<u>161,969</u>	<u>442,009</u>
Other financing sources (uses)					
Transfers in	161,214	-	-	237,000	398,214
Transfers out	(14,140)	(20,000)	-	(364,074)	(398,214)
Other receipts	1,349,919	-	-	520,000	1,869,919
Total other financing sources (uses)	<u>1,496,993</u>	<u>(20,000)</u>	<u>-</u>	<u>392,926</u>	<u>1,869,919</u>
Excess of receipts and other financing sources over disbursements and other financing uses	<u>1,507,828</u>	<u>123,304</u>	<u>125,901</u>	<u>554,895</u>	<u>2,311,928</u>
Cash and investment fund balance - beginning	<u>1,605,253</u>	<u>95,090</u>	<u>1,022,215</u>	<u>6,860,920</u>	<u>9,583,478</u>
Cash and investment fund balance - ending	<u>\$ 3,113,081</u>	<u>\$ 218,394</u>	<u>\$ 1,148,116</u>	<u>\$ 7,415,815</u>	<u>\$ 11,895,406</u>
<u>Cash and Investment Assets - December 31</u>					
Cash and investments	\$ 3,113,081	\$ -	\$ -	\$ 60,923	\$ 3,174,004
Restricted assets:					
Cash and investments	-	218,394	1,148,116	7,354,892	8,721,402
Total cash and investment assets - December 31	<u>\$ 3,113,081</u>	<u>\$ 218,394</u>	<u>\$ 1,148,116</u>	<u>\$ 7,415,815</u>	<u>\$ 11,895,406</u>
<u>Cash and Investment Fund Balance - December 31</u>					
Restricted for:					
Highways and streets	\$ -	\$ 218,394	\$ -	\$ 1,153,177	\$ 1,371,571
Public safety	-	-	-	953,567	953,567
Culture and recreation	-	-	-	98,048	98,048
Health and welfare	-	-	-	1,018,811	1,018,811
Debt service	-	-	-	601,216	601,216
Other purposes	-	-	1,148,116	3,530,073	4,678,189
Unrestricted	3,113,081	-	-	60,923	3,174,004
Total cash and investment fund balance - December 31	<u>\$ 3,113,081</u>	<u>\$ 218,394</u>	<u>\$ 1,148,116</u>	<u>\$ 7,415,815</u>	<u>\$ 11,895,406</u>

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

VERMILLION 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:			
Plan members	\$ 10,828	\$ -	\$ -
Investment earnings:			
Net increase in fair value of investments	39,349	-	-
Interest and dividends	<u>14,167</u>	<u>-</u>	<u>-</u>
Total investment earnings	53,516	-	-
Agency fund additions	<u>-</u>	<u>-</u>	<u>51,043,525</u>
Total additions	<u>64,344</u>	<u>-</u>	<u>51,043,525</u>
Deductions:			
Benefits	15,410	-	-
Administrative and general	5,595	-	-
Agency fund deductions	<u>-</u>	<u>-</u>	<u>52,080,771</u>
Total deductions	<u>21,005</u>	<u>-</u>	<u>52,080,771</u>
Excess (deficiency) of total additions over total deductions	43,339	-	(1,037,246)
Cash and investment fund balance - beginning	<u>484,234</u>	<u>35,102</u>	<u>3,800,700</u>
Cash and investment fund balance - ending	<u>\$ 527,573</u>	<u>\$ 35,102</u>	<u>\$ 2,763,454</u>

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

VERMILLION 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: Vermillion County

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

Related Organizations

The County's officials are also responsible for appointing the members of the boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointments. The County appoints the board members of the West Central Indiana Economic Development Council, Newport – Vermillion County Library, Wabash River Heritage Corridor Commission, Alcoholic Beverage Commission, Clinton – Clinton Township Public Library, Sycamore Trails RC&D Executive Council, and Clinton Economic Development Committee.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

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.

VERMILLION COUNTY
NOTESTO FINANCIAL STATEMENTS
(Continued)

The county highway fund is used to account for local and state distributions that will be used for the construction, reconstruction and maintenance of the county's highways, including the purchase, rental and repair of equipment, acquisition of rights of way, and purchase of supplies necessary to carry out the construction, reconstruction and maintenance of the highways.

The cumulative reassessment 2003 fund is used to account for local tax distributions and disbursements made for the purpose of the reassessment of real estate located in the county.

Additionally, the County reports the following fund types:

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

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

Agency funds account for assets held by the County as an agent for various taxing authorities, state and federal governmental departments, and employee benefit providers, and serve as control of accounts for certain cash transactions during the time they are a liability to the County.

C. Measurement Focus and Basis of Accounting

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

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

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

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

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.

VERMILLION COUNTY
NOTESTO FINANCIAL STATEMENTS
(Continued)

2. Capital Assets

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

3. Long-Term Debt

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

4. Equity Classification

Government-Wide Statements

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

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

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

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

E. Receipts and Disbursements

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.

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.

VERMILLION COUNTY
NOTESTO FINANCIAL STATEMENTS
(Continued)

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

Government-Wide Financial Statements

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

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

II. Stewardship, Compliance and Accountability

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.

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.

B. Disbursements in Excess of Appropriations

For the year ended December 31, 2006, disbursements exceeded budgeted appropriations in the following funds by the amounts below:

VERMILLION COUNTY
 NOTESTO FINANCIAL STATEMENTS
 (Continued)

Fund	2006
Local Road and Street	\$ 11,187
Cumulative Bridge	153,339
Area Plan Commission	1,815
County Misdemeanant	15,135
Total	\$ 181,476

These disbursements were funded by greater than anticipated receipts and/or by available fund balances.

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

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

2. Investments

Authorization for investment activity is stated in Indiana Code 5-13. The Sheriff's Merit Board has not established an investment policy for the Sheriff's Retirement and Benefit Pension Plan. As of December 31, 2006, the County had the following investments:

Investment Type	Sheriff's Retirement and Benefit Pension Plans
Mutual funds	\$ 502,665

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

VERMILLION COUNTY
NOTESTO FINANCIAL STATEMENTS
(Continued)

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

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 mutual funds in the amount of \$502,665.

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.

VERMILLION COUNTY
 NOTESTO FINANCIAL STATEMENTS
 (Continued) VERMILLION COUNTY
 NOTESTO FINANCIAL STATEMENTS
 (Continued)

Sheriff's Retirement and Benefit Pension Plans:

Investment Type	Investment Maturities (in Years)		
	Less Than 1	1-2	More Than 2
Mutual bond funds*	\$ 219,226	\$ -	\$ -

*The two mutual bond funds have weighted average maturities of 5.4 and 4.1 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' Investments:

Standard and Poor's Rating	Mutual Funds
Unrated	\$ 502,665

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 Federated Total Return Bond Fund IS, Fidelity Intermediate Government Income Fund, Allianz CCM Capital Appreciation Fund, Allianz CCM Mid Cap Fund, MFS Value Fund Class I Fund, LKCM Small Cap Equity Fund, and Fidelity Advisors Diversified International Fund. These investments represent 22%, 22%, 15%, 10%, 8%, 17%, and 6%, respectively, of the total investments.

Foreign Currency Risk

The County does not have a formal policy in regards to foreign currency risk.

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

VERMILLION COUNTY
NOTESTO FINANCIAL STATEMENTS
(Continued)

B. Interfund Transfers

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

<u>Transfer From</u>	<u>Transfer To</u>	<u>2006</u>
General Fund	Other governmental	\$ 14,140
County Highway	General Fund	20,000
Other governmental	General Fund	141,214
Other governmental	Other governmental	<u>222,860</u>
 Total		 <u><u>\$ 398,214</u></u>

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

C. Restatements and Reclassifications

For the year ended December 31, 2006, certain changes have been made to the financial statements to more appropriately reflect financial activity of the County. The following schedule presents a summary of restated beginning balances by opinion unit.

<u>Opinion Unit</u>	<u>Balance as Reported December 31, 2005</u>	<u>Fund Reclassification</u>	<u>Balance as Restated January 1, 2006</u>
Aggregate remaining funds - other governmental funds	\$ 4,425,495	\$ (404)	\$ 4,425,091
Aggregate remaining funds - fiduciary funds	3,800,296	404	3,800,700

D. Special Item – Proceeds From Sale of County Hospital

On December 31, 2005, Vermillion County in conjunction with the Vermillion County Hospital Association (association) agreed to sell West Central Community Hospital (hospital) to Union Hospital, Inc., for the gross purchase price of \$4,821,353. The gross purchase price was adjusted for the following: 1) less \$221,353 owed Union Hospital by the County, 2) less closing costs, and 3) less the amount owed to the association for the net funds left in the Bond Sinking fund after settlement of the outstanding bonds.

The County's net proceeds from the sale will be \$3,786,582 consisting of an initial payment of \$1,494,915.74 and 55 monthly payments of \$41,666.66. As of December 31, 2006, the County had received \$1,869,919 which is reported as a special item – Proceeds from Sale of County Hospital on the Statement of Activities and Net Assets.

VERMILLION COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

IV. Other Information

A. Risk Management

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

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

Job Related Illnesses or Injuries to Employees

During 2002, the County joined with other governmental entities in the Indiana Public Employers' Plan, Inc., a public entity risk pool currently operating as a common risk management and insurance program for 930 member governmental entities. This risk pool was formed in 1989. The purpose of the risk pool is to provide a medium for the funding and administration of claims arising from 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. Holding Corporation

The County has entered into a capital lease with the Vermillion County Jail Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the County. The lessor has been determined to be a related party of the County. Lease payments during the year totaled \$294,500.

C. Conduit Debt Obligation

From time to time, the County has issued Economic Development Waterworks Revenue Bonds to provide financial assistance to the Clinton Township water system for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the governmental entity served by the bond issuance. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying notes to the financial statements.

As of December 31, 2006, there were three series of Indiana Economic Development Waterworks Revenue Bonds outstanding with an aggregate principal amount payable of \$2,450,000.

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.

VERMILLION COUNTY
NOTESTO FINANCIAL STATEMENTS
(Continued)

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

Funding Policy and Annual Pension Cost

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

2. County Police Retirement Plan

Plan Description

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

Funding Policy and Annual Pension Cost

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

VERMILLION COUNTY
NOTESTO FINANCIAL STATEMENTS
(Continued)

3. County Police Benefit Plan

Plan Description

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

Funding Policy and Annual Pension Cost

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

Actuarial Information for the Above Plans

	<u>PERF</u>	<u>County Police Retirement Plan</u>	<u>County Police Benefit Plan</u>
Annual required contribution	\$ 114,137	\$ 42,649	\$ 27,415
Interest on net pension obligation	(13,563)	(4,489)	-
Adjustment to annual required contribution	15,456	-	-
	<u>-</u>	<u>6,445</u>	<u>-</u>
Annual pension cost	116,030	44,605	27,415
Contributions made	<u>144,522</u>	<u>67,585</u>	<u>27,415</u>
Decrease in net pension obligation	(28,492)	(22,980)	-
Net pension obligation, beginning of year	<u>(187,080)</u>	<u>(64,128)</u>	<u>-</u>
Net pension obligation, end of year	<u>\$ (215,572)</u>	<u>\$ (87,108)</u>	<u>\$ -</u>

VERMILLION COUNTY
NOTESTO FINANCIAL STATEMENTS
(Continued)

	PERF	County Police Retirement Plan	County Police Benefit Plan
Contribution rates:			
County	5.5%	13%	9%
Plan members	3%	6%	6%
Actuarial valuation date	07-01-05	01-01-06	01-01-06
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed
Amortization period	40 years	40 years	40 years
Amortization period (from date)	07-01-97	12-31-97	12-31-97
Asset valuation method	4 year smoothed market	4 year smoothed market	4 year smoothed market

Actuarial Assumptions

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

* 2.75% converted members; 4% nonconverted members

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-03	\$ 128,987	121%	\$ (134,362)
	06-30-04	101,611	152%	(187,080)
	06-30-05	116,030	142%	(215,572)
County Police Retirement Plan	12-31-03	37,426	137%	(45,520)
	12-31-04	38,259	152%	(64,128)
	12-31-05	42,649	159%	(87,108)
County Police Benefit Plan	12-31-03	26,642	100%	-
	12-31-04	27,037	100%	-
	12-31-05	27,415	100%	-

VERMILLION COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-03	\$ 2,194,040	\$ 2,133,297	\$ 60,743	103%	\$ 2,302,731	3%
07-01-04	2,261,204	2,364,878	(103,674)	96%	2,235,459	(5%)
07-01-05	2,375,483	2,329,777	45,706	102%	2,305,525	2%

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	\$ 107,527	\$ 328,130	\$ (220,603)	33%	\$ 228,050	(97%)
01-01-02	153,013	361,164	(208,151)	42%	233,650	(89%)
01-01-03	197,461	385,460	(187,999)	51%	273,900	(69%)
01-01-04	261,797	431,580	(169,783)	61%	283,219	(60%)
01-01-05	340,002	485,325	(145,323)	70%	310,550	(47%)
01-01-06	436,464	545,519	(109,055)	80%	317,550	(34%)

VERMILLION 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

	Cumulative Bridge	CPRTS	County Family and Children	Welfare Reform Local Plan	District Drainage Maintenance	County Hospital Lease	County Health
Receipts:							
Taxes	\$ 244,292	\$ 53,501	\$ 210,139	\$ -	\$ 7,356	\$ -	\$ 30,904
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	141,005	-	-	-	-
Charges for services	-	-	68,749	-	-	-	5,987
Fines and forfeits	-	-	-	-	-	-	-
Other	15,488	-	10,404	-	2,476	5,651	1,220
Total receipts	259,780	53,501	430,297	-	9,832	5,651	38,111
Disbursements:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	52,972	345,664	-	-	-	96,875
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
Highways and streets	430,968	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Total disbursements	430,968	52,972	345,664	-	-	-	96,875
Excess (deficiency) of receipts over (under) disbursements	(171,188)	529	84,633	-	9,832	5,651	(58,764)
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(171,188)	529	84,633	-	9,832	5,651	(58,764)
Cash and investment fund balance - beginning	1,269,120	75,981	671,247	2,786	101,376	281,343	122,360
Cash and investment fund balance - ending	\$ 1,097,932	\$ 76,510	\$ 755,880	\$ 2,786	\$ 111,208	\$ 286,994	\$ 63,596
Cash and Investment Assets - December 31							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	1,097,932	76,510	755,880	2,786	111,208	286,994	63,596
Total cash and investment assets - December 31	\$ 1,097,932	\$ 76,510	\$ 755,880	\$ 2,786	\$ 111,208	\$ 286,994	\$ 63,596
Cash and Investment Fund Balance - December 31							
Restricted for:							
Highways and streets	\$ 1,097,932	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Health and welfare	-	76,510	755,880	2,786	-	-	63,596
Debt service	-	-	-	-	-	-	-
Other purposes	-	-	-	-	111,208	286,994	-
Unrestricted	-	-	-	-	-	-	-
Total cash and investment fund balance - December 31	\$ 1,097,932	\$ 76,510	\$ 755,880	\$ 2,786	\$ 111,208	\$ 286,994	\$ 63,596

VERMILLION 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 Health Maintenance	Local Road and Street	Cumulative Reassessment 1997	Court Appointed Special Advocate	County Extradition	Probation Administration	Surveyor's Corner Perpetuation
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	34,559	151,623	-	-	-	-	-
Charges for services	-	-	-	-	-	-	4,335
Fines and forfeits	-	-	-	-	1,657	2,670	-
Other	-	12,279	33,638	-	-	-	-
Total receipts	34,559	163,902	33,638	-	1,657	2,670	4,335
Disbursements:							
General government	-	-	49,044	-	-	-	-
Public safety	-	-	-	-	157	-	-
Highways and streets	-	161,187	-	-	-	-	-
Health and welfare	37,636	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
Highways and streets	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Total disbursements	37,636	161,187	49,044	-	157	-	-
Excess (deficiency) of receipts over (under) disbursements	(3,077)	2,715	(15,406)	-	1,500	2,670	4,335
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(3,077)	2,715	(15,406)	-	1,500	2,670	4,335
Cash and investment fund balance - beginning	58,205	30,718	952,473	5,225	6,437	4,972	37,048
Cash and investment fund balance - ending	<u>\$ 55,128</u>	<u>\$ 33,433</u>	<u>\$ 937,067</u>	<u>\$ 5,225</u>	<u>\$ 7,937</u>	<u>\$ 7,642</u>	<u>\$ 41,383</u>
Cash and Investment Assets - December 31							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	55,128	33,433	937,067	5,225	7,937	7,642	41,383
Total cash and investment assets - December 31	<u>\$ 55,128</u>	<u>\$ 33,433</u>	<u>\$ 937,067</u>	<u>\$ 5,225</u>	<u>\$ 7,937</u>	<u>\$ 7,642</u>	<u>\$ 41,383</u>
Cash and Investment Fund Balance - December 31							
Restricted for:							
Highways and streets	\$ -	\$ 33,433	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	7,937	7,642	-
Culture and recreation	-	-	-	-	-	-	-
Health and welfare	55,128	-	-	5,225	-	-	-
Debt service	-	-	-	-	-	-	-
Other purposes	-	-	937,067	-	-	-	41,383
Unrestricted	-	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 55,128</u>	<u>\$ 33,433</u>	<u>\$ 937,067</u>	<u>\$ 5,225</u>	<u>\$ 7,937</u>	<u>\$ 7,642</u>	<u>\$ 41,383</u>

VERMILLION 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)

	Pretrial Diversion	Recorder's Record Perpetuation	Firearms Training	Adult Probation User Fees	Juvenile Probation User Fees	County User Fee	Sheriff Law Enforcement Continuing Education
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	2,580	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	21,033	-	58,605	9,284	5,473	-
Fines and forfeits	70,624	-	-	-	-	-	897
Other	6,967	2,551	-	-	-	-	-
Total receipts	77,591	23,584	2,580	58,605	9,284	5,473	897
Disbursements:							
General government	-	6,242	-	-	-	-	-
Public safety	93,287	-	1,541	68,337	-	3,799	9
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
Highways and streets	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Total disbursements	93,287	6,242	1,541	68,337	-	3,799	9
Excess (deficiency) of receipts over (under) disbursements	(15,696)	17,342	1,039	(9,732)	9,284	1,674	888
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(141,214)	-
Other receipts	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	(141,214)	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(15,696)	17,342	1,039	(9,732)	9,284	(139,540)	888
Cash and investment fund balance - beginning	230,362	102,673	2,292	117,470	43,573	179,554	2,786
Cash and investment fund balance - ending	<u>\$ 214,666</u>	<u>\$ 120,015</u>	<u>\$ 3,331</u>	<u>\$ 107,738</u>	<u>\$ 52,857</u>	<u>\$ 40,014</u>	<u>\$ 3,674</u>
Cash and Investment Assets - December 31							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	214,666	120,015	3,331	107,738	52,857	40,014	3,674
Total cash and investment assets - December 31	<u>\$ 214,666</u>	<u>\$ 120,015</u>	<u>\$ 3,331</u>	<u>\$ 107,738</u>	<u>\$ 52,857</u>	<u>\$ 40,014</u>	<u>\$ 3,674</u>
Cash and Investment Fund Balance - December 31							
Restricted for:							
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	214,666	-	3,331	107,738	52,857	40,014	3,674
Culture and recreation	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Other purposes	-	120,015	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 214,666</u>	<u>\$ 120,015</u>	<u>\$ 3,331</u>	<u>\$ 107,738</u>	<u>\$ 52,857</u>	<u>\$ 40,014</u>	<u>\$ 3,674</u>

VERMILLION 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	County Drug Free Community	Area Plan Commission	Cost of Tax Sale	Vermillion County E911 Project	Convention, Recreation and Visitors	Campaign Finance Enforcement
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,550	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	584	17,496	11,140	17,165	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	275	-	-	16,073	-	-
Total receipts	584	17,771	11,140	17,165	16,073	7,550	-
Disbursements:							
General government	-	-	16,206	27,696	-	2,824	-
Public safety	246	-	-	-	36,165	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
Highways and streets	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Total disbursements	246	-	16,206	27,696	36,165	2,824	-
Excess (deficiency) of receipts over (under) disbursements	338	17,771	(5,066)	(10,531)	(20,092)	4,726	-
Other financing sources (uses)							
Transfers in	-	-	-	-	20,000	-	-
Transfers out	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	20,000	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	338	17,771	(5,066)	(10,531)	(92)	4,726	-
Cash and investment fund balance - beginning	631	5,397	6,348	35,932	149,610	1,826	210
Cash and investment fund balance - ending	969	23,168	1,282	25,401	149,518	6,552	210
Cash and Investment Assets - December 31							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	969	23,168	1,282	25,401	149,518	6,552	210
Total cash and investment assets - December 31	969	23,168	1,282	25,401	149,518	6,552	210
Cash and Investment Fund Balance - December 31							
Restricted for:							
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	969	23,168	-	-	149,518	-	-
Culture and recreation	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Other purposes	-	-	1,282	25,401	-	6,552	210
Unrestricted	-	-	-	-	-	-	-
Total cash and investment fund balance - December 31	969	23,168	1,282	25,401	149,518	6,552	210

VERMILLION 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)

	Common School	County Misdemeanant	Clerk Record Perpetuation	Title III HAVA	Prosecutor Child Support Incentive	Clerk Child Support Incentive
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	14,000	-	131,736	10,158	-
Charges for services	-	3,872	3,818	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	17,872	3,818	131,736	10,158	-
Disbursements:						
General government	-	-	-	94,233	-	-
Public safety	-	23,275	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	10,206	499
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
Highways and streets	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Total disbursements	-	23,275	-	94,233	10,206	499
Excess (deficiency) of receipts over (under) disbursements	-	(5,403)	3,818	37,503	(48)	(499)
Other financing sources (uses)						
Transfers in	-	8,140	-	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	-	8,140	-	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	-	2,737	3,818	37,503	(48)	(499)
Cash and investment fund balance - beginning	2,030	1,664	12,204	-	9,243	12,123
Cash and investment fund balance - ending	<u>2,030</u>	<u>4,401</u>	<u>16,022</u>	<u>37,503</u>	<u>9,195</u>	<u>11,624</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	2,030	4,401	16,022	37,503	9,195	11,624
Total cash and investment assets - December 31	<u>2,030</u>	<u>4,401</u>	<u>16,022</u>	<u>37,503</u>	<u>9,195</u>	<u>11,624</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	4,401	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Health and welfare	-	-	-	-	9,195	11,624
Debt service	-	-	-	-	-	-
Other purposes	2,030	-	16,022	37,503	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>2,030</u>	<u>4,401</u>	<u>16,022</u>	<u>37,503</u>	<u>9,195</u>	<u>11,624</u>

VERMILLION 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)

	Covered Bridge	Emergency Planning and Right to Know	Vermillion County Victims Assistance	Vermillion County Economic Development	Bail Agency Pre-Trial Source	Reimburse Court Appointed Attorney
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ 240,213	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	3,750	-	18,560	45,000	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	14,650	9,996
Other	-	-	-	23,451	-	-
Total receipts	3,750	-	18,560	308,664	14,650	9,996
Disbursements:						
General government	-	-	-	188,028	-	-
Public safety	-	1,692	20,770	-	-	13,271
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
Highways and streets	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Total disbursements	-	1,692	20,770	188,028	-	13,271
Excess (deficiency) of receipts over (under) disbursements	3,750	(1,692)	(2,210)	120,636	14,650	(3,275)
Other financing sources (uses)						
Transfers in	-	-	-	190,860	-	-
Transfers out	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	190,860	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	3,750	(1,692)	(2,210)	311,496	14,650	(3,275)
Cash and investment fund balance - beginning	<u>18,062</u>	<u>21,917</u>	<u>2,120</u>	<u>395,527</u>	<u>54,615</u>	<u>23,066</u>
Cash and investment fund balance - ending	<u>\$ 21,812</u>	<u>\$ 20,225</u>	<u>\$ (90)</u>	<u>\$ 707,023</u>	<u>\$ 69,265</u>	<u>\$ 19,791</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	<u>21,812</u>	<u>20,225</u>	<u>(90)</u>	<u>707,023</u>	<u>69,265</u>	<u>19,791</u>
Total cash and investment assets - December 31	<u>\$ 21,812</u>	<u>\$ 20,225</u>	<u>\$ (90)</u>	<u>\$ 707,023</u>	<u>\$ 69,265</u>	<u>\$ 19,791</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
Highways and streets	\$ 21,812	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	20,225	(90)	-	69,265	19,791
Culture and recreation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Other purposes	-	-	-	707,023	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 21,812</u>	<u>\$ 20,225</u>	<u>\$ (90)</u>	<u>\$ 707,023</u>	<u>\$ 69,265</u>	<u>\$ 19,791</u>

VERMILLION 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)

	Vermillion County Seized Assets	Drug Abuse Interdiction	First Responder Equipment Grant	Drug Task Force Grant	Tobacco Master Settlement	Riverboat Wagering Tax
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	15,142	105,644
Charges for services	-	-	-	-	-	-
Fines and forfeits	3,391	17,335	-	-	-	-
Other	-	275	-	-	-	-
Total receipts	3,391	17,610	-	-	15,142	105,644
Disbursements:						
General government	-	-	-	-	-	86,691
Public safety	-	-	67	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	16,537	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
Highways and streets	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Total disbursements	-	-	67	-	16,537	86,691
Excess (deficiency) of receipts over (under) disbursements	3,391	17,610	(67)	-	(1,395)	18,953
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	(12,000)	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	(12,000)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(8,609)	17,610	(67)	-	(1,395)	18,953
Cash and investment fund balance - beginning	11,215	3,683	67	6,272	35,311	41,970
Cash and investment fund balance - ending	<u>\$ 2,606</u>	<u>\$ 21,293</u>	<u>\$ -</u>	<u>\$ 6,272</u>	<u>\$ 33,916</u>	<u>\$ 60,923</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,923
Restricted assets:						
Cash and investments	2,606	21,293	-	6,272	33,916	-
Total cash and investment assets - December 31	<u>\$ 2,606</u>	<u>\$ 21,293</u>	<u>\$ -</u>	<u>\$ 6,272</u>	<u>\$ 33,916</u>	<u>\$ 60,923</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	2,606	21,293	-	6,272	-	-
Culture and recreation	-	-	-	-	-	-
Health and welfare	-	-	-	-	33,916	-
Debt service	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	60,923
Total cash and investment fund balance - December 31	<u>\$ 2,606</u>	<u>\$ 21,293</u>	<u>\$ -</u>	<u>\$ 6,272</u>	<u>\$ 33,916</u>	<u>\$ 60,923</u>

VERMILLION 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)

	Bioterrorism Grant	Public Health Coordinator	County Health Vaccine	Chemical Stockpile Emergency Preparedness Program	CSEPP Grant	Rainy Day Fund
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	2,000	64,719	-	747,750	11,250	-
Charges for services	-	-	1,290	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	4,014	-	15,450
Total receipts	2,000	64,719	1,290	751,764	11,250	15,450
Disbursements:						
General government	-	-	-	-	-	-
Public safety	328	-	-	951,385	11,250	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	54,273	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
Highways and streets	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Total disbursements	328	54,273	-	951,385	11,250	-
Excess (deficiency) of receipts over (under) disbursements	<u>1,672</u>	<u>10,446</u>	<u>1,290</u>	<u>(199,621)</u>	<u>-</u>	<u>15,450</u>
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(190,860)
Other receipts	-	-	-	-	-	520,000
Total other financing sources (uses)	-	-	-	-	-	329,140
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	1,672	10,446	1,290	(199,621)	-	344,590
Cash and investment fund balance - beginning	<u>6,337</u>	<u>(6,784)</u>	<u>-</u>	<u>214,236</u>	<u>-</u>	<u>190,860</u>
Cash and investment fund balance - ending	<u>\$ 8,009</u>	<u>\$ 3,662</u>	<u>\$ 1,290</u>	<u>\$ 14,615</u>	<u>\$ -</u>	<u>\$ 535,450</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	<u>8,009</u>	<u>3,661</u>	<u>1,290</u>	<u>14,615</u>	<u>-</u>	<u>535,450</u>
Total cash and investment assets - December 31	\$ 8,009	\$ 3,661	\$ 1,290	\$ 14,615	\$ -	\$ 535,450
Cash and Investment Fund Balance - December 31						
Restricted for:						
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	8,009	-	-	14,615	-	-
Culture and recreation	-	-	-	-	-	-
Health and welfare	-	3,661	1,290	-	-	-
Debt service	-	-	-	-	-	-
Other purposes	-	-	-	-	-	535,450
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	\$ 8,009	\$ 3,661	\$ 1,290	\$ 14,615	\$ -	\$ 535,450

VERMILLION COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2006
 (Continued)

	County Identification Security Protection	Unsafe Building Fund	Cumulative Jail	Vermillion County Jail Building	Cumulative Capital Development	County Nonreverting Park
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 98,741	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	6,316	-	-	-	-	-
Fines and forfeits	-	10,924	-	-	-	-
Other	-	-	10,776	-	1,222	670
Total receipts	6,316	10,924	10,776	-	99,963	670
Disbursements:						
General government	-	1,510	-	-	7,220	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
Highways and streets	-	-	-	-	-	-
Public safety	-	-	5,444	-	-	-
Total disbursements	-	1,510	5,444	-	7,220	-
Excess (deficiency) of receipts over (under) disbursements	6,316	9,414	5,332	-	92,743	670
Other financing sources (uses)						
Transfers in	-	-	-	-	-	6,000
Transfers out	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	6,000
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	6,316	9,414	5,332	-	92,743	6,670
Cash and investment fund balance - beginning	-	-	153,183	2,500	593,460	91,378
Cash and investment fund balance - ending	\$ 6,316	\$ 9,414	\$ 158,515	\$ 2,500	\$ 686,203	\$ 98,048
<u>Cash and Investment Assets - December 31</u>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	6,316	9,414	158,515	2,500	686,203	98,048
Total cash and investment assets - December 31	\$ 6,316	\$ 9,414	\$ 158,515	\$ 2,500	\$ 686,203	\$ 98,048
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	158,515	2,500	-	-
Culture and recreation	-	-	-	-	-	98,048
Health and welfare	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Other purposes	6,316	9,414	-	-	686,203	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	\$ 6,316	\$ 9,414	\$ 158,515	\$ 2,500	\$ 686,203	\$ 98,048

VERMILLION 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)

	Jail Lease Rental	Vermillion County E911 Sinking	Sheriff Commissary	Sheriff Evidence Fund	Prosecutor Asset Forfeiture	Totals
Receipts:						
Taxes	\$ 393,151	\$ -	\$ -	\$ -	\$ -	\$ 1,285,847
Licenses and permits	-	-	-	-	-	2,580
Intergovernmental	-	55,460	80,917	-	-	1,633,273
Charges for services	-	144,634	-	-	-	379,781
Fines and forfeits	-	-	-	-	-	132,144
Other	-	-	-	4,555	-	167,435
Total receipts	393,151	200,094	80,917	4,555	-	3,601,060
Disbursements:						
General government	16,131	-	-	-	-	495,825
Public safety	-	-	89,126	2,639	11,857	1,329,201
Highways and streets	-	-	-	-	-	161,187
Health and welfare	-	-	-	-	-	614,662
Debt service:						
Principal	186,987	100,181	-	-	-	287,168
Interest	107,513	7,123	-	-	-	114,636
Capital outlay:						
Highways and streets	-	-	-	-	-	430,968
Public safety	-	-	-	-	-	5,444
Total disbursements	310,631	107,304	89,126	2,639	11,857	3,439,091
Excess (deficiency) of receipts over (under) disbursements	82,520	92,790	(8,209)	1,916	(11,857)	161,969
Other financing sources (uses)						
Transfers in	-	-	-	-	12,000	237,000
Transfers out	-	(20,000)	-	-	-	(364,074)
Other receipts	-	-	-	-	-	520,000
Total other financing sources (uses)	-	(20,000)	-	-	12,000	392,926
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	82,520	72,790	(8,209)	1,916	143	554,895
Cash and investment fund balance - beginning	227,599	218,306	9,526	8,439	2,836	6,860,920
Cash and investment fund balance - ending	<u>\$ 310,119</u>	<u>\$ 291,096</u>	<u>\$ 1,317</u>	<u>\$ 10,355</u>	<u>\$ 2,979</u>	<u>\$ 7,415,815</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,923
Restricted assets:						
Cash and investments	310,120	291,096	1,317	10,355	2,979	7,354,892
Total cash and investment assets - December 31	\$ 310,120	\$ 291,096	\$ 1,317	\$ 10,355	\$ 2,979	\$ 7,415,815
Cash and Investment Fund Balance - December 31						
Restricted for:						
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,153,177
Public safety	-	-	1,317	10,355	2,979	953,567
Culture and recreation	-	-	-	-	-	98,048
Health and welfare	-	-	-	-	-	1,018,811
Debt service	310,120	291,096	-	-	-	601,216
Other purposes	-	-	-	-	-	3,530,073
Unrestricted	-	-	-	-	-	60,923
Total cash and investment fund balance - December 31	\$ 310,120	\$ 291,096	\$ 1,317	\$ 10,355	\$ 2,979	\$ 7,415,815

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

	Ryerson Will Trust	Congressional Principal	Total
Cash and investment fund balance - beginning	\$ 200	\$ 34,902	\$ 35,102
Cash and investment fund balance - ending	\$ 200	\$ 34,902	\$ 35,102

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

	Welfare Trust	Poor Relief	County Payroll	Congressional Interest	Surplus Tax	Tax Sale Surplus	Tax Sale Redemption
Additions:							
Agency fund additions	<u>13,839</u>	<u>200,640</u>	<u>2,355,709</u>	<u>1,112</u>	<u>68,728</u>	<u>14,368</u>	<u>87,983</u>
Deductions:							
Agency fund deductions	<u>12,414</u>	<u>200,640</u>	<u>2,318,925</u>	<u>-</u>	<u>99,908</u>	<u>757,071</u>	<u>86,846</u>
Excess (deficiency) of total additions over total deductions	1,425	-	36,784	1,112	(31,180)	(742,703)	1,137
Cash and investment fund balance - beginning	<u>7,888</u>	<u>-</u>	<u>(4,340)</u>	<u>18,579</u>	<u>49,361</u>	<u>743,530</u>	<u>3,731</u>
Cash and investment fund balance - ending	<u>\$ 9,313</u>	<u>\$ -</u>	<u>\$ 32,444</u>	<u>\$ 19,691</u>	<u>\$ 18,181</u>	<u>\$ 827</u>	<u>\$ 4,868</u>

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

	Surplus Dog Tax	City/Town Court Costs	Education Plate Fee	Inheritance Tax	State Fees	Tax Distribution
Additions:						
Agency fund additions	4,042	3,379	1,125	391,246	37,947	16,860,089
Deductions:						
Agency fund deductions	3,917	-	1,332	400,266	32,589	16,858,540
Excess (deficiency) of total additions over total deductions	125	3,379	(207)	(9,020)	5,358	1,549
Cash and investment fund balance - beginning	1,463	39,541	207	29,681	18,362	103,097
Cash and investment fund balance - ending	<u>\$ 1,588</u>	<u>\$ 42,920</u>	<u>\$ -</u>	<u>\$ 20,661</u>	<u>\$ 23,720</u>	<u>\$ 104,646</u>

VERMILLION 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 Withholding</u>	<u>CEDIT</u>	<u>Child Restraint System Fines</u>	<u>Mortgage Fee Fund</u>	<u>Sheriff Pension Fees</u>	<u>County Treasurer</u>
Additions:						
Agency fund additions	<u>44,908</u>	<u>280,305</u>	<u>1,000</u>	<u>2,192</u>	<u>4,728</u>	<u>27,661,496</u>
Deductions:						
Agency fund deductions	<u>52,493</u>	<u>303,416</u>	<u>375</u>	<u>1,224</u>	<u>-</u>	<u>27,880,571</u>
Excess (deficiency) of total additions over total deductions	(7,585)	(23,111)	625	968	4,728	(219,075)
Cash and investment fund balance - beginning	<u>11,995</u>	<u>23,111</u>	<u>75</u>	<u>329</u>	<u>-</u>	<u>2,515,325</u>
Cash and investment fund balance - ending	<u>\$ 4,410</u>	<u>\$ -</u>	<u>\$ 700</u>	<u>\$ 1,297</u>	<u>\$ 4,728</u>	<u>\$ 2,296,250</u>

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

	County Clerk	Health Department	County Sheriff	County Recorder	Prosecuting Attorney Buy Money	Total
Additions:						
Agency fund additions	<u>2,069,857</u>	<u>9,549</u>	<u>852,260</u>	<u>77,023</u>	<u>-</u>	<u>51,043,525</u>
Deductions:						
Agency fund deductions	<u>2,135,587</u>	<u>8,498</u>	<u>848,636</u>	<u>77,023</u>	<u>500</u>	<u>52,080,771</u>
Excess (deficiency) of total additions over total deductions	(65,730)	1,051	3,624	-	(500)	(1,037,246)
Cash and investment fund balance - beginning	<u>237,731</u>	<u>416</u>	<u>2</u>	<u>50</u>	<u>566</u>	<u>3,800,700</u>
Cash and investment fund balance - ending	<u>\$ 172,001</u>	<u>\$ 1,467</u>	<u>\$ 3,626</u>	<u>\$ 50</u>	<u>\$ 66</u>	<u>\$ 2,763,454</u>

VERMILLION 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 Auditor
County Treasurer
County Sheriff
Board of County Commissioners

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

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

TO: THE OFFICIALS OF VERMILLION COUNTY, INDIANA

Compliance

We have audited the compliance of the Vermillion 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

May 9, 2007

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

Federal Grantor Agency/Pass-Through Entity Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Pass-Through Indiana Criminal Justice Institute Crime Victim Assistance	16.575	06VA145 05VA130	\$ 8,560 <u>8,880</u>
Total for federal grantor agency			<u>17,440</u>
<u>U.S. ELECTIONS ASSISTANCE COMMISSION</u>			
Pass-Through Indiana Secretary of State Help America Vote Act Requirements Payments	90.401		<u>94,233</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-Through Indiana State Department of Health Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	BPRS 182-2	54,278 <u>328</u>
Total for program			<u>54,606</u>
Pass-Through Indiana Department of Child Services Child Support Enforcement Child Support Expenditures Incentive Expenditures Indirect Costs	93.563		50,587 23,362 <u>22,776</u>
Total for program			<u>96,725</u>
Pass-Through Indiana State Department of Health Preventive Health and Health Services Block Grant	93.991		<u>1,420</u>
Total for federal grantor agency			<u>264,424</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security Homeland Security Grant Program	97.004	C44P-7-206	<u>19,938</u>
Chemical Stockpile Emergency Preparedness Program	97.040	FY2004 FY2005 FY2006 FY2007	4,594 56,609 615,825 <u>53,181</u>
Total for program			<u>730,209</u>
State Homeland Security Grant Program	97.073		<u>11,250</u>
Total for federal grantor agency			<u>761,397</u>
Total federal awards expended			<u>\$ 1,025,821</u>

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

VERMILLION COUNTY
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

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

VERMILLION COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

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

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

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

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
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

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

VERMILLION COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

VERMILLION COUNTY
EXIT CONFERENCE

The contents of this report were discussed on May 9, 2007, with Sherrie A. Koma, Auditor; Tim J. Wilson, President of the Board of County Commissioners; and John Yoho, President of the County Council.