

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

ANNUAL FINANCIAL REPORT

2006

SHELBY COUNTY, INDIANA



FILED

09/11/2007

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
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.....	5-6
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Activities and Net Assets – Cash and Investment Basis	7
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.....	8
Proprietary Fund:	
Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Proprietary Fund.....	9
Fiduciary Funds:	
Statement of Additions, Deductions, and Changes in Cash and Investment Balances – Fiduciary Funds	10
Notes to Financial Statements	11-23
Required Supplementary Information:	
Schedules of Funding Progress.....	24
Supplementary Information:	
Combining Schedule of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Other Governmental Funds.....	25-40
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Private-Purpose Trust Funds.....	41
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Agency Funds.....	42-45
Schedule of Capital Assets.....	46
Schedule of Long-Term Debt.....	47
Other Reports.....	48
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	50-51
Schedule of Expenditures of Federal Awards.....	52-53
Notes to Schedule of Expenditures of Federal Awards	54
Schedule of Findings and Questioned Costs.....	55
Auditee Prepared Schedules:	
Summary Schedule of Prior Audit Findings.....	56
Exit Conference.....	57

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Margaret Brunk Amy L. Glackman	01-01-03 to 12-31-06 01-01-07 to 12-31-10
Treasurer	Kathy Plunkett	01-01-03 to 12-31-10
Clerk	Carol Stohry	01-01-03 to 12-31-10
Sheriff	Tom DeBaun Mike Bowlby	01-01-03 to 12-31-06 01-01-07 to 12-31-10
Recorder	O. Lynn Bass MaryJo Phares	01-01-04 to 12-31-06 01-01-07 to 12-31-11
President of the Board of County Commissioners	Doug Warnecke Tony Newton	01-01-06 to 12-31-06 01-01-07 to 12-31-07
President of the County Council	Sean Eberhart Terry Smith	01-01-06 to 11-21-06 11-22-06 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF SHELBY COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Shelby 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 June 11, 2007, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Our report on compliance and on internal control over financial reporting should be read along with this report.

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

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

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

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Combining Schedules, as listed in the Table of Contents, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not 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 Capital Assets and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

June 11, 2007



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF SHELBY COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Shelby County (County), as of and for the year ended December 31, 2006, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 11, 2007. The opinions to the financial statements were qualified due to the omission of component units of the 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies or material weaknesses, as defined above.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(Continued)

Compliance and Other Matters

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 grant agreements, 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 or other matters that are required to be reported under Government Auditing Standards.

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

June 11, 2007

SHELBY 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>
		Charges for Services	Operating Grants and Contributions	<u>Primary Government</u>
				<u>Governmental Activities</u>
Primary government:				
Governmental activities:				
General government	\$ 7,578,597	\$ 466,666	\$ 19,000	\$ (7,092,931)
Public safety	10,634,972	2,084,898	598,215	(7,951,859)
Highways and streets	5,658,079	-	-	(5,658,079)
Sanitation	407,705	-	-	(407,705)
Health and welfare	3,539,352	58,509	42,130	(3,438,713)
Culture and recreation	55,000	-	-	(55,000)
Development and housing	619,644	-	-	(619,644)
Interest on long-term debt	433,955	-	-	(433,955)
	<u>\$ 28,927,304</u>	<u>\$ 2,610,073</u>	<u>\$ 659,345</u>	<u>(25,657,886)</u>
Total primary government				
General receipts:				
Property taxes				12,586,548
Other local sources				12,154,330
Transfers				2,624,325
				<u>27,365,203</u>
				Total general receipts and transfers
				1,707,317
				Change in net assets
				<u>11,579,565</u>
				Net assets - beginning
				<u>\$ 13,286,882</u>
				Net assets - ending
 <u>Assets</u>				
Cash and investments				\$ 2,125,734
Restricted assets:				
Cash and investments				<u>11,161,148</u>
Total assets				<u>\$ 13,286,882</u>
 <u>Net Assets</u>				
Restricted for:				
Public safety				\$ 1,671,588
Highways and streets				4,994,286
Health and welfare				1,413,268
Debt service				91,330
Other purposes				2,990,676
Unrestricted				<u>2,125,734</u>
Total net assets				<u>\$ 13,286,882</u>

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

SHELBY COUNTY
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2006

	General	County Highway	Family and Children	Cumulative Bridge	Other Governmental Funds	Totals
Receipts:						
Taxes	\$ 6,966,374	\$ -	\$ 2,340,121	\$ 472,436	\$ 2,807,617	\$ 12,586,548
Special assessments	-	14,177	254	-	12,741	27,172
Licenses and permits	-	-	-	-	10,355	10,355
Intergovernmental	2,785,439	3,090,168	815,817	116,300	3,612,408	10,420,132
Charges for services	334,775	-	-	-	1,877,392	2,212,167
Fines and forfeits	253,866	-	-	-	191,644	445,510
Other	458,170	116,893	12,490	-	778,733	1,366,286
Total receipts	10,798,624	3,221,238	3,168,682	588,736	9,290,890	27,068,170
Disbursements:						
General government	3,805,036	-	-	-	1,048,146	4,853,182
Public safety	5,915,119	-	-	-	3,216,949	9,132,068
Highways and streets	-	2,640,257	-	493,822	1,377,793	4,511,872
Sanitation	15,855	-	-	-	391,850	407,705
Health and welfare	766,998	-	2,048,835	-	723,519	3,539,352
Culture and recreation	-	-	-	-	55,000	55,000
Urban redevelopment and housing	123,154	-	-	-	496,490	619,644
Debt service:						
Principal	-	-	-	-	1,795,000	1,795,000
Interest	-	-	-	-	433,955	433,955
Total disbursements	10,626,162	2,640,257	2,048,835	493,822	9,538,702	25,347,778
Excess (deficiency) of receipts over disbursements	172,462	580,981	1,119,847	94,914	(247,812)	1,720,392
Other financing sources (uses):						
Transfers in	16,074	-	-	-	2,589,434	2,605,508
Transfers out	(1,073,505)	-	-	-	(1,532,003)	(2,605,508)
Total other financing sources (uses)	(1,057,431)	-	-	-	1,057,431	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(884,969)	580,981	1,119,847	94,914	809,619	1,720,392
Cash and investment fund balance - beginning	1,805,616	1,639,514	293,421	1,445,039	6,198,458	11,382,048
Cash and investment fund balance - ending	<u>\$ 920,647</u>	<u>\$ 2,220,495</u>	<u>\$ 1,413,268</u>	<u>\$ 1,539,953</u>	<u>\$ 7,008,077</u>	<u>13,102,440</u>
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.						
						184,442
Net assets of governmental activities						<u>\$ 13,286,882</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ 920,647	\$ -	\$ -	\$ -	\$ 1,205,087	\$ 2,125,734
Restricted assets:						
Cash and investments	-	2,220,495	1,413,268	1,539,953	5,802,990	10,976,706
Total cash and investment assets - December 31	<u>\$ 920,647</u>	<u>\$ 2,220,495</u>	<u>\$ 1,413,268</u>	<u>\$ 1,539,953</u>	<u>\$ 7,008,077</u>	<u>\$ 13,102,440</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ 1,683,040	\$ 1,683,040
Highways and streets	-	2,220,495	-	1,539,953	1,233,838	4,994,286
Health and welfare	-	-	1,413,268	-	861,281	2,274,549
Debt service	-	-	-	-	91,330	91,330
Other purposes	-	-	-	-	1,933,501	1,933,501
Unrestricted	920,647	-	-	-	1,205,087	2,125,734
Total cash and investment fund balance - December 31	<u>\$ 920,647</u>	<u>\$ 2,220,495</u>	<u>\$ 1,413,268</u>	<u>\$ 1,539,953</u>	<u>\$ 7,008,077</u>	<u>\$ 13,102,440</u>

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

SHELBY COUNTY
STATEMENT OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
PROPRIETARY FUND
As of and for the Year Ended December 31, 2006

	<u>Internal Service Fund</u>
Operating receipts:	
Other	<u>\$ 960,942</u>
Operating disbursements:	
Other disbursements	<u>974,018</u>
Deficiency of operating receipts over operating disbursements	<u>(13,076)</u>
Cash and investment fund balance - beginning	<u>197,518</u>
Cash and investment fund balance - ending	<u>\$ 184,442</u>
<u>Cash and Investment Assets - December 31</u>	
Restricted assets:	
Cash and investments	<u>\$ 184,442</u>
<u>Cash and Investment Fund Balance - December 31</u>	
Restricted for:	
Other purposes	<u>\$ 184,442</u>

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

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

	Pension Trust Sheriff's Pension	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Employer	\$ 312,046	\$ -	\$ -
Plan members	33,291	-	-
Other	15,383	44,232	-
Total contributions	<u>360,720</u>	<u>44,232</u>	<u>-</u>
Investment earnings	<u>386,169</u>	<u>-</u>	<u>-</u>
Agency fund additions	<u>-</u>	<u>-</u>	<u>148,483,699</u>
Total additions	<u>746,889</u>	<u>44,232</u>	<u>148,483,699</u>
Deductions:			
Benefits	246,272	-	-
Administrative and general	56,442	6,239	-
Agency fund deductions	<u>-</u>	<u>-</u>	<u>149,248,815</u>
Total deductions	<u>302,714</u>	<u>6,239</u>	<u>149,248,815</u>
Excess (deficiency) of total additions over total deductions	444,175	37,993	(765,116)
Cash and investment fund balance - beginning	<u>5,331,634</u>	<u>98,426</u>	<u>4,156,105</u>
Cash and investment fund balance - ending	<u>\$ 5,775,809</u>	<u>\$ 136,419</u>	<u>\$ 3,390,989</u>

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

SHELBY 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: Shelby County
Blended Component Unit: Shelby 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 Shelby County Solid Waste Management District, a blended 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 the Emergency Ambulance Board, Major Hospital, Indiana Resources Conservation, Shelby Senior Services, Gallahue Mental Health, Animal Shelter, Site Plan Review, GIS Board, Solid Waste Board, and the Fiber Optic Board.

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.

SHELBY 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 County highway fund accounts for construction and maintenance of local roads and highways.

The cumulative bridge fund accounts for construction and repairs of bridges.

The County family and children fund accounts for services provided to low income families.

Additionally, the County reports the following fund types:

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

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

The private-purpose trust fund reports a trust arrangement under which principal and income benefit the local schools and general county government services.

Agency funds account for assets held by the County as an agent for the State of Indiana and other local units of government and serve as control of accounts for certain cash transactions during the time they are a liability of the County.

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

SHELBY COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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, or (2) law through constitutional provisions or enabling legislation.
- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

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

Fund Financial Statements

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

E. Receipts and Disbursements

1. Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

SHELBY 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 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

SHELBY COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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. 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
Adult Protective Services 2	\$ (16,699)
Family Violence Victim Assistance	(12,404)
Juvenile Intensive Supervision	(8,456)

Cash and investment deficits arose primarily from disbursements exceeding receipts due to the reimbursement grants; these deficits are to be repaid from future grant receipts.

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 established an investment policy for the Sheriff's Retirement and Benefit Pension Plan. This investment policy outlines parameters for investment activity for the Sheriff's Pension Plans. As of December 31, 2006, the County had the following investments:

SHELBY COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Investment Type	Sheriff's Retirement and Benefit Pension Plans
U.S. treasuries and securities	\$ 494,205
Corporate bonds	1,452,835
Common stock	1,893,983
Mutual funds	1,768,519
Total	\$ 5,609,542

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 investment policy for the Sheriff's Retirement and Benefit Pension Plans was adopted by the Sheriff's Merit Board on April 14, 2004. Authorized investments include U.S. Government and Agency obligations, mortgage-backed securities, corporate bonds, and asset backed securities.

SHELBY COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

Interest Rate Risk

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

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

Sheriff's Retirement and Benefit Pension Plans:

Investment Type	Investment Maturities (in Years)		
	Less Than 1	1-2	More Than 2
U.S. treasuries and securities	\$ 494,205	\$ -	\$ -
Corporate bonds	409,818	545,983	497,034
Totals	<u>\$ 904,023</u>	<u>\$ 545,983</u>	<u>\$ 497,034</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:

Fitch Rating	County's Investments
	Corporate Bonds
AAA	\$ 1,402,470
AA	50,365
Total	<u>\$ 1,452,835</u>

SHELBY COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 adopted the following policy for the concentration of credit risk. In no event should the debt securities of any single Corporation exceed 5% at cost of the assets under management at market value. Any equity position growing to more than 10% of the equity portfolio will be evaluated at the next investment committee meeting. More than 5% of the Sheriff's Retirement and Benefit investments are in short-term investments, bonds, common stock and equity funds. These investments represent 7%, 20%, 32%, and 36%, respectively, of the total investments.

B. Interfund Transfers

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

Transfer From	Transfer To	2006
General Fund	Other governmental	\$ 1,073,505
Other governmental	General Fund	16,074
Other governmental	Other governmental	1,515,929
Total		\$ 2,605,508

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. Prior period adjustments represent accumulated differences in realized and unrealized investment income.

Opinion Unit	Balance as Reported December 31, 2005	Fund Reclassification	New Funds	Prior Period Adjustments	Balance as Restated January 1, 2006
Combined County Report: Sheriff's Retirement and Pension Benefit Plans	\$ 5,994,312	\$ -	\$ -	\$ (662,678)	\$ 5,331,634

SHELBY COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

IV. Other Information

A. Risk Management

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

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; 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 (excluding postemployment benefits). The risk financing fund is accounted for in the Health Insurance Fund, an internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$25,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. A premium is charged to each fund based upon participation of departmental employees, with the County share being two-thirds of the total premium. Provisions are also made for unexpected and unusual claims.

Job Related Illnesses or Injuries to Employees

During 2001, the County joined with other governmental entities to form the Indiana Public Employers Plan, Inc., a public entity risk pool currently operating as a common risk management and insurance program for 515 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 risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$1,000,000 per insured event. The risk pool obtains independent coverage for insured events in excess of the \$1,000,000 limit.

B. Holding Corporations

The County has entered into a capital lease with the Shelby County Jail Building Corporation and the Shelby County Courthouse Building Corporation (the lessors). The lessors were organized as not-for-profit corporations 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 \$1,289,955 and \$939,000, respectively.

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.

SHELBY COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

D. Pension Plans

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

1. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

2. County Police Retirement Plan

Plan Description

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

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.

SHELBY COUNTY
NOTES TO 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	\$ 280,160	\$ 272,341	\$ 12,586
Interest on net pension obligation	(43,002)	2,229	-
Adjustment to annual required contribution	<u>49,005</u>	<u>(4,088)</u>	<u>-</u>
Annual pension cost	286,163	270,482	12,586
Contributions made	<u>284,392</u>	<u>305,735</u>	<u>12,586</u>
Increase (decrease) in net pension obligation	1,771	(35,253)	-
Net pension obligation, beginning of year	<u>(593,136)</u>	<u>31,847</u>	<u>-</u>
Net pension obligation, end of year	<u>\$ (591,365)</u>	<u>\$ (3,406)</u>	<u>\$ -</u>

SHELBY COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

	PERF	County Police Retirement Plan	County Police Benefit Plan
Contribution rates:			
County	5.75%	23%	1%
Plan members	3%	6%	6%
Actuarial valuation date	07-01-06	01-01-07	01-01-07
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%

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-04	\$ 187,685	154%	\$ (509,284)
	06-30-05	209,258	140%	(593,136)
	06-30-06	286,163	136%	(591,365)
County Police Retirement Plan	12-31-04	258,867	102%	66,694
	12-31-05	257,169	112%	31,847
	12-31-06	270,482	113%	(3,406)
County Police Benefit Plan	12-31-04	14,827	100%	-
	12-31-05	13,970	100%	-
	12-31-06	12,586	100%	-

E. Long-Term Commitment – County Funds for Technology Park

In October 2003, the County Council passed an ordinance pledging a portion of the County's share of economic development income tax (EDIT) for the purposes of land acquisition, construction and installation of public infrastructure improvements at the Shelbyville/Shelby County Advanced Technological Industrial Park. The City of Shelbyville and Major Hospital (a component unit of the City of Shelbyville) also share administrative and financial responsibility for this project.

SHELBY COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

The County pledged \$125,000 each calendar year beginning in 2004 and continuing through 2028 (or such earlier date as all outstanding bonds issued to finance or refinance the project are defeased). A schedule of payments is as follows:

2007	\$ 125,000
2008	125,000
2009	125,000
2010	125,000
2011	125,000
Thereafter	<u>2,125,000</u>
 Total payments committed	 <u><u>\$ 2,750,000</u></u>

SHELBY COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-04	\$ 2,770,391	\$ 2,934,873	\$ (164,482)	94%	\$ 4,211,585	(4%)
07-01-05	3,003,670	3,656,172	(652,502)	82%	4,782,191	(14%)
07-01-06	3,265,339	3,408,017	(142,678)	96%	4,750,747	(3%)

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)
01-01-02	\$ 5,205,414	\$ 5,332,348	\$ (126,934)	98%	\$ 1,168,724	(11%)
01-01-03	5,276,482	5,477,877	(201,395)	96%	1,116,913	(18%)
01-01-04	5,464,808	5,832,400	(367,592)	94%	1,024,922	(36%)
01-01-05	5,727,855	6,083,269	(355,414)	94%	1,040,406	(34%)
01-01-06	6,045,517	6,351,845	(306,328)	95%	1,120,907	(27%)
01-01-07	6,482,660	6,740,667	(258,007)	96%	1,181,924	(22%)

SHELBY 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

	100th Monkey ABC	4-H Project	Accident Report	ACT Juvenile Justice Grant	Adult Probation Services	Adult Protective Services	Adult Protective Services 2
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	8,078	56,185	11,312
Charges for services	-	-	3,481	-	171,154	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	2,635	-	-	-	-	-
Total receipts	-	2,635	3,481	-	179,232	56,185	11,312
Disbursements:							
General government	-	-	-	-	-	-	-
Public safety	10	1,869	3,896	-	209,518	34,723	27,761
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total disbursements	10	1,869	3,896	-	209,518	34,723	27,761
Excess (deficiency) of receipts over disbursements	(10)	766	(415)	-	(30,286)	21,462	(16,449)
Other financing sources (uses):							
Transfers in	-	-	-	-	42,741	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	42,741	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(10)	766	(415)	-	12,455	21,462	(16,449)
Cash and investment fund balance - beginning	10	663	5,046	6,715	32,706	(19,242)	(250)
Cash and investment fund balance - ending	\$ -	\$ 1,429	\$ 4,631	\$ 6,715	\$ 45,161	\$ 2,220	\$ (16,699)
Cash and Investment Assets - December 31							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	-	1,429	4,631	6,715	45,161	2,220	(16,699)
Total cash and investment assets - December 31	\$ -	\$ 1,429	\$ 4,631	\$ 6,715	\$ 45,161	\$ 2,220	\$ (16,699)
Cash and Investment Fund Balance - December 31							
Restricted for:							
Public safety	\$ -	\$ 1,429	\$ 4,631	\$ 6,715	\$ 45,161	\$ 2,220	\$ (16,699)
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-
Total cash and investment fund balance - December 31	\$ -	\$ 1,429	\$ 4,631	\$ 6,715	\$ 45,161	\$ 2,220	\$ (16,699)

SHELBY 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)

	Adventure Based Counseling	Alternative Dispute	Assessments and Referrals	Assessor's State Disclosure	Automotive Safety	Bail Alternative Program	Build Indiana
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	9,400	2,500	-	-
Fines and forfeits	-	-	81,431	-	-	20,539	-
Other	-	1,071	-	-	-	-	-
Total receipts	-	1,071	81,431	9,400	2,500	20,539	-
Disbursements:							
General government	-	-	-	5,745	-	-	-
Public safety	909	6,010	74,362	-	2,498	-	-
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	30,000
Urban redevelopment and housing	-	-	-	-	-	-	10,550
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total disbursements	909	6,010	74,362	5,745	2,498	-	40,550
Excess (deficiency) of receipts over disbursements	(909)	(4,939)	7,069	3,655	2	20,539	(40,550)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	(9,030)	-	-	-	-	-	-
Total other financing sources (uses)	(9,030)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(9,939)	(4,939)	7,069	3,655	2	20,539	(40,550)
Cash and investment fund balance - beginning	9,939	4,939	28,563	17,886	-	5,404	550,219
Cash and investment fund balance - ending	\$ -	\$ -	\$ 35,632	\$ 21,541	\$ 2	\$ 25,943	\$ 509,669
Cash and Investment Assets - December 31							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	-	-	35,632	21,541	2	25,943	509,669
Total cash and investment assets - December 31	\$ -	\$ -	\$ 35,632	\$ 21,541	\$ 2	\$ 25,943	\$ 509,669
Cash and Investment Fund Balance - December 31							
Restricted for:							
Public safety	\$ -	\$ -	\$ 35,632	\$ -	\$ 2	\$ 25,943	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Other purposes	-	-	-	21,541	-	-	509,669
Unrestricted	-	-	-	-	-	-	-
Total cash and investment fund balance - December 31	\$ -	\$ -	\$ 35,632	\$ 21,541	\$ 2	\$ 25,943	\$ 509,669

SHELBY 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)

	Campaign Finance Enforcement	Children's Psychiatric Fund	Civil Process Fees	Clerk Title IV-D	Clerk's Records Perpetuation	Community Corrections	Community Corrections Juvenile
Receipts:							
Taxes	\$ -	\$ 113,137	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	12,668	-	-	-	-	14,602
Charges for services	-	-	10,513	-	15,680	763,651	217
Fines and forfeits	-	-	-	-	-	-	-
Other	-	1,861	-	-	-	348,610	-
Total receipts	-	127,666	10,513	-	15,680	1,112,261	14,819
Disbursements:							
General government	-	-	6,275	-	549	-	-
Public safety	-	-	-	-	-	1,015,147	28,712
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Health and welfare	-	136,293	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total disbursements	-	136,293	6,275	-	549	1,015,147	28,712
Excess (deficiency) of receipts over disbursements	-	(8,627)	4,238	-	15,131	97,114	(13,893)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	15,000	36,507
Transfers out	-	-	-	-	-	(56,243)	-
Total other financing sources (uses)	-	-	-	-	-	(41,243)	36,507
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(8,627)	4,238	-	15,131	55,871	22,614
Cash and investment fund balance - beginning	200	155,666	-	55,491	67,656	114,058	-
Cash and investment fund balance - ending	<u>\$ 200</u>	<u>\$ 147,039</u>	<u>\$ 4,238</u>	<u>\$ 55,491</u>	<u>\$ 82,787</u>	<u>\$ 169,929</u>	<u>\$ 22,614</u>
Cash and Investment Assets - December 31							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	200	147,039	4,238	55,491	82,787	169,929	22,614
Total cash and investment assets - December 31	<u>\$ 200</u>	<u>\$ 147,039</u>	<u>\$ 4,238</u>	<u>\$ 55,491</u>	<u>\$ 82,787</u>	<u>\$ 169,929</u>	<u>\$ 22,614</u>
Cash and Investment Fund Balance - December 31							
Restricted for:							
Public safety	\$ -	\$ -	\$ 4,238	\$ -	\$ -	\$ 169,929	\$ 22,614
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	147,039	-	55,491	-	-	-
Debt service	-	-	-	-	-	-	-
Other purposes	200	-	-	-	82,787	-	-
Unrestricted	-	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 200</u>	<u>\$ 147,039</u>	<u>\$ 4,238</u>	<u>\$ 55,491</u>	<u>\$ 82,787</u>	<u>\$ 169,929</u>	<u>\$ 22,614</u>

SHELBY 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 Corrections Living Skills	Coroner Continuing Education	County Health	County Share of EDIT	Courthouse Construction	CTP Community Corrections	Cumulative Capital Development
Receipts:							
Taxes	\$ -	\$ -	\$ 348,749	\$ -	\$ -	\$ -	\$ 402,328
Special assessments	-	-	-	-	-	-	-
Licenses and permits	-	-	245	-	-	-	-
Intergovernmental	-	-	111,922	458,516	-	-	44,333
Charges for services	-	2,063	23,307	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	-	3,244	25	213	-	9,549
Total receipts	-	2,063	487,467	458,541	213	-	456,210
Disbursements:							
General government	-	-	-	36,242	4,132	-	631,337
Public safety	810	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	387,400	-	-	-
Health and welfare	-	2,072	410,328	-	-	-	-
Culture and recreation	-	-	-	25,000	-	-	-
Urban redevelopment and housing	-	-	-	485,940	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total disbursements	810	2,072	410,328	934,582	4,132	-	631,337
Excess (deficiency) of receipts over disbursements	(810)	(9)	77,139	(476,041)	(3,919)	-	(175,127)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	10,651	5,388
Transfers out	-	-	-	(166,250)	-	-	-
Total other financing sources (uses)	-	-	-	(166,250)	-	10,651	5,388
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(810)	(9)	77,139	(642,291)	(3,919)	10,651	(169,739)
Cash and investment fund balance - beginning	810	194	77,158	1,302,322	3,919	-	178,615
Cash and investment fund balance - ending	\$ -	\$ 185	\$ 154,297	\$ 660,031	\$ -	\$ 10,651	\$ 8,876
<u>Cash and Investment Assets - December 31</u>							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	-	185	154,297	660,031	-	10,651	8,876
Total cash and investment assets - December 31	\$ -	\$ 185	\$ 154,297	\$ 660,031	\$ -	\$ 10,651	\$ 8,876
<u>Cash and Investment Fund Balance - December 31</u>							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,651	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	185	154,297	-	-	-	-
Debt service	-	-	-	-	-	-	-
Other purposes	-	-	-	660,031	-	-	8,876
Unrestricted	-	-	-	-	-	-	-
Total cash and investment fund balance - December 31	\$ -	\$ 185	\$ 154,297	\$ 660,031	\$ -	\$ 10,651	\$ 8,876

SHELBY 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)

	Cumulative Courthouse Buildings	Drainage Maintenance	Drug Free Coalition	Drug Free Community	Emergency Comprehensive Plan	Emergency Planning Right to Know	English as a Second Language
Receipts:							
Taxes	\$ 519,788	\$ 81,690	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	57,904	-	-	-	-	5,895	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	60,923	-	-	-
Other	-	-	1,926	-	-	-	825
Total receipts	577,692	81,690	1,926	60,923	-	5,895	825
Disbursements:							
General government	-	46,089	-	-	-	-	-
Public safety	-	-	107,946	-	-	275	-
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	715,000	-	-	-	-	-	-
Interest	224,000	-	-	-	-	-	-
Total disbursements	939,000	46,089	107,946	-	-	275	-
Excess (deficiency) of receipts over disbursements	(361,308)	35,601	(106,020)	60,923	-	5,620	825
Other financing sources (uses):							
Transfers in	-	12,199	100,000	-	-	-	-
Transfers out	-	-	-	(100,000)	-	-	-
Total other financing sources (uses)	-	12,199	100,000	(100,000)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(361,308)	47,800	(6,020)	(39,077)	-	5,620	825
Cash and investment fund balance - beginning	416,770	393,755	20,783	87,004	16,477	29,477	-
Cash and investment fund balance - ending	<u>\$ 55,462</u>	<u>\$ 441,555</u>	<u>\$ 14,763</u>	<u>\$ 47,927</u>	<u>\$ 16,477</u>	<u>\$ 35,097</u>	<u>\$ 825</u>
<u>Cash and Investment Assets - December 31</u>							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	55,462	441,555	14,763	47,927	16,477	35,097	825
Total cash and investment assets - December 31	\$ 55,462	\$ 441,555	\$ 14,763	\$ 47,927	\$ 16,477	\$ 35,097	\$ 825
<u>Cash and Investment Fund Balance - December 31</u>							
Restricted for:							
Public safety	\$ -	\$ -	\$ 14,763	\$ 47,927	\$ 16,477	\$ 35,097	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	441,555	-	-	-	-	-
Debt service	55,462	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	825
Unrestricted	-	-	-	-	-	-	-
Total cash and investment fund balance - December 31	\$ 55,462	\$ 441,555	\$ 14,763	\$ 47,927	\$ 16,477	\$ 35,097	\$ 825

SHELBY 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)

	Enhanced 911	Extradition	Family Violence Victim Assistance	Firearms Training	First Responder	Food and Beverage	General Drain Improvement
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	12,741
Licenses and permits	-	-	-	10,110	-	-	-
Intergovernmental	-	-	-	-	-	223,871	-
Charges for services	319,604	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	-	-	-	18	-	-
Total receipts	319,604	-	-	10,110	18	223,871	12,741
Disbursements:							
General government	-	-	-	-	-	-	12,449
Public safety	190,197	-	17,144	7,669	3,965	-	-
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total disbursements	190,197	-	17,144	7,669	3,965	-	12,449
Excess (deficiency) of receipts over disbursements	129,407	-	(17,144)	2,441	(3,947)	223,871	292
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(12,199)
Total other financing sources (uses)	-	-	-	-	-	-	(12,199)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	129,407	-	(17,144)	2,441	(3,947)	223,871	(11,907)
Cash and investment fund balance - beginning	360,504	78	4,740	5,098	3,947	32,138	134,725
Cash and investment fund balance - ending	<u>\$ 489,911</u>	<u>\$ 78</u>	<u>\$ (12,404)</u>	<u>\$ 7,539</u>	<u>\$ -</u>	<u>\$ 256,009</u>	<u>\$ 122,818</u>
Cash and Investment Assets - December 31							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	489,911	78	(12,404)	7,539	-	256,009	122,818
Total cash and investment assets - December 31	\$ 489,911	\$ 78	\$ (12,404)	\$ 7,539	\$ -	\$ 256,009	\$ 122,818
Cash and Investment Fund Balance - December 31							
Restricted for:							
Public safety	\$ 489,911	\$ 78	\$ (12,404)	\$ 7,539	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	256,009	122,818
Unrestricted	-	-	-	-	-	-	-
Total cash and investment fund balance - December 31	\$ 489,911	\$ 78	\$ (12,404)	\$ 7,539	\$ -	\$ 256,009	\$ 122,818

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

	Guardian ad Litem	Gwynneville Sewer	Highway Safety	Homeland Security	Identification Security	Informal Adjustments	Inmate Medical
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	4,404	-	7,500	11,250	-	-	-
Charges for services	-	-	-	-	18,058	-	27,240
Fines and forfeits	-	-	-	-	-	-	-
Other	-	-	-	-	-	12,839	-
Total receipts	4,404	-	7,500	11,250	18,058	12,839	27,240
Disbursements:							
General government	-	-	-	-	-	-	-
Public safety	4,404	-	7,500	11,250	-	15,400	33,605
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	4,450	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total disbursements	4,404	4,450	7,500	11,250	-	15,400	33,605
Excess (deficiency) of receipts over disbursements	-	(4,450)	-	-	18,058	(2,561)	(6,365)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(4,450)	-	-	18,058	(2,561)	(6,365)
Cash and investment fund balance - beginning	6,294	4,450	-	-	-	15,641	15,161
Cash and investment fund balance - ending	<u>\$ 6,294</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,058</u>	<u>\$ 13,080</u>	<u>\$ 8,796</u>
<u>Cash and Investment Assets - December 31</u>							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	6,294	-	-	-	18,058	13,080	8,796
Total cash and investment assets - December 31	\$ 6,294	\$ -	\$ -	\$ -	\$ 18,058	\$ 13,080	\$ 8,796
<u>Cash and Investment Fund Balance - December 31</u>							
Restricted for:							
Public safety	\$ 6,294	\$ -	\$ -	\$ -	\$ 18,058	\$ 13,080	\$ 8,796
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-
Total cash and investment fund balance - December 31	\$ 6,294	\$ -	\$ -	\$ -	\$ 18,058	\$ 13,080	\$ 8,796

SHELBY 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 Commissary	Jail Debt	JISP	Jury Pay	Juvenile Accountability	Juvenile Intensive Supervision
Receipts:						
Taxes	\$ -	\$ 218,762	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	935,679	20,010	-	-	5,029
Charges for services	338,091	-	-	-	-	-
Fines and forfeits	-	-	-	7,978	-	-
Other	-	-	-	-	-	-
Total receipts	338,091	1,154,441	20,010	7,978	-	5,029
Disbursements:						
General government	-	-	-	-	-	-
Public safety	304,325	-	615	23,493	200	13,459
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	1,080,000	-	-	-	-
Interest	-	209,955	-	-	-	-
Total disbursements	304,325	1,289,955	615	23,493	200	13,459
Excess (deficiency) of receipts over disbursements	33,766	(135,514)	19,395	(15,515)	(200)	(8,430)
Other financing sources (uses):						
Transfers in	-	166,250	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	166,250	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	33,766	30,736	19,395	(15,515)	(200)	(8,430)
Cash and investment fund balance - beginning	75,826	5,132	(10,713)	17,493	200	(26)
Cash and investment fund balance - ending	<u>\$ 109,592</u>	<u>\$ 35,868</u>	<u>\$ 8,682</u>	<u>\$ 1,978</u>	<u>\$ -</u>	<u>\$ (8,456)</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	109,592	35,868	8,682	1,978	-	(8,456)
Total cash and investment assets - December 31	<u>\$ 109,592</u>	<u>\$ 35,868</u>	<u>\$ 8,682</u>	<u>\$ 1,978</u>	<u>\$ -</u>	<u>\$ (8,456)</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
Public safety	\$ 109,592	\$ -	\$ 8,682	\$ 1,978	\$ -	\$ (8,456)
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service	-	35,868	-	-	-	-
Other purposes	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 109,592</u>	<u>\$ 35,868</u>	<u>\$ 8,682</u>	<u>\$ 1,978</u>	<u>\$ -</u>	<u>\$ (8,456)</u>

SHELBY 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)

	Juvenile Probation Services	Law Enforcement Continuing Education	Law Enforcement Grant	Law Enforcement Prosecutor	Law Enforcement Sheriff	LETPP 2005 Grant
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	14,780
Charges for services	8,910	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	4,175	-	45,832	10,732	-
Total receipts	8,910	4,175	-	45,832	10,732	14,780
Disbursements:						
General government	-	-	-	-	-	-
Public safety	17,208	7,355	29	62,955	83,339	14,780
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total disbursements	17,208	7,355	29	62,955	83,339	14,780
Excess (deficiency) of receipts over disbursements	(8,298)	(3,180)	(29)	(17,123)	(72,607)	-
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(8,298)	(3,180)	(29)	(17,123)	(72,607)	-
Cash and investment fund balance - beginning	10,125	7,266	29	81,535	78,296	-
Cash and investment fund balance - ending	<u>\$ 1,827</u>	<u>\$ 4,086</u>	<u>\$ -</u>	<u>\$ 64,412</u>	<u>\$ 5,689</u>	<u>\$ -</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	1,827	4,086	-	64,412	5,689	-
Total cash and investment assets - December 31	<u>\$ 1,827</u>	<u>\$ 4,086</u>	<u>\$ -</u>	<u>\$ 64,412</u>	<u>\$ 5,689</u>	<u>\$ -</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
Public safety	\$ 1,827	\$ 4,086	\$ -	\$ 64,412	\$ 5,689	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 1,827</u>	<u>\$ 4,086</u>	<u>\$ -</u>	<u>\$ 64,412</u>	<u>\$ 5,689</u>	<u>\$ -</u>

SHELBY 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	MADD Impact Fees	Misdemeanant	Mortgage Fees State Share	Operation Pullover
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	41,856	909,375	-	29,517	-	8,464
Charges for services	33,139	-	-	-	7,135	-
Fines and forfeits	-	-	-	-	-	-
Other	1,461	-	30	-	-	-
Total receipts	76,456	909,375	30	29,517	7,135	8,464
Disbursements:						
General government	-	-	-	-	7,103	-
Public safety	-	-	-	16,830	-	9,095
Highways and streets	-	1,377,300	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	111,993	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total disbursements	111,993	1,377,300	-	16,830	7,103	9,095
Excess (deficiency) of receipts over disbursements	(35,537)	(467,925)	30	12,687	32	(631)
Other financing sources (uses):						
Transfers in	-	1,146,207	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	1,146,207	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(35,537)	678,282	30	12,687	32	(631)
Cash and investment fund balance - beginning	46,774	553,049	2,550	11,442	543	843
Cash and investment fund balance - ending	<u>\$ 11,237</u>	<u>\$ 1,231,331</u>	<u>\$ 2,580</u>	<u>\$ 24,129</u>	<u>\$ 575</u>	<u>\$ 212</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	11,237	1,231,331	2,580	24,129	575	212
Total cash and investment assets - December 31	<u>\$ 11,237</u>	<u>\$ 1,231,331</u>	<u>\$ 2,580</u>	<u>\$ 24,129</u>	<u>\$ 575</u>	<u>\$ 212</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
Public safety	\$ -	\$ -	\$ 2,580	\$ 24,129	\$ -	\$ 212
Highways and streets	-	1,231,331	-	-	-	-
Health and welfare	11,237	-	-	-	-	-
Debt service	-	-	-	-	-	-
Other purposes	-	-	-	-	575	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 11,237</u>	<u>\$ 1,231,331</u>	<u>\$ 2,580</u>	<u>\$ 24,129</u>	<u>\$ 575</u>	<u>\$ 212</u>

SHELBY 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)

	Plat Book	Pretrial Diversion	Pro Bono Program	Project Income House Arrest	Property Reassessment New	Prosecutor Donation
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 92,991	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	76,375	-	294,950	10,404	-
Charges for services	14,730	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	9,650	1,171	125	509
Total receipts	14,730	76,375	9,650	296,121	103,520	509
Disbursements:						
General government	6,645	-	-	-	155,198	-
Public safety	-	21,287	1,727	347,724	-	617
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total disbursements	6,645	21,287	1,727	347,724	155,198	617
Excess (deficiency) of receipts over disbursements	8,085	55,088	7,923	(51,603)	(51,678)	(108)
Other financing sources (uses):						
Transfers in	-	-	-	29,115	-	-
Transfers out	-	-	-	(15,000)	(16,074)	-
Total other financing sources (uses)	-	-	-	14,115	(16,074)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	8,085	55,088	7,923	(37,488)	(67,752)	(108)
Cash and investment fund balance - beginning	6,849	72,597	584	305,176	272,689	852
Cash and investment fund balance - ending	\$ 14,934	\$ 127,685	\$ 8,507	\$ 267,688	\$ 204,937	\$ 744
<u>Cash and Investment Assets - December 31</u>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	14,934	127,685	8,507	267,688	204,937	744
Total cash and investment assets - December 31	\$ 14,934	\$ 127,685	\$ 8,507	\$ 267,688	\$ 204,937	\$ 744
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
Public safety	\$ -	\$ 127,685	\$ 8,507	\$ 267,688	\$ -	\$ 744
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Other purposes	14,934	-	-	-	204,937	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	\$ 14,934	\$ 127,685	\$ 8,507	\$ 267,688	\$ 204,937	\$ 744

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

	Prosecutor Title IV-D	Prosecutor Title IV-D after 10/99	Public Defender	Public Health Preparedness	Race and Gender Fairness	Rainy Day
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	38,450	19,000	-
Charges for services	-	-	26,951	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	3,680	-	-	-	-
Total receipts	-	3,680	26,951	38,450	19,000	-
Disbursements:						
General government	-	-	-	-	23,433	-
Public safety	-	-	38,172	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	16,261	-	46,572	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total disbursements	-	16,261	38,172	46,572	23,433	-
Excess (deficiency) of receipts over disbursements	-	(12,581)	(11,221)	(8,122)	(4,433)	-
Other financing sources (uses):						
Transfers in	-	-	-	-	-	1,008,124
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	1,008,124
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(12,581)	(11,221)	(8,122)	(4,433)	1,008,124
Cash and investment fund balance - beginning	531	64,058	24,619	15,995	10,645	196,963
Cash and investment fund balance - ending	<u>\$ 531</u>	<u>\$ 51,477</u>	<u>\$ 13,398</u>	<u>\$ 7,873</u>	<u>\$ 6,212</u>	<u>\$ 1,205,087</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,205,087
Restricted assets:						
Cash and investments	531	51,477	13,398	7,873	6,212	-
Total cash and investment assets - December 31	<u>\$ 531</u>	<u>\$ 51,477</u>	<u>\$ 13,398</u>	<u>\$ 7,873</u>	<u>\$ 6,212</u>	<u>\$ 1,205,087</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
Public safety	\$ 531	\$ -	\$ 13,398	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	51,477	-	-	-	-
Debt service	-	-	-	-	-	-
Other purposes	-	-	-	7,873	6,212	-
Unrestricted	-	-	-	-	-	1,205,087
Total cash and investment fund balance - December 31	<u>\$ 531</u>	<u>\$ 51,477</u>	<u>\$ 13,398</u>	<u>\$ 7,873</u>	<u>\$ 6,212</u>	<u>\$ 1,205,087</u>

SHELBY 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	Road Crew Grant	Sized Assets	Sheriff Commissary Clerk	Sheriff Defibrillator Donations	Sheriff's Food Account
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	3,000	-	20,400	-	-
Charges for services	71,303	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	-	-	300,357
Total receipts	71,303	3,000	-	20,400	-	300,357
Disbursements:						
General government	71,071	-	-	-	-	-
Public safety	-	-	11,846	19,747	-	287,338
Highways and streets	-	493	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total disbursements	71,071	493	11,846	19,747	-	287,338
Excess (deficiency) of receipts over disbursements	232	2,507	(11,846)	653	-	13,019
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	232	2,507	(11,846)	653	-	13,019
Cash and investment fund balance - beginning	4,318	-	11,849	3,450	70	11,823
Cash and investment fund balance - ending	<u>\$ 4,550</u>	<u>\$ 2,507</u>	<u>\$ 3</u>	<u>\$ 4,103</u>	<u>\$ 70</u>	<u>\$ 24,842</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	4,550	2,507	3	4,103	70	24,842
Total cash and investment assets - December 31	<u>\$ 4,550</u>	<u>\$ 2,507</u>	<u>\$ 3</u>	<u>\$ 4,103</u>	<u>\$ 70</u>	<u>\$ 24,842</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
Public safety	\$ -	\$ -	\$ 3	\$ 4,103	\$ 70	\$ 24,842
Highways and streets	-	2,507	-	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Other purposes	4,550	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 4,550</u>	<u>\$ 2,507</u>	<u>\$ 3</u>	<u>\$ 4,103</u>	<u>\$ 70</u>	<u>\$ 24,842</u>

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

	Sheriff's Car Computers	Sheriff's Drug Free	Sheriff's Equipment Donation	Sheriff's Range Fund	Sheriff's Restitution	Sheriff's Training Fund
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	1,748	-
Other	2,850	5,000	9,413	-	-	-
Total receipts	2,850	5,000	9,413	-	1,748	-
Disbursements:						
General government	-	-	-	-	-	-
Public safety	59,974	4,857	3,133	-	100	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total disbursements	59,974	4,857	3,133	-	100	-
Excess (deficiency) of receipts over disbursements	(57,124)	143	6,280	-	1,648	-
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(57,124)	143	6,280	-	1,648	-
Cash and investment fund balance - beginning	61,286	29	11,633	2,100	5,030	550
Cash and investment fund balance - ending	<u>\$ 4,162</u>	<u>\$ 172</u>	<u>\$ 17,913</u>	<u>\$ 2,100</u>	<u>\$ 6,678</u>	<u>\$ 550</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	4,162	172	17,913	2,100	6,678	550
Total cash and investment assets - December 31	<u>\$ 4,162</u>	<u>\$ 172</u>	<u>\$ 17,913</u>	<u>\$ 2,100</u>	<u>\$ 6,678</u>	<u>\$ 550</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
Public safety	\$ 4,162	\$ 172	\$ 17,913	\$ 2,100	\$ 6,678	\$ 550
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 4,162</u>	<u>\$ 172</u>	<u>\$ 17,913</u>	<u>\$ 2,100</u>	<u>\$ 6,678</u>	<u>\$ 550</u>

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

	Sheriff's Work Release	SHSP Grant	Soil and Water Service Federal	Surveyor's Corner Perpetuation	Terrorism Prevention	Unsafe Building
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	25,256	-	-	5,101	-
Charges for services	-	-	-	10,265	-	-
Fines and forfeits	19,025	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	19,025	25,256	-	10,265	5,101	-
Disbursements:						
General government	-	-	10,000	6,654	-	-
Public safety	11,864	25,256	-	-	1	3,400
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total disbursements	11,864	25,256	10,000	6,654	1	3,400
Excess (deficiency) of receipts over disbursements	7,161	-	(10,000)	3,611	5,100	(3,400)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	(11,000)	-	-	-	-	-
Total other financing sources (uses)	(11,000)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,839)	-	(10,000)	3,611	5,100	(3,400)
Cash and investment fund balance - beginning	19,105	-	10,000	25,451	1	4,700
Cash and investment fund balance - ending	<u>\$ 15,266</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,062</u>	<u>\$ 5,101</u>	<u>\$ 1,300</u>
<u>Cash and Investment Assets - December 31</u>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	15,266	-	-	29,062	5,101	1,300
Total cash and investment assets - December 31	<u>\$ 15,266</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,062</u>	<u>\$ 5,101</u>	<u>\$ 1,300</u>
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
Public safety	\$ 15,266	\$ -	\$ -	\$ -	\$ 5,101	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Other purposes	-	-	-	29,062	-	1,300
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 15,266</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,062</u>	<u>\$ 5,101</u>	<u>\$ 1,300</u>

SHELBY 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)

	Vending Machines	Victim Assistance Grant	Voting Machine Title III	Welfare Grant Planning Council	Welfare Loan	Totals
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,030,172	\$ 2,807,617
Special assessments	-	-	-	-	-	12,741
Licenses and permits	-	-	-	-	-	10,355
Intergovernmental	-	10,287	-	-	116,035	3,612,408
Charges for services	-	-	-	-	-	1,877,392
Fines and forfeits	-	-	-	-	-	191,644
Other	932	-	-	-	-	778,733
Total receipts	932	10,287	-	-	1,146,207	9,290,890
Disbursements:						
General government	428	-	24,796	-	-	1,048,146
Public safety	-	20,643	-	-	-	3,216,949
Highways and streets	-	-	-	-	-	1,377,793
Sanitation	-	-	-	-	-	391,850
Health and welfare	-	-	-	-	-	723,519
Culture and recreation	-	-	-	-	-	55,000
Urban redevelopment and housing	-	-	-	-	-	496,490
Debt service:						
Principal	-	-	-	-	-	1,795,000
Interest	-	-	-	-	-	433,955
Total disbursements	428	20,643	24,796	-	-	9,538,702
Excess (deficiency) of receipts over disbursements	504	(10,356)	(24,796)	-	1,146,207	(247,812)
Other financing sources (uses):						
Transfers in	-	17,252	-	-	-	2,589,434
Transfers out	-	-	-	-	(1,146,207)	(1,532,003)
Total other financing sources (uses)	-	17,252	-	-	(1,146,207)	1,057,431
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	504	6,896	(24,796)	-	-	809,619
Cash and investment fund balance - beginning	798	3,811	24,796	7	-	6,198,458
Cash and investment fund balance - ending	\$ 1,302	\$ 10,707	\$ -	\$ 7	\$ -	\$ 7,008,077
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,205,087
Restricted assets:						
Cash and investments	1,302	10,707	-	7	-	5,802,990
Total cash and investment assets - December 31	\$ 1,302	\$ 10,707	\$ -	\$ 7	\$ -	\$ 7,008,077
Cash and Investment Fund Balance - December 31						
Restricted for:						
Public safety	\$ -	\$ 10,707	\$ -	\$ 7	\$ -	\$ 1,683,040
Highways and streets	-	-	-	-	-	1,233,838
Health and welfare	-	-	-	-	-	861,281
Debt service	-	-	-	-	-	91,330
Other purposes	1,302	-	-	-	-	1,933,501
Unrestricted	-	-	-	-	-	1,205,087
Total cash and investment fund balance - December 31	\$ 1,302	\$ 10,707	\$ -	\$ 7	\$ -	\$ 7,008,077

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

	<u>Tindall Farm</u>	<u>Congressional Principal</u>	<u>Total</u>
Additions:			
Contributions:			
Farm rent	\$ 44,232	\$ -	\$ 44,232
Deductions:			
Administrative and general	<u>6,239</u>	<u>-</u>	<u>6,239</u>
Excess of total additions over total deductions	37,993	-	37,993
Cash and investment fund balance - beginning	<u>81,005</u>	<u>17,421</u>	<u>98,426</u>
Cash and investment fund balance - ending	<u>\$ 118,998</u>	<u>\$ 17,421</u>	<u>\$ 136,419</u>

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

	<u>Tax Sale Redemption</u>	<u>Tax Sale Surplus</u>	<u>Inheritance Tax</u>	<u>Hospital Care for the Indigent</u>	<u>Medical Assistance to Wards</u>	<u>Children with Special Health Care Needs</u>	<u>Surplus Tax</u>
Additions:							
Agency fund additions	\$ 231,556	\$ 366,911	\$ 1,605,140	\$ 30,795	\$ 244,159	\$ 30,795	\$ 33,649
Deductions:							
Agency fund deductions	219,946	1,116,088	1,436,694	30,795	244,159	30,795	37,348
Excess (deficiency) of total additions over total deductions	11,610	(749,177)	168,446	-	-	-	(3,699)
Cash and investment fund balance - beginning	1,032	1,371,484	198,566	-	-	-	168,988
Cash and investment fund balance - ending	<u>\$ 12,642</u>	<u>\$ 622,307</u>	<u>\$ 367,012</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 165,289</u>

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

	<u>Congressional Interest</u>	<u>City and Town Court Costs</u>	<u>Tax Distributions</u>	<u>Payroll Withholdings</u>	<u>County Payroll</u>	<u>Surplus Dog</u>	<u>Welfare Trust</u>
Additions:							
Agency fund additions	<u>\$ 629</u>	<u>\$ 17,141</u>	<u>\$ 53,454,170</u>	<u>\$ 470,493</u>	<u>\$ 7,508,221</u>	<u>\$ 8,212</u>	<u>\$ 9,138</u>
Deductions:							
Agency fund deductions	<u>1,045</u>	<u>15,796</u>	<u>53,454,170</u>	<u>346,742</u>	<u>7,508,221</u>	<u>8,212</u>	<u>8,146</u>
Excess (deficiency) of total additions over total deductions	(416)	1,345	-	123,751	-	-	992
Cash and investment fund balance - beginning	<u>14,180</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,048</u>
Cash and investment fund balance - ending	<u>\$ 13,764</u>	<u>\$ 1,345</u>	<u>\$ -</u>	<u>\$ 123,751</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,040</u>

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

	State Fines and Forfeitures	Sales Disclosure	Infraction Judgments	County Recorder	County Sheriff	Sheriff's Inmate Trust
Additions:						
Agency fund additions	\$ 33,339	\$ 2,258	\$ 135,873	\$ 243,688	\$ 1,960,447	\$ 291,647
Deductions:						
Agency fund deductions	32,312	2,290	134,106	244,457	1,960,372	292,746
Excess (deficiency) of total additions over total deductions	1,027	(32)	1,767	(769)	75	(1,099)
Cash and investment fund balance - beginning	5,219	242	9,839	17,599	3,513	7,818
Cash and investment fund balance - ending	<u>\$ 6,246</u>	<u>\$ 210</u>	<u>\$ 11,606</u>	<u>\$ 16,830</u>	<u>\$ 3,588</u>	<u>\$ 6,719</u>

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

	Clerk of the Circuit Court	County Health	County Treasurer	County Plan Commission/ Inspector	Inkeepers Tax	Total
Additions:						
Agency fund additions	\$ 9,139,455	\$ 25,615	\$ 72,473,137	\$ 10,245	\$ 156,986	\$ 148,483,699
Deductions:						
Agency fund deductions	9,129,840	25,615	72,847,831	14,538	106,551	149,248,815
Excess (deficiency) of total additions over total deductions	9,615	-	(374,694)	(4,293)	50,435	(765,116)
Cash and investment fund balance - beginning	799,362	-	1,337,242	4,293	200,680	4,156,105
Cash and investment fund balance - ending	<u>\$ 808,977</u>	<u>\$ -</u>	<u>\$ 962,548</u>	<u>\$ -</u>	<u>\$ 251,115</u>	<u>\$ 3,390,989</u>

SHELBY COUNTY
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2006

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

Retroactive reporting of general infrastructure assets will occur by 2007.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 1,065,353
Buildings	24,069,378
Improvements other than buildings	1,541,374
Machinery and equipment	<u>11,265,798</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 37,941,903</u>

SHELBY COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT

For The Year Ended December 31, 2006

CAPITAL LEASES

The County has entered into the following capital leases:

Description of Asset	Ending Balance	Due Within One Year
Governmental Activities:		
Capital leases:		
Courthouse Annex	\$ 735,000	\$ 185,000
Annex Addendum	3,175,000	465,000
Jail Facility	2,990,000	1,135,000
Professional Building	59,810	50,924
Notes and loans payable	<u>428,895</u>	<u>56,948</u>
Total governmental activities long-term debt	<u>\$ 7,388,705</u>	<u>\$ 1,892,872</u>

SHELBY COUNTY
OTHER REPORTS

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

Clerk of the Circuit Court
County Auditor
Area Plan Commission

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 SHELBY COUNTY, INDIANA

Compliance

We have audited the compliance of Shelby 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 of America; 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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)

A control deficiency in a County's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be significant deficiencies or material weaknesses, as defined above.

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

June 11, 2007

SHELBY 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 HOUSING AND URBAN DEVELOPMENT</u>			
Pass-Through Lt. Governor - Office of Community and Rural Affairs Community Development Block Grant	14.228	PL-03-014	\$ 38,790
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Pass-Through Indiana Criminal Justice Institute Juvenile Justice and Delinquency Prevention - Allocation to States Juvenile Intensive Supervision	16.540	04-JF-22 05-JF-012	655 13,459
Total for program			14,114
Crime Victim Assistance	16.575	05VA114 06VA124	6,393 11,819
Total for program			18,212
Total for federal grantor agency			32,326
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation Highway Planning and Construction	20.205		
Construction Engineering		STP 6473(1)	87,402
Construction Observation		STP 8073(3)	66,535
Preliminary Engineering		STP 8073(4)	8,073
Right-of-Way Engineering		STP 8073(4)	5,032
Right-of-Way Services and Land Costs		STP 8073(4)	205,614
Bridge Inspection		BR-NBIS(536)	47,270
Total for program			419,926
Pass-Through Indiana Criminal Justice Institute Alcohol Traffic Safety and Drunk Driving Prevention	20.601		
		J8-2006-04-04-01	7,500
		154AL-05-03-03-40	5,972
Total for program			13,472
Total for federal grantor agency			433,398
<u>U.S. GENERAL SERVICES ADMINISTRATION</u>			
Pass-Through Indiana Secretary of State Election Reform Payments	39.011		24,796
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-Through Indiana Family and Social Services Administration Special Programs for the Aging - Title VII, Chapter 3 Programs for Prevention of Elder Abuse, Neglect, and Exploitation Adult Protective Services	93.041		
		73-06-PV-1245-01	46,766
		73-06-PV-1245-02	25,245
Total for program			72,011
Pass-Through Indiana Department of Health Centers for Disease Control - Investigations and Technical Assistance Bioterrorism Preparedness and Response Supplemental Pandemic Assessment	93.283		
			42,129
			2,000
Total for program			44,129

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

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

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 HEALTH AND HUMAN SERVICES (continued)</u>			
Pass-Through Department of Child Services			
Child Support Enforcement	93.563		
County Clerk of the Court's Expenditures			22,708
County Prosecutor's Expenditures			111,234
Collection Incentives			58,535
Indirect Costs			<u>23,333</u>
Total for program			<u>215,810</u>
Pass-Through Indiana Department of Health			
Preventative Health and Health Services Block Grant	93.991		
West Nile Control			<u>1,120</u>
Total for federal grantor agency			<u>333,070</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security			
Homeland Security Grant Program	97.067		
		C44P-5-180	<u>25,256</u>
State Homeland Security Program	97.073		
		C44P-7-145	<u>11,250</u>
Law Enforcement Terrorism Prevention Program	97.074		
		C44P-5-180	<u>14,780</u>
Total for federal grantor agency			<u>51,286</u>
Total federal awards expended			<u>\$ 913,666</u>

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

SHELBY 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 Shelby 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.

SHELBY 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:

CFDA Number	Name of Federal Program or Cluster
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20.205	Highway Planning and Construction
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Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee?	yes
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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.

SHELBY COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

SHELBY COUNTY
EXIT CONFERENCE

The contents of this report were discussed on June 11, 2007, with Amy L. Glackman, Auditor; Terry Smith, President of the County Council; and Tony Newton, President of the Board of County Commissioners. The officials concurred with our audit findings.