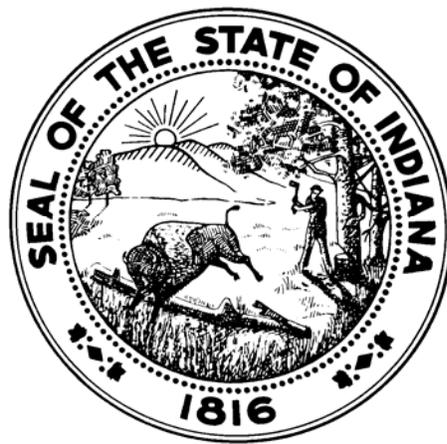


**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

ANNUAL FINANCIAL REPORT

2006

HOWARD COUNTY, INDIANA



**FILED**

09/19/2007



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Ann Wells	01-01-05 to 12-31-08
Treasurer	Martha Lake	01-01-05 to 12-31-08
Clerk	Mona L. Myers	01-01-04 to 12-31-07
Sheriff	Marshall D. Talbert	01-01-03 to 12-31-10
Recorder	Linda Koontz	01-01-03 to 12-31-10
President of the Board of County Commissioners	Brad Bagwell Paul J. Raver	01-01-06 to 12-31-06 01-01-07 to 12-31-07
President of the County Council	Richard H. Miller	01-01-06 to 12-31-07



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

TO: THE OFFICIALS OF HOWARD COUNTY, INDIANA

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

Except as discussed in the fifth paragraph, 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 August 8, 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, Schedule of Contributions From the Employer and Other Contributing Entities, 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.

STATE BOARD OF ACCOUNTS

August 8, 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 HOWARD COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Howard 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 August 8, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

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.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we considered to be significant deficiencies.

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. We consider the deficiencies described in item 2006-1 of the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting.

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.

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)

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. However, we believe that none of the significant deficiencies described above is a material weakness.

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.

We noted other matters that we have discussed with the management of the County on August 8, 2007.

The County's response to the findings identified in our audit are described in the accompanying section of the report entitled Corrective Action Plan. We did not audit the County's response and accordingly, we express no opinion on it.

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

August 8, 2007

HOWARD 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>	<u>Program Receipts</u>			<u>Net (Disbursement) Receipt and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Primary government:					
Governmental activities:					
General government	\$ 18,566,636	\$ 2,627,259	\$ 6,042,923	\$ 300,248	\$ (9,596,206)
Public safety	10,904,647	1,523,351	1,024,015	7,492	(8,349,789)
Highways and streets	5,222,877	-	4,652,394	-	(570,483)
Health and welfare	6,511,277	809	1,575,170	-	(4,935,298)
Culture and recreation	276,579	-	193,301	-	(83,278)
Interest on long-term debt	377,184	-	-	-	(377,184)
<b>Total primary government</b>	<b><u>\$ 41,859,200</u></b>	<b><u>\$ 4,151,419</u></b>	<b><u>\$ 13,487,803</u></b>	<b><u>\$ 307,740</u></b>	<b><u>(23,912,238)</u></b>
General receipts:					
Property taxes					18,645,106
County option income tax					4,023,474
Auto excise tax					1,753,451
Other taxes					129,603
Unrestricted investment earnings					<u>2,134,213</u>
<b>Total general receipts</b>					<b><u>26,685,847</u></b>
<b>Change in net assets</b>					<b>2,773,609</b>
<b>Net assets - beginning</b>					<b><u>24,290,118</u></b>
<b>Net assets - ending</b>					<b><u>\$ 27,063,727</u></b>
 <u>Assets</u>					
Cash and investments					\$ 13,788,434
Restricted assets:					
Cash and investments					<u>13,275,293</u>
<b>Total assets</b>					<b><u>\$ 27,063,727</u></b>
 <u>Net Assets</u>					
Restricted for:					
Debt service					\$ 1,278,965
Other purpose					11,996,328
Unrestricted					<u>13,788,434</u>
<b>Total net assets</b>					<b><u>\$ 27,063,727</u></b>

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

HOWARD 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	Family and Children	Other Governmental Funds	Totals
<b>Receipts:</b>				
Taxes	\$ 12,240,672	\$ 2,247,796	\$ 3,815,961	\$ 18,304,429
Special assessments	-	-	340,677	340,677
Intergovernmental	6,485,835	1,377,496	9,203,400	17,066,731
Charges for services	1,342,457	-	1,672,873	3,015,330
Fines and forfeits	508,285	-	627,804	1,136,089
Other	3,185,619	1,029	1,372,796	4,559,444
<b>Total receipts</b>	<u>23,762,868</u>	<u>3,626,321</u>	<u>17,033,511</u>	<u>44,422,700</u>
<b>Disbursements:</b>				
General government	13,946,224	-	4,073,443	18,019,667
Public safety	6,886,907	-	2,759,548	9,646,455
Highways and streets	-	-	4,681,863	4,681,863
Health and welfare	2,407,527	3,176,391	945,798	6,529,716
Culture and recreation	165,322	-	-	165,322
Debt service:				
Principal	-	-	1,411,257	1,411,257
Interest	-	-	377,184	377,184
Capital outlay:				
Highways and streets	-	-	657,275	657,275
Capital projects	-	-	1,030,600	1,030,600
Special assessments	-	-	184,113	184,113
<b>Total disbursements</b>	<u>23,405,980</u>	<u>3,176,391</u>	<u>16,121,081</u>	<u>42,703,452</u>
<b>Excess of receipts over disbursements</b>	<u>356,888</u>	<u>449,930</u>	<u>912,430</u>	<u>1,719,248</u>
<b>Other financing sources (uses):</b>				
Transfers in	1,328,903	-	389,960	1,718,863
Transfers out	(61,160)	-	(1,657,703)	(1,718,863)
<b>Total other financing sources (uses)</b>	<u>1,267,743</u>	<u>-</u>	<u>(1,267,743)</u>	<u>-</u>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<u>1,624,631</u>	<u>449,930</u>	<u>(355,313)</u>	<u>1,719,248</u>
<b>Cash and investment fund balance - beginning</b>	<u>4,355,765</u>	<u>3,836,804</u>	<u>13,491,257</u>	<u>21,683,826</u>
<b>Cash and investment fund balance - ending</b>	<u>\$ 5,980,396</u>	<u>\$ 4,286,734</u>	<u>\$ 13,135,944</u>	<u>23,403,074</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.				
				<u>3,550,421</u>
<b>Net assets of governmental activities</b>				<u>\$ 26,953,495</u>
<u>Cash and Investment Assets - December 31</u>				
Cash and investments	\$ 5,980,396	\$ -	\$ 13,135,944	\$ 19,116,340
Restricted assets:				
Cash and investments	-	4,286,734	5,438,138	9,724,872
<b>Total cash and investment assets - December 31</b>	<u>\$ 5,980,396</u>	<u>\$ 4,286,734</u>	<u>\$ 18,574,082</u>	<u>\$ 28,841,212</u>
<u>Cash and Investment Fund Balance - December 31</u>				
Restricted for:				
Debt service	\$ -	\$ -	\$ 1,278,965	\$ 1,278,965
Other purpose	-	4,286,734	4,159,173	8,445,907
Unrestricted	5,980,396	-	13,135,944	19,116,340
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 5,980,396</u>	<u>\$ 4,286,734</u>	<u>\$ 18,574,082</u>	<u>\$ 28,841,212</u>

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

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

	Internal Service Funds
Operating receipts:	
Interest	\$ 99,877
Other	4,203,497
Total operating receipts	4,303,374
Operating disbursements:	
Insurance claims and premiums	3,359,245
Excess of operating receipts over operating disbursements	944,129
Cash and investment fund balance - beginning	2,606,292
Cash and investment fund balance - ending	\$ 3,550,421

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

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

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>	<u>Agency Funds</u>
Additions:			
Contributions:			
Employer	\$ 360,085	\$ -	\$ -
Plan members	<u>82,471</u>	<u>-</u>	<u>-</u>
Total contributions	<u>442,556</u>	<u>-</u>	<u>-</u>
Investment earnings:			
Net (decrease) in fair value of investments	36,294	-	-
Interest	<u>332,422</u>	<u>-</u>	<u>-</u>
Total investment earnings	<u>368,716</u>	<u>-</u>	<u>-</u>
Agency fund additions	<u>-</u>	<u>-</u>	<u>308,805,899</u>
Total additions	<u>811,272</u>	<u>-</u>	<u>308,805,899</u>
Deductions:			
Benefits	430,556	-	-
Administrative and general	28,901	-	-
Agency fund deductions	<u>-</u>	<u>-</u>	<u>309,841,169</u>
Total deductions	<u>459,457</u>	<u>-</u>	<u>309,841,169</u>
Excess (deficiency) of total additions over total deductions	351,815	-	(1,035,270)
Cash and investment fund balance - beginning	<u>8,338,924</u>	<u>22,478</u>	<u>9,059,573</u>
Cash and investment fund balance - ending	<u>\$ 8,690,739</u>	<u>\$ 22,478</u>	<u>\$ 8,024,303</u>

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

HOWARD 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: Howard County

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

Related Organizations

The County's officials are also responsible for appointing the members of the boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointments. The County appoints the board members of the Howard County Hospital, Howard County Economic Development Commission, Howard County Solid Waste Management District, Kokomo Howard County Emergency Management Advisory Board, Howard County Alcoholic Beverage Commission, Howard County Convention and Visitors Commission, and the Kokomo/Howard County Governmental Coordinating Council. The Howard County Hospital and the Redevelopment Authority, blended component units have been omitted from these financial statements. Accordingly, the financial statements do not include the data of all of the County's component units necessary to fairly present the financial position of the County.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. This County does not have business-type activity.

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.

HOWARD 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 family and children fund accounts for expenses incurred in providing public welfare assistance. Financing is provided by a specific property tax levy and Federal and State assistance.

Additionally, the County reports the following fund types:

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

The pension trust funds account for the activities of the Howard County Sheriff Retirement and Benefit Plans, which accumulate resources for pension benefit payments.

The private-purpose trust fund reports a trust arrangement under which principal and income benefit local school corporations.

The agency fund accounts for assets held by the primary government as an agent for the federal government, state government, various organizations, and employee insurance companies.

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.

HOWARD 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.

2. Operating Receipts and Disbursements

Operating receipts and disbursements for proprietary funds result from providing services. They also include all receipts and disbursements not related to capital and related financing, noncapital financing, or investing activities.

HOWARD COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

F. Internal and Interfund Balances and Activities

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

Fund Financial Statements

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

Government-Wide Financial Statements

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

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

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

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

HOWARD COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

B. Cash and Investment Balance Deficits

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

Fund	2006
BIO Public Health Coordination Grant (2007)	\$ 17,768
Homeland CDRNE Court Security Grant	11,250
STOP Domestic Violence Grant	30,485
Drug Task Force	19,540
Community Corrections Home Detention	29,308

Cash and investment deficits arose primarily from disbursements exceeding receipts due to the reimbursement type grant or an underestimate of current requirements; these deficits are to be repaid from future 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. At December 31, 2006, the bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

2. Investments

Authorization for investment activity is stated in Indiana Code 5-13. The Sheriff's Merit Board has not established an investment policy for the Sheriff's Retirement and Benefit Pension Plan. As of December 31, 2006, the County had \$10,198,172 in mutual funds for the Sheriff's Retirement and Benefit Pension Plan.

HOWARD COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Investment Policies

Indiana Code 5-13-9 authorizes the County to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the County 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 County'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 Retirement and Benefit Pension Plan is not subject to the same investment laws as the County. The Sheriff's Merit Board has not adopted a formal investment policy.

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The County does not have a formal investment policy for custodial credit risk for investments. The Sheriff's Merit Board has not adopted an investment policy for custodial credit risk for investments. At December 31, 2006, the Sheriff's Retirement and Benefit Pension Plan held investments in mutual funds in the amount of \$10,198,172. All of these investments were held by the counterparty's trust department or agent in the Sheriff's Retirement and Benefit Pension Plan name.

HOWARD COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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. At December 31, 2006, the Sheriff's Retirement and Benefit Pension Plan's investments in mutual funds had investment maturities of less than one year.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. At December 31, 2006, the Sheriff's Retirement and Benefit Pension Plan's investments in mutual funds were unrated.

Concentration of Credit Risk

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

Foreign Currency Risk

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

B. Interfund Transfers

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

Transfer From	Transfer To	2006
General Fund	Other governmental	\$ 1,328,903
Other governmental	General Fund	61,160
Other governmental	Other governmental	328,800
Total		\$ 1,718,863

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

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.

HOWARD COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

Medical and Dental Benefits

The County has chosen to establish a risk financing fund for risks associated with medical and dental benefits. The risk financing fund is accounted for in the Self 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 \$100,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. Interfund premiums are paid into the fund by all affected funds and are available to pay claims, claim reserves, and administrative costs of the program. Interfund premiums are based upon an overall premium percentage which is applied to each affected fund and are reported as quasi-external interfund transactions.

Job Related Illnesses or Injuries to Employees

During 1990, the County joined with other governmental entities to form the Indiana Public Employees' 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 benefits for job related illnesses or injuries to employees. The County pays an annual premium to the risk pool for its coverage. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$1,000,000 per insured event. The risk pool obtains independent coverage for insured events in excess of the \$1,000,000 limit.

B. Holding Corporation

The County has entered into a capital lease with the Howard County Jail and Detention Center Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the County. The lessor has been determined to be a related party of the County. Lease payments during the year totaled \$1,645,000.

C. Subsequent Events

Capital Asset Purchases

Since December 31, 2006, the County Commissioners have approved the acquisition of ten vehicles costing \$173,831 for the Sheriff's Department.

Migrant Housing Grant

On February 5, 2007, the County Commissioners accepted the Migrant Housing Grant in the amount of \$888,250 on behalf of Hainlen Orchard. On April 16, 2007, the County Commissioners approved two bids related to the Migrant Housing Grant. The septic bid was awarded to Dick Blazer in the amount of \$21,535 and the housing construction bid was awarded to Hainlen Construction in the amount of \$147,308.

HOWARD COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Roofing Contract

On July 16, 2007, the County Commissioners awarded the Administration Center Roofing Project to Love Contracting in the amount of \$144,615.

EMA Pole Barn

On May 13, 2007, the EMA Pole Barn was destroyed by fire but was insured. On July 23, 2007, the County received the insurance reimbursement of \$436,446.

D. Conduit Debt Obligation

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

E. Postemployment Benefits

In addition to the pension benefits described below, the County provides postemployment insurance benefits, as authorized by Indiana Code 5-10-8, to retired merit officers of the Howard County Sheriff's Department who have retired from the Howard County Sheriff's Department on or after attaining age 50 with at least 20 years of service. Currently, 3 retirees meet these eligibility requirements. The County provides \$150 each month towards these postemployment benefits. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. During the year ended December 31, 2006, disbursements of \$5,400 were recognized for postemployment benefits.

F. 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.

G. 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,

HOWARD COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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.

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.

HOWARD COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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	\$ 802,299	\$ 206,614	\$ 16,574
Interest on net pension obligation	(45,100)	3,098	-
Adjustment to annual required contribution	<u>51,395</u>	<u>(7,104)</u>	<u>-</u>
Annual pension cost	808,594	202,608	16,574
Contributions made	<u>735,083</u>	<u>279,131</u>	<u>16,574</u>
Increase (decrease) in net pension obligation	73,511	(76,523)	-
Net pension obligation, beginning of year	<u>(622,065)</u>	<u>44,261</u>	<u>-</u>
Net pension obligation, end of year	<u>\$ (548,554)</u>	<u>\$ (32,262)</u>	<u>\$ -</u>

	<u>PERF</u>	<u>County Police Retirement Plan</u>	<u>County Police Benefit Plan</u>
Contribution rates:			
County	5.5%	16%	1%
Plan members	3%	6%	0%
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

HOWARD COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

<u>Actuarial Assumptions</u>	<u>PERF</u>	<u>County Police Retirement Plan</u>	<u>County Police Benefit Plan</u>
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

	<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
PERF	06-30-04	\$ 570,529	116%	\$ (537,879)
	06-30-05	633,585	113%	(622,065)
	06-30-06	808,597	116%	(548,554)
County Police Retirement Plan	12-31-04	238,781	75%	45,423
	12-31-05	247,712	99%	44,261
	12-31-06	202,608	138%	(32,262)
County Police Benefit Plan	12-31-04	16,810	100%	-
	12-31-05	15,565	100%	-
	12-31-06	16,574	100%	-

HOWARD 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 Assets AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-04	\$ 9,501,326	\$ 10,319,740	\$ (818,414)	92%	\$ 11,870,557	(7%)
07-01-05	10,076,129	12,361,166	(2,285,037)	82%	12,436,298	(18%)
07-01-06	11,618,160	12,571,685	(953,525)	92%	12,651,113	(8%)

County Police Retirement Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded Assets AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-02	\$ 6,750,688	\$ 6,961,435	\$ (210,747)	97%	\$ 1,314,601	(16%)
01-01-03	7,020,522	7,225,977	(205,455)	97%	1,344,660	(15%)
01-01-04	7,275,816	7,902,132	(626,316)	92%	1,310,088	(48%)
01-01-05	7,624,745	8,300,150	(675,405)	92%	1,344,325	(50%)
01-01-06	8,337,828	9,033,471	(695,643)	92%	1,288,104	(54%)
01-01-07	9,188,758	9,796,813	(608,055)	94%	1,403,763	(43%)

HOWARD 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

	County Highway	Local Road and Street	County Health	Property Reassessment	Drainage Maintenance	Accident Report
<b>Receipts:</b>						
Taxes	\$ 38,507	\$ -	\$ 331,639	\$ 371,695	\$ -	\$ -
Special assessments	-	-	-	-	340,677	-
Intergovernmental	3,920,416	666,325	36,895	41,452	-	-
Charges for services	-	-	-	-	-	11,873
Fines and forfeits	-	-	-	-	-	-
Other	68,132	17,757	300,552	107,404	-	-
<b>Total receipts</b>	<b>4,027,055</b>	<b>684,082</b>	<b>669,086</b>	<b>520,551</b>	<b>340,677</b>	<b>11,873</b>
<b>Disbursements:</b>						
General government	-	-	-	474,657	205,485	-
Public safety	-	-	-	-	-	16,157
Highways and streets	3,710,980	970,883	-	-	-	-
Health and welfare	-	-	650,641	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
Highways and streets	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
<b>Total disbursements</b>	<b>3,710,980</b>	<b>970,883</b>	<b>650,641</b>	<b>474,657</b>	<b>205,485</b>	<b>16,157</b>
Excess (deficiency) of receipts over disbursements	316,075	(286,801)	18,445	45,894	135,192	(4,284)
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	(77,562)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(77,562)</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	316,075	(286,801)	18,445	45,894	57,630	(4,284)
Cash and investment fund balance - beginning	250,018	324,433	175,612	1,894,969	1,362,898	13,393
Cash and investment fund balance - ending	<u>\$ 566,093</u>	<u>\$ 37,632</u>	<u>\$ 194,057</u>	<u>\$ 1,940,863</u>	<u>\$ 1,420,528</u>	<u>\$ 9,109</u>
<u>Cash and Investment Assets - December 31</u>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,109
Restricted assets:						
Cash and investments	566,093	37,632	194,057	1,940,863	1,420,528	-
<b>Total cash and investment assets - December 31</b>	<u>\$ 566,093</u>	<u>\$ 37,632</u>	<u>\$ 194,057</u>	<u>\$ 1,940,863</u>	<u>\$ 1,420,528</u>	<u>\$ 9,109</u>
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purpose	566,093	37,632	194,057	1,940,863	1,420,528	-
Unrestricted	-	-	-	-	-	9,109
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 566,093</u>	<u>\$ 37,632</u>	<u>\$ 194,057</u>	<u>\$ 1,940,863</u>	<u>\$ 1,420,528</u>	<u>\$ 9,109</u>

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

	Firearms Training	Clerk's Bond Forfeitures	Emergency Planning Right To Know	County Electronic Data File	Coroner's Training and Continuing Education	Kinsey Center Commissary
<b>Receipts:</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	19,160	-	-	1,266	-	1,143
Fines and forfeits	-	805	-	-	6,674	-
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>19,160</b>	<b>805</b>	<b>-</b>	<b>1,266</b>	<b>6,674</b>	<b>1,143</b>
<b>Disbursements:</b>						
General government	-	107,450	2,104	-	5,687	1,678
Public safety	16,861	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
Highways and streets	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
<b>Total disbursements</b>	<b>16,861</b>	<b>107,450</b>	<b>2,104</b>	<b>-</b>	<b>5,687</b>	<b>1,678</b>
Excess (deficiency) of receipts over disbursements	2,299	(106,645)	(2,104)	1,266	987	(535)
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,299	(106,645)	(2,104)	1,266	987	(535)
Cash and investment fund balance - beginning	15,420	106,645	3,507	4,487	603	1,228
Cash and investment fund balance - ending	<u>\$ 17,719</u>	<u>\$ -</u>	<u>\$ 1,403</u>	<u>\$ 5,753</u>	<u>\$ 1,590</u>	<u>\$ 693</u>
<b><u>Cash and Investment Assets - December 31</u></b>						
Cash and investments	\$ 17,719	\$ -	\$ 1,403	\$ 5,753	\$ 1,590	\$ 693
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - December 31</b>	<u>\$ 17,719</u>	<u>\$ -</u>	<u>\$ 1,403</u>	<u>\$ 5,753</u>	<u>\$ 1,590</u>	<u>\$ 693</u>
<b><u>Cash and Investment Fund Balance - December 31</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purpose	-	-	-	-	-	-
Unrestricted	17,719	-	1,403	5,753	1,590	693
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 17,719</u>	<u>\$ -</u>	<u>\$ 1,403</u>	<u>\$ 5,753</u>	<u>\$ 1,590</u>	<u>\$ 693</u>

HOWARD 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)

	Kinsey Center Restitution	Kinsey Center Food Service	Informal Probation Users Fees	Supplemental Juvenile Probation Services	Supplemental Adult Probation Services	Auditor's Plat Book
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Intergovernmental	-	48,461	-	-	-	-
Charges for services	-	-	118,910	38,233	205,404	18,572
Fines and forfeits	19,430	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>19,430</u>	<u>48,461</u>	<u>118,910</u>	<u>38,233</u>	<u>205,404</u>	<u>18,572</u>
Disbursements:						
General government	-	-	-	-	-	1,848
Public safety	11,428	48,834	99,619	32,284	243,775	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
Highways and streets	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Total disbursements	<u>11,428</u>	<u>48,834</u>	<u>99,619</u>	<u>32,284</u>	<u>243,775</u>	<u>1,848</u>
Excess (deficiency) of receipts over disbursements	<u>8,002</u>	<u>(373)</u>	<u>19,291</u>	<u>5,949</u>	<u>(38,371)</u>	<u>16,724</u>
Other financing sources (uses):						
Transfers in	-	-	-	5,000	105,190	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>105,190</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>8,002</u>	<u>(373)</u>	<u>19,291</u>	<u>10,949</u>	<u>66,819</u>	<u>16,724</u>
Cash and investment fund balance - beginning	<u>30,595</u>	<u>5,844</u>	<u>6,620</u>	<u>17,448</u>	<u>252,346</u>	<u>52,525</u>
Cash and investment fund balance - ending	<u>\$ 38,597</u>	<u>\$ 5,471</u>	<u>\$ 25,911</u>	<u>\$ 28,397</u>	<u>\$ 319,165</u>	<u>\$ 69,249</u>
<u>Cash and Investment Assets - December 31</u>						
Cash and investments	\$ 38,597	\$ 5,471	\$ 25,911	\$ 28,397	\$ 319,165	\$ 69,249
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - December 31	<u>\$ 38,597</u>	<u>\$ 5,471</u>	<u>\$ 25,911</u>	<u>\$ 28,397</u>	<u>\$ 319,165</u>	<u>\$ 69,249</u>
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purpose	-	-	-	-	-	-
Unrestricted	<u>38,597</u>	<u>5,471</u>	<u>25,911</u>	<u>28,397</u>	<u>319,165</u>	<u>69,249</u>
Total cash and investment fund balance - December 31	<u>\$ 38,597</u>	<u>\$ 5,471</u>	<u>\$ 25,911</u>	<u>\$ 28,397</u>	<u>\$ 319,165</u>	<u>\$ 69,249</u>

HOWARD COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
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 (Continued)

	Youth Service Medical	Sheriff's Work Program	Drug Free Community	Prosecutor's Title IV D	Clerk's Title IV D	Concession
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Intergovernmental	-	-	-	41,197	27,383	-
Charges for services	809	7,292	-	-	-	-
Fines and forfeits	-	-	90,176	-	-	-
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>809</b>	<b>7,292</b>	<b>90,176</b>	<b>41,197</b>	<b>27,383</b>	<b>-</b>
Disbursements:						
General government	-	4,323	-	18,251	13,147	-
Public safety	-	-	47,513	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	795	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
Highways and streets	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
<b>Total disbursements</b>	<b>795</b>	<b>4,323</b>	<b>47,513</b>	<b>18,251</b>	<b>13,147</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	14	2,969	42,663	22,946	14,236	-
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(16,000)	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(16,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	14	2,969	26,663	22,946	14,236	-
Cash and investment fund balance - beginning	59	4,561	103,623	55,867	51,646	2,774
Cash and investment fund balance - ending	<u>\$ 73</u>	<u>\$ 7,530</u>	<u>\$ 130,286</u>	<u>\$ 78,813</u>	<u>\$ 65,882</u>	<u>\$ 2,774</u>
<b>Cash and Investment Assets - December 31</b>						
Cash and investments	\$ 73	\$ 7,530	\$ 130,286	\$ 78,813	\$ 65,882	\$ 2,774
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - December 31</b>	<u>\$ 73</u>	<u>\$ 7,530</u>	<u>\$ 130,286</u>	<u>\$ 78,813</u>	<u>\$ 65,882</u>	<u>\$ 2,774</u>
<b>Cash and Investment Fund Balance - December 31</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purpose	-	-	-	-	-	-
Unrestricted	73	7,530	130,286	78,813	65,882	2,774
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 73</u>	<u>\$ 7,530</u>	<u>\$ 130,286</u>	<u>\$ 78,813</u>	<u>\$ 65,882</u>	<u>\$ 2,774</u>

HOWARD COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
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 For The Year Ended December 31, 2006  
 (Continued)

	Surveyor's Corner Perpetuation	Indiana Aids Health Grant	Appointed Special Advocate	Highway Safety DUI Taskforce	Recorder's Record Perpetuation
<b>Receipts:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-
Intergovernmental	-	10,000	4,319	28,125	-
Charges for services	19,621	-	-	-	161,177
Fines and forfeits	-	-	51,179	-	-
Other	-	-	-	-	-
<b>Total receipts</b>	<u>19,621</u>	<u>10,000</u>	<u>55,498</u>	<u>28,125</u>	<u>161,177</u>
<b>Disbursements:</b>					
General government	28,041	-	-	-	56,437
Public safety	-	-	88,101	25,269	-
Highways and streets	-	-	-	-	-
Health and welfare	-	9,470	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay:					
Highways and streets	-	-	-	-	-
Capital projects	-	-	-	-	-
Special assessments	-	-	-	-	-
<b>Total disbursements</b>	<u>28,041</u>	<u>9,470</u>	<u>88,101</u>	<u>25,269</u>	<u>56,437</u>
Excess (deficiency) of receipts over disbursements	<u>(8,420)</u>	<u>530</u>	<u>(32,603)</u>	<u>2,856</u>	<u>104,740</u>
<b>Other financing sources (uses):</b>					
Transfers in	-	-	21,160	-	-
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>21,160</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(8,420)</u>	<u>530</u>	<u>(11,443)</u>	<u>2,856</u>	<u>104,740</u>
Cash and investment fund balance - beginning	<u>34,304</u>	<u>1</u>	<u>17,402</u>	<u>3,794</u>	<u>262,314</u>
Cash and investment fund balance - ending	<u>\$ 25,884</u>	<u>\$ 531</u>	<u>\$ 5,959</u>	<u>\$ 6,650</u>	<u>\$ 367,054</u>
<b><u>Cash and Investment Assets - December 31</u></b>					
Cash and investments	\$ 25,884	\$ 531	\$ 5,959	\$ 6,650	\$ 367,054
Restricted assets:					
Cash and investments	-	-	-	-	-
<b>Total cash and investment assets - December 31</b>	<u>\$ 25,884</u>	<u>\$ 531</u>	<u>\$ 5,959</u>	<u>\$ 6,650</u>	<u>\$ 367,054</u>
<b><u>Cash and Investment Fund Balance - December 31</u></b>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Other purpose	-	-	-	-	-
Unrestricted	<u>25,884</u>	<u>531</u>	<u>5,959</u>	<u>6,650</u>	<u>367,054</u>
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 25,884</u>	<u>\$ 531</u>	<u>\$ 5,959</u>	<u>\$ 6,650</u>	<u>\$ 367,054</u>

HOWARD COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
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 (Continued)

	Emergency Telephone System (E911)	Mosquito Control Grant	Continued Substance Excise Tax	FEMA Community Emergency Response	Juvenile Drug Court Program
<b>Receipts:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-
Intergovernmental	-	1,417	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Other	500,050	-	-	-	-
<b>Total receipts</b>	<b>500,050</b>	<b>1,417</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>					
General government	-	-	-	-	-
Public safety	507,504	1,417	-	-	-
Highways and streets	-	-	-	-	-
Health and welfare	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay:					
Highways and streets	-	-	-	-	-
Capital projects	-	-	-	-	-
Special assessments	-	-	-	-	-
<b>Total disbursements</b>	<b>507,504</b>	<b>1,417</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	(7,454)	-	-	-	-
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(7,454)	-	-	-	-
Cash and investment fund balance - beginning	495,948	-	188	420	175
Cash and investment fund balance - ending	<u>\$ 488,494</u>	<u>\$ -</u>	<u>\$ 188</u>	<u>\$ 420</u>	<u>\$ 175</u>
<b><u>Cash and Investment Assets - December 31</u></b>					
Cash and investments	\$ 488,494	\$ -	\$ 188	\$ 420	\$ 175
Restricted assets:					
Cash and investments	-	-	-	-	-
<b>Total cash and investment assets - December 31</b>	<b><u>\$ 488,494</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 188</u></b>	<b><u>\$ 420</u></b>	<b><u>\$ 175</u></b>
<b><u>Cash and Investment Fund Balance - December 31</u></b>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Other purpose	-	-	-	-	-
Unrestricted	488,494	-	188	420	175
<b>Total cash and investment fund balance - December 31</b>	<b><u>\$ 488,494</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 188</u></b>	<b><u>\$ 420</u></b>	<b><u>\$ 175</u></b>

HOWARD COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
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 (Continued)

	Adult Probation Admin Fees	Juvenile Probation Fee	Alcohol and Drug Services	Pretrial Diversion	Wal-Mart Foundation Grant
<b>Receipts:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	94,364	8,996	-	-	-
Fines and forfeits	-	-	222,066	198,629	-
Other	-	-	-	-	1,000
<b>Total receipts</b>	<b>94,364</b>	<b>8,996</b>	<b>222,066</b>	<b>198,629</b>	<b>1,000</b>
<b>Disbursements:</b>					
General government	20,000	-	-	-	-
Public safety	-	-	192,925	92,036	44
Highways and streets	-	-	-	-	-
Health and welfare	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay:					
Highways and streets	-	-	-	-	-
Capital projects	-	-	-	-	-
Special assessments	-	-	-	-	-
<b>Total disbursements</b>	<b>20,000</b>	<b>-</b>	<b>192,925</b>	<b>92,036</b>	<b>44</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>74,364</b>	<b>8,996</b>	<b>29,141</b>	<b>106,593</b>	<b>956</b>
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	-	-
Transfers out	(105,190)	-	-	(66,963)	-
<b>Total other financing sources (uses)</b>	<b>(105,190)</b>	<b>-</b>	<b>-</b>	<b>(66,963)</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(30,826)</b>	<b>8,996</b>	<b>29,141</b>	<b>39,630</b>	<b>956</b>
Cash and investment fund balance - beginning	118,661	4,818	203,547	139,666	72
Cash and investment fund balance - ending	<u>\$ 87,835</u>	<u>\$ 13,814</u>	<u>\$ 232,688</u>	<u>\$ 179,296</u>	<u>\$ 1,028</u>
<b><u>Cash and Investment Assets - December 31</u></b>					
Cash and investments	\$ 87,835	\$ 13,814	\$ 232,688	\$ 179,296	\$ 1,028
Restricted assets:					
Cash and investments	-	-	-	-	-
<b>Total cash and investment assets - December 31</b>	<b><u>\$ 87,835</u></b>	<b><u>\$ 13,814</u></b>	<b><u>\$ 232,688</u></b>	<b><u>\$ 179,296</u></b>	<b><u>\$ 1,028</u></b>
<b><u>Cash and Investment Fund Balance - December 31</u></b>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Other purpose	-	-	-	-	-
Unrestricted	87,835	13,814	232,688	179,296	1,028
<b>Total cash and investment fund balance - December 31</b>	<b><u>\$ 87,835</u></b>	<b><u>\$ 13,814</u></b>	<b><u>\$ 232,688</u></b>	<b><u>\$ 179,296</u></b>	<b><u>\$ 1,028</u></b>

HOWARD COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
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 (Continued)

	Supplemental Public Defender Service	Juvenile Informal User Fees	Juvenile Drug Court Grant	County Law Enforcement	General Donations
<b>Receipts:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	98,347	3,227	-	-	-
Fines and forfeits	-	-	-	38,845	-
Other	-	-	-	-	-
<b>Total receipts</b>	<b>98,347</b>	<b>3,227</b>	<b>-</b>	<b>38,845</b>	<b>-</b>
<b>Disbursements:</b>					
General government	-	-	-	-	252
Public safety	42,264	-	-	33,436	-
Highways and streets	-	-	-	-	-
Health and welfare	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay:					
Highways and streets	-	-	-	-	-
Capital projects	-	-	-	-	-
Special assessments	-	-	-	-	-
<b>Total disbursements</b>	<b>42,264</b>	<b>-</b>	<b>-</b>	<b>33,436</b>	<b>252</b>
Excess (deficiency) of receipts over disbursements	56,083	3,227	-	5,409	(252)
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	(5,000)	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(5,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	56,083	(1,773)	-	5,409	(252)
Cash and investment fund balance - beginning	112,075	4,919	471	60,591	335
Cash and investment fund balance - ending	<u>\$ 168,158</u>	<u>\$ 3,146</u>	<u>\$ 471</u>	<u>\$ 66,000</u>	<u>\$ 83</u>
<b><u>Cash and Investment Assets - December 31</u></b>					
Cash and investments	\$ 168,158	\$ 3,146	\$ 471	\$ 66,000	\$ 83
Restricted assets:					
Cash and investments	-	-	-	-	-
<b>Total cash and investment assets - December 31</b>	<u>\$ 168,158</u>	<u>\$ 3,146</u>	<u>\$ 471</u>	<u>\$ 66,000</u>	<u>\$ 83</u>
<b><u>Cash and Investment Fund Balance - December 31</u></b>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Other purpose	-	-	-	-	-
Unrestricted	168,158	3,146	471	66,000	83
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 168,158</u>	<u>\$ 3,146</u>	<u>\$ 471</u>	<u>\$ 66,000</u>	<u>\$ 83</u>

HOWARD COUNTY  
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 (Continued)

	Medical Care Inmate Reimbursement	Rainy Day	Bioterrorism Grant	Master Tobacco Settlement	Tobacco Settlement
Receipts:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-
Intergovernmental	-	-	2,268	36,022	-
Charges for services	12,441	-	-	-	-
Fines and forfeits	-	-	-	-	-
Other	-	-	-	-	-
Total receipts	12,441	-	2,268	36,022	-
Disbursements:					
General government	-	-	-	-	-
Public safety	-	-	5,654	-	-
Highways and streets	-	-	-	-	-
Health and welfare	-	-	-	31,754	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay:					
Highways and streets	-	-	-	-	-
Capital projects	-	-	-	-	-
Special assessments	-	-	-	-	-
Total disbursements	-	-	5,654	31,754	-
Excess (deficiency) of receipts over disbursements	12,441	-	(3,386)	4,268	-
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	(572,903)	-	-	(50,085)
Total other financing sources (uses)	-	(572,903)	-	-	(50,085)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	12,441	(572,903)	(3,386)	4,268	(50,085)
Cash and investment fund balance - beginning	11,552	572,903	16,411	40,316	50,085
Cash and investment fund balance - ending	\$ 23,993	\$ -	\$ 13,025	\$ 44,584	\$ -
<u>Cash and Investment Assets - December 31</u>					
Cash and investments	\$ 23,993	\$ -	\$ 13,025	\$ 44,584	\$ -
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - December 31	\$ 23,993	\$ -	\$ 13,025	\$ 44,584	\$ -
<u>Cash and Investment Fund Balance - December 31</u>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Other purpose	-	-	-	-	-
Unrestricted	23,993	-	13,025	44,584	-
Total cash and investment fund balance - December 31	\$ 23,993	\$ -	\$ 13,025	\$ 44,584	\$ -

HOWARD COUNTY  
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 (Continued)

	Children Psychiatric Residential	BIO Public Health Coordination Grant	BIO Public Health Coordination Grant (2007)	Flood Mitigation	Recorder's ID Security
<b>Receipts:</b>					
Taxes	\$ 49,510	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-
Intergovernmental	5,466	51,284	-	-	-
Charges for services	-	-	-	-	41,850
Fines and forfeits	-	-	-	-	-
Other	-	-	-	2,600	-
<b>Total receipts</b>	<b>54,976</b>	<b>51,284</b>	<b>-</b>	<b>2,600</b>	<b>41,850</b>
<b>Disbursements:</b>					
General government	-	-	-	81,725	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Health and welfare	148,903	38,116	17,768	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay:					
Highways and streets	-	-	-	-	-
Capital projects	-	-	-	-	-
Special assessments	-	-	-	-	-
<b>Total disbursements</b>	<b>148,903</b>	<b>38,116</b>	<b>17,768</b>	<b>81,725</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	(93,927)	13,168	(17,768)	(79,125)	41,850
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	12,000	-
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,000</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(93,927)	13,168	(17,768)	(67,125)	41,850
Cash and investment fund balance - beginning	241,930	(8,256)	-	93,518	-
Cash and investment fund balance - ending	<u>\$ 148,003</u>	<u>\$ 4,912</u>	<u>\$ (17,768)</u>	<u>\$ 26,393</u>	<u>\$ 41,850</u>
<b><u>Cash and Investment Assets - December 31</u></b>					
Cash and investments	\$ 148,003	\$ 4,912	\$ (17,768)	\$ 26,393	\$ 41,850
Restricted assets:					
Cash and investments	-	-	-	-	-
<b>Total cash and investment assets - December 31</b>	<b><u>\$ 148,003</u></b>	<b><u>\$ 4,912</u></b>	<b><u>\$ (17,768)</u></b>	<b><u>\$ 26,393</u></b>	<b><u>\$ 41,850</u></b>
<b><u>Cash and Investment Fund Balance - December 31</u></b>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Other purpose	-	-	-	-	-
Unrestricted	148,003	4,912	(17,768)	26,393	41,850
<b>Total cash and investment fund balance - December 31</b>	<b><u>\$ 148,003</u></b>	<b><u>\$ 4,912</u></b>	<b><u>\$ (17,768)</u></b>	<b><u>\$ 26,393</u></b>	<b><u>\$ 41,850</u></b>

HOWARD COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
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 (Continued)

	Community Drug Free Donation	Homeland Security 2005 Grant	Law Enforcement Terrorism Prevention 2005 Grant	Traffic Safety Equipment Grant	Miscellaneous Clearing
<b>Receipts:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-
Intergovernmental	-	188,329	90,203	7,492	379,265
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Other	1,800	-	-	-	-
<b>Total receipts</b>	<u>1,800</u>	<u>188,329</u>	<u>90,203</u>	<u>7,492</u>	<u>379,265</u>
<b>Disbursements:</b>					
General government	-	-	-	-	379,265
Public safety	476	188,329	90,203	7,492	-
Highways and streets	-	-	-	-	-
Health and welfare	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay:					
Highways and streets	-	-	-	-	-
Capital projects	-	-	-	-	-
Special assessments	-	-	-	-	-
<b>Total disbursements</b>	<u>476</u>	<u>188,329</u>	<u>90,203</u>	<u>7,492</u>	<u>379,265</u>
Excess (deficiency) of receipts over disbursements	<u>1,324</u>	-	-	-	-
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,324	-	-	-	-
Cash and investment fund balance - beginning	-	-	-	-	-
Cash and investment fund balance - ending	<u>\$ 1,324</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b><u>Cash and Investment Assets - December 31</u></b>					
Cash and investments	\$ 1,324	\$ -	\$ -	\$ -	\$ -
Restricted assets:					
Cash and investments	-	-	-	-	-
<b>Total cash and investment assets - December 31</b>	<u>\$ 1,324</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b><u>Cash and Investment Fund Balance - December 31</u></b>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Other purpose	-	-	-	-	-
Unrestricted	1,324	-	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 1,324</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HOWARD COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
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 For The Year Ended December 31, 2006  
 (Continued)

	Homeland CDRNE Court Security Grant	Rainy Day Loan - Delphi	Rainy Day Loan - Howard Co.	MS4 Fees Collected	Multi Hazard Mitigation
<b>Receipts:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-
Intergovernmental	29,295	1,406,338	389,946	-	6,000
Charges for services	-	-	-	150	-
Fines and forfeits	-	-	-	-	-
Other	-	-	-	-	-
<b>Total receipts</b>	<b>29,295</b>	<b>1,406,338</b>	<b>389,946</b>	<b>150</b>	<b>6,000</b>
<b>Disbursements:</b>					
General government	40,545	1,406,338	389,946	-	6,000
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Health and welfare	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay:					
Highways and streets	-	-	-	-	-
Capital projects	-	-	-	-	-
Special assessments	-	-	-	-	-
<b>Total disbursements</b>	<b>40,545</b>	<b>1,406,338</b>	<b>389,946</b>	<b>-</b>	<b>6,000</b>
Excess (deficiency) of receipts over disbursements	(11,250)	-	-	150	-
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(11,250)	-	-	150	-
Cash and investment fund balance - beginning	-	-	-	-	2,500
Cash and investment fund balance - ending	<u>\$ (11,250)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150</u>	<u>\$ 2,500</u>
<b><u>Cash and Investment Assets - December 31</u></b>					
Cash and investments	\$ (11,250)	\$ -	\$ -	\$ 150	\$ 2,500
Restricted assets:					
Cash and investments	-	-	-	-	-
<b>Total cash and investment assets - December 31</b>	<b><u>\$ (11,250)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 150</u></b>	<b><u>\$ 2,500</u></b>
<b><u>Cash and Investment Fund Balance - December 31</u></b>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Other purpose	-	-	-	-	-
Unrestricted	(11,250)	-	-	150	2,500
<b>Total cash and investment fund balance - December 31</b>	<b><u>\$ (11,250)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 150</u></b>	<b><u>\$ 2,500</u></b>

HOWARD COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
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 For The Year Ended December 31, 2006  
 (Continued)

	Step Ahead Discretionary	Impaired and Dangerous Driving	STOP Domestic Violence Grant	Drug Task Force	Health Maintenance
<b>Receipts:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-
Intergovernmental	-	18,230	38,054	93,100	48,859
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Other	-	12	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>18,242</b>	<b>38,054</b>	<b>93,100</b>	<b>48,859</b>
<b>Disbursements:</b>					
General government	-	-	-	-	-
Public safety	-	18,009	77,675	123,213	-
Highways and streets	-	-	-	-	-
Health and welfare	-	-	-	-	48,351
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay:					
Highways and streets	-	-	-	-	-
Capital projects	-	-	-	-	-
Special assessments	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>18,009</b>	<b>77,675</b>	<b>123,213</b>	<b>48,351</b>
Excess (deficiency) of receipts over disbursements	-	233	(39,621)	(30,113)	508
<b>Other financing sources (uses):</b>					
Transfers in	-	-	29,300	77,663	50,085
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>29,300</b>	<b>77,663</b>	<b>50,085</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	233	(10,321)	47,550	50,593
Cash and investment fund balance - beginning	1,368	4,759	(20,164)	(67,090)	16,570
Cash and investment fund balance - ending	<u>\$ 1,368</u>	<u>\$ 4,992</u>	<u>\$ (30,485)</u>	<u>\$ (19,540)</u>	<u>\$ 67,163</u>
<b><u>Cash and Investment Assets - December 31</u></b>					
Cash and investments	\$ 1,368	\$ 4,992	\$ (30,485)	\$ (19,540)	\$ 67,163
Restricted assets:					
Cash and investments	-	-	-	-	-
<b>Total cash and investment assets - December 31</b>	<u>\$ 1,368</u>	<u>\$ 4,992</u>	<u>\$ (30,485)</u>	<u>\$ (19,540)</u>	<u>\$ 67,163</u>
<b><u>Cash and Investment Fund Balance - December 31</u></b>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Other purpose	-	-	-	-	-
Unrestricted	1,368	4,992	(30,485)	(19,540)	67,163
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 1,368</u>	<u>\$ 4,992</u>	<u>\$ (30,485)</u>	<u>\$ (19,540)</u>	<u>\$ 67,163</u>

HOWARD COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
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 For The Year Ended December 31, 2006  
 (Continued)

	Misdemeanant Grant	Clerk's Document Storage Fee	Shocap Tracker 06-07	Shocap Tracker 04-05	Shocap Tracker 05-06
<b>Receipts:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-
Intergovernmental	66,500	-	42,179	-	32,806
Charges for services	-	29,899	-	-	-
Fines and forfeits	-	-	-	-	-
Other	-	-	-	-	-
<b>Total receipts</b>	<b>66,500</b>	<b>29,899</b>	<b>42,179</b>	<b>-</b>	<b>32,806</b>
<b>Disbursements:</b>					
General government	-	538	-	-	-
Public safety	68,967	-	26,669	3,386	33,486
Highways and streets	-	-	-	-	-
Health and welfare	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay:					
Highways and streets	-	-	-	-	-
Capital projects	-	-	-	-	-
Special assessments	-	-	-	-	-
<b>Total disbursements</b>	<b>68,967</b>	<b>538</b>	<b>26,669</b>	<b>3,386</b>	<b>33,486</b>
Excess (deficiency) of receipts over disbursements	(2,467)	29,361	15,510	(3,386)	(680)
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,467)	29,361	15,510	(3,386)	(680)
Cash and investment fund balance - beginning	74,766	37,364	-	3,386	11,121
Cash and investment fund balance - ending	<u>\$ 72,299</u>	<u>\$ 66,725</u>	<u>\$ 15,510</u>	<u>\$ -</u>	<u>\$ 10,441</u>
<b><u>Cash and Investment Assets - December 31</u></b>					
Cash and investments	\$ 72,299	\$ 66,725	\$ 15,510	\$ -	\$ 10,441
Restricted assets:					
Cash and investments	-	-	-	-	-
<b>Total cash and investment assets - December 31</b>	<b><u>\$ 72,299</u></b>	<b><u>\$ 66,725</u></b>	<b><u>\$ 15,510</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 10,441</u></b>
<b><u>Cash and Investment Fund Balance - December 31</u></b>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Other purpose	-	-	-	-	-
Unrestricted	72,299	66,725	15,510	-	10,441
<b>Total cash and investment fund balance - December 31</b>	<b><u>\$ 72,299</u></b>	<b><u>\$ 66,725</u></b>	<b><u>\$ 15,510</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 10,441</u></b>

HOWARD COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
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 For The Year Ended December 31, 2006  
 (Continued)

	Community Corrections Per Diem	Community Corrections Project Income Juvenile	Community Corrections Home Detention	Juvenile Account Incentive Block Grant	Local Law Enforcement Block Grant
<b>Receipts:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-
Intergovernmental	104,724	-	178,130	-	-
Charges for services	-	407,872	-	-	-
Fines and forfeits	-	-	-	-	-
Other	-	-	-	-	-
<b>Total receipts</b>	<u>104,724</u>	<u>407,872</u>	<u>178,130</u>	<u>-</u>	<u>-</u>
<b>Disbursements:</b>					
General government	74,212	-	-	-	-
Public safety	-	402,018	211,536	2,968	-
Highways and streets	-	-	-	-	-
Health and welfare	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay:					
Highways and streets	-	-	-	-	-
Capital projects	-	-	-	-	-
Special assessments	-	-	-	-	-
<b>Total disbursements</b>	<u>74,212</u>	<u>402,018</u>	<u>211,536</u>	<u>2,968</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>30,512</u>	<u>5,854</u>	<u>(33,406)</u>	<u>(2,968)</u>	<u>-</u>
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	30,512	5,854	(33,406)	(2,968)	-
Cash and investment fund balance - beginning	<u>70,730</u>	<u>551,131</u>	<u>4,098</u>	<u>2,968</u>	<u>41</u>
Cash and investment fund balance - ending	<u>\$ 101,242</u>	<u>\$ 556,985</u>	<u>\$ (29,308)</u>	<u>\$ -</u>	<u>\$ 41</u>
<b><u>Cash and Investment Assets - December 31</u></b>					
Cash and investments	\$ 101,242	\$ 556,985	\$ (29,308)	\$ -	\$ 41
Restricted assets:					
Cash and investments	-	-	-	-	-
<b>Total cash and investment assets - December 31</b>	<u>\$ 101,242</u>	<u>\$ 556,985</u>	<u>\$ (29,308)</u>	<u>\$ -</u>	<u>\$ 41</u>
<b><u>Cash and Investment Fund Balance - December 31</u></b>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Other purpose	-	-	-	-	-
Unrestricted	<u>101,242</u>	<u>556,985</u>	<u>(29,308)</u>	<u>-</u>	<u>41</u>
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 101,242</u>	<u>\$ 556,985</u>	<u>\$ (29,308)</u>	<u>\$ -</u>	<u>\$ 41</u>

HOWARD COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
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 For The Year Ended December 31, 2006  
 (Continued)

	Flood Mitigation Assistance Grant	Sheriff's Commissary	Building Bond Redemption	Jail Lease Rent	Heritage Museum and Convention Center
Receipts:					
Taxes	\$ -	\$ -	\$ -	\$ 1,506,124	\$ -
Special assessments	-	-	-	-	-
Intergovernmental	-	-	-	167,625	193,301
Charges for services	-	372,267	-	-	-
Fines and forfeits	-	-	-	-	-
Other	-	-	-	37,272	-
	<u>-</u>	<u>372,267</u>	<u>-</u>	<u>1,711,021</u>	<u>193,301</u>
Total receipts	-	372,267	-	1,711,021	193,301
Disbursements:					
General government	104,595	372,802	-	-	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Health and welfare	-	-	-	-	-
Debt service:					
Principal	-	-	-	1,300,000	111,257
Interest	-	-	-	345,000	32,184
Capital outlay:					
Highways and streets	-	-	-	-	-
Capital projects	-	-	-	-	-
Special assessments	-	-	-	-	-
	<u>104,595</u>	<u>372,802</u>	<u>-</u>	<u>1,645,000</u>	<u>143,441</u>
Total disbursements	104,595	372,802	-	1,645,000	143,441
Excess (deficiency) of receipts over disbursements	<u>(104,595)</u>	<u>(535)</u>	<u>-</u>	<u>66,021</u>	<u>49,860</u>
Other financing sources (uses):					
Transfers in	12,000	-	-	-	-
Transfers out	-	-	-	-	-
	<u>12,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	12,000	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(92,595)</u>	<u>(535)</u>	<u>-</u>	<u>66,021</u>	<u>49,860</u>
Cash and investment fund balance - beginning	<u>102,685</u>	<u>23,954</u>	<u>5,512</u>	<u>840,914</u>	<u>316,658</u>
Cash and investment fund balance - ending	<u>\$ 10,090</u>	<u>\$ 23,419</u>	<u>\$ 5,512</u>	<u>\$ 906,935</u>	<u>\$ 366,518</u>
<u>Cash and Investment Assets - December 31</u>					
Cash and investments	\$ 10,090	\$ 23,419	\$ -	\$ -	\$ -
Restricted assets:					
Cash and investments	-	-	5,512	906,935	366,518
Total cash and investment assets - December 31	<u>\$ 10,090</u>	<u>\$ 23,419</u>	<u>\$ 5,512</u>	<u>\$ 906,935</u>	<u>\$ 366,518</u>
<u>Cash and Investment Fund Balance - December 31</u>					
Restricted for:					
Debt service	\$ -	\$ -	\$ 5,512	\$ 906,935	\$ 366,518
Other purpose	-	-	-	-	-
Unrestricted	<u>10,090</u>	<u>23,419</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash and investment fund balance - December 31	<u>\$ 10,090</u>	<u>\$ 23,419</u>	<u>\$ 5,512</u>	<u>\$ 906,935</u>	<u>\$ 366,518</u>

HOWARD COUNTY  
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 For The Year Ended December 31, 2006  
 (Continued)

	Cumulative Bridge	General Drain Improvement	Cumulative Capital Development	EDIT Tax	Totals
<b>Receipts:</b>					
Taxes	\$ 527,991	\$ -	\$ 990,495	\$ -	\$ 3,815,961
Special assessments	-	-	-	-	340,677
Intergovernmental	58,761	-	110,232	743,233	9,313,632
Charges for services	-	-	-	-	1,672,873
Fines and forfeits	-	-	-	-	627,804
Other	27,392	185,851	25,649	97,325	1,372,796
<b>Total receipts</b>	<b>614,144</b>	<b>185,851</b>	<b>1,126,376</b>	<b>840,558</b>	<b>17,143,743</b>
<b>Disbursements:</b>					
General government	-	-	278,117	-	4,073,443
Public safety	-	-	-	-	2,759,548
Highways and streets	-	-	-	-	4,681,863
Health and welfare	-	-	-	-	945,798
<b>Debt service:</b>					
Principal	-	-	-	-	1,411,257
Interest	-	-	-	-	377,184
<b>Capital outlay:</b>					
Highways and streets	657,275	-	-	-	657,275
Capital projects	-	-	729,479	301,121	1,030,600
Special assessments	-	184,113	-	-	184,113
<b>Total disbursements</b>	<b>657,275</b>	<b>184,113</b>	<b>1,007,596</b>	<b>301,121</b>	<b>16,121,081</b>
Excess (deficiency) of receipts over disbursements	(43,131)	1,738	118,780	539,437	1,022,662
<b>Other financing sources (uses):</b>					
Transfers in	-	77,562	-	-	389,960
Transfers out	-	-	-	(764,000)	(1,657,703)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>77,562</b>	<b>-</b>	<b>(764,000)</b>	<b>(1,267,743)</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(43,131)	79,300	118,780	(224,563)	(245,081)
Cash and investment fund balance - beginning	283,009	478,577	1,877,205	1,653,914	13,491,257
Cash and investment fund balance - ending	<u>\$ 239,878</u>	<u>\$ 557,877</u>	<u>\$ 1,995,985</u>	<u>\$ 1,429,351</u>	<u>\$ 13,246,176</u>
<b><u>Cash and Investment Assets - December 31</u></b>					
Cash and investments	\$ 239,878	\$ 557,877	\$ 1,995,985	\$ 1,429,351	\$ 7,808,038
<b>Restricted assets:</b>					
Cash and investments	-	-	-	-	5,438,138
<b>Total cash and investment assets - December 31</b>	<b>\$ 239,878</b>	<b>\$ 557,877</b>	<b>\$ 1,995,985</b>	<b>\$ 1,429,351</b>	<b>\$ 13,246,176</b>
<b><u>Cash and Investment Fund Balance - December 31</u></b>					
<b>Restricted for:</b>					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 1,278,965
Other purpose	-	-	-	-	4,159,173
Unrestricted	239,878	557,877	1,995,985	1,429,351	7,808,038
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 239,878</b>	<b>\$ 557,877</b>	<b>\$ 1,995,985</b>	<b>\$ 1,429,351</b>	<b>\$ 13,246,176</b>

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

	<u>Sheriff's Retirement Plan</u>	<u>Sheriff's Benefit Plan</u>	<u>Totals</u>
Additions:			
Contributions:			
Employer	\$ 343,511	\$ 16,574	\$ 360,085
Plan members	<u>82,471</u>	<u>-</u>	<u>82,471</u>
Total contributions	<u>425,982</u>	<u>16,574</u>	<u>442,556</u>
Investment receipts:			
Net increase in investments	36,294	-	36,294
Interest	<u>318,398</u>	<u>14,024</u>	<u>332,422</u>
Total investment receipts	<u>354,692</u>	<u>14,024</u>	<u>368,716</u>
Total additions	<u>780,674</u>	<u>30,598</u>	<u>811,272</u>
Deductions:			
Benefits	418,016	12,540	430,556
Administrative and general	<u>20,898</u>	<u>8,003</u>	<u>28,901</u>
Total deductions	<u>438,914</u>	<u>20,543</u>	<u>459,457</u>
Excess of total additions over total deductions	341,760	10,055	351,815
Cash and investment fund balance - beginning	<u>8,061,554</u>	<u>277,370</u>	<u>8,338,924</u>
Cash and investment fund balance - ending	<u>\$ 8,403,314</u>	<u>\$ 287,425</u>	<u>\$ 8,690,739</u>

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

	Township Assistance	Atlas Collections	Surplus Tax	Personal Property Overpayments	Inheritance Tax	Surplus Dog Tax
Additions:						
Agency fund additions	\$ 706,497	\$ 1,726	\$ 107,062	\$ 10,726	\$ 1,763,041	\$ 749
Deductions:						
Agency fund deductions	706,497	1,726	44,632	10,561	1,791,752	749
Excess (deficiency) of total additions over total deductions	-	-	62,430	165	(28,711)	-
Cash and investment fund balance - beginning	-	-	162,468	26,219	255,338	-
Cash and investment fund balance - ending	\$ -	\$ -	\$ 224,898	\$ 26,384	\$ 226,627	\$ -

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

	Tax Sale Redemption	Surplus Tax Sale	Welfare Trust	Congressional School Interest	State Sales Disclosure Fee	State Sales Disclosure General
Additions:						
Agency fund additions	\$ 240,280	\$ 1,957,233	\$ 43,033	\$ 899	\$ 34,576	\$ 10,930
Deductions:						
Agency fund deductions	230,881	3,333,634	40,353	899	-	10,925
Excess (deficiency) of total additions over total deductions	9,399	(1,376,401)	2,680	-	34,576	5
Cash and investment fund balance - beginning	6,819	3,252,760	62,831	-	-	955
Cash and investment fund balance - ending	<u>\$ 16,218</u>	<u>\$ 1,876,359</u>	<u>\$ 65,511</u>	<u>\$ -</u>	<u>\$ 34,576</u>	<u>\$ 960</u>

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

	Adult Offender Interstate Comp	Court Fees	Payroll	Tax Clearing Account	User and Law Fees	Property Taxes Payable
Additions:						
Agency fund additions	\$ 1,425	\$ 215,979	\$ 7,064,806	\$ 126,822,436	\$ 23,765	\$ -
Deductions:						
Agency fund deductions	1,425	214,763	7,099,808	126,840,512	9,335	236,142
Excess (deficiency) of total additions over total deductions	-	1,216	(35,002)	(18,076)	14,430	(236,142)
Cash and investment fund balance - beginning	75	18,506	352,127	41,485	7,878	236,142
Cash and investment fund balance - ending	<u>\$ 75</u>	<u>\$ 19,722</u>	<u>\$ 317,125</u>	<u>\$ 23,409</u>	<u>\$ 22,308</u>	<u>\$ -</u>

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

	County Treasurer	County Clerk's Trust	County Sheriff	Other County Departments	Totals
Additions:					
Agency fund additions	\$ 141,652,500	\$ 23,173,816	\$ 2,285,876	\$ 2,688,544	\$ 308,805,899
Deductions:					
Agency fund deductions	141,846,484	22,336,958	2,280,800	2,802,333	309,841,169
Excess (deficiency) of total additions over total deductions	(193,984)	836,858	5,076	(113,789)	(1,035,270)
Cash and investment fund balance - beginning	1,214,307	3,231,285	22,687	167,691	9,059,573
Cash and investment fund balance - ending	<u>\$ 1,020,323</u>	<u>\$ 4,068,143</u>	<u>\$ 27,763</u>	<u>\$ 53,902</u>	<u>\$ 8,024,303</u>

HOWARD COUNTY  
OTHER REPORTS

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

Clerk of the Circuit Court  
County Sheriff  
County Adult Probation Department

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 HOWARD COUNTY, INDIANA

Compliance

We have audited the compliance of the Howard 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. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2006-2.

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

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)

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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in item 2006-2 of the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies.

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. We did not consider any of the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses.

The County's response to the findings identified in our audit is described in the accompanying Corrective Action Plan section of the report. We did not audit the County's response and, accordingly, we express no opinion on it.

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

August 8, 2007

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

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Pass-Through Indiana Department of Education Child Nutrition Cluster			
School Breakfast Program	10.553	FY 2006	\$ 21,547
National School Lunch Program	10.555	FY 2006	<u>28,446</u>
Total for cluster			<u>49,993</u>
Total for federal grantor agency			<u>49,993</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Pass-Through Indiana Criminal Justice Institute			
Juvenile Accountability Incentive Block Grants	16.523	03-JB-029	<u>2,968</u>
Edward Byrne Memorial Formula Grant Program	16.579		
Drug Task Force		04-DB-021	23,275
Drug Task Force		04-DB-055	<u>34,913</u>
Total for program			<u>58,188</u>
Violence Against Women Formula Grants	16.588		
		05-ST-025	19,027
		06-ST-025	<u>19,027</u>
Total for program			<u>38,054</u>
Total for federal grantor agency			<u>99,210</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Criminal Justice Institute			
Highway Safety Cluster			
State and Community Highway Safety	20.600		
		PT-06-04-07-16	10,267
		PT-07-04-01-11	<u>2,508</u>
Total for program			<u>12,775</u>
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601		
		154 AL-06-03-03-09	16,563
		K8-07-03-01-07	2,309
		JB-06-04-04-01	<u>7,493</u>
Total for program			<u>26,365</u>
Safety Incentive Grants for Use of Seatbelts	20.604	IN-05-02-03-16	<u>5,235</u>
Total for cluster			<u>44,375</u>
Pass-Through Indiana Department of Transportation			
Highway Planning and Construction	20.205		
		STP-9934(033)	34,241
		STP-RS-8334(2)	<u>36,946</u>
Total for program			<u>71,187</u>
Total for federal grantor agency			<u>115,562</u>

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

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

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. ELECTIONS ASSISTANCE COMMISSION</u>			
Pass-Through Indiana Secretary of State Help America Vote Act Requirements Payments	90.401	FY 2006	<u>300,248</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-Through Indiana State Department of Health Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	BPRS 133-5	<u>61,536</u>
Pass-Through Indiana Department of Child Services Child Support Enforcement	93.563	FY 2006	<u>520,950</u>
Pass-Through Indiana Family and Social Services Administration Preventive Health and Health Services Block Grant	93.991	EMC-2003-GR-7040	<u>1,417</u>
Total for federal grantor agency			<u>583,903</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security Homeland Security Cluster State Domestic Preparedness Equipment Support Program	97.004	FY 2003 Part II	<u>29,295</u>
Homeland Security Grant Program	97.067	2005 SHSP 2005 LETPP 2005 EMPG	153,162 90,203 <u>63,215</u>
Total for program			<u>306,580</u>
State Homeland Security Program	97.073	2004 SHSP	<u>11,250</u>
Total for cluster			<u>347,125</u>
Flood Mitigation Assistance	97.029	Flood Mitigation Hazard Plan	86,755 <u>6,000</u>
Total for program			<u>92,755</u>
Total for federal grantor agency			<u>439,880</u>
Total federal awards expended			<u>\$ 1,588,796</u>

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

HOWARD COUNTY  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

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

II. Subrecipients

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

Program Title	Federal CFDA Number	2006
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	\$ 10,661

HOWARD 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?	yes

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Reportable conditions identified that are not considered to be material weaknesses?	yes

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? yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
90.401	Help America Vote Act Requirements Payments
93.563	Child Support Enforcement

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

FINDING 2006-1, REPORTABLE CONDITION – CHILD SUPPORT ENFORCEMENT CASE BALANCES

Howard County, in conjunction with the Indiana Department of Child Services, accounted for child support collections and payments through the Indiana Support Enforcement Tracking System (ISETS) during 2006. The following deficiency was identified.

Balances of child support cases included errors resulting from data conversion, information not recorded during the time period from data conversion to system implementation, computer application processing errors and user errors. The errors are currently being corrected on a case by case basis as they are identified.

HOWARD COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Clerks of the Circuit Courts, Chapter 14)

We recommended that action be expedited to ensure that all subaccount balances are researched and corrected in a timely manner.

Section III – Federal Award Findings and Questioned Costs

FINDING 2006-02, REPORTABLE CONDITION – CHILD SUPPORT ENFORCEMENT CASE BALANCES

Federal Agency: U.S. Department of Health and Human Services  
Federal Program: Child Support Enforcement  
CFDA No.: 93.563  
Federal Award Number: N/A  
Pass-Through Entity: Indiana Department of Child Services

Howard County, in conjunction with the Indiana Department of Child Services, accounted for child support collections and payments through the Indiana Support Enforcement Tracking System (ISETS) during 2006. The following deficiency was identified.

Balances of child support cases included errors resulting from data conversion, information not recorded during the time period from data conversion to system implementation, computer application processing errors and user errors. The errors are currently being corrected on a case by case basis as they are identified.

45 CRF section 303.6 states in part: "The IV-D agency must maintain and use an effective system for: (a) Monitoring compliance with the support obligation; (b) identifying on the date the parent fails to make payments in an amount equal to the support payable . . ."

45 CRF section 303.6 states in part: "Enforcement of support obligations. For all cases referred to the IV-D agency or applying for services under Sec. 302.33 in which the obligation to support and the amount of the obligation have been established, the IV-D agency must maintain and use an effective system for: (a) Monitoring compliance with the support obligation; . . ."

45 CRF section 303.11 Case closure criteria. "(a) The IV–D agency shall establish a system for case closure. (b) In order to be eligible for closure, the case must meet at least one of the following criteria: (1) There is no longer a current support order and arrearages are under \$500 or unenforceable under State law; (2) The noncustodial parent or putative father is deceased and no further action, including a levy against the estate, can be taken; (3) Paternity cannot be established because: (i) The child is at least 18 years old and action to establish paternity is barred by a statute of limitations which meets the requirements of § 302.70(a)(5) of this chapter; . . ."

As a result of inaccurate balances, enforcement actions may be initiated improperly or may not be initiated when required.

We recommended that action be expedited to ensure that all sub account balances are researched and corrected in a timely manner.



# JAMES R. FLEMING

PROSECUTING ATTORNEY  
HOWARD COUNTY, INDIANA  
62<sup>ND</sup> JUDICIAL CIRCUIT

July 31, 2007

## Summary Schedule Of Prior Audit Findings

### Finding 2005-2, Special Tests and Provisions

Federal Agency: U.S. Department of Health and Human Services  
Federal Program: Child Support Program  
CFDA Number: 93.563  
Federal Award No: N/A  
Pass-Through Entity: Indiana Department of Child Services  
Auditee Contact Person: James R. Fleming  
Contact Person Title: Prosecutor, Howard County  
Contact Phone Number: (765) 456-2230

The purpose of this communication is to provide an update regarding the ongoing corrective action plan for Howard County's Title IV-D Child Support Program.

To the extent that the balance finding of the audit does not match up with the State Board of Accounts is due to the individual case balances and information that was input into the computer originally by an outside agency provided by the State was incorrect.

Howard County Title IV-D Child Support Program continues to strive to make every effort to comply with the federally mandated standards for data reliability. The IV-D Child Support office is required to maintain accurate and updated case activity and court order information with the ISETS database in order to meet the federal standard for 95% accuracy.

Our plan for corrective action is on an individual case by case basis. We will review each case, input information as far as court orders and participant data, correct account balances and make sure they are current.

Sincerely,

James R. Fleming  
Prosecutor, Howard County  
62<sup>nd</sup> Judicial Circuit



**JAMES R. FLEMING**  
**PROSECUTING ATTORNEY**  
**HOWARD COUNTY, INDIANA**  
**62<sup>ND</sup> JUDICIAL CIRCUIT**

July 31, 2007

Corrective Action Plan

Finding 2006-2, Special Tests and Provisions

Federal Agency: U.S. Department of Health and Human Services  
Federal Program: Child Support Program  
CFDA Number: 93.563  
Federal Award No: N/A  
Pass-Through Entity: Indiana Department of Child Services  
Auditee Contact Person: James R. Fleming  
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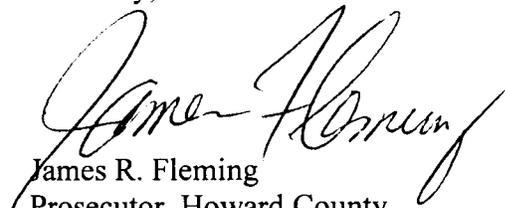
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Sincerely,

  
James R. Fleming  
Prosecutor, Howard County  
62<sup>nd</sup> Judicial Circuit

HOWARD COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on August 9, 2007, with Ann Wells, Auditor; and Richard H. Miller, President of the County Council.