

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

ANNUAL FINANCIAL REPORT

2006

LAKE COUNTY, INDIANA



**FILED**

11/21/2007



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Peggy Holinga Katona	09-26-05 to 12-31-10
Treasurer	John E. Petalas	11-21-05 to 12-31-10
Clerk of the Circuit Court	Thomas R. Philpot	01-01-04 to 12-31-07
Sheriff	Rogelio Dominguez	01-01-03 to 12-31-10
Recorder	Michael A. Brown	01-01-05 to 12-31-08
President of the Board of County Commissioners	Rudolph Clay Frances DuPey Gerry J. Scheub Roosevelt Allen, Jr.	01-01-06 to 04-07-06 04-08-06 to 05-16-06 05-17-06 to 12-31-06 01-01-07 to 12-31-07
President of the County Council	Will A. Smith, Jr. Elsie Franklin	01-01-06 to 12-31-06 01-01-07 to 12-31-07



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF LAKE COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lake County (County), as of and for the year ended December 31, 2006, which collectively comprise the County's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note I, the County prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, the business-type 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 September 19, 2007, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Our report on compliance and on internal control over financial reporting should be read along with this report.

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

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

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

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Combining Schedules, as listed in the Table of Contents, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Capital Assets has not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

September 19, 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 LAKE COUNTY, INDIANA

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lake 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 September 19, 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.

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 consider the significant deficiencies described above, item 2006-1, to be a material weakness.

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

Compliance and Other Matters

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

We noted certain matters that we reported to management in a separate letter dated September 19, 2007.

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

September 19, 2007

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

Functions/Programs	Program Receipts				Net (Disbursement) Receipt and Changes in Net Assets		
	Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 161,416,341	\$ 9,937,961	\$ 6,869,670	\$ 6,250	\$ (144,602,460)	\$ -	\$ (144,602,460)
Public safety	52,756,599	4,602,802	9,082,671	-	(39,071,126)	-	(39,071,126)
Highways and streets	8,994,638	-	6,830,775	5,329,769	3,165,906	-	3,165,906
Health and welfare	112,754,763	228,498	26,690,772	-	(85,835,493)	-	(85,835,493)
Culture and recreation	14,284,301	5,360,848	2,650	344,276	(8,576,527)	-	(8,576,527)
Urban redevelopment and housing	12,135,746	-	4,578,783	-	(7,556,963)	-	(7,556,963)
Interest on long-term debt	3,424,889	-	-	-	(3,424,889)	-	(3,424,889)
Total governmental activities	<u>365,767,277</u>	<u>20,130,109</u>	<u>54,055,321</u>	<u>5,680,295</u>	<u>(285,901,552)</u>	<u>-</u>	<u>(285,901,552)</u>
Business-type activities:							
Wastewater	88,360	140,063	-	-	-	51,703	51,703
Total primary government	<u>\$ 365,855,637</u>	<u>\$ 20,270,172</u>	<u>\$ 54,055,321</u>	<u>\$ 5,680,295</u>	<u>(285,901,552)</u>	<u>51,703</u>	<u>(285,849,849)</u>
General receipts:							
Property taxes					232,696,098	-	232,696,098
Inheritance taxes					1,002,012	-	1,002,012
Excise taxes					25,804,156	-	25,804,156
FIT taxes					797,065	-	797,065
Franchise fees					175,058	-	175,058
Gaming taxes					10,134,019	-	10,134,019
Refunds and reimbursements					1,647,990	-	1,647,990
Other					928,005	-	928,005
Bonds and loans					6,087,679	-	6,087,679
Unrestricted investment earnings					10,283,157	-	10,283,157
Total general receipts					<u>289,555,239</u>	<u>-</u>	<u>289,555,239</u>
Change in net assets					3,653,687	51,703	3,705,390
Net assets - beginning					<u>130,753,162</u>	<u>10,961</u>	<u>130,764,123</u>
Net assets - ending					<u>\$ 134,406,849</u>	<u>\$ 62,664</u>	<u>\$ 134,469,513</u>
<b>Assets</b>							
Cash and investments					\$ 64,285,700	\$ 62,664	\$ 64,348,364
Cash with fiscal agent					166,365	-	166,365
Restricted assets:							
Cash and investments					<u>69,954,784</u>	<u>-</u>	<u>69,954,784</u>
Total assets					<u>\$ 134,406,849</u>	<u>\$ 62,664</u>	<u>\$ 134,469,513</u>
<b>Net Assets</b>							
Restricted for:							
Public safety					\$ 3,872,865	\$ -	\$ 3,872,865
Highways and streets					24,884,114	-	24,884,114
Health and welfare					2,111,561	-	2,111,561
Culture and recreation					9,036,452	-	9,036,452
Urban redevelopment and housing					534,603	-	534,603
Debt service					9,477,270	-	9,477,270
Other purposes					20,037,919	-	20,037,919
Unrestricted					<u>64,452,065</u>	<u>62,664</u>	<u>64,514,729</u>
Total net assets					<u>\$ 134,406,849</u>	<u>\$ 62,664</u>	<u>\$ 134,469,513</u>

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

LAKE 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	Welfare Family and Children	Other Governmental Funds	Totals
<b>Receipts:</b>				
Taxes	\$ 118,956,553	\$ 81,135,086	\$ 33,606,471	\$ 233,698,110
Licenses and permits	85,050	-	261,638	346,688
Intergovernmental	25,051,466	27,258,478	40,059,191	92,369,135
Charges for services	3,397,826	-	10,830,199	14,228,025
Fines and forfeits	2,591,458	-	2,206,111	4,797,569
Other	10,926,060	1,663,371	2,181,400	14,770,831
	<u>161,008,413</u>	<u>110,056,935</u>	<u>89,145,010</u>	<u>360,210,358</u>
<b>Disbursements:</b>				
General government	107,719,675	-	20,233,976	127,953,651
Public safety	34,656,392	-	13,242,512	47,898,904
Highways and streets	-	-	7,438,991	7,438,991
Health and welfare	1,547,256	93,110,892	2,091,007	96,749,155
Culture and recreation	201,219	-	10,351,409	10,552,628
Urban redevelopment and housing	-	-	4,584,331	4,584,331
Debt service:				
Principal	-	-	10,095,132	10,095,132
Interest	-	-	3,430,596	3,430,596
Capital outlay:				
General government	-	-	2,156,475	2,156,475
Highways and streets	-	-	4,243,818	4,243,818
Culture and recreation	-	-	4,341,057	4,341,057
Urban redevelopment and housing	-	-	1,147,110	1,147,110
	<u>144,124,542</u>	<u>93,110,892</u>	<u>83,356,414</u>	<u>320,591,848</u>
Excess of receipts over disbursements	<u>16,883,871</u>	<u>16,946,043</u>	<u>5,788,596</u>	<u>39,618,510</u>
<b>Other financing sources (uses):</b>				
Bond proceeds	-	-	4,852,679	4,852,679
TAW issued	44,000,000	-	-	44,000,000
TAW repaid	(66,500,000)	(15,900,000)	-	(82,400,000)
Interfund loans received	-	-	10,590,800	10,590,800
Interfund loans repaid	-	-	(10,590,800)	(10,590,800)
Transfers in	-	-	9,084,141	9,084,141
Transfers out	(280,525)	-	(8,818,072)	(9,098,597)
	<u>(22,780,525)</u>	<u>(15,900,000)</u>	<u>5,118,748</u>	<u>(33,561,777)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,896,654)	1,046,043	10,907,344	6,056,733
Cash and investment fund balance - beginning	<u>16,338,633</u>	<u>24,219,797</u>	<u>71,121,144</u>	<u>111,679,574</u>
Cash and investment fund balance - ending	<u>\$ 10,441,979</u>	<u>\$ 25,265,840</u>	<u>\$ 82,028,488</u>	117,736,307
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>16,670,542</u>
Net assets of governmental activities				<u>\$ 134,406,849</u>

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

LAKE 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,  
(Continued)

	<u>General</u>	<u>Welfare Family and Children</u>	<u>Other Governmental Funds</u>	<u>Totals</u>
<u>Cash and Investment Assets - December 31</u>				
Cash and investments	\$ 10,441,979	\$ 25,265,840	\$ 12,073,704	\$ 47,781,523
Restricted assets:				
Cash and investments	-	-	69,954,784	69,954,784
Total cash and investment assets - December 31	<u>\$ 10,441,979</u>	<u>\$ 25,265,840</u>	<u>\$ 82,028,488</u>	<u>\$ 117,736,307</u>
<u>Cash and Investment Fund Balance - December 31</u>				
Restricted for:				
Public safety	\$ -	\$ -	\$ 3,872,865	\$ 3,872,865
Highways and streets	-	-	24,884,114	24,884,114
Health and welfare	-	-	2,111,561	2,111,561
Culture and recreation	-	-	9,036,452	9,036,452
Urban redevelopment and housing	-	-	534,603	534,603
Debt service	-	-	9,477,270	9,477,270
Other purposes	-	-	20,037,919	20,037,919
Unrestricted	<u>10,441,979</u>	<u>25,265,840</u>	<u>12,073,704</u>	<u>47,781,523</u>
Total cash and investment fund balance - December 31	<u>\$ 10,441,979</u>	<u>\$ 25,265,840</u>	<u>\$ 82,028,488</u>	<u>\$ 117,736,307</u>

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

LAKE 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

	Wastewater Utility	Internal Service Funds
Operating receipts:		
Flat rate receipts	\$ 140,063	\$ -
Insurance proceeds - employer	-	23,783,706
Insurance proceeds - employee	-	2,679,695
Rental receipts	-	2,606,000
Other	-	302,862
	<u>140,063</u>	<u>29,372,263</u>
Total operating receipts		
Operating disbursements:		
Cost of sales and services	88,360	320,024
Insurance disbursements	-	30,244,818
	<u>88,360</u>	<u>30,564,842</u>
Total operating disbursements		
Excess (deficiency) of operating receipts over operating disbursements	<u>51,703</u>	<u>(1,192,579)</u>
Nonoperating receipts (disbursements):		
Interest and investment receipts	-	140,370
Debt service of principal	-	(1,820,000)
Interest and investment disbursement	-	(780,293)
	<u>-</u>	<u>(2,459,923)</u>
Total nonoperating receipts (disbursements)		
Deficiency of receipts over disbursements and nonoperating receipts (disbursements)	51,703	(3,652,502)
Bond proceeds	-	1,235,000
Transfers in	-	764,456
Transfers out	-	(750,000)
	<u>-</u>	<u>(750,000)</u>
Excess (deficiency) of receipts, bond proceeds and transfers in over disbursements and transfers out	51,703	(2,403,046)
Cash and investment fund balance - beginning	<u>10,961</u>	<u>19,073,588</u>
Cash and investment fund balance - ending	<u>\$ 62,664</u>	<u>\$ 16,670,542</u>
<u>Cash and Investment Assets - December 31</u>		
Cash and investments	\$ 62,664	\$ 16,504,177
Cash with fiscal agent	-	166,365
	<u>\$ 62,664</u>	<u>\$ 16,670,542</u>
Total cash and investment assets - December 31		
<u>Cash and Investment Fund Balance - December 31</u>		
Unrestricted	<u>\$ 62,664</u>	<u>\$ 16,670,542</u>
Total unrestricted cash and investment fund balance - December 31	<u>\$ 62,664</u>	<u>\$ 16,670,542</u>

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

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

	Pension Trust Fund	Private-Purpose Trust Fund	Agency Funds
Additions:			
Contributions:			
Employer	\$ 2,519,098	\$ -	\$ -
Plan members	<u>270,834</u>	<u>-</u>	<u>-</u>
Total contributions	<u>2,789,932</u>	<u>-</u>	<u>-</u>
Investment earnings:			
Interest	<u>1,458,158</u>	<u>897</u>	<u>-</u>
Agency fund additions	<u>-</u>	<u>-</u>	<u>2,473,694,338</u>
Total additions	<u>4,248,090</u>	<u>897</u>	<u>2,473,694,338</u>
Deductions:			
Benefits	2,187,254	-	-
Refunds of contributions	-	897	-
Administrative and general	32,183	-	-
Agency fund deductions	<u>-</u>	<u>-</u>	<u>2,524,919,518</u>
Total deductions	<u>2,219,437</u>	<u>897</u>	<u>2,524,919,518</u>
Deficiency of total additions over total deductions	2,028,653	-	(51,225,180)
Cash and investment fund balance - beginning	<u>21,698,234</u>	<u>35,000</u>	<u>112,137,164</u>
Cash and investment fund balance - ending	<u>\$ 23,726,887</u>	<u>\$ 35,000</u>	<u>\$ 60,911,984</u>

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

LAKE 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, wastewater treatment, redevelopment and housing, and general administrative services.

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

Primary Government:	Lake County
Blended Component Units:	Lake County 2000 Building Corporation Lake County Redevelopment Authority

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

Blended Component Units

A blended component unit is a separate legal entity that meets the component unit criteria. In addition, the blended component unit's governing body is the same or substantially the same as the County's governing body or the component unit provides services entirely to the County. The component unit's funds are blended into those of the County by appropriate fund type to constitute the primary government presentation. The blended component units are presented below:

<u>Component Unit</u>	<u>Description/Inclusion Criteria</u>	<u>Fund Included In</u>
Lake County 2000 Building Corporation (Building Corporation)	The primary government appoints a voting majority of the Building Corporation's board and a financial benefit/burden relationship exists between the County and the Building Corporation. Although it is legally separate from the County, the Building Corporation is reported as if it were a part of the County because it provides services entirely or almost entirely to the County.	Internal Service
Lake County Redevelopment Authority (Redevelopment Authority)	The primary government appoints a voting majority of the Redevelopment Authority's board and a financial benefit/burden relationship exists between the County and the Redevelopment Authority. Although it is legally separate from the County, the Redevelopment Authority is reported as if it were a part of the County because it provides services entirely or almost entirely to the County.	Capital Projects

LAKE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Joint Venture

The County is a participant with Porter and LaPorte Counties in a joint venture to operate the Northwestern Indiana Regional Planning Commission (NIRPC) which was created as a multipurpose area wide planning agency. NIRPC assists with planning economic development, transportation, environmental protection, and comprehensive planning. NIRPC's enabling legislation, Indiana Code 36-7-7, provides that participating counties must provide an annual appropriation at a minimum level of thirty cents per capita. Complete financial statements for NIRPC can be obtained from the Northwestern Indiana Regional Planning Commission office at 6100 Southport Road, Portage, IN 46368.

The County is a participant with the cities and towns in Lake County in a joint venture to operate the Lake County Solid Waste Management District, which was created to assist with recycling and environmental projects. Complete financial statements for Lake County Solid Waste Management District can be obtained from the Lake County Solid Waste Management District Office at 7820 Broadway, Merrillville, IN 46410.

The County is a participant with the State of Indiana, Porter County, certain cities in Lake and Porter Counties, and federal agencies in a joint venture to operate the Regional Development Authority (RDA). The RDA was created to assist in funding and developing of all transportation services including, the Gary/Chicago International Airport expansion and other airport authority projects, commuter transportation districts, rail projects and services, bus project and services, shoreline development projects and activities, and economic development projects. Complete financial statement for the RDA can be obtained from their administrative offices at 9800 Connecticut Drive, Crown Point, IN 46307.

The County is a participant with Porter County and certain cities in Lake and Porter Counties in a joint venture to operate the Regional Bus Authority (RBA), which was created to enhance the quality of life in Northwest Indiana by assuring the availability of a customer responsive regional bus transportation system. Complete financial statements for the RBA can be obtained from their administrative offices at 6100 Southport Road, Portage, IN 46368.

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 board members of the Lake County Public Library and the Lake County Convention and Visitors Bureau.

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.

LAKE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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 welfare family and children fund is a special revenue fund. It accounts for the financial resources of the county which, are restricted for welfare programs.

The County reports the following major proprietary fund:

The wastewater utility fund accounts for the operation of the county's wastewater treatment plant.

Additionally, the County reports the following fund types:

The internal service funds account for group health insurance, workman's compensation, and general liability disbursements provided to other departments on a cost-reimbursement basis.

The pension trust fund accounts for the activities of the sheriff's pension trust and the sheriff's pension funds which accumulate resources for pension benefit payments.

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

Agency funds account for assets held by the County as an agent for federal, state, and other local governmental entities and payroll withholding remittances.

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.

LAKE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the enterprise fund statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

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).

Enterprise funds distinguish operating receipts and disbursements from nonoperating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating receipts of the enterprise funds are charges to customers for sales and services. Operating disbursements for enterprise funds include the cost of sales and services and administrative costs. All receipts and disbursements not meeting this definition are reported as nonoperating receipts and disbursements. Internal service funds are used to account for activities provided to other departments or agencies primarily with the government.

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:

LAKE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

- 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 and producing and delivering goods and/or services. They also include all receipts and disbursements not related to capital and related financing, noncapital financing, or investing activities.

F. Internal and Interfund Balances and Activities

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

Fund Financial Statements

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

LAKE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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 an ordinance, approves the budget for the next year. Copies of the budget ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the County receives approval of the Indiana Department of Local Government Finance.

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

B. 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
Circuit Breaker Debt Service	\$ 641,471
Anti-Bioterrorism	806

Cash and investment deficits arose primarily from disbursements exceeding receipts due to the underestimate of current requirements; these deficits are to be repaid from future receipts.

LAKE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

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

2. Investments

Authorization for investment activity is stated in Indiana Code 5-13. The Sheriff's Merit Board has established an investment policy for the Lake County Police Retirement Plan and Benefit Plan (Plans). This investment policy outlines parameters for investment activity for the Plans. As of December 31, 2006, the County had the following investments:

Investment Type	Primary Government Market Value	Lake County Police Retirement Plan and Benefit Plan Market Value
U.S. treasuries and securities	\$ -	\$ 59,325
Government sponsored enterprise	2,083,707	789,003
Corporate stocks	-	3,690,961
Corporate bonds	-	854,921
Mutual funds	-	16,108,079
Totals	<u>\$ 2,083,707</u>	<u>\$ 21,502,289</u>

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,

LAKE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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 Lake County Police Retirement Plan and Benefit Plan (Plans) are not subject to the same investment laws as the County. The Sheriff's Merit Board has not adopted an investment policy for interest rate and credit risk. The investment policy for the Plans was adopted by the Sheriff's Merit Board on September 7, 1999. Authorized investments include securities (equities and debt) and money market investments.

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The County does not have a formal investment policy for custodial credit risk for investments. At December 31, 2006, the County held investments in Government Securities in the amount of \$2,083,707. Of these investments, \$2,083,707 were held by the counterparty's trust department or agent but not in the County's name.

The Sheriff's Merit Board has not adopted an investment policy for custodial credit risk for investments. At December 31, 2006, the Lake County Police Retirement Plan and Benefit Plan (Plans) held investments in Government Securities, Corporate Equity, Corporate Debt and Mutual Funds in the amount of \$21,502,289. Of these investments \$10,126,207 were held by the counterparty's trust department or agent but not in the Plans' name.

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.

LAKE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Primary Government:

Investment Type	Investment Maturity (in years)  Less Than 1
Government sponsored enterprises	\$ 2,083,707

Lake County Police Retirement Plan and Benefit Plan:

Investment Type	Investment Maturities (in Years)		
	Less Than 1	1-2	More Than 2
U.S. treasuries and securities	\$ -	\$ 19,984	\$ 39,341
Government sponsored enterprises	52,919	160,070	576,014
Mutual funds*	-	-	16,108,079
Corporate stock	-	-	3,690,961
Corporate bonds	14,404	250,651	589,866
Totals	\$ 67,323	\$ 430,705	\$ 21,004,261

Since the mutual fund investments were not disclosed, we were unable to determine a weighted average maturity

Credit Risk

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

Standard and Poor's Rating	Primary Government's Investments  Government Sponsored Enterprise
Unrated	\$ 2,083,707

LAKE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Standard and Poor's Rating	Lake County Police Retirement Plan and Benefit Plan's Investments			
	Mutual Funds	Corporate Bonds	Corporate Stock	Government Sponsored Enterprise
AAA	\$ -	\$ -	\$ -	\$ 646,947
AA	10,126,207	238,149	-	-
A	-	364,167	-	-
BBB	-	59,774	75,000	-
BB	-	-	244,555	-
Unrated	<u>5,981,872</u>	<u>192,831</u>	<u>3,371,406</u>	<u>142,056</u>
Totals	<u>\$ 16,108,079</u>	<u>\$ 854,921</u>	<u>\$ 3,690,961</u>	<u>\$ 789,003</u>

Concentration of Credit Risk

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

The Sheriff's Merit Board has not adopted a policy for the concentration of credit risk. More than 5% of the Lake County Police Retirement Plan and Benefit Plan investments are through Securian Retirement Services, a business unit of Minnesota Life Insurance Company. This investment represents 47% of the total investments.

B. Interfund Transfers

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

Transfer From	Transfer To	2006
General Fund	Other governmental	\$ 280,525
Other governmental	Other governmental	8,053,616
Other governmental	Internal Service	764,456
Internal Service	Other governmental	<u>750,000</u>
Totals		<u>\$ 9,848,597</u>

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

LAKE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

C. Restatements and Reclassifications

For the year ended December 31, 2006, certain changes have been made to the financial statements to more appropriately reflect financial activity of the County. The following schedule presents a summary of restated beginning balances by opinion unit. Fund Reclassification represents the Lake County Voting System Cumulative fund which was reclassified to more accurately reflect the purpose of the fund.

Opinion Unit	Balance as Reported December 31, 2005	Fund Reclassification	Balance as Restated January 1, 2006
Governmental funds	\$ 109,689,835	\$ 1,989,739	\$ 111,679,574
Agency funds	114,126,903	(1,989,739)	112,137,164

IV. Other Information

A. Risk Management

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

The risks of torts; theft of, damage to, and destruction of assets; 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.

Group Health Insurance and Workmen's Compensation

The County has chosen to establish a risk financing fund for risks associated with medical benefits to employees, retirees, and dependents (excluding post employment benefits) and job related illnesses or injuries. The risk financing fund is accounted for in the Health Insurance Reserve 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 \$275,000, but not more than \$2,000,000 per year, per employee. 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. The total charge allocated to each of the funds is calculated upon the percentage of each fund's current payroll, as it relates to total payroll. Provisions are also made for unexpected and unusual claims.

Claim expenditures and liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amounts of pay outs and other economic and social factors.

LAKE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Changes in the balance of claim liabilities during the past two years are as follows:

	2005	2006
Unpaid claims, beginning of fiscal year	\$ 5,263,490	\$ 5,858,375
Incurred claims and changes in estimates	25,375,435	23,632,646
Claim payments	24,780,550	25,932,619
 Unpaid claims, end of fiscal year	 \$ 5,858,375	 \$ 3,558,402

General Liability

The County has chosen to establish a risk financing fund for risks associated with torts, general liability claims, and errors and omissions. The risk financing fund is accounted for in the Nonreverting 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 \$300,000 per incident, up to \$1,000,000 maximum per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. Amounts are paid into the fund by an appropriation in the County Council's General Fund budget and are available to pay claims, claim reserves, and administrative costs of the program.

Claim expenditures and liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amounts of pay outs and other economic and social factors.

Changes in the balance of claim liabilities during the past two years are as follows:

	2005	2006
Unpaid claims, beginning of fiscal year	\$ 2,800,000	\$ 2,300,000
Incurred claims and changes in estimates	3,003,978	5,251,624
Claim payments	3,503,978	4,201,624
 Unpaid claims, end of fiscal year	 \$ 2,300,000	 \$ 3,350,000

Park and Recreation Department

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

Park and Recreation Department's Judgments, Settlements, Claims, and Damages for Uninsured Liability Claims

The County has chosen to establish a risk financing fund for risks associated with the park and recreation department's judgments, settlements, claims, and damages for uninsured liability claims. The risk financing fund is accounted for in the Park and Recreation Self-Insurance Fund, an internal

LAKE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

service fund, where assets are set aside for claim settlements. Amounts are paid into the funds by an appropriation in the Park and Recreation Operating Fund's budget and are available to pay claims, claim reserves, and administrative costs of the program.

Claim expenditures and liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amounts of pay outs and other economic and social factors.

Changes in the balance of claim liabilities during the past two years are as follows:

	2005	2006
Unpaid claims, beginning of fiscal year	\$ 57	\$ -
Incurred claims and changes in estimates	170,186	110,575
Claim payments	170,243	110,575
Unpaid claims, end of fiscal year	\$ -	\$ -

B. Holding Corporation

The County has entered into a capital lease with Lake County 2000 Building Corporation (the lessor), a blended component unit of the government. 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 term of the lease is 12 years with annual lease payments of \$2,512,000 to \$2,618,000. Lease payments during 2006 totaled \$2,606,000. The Building Corporation is a blended component unit as described in Note I. A. and is presented as an internal service fund on the proprietary fund statements and as a governmental fund on the government-wide statements.

C. Subsequent Events

On March 14, 2007, Lake County issued \$18,500,000 in Energy Savings Bonds to finance the costs of construction of energy conservation measures in various Lake County Government buildings. The bonds mature on January 15, 2017.

On April 26, 2007, Lake County issued \$7,000,000 in Park District Bonds of 2007 to finance construction projects at various park sites. The bonds mature on December 31, 2016.

On July 17, 2007, the Lake County Redevelopment Commission issued \$2,940,000 in Redevelopment District Bonds of 2007 to finance the acquisition of property and construction of public improvements and structures. The bonds do not constitute a corporate obligation of the County, but constitute an obligation of the District as a special taxing district, in the name of the County.

Property tax rates and levies were not established by the Indiana Department of Local Government Finance as of February 15, 2007, as required by state statute, due to the continued delay caused by the reassessment of Lake County. As of September 19, 2007, the property tax rates and levies had not yet been established for 2006 pay 2007 property taxes.

LAKE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

D. Postemployment Benefits

In addition to the pension benefits described below, the County provides postemployment health insurance benefits, as authorized by Indiana Code 5-10-8, to all employees who retire from the County with at least 20 years of service and elect to enroll into the program. Currently, 380 retirees meet these eligibility requirements. The monthly premium amount paid by the retirees is determined by the number of years of service and retirees age. For retirees on the single plan, the County provides between 74% and 100% of these postemployment benefits. For retirees on the family plan, the County provides between 76% and 100% of these postemployment benefits. Disbursements for postemployment benefits cannot be reasonably estimated.

E. 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.

F. Rate Structure – Enterprise Fund

Wastewater Utility

The current rate structure was approved by the County Council on December 29, 1998.

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, 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:

LAKE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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.

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.

LAKE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Actuarial Information for the Above Plans

	PERF	County Police Retirement Plan	County Police Benefit Plan
Annual required contribution	\$ 3,339,350	\$ 1,844,052	\$ 547,027
Interest on net pension obligation	(21,049)	(76,199)	-
Adjustment to annual required contribution	23,987	109,402	-
Annual pension cost	3,342,288	1,877,255	547,027
Contributions made	2,707,597	1,972,071	547,027
Increase (decrease) in net pension obligation	634,691	(94,816)	-
Net pension obligation, beginning of year	(290,334)	(1,088,554)	-
Net pension obligation, end of year	\$ 344,357	\$ (1,183,370)	\$ -

	PERF	County Police Retirement Plan	County Police Benefit Plan
Contribution rates:			
County	5.3%	26%	8%
Plan members	3%	6%	None
Actuarial valuation date	07-01-06	01-01-07	01-01-07
Actuarial cost method	Entry age	Frozen Initial Liability	Aggregate
Amortization method	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed	*
Amortization period	40 years	40 years	*
Amortization period (from date)	07-01-97	12-31-97	*
Asset valuation method	4 year smoothed market	75% of expected actuarial value plus 25% of market value	75% of expected actuarial value plus 25% of market value

\*The aggregate cost method does not identify or separately amortize unfunded actuarial liabilities. The actuarial present value of projected benefits of the group in excess of the actuarial value of assets is allocated on a level basis over the basis over the earnings of the group. The effect of this valuation method is to spread all actuarial gains and losses resulting from experience different from that anticipated in our assumptions, over the normal cost to be paid on current and future anniversaries. The purpose of this method is to give a smooth progression of the costs from year to year.

LAKE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Actuarial Assumptions	PERF	County Police Retirement Plan	County Police Benefit Plan
Investment rate of return	7.25%	7%	7%
Projected future salary increases:			
Total	5%	4%	4%
Attributed to inflation	4%	3%	3%
Attributed to merit/seniority	1%	1%	1%
Cost-of-living adjustments	2%	3%	None

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-04	\$ 2,400,836	92%	\$ (640,881)
	06-30-05	2,788,902	87%	(290,334)
	06-30-06	3,342,288	81%	344,357
County Police Retirement Plan	12-31-04	1,459,968	103%	(1,098,283)
	12-31-05	1,592,233	99%	(1,088,554)
	12-31-06	1,877,255	105%	(1,183,370)
County Police Benefit Plan	12-31-04	488,319	100%	-
	12-31-05	519,392	100%	-
	12-31-06	547,027	100%	-

LAKE COUNTY  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-04	\$ 50,793,044	\$ 54,380,711	\$ (3,587,667)	93%	\$ 52,949,900	(7%)
07-01-05	52,715,316	61,639,379	(8,924,063)	86%	52,436,508	(17%)
07-01-06	59,140,086	63,089,796	(3,949,710)	94%	52,202,874	(8%)

County Police Retirement Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-02	\$ 18,626,807	\$ 22,278,453	\$ (3,651,646)	84%	\$ 6,318,977	(58%)
01-01-03	18,414,220	21,763,724	(3,349,504)	85%	6,114,013	(55%)
01-01-04	20,005,163	23,062,964	(3,057,801)	87%	6,455,841	(47%)
01-01-05	17,564,286	20,440,346	(2,876,060)	86%	6,197,724	(46%)
01-01-06	17,114,527	24,641,653	(7,527,126)	69%	6,417,006	(117%)
01-01-07	18,633,434	25,906,572	(7,273,138)	72%	7,025,720	(104%)

LAKE 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	Infraction Deferral Program	County Health	Unsafe Building	Parks and Recreation Operating	County Drug Free Community	NSF Service Fee Charge
<b>Receipts:</b>							
Taxes	\$ -	\$ -	\$ 1,962,644	\$ -	\$ 5,741,885	\$ -	\$ -
Licenses and permits	-	-	188,868	-	-	-	-
Intergovernmental	6,830,775	-	359,892	-	325,781	-	-
Charges for services	-	-	294,529	-	1,991,575	-	-
Fines and forfeits	-	643,865	-	-	-	381,249	3,320
Other	61,216	33	1,281	113,391	15,793	21,668	50
<b>Total receipts</b>	<b>6,891,991</b>	<b>643,898</b>	<b>2,807,214</b>	<b>113,391</b>	<b>8,075,034</b>	<b>402,917</b>	<b>3,370</b>
<b>Disbursements:</b>							
General government	-	688,038	-	-	-	-	428
Public safety	-	-	-	-	-	436,387	-
Highways and streets	6,338,627	-	-	-	-	-	-
Health and welfare	-	-	2,074,258	-	-	-	-
Culture and recreation	-	-	-	-	7,058,338	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
<b>Debt service:</b>							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
<b>Capital outlay:</b>							
General government	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>6,338,627</b>	<b>688,038</b>	<b>2,074,258</b>	<b>-</b>	<b>7,058,338</b>	<b>436,387</b>	<b>428</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>553,364</b>	<b>(44,140)</b>	<b>732,956</b>	<b>113,391</b>	<b>1,016,696</b>	<b>(33,470)</b>	<b>2,942</b>
<b>Other financing sources (uses):</b>							
Bond proceeds	-	-	-	-	-	-	-
Interfund loans received	-	-	-	-	-	-	-
Interfund loans repaid	-	-	-	-	(3,000,000)	-	-
Transfers in	-	-	-	-	429,678	-	-
Transfers out	-	-	(514,943)	-	(97,050)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(514,943)</b>	<b>-</b>	<b>(2,667,372)</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>553,364</b>	<b>(44,140)</b>	<b>218,013</b>	<b>113,391</b>	<b>(1,650,676)</b>	<b>(33,470)</b>	<b>2,942</b>
<b>Cash and investment fund balance - beginning</b>	<b>2,406,890</b>	<b>955,357</b>	<b>1,766,200</b>	<b>47,600</b>	<b>2,472,439</b>	<b>345,023</b>	<b>22,368</b>
<b>Cash and investment fund balance - ending</b>	<b>\$ 2,960,254</b>	<b>\$ 911,217</b>	<b>\$ 1,984,213</b>	<b>\$ 160,991</b>	<b>\$ 821,763</b>	<b>\$ 311,553</b>	<b>\$ 25,310</b>
<b><u>Cash and Investment Assets - December 31</u></b>							
Cash and investments	\$ -	\$ 911,217	\$ -	\$ -	\$ 821,763	\$ -	\$ 25,310
<b>Restricted assets:</b>							
Cash and investments	2,960,254	-	1,984,213	160,991	-	311,553	-
<b>Total cash and investment assets - December 31</b>	<b>\$ 2,960,254</b>	<b>\$ 911,217</b>	<b>\$ 1,984,213</b>	<b>\$ 160,991</b>	<b>\$ 821,763</b>	<b>\$ 311,553</b>	<b>\$ 25,310</b>
<b><u>Cash and Investment Fund Balance - December 31</u></b>							
<b>Restricted for:</b>							
Public safety	\$ -	\$ -	\$ -	\$ 160,991	\$ -	\$ 311,553	\$ -
Highways and streets	2,960,254	-	-	-	-	-	-
Health and welfare	-	-	1,984,213	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-
Unrestricted	-	911,217	-	-	821,763	-	25,310
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 2,960,254</b>	<b>\$ 911,217</b>	<b>\$ 1,984,213</b>	<b>\$ 160,991</b>	<b>\$ 821,763</b>	<b>\$ 311,553</b>	<b>\$ 25,310</b>

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

	Local Road and Street	Park Nonreverting Operating	Park Gift	Inmate Medical Fees	Sheriff's Commissary	Accident Report	Firearms Training
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	13,430
Intergovernmental	867,531	-	-	-	-	-	-
Charges for services	-	2,793,810	-	3,243	1,333,176	12,896	240
Fines and forfeits	-	-	-	-	-	-	-
Other	23,256	785	2,650	-	-	-	-
<b>Total receipts</b>	<b>890,787</b>	<b>2,794,595</b>	<b>2,650</b>	<b>3,243</b>	<b>1,333,176</b>	<b>12,896</b>	<b>13,670</b>
Disbursements:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	7,912	1,390,877	-	20,290
Highways and streets	661,897	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	3,219,588	1,444	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>661,897</b>	<b>3,219,588</b>	<b>1,444</b>	<b>7,912</b>	<b>1,390,877</b>	<b>-</b>	<b>20,290</b>
Excess (deficiency) of receipts over disbursements	228,890	(424,993)	1,206	(4,669)	(57,701)	12,896	(6,620)
Other financing sources (uses):							
Bond proceeds	-	-	-	-	-	-	-
Interfund loans received	-	500,000	-	-	-	-	-
Interfund loans repaid	-	(500,000)	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</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	228,890	(424,993)	1,206	(4,669)	(57,701)	12,896	(6,620)
Cash and investment fund balance - beginning	2,342,491	531,814	45,193	6,013	419,558	56,449	14,468
Cash and investment fund balance - ending	<u>\$ 2,571,381</u>	<u>\$ 106,821</u>	<u>\$ 46,399</u>	<u>\$ 1,344</u>	<u>\$ 361,857</u>	<u>\$ 69,345</u>	<u>\$ 7,848</u>
<b>Cash and Investment Assets - December 31</b>							
Cash and investments	\$ -	\$ 106,821	\$ 46,399	\$ 1,344	\$ 361,857	\$ 69,345	\$ -
Restricted assets:							
Cash and investments	2,571,381	-	-	-	-	-	7,848
<b>Total cash and investment assets - December 31</b>	<u>\$ 2,571,381</u>	<u>\$ 106,821</u>	<u>\$ 46,399</u>	<u>\$ 1,344</u>	<u>\$ 361,857</u>	<u>\$ 69,345</u>	<u>\$ 7,848</u>
<b>Cash and Investment Fund Balance - December 31</b>							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,848
Highways and streets	2,571,381	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-
Unrestricted	-	106,821	46,399	1,344	361,857	69,345	-
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 2,571,381</u>	<u>\$ 106,821</u>	<u>\$ 46,399</u>	<u>\$ 1,344</u>	<u>\$ 361,857</u>	<u>\$ 69,345</u>	<u>\$ 7,848</u>

LAKE 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)

	State Drunk Driving Fees	Elderly Abuse Program	Nonreverting Operating Fairgrounds	1999 Reassessment	Pretrial Diversion	Community Corrections Fair Share	Community Corrections
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	2,500	150,403	-	-	-	-	1,808,460
Charges for services	-	-	59,946	-	-	317,473	-
Fines and forfeits	-	-	-	-	122,877	-	-
Other	-	-	212	-	-	18,821	-
<b>Total receipts</b>	<b>2,500</b>	<b>150,403</b>	<b>60,158</b>	<b>-</b>	<b>122,877</b>	<b>336,294</b>	<b>1,808,460</b>
Disbursements:							
General government	-	-	-	-	82,020	-	-
Public safety	1,590	152,591	-	-	-	3,220	2,271,251
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	44,449	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>1,590</b>	<b>152,591</b>	<b>44,449</b>	<b>-</b>	<b>82,020</b>	<b>3,220</b>	<b>2,271,251</b>
Excess (deficiency) of receipts over disbursements	910	(2,188)	15,709	-	40,857	333,074	(462,791)
Other financing sources (uses):							
Bond proceeds	-	-	-	-	-	-	-
Interfund loans received	-	-	-	-	-	-	-
Interfund loans repaid	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	100,000	385,000
Transfers out	-	-	-	-	-	(405,000)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(305,000)</b>	<b>385,000</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	910	(2,188)	15,709	-	40,857	28,074	(77,791)
Cash and investment fund balance - beginning	16,921	36,995	14,818	1,041	518,478	320,047	163,198
Cash and investment fund balance - ending	\$ 17,831	\$ 34,807	\$ 30,527	\$ 1,041	\$ 559,335	\$ 348,121	\$ 85,407
<b>Cash and Investment Assets - December 31</b>							
Cash and investments	\$ -	\$ -	\$ 30,527	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	17,831	34,807	-	1,041	559,335	348,121	85,407
<b>Total cash and investment assets - December 31</b>	<b>\$ 17,831</b>	<b>\$ 34,807</b>	<b>\$ 30,527</b>	<b>\$ 1,041</b>	<b>\$ 559,335</b>	<b>\$ 348,121</b>	<b>\$ 85,407</b>
<b>Cash and Investment Fund Balance - December 31</b>							
Restricted for:							
Public safety	\$ 17,831	\$ 34,807	\$ -	\$ -	\$ -	\$ 348,121	\$ 85,407
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Other purposes	-	-	-	1,041	559,335	-	-
Unrestricted	-	-	30,527	-	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 17,831</b>	<b>\$ 34,807</b>	<b>\$ 30,527</b>	<b>\$ 1,041</b>	<b>\$ 559,335</b>	<b>\$ 348,121</b>	<b>\$ 85,407</b>

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

	Nonreverting RICO Seizure	DAG 71 Prosecutor's Nonreverting Federal	Supplemental Adult Probation Services	Supplemental Juvenile Probation Services	Nonreverting Property Seizure	Sheriff's Law Enforcement Continuing Education	Misdemeanant Jail Housing
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	815,127
Charges for services	-	-	738,597	38,488	-	-	-
Fines and forfeits	31,595	73,508	-	-	365,370	-	-
Other	12,369	-	2	1,578	339	-	-
<b>Total receipts</b>	<b>43,964</b>	<b>73,508</b>	<b>738,599</b>	<b>40,066</b>	<b>365,709</b>	<b>-</b>	<b>815,127</b>
Disbursements:							
General government	-	-	-	-	-	-	-
Public safety	93,433	60,626	539,413	12,704	318,354	-	736,556
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>93,433</b>	<b>60,626</b>	<b>539,413</b>	<b>12,704</b>	<b>318,354</b>	<b>-</b>	<b>736,556</b>
Excess (deficiency) of receipts over disbursements	(49,469)	12,882	199,186	27,362	47,355	-	78,571
Other financing sources (uses):							
Bond proceeds	-	-	-	-	-	-	-
Interfund loans received	-	-	-	-	-	-	-
Interfund loans repaid	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(69,600)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(69,600)</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(49,469)	12,882	199,186	27,362	(22,245)	-	78,571
Cash and investment fund balance - beginning	485,796	65,481	1,527,868	194,155	775,948	131	404,589
Cash and investment fund balance - ending	\$ 436,327	\$ 78,363	\$ 1,727,054	\$ 221,517	\$ 753,703	\$ 131	\$ 483,160
<b>Cash and Investment Assets - December 31</b>							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 753,703	\$ -	\$ 483,160
Restricted assets:							
Cash and investments	436,327	78,363	1,727,054	221,517	-	131	-
<b>Total cash and investment assets - December 31</b>	<b>\$ 436,327</b>	<b>\$ 78,363</b>	<b>\$ 1,727,054</b>	<b>\$ 221,517</b>	<b>\$ 753,703</b>	<b>\$ 131</b>	<b>\$ 483,160</b>
<b>Cash and Investment Fund Balance - December 31</b>							
Restricted for:							
Public safety	\$ 436,327	\$ 78,363	\$ 1,727,054	\$ 221,517	\$ -	\$ 131	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	753,703	-	483,160
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 436,327</b>	<b>\$ 78,363</b>	<b>\$ 1,727,054</b>	<b>\$ 221,517</b>	<b>\$ 753,703</b>	<b>\$ 131</b>	<b>\$ 483,160</b>

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

	Health Maintenance	Sheriff's Alarms, Permits, and Fines	Spay and Neuter Assistance Program	Juvenile Home Detention Grant	Juvenile Home Detention Project Income	Lake County Animal Shelter Nonreverting	Surveyor's Corner Perpetuation
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	38,549	-	-	250,965	-	-	-
Charges for services	-	-	16,587	-	6,358	-	128,830
Fines and forfeits	-	9,990	-	-	-	-	-
Other	-	-	-	-	-	2,377	-
<b>Total receipts</b>	<b>38,549</b>	<b>9,990</b>	<b>16,587</b>	<b>250,965</b>	<b>6,358</b>	<b>2,377</b>	<b>128,830</b>
Disbursements:							
General government	-	-	23,853	-	-	-	134,053
Public safety	-	15,674	-	288,602	36	13,112	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	16,749	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>16,749</b>	<b>15,674</b>	<b>23,853</b>	<b>288,602</b>	<b>36</b>	<b>13,112</b>	<b>134,053</b>
Excess (deficiency) of receipts over disbursements	<b>21,800</b>	<b>(5,684)</b>	<b>(7,266)</b>	<b>(37,637)</b>	<b>6,322</b>	<b>(10,735)</b>	<b>(5,223)</b>
Other financing sources (uses):							
Bond proceeds	-	-	-	-	-	-	-
Interfund loans received	-	-	-	-	-	-	-
Interfund loans repaid	-	-	-	-	-	-	-
Transfers in	-	-	-	20,000	105,000	-	-
Transfers out	-	-	-	(105,000)	(100,000)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(85,000)</b>	<b>5,000</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<b>21,800</b>	<b>(5,684)</b>	<b>(7,266)</b>	<b>(122,637)</b>	<b>11,322</b>	<b>(10,735)</b>	<b>(5,223)</b>
Cash and investment fund balance - beginning	<b>105,548</b>	<b>21,993</b>	<b>19,761</b>	<b>222,989</b>	<b>12,138</b>	<b>12,732</b>	<b>256,456</b>
Cash and investment fund balance - ending	<b>\$ 127,348</b>	<b>\$ 16,309</b>	<b>\$ 12,495</b>	<b>\$ 100,352</b>	<b>\$ 23,460</b>	<b>\$ 1,997</b>	<b>\$ 251,233</b>
<b><u>Cash and Investment Assets - December 31</u></b>							
Cash and investments	\$ -	\$ 16,309	\$ 12,495	\$ -	\$ -	\$ 1,997	\$ -
Restricted assets:							
Cash and investments	127,348	-	-	100,352	23,460	-	251,233
<b>Total cash and investment assets - December 31</b>	<b>\$ 127,348</b>	<b>\$ 16,309</b>	<b>\$ 12,495</b>	<b>\$ 100,352</b>	<b>\$ 23,460</b>	<b>\$ 1,997</b>	<b>\$ 251,233</b>
<b><u>Cash and Investment Fund Balance - December 31</u></b>							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ 100,352	\$ 23,460	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	127,348	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	251,233
Unrestricted	-	16,309	12,495	-	-	1,997	-
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 127,348</b>	<b>\$ 16,309</b>	<b>\$ 12,495</b>	<b>\$ 100,352</b>	<b>\$ 23,460</b>	<b>\$ 1,997</b>	<b>\$ 251,233</b>

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

	Community Development Administration	Community Development County Home Program	Community Development Cities and Towns	Community Development Rehabilitation	Community Development REMP	Community Development FMHA	Recorder's Records Perpetuation
<b>Receipts:</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	321,184	1,592,856	1,501,810	702,573	-	-	-
Charges for services	-	-	-	-	-	-	555,418
Fines and forfeits	-	-	-	-	-	-	-
Other	124,871	231,995	-	110,459	8,599	-	65
<b>Total receipts</b>	<b>446,055</b>	<b>1,824,851</b>	<b>1,501,810</b>	<b>813,032</b>	<b>8,599</b>	<b>-</b>	<b>555,483</b>
<b>Disbursements:</b>							
General government	-	-	-	-	-	-	599,125
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	440,878	1,831,176	1,501,810	810,467	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>440,878</b>	<b>1,831,176</b>	<b>1,501,810</b>	<b>810,467</b>	<b>-</b>	<b>-</b>	<b>599,125</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>5,177</b>	<b>(6,325)</b>	<b>-</b>	<b>2,565</b>	<b>8,599</b>	<b>-</b>	<b>(43,642)</b>
<b>Other financing sources (uses):</b>							
Bond proceeds	-	-	-	-	-	-	-
Interfund loans received	-	-	-	400,000	-	-	-
Interfund loans repaid	-	-	-	(400,000)	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<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</b>	<b>5,177</b>	<b>(6,325)</b>	<b>-</b>	<b>2,565</b>	<b>8,599</b>	<b>-</b>	<b>(43,642)</b>
Cash and investment fund balance - beginning	-	15,317	-	462	312,849	45,238	446,178
Cash and investment fund balance - ending	\$ 5,177	\$ 8,992	\$ -	\$ 3,027	\$ 321,448	\$ 45,238	\$ 402,536
<b>Cash and Investment Assets - December 31</b>							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 321,448	\$ 45,238	\$ -
Restricted assets:							
Cash and investments	5,177	8,992	-	3,027	-	-	402,536
<b>Total cash and investment assets - December 31</b>	<b>\$ 5,177</b>	<b>\$ 8,992</b>	<b>\$ -</b>	<b>\$ 3,027</b>	<b>\$ 321,448</b>	<b>\$ 45,238</b>	<b>\$ 402,536</b>
<b>Cash and Investment Fund Balance - December 31</b>							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	5,177	8,992	-	3,027	-	-	-
Debt service	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	402,536
Unrestricted	-	-	-	-	321,448	45,238	-
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 5,177</b>	<b>\$ 8,992</b>	<b>\$ -</b>	<b>\$ 3,027</b>	<b>\$ 321,448</b>	<b>\$ 45,238</b>	<b>\$ 402,536</b>

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

	County Economic Revolving Loan	Nonreverting Sheriff's Federal Forfeiture	County Multi-Agency Task Force	Highway Safety Project Grant	State and County Nonreverting Fund (Sheriff)	Hazardous Substance Response Training	Special Vehicle Inspection
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	447,146	-	-	20,683	-
Charges for services	-	-	-	-	-	-	1,385
Fines and forfeits	-	-	-	-	-	-	-
Other	138,913	-	66	-	-	2,414	-
<b>Total receipts</b>	<b>138,913</b>	<b>-</b>	<b>447,212</b>	<b>-</b>	<b>-</b>	<b>23,097</b>	<b>1,385</b>
Disbursements:							
General government	-	-	-	-	-	-	-
Public safety	-	202,176	541,462	-	4,430	10,070	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>202,176</b>	<b>541,462</b>	<b>-</b>	<b>4,430</b>	<b>10,070</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	138,913	(202,176)	(94,250)	-	(4,430)	13,027	1,385
Other financing sources (uses):							
Bond proceeds	-	-	-	-	-	-	-
Interfund loans received	-	-	-	-	-	-	-
Interfund loans repaid	-	-	-	-	-	-	-
Transfers in	-	-	69,600	-	-	-	-
Transfers out	-	-	-	(240)	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>69,600</b>	<b>(240)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	138,913	(202,176)	(24,650)	(240)	(4,430)	13,027	1,385
Cash and investment fund balance - beginning	363,449	210,814	122,523	240	9,425	107,802	16,764
Cash and investment fund balance - ending	\$ 502,362	\$ 8,638	\$ 97,873	\$ -	\$ 4,995	\$ 120,829	\$ 18,149
<b>Cash and Investment Assets - December 31</b>							
Cash and investments	\$ 502,362	\$ -	\$ -	\$ -	\$ 4,995	\$ -	\$ 18,149
Restricted assets:							
Cash and investments	-	8,638	97,873	-	-	120,829	-
<b>Total cash and investment assets - December 31</b>	<b>\$ 502,362</b>	<b>\$ 8,638</b>	<b>\$ 97,873</b>	<b>\$ -</b>	<b>\$ 4,995</b>	<b>\$ 120,829</b>	<b>\$ 18,149</b>
<b>Cash and Investment Fund Balance - December 31</b>							
Restricted for:							
Public safety	\$ -	\$ 8,638	\$ 97,873	\$ -	\$ -	\$ 120,829	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-
Unrestricted	502,362	-	-	-	4,995	-	18,149
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 502,362</b>	<b>\$ 8,638</b>	<b>\$ 97,873</b>	<b>\$ -</b>	<b>\$ 4,995</b>	<b>\$ 120,829</b>	<b>\$ 18,149</b>

LAKE 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)

	CDBG Recapture Loans	Public Works Tax Incentive	Auditor's Tax Incentive	Clerk's Record Perpetuation	Gambling Admission Tax Fund	Emergency Telephone System	Lake County HIDTA
<b>Receipts:</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	10,134,019	1,249,906	2,993,755
Charges for services	-	-	42,362	100,017	-	1,030,492	-
Fines and forfeits	-	-	-	-	-	-	-
Other	49,857	-	8,601	-	259,854	17,404	2,053
<b>Total receipts</b>	<b>49,857</b>	<b>-</b>	<b>50,963</b>	<b>100,017</b>	<b>10,393,873</b>	<b>2,297,802</b>	<b>2,995,808</b>
<b>Disbursements:</b>							
General government	-	-	86,191	116,777	10,209,027	-	-
Public safety	-	-	-	-	-	1,947,713	3,049,997
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	25,204	-	-
Interest	-	-	-	-	15,593	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>-</b>	<b>86,191</b>	<b>116,777</b>	<b>10,249,824</b>	<b>1,947,713</b>	<b>3,049,997</b>
Excess (deficiency) of receipts over disbursements	49,857	-	(35,228)	(16,760)	144,049	350,089	(54,189)
<b>Other financing sources (uses):</b>							
Bond proceeds	-	-	-	-	-	-	-
Interfund loans received	400,000	-	-	-	947,700	-	-
Interfund loans repaid	(400,000)	-	-	-	(947,700)	-	-
Transfers in	-	-	240	-	-	-	3,019
Transfers out	-	-	-	-	(839,927)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>240</b>	<b>-</b>	<b>(839,927)</b>	<b>-</b>	<b>3,019</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	49,857	-	(34,988)	(16,760)	(695,878)	350,089	(51,170)
Cash and investment fund balance - beginning	475,507	7	117,018	184,177	3,950,442	2,607,241	71,062
Cash and investment fund balance - ending	\$ 525,364	\$ 7	\$ 82,030	\$ 167,417	\$ 3,254,564	\$ 2,957,330	\$ 19,892
<b>Cash and Investment Assets - December 31</b>							
Cash and investments	\$ 525,364	\$ 7	\$ 82,030	\$ -	\$ 3,254,564	\$ 2,957,330	\$ -
Restricted assets:							
Cash and investments	-	-	-	167,417	-	-	19,892
<b>Total cash and investment assets - December 31</b>	<b>\$ 525,364</b>	<b>\$ 7</b>	<b>\$ 82,030</b>	<b>\$ 167,417</b>	<b>\$ 3,254,564</b>	<b>\$ 2,957,330</b>	<b>\$ 19,892</b>
<b>Cash and Investment Fund Balance - December 31</b>							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,892
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Other purposes	-	-	-	167,417	-	-	-
Unrestricted	525,364	7	82,030	-	3,254,564	2,957,330	-
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 525,364</b>	<b>\$ 7</b>	<b>\$ 82,030</b>	<b>\$ 167,417</b>	<b>\$ 3,254,564</b>	<b>\$ 2,957,330</b>	<b>\$ 19,892</b>

LAKE 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)

	Storm Water Maintenance Sediment and Control	Campaign Finance Enforcement	Division III Addiction Abuse	Jury Fees	Combined Task Force/HIDTA RICO Forfeiture	Combined Task Force IN-REM Forfeiture	County Police DARE
<b>Receipts:</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	133	-	-
Charges for services	33,125	-	928	-	-	-	-
Fines and forfeits	-	1,870	11,115	100,270	-	-	-
Other	-	-	-	469	-	-	11,987
<b>Total receipts</b>	<b>33,125</b>	<b>1,870</b>	<b>12,043</b>	<b>100,739</b>	<b>133</b>	<b>-</b>	<b>11,987</b>
<b>Disbursements:</b>							
General government	-	-	17,966	144,211	-	-	-
Public safety	25,455	-	-	-	2,226	143	13,780
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>25,455</b>	<b>-</b>	<b>17,966</b>	<b>144,211</b>	<b>2,226</b>	<b>143</b>	<b>13,780</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>7,670</b>	<b>1,870</b>	<b>(5,923)</b>	<b>(43,472)</b>	<b>(2,093)</b>	<b>(143)</b>	<b>(1,793)</b>
<b>Other financing sources (uses):</b>							
Bond proceeds	-	-	-	-	-	-	-
Interfund loans received	-	-	-	-	-	-	-
Interfund loans repaid	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<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</b>	<b>7,670</b>	<b>1,870</b>	<b>(5,923)</b>	<b>(43,472)</b>	<b>(2,093)</b>	<b>(143)</b>	<b>(1,793)</b>
Cash and investment fund balance - beginning	5,658	23,856	41,839	67,885	14,301	23,004	5,479
Cash and investment fund balance - ending	\$ 13,328	\$ 25,726	\$ 35,916	\$ 24,413	\$ 12,208	\$ 22,861	\$ 3,686
<b>Cash and Investment Assets - December 31</b>							
Cash and investments	\$ 13,328	\$ -	\$ 35,916	\$ -	\$ 12,208	\$ 22,861	\$ 3,686
Restricted assets:							
Cash and investments	-	25,726	-	24,413	-	-	-
<b>Total cash and investment assets - December 31</b>	<b>\$ 13,328</b>	<b>\$ 25,726</b>	<b>\$ 35,916</b>	<b>\$ 24,413</b>	<b>\$ 12,208</b>	<b>\$ 22,861</b>	<b>\$ 3,686</b>
<b>Cash and Investment Fund Balance - December 31</b>							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Other purposes	-	25,726	-	24,413	-	-	-
Unrestricted	13,328	-	35,916	-	12,208	22,861	3,686
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 13,328</b>	<b>\$ 25,726</b>	<b>\$ 35,916</b>	<b>\$ 24,413</b>	<b>\$ 12,208</b>	<b>\$ 22,861</b>	<b>\$ 3,686</b>

LAKE 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)

	Division I LADOS	Division II LADOS	County Child Advocacy	Division III Defensive Driving Fee Nonreverting	Court Improvement Grant	Local Rd and St 5% Riverboat Nonreverting Gambling	2002 Reassessment
<b>Receipts:</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	50	6,960	-	-	-
Fines and forfeits	170,368	178,197	-	-	-	-	-
Other	1,197	1,197	400	-	-	-	-
<b>Total receipts</b>	<b>171,565</b>	<b>179,394</b>	<b>450</b>	<b>6,960</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>							
General government	149,640	159,689	-	-	-	-	2,538,637
Public safety	-	-	-	8,202	-	-	-
Highways and streets	-	-	-	-	-	438,467	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>149,640</b>	<b>159,689</b>	<b>-</b>	<b>8,202</b>	<b>-</b>	<b>438,467</b>	<b>2,538,637</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>21,925</b>	<b>19,705</b>	<b>450</b>	<b>(1,242)</b>	<b>-</b>	<b>(438,467)</b>	<b>(2,538,637)</b>
<b>Other financing sources (uses):</b>							
Bond proceeds	-	-	-	-	-	-	-
Interfund loans received	-	-	-	-	-	-	-
Interfund loans repaid	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	422,679	2,439,595
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>422,679</b>	<b>2,439,595</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>21,925</b>	<b>19,705</b>	<b>450</b>	<b>(1,242)</b>	<b>-</b>	<b>(15,788)</b>	<b>(99,042)</b>
<b>Cash and investment fund balance - beginning</b>	<b>99,079</b>	<b>106,235</b>	<b>6,685</b>	<b>21,516</b>	<b>78</b>	<b>289,900</b>	<b>196,205</b>
<b>Cash and investment fund balance - ending</b>	<b>\$ 121,004</b>	<b>\$ 125,940</b>	<b>\$ 7,135</b>	<b>\$ 20,274</b>	<b>\$ 78</b>	<b>\$ 274,112</b>	<b>\$ 97,163</b>
<b><u>Cash and Investment Assets - December 31</u></b>							
Cash and investments	\$ -	\$ -	\$ -	\$ 20,274	\$ -	\$ 274,112	\$ -
Restricted assets:							
Cash and investments	121,004	125,940	7,135	-	78	-	97,163
<b>Total cash and investment assets - December 31</b>	<b>\$ 121,004</b>	<b>\$ 125,940</b>	<b>\$ 7,135</b>	<b>\$ 20,274</b>	<b>\$ 78</b>	<b>\$ 274,112</b>	<b>\$ 97,163</b>
<b><u>Cash and Investment Fund Balance - December 31</u></b>							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Other purposes	121,004	125,940	7,135	-	78	-	97,163
Unrestricted	-	-	-	20,274	-	274,112	-
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 121,004</b>	<b>\$ 125,940</b>	<b>\$ 7,135</b>	<b>\$ 20,274</b>	<b>\$ 78</b>	<b>\$ 274,112</b>	<b>\$ 97,163</b>

LAKE 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)

	JAIBG Block Grant	Lake County CASA Program Grant	Domestic Relations Counseling	Nonreverting Delinquent Collection Fees	2005 Reassessment	Local Law Enforcement Grant	Sheriff's Grants
<b>Receipts:</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,907,771	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	51,098	-	-	-	102,216	-	39,286
Charges for services	-	-	5,621	-	-	-	-
Fines and forfeits	-	-	-	29,289	-	-	-
Other	-	-	30,520	-	-	-	-
<b>Total receipts</b>	<b>51,098</b>	<b>-</b>	<b>36,141</b>	<b>29,289</b>	<b>2,009,987</b>	<b>-</b>	<b>39,286</b>
<b>Disbursements:</b>							
General government	-	-	31,437	29,438	250,212	-	-
Public safety	68,448	-	-	-	-	-	24,898
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>68,448</b>	<b>-</b>	<b>31,437</b>	<b>29,438</b>	<b>250,212</b>	<b>-</b>	<b>24,898</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(17,350)</b>	<b>-</b>	<b>4,704</b>	<b>(149)</b>	<b>1,759,775</b>	<b>-</b>	<b>14,388</b>
<b>Other financing sources (uses):</b>							
Bond proceeds	-	-	-	-	-	-	-
Interfund loans received	-	-	-	-	-	-	-
Interfund loans repaid	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(2,439,595)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,439,595)</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(17,350)</b>	<b>-</b>	<b>4,704</b>	<b>(149)</b>	<b>(679,820)</b>	<b>-</b>	<b>14,388</b>
<b>Cash and investment fund balance - beginning</b>	<b>22,368</b>	<b>1,790</b>	<b>42,595</b>	<b>484</b>	<b>6,355,594</b>	<b>408</b>	<b>3,718</b>
<b>Cash and investment fund balance - ending</b>	<b>\$ 5,018</b>	<b>\$ 1,790</b>	<b>\$ 47,299</b>	<b>\$ 335</b>	<b>\$ 5,675,774</b>	<b>\$ 408</b>	<b>\$ 18,106</b>
<b><u>Cash and Investment Assets - December 31</u></b>							
Cash and investments	\$ -	\$ -	\$ 47,299	\$ 335	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	5,018	1,790	-	-	5,675,774	408	18,106
<b>Total cash and investment assets - December 31</b>	<b>\$ 5,018</b>	<b>\$ 1,790</b>	<b>\$ 47,299</b>	<b>\$ 335</b>	<b>\$ 5,675,774</b>	<b>\$ 408</b>	<b>\$ 18,106</b>
<b><u>Cash and Investment Fund Balance - December 31</u></b>							
Restricted for:							
Public safety	\$ 5,018	\$ -	\$ -	\$ -	\$ -	\$ 408	\$ 18,106
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Other purposes	-	1,790	-	-	5,675,774	-	-
Unrestricted	-	-	47,299	335	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 5,018</b>	<b>\$ 1,790</b>	<b>\$ 47,299</b>	<b>\$ 335</b>	<b>\$ 5,675,774</b>	<b>\$ 408</b>	<b>\$ 18,106</b>

LAKE 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)

	Rainy Day	Emergency Planning Subgrant	Commissioner's Incentive	Children Psychiatric Treatment	Adult Probation Administration	Juvenile Probation Administration	Sheriff's Community Foundation
<b>Receipts:</b>							
Taxes	\$ -	\$ -	\$ -	\$ 2,983,464	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	27,030	-	-	-
Charges for services	-	-	-	-	167,875	66,755	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	-	42,122	84,041	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>-</b>	<b>42,122</b>	<b>3,094,535</b>	<b>167,875</b>	<b>66,755</b>	<b>-</b>
<b>Disbursements:</b>							
General government	899,575	-	16,423	457,911	-	-	-
Public safety	-	-	-	-	129,392	32,873	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>899,575</b>	<b>-</b>	<b>16,423</b>	<b>457,911</b>	<b>129,392</b>	<b>32,873</b>	<b>-</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(899,575)</b>	<b>-</b>	<b>25,699</b>	<b>2,636,624</b>	<b>38,483</b>	<b>33,882</b>	<b>-</b>
<b>Other financing sources (uses):</b>							
Bond proceeds	-	-	-	-	-	-	-
Interfund loans received	-	-	-	-	-	-	-
Interfund loans repaid	-	-	-	-	-	-	-
Transfers in	1,000,000	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>1,000,000</b>	<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</b>	<b>100,425</b>	<b>-</b>	<b>25,699</b>	<b>2,636,624</b>	<b>38,483</b>	<b>33,882</b>	<b>-</b>
<b>Cash and investment fund balance - beginning</b>	<b>139,290</b>	<b>29</b>	<b>133,022</b>	<b>4,145,601</b>	<b>90,125</b>	<b>54,986</b>	<b>2,705</b>
<b>Cash and investment fund balance - ending</b>	<b>\$ 239,715</b>	<b>\$ 29</b>	<b>\$ 158,721</b>	<b>\$ 6,782,225</b>	<b>\$ 128,608</b>	<b>\$ 88,868</b>	<b>\$ 2,705</b>
<b>Cash and Investment Assets - December 31</b>							
Cash and investments	\$ 239,715	\$ -	\$ 158,721	\$ -	\$ 128,608	\$ 88,868	\$ 2,705
Restricted assets:							
Cash and investments	-	29	-	6,782,225	-	-	-
<b>Total cash and investment assets - December 31</b>	<b>\$ 239,715</b>	<b>\$ 29</b>	<b>\$ 158,721</b>	<b>\$ 6,782,225</b>	<b>\$ 128,608</b>	<b>\$ 88,868</b>	<b>\$ 2,705</b>
<b>Cash and Investment Fund Balance - December 31</b>							
Restricted for:							
Public safety	\$ -	\$ 29	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Other purposes	-	-	-	6,782,225	-	-	-
Unrestricted	239,715	-	158,721	-	128,608	88,868	2,705
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 239,715</b>	<b>\$ 29</b>	<b>\$ 158,721</b>	<b>\$ 6,782,225</b>	<b>\$ 128,608</b>	<b>\$ 88,868</b>	<b>\$ 2,705</b>

LAKE 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)

	Homeland Security Grant	Surveyor's Electronic Mapping	RBA Nonreverting	Family Court Initiative Grant	Anti-Bioterrorism	Weights and Measures User Fees	Website Maintenance
<b>Receipts:</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	59,340	-
Intergovernmental	223,561	-	-	9,000	32,060	-	-
Charges for services	-	30,724	-	-	-	-	173,133
Fines and forfeits	-	-	-	-	-	-	-
Other	-	-	148,000	-	-	-	-
<b>Total receipts</b>	<b>223,561</b>	<b>30,724</b>	<b>148,000</b>	<b>9,000</b>	<b>32,060</b>	<b>59,340</b>	<b>173,133</b>
<b>Disbursements:</b>							
General government	-	35,970	359,970	37,541	-	40,776	94,000
Public safety	304,076	-	-	-	46,846	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>304,076</b>	<b>35,970</b>	<b>359,970</b>	<b>37,541</b>	<b>46,846</b>	<b>40,776</b>	<b>94,000</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(80,515)</b>	<b>(5,246)</b>	<b>(211,970)</b>	<b>(28,541)</b>	<b>(14,786)</b>	<b>18,564</b>	<b>79,133</b>
<b>Other financing sources (uses):</b>							
Bond proceeds	-	-	-	-	-	-	-
Interfund loans received	-	-	-	-	-	-	-
Interfund loans repaid	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<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</b>	<b>(80,515)</b>	<b>(5,246)</b>	<b>(211,970)</b>	<b>(28,541)</b>	<b>(14,786)</b>	<b>18,564</b>	<b>79,133</b>
Cash and investment fund balance - beginning	113,156	16,361	211,970	79,756	13,980	8,704	97,191
Cash and investment fund balance - ending	\$ 32,641	\$ 11,115	\$ -	\$ 51,215	\$ (806)	\$ 27,268	\$ 176,324
<b>Cash and Investment Assets - December 31</b>							
Cash and investments	\$ -	\$ 11,115	\$ -	\$ -	\$ (806)	\$ -	\$ 176,324
Restricted assets:							
Cash and investments	32,641	-	-	51,215	-	27,268	-
<b>Total cash and investment assets - December 31</b>	<b>\$ 32,641</b>	<b>\$ 11,115</b>	<b>\$ -</b>	<b>\$ 51,215</b>	<b>\$ (806)</b>	<b>\$ 27,268</b>	<b>\$ 176,324</b>
<b>Cash and Investment Fund Balance - December 31</b>							
Restricted for:							
Public safety	\$ 32,641	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Other purposes	-	-	-	51,215	-	27,268	-
Unrestricted	-	11,115	-	-	(806)	-	176,324
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 32,641</b>	<b>\$ 11,115</b>	<b>\$ -</b>	<b>\$ 51,215</b>	<b>\$ (806)</b>	<b>\$ 27,268</b>	<b>\$ 176,324</b>

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

	Community Emergency Response Team (CERT)	Interpreter Services Grant	Recorder's Incentive	Justice Assistance Grant	HAVA Title III Voting System	MS4	Identification Security Protection
<b>Receipts:</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	9,500	-	84,947	-	-	-
Charges for services	-	-	-	-	-	-	229,404
Fines and forfeits	-	-	-	-	-	-	-
Other	-	-	-	-	-	325	-
<b>Total receipts</b>	<b>-</b>	<b>9,500</b>	<b>-</b>	<b>84,947</b>	<b>-</b>	<b>325</b>	<b>229,404</b>
<b>Disbursements:</b>							
General government	-	9,477	-	-	3,873	-	-
Public safety	3,790	-	-	81,667	-	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>3,790</b>	<b>9,477</b>	<b>-</b>	<b>81,667</b>	<b>3,873</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(3,790)</b>	<b>23</b>	<b>-</b>	<b>3,280</b>	<b>(3,873)</b>	<b>325</b>	<b>229,404</b>
<b>Other financing sources (uses):</b>							
Bond proceeds	-	-	-	-	-	-	-
Interfund loans received	-	-	-	-	-	-	-
Interfund loans repaid	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<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</b>	<b>(3,790)</b>	<b>23</b>	<b>-</b>	<b>3,280</b>	<b>(3,873)</b>	<b>325</b>	<b>229,404</b>
Cash and investment fund balance - beginning	4,138	190	18,857	7,774	2,081,270	-	-
Cash and investment fund balance - ending	<u>\$ 348</u>	<u>\$ 213</u>	<u>\$ 18,857</u>	<u>\$ 11,054</u>	<u>\$ 2,081,397</u>	<u>\$ 325</u>	<u>\$ 229,404</u>
<b>Cash and Investment Assets - December 31</b>							
Cash and investments	\$ -	\$ -	\$ 18,857	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	348	213	-	11,054	2,081,397	325	229,404
<b>Total cash and investment assets - December 31</b>	<u>\$ 348</u>	<u>\$ 213</u>	<u>\$ 18,857</u>	<u>\$ 11,054</u>	<u>\$ 2,081,397</u>	<u>\$ 325</u>	<u>\$ 229,404</u>
<b>Cash and Investment Fund Balance - December 31</b>							
Restricted for:							
Public safety	\$ 348	\$ -	\$ -	\$ 11,054	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Other purposes	-	213	-	-	2,081,397	325	229,404
Unrestricted	-	-	18,857	-	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 348</u>	<u>\$ 213</u>	<u>\$ 18,857</u>	<u>\$ 11,054</u>	<u>\$ 2,081,397</u>	<u>\$ 325</u>	<u>\$ 229,404</u>

LAKE 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)

	BMV Project Grant	Supplemental Public Defenders Services	Alternative Dispute Resolution	Alternative Dispute Resolution Co-Payment	Title Search Fees	Bail Bonds Fees	Court Appointed Special Advocate
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	130,594	308,729	-	-	-	-	107,899
Charges for services	-	-	42,930	10,775	5,075	-	-
Fines and forfeits	-	77,273	-	-	-	-	-
Other	-	2,128	(2,560)	320	-	5,852	-
<b>Total receipts</b>	<b>130,594</b>	<b>388,130</b>	<b>40,370</b>	<b>11,095</b>	<b>5,075</b>	<b>5,852</b>	<b>107,899</b>
Disbursements:							
General government	130,594	368,744	12,518	6,372	3,880	3,637	118,681
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>130,594</b>	<b>368,744</b>	<b>12,518</b>	<b>6,372</b>	<b>3,880</b>	<b>3,637</b>	<b>118,681</b>
Excess (deficiency) of receipts over disbursements	-	19,386	27,852	4,723	1,195	2,215	(10,782)
Other financing sources (uses):							
Bond proceeds	-	-	-	-	-	-	-
Interfund loans received	-	-	-	-	-	-	-
Interfund loans repaid	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</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	-	19,386	27,852	4,723	1,195	2,215	(10,782)
Cash and investment fund balance - beginning	-	89,828	61,014	2,600	4,592	11,876	12,194
Cash and investment fund balance - ending	\$ -	\$ 109,214	\$ 88,866	\$ 7,323	\$ 5,787	\$ 14,091	\$ 1,412
<b>Cash and Investment Assets - December 31</b>							
Cash and investments	\$ -	\$ -	\$ -	\$ 7,323	\$ 5,787	\$ 14,091	\$ -
Restricted assets:							
Cash and investments	-	109,214	88,866	-	-	-	1,412
<b>Total cash and investment assets - December 31</b>	<b>\$ -</b>	<b>\$ 109,214</b>	<b>\$ 88,866</b>	<b>\$ 7,323</b>	<b>\$ 5,787</b>	<b>\$ 14,091</b>	<b>\$ 1,412</b>
<b>Cash and Investment Fund Balance - December 31</b>							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Other purposes	-	109,214	88,866	-	-	-	1,412
Unrestricted	-	-	-	7,323	5,787	14,091	-
<b>Total cash and investment fund balance - December 31</b>	<b>\$ -</b>	<b>\$ 109,214</b>	<b>\$ 88,866</b>	<b>\$ 7,323</b>	<b>\$ 5,787</b>	<b>\$ 14,091</b>	<b>\$ 1,412</b>

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

	Nonreverting Property Seizure	DUI Task Force Grant	Sales Disclosure	Park Bond Redemption	Park Revenue Bond Redemption	County Bond Redemption	Circuit Breaker Debt Service
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ 3,198,564	\$ -	\$ 5,556,909	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	20,041	-	93,787	-	324,011	2,688,912
Charges for services	-	-	75,905	-	515,517	-	-
Fines and forfeits	5,955	-	-	-	-	-	-
Other	-	673	225	65,393	18,077	25,956	-
<b>Total receipts</b>	<b>5,955</b>	<b>20,714</b>	<b>76,130</b>	<b>3,357,744</b>	<b>533,594</b>	<b>5,906,876</b>	<b>2,688,912</b>
Disbursements:							
General government	-	-	57,025	-	-	-	-
Public safety	-	17,542	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	2,225,000	-	4,675,000	2,749,928
Interest	-	-	-	325,706	1,328,925	1,297,909	331,626
Capital outlay:							
General government	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>17,542</b>	<b>57,025</b>	<b>2,550,706</b>	<b>1,328,925</b>	<b>5,972,909</b>	<b>3,081,554</b>
Excess (deficiency) of receipts over disbursements	5,955	3,172	19,105	807,038	(795,331)	(66,033)	(392,642)
Other financing sources (uses):							
Bond proceeds	-	-	-	-	-	-	-
Interfund loans received	-	-	-	-	1,895,400	-	-
Interfund loans repaid	-	-	-	(2,000,000)	(2,395,400)	-	-
Transfers in	-	-	-	358,880	1,000,000	-	417,248
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,641,120)</b>	<b>500,000</b>	<b>-</b>	<b>417,248</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	5,955	3,172	19,105	(834,082)	(295,331)	(66,033)	24,606
Cash and investment fund balance - beginning	5,161	1,095	49,893	2,088,067	377,997	3,019,133	(666,077)
Cash and investment fund balance - ending	\$ 11,116	\$ 4,267	\$ 68,998	\$ 1,253,985	\$ 82,666	\$ 2,953,100	\$ (641,471)
<b>Cash and Investment Assets - December 31</b>							
Cash and investments	\$ 11,116	\$ -	\$ 68,998	\$ -	\$ -	\$ -	\$ (641,471)
Restricted assets:							
Cash and investments	-	4,267	-	1,253,985	82,666	2,953,100	-
<b>Total cash and investment assets - December 31</b>	<b>\$ 11,116</b>	<b>\$ 4,267</b>	<b>\$ 68,998</b>	<b>\$ 1,253,985</b>	<b>\$ 82,666</b>	<b>\$ 2,953,100</b>	<b>\$ (641,471)</b>
<b>Cash and Investment Fund Balance - December 31</b>							
Restricted for:							
Public safety	\$ -	\$ 4,267	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service	-	-	-	1,253,985	82,666	2,953,100	-
Other purposes	-	-	-	-	-	-	-
Unrestricted	11,116	-	68,998	-	-	-	(641,471)
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 11,116</b>	<b>\$ 4,267</b>	<b>\$ 68,998</b>	<b>\$ 1,253,985</b>	<b>\$ 82,666</b>	<b>\$ 2,953,100</b>	<b>\$ (641,471)</b>

LAKE 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)

	Lake County Redevelopment Commission	Lake County Redevelopment Authority	Park Nonreverting Capital	Cumulative Bridge	Park District Bonds 1993	Major Moves
Receipts:						
Taxes	\$ 2,575,002	\$ -	\$ -	\$ 3,895,443	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	344,276	231,737	-	4,448,322
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	187,322	38,074	22,690	1,650	251,770	-
<b>Total receipts</b>	<b>2,762,324</b>	<b>38,074</b>	<b>366,966</b>	<b>4,128,830</b>	<b>251,770</b>	<b>4,448,322</b>
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Highways and streets	-	-	-	2,260,340	-	466,886
Culture and recreation	-	-	1,255,889	-	3,085,168	-
Urban redevelopment and housing	1,147,110	-	-	-	-	-
<b>Total disbursements</b>	<b>1,147,110</b>	<b>-</b>	<b>1,255,889</b>	<b>2,260,340</b>	<b>3,085,168</b>	<b>466,886</b>
Excess (deficiency) of receipts over disbursements	1,615,214	38,074	(888,923)	1,868,490	(2,833,398)	3,981,436
Other financing sources (uses):						
Bond proceeds	-	-	-	-	-	-
Interfund loans received	-	-	-	947,700	5,500,000	-
Interfund loans repaid	-	-	-	(947,700)	-	-
Transfers in	-	-	921,101	-	20,000	-
Transfers out	(1,029,330)	-	-	(1,000,000)	(2,217,387)	-
<b>Total other financing sources (uses)</b>	<b>(1,029,330)</b>	<b>-</b>	<b>921,101</b>	<b>(1,000,000)</b>	<b>3,302,613</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	585,884	38,074	32,178	868,490	469,215	3,981,436
Cash and investment fund balance - beginning	3,723,123	840,438	694,952	8,171,318	7,840,107	-
Cash and investment fund balance - ending	\$ 4,309,007	\$ 878,512	\$ 727,130	\$ 9,039,808	\$ 8,309,322	\$ 3,981,436
<b>Cash and Investment Assets - December 31</b>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	4,309,007	878,512	727,130	9,039,808	8,309,322	3,981,436
<b>Total cash and investment assets - December 31</b>	<b>\$ 4,309,007</b>	<b>\$ 878,512</b>	<b>\$ 727,130</b>	<b>\$ 9,039,808</b>	<b>\$ 8,309,322</b>	<b>\$ 3,981,436</b>
<b>Cash and Investment Fund Balance - December 31</b>						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	9,039,808	-	3,981,436
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	727,130	-	8,309,322	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service	4,309,007	878,512	-	-	-	-
Other purposes	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 4,309,007</b>	<b>\$ 878,512</b>	<b>\$ 727,130</b>	<b>\$ 9,039,808</b>	<b>\$ 8,309,322</b>	<b>\$ 3,981,436</b>

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

	Cumulative Capital Development	Lake County Voting System Cumulative	Drainage Improvements	Lake County Highway Garage	Lake County Redevelopment Authority	Totals
<b>Receipts:</b>						
Taxes	\$ 2,739,988	\$ 1,346,195	\$ 1,698,606	\$ -	\$ -	\$ 33,606,471
Licenses and permits	-	-	-	-	-	261,638
Intergovernmental	169,700	118,206	80,231	-	-	40,059,191
Charges for services	-	-	-	-	-	10,830,199
Fines and forfeits	-	-	-	-	-	2,206,111
Other	-	-	-	-	12,600	2,181,400
<b>Total receipts</b>	<b>2,909,688</b>	<b>1,464,401</b>	<b>1,778,837</b>	<b>-</b>	<b>12,600</b>	<b>89,145,010</b>
<b>Disbursements:</b>						
General government	2,316,267	-	-	-	-	20,233,976
Public safety	364,698	-	-	-	-	13,242,512
Highways and streets	-	-	-	-	-	7,438,991
Health and welfare	-	-	-	-	-	2,091,007
Culture and recreation	27,590	-	-	-	-	10,351,409
Urban redevelopment and housing	-	-	-	-	-	4,584,331
Debt service:						
Principal	-	-	-	-	420,000	10,095,132
Interest	-	-	-	-	130,837	3,430,596
Capital outlay:						
General government	-	2,156,475	-	-	-	2,156,475
Highways and streets	-	-	1,433,092	83,500	-	4,243,818
Culture and recreation	-	-	-	-	-	4,341,057
Urban redevelopment and housing	-	-	-	-	-	1,147,110
<b>Total disbursements</b>	<b>2,708,555</b>	<b>2,156,475</b>	<b>1,433,092</b>	<b>83,500</b>	<b>550,837</b>	<b>83,356,414</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>201,133</b>	<b>(692,074)</b>	<b>345,745</b>	<b>(83,500)</b>	<b>(538,237)</b>	<b>5,788,596</b>
<b>Other financing sources (uses):</b>						
Bond proceeds	-	-	-	4,852,679	-	4,852,679
Interfund loans received	-	-	-	-	-	10,590,800
Interfund loans repaid	-	-	-	-	-	(10,590,800)
Transfers in	-	-	362,771	-	1,029,330	9,084,141
Transfers out	-	-	-	-	-	(8,818,072)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>362,771</b>	<b>4,852,679</b>	<b>1,029,330</b>	<b>5,118,748</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>201,133</b>	<b>(692,074)</b>	<b>708,516</b>	<b>4,769,179</b>	<b>491,093</b>	<b>10,907,344</b>
<b>Cash and investment fund balance - beginning</b>	<b>1,706,997</b>	<b>1,989,739</b>	<b>853,540</b>	<b>-</b>	<b>26,314</b>	<b>71,121,144</b>
<b>Cash and investment fund balance - ending</b>	<b>\$ 1,908,130</b>	<b>\$ 1,297,665</b>	<b>\$ 1,562,056</b>	<b>\$ 4,769,179</b>	<b>\$ 517,407</b>	<b>\$ 82,028,488</b>
<b><u>Cash and Investment Assets - December 31</u></b>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,073,704
Restricted assets:						
Cash and investments	1,908,130	1,297,665	1,562,056	4,769,179	517,407	69,954,784
<b>Total cash and investment assets - December 31</b>	<b>\$ 1,908,130</b>	<b>\$ 1,297,665</b>	<b>\$ 1,562,056</b>	<b>\$ 4,769,179</b>	<b>\$ 517,407</b>	<b>\$ 82,028,488</b>
<b><u>Cash and Investment Fund Balance - December 31</u></b>						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,872,865
Highways and streets	-	-	1,562,056	4,769,179	-	24,884,114
Health and welfare	-	-	-	-	-	2,111,561
Culture and recreation	-	-	-	-	-	9,036,452
Urban redevelopment and housing	-	-	-	-	517,407	534,603
Debt service	-	-	-	-	-	9,477,270
Other purposes	1,908,130	1,297,665	-	-	-	20,037,919
Unrestricted	-	-	-	-	-	12,073,704
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 1,908,130</b>	<b>\$ 1,297,665</b>	<b>\$ 1,562,056</b>	<b>\$ 4,769,179</b>	<b>\$ 517,407</b>	<b>\$ 82,028,488</b>

LAKE COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 INTERNAL SERVICE FUNDS  
 As of and for the Year Ended December 31, 2006

	Park and Recreation Self-Insurance	Nonreverting Self-Insurance	Health Insurance Reserve	Lake County 2000 Building Corporation	Totals
Operating receipts:					
Insurance proceeds - employer	\$ 53,920	\$ 2,499,500	\$ 21,230,286	\$ -	\$ 23,783,706
Insurance proceeds - employee	-	-	2,679,695	-	2,679,695
Rental revenue	-	-	-	2,606,000	2,606,000
Other	40,198	262,664	-	-	302,862
Total operating receipts	94,118	2,762,164	23,909,981	2,606,000	29,372,263
Operating disbursements:					
Cost of sales and services	-	13,134	13,297	293,593	320,024
Insurance disbursements	110,575	4,201,624	25,932,619	-	30,244,818
Total operating disbursements	110,575	4,214,758	25,945,916	293,593	30,564,842
Excess (deficiency) of receipts over disbursements	(16,457)	(1,452,594)	(2,035,935)	2,312,407	(1,192,579)
Nonoperating receipts (disbursements):					
Interest and investment receipts	34,743	-	-	105,627	140,370
Debt service of principal	-	-	-	(1,820,000)	(1,820,000)
Interest disbursements	-	-	-	(780,293)	(780,293)
Total nonoperating receipts (disbursements)	34,743	-	-	(2,494,666)	(2,459,923)
Excess (deficiency) of receipts over disbursements and nonoperating receipts (disbursements)	18,286	(1,452,594)	(2,035,935)	(182,259)	(3,652,502)
Bond proceeds	-	1,235,000	-	-	1,235,000
Transfers in	764,456	-	-	-	764,456
Transfers out	(750,000)	-	-	-	(750,000)
Excess (deficiency) of receipts, bond proceeds and transfers in over disbursements and transfers out	32,742	(217,594)	(2,035,935)	(182,259)	(2,403,046)
Cash and investment fund balance - beginning	1,070,815	3,586,141	12,343,077	2,073,555	19,073,588
Cash and investment fund balance - ending	\$ 1,103,557	\$ 3,368,547	\$ 10,307,142	\$ 1,891,296	\$ 16,670,542
<u>Cash and Investment Assets - December 31</u>					
Cash and investments	\$ 1,103,557	\$ 3,368,547	\$ 10,140,777	\$ 1,891,296	\$ 16,504,177
Cash with fiscal agent	-	-	166,365	-	166,365
Total cash and investment assets - December 31	\$ 1,103,557	\$ 3,368,547	\$ 10,307,142	\$ 1,891,296	\$ 16,670,542
<u>Cash and Investment Fund Balance - December 31</u>					
Unrestricted	\$ 1,103,557	\$ 3,368,547	\$ 10,307,142	\$ 1,891,296	\$ 16,670,542
Total cash and investment fund balance - December 31	\$ 1,103,557	\$ 3,368,547	\$ 10,307,142	\$ 1,891,296	\$ 16,670,542

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

	Financial Institution Tax	Griffith Deferral Program	Convention and Visitor's Bureau	National Park System Reimbursement	County Innkeepers Tax	County User Fees	Educational Plate Fee
Additions:							
Agency fund additions	\$ 3,952,747	\$ -	\$ 4,296,786	\$ 10,528	\$ 2,393,914	\$ 1,123,468	\$ 31,537
Deductions:							
Agency fund deductions	<u>3,952,747</u>	<u>2,580</u>	<u>4,144,537</u>	<u>10,528</u>	<u>2,589,905</u>	<u>1,050,084</u>	<u>36,769</u>
Excess (deficiency) of total additions over total deductions	-	(2,580)	152,249	-	(195,991)	73,384	(5,232)
Cash and investment fund balance - beginning	<u>-</u>	<u>2,580</u>	<u>68,044</u>	<u>174</u>	<u>197,737</u>	<u>512,013</u>	<u>11,588</u>
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 220,293</u>	<u>\$ 174</u>	<u>\$ 1,746</u>	<u>\$ 585,397</u>	<u>\$ 6,356</u>

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

	Doctor's and Merchants	Ordinance Deferral Program	US Research Consultants - Personal Property	Interstate Compact Fee	Circuit Breaker Repository	State Mortgage	Child Restraint System Fees
Additions:							
Agency fund additions	\$ 543	\$ 79,838	\$ 6,683	\$ 3,001	\$ 10,490,801	\$ 81,161	\$ 2,000
Deductions:							
Agency fund deductions	8,030	73,083	5,400	3,225	10,490,801	75,673	2,075
Excess (deficiency) of total additions over total deductions	(7,487)	6,755	1,283	(224)	-	5,488	(75)
Cash and investment fund balance - beginning	7,544	3,408	1,267	599	-	14,652	175
Cash and investment fund balance - ending	<u>\$ 57</u>	<u>\$ 10,163</u>	<u>\$ 2,550</u>	<u>\$ 375</u>	<u>\$ -</u>	<u>\$ 20,140</u>	<u>\$ 100</u>

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

	Poor Relief Loan	Commissioner's Tax Sale	Commissioner's Tax Certificate Sale	Payment Error - Refunds	Tax Sale Cancellation	Subdivision Escrow Bonds	Refund Overpayment
Additions:							
Agency fund additions	\$ 1,224,274	\$ 421,224	\$ 84,324	\$ 583,815	\$ 277,824	\$ 42,452	\$ 2,208,818
Deductions:							
Agency fund deductions	1,224,274	137,118	60,194	318,138	-	28,617	6,470,063
Excess (deficiency) of total additions over total deductions	-	284,106	24,130	265,677	277,824	13,835	(4,261,245)
Cash and investment fund balance - beginning	-	380,271	899,662	95,779	7,961	72,656	7,445,103
Cash and investment fund balance - ending	\$ -	\$ 664,377	\$ 923,792	\$ 361,456	\$ 285,785	\$ 86,491	\$ 3,183,858

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

	Northwest Indiana Regional Planning Commission	Property Replacement Homestead	Park Sales Tax	Payroll Withholding	United Way	BP Amoco Settlement	Poor Relief
Additions:							
Agency fund additions	\$ 607,411	\$ 5,441,212	\$ 93,058	\$ 30,493,836	\$ -	\$ 8,950,000	\$ 19,278,946
Deductions:							
Agency fund deductions	465,525	5,354,656	98,050	30,380,860	-	8,950,000	19,278,946
Excess (deficiency) of total additions over total deductions	141,886	86,556	(4,992)	112,976	-	-	-
Cash and investment fund balance - beginning	17,818	8,474	7,440	1,254,166	8,682	-	-
Cash and investment fund balance - ending	<u>\$ 159,704</u>	<u>\$ 95,030</u>	<u>\$ 2,448</u>	<u>\$ 1,367,142</u>	<u>\$ 8,682</u>	<u>\$ -</u>	<u>\$ -</u>

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

	County Welfare Trust	Tax Sale SRI Fees, Inc.	Major Moves	City and Town Court Costs	Infraction Judgment	State Fair Board
Additions:						
Agency fund additions	\$ 426,099	\$ 331,611	\$ 15,000,000	\$ 122,580	\$ 827,048	\$ 138,046
Deductions:						
Agency fund deductions	416,549	328,268	15,000,000	120,594	798,252	138,046
Excess (deficiency) of total additions over total deductions	9,550	3,343	-	1,986	28,796	-
Cash and investment fund balance - beginning	37,270	5,877	-	21,764	94,585	-
Cash and investment fund balance - ending	<u>\$ 46,820</u>	<u>\$ 9,220</u>	<u>\$ -</u>	<u>\$ 23,750</u>	<u>\$ 123,381</u>	<u>\$ -</u>

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

	Supplemental Countywide School	State Forestry	Congressional School Interest	Coroner's Training and Continuing Education	County Treasurer	Tax Sale Redemption
Additions:						
Agency fund additions	\$ 5,105,269	\$ 276,091	\$ 897	\$ 35,392	\$ 1,333,271,042	\$ 777,300
Deductions:						
Agency fund deductions	<u>3,457,608</u>	<u>276,091</u>	<u>1,400</u>	<u>36,603</u>	<u>1,357,697,371</u>	<u>349,516</u>
Excess (deficiency) of total additions over total deductions	1,647,661	-	(503)	(1,211)	(24,426,329)	427,784
Cash and investment fund balance - beginning	<u>247,130</u>	<u>-</u>	<u>22,628</u>	<u>3,299</u>	<u>30,665,826</u>	<u>199,248</u>
Cash and investment fund balance - ending	<u>\$ 1,894,791</u>	<u>\$ -</u>	<u>\$ 22,125</u>	<u>\$ 2,088</u>	<u>\$ 6,239,497</u>	<u>\$ 627,032</u>

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

	<u>Tax Sale Surplus</u>	<u>Dog Tax Surplus</u>	<u>State Fines and Forfeitures</u>	<u>Inheritance Tax</u>	<u>State Sale Disclosure Fee</u>	<u>Treasurer's Tax Sale</u>
Additions:						
Agency fund additions	\$ 21,260,707	\$ 1,767	\$ 463,004	\$ 12,761,002	\$ 75,925	\$ 29,849,596
Deductions:						
Agency fund deductions	<u>1,562,080</u>	<u>1,767</u>	<u>440,870</u>	<u>12,929,473</u>	<u>74,990</u>	<u>29,841,751</u>
Excess (deficiency) of total additions over total deductions	19,698,627	-	22,134	(168,471)	935	7,845
Cash and investment fund balance - beginning	<u>45,992</u>	<u>-</u>	<u>57,145</u>	<u>3,319,842</u>	<u>4,835</u>	<u>-</u>
Cash and investment fund balance - ending	<u>\$ 19,744,619</u>	<u>\$ -</u>	<u>\$ 79,279</u>	<u>\$ 3,151,371</u>	<u>\$ 5,770</u>	<u>\$ 7,845</u>

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

	Auditor's Tax Sale	Delinquent Sewage Collections	Barrett Law Collections	Overweight Vehicle	Commissioner's Sale Surplus	US Steel Property Tax Settlement
Additions:						
Agency fund additions	\$ -	\$ 556,580	\$ 16,918	\$ 76,829	\$ -	\$ 1,245,372
Deductions:						
Agency fund deductions	155,686	556,580	16,438	66,621	17,079	47,500,508
Excess (deficiency) of total additions over total deductions	(155,686)	-	480	10,208	(17,079)	(46,255,136)
Cash and investment fund balance - beginning	1,573,663	2,236	740	8,500	22,960	47,193,947
Cash and investment fund balance - ending	<u>\$ 1,417,977</u>	<u>\$ 2,236</u>	<u>\$ 1,220</u>	<u>\$ 18,708</u>	<u>\$ 5,881</u>	<u>\$ 938,811</u>

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

	Indiana Common School	Miscellaneous Settlement Accounts	Special Death Benefit	Vehicle License Additional Tax	Excess Monies - Settlement 2001	County Clerk
Additions:						
Agency fund additions	\$ 32,772	\$ 893,970,856	\$ 41,872	\$ -	\$ -	\$ 62,676,308
Deductions:						
Agency fund deductions	-	895,375,400	33,310	-	-	60,420,797
Excess (deficiency) of total additions over total deductions	32,772	(1,404,544)	8,562	-	-	2,255,511
Cash and investment fund balance - beginning	40,957	1,675,030	-	1,094	108,293	15,421,397
Cash and investment fund balance - ending	<u>\$ 73,729</u>	<u>\$ 270,486</u>	<u>\$ 8,562</u>	<u>\$ 1,094</u>	<u>\$ 108,293</u>	<u>\$ 17,676,908</u>

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

	Sheriff - Civil/ Narcotics	Adult Probation	Drug Task Force Seizure Fund	Sheriff's Inmate Trust	Non-AC Funds Not Payroll Withholding or Insurance	Totals
Additions:						
Agency fund additions	\$ 33,300	\$ 434,511	\$ 379,038	\$ 1,326,405	\$ -	\$ 2,473,694,338
Deductions:						
Agency fund deductions	40,000	434,636	314,427	1,304,929	-	2,524,919,518
Excess (deficiency) of total additions over total deductions	(6,700)	(125)	64,611	21,476	-	(51,225,180)
Cash and investment fund balance - beginning	78,635	1,055	90,333	175,079	11	112,137,164
Cash and investment fund balance - ending	\$ 71,935	\$ 930	\$ 154,944	\$ 196,555	\$ 11	\$ 60,911,984

LAKE COUNTY  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2006

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

General infrastructure assets (those reported by governmental activities) are included regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 23,126,761
Buildings and improvements	112,089,052
Sanitary sewer/storm water	9,000,000
Machinery and equipment	28,692,589
Bridges	100,611,441
Roads	109,797,683
Street lights and traffic signals	911,082
Construction in progress	<u>15,357,941</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 399,586,549</u>

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	21,040
Improvements other than buildings	<u>969,251</u>
Total business-type activities capital assets	<u>\$ 990,291</u>

LAKE COUNTY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2006

The County has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
Machinery and equipment	\$ 957,702	\$ 315,310
Claims and judgments	3,350,000	3,350,000
Loans payable	1,288,557	417,248
Bond anticipation notes payable	7,000,000	7,468,498
Bonds payable:		
General obligation bonds:		
1998 \$5,005,000 Park District improvements	2,095,000	879,500
1999 \$26,750,000 Jail construction	9,455,000	3,361,558
2003 \$10,610,000 Park refunding bonds	4,395,000	1,763,375
2006 \$1,235,000 Judgment bonds	1,235,000	320,103
2006 \$5,000,000 Highway garage construction	5,000,000	102,986
Revenue bonds:		
1995 \$9,000,000 Economic Development Lease Rental	1,860,000	814,188
2000 \$23,000,000 Lake County Building Corporation	12,990,000	2,607,000
2005 \$23,300,000 Special Taxing District	<u>23,300,000</u>	<u>1,013,588</u>
Total governmental activities debt	<u>\$ 72,926,259</u>	<u>\$ 22,413,354</u>
Business-type Activities:		
Wastewater Utility		
Notes and loans payable	<u>\$ 420,320</u>	<u>\$ 40,798</u>

LAKE COUNTY  
OTHER REPORTS

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

Board of County Commissioners  
County Animal Control Department  
County Auditor  
County Clerk of the Circuit Court  
County Council  
County Parks and Recreation  
County Recorder  
County Sheriff  
County Treasurer

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



# STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
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## 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 LAKE COUNTY, INDIANA

### Compliance

We have audited the compliance of the Lake 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.

As described in items 2006-2, 2006-3, and 2006-4 in the accompanying Schedule of Findings and Questioned Costs, the County did not comply with requirements regarding Cash Management, Reporting, and Period of Availability that are applicable to its Homeland Security Grant Program. Compliance with such requirements is necessary, in our opinion, for the County to comply with requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its other major federal programs for the year ended December 31, 2006. The results of our auditing procedures also disclosed other 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 2006-5.

### 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 items 2006-2, 2006-3, and 2006-4 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. Of the significant deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs, we consider items 2006-2, 2006-3, and 2006-4, to be material weaknesses.

The County's responses to the findings identified in our audit are described in the accompanying Official Response 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

September 19, 2007

LAKE 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>EXECUTIVE OFFICE OF THE PRESIDENT - OFFICE OF NATIONAL DRUG CONTROL POLICY</u>			
Direct Grant			
High Intensity Drug Trafficking Area (HIDTA)	07.XXX	15PLCP501 16PLCP501	\$ 848,971 <u>2,222,288</u>
Total for federal grantor agency			<u>3,071,259</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Pass-Through Indiana Department of Education			
Child Nutrition Cluster			
School Breakfast Program	10.553		50,317
National School Lunch Program	10.555		<u>71,933</u>
Total for federal grantor agency			<u>122,250</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Direct Grant			
CDBG-Entitlement and (HUD-Administered) Small Cities Cluster			
Community Development Block Grants/Entitlement Grants	14.218	B-03-UC-18-0016 B-04-UC-18-0016 B-05-UC-18-0016 B-06-UC-18-0016	165,458 1,602,343 847,039 <u>21,186</u>
Total for cluster			<u>2,636,026</u>
HOME Investment Partnerships Program	14.239	M-01-UC-180270 M-02-UC-180270 M-03-UC-180270 M-04-UC-180270 M-05-UC-180270 M-06-UC-180270	100,650 100,500 206,379 716,621 577,295 <u>133,099</u>
Total for program			<u>1,834,544</u>
Total for federal grantor agency			<u>4,470,570</u>
<u>U.S. DEPARTMENT OF THE INTERIOR</u>			
Pass-Through Indiana Department of Natural Resources			
National Coastal Wetlands Conservation Grants	15.614		
Deep River Headwaters, Savana, Wetlands and Prairie Restoration Project		NA170Z1381	<u>23,261</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Direct Grant			
Federal Equity Sharing	16.XXX		
Federal Forfeitures - County Sheriff			304,447
Federal Forfeitures - County Prosecutor			<u>73,508</u>
Total for program			<u>377,955</u>
Direct Grant			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2005-DJ-BX-1407 2006-DJ-BX-1120	63,416 18,250
Pass-Through Indiana Criminal Justice Institute			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	05-DJ-071 03-DB-066	68,166 <u>270,442</u>
Total for program			<u>420,274</u>
Pass-Through Indiana Criminal Justice Institute			
Juvenile Accountability Incentive Block Grants	16.523		
Lake County Night Light/Intensive Enhancement Program		04-JB-005	<u>45,988</u>
Pass-Through Indiana Criminal Justice Institute			
Edward Byrne Memorial Formula Grant Program	16.579	04-DB-023	<u>188,429</u>
Total for federal grantor agency			<u>1,032,646</u>

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

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

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation			
Highway Planning and Construction Cluster			
Highway Planning and Construction	20.205		
Bridge Construction		STP-N620 (001)	13,078
Bridge Inspection		STP-9099 (107)	62,208
Bridge Inspection		BR-NBIS (483)	<u>838</u>
Total for cluster			<u>76,124</u>
Pass-Through Indiana Criminal Justice Institute			
Highway Safety Cluster			
State and Community Highway Safety	20.600		
Operation Pull-Over			4,417
Fatality Crash Reduction Effort			11,926
Lake County DUI Taskforce			<u>2,788</u>
Total for cluster			<u>19,131</u>
Total for federal grantor agency			<u>95,255</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-Through Indiana Family and Social Services Administration			
Special Programs for the Aging - Title VII, Chapter 3			
Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	45-06-PV-1222-01	86,535
		45-06-PV-1222-02	<u>62,652</u>
Total for program			<u>149,187</u>
Pass-Through Indiana Department of Health			
Project Grants and Cooperative Agreements for			
Tuberculosis Control Programs	93.116	TB-144-4	<u>22,587</u>
Pass-Through Indiana Department of Health			
Center for Disease Control and Prevention - Investigations			
and Technical Assistance	93.283	BPRS-144-11-06	<u>43,032</u>
Pass-Through Indiana Department of Child Services			
Child Support Enforcement	93.563		
County Prosecutor's Expenditures			1,507,414
County Clerk's Expenditures			101,352
County Court Expenditures			<u>142,679</u>
Total for program			<u>1,751,445</u>
Pass-Through Indiana Department of Health			
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency			
Virus Syndrome (AIDS) Surveillance	93.944	ASP-144-8	<u>38,185</u>
Total for federal grantor agency			<u>2,004,436</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security			
Homeland Security Cluster			
Homeland Security Grant Program	97.067		
State Homeland Security Program		C44P-4-099	9,496
		C44P-4-434	<u>174,117</u>
Total for cluster			<u>183,613</u>
Pass-Through Indiana Department of Homeland Security			
Emergency Management Performance Grants	97.042		<u>74,969</u>
Total for federal grantor agency			<u>258,582</u>
Total federal awards expended			<u>\$ 11,078,259</u>

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

LAKE 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 Lake 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 sub-recipients as follows for the year ended December 31, 2006:

Program Title	Federal CFDA Number	2006
HOME Investment Partnerships Program	14.239	\$ 610,048

LAKE COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	yes
Significant deficiencies identified that are not considered to be material weaknesses?	no

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	yes
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Type of auditor's report issued on compliance for major programs: Unqualified for all programs except the Homeland Security Grant Program, which was qualified.

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
07.XXX	High Intensity Drug Trafficking Area (HIDTA)
16.XXX	Federal Equity Sharing
16.738	Edward Byrne Memorial Justice Assistance Grant Program
93.563	Child Support Enforcement
97.067	Homeland Security Grant Program

Dollar threshold used to distinguish between Type A and Type B programs: \$332,348

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

FINDING 2006-1, INTERNAL CONTROL OVER CASH

Responsibilities of the County Treasurer's office include monthly reconciliation of the County's cash accounts. Reconcilements of the fund balances to the bank account balances were performed more than six months after the end of each month for 2006. Required reports showing the financial condition of the County, which are prepared from the reconcilements, were therefore, also more than six months late.

LAKE COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

Reconcilements are not performed timely due to a lack of trained personnel. One employee is responsible for reconciling 30 bank accounts representing over 250 funds of the County. When this employee is absent for any reason, no attempt to reconcile is made by other personnel employed by the Treasurer's office.

Indiana Code 5-13-6-1(e) states in part: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

All documents and entries to records should be done in a timely manner to ensure that accurate financial information is available to allow the governmental unit to make informed management decisions and to help ensure compliance with IC 5-15-1-1 et seq., commonly referred to as the Public Records Law. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers, Chapter 12)

On or before the 16th day of each month the treasurer shall prepare a report showing the financial condition of the office as of the close of business on the last day of the preceding month . . . three copies shall be filed with the county auditor. The county auditor shall file the original of said reports with the records of the county board of finance, one copy shall be presented to the board of county commissioners at its next regular meeting, and the county auditor shall immediately transmit one copy to the State Board of Accounts. [IC 36-2-9-11 and 36-2-10-16] (Accounting and Uniform Compliance Guidelines Manual for County Treasurers of Indiana, Chapter 4)

Lack of timely reconcilements results in required reports being prepared and submitted late and errors not being discovered or corrected timely, or even in the same accounting period (calendar year). In addition, reconciling items are carried in excess of one year on subsequent reconcilements because the responsible employee does not have time to investigate the differences and to ensure that adjustments are recorded or that errors are corrected. Lack of timely reconcilements and reports of the financial condition of the County could result in inaccurate financial information being used by County officials to make important management decisions.

The County Treasurer should establish procedures, including training an adequate number of employees necessary, to reconcile fund balances to bank balances within one month after the end of each month. These procedures should ensure that this critical accounting function can continue without interruption and be performed in a timely manner in the event that the responsible employee is not available or able to perform these duties.

Section III – Federal Award Findings and Questioned Costs

FINDING 2006-2, CASH MANAGEMENT

Federal Agency: U.S. Department of Homeland Security  
Federal Program: Homeland Security Grant Program  
CFDA Number: 97.067  
Award Number: C44-4-434, C44P-7-228  
Pass-Through: Indiana Department of Homeland Security

At January 1, 2006, the Homeland Security Grant Fund had a cash balance of \$113,156. Throughout 2006, month end cash balances ranged from \$32,641 to \$297,153, with an average month end cash balance of \$98,956. Amounts received by the County for these grant awards are received on a reimbursement basis

LAKE COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

from the State. The excess cash on hand occurred because the Lake County Department of Homeland Security consistently requested reimbursements from the State before claims were paid to vendors. In 2006, the County expended \$144,439 of 2004 grant money after the last reimbursement was received on February 15, 2006.

In 2007, the County began spending the 2005 grant award. The first reimbursement of \$703,490 was received on April 11, 2007. However, \$357,249, or 51%, of this request was not expended until after the grant money was received.

On June 21, 2007, the County received a second reimbursement of \$816,574 from the 2005 grant award. Included in the request was \$230,000 for security equipment. The purchase order for the equipment was not initiated until June 25, 2007, four days after the money was received. As of the date of this report, the vendor still has not been paid.

The 2005 Homeland Security Sub-Grant Agreement between the Indiana Department of Homeland Security and Lake County, Section 4, Payment of Sub-grant Funds states in part:

"The payment of this sub-grant by the State to the Sub-grantee shall be made in accordance with and subject to the following schedule and conditions:

B. The Sub-grantee must be in compliance with all applicable federal and State requirements for any federal and State grant programs administered by the State. . . .

D. All payments shall be made in arrears in conformance with State fiscal policies and procedures...No payments will be made in advance of receipt of the goods or services that are the subject of this Agreement . . ."

Title 28 Judicial Administration Part 66 Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments § 66.21 Payment states in part:

"(b) Basic standard. Methods and procedures for payment shall minimize the time elapsing between the transfer of funds and disbursement by the grantee or subgrantee, in accordance with Treasury regulations at 31 CFR part 205. . . .

(d) Reimbursement. Reimbursement shall be the preferred method when the requirements in paragraph (c) are not met."

The County is not in compliance with the cash management requirements for this program. Failure to comply with these requirements could cause the County to be deemed ineligible to receive federal awards in the future.

We recommended that the County develop control procedures to ensure that requests for reimbursement only include expenditures that have already been made by the County.

LAKE COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

FINDING 2006-3, REPORTING

Federal Agency: U.S. Department of Homeland Security  
Federal Program: Homeland Security Grant Program  
CFDA Number: 97.067  
Award Number: C44P-4-099, C44-4-434  
Pass-Through: Indiana Department of Homeland Security

Semiannual reports are required by the Indiana Department of Homeland Security; however, the County did not file any reports. Even though this has been a finding in the two previous audit reports, officials indicated that they did not know when the reports were due, what information was to be reported, or what format was required. Two reports were required to be filed for 2006. Officials have not established any procedures for preparing or filing reports.

The 2004 Homeland Security Sub-Grant Agreement between the Indiana Department of Homeland Security and Lake County, Section 5, County's Duties and Responsibilities, part B. states:

"The County shall submit to the State semiannual reports, due on the following schedule:

January 1 - June 30	Due July 15
July 1 - December 31	Due December 15

These reports shall include the information and be in the format specified by the State. If the State has not specified the information and format for this report, the report shall contain the information and be in the format specified in Appendix C of the Office for Domestic Preparedness Guidance titled 'Fiscal Year 2004 State Homeland Security Grant Program'."

The County is not in compliance with reporting requirements for this program. Failure to comply with these requirements could cause the County to be deemed ineligible to receive federal awards in the future.

We recommended that officials prepare all required reports on a timely basis, and that they contact the Indiana Department of Homeland Security regarding whether to file previously required reports.

FINDING 2006-4, PERIOD OF AVAILABILITY

Federal Agency: U.S. Department of Homeland Security  
Federal Program: Homeland Security Grant Program  
CFDA Number: 97.067  
Award Number: C44P-4-099, C44-4-434, C44P-7-118  
Pass-Through: Indiana Department of Homeland Security

The County did not complete all grant expenditures by the end of the period of availability of federal funds. Per the 2003 Homeland Security Sub-Grant Agreement between the Indiana Department of Homeland Security and Lake County, the 2003 grant funds were to be expended by October 10, 2004. In 2006, Lake County spent \$9,496 of the 2003 grant money, which is after the established deadline.

Per the 2004 Homeland Security Sub-Grant Agreement between the Indiana Department of Homeland Security and Lake County, the 2004 grant funds were to be expended by November 30, 2005. The Indiana Department of Homeland Security extended this date to June 17, 2006. In 2006, Lake County spent \$40,488 of 2004 grant money after this date.

LAKE COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

In 2006, Lake County received an additional grant for \$11,250 from the Indiana Department of Homeland Security for the purchase of 10 laptop computers. Per the Homeland Security Sub-Grant Agreement between the Indiana Department of Homeland Security and Lake County, the grant funds were to be expended by October 30, 2006. Even though this was a reimbursement type grant, the County requested and received the grant funds on February 23, 2007. The laptops were not purchased until May 10, 2007. No extension was approved for this agreement.

Title 28 Judicial Administration Part 66 Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments § 66.23 Period of availability of fund states:

"(a) General. Where a funding period is specified, a grantee may charge to the award only costs resulting from obligations of the funding period unless carryover of unobligated balances is permitted, in which case the carryover balances may be charged for costs resulting from obligations of the subsequent funding period.

(b) Liquidation of obligations. A grantee must liquidate all obligations incurred under the award not later than 90 days after the end of the funding period (or as specified in a program regulation) to coincide with the submission of the annual Financial Status Report (SF-269). The federal agency may extend this deadline at the request of the grantee."

The County is not in compliance with the period of availability requirements for this program. Failure to comply with these requirements could cause the County to be deemed ineligible to receive federal awards in the future.

We recommended that officials design and properly monitor procedures to ensure that grant funds are expended within the period of availability established in the sub-grant agreements.

FINDING 2006-5, ALLOWABLE COST PRINCIPLES

Federal Agency: U.S. Department of Homeland Security  
Federal Program: Homeland Security Grant Program  
CFDA Number: 97.067  
Award Number: C44-4-434  
Pass-Through: Indiana Department of Homeland Security

On April 20, 2006, the County paid National Life Safety Systems (NLSS) \$50,000 for technical rescue training in advance of receiving the services. On April 7, 2006, the director of the Lake County Department of Homeland Security had certified that "the attached invoice(s), or bill(s), is (are) true and correct and that the materials or services itemized thereon for which charge is made were ordered and received . . ." Eventually, NLSS performed a portion of the training and subsequently refunded \$46,000 to the County on March 26, 2007. Lake County Department of Homeland Security officials did not remit the refund check to the County Auditor until June 26, 2007, only after being questioned about the disbursement and refund.

The 2005 Homeland Security Sub-Grant Agreement between the Indiana Department of Homeland Security and Lake County, Section 4, Payment of Sub-grant Funds states in part:

"The payment of this sub-grant by the State to the Sub-grantee shall be made in accordance with and subject to the following schedule and conditions:

LAKE COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

D. All payments shall be made in arrears in conformance with State fiscal policies and procedures...No payments will be made in advance of receipt of the goods or services that are the subject of this Agreement . . ."

The 2004 Homeland Security Sub-Grant Agreement between the Indiana Department of Homeland Security and Lake County, Section 14, Compliance with Laws states:

"The County agrees to comply will all applicable federal, state and local laws, rules, regulations or ordinances, and all provisions required by these incorporated by reference. The enactment of any state or federal statute or the promulgation of rules or regulations after execution of this Agreement shall be reviewed by the State and the County to determine whether the provisions of the Agreement require formal modification."

The County is not in compliance with the allowable cost principles for this program. Failure to comply with these principles could cause the County to be deemed ineligible to receive federal awards in the future.

We recommended that the County establish procedures to ensure that payments are not made in advance of receiving services and that funds are deposited in a timely manner.



*Auditor Lake County*

LAKE COUNTY GOVERNMENT CENTER  
2293 NORTH MAIN STREET  
CROWN POINT, INDIANA 46307



**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**FINDING NO. 2005-1 REPORTING**

Original SBA Audit Report Number: B28838  
Auditee Contact Person: Jodi Richmond  
Title of Contact Person: Deputy Director  
Lake County Homeland Security/Emergency Mgmt  
Phone No: (219) 755-3549

Status of Finding:

Lake County Homeland Security/Emergency Management presented a program to this office as a result of a previous finding. However, it has come to our attention that the corrective action and plan was not implemented or failed to produce the desired result. Semiannual reports were to be generated and filed. These reports were never created or filed with the Indiana Department of Homeland Security.

**FINDING NO. 2005-2 CASH MANAGEMENT**

Original SBA Audit Report Number: B28838  
Auditee Contact Person: Jodi Richmond  
Title of Contact Person: Deputy Director  
Lake County Homeland Security/Emergency Mgmt.  
Phone No: (219) 755-3549

Status of Finding:

The recommendation from the SBA, to design and properly monitor procedures, was never implemented.

Respectfully Submitted this the 13<sup>th</sup> day of September 2007

Peggy Holinga Katona,  
Lake County Auditor



*Auditor Lake County*

LAKE COUNTY GOVERNMENT CENTER  
2293 NORTH MAIN STREET  
CROWN POINT, INDIANA 46307



**CORRECTIVE ACTION PLAN**

**Section II**

**FINDING NO. 2006-1 Internal Control Over Cash**

Original SBA Audit Report Number:  
Auditee Contact Person: John Petalas  
Title of Contact Person: Lake County Treasurer

Phone Number: (219) 755-3760

Corrective Action and Plan submitted:

The Lake County Treasurer has reassigned duties in the office to reconcile all accounts to ensure compliance with IC 5-13-6-1

**Section III**

**FINDING NO. 2006-2 CASH MANAGEMENT**

Original SBA Audit Report Number:  
Auditee Contact Person: Jodi Richmond  
Title of Contact Person: Deputy Director  
Lake County Homeland Security/Emergency Mgmt.  
Phone Number: (219) 755-3549

Response Submitted:

Homeland Security is working on a procedure to ensure requests for reimbursement only containing actual disbursements.

FINDING NO. 2006-3 REPORTING

Original SBA Audit Report Number:  
Auditee Contact Person: Jodi Richmond  
Title of Contact Person: Deputy Director  
Lake County Homeland Security/ Emergency Mgmt.  
Phone Number: (219) 755-3549

Response Submitted:  
There seems to be some question to the validity of this finding. Homeland Security seems to think that their reporting is sufficient and plans no further action.

FINDING NO. 2006-4 PERIOD OF AVAILABILITY

Original SBA Audit Report Number:  
Auditee Contact Person: Jodi Richmond  
Title of Contact Person: Deputy Director  
Lake County Homeland Security/Emergency Mgmt.  
Phone Number: (219) 755-3549

Response Submitted:  
Homeland Security is in the process of designing a program to better track time lines on specific grants.

FINDING NO. 2006-5 ALLOWABLE COST PRINCIPLES

Original SBA Audit Report Number:

Auditee Contact Person: Jodi Richmond

Title of Contact Person: Deputy Director

Lake County Homeland Security/Emergency Mgmt.

Phone Number: (219) 722-3549

Response Submitted:

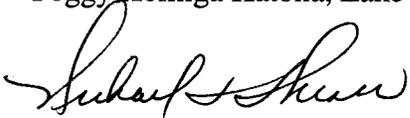
Homeland Security does not ordinarily pay for goods or services in advance. This was a one time only type of situation where if you don't pay in advance, there would be no training.

This will not happen again.

Respectfully submitted, this the 2<sup>nd</sup> day of October, 2007



Peggy Holinga Katona, Lake County Auditor



Michael T Wieser, Director of Finance

JOHN PETALAS  
TREASURER



CITY BRANCH OFFICES  
EAST CHICAGO  
HAMMOND  
GARY

# Treasurer Lake County

LAKE COUNTY GOVERNMENT CENTER  
2293 NORTH MAIN STREET  
CROWN POINT, INDIANA 46307

**To:** Mike Wieser, Office of the Lake County Auditor.  
**From:** John E. Petalas, Lake County Treasurer.  
**Re:** Reconciliation of bank balances.  
**Date:** September 20, 2007.

**Please be advised that as a result of recent audit findings regarding overdue bank reconciliation's, steps have been implemented to correct this process. All employees of the Treasurer's bookkeeping department are currently assigned to this project. Three employees will be assigned bank reconciliation as their primary duty for the future as opposed to the old system of having just one.**

**All small bank accounts have been reconciled and our now current up to today' date. The large expense account is now only three (3) months in arrears. It is estimated that within the next forty days (40), this fund and all Treasurer's funds will be current. Should you have any additional questions, please feel free to contact me. Thank-you, JOHN PETALAS**

**MEMO TO:** Mike Wieser, Director of Finance, Lake County Auditor's Office

**FROM:** Jodi E. Richmond, Deputy Director  
Lake County Homeland Security/Emergency Management

**DATE:** September 24, 2007

**RE:** Finding Number 2006-2 Cash Management; FINDING NO: 2006-2

**Federal Agency:** U.S. Department of Homeland Security

**Federal Program:** Homeland Security Grant Program

**CFDA Number:** 97.067

**Award Number:** C44-4-434, C44P-7-228

**Pass-Through Agency:** Indiana Department of Homeland Security

We are working on a procedure to ensure requests for reimbursement only containing expenditures that have been actually disbursed. We are still trying to allow time for the monies coming in from the state and the time it takes for our council to appropriate the money for spending. That seems to be where the main problem occurs. There are also unforeseen problems that occur with the vendors themselves that sometimes allows grant money to sit in the account.

In regards to the \$230,000.00, the State said that we could not go forward with that purchase and we sent the money back to the State.

**MEMO TO:** Mike Wieser, Director of Finance, Lake County Auditor's Office

**FROM:** Jodi E. Richmond, Deputy Director  
Lake County Homeland Security/Emergency Management

**DATE:** September 24, 2007

**RE:** Finding Number 2006-3 Reporting: FINDING NO: 2006-3

**Federal Agency:** U.S. Department of Homeland Security

**Federal Program:** Homeland Security Grant Program

**CFDA Number:** 97.067

**Award Number:** C44P-4-099, C44-4-434

**Pass-Through Agency:** Indiana Department of Homeland Security

I still am reporting to the State the report that they require of me. The last time I spoke with the representative from the state auditor he had stated that the reports that I maintain for the State was acceptable for my requirements for state audits. The due dates are as follows:

<u>Beginning Period:</u>	<u>Due No Later Than:</u>
July 1 - Sept 30	October 15
Oct 1 - December 31	January 15
January 1 - March 31	April 15
April 1 - July 30	July 15

In regards to the missing reports or late reports we still are able to go into the system and turn in the report even if it is late.

**MEMO TO:** Mike Wieser, Director of Finance, Lake County Auditor's Office

**FROM:** Jodi E. Richmond, Deputy Director  
Lake County Homeland Security/Emergency Management

**DATE:** September 24, 2007

**RE:** Finding Number 2006-4 Period of Availability: FINDING NO: 2006-4

**Federal Agency:** U.S. Department of Homeland Security

**Federal Program:** Homeland Security Grant Program

**CFDA Number:** 97.067

**Award Number:** C44P-4-099, C44-4-434, C44P-7-188

**Pass-Through Agency:** Indiana Department of Homeland Security

We are working on a procedure to ensure requests for reimbursement in a timely manner, so that we are able to spend the grant on time. We still have problems with the Council with dates of meetings and problems with vendors that sometimes prolong the process past the dates.

**MEMO TO:** Mike Wieser, Director of Finance, Lake County Auditor's Office

**FROM:** Jodi E. Richmond, Deputy Director  
Lake County Homeland Security/Emergency Management

**DATE:** September 24, 2007

**RE:** Finding Number 2006-5 Allowable Cost Principles: FINDING NO:  
2006-5

**Federal Agency:** U.S. Department of Homeland Security

**Federal Program:** Homeland Security Grant Program

**CFDA Number:** 97.067

**Award Number:** C44-4-434

**Pass-Through Agency:** Indiana Department of Homeland Security

We are aware on the policies for paying vendors ahead of services. That is not our standard procedure. The reason why this seemed like it was paid for ahead of time is because the "equipment" being paid for was for training. We had one scheduled meeting to start the training process. That is why they were paid. The State said that we were not able to go ahead with this training so that is why we had to stop and get the money back from the vendor minus the first meeting we had. Then I sent the remaining money back to the state. The money that we receive from the state is directly deposited into our line item. Then I have to have the money appropriated for spending through our County Council. Depending on the date of the next meeting sometimes extends the spending period.

LAKE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on October 2, 2007, with Peggy Holinga Katona, Auditor; and Michael T. Weiser, Director of Finance.

The contents of this report were also discussed on September 27, 2007, with Roosevelt Allen, Jr., President of the Board of County Commissioners; and on October 10, 2007, with Elsie Franklin, President of the County Council, and Larry Blanchard, Council member