

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

ANNUAL FINANCIAL REPORT

2006

DECATUR COUNTY, INDIANA



FILED
11/30/2007

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Bridgett C. Weber	01-01-05 to 12-31-08
Treasurer	Rita Burkert	01-01-05 to 12-31-08
Clerk	Tami D. Wenning Janet Chadwell	01-01-04 to 12-31-06 01-01-07 to 12-31-11
Sheriff	Daryl Templeton	01-01-04 to 12-31-07
Recorder	Mary Vail	01-01-04 to 12-31-07
President of the Board of County Commissioners	Jerome Buening Charles Buell	01-01-06 to 12-31-06 01-01-07 to 12-31-07
President of the County Council	Ernest Gauck	01-01-06 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF DECATUR COUNTY, INDIANA

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

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

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

As discussed in Note I, the financial statements referred to above do not include a number of component units of the County which should have been included to fairly present the financial position of the County.

In our opinion, except that the omission of the component units of the County referred to in the preceding paragraph results in incomplete presentation, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 2006, and the respective cash receipts and cash disbursements during the year then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated October 1, 2007, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Our report on compliance and on internal control over financial reporting should be read along with this report.

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

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

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

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

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

STATE BOARD OF ACCOUNTS

October 1, 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 DECATUR COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Decatur 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 October 1, 2007. The opinions to the financial statements were qualified due to the omission of component units which results in incomplete presentation. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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

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

Compliance and Other Matters

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

We noted certain matters that we reported to management in a separate letter dated October 1, 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

October 1, 2007

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

Functions/Programs	Disbursements	Program Receipts			Net (Disbursement) Receipt and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary government:					
Governmental activities:					
General government	\$ 7,493,428	\$ 379,176	\$ -	\$ -	\$ (7,114,252)
Public safety	2,450,638	797,173	15,784	2,230	(1,635,451)
Highways and streets	3,370,026	-	-	-	(3,370,026)
Sanitation	1,312	-	-	-	(1,312)
Health and welfare	2,281,142	40,936	560,780	98,921	(1,580,505)
Economic development	37,500	-	-	-	(37,500)
Culture and recreation	509,858	32,768	37,858	-	(439,232)
Interest on long-term debt	364,955	-	-	-	(364,955)
Total primary government	16,508,859	1,250,053	614,422	101,151	(14,543,233)
General receipts:					
Property taxes					5,141,446
County option income tax					1,714,012
Other taxes					2,284,265
Intergovernmental revenue					2,908,948
Fines and forfeits					317,861
Licenses and permits					11,386
Other local sources					1,586,490
Unrestricted investment earnings					687,716
Transfers					100,000
Total general receipts and transfers					14,752,124
Change in net assets					208,891
Net assets - beginning					13,524,889
Net assets - ending					\$ 13,733,780
<u>Assets</u>					
Cash and investments					\$ 3,084,814
Restricted assets:					
Cash and investments					10,648,966
Total assets					\$ 13,733,780
<u>Net Assets</u>					
Restricted for:					
Public safety					\$ 888,016
Highways and streets					3,280,299
Health and welfare					1,829,979
Culture and recreation					537,604
Urban redevelopment and housing					108,560
Debt service					1,304,063
Other purposes					2,700,445
Unrestricted					3,084,814
Total net assets					\$ 13,733,780

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

DECATUR 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	Highway	County Welfare Family and Children	Cumulative Bridge	Other Governmental Funds	Totals
Receipts:						
Taxes	\$ 4,597,561	\$ -	\$ 707,027	\$ 808,918	\$ 2,507,067	\$ 8,620,573
Special assessments	-	-	-	-	299,698	299,698
Licenses and permits	-	-	-	-	11,386	11,386
Intergovernmental	305,380	2,271,354	485,932	13,519	538,770	3,614,955
Charges for services	382,069	-	-	-	897,577	1,279,646
Fines and forfeits	174,873	-	-	-	84,341	259,214
Other	538,626	42,946	179,318	209,853	498,710	1,469,453
Total receipts	5,998,509	2,314,300	1,372,277	1,032,290	4,837,549	15,554,925
Disbursements:						
General government	3,733,721	-	-	-	1,745,150	5,478,871
Public safety	1,777,166	-	-	-	673,472	2,450,638
Highways and streets	-	1,905,602	-	-	631,315	2,536,917
Sanitation	1,312	-	-	-	-	1,312
Health and welfare	378,884	-	1,230,295	-	666,648	2,275,827
Culture and recreation	12,000	-	-	-	497,858	509,858
Urban redevelopment and housing	-	-	-	-	37,500	37,500
Debt service:						
Principal	-	36,435	-	-	645,050	681,485
Interest	-	6,005	-	-	358,950	364,955
Capital outlay:						
Highways and streets	-	-	-	796,674	-	796,674
Total disbursements	5,903,083	1,948,042	1,230,295	796,674	5,255,943	15,134,037
Excess (deficiency) of receipts over disbursements	95,426	366,258	141,982	235,616	(418,394)	420,888
Other financing sources (uses):						
Interfund loans	-	-	-	-	-	-
Transfers in	24,250	-	-	-	796,813	821,063
Transfers out	(19,793)	-	-	-	(701,270)	(721,063)
Total other financing sources (uses)	4,457	-	-	-	95,543	100,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	99,883	366,258	141,982	235,616	(322,851)	520,888
Cash and investment fund balance - beginning	2,908,673	449,700	1,235,384	1,861,961	6,374,236	12,829,954
Cash and investment fund balance - ending	<u>\$ 3,008,556</u>	<u>\$ 815,958</u>	<u>\$ 1,377,366</u>	<u>\$ 2,097,577</u>	<u>\$ 6,051,385</u>	13,350,842
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.						
						382,938
Net assets of governmental activities						<u>\$ 13,733,780</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ 3,008,556	\$ -	\$ -	\$ -	\$ 76,258	\$ 3,084,814
Restricted assets:						
Cash and investments	-	815,958	1,377,366	2,097,577	5,975,127	10,266,028
Total cash and investment assets - December 31	<u>\$ 3,008,556</u>	<u>\$ 815,958</u>	<u>\$ 1,377,366</u>	<u>\$ 2,097,577</u>	<u>\$ 6,051,385</u>	<u>\$ 13,350,842</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ 888,016	\$ 888,016
Highways and streets	-	815,958	-	2,097,577	366,764	3,280,299
Health and welfare	-	-	1,377,366	-	452,613	1,829,979
Culture and recreation	-	-	-	-	537,604	537,604
Urban redevelopment and housing	-	-	-	-	108,560	108,560
Debt service	-	-	-	-	1,304,063	1,304,063
Other purposes	-	-	-	-	2,317,507	2,317,507
Unrestricted	3,008,556	-	-	-	76,258	3,084,814
Total cash and investment fund balance - December 31	<u>\$ 3,008,556</u>	<u>\$ 815,958</u>	<u>\$ 1,377,366</u>	<u>\$ 2,097,577</u>	<u>\$ 6,051,385</u>	<u>\$ 13,350,842</u>

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

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

	Nonreverting Health Insurance Fund
Operating receipts:	
Insurance proceeds	\$ 1,062,825
Operating disbursements:	
Insurance disbursements	<u>1,274,822</u>
Deficiency of operating receipts over operating disbursements	(211,997)
Transfers out	<u>(100,000)</u>
Deficiency of receipts, contributions and transfers in over disbursements and transfers out	(311,997)
Cash and investment fund balance - beginning	<u>694,935</u>
Cash and investment fund balance - ending	<u>\$ 382,938</u>
<u>Cash and Investment Assets - December 31</u>	
Restricted assets:	
Cash and investments	<u>\$ 382,938</u>
<u>Cash and Investment Fund Balance - December 31</u>	
Restricted for:	
Other purposes	<u>\$ 382,938</u>

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

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

	Sheriff's Pension Trust	Congressional School Principal	Agency Funds
Additions:			
Contributions:			
Employer	\$ 55,574	\$ -	\$ -
Plan members	10,294	-	-
Other	-	2,300	-
	65,868	2,300	-
Total contributions			
Investment earnings:			
Net investment income	29,176	-	-
Realized gain	4,911	-	-
	34,087	-	-
Total investment earnings			
Agency fund additions	-	-	75,538,445
	99,955	2,300	75,538,445
Total additions			
Deductions:			
Benefits	35,785	-	-
Refunds of contributions	3,153	-	-
Administrative and general	12,402	-	-
Agency fund deductions	-	-	75,784,283
	51,340	-	75,784,283
Total deductions			
Excess (deficiency) of total additions over total deductions	48,615	2,300	(245,838)
Cash and investment fund balance - beginning	761,935	20,741	2,262,730
Cash and investment fund balance - ending	\$ 810,550	\$ 23,041	\$ 2,016,892

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

DECATUR 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, economic development, and general administrative services.

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

Primary Government:	Decatur County
Discretely Presented Component Units:	Decatur County Solid Waste Management District Decatur County Memorial Hospital

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

The Decatur County Solid Waste Management District and Decatur County Memorial Hospital, discretely presented component units, have been omitted from these financial statements. Accordingly, the financial statements do not include the data of all of the County's component units necessary to fairly present the financial position of the County.

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.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

Fund Financial Statements

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

DECATUR COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

The County reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The highway fund accounts for all financial resources restricted for construction and maintenance of the County highways.

The County welfare and children fund accounts for all resources restricted for assistance to eligible County residents in need of those services.

The cumulative bridge fund accounts for the financial resources restricted for maintenance and construction of the County bridges.

Additionally, the County reports the following fund types:

The internal service fund accounts for activities of the health insurance fund which accumulates resources for medical benefits for employees and their dependents.

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

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

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

DECATUR COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Capital Assets

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

3. Long-Term Debt

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

4. Equity Classification

Government-Wide Statements

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

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, 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.

DECATUR COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

F. Internal and Interfund Balances and Activities

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

Fund Financial Statements

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

Government-Wide Financial Statements

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

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

DECATUR COUNTY
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

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

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

B. Disbursements in Excess of Appropriations

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

Fund	2006
Cumulative Capital Development	\$ <u>30,432</u>

These disbursements were funded by available fund balance.

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.

DECATUR COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

2. Investments

Authorization for investment activity is stated in Indiana Code 5-13. As of December 31, 2006, the County had the following investments:

Investment Type	Sheriff's Retirement and Benefit Pension Plans
U.S. agencies	\$ 181,223
Corporate bonds	188,062
Mutual funds	98,344
Equity stock	342,921
Total	\$ 810,550

Investment Policies

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

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

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

DECATUR COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The County does not have a formal investment policy for custodial credit risk for investments. At December 31, 2006, the County held investments in mutual funds, corporate bonds, equity stock, and governmental bonds in the amount of \$810,550. Of these investments \$810,550 were held by the counterparty's trust department or agent but not in the County's 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.

Sheriff's Retirement and Benefit Pension Plans:

Investment Type	Investment Maturities (in Years)		
	Less Than 1	1-2	More Than 2
U.S. agencies	\$ 21,276	\$ 40,191	\$ 119,756
Corporate bonds	<u>30,615</u>	<u>61,301</u>	<u>96,146</u>
Totals	<u>\$ 51,891</u>	<u>\$ 101,492</u>	<u>\$ 215,902</u>

Credit Risk

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

Sheriff's Retirement and Benefit Pension Plans:

Moody's Rating	County's Investments	
	Corporate Bonds	Government Sponsored Enterprise
Aaa	\$ 20,036	\$ 181,223
Aa	81,980	-
A	76,087	-
Baa	<u>9,959</u>	<u>-</u>
Totals	<u>\$ 188,062</u>	<u>\$ 181,223</u>

DECATUR COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Concentration of Credit Risk

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

B. Interfund Transfers

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

Transfer From	Transfer To	2006
General Fund	Other governmental	\$ 76,179
Other governmental	General Fund	24,250
	Other governmental	854,572
Internal Service	Other governmental	100,000
Total		\$ 1,055,001

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

IV. Other Information

A. Risk Management

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

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

Medical Benefits to Employees, Retirees and Dependents

The County has chosen to establish a risk financing fund for risks associated with medical benefits to employees, retirees and dependents. The risk financing fund is accounted for in the Nonreverting Health Insurance Fund, an internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$50,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. Interfund premiums are paid into the fund by all affected funds and are available to pay claims, claim reserves, and administrative costs of the program. Interfund premiums are based upon single or family plan rates applied to each fund's employee election, and are reported as quasi-external interfund transactions.

DECATUR COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Job Related Illnesses or Injuries to Employees

During 2003, the County joined with other governmental entities in the Indiana Public Employer's Plan, a public entity risk pool currently operating as a common risk management and insurance program for approximately 350 member governmental entities. This risk pool was formed in 1990. The purpose of the risk pool is to provide a medium for the funding and administration of job related illnesses or injuries to employees. The County pays an annual premium to the risk pool for coverage. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$1,000,000 per insured event.

B. Holding Corporations

The County has entered into a capital lease with the Decatur County Building Corporation and the Decatur County Hospital Association (the lessors). The lessors were organized as not-for-profit corporations pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the County. The lessors have been determined to be related parties of the County. Lease payments during the year totaled \$625,000 and \$379,000, respectively.

C. Administration of Welfare Programs

The County is required to provide certain funding of administrative costs of welfare programs, the Hospital Care for the Indigent Program, Medical Assistance to Wards and Children with Special Health Care Needs through local property tax levies. The County remits those taxes to the State, which pays the cost.

D. Hospital Debt Obligation

Decatur County Memorial Hospital issued bonds in 2002 in the amount of \$4,000,000. The County has agreed to pay \$379,000 per year of the debt obligation of the Hospital.

E. Pension Plans

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

1. Public Employees' Retirement Fund

Plan Description

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

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

DECATUR 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.

Information to segregate the assets/liabilities and the actuarial study figures between the County and the Utilities is not available.

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.

DECATUR COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Actuarial Information for the Above Plans

	PERF	County Board of Health PERF	County Police Retirement Plan	County Police Benefit Plan
Annual required contribution	\$ 154,854	\$ 613	\$ 52,338	\$ 3,077
Interest on net pension obligation	(3,194)	(1,602)	(2,703)	-
Adjustment to annual required contribution	-	-	-	-
	<u>3,640</u>	<u>1,826</u>	<u>3,881</u>	<u>-</u>
Annual pension cost	155,300	837	53,516	3,077
Contributions made	<u>124,301</u>	<u>3,322</u>	<u>52,497</u>	<u>3,077</u>
Increase (decrease) in net pension obligation	30,999	(2,485)	1,019	-
Net pension obligation, beginning of year	<u>(44,054)</u>	<u>(22,102)</u>	<u>(38,619)</u>	<u>-</u>
Net pension obligation, end of year	<u>\$ (13,055)</u>	<u>\$ (24,587)</u>	<u>\$ (37,600)</u>	<u>\$ -</u>

	PERF	County Board of Health PERF	County Police Retirement Plan	County Police Benefit Plan
Contribution rates:				
County	5%	2.75%	13%	1%
Plan members	3%	3%	6%	6%
Actuarial valuation date	07-01-06	07-01-06	12-1-06	12-1-06
Actuarial cost method	Entry age	Entry age	Entry age	Entry age
Amortization method	Level	Level	Level	Level
	percentage of projected payroll, closed			
Amortization period	40 years	40 years	40 years	40 years
Amortization period (from date)	07-01-97	07-01-97	12-31-97	12-31-97
Asset valuation method	4 year smoothed market			

Actuarial Assumptions

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

DECATUR COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-04	\$ 108,022	81%	\$ (52,690)
	06-30-05	115,878	99%	(44,054)
	06-30-06	155,300	107%	(13,055)
County Board of Health PERF	06-30-04	171	1,627%	(19,474)
	06-30-05	197	1,434%	(22,102)
	06-30-06	837	1,686%	(24,587)
County Police Retirement Plan	11-30-04	38,712	90%	(53,916)
	11-30-05	47,574	90%	(38,619)
	11-30-06	53,516	110%	(37,600)
County Police Benefit Plan	11-30-04	2,228	100%	-
	11-30-05	2,787	100%	-
	11-30-06	3,077	100%	-

DECATUR COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-04	\$ 2,150,148	\$ 2,271,181	\$ (121,033)	95%	\$ 2,313,438	(5%)
07-01-05	2,235,289	2,736,110	(500,821)	82%	2,375,059	(21%)
07-01-06	2,655,234	2,739,836	(84,602)	97%	2,519,026	(3%)

County Health Department Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-04	\$ 257,069	\$ 156,639	\$ 100,430	164%	\$ 118,689	85%
07-01-05	259,156	185,759	73,397	140%	120,669	61%
07-01-06	259,211	124,672	134,539	208%	74,917	180%

County Police Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess AAL as a Percentage of Covered Payroll ((a-b)/c)
12-01-01	\$ 733,399	\$ 733,399	\$ -	100%	\$ 240,000	0%
12-01-02	738,611	738,611	-	100%	228,500	0%
12-01-03	738,801	738,801	-	100%	259,528	0%
12-01-04	753,618	753,618	-	100%	292,594	0%
12-01-05	801,080	801,080	-	100%	300,515	0%
12-01-06	863,723	863,723	-	100%	410,964	0%

DECATUR 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 Health	Local Road and Street	Property Reassessment	Accident Report	Firearms Training	Surveyor's Corner Perpetuation	Supplemental Adult Probation Services
Receipts:							
Taxes	\$ 272,124	\$ 588,505	\$ 223,748	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	11,386	-	-
Intergovernmental	119,416	195,673	-	-	-	-	-
Charges for services	-	-	-	1,617	-	7,470	113,972
Fines and forfeits	-	-	-	-	-	-	-
Other	17,185	39,819	-	-	-	-	-
Total receipts	408,725	823,997	223,748	1,617	11,386	7,470	113,972
Disbursements:							
General government	-	-	177,425	-	-	-	-
Public safety	-	-	-	-	6,493	-	79,836
Highways and streets	-	631,315	-	-	-	-	-
Health and welfare	350,583	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total disbursements	350,583	631,315	177,425	-	6,493	-	79,836
Excess (deficiency) of receipts over disbursements	58,142	192,682	46,323	1,617	4,893	7,470	34,136
Other financing sources (uses):							
Interfund loans	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	(56,387)	-	-	-	-	-	(20,000)
Total other financing sources (uses)	(56,387)	-	-	-	-	-	(20,000)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,755	192,682	46,323	1,617	4,893	7,470	14,136
Cash and investment fund balance - beginning	285,265	117,642	1,248,918	2,799	1,097	49,588	154,657
Cash and investment fund balance - ending	<u>\$ 287,020</u>	<u>\$ 310,324</u>	<u>\$ 1,295,241</u>	<u>\$ 4,416</u>	<u>\$ 5,990</u>	<u>\$ 57,058</u>	<u>\$ 168,793</u>
<u>Cash and Investment Assets - December 31</u>							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	287,020	310,324	1,295,241	4,416	5,990	57,058	168,793
Total cash and investment assets - December 31	<u>\$ 287,020</u>	<u>\$ 310,324</u>	<u>\$ 1,295,241</u>	<u>\$ 4,416</u>	<u>\$ 5,990</u>	<u>\$ 57,058</u>	<u>\$ 168,793</u>
<u>Cash and Investment Fund Balance - December 31</u>							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ 4,416	\$ 5,990	\$ -	\$ 168,793
Highways and streets	-	310,324	-	-	-	-	-
Health and welfare	287,020	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Other purposes	-	-	1,295,241	-	-	57,058	-
Unrestricted	-	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 287,020</u>	<u>\$ 310,324</u>	<u>\$ 1,295,241</u>	<u>\$ 4,416</u>	<u>\$ 5,990</u>	<u>\$ 57,058</u>	<u>\$ 168,793</u>

DECATUR 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)

	Supplemental Juvenile Probation Services	Recorder's Records Perpetuation	County Law Enforcement Continuing Education	Local Health Maintenance	Family Court Counselor	Emergency Telephone System	Host Homes
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	16,620	5,291	-	2,645
Charges for services	8,933	35,690	-	-	-	296,935	-
Fines and forfeits	-	-	1,413	-	-	-	-
Other	-	-	-	319	37,451	-	-
Total receipts	8,933	35,690	1,413	16,939	42,742	296,935	2,645
Disbursements:							
General government	-	21,784	-	-	48,704	-	-
Public safety	10,133	-	-	-	-	278,061	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	23,964	-	-	3,839
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total disbursements	10,133	21,784	-	23,964	48,704	278,061	3,839
Excess (deficiency) of receipts over disbursements	(1,200)	13,906	1,413	(7,025)	(5,962)	18,874	(1,194)
Other financing sources (uses):							
Interfund loans	-	-	-	-	-	(233,940)	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	(233,940)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,200)	13,906	1,413	(7,025)	(5,962)	(215,066)	(1,194)
Cash and investment fund balance - beginning	22,708	91,182	12,005	38,801	23,871	438,270	1,194
Cash and investment fund balance - ending	<u>\$ 21,508</u>	<u>\$ 105,088</u>	<u>\$ 13,418</u>	<u>\$ 31,776</u>	<u>\$ 17,909</u>	<u>\$ 223,204</u>	<u>\$ -</u>
<u>Cash and Investment Assets - December 31</u>							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	21,508	105,088	13,418	31,776	17,909	223,204	-
Total cash and investment assets - December 31	<u>\$ 21,508</u>	<u>\$ 105,088</u>	<u>\$ 13,418</u>	<u>\$ 31,776</u>	<u>\$ 17,909</u>	<u>\$ 223,204</u>	<u>\$ -</u>
<u>Cash and Investment Fund Balance - December 31</u>							
Restricted for:							
Public safety	\$ 21,508	\$ -	\$ 13,418	\$ -	\$ -	\$ 223,204	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	31,776	17,909	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Other purposes	-	105,088	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 21,508</u>	<u>\$ 105,088</u>	<u>\$ 13,418</u>	<u>\$ 31,776</u>	<u>\$ 17,909</u>	<u>\$ 223,204</u>	<u>\$ -</u>

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

	Covered Bridge	Emergency Planning and Right to Know	Hazardous Substance	County Drug Free Community	Sheriff's Donation	Inmate Phone	County Police Pension
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	1,250	6,185	-	74,381	-	-	-
Charges for services	-	-	-	-	-	17,790	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	-	-	60,902	3,904	-	3,384
Total receipts	1,250	6,185	-	135,283	3,904	17,790	3,384
Disbursements:							
General government	-	-	-	-	-	-	-
Public safety	-	2,524	-	-	1,359	25,673	30,574
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	150,223	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total disbursements	-	2,524	-	150,223	1,359	25,673	30,574
Excess (deficiency) of receipts over disbursements	1,250	3,661	-	(14,940)	2,545	(7,883)	(27,190)
Other financing sources (uses):							
Interfund loans	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	17,388
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	17,388
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,250	3,661	-	(14,940)	2,545	(7,883)	(9,802)
Cash and investment fund balance - beginning	13,568	17,317	308	66,533	9,721	68,283	45,270
Cash and investment fund balance - ending	<u>\$ 14,818</u>	<u>\$ 20,978</u>	<u>\$ 308</u>	<u>\$ 51,593</u>	<u>\$ 12,266</u>	<u>\$ 60,400</u>	<u>\$ 35,468</u>
<u>Cash and Investment Assets - December 31</u>							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	14,818	20,978	308	51,593	12,266	60,400	35,468
Total cash and investment assets - December 31	\$ 14,818	\$ 20,978	\$ 308	\$ 51,593	\$ 12,266	\$ 60,400	\$ 35,468
<u>Cash and Investment Fund Balance - December 31</u>							
Restricted for:							
Public safety	\$ -	\$ 20,978	\$ 308	\$ -	\$ 12,266	\$ 60,400	\$ 35,468
Highways and streets	14,818	-	-	-	-	-	-
Health and welfare	-	-	-	51,593	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-
Total cash and investment fund balance - December 31	\$ 14,818	\$ 20,978	\$ 308	\$ 51,593	\$ 12,266	\$ 60,400	\$ 35,468

DECATUR 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)

	Law Enforcement Continuing Education 2	Clerk's Records Perpetuation	Plat Book Maintenance	County Clerk's Incentive	County Prosecutor's Incentive	Home Detention	County Misdemeanant
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	15,259	7,225	70	-	45,296	95,194
Fines and forfeits	4,927	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	4,927	15,259	7,225	70	-	45,296	95,194
Disbursements:							
General government	-	25,188	5,240	75	-	-	-
Public safety	6,311	-	-	-	-	80,765	46,176
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total disbursements	6,311	25,188	5,240	75	-	80,765	46,176
Excess (deficiency) of receipts over disbursements	(1,384)	(9,929)	1,985	(5)	-	(35,469)	49,018
Other financing sources (uses):							
Interfund loans	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	12,043	-
Transfers out	-	-	-	-	-	-	(212,043)
Total other financing sources (uses)	-	-	-	-	-	12,043	(212,043)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,384)	(9,929)	1,985	(5)	-	(23,426)	(163,025)
Cash and investment fund balance - beginning	16,314	16,307	31,645	40	5,674	62,123	270,280
Cash and investment fund balance - ending	<u>\$ 14,930</u>	<u>\$ 6,378</u>	<u>\$ 33,630</u>	<u>\$ 35</u>	<u>\$ 5,674</u>	<u>\$ 38,697</u>	<u>\$ 107,255</u>
<u>Cash and Investment Assets - December 31</u>							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	<u>14,930</u>	<u>6,378</u>	<u>33,630</u>	<u>35</u>	<u>5,674</u>	<u>38,697</u>	<u>107,255</u>
Total cash and investment assets - December 31	<u>\$ 14,930</u>	<u>\$ 6,378</u>	<u>\$ 33,630</u>	<u>\$ 35</u>	<u>\$ 5,674</u>	<u>\$ 38,697</u>	<u>\$ 107,255</u>
<u>Cash and Investment Fund Balance - December 31</u>							
Restricted for:							
Public safety	\$ 14,930	\$ -	\$ -	\$ -	\$ -	\$ 38,697	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Other purposes	-	6,378	33,630	35	5,674	-	107,255
Unrestricted	-	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 14,930</u>	<u>\$ 6,378</u>	<u>\$ 33,630</u>	<u>\$ 35</u>	<u>\$ 5,674</u>	<u>\$ 38,697</u>	<u>\$ 107,255</u>

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

	Guardian Ad Litem/ CASA	Convention Tourism	Jury Pay	Corrections Drug Testing	Supplemental Public Defender Service	Adventure Based Counseling	Alternative School
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	111,492	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	2,228	-	-	-	-	-	-
Charges for services	-	-	5,754	-	-	-	-
Fines and forfeits	-	-	-	5,292	62,808	-	-
Other	-	-	-	-	-	-	-
Total receipts	2,228	111,492	5,754	5,292	62,808	-	-
Disbursements:							
General government	-	110,000	-	-	19,931	-	-
Public safety	-	-	-	3,676	-	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	2,077	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total disbursements	2,077	110,000	-	3,676	19,931	-	-
Excess (deficiency) of receipts over disbursements	151	1,492	5,754	1,616	42,877	-	-
Other financing sources (uses):							
Interfund loans	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	151	1,492	5,754	1,616	42,877	-	-
Cash and investment fund balance - beginning	50	107,068	67,566	(59)	3,882	2,150	296
Cash and investment fund balance - ending	\$ 201	\$ 108,560	\$ 73,320	\$ 1,557	\$ 46,759	\$ 2,150	\$ 296
<u>Cash and Investment Assets - December 31</u>							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	201	108,560	73,320	1,557	46,759	2,150	296
Total cash and investment assets - December 31	\$ 201	\$ 108,560	\$ 73,320	\$ 1,557	\$ 46,759	\$ 2,150	\$ 296
<u>Cash and Investment Fund Balance - December 31</u>							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ 1,557	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	201	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	108,560	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Other purposes	-	-	73,320	-	46,759	2,150	296
Unrestricted	-	-	-	-	-	-	-
Total cash and investment fund balance - December 31	\$ 201	\$ 108,560	\$ 73,320	\$ 1,557	\$ 46,759	\$ 2,150	\$ 296

DECATUR 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)

	Animal Shelter Donations	Prosecutor's Title IV-D	Clerk's Title IV-D	Child Safety Grant	HAVA Section 102	HAVA Title III	Westport Covered Bridge Donation
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	275	15,904	5,695	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	2,230	-	-	-	-	204	-
Total receipts	2,230	275	15,904	5,695	-	204	-
Disbursements:							
General government	-	-	-	-	16,575	20,162	-
Public safety	-	-	-	572	-	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	5,434	35,555	11,865	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total disbursements	5,434	35,555	11,865	572	16,575	20,162	-
Excess (deficiency) of receipts over disbursements	(3,204)	(35,280)	4,039	5,123	(16,575)	(19,958)	-
Other financing sources (uses):							
Interfund loans	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,204)	(35,280)	4,039	5,123	(16,575)	(19,958)	-
Cash and investment fund balance - beginning	4,989	73,723	3,313	(2,569)	25,161	144,190	41,622
Cash and investment fund balance - ending	\$ 1,785	\$ 38,443	\$ 7,352	\$ 2,554	\$ 8,586	\$ 124,232	\$ 41,622
<u>Cash and Investment Assets - December 31</u>							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	1,785	38,443	7,352	2,554	8,586	124,232	41,622
Total cash and investment assets - December 31	\$ 1,785	\$ 38,443	\$ 7,352	\$ 2,554	\$ 8,586	\$ 124,232	\$ 41,622
<u>Cash and Investment Fund Balance - December 31</u>							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ 2,554	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	41,622
Health and welfare	1,785	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Other purposes	-	38,443	7,352	-	8,586	124,232	-
Unrestricted	-	-	-	-	-	-	-
Total cash and investment fund balance - December 31	\$ 1,785	\$ 38,443	\$ 7,352	\$ 2,554	\$ 8,586	\$ 124,232	\$ 41,622

DECATUR 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)

	Welfare Psyc Child Treatment	Check Enforcement	Park Gifts and Grants	Sheriffs Inmate Food	Sheriffs Commissary	Probation Administration	Marijuana Eradication Program
Receipts:							
Taxes	\$ 108,104	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	5,528	-	91,877	29,066	44,870	-
Fines and forfeits	-	-	-	-	-	-	9,901
Other	-	-	2,820	-	-	-	-
Total receipts	108,104	5,528	2,820	91,877	29,066	44,870	9,901
Disbursements:							
General government	-	3,049	-	-	-	2,616	-
Public safety	-	-	-	68,148	29,143	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	83,108	-	-	-	-	-	-
Culture and recreation	-	-	2,750	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total disbursements	83,108	3,049	2,750	68,148	29,143	2,616	-
Excess (deficiency) of receipts over disbursements	24,996	2,479	70	23,729	(77)	42,254	9,901
Other financing sources (uses):							
Interfund loans	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	(4,250)	-	-	-	-	-
Total other financing sources (uses)	-	(4,250)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	24,996	(1,771)	70	23,729	(77)	42,254	9,901
Cash and investment fund balance - beginning	37,333	9,999	4,622	24,105	34,559	46,594	8,050
Cash and investment fund balance - ending	<u>\$ 62,329</u>	<u>\$ 8,228</u>	<u>\$ 4,692</u>	<u>\$ 47,834</u>	<u>\$ 34,482</u>	<u>\$ 88,848</u>	<u>\$ 17,951</u>
<u>Cash and Investment Assets - December 31</u>							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	62,329	8,228	4,692	47,834	34,482	88,848	17,951
Total cash and investment assets - December 31	<u>\$ 62,329</u>	<u>\$ 8,228</u>	<u>\$ 4,692</u>	<u>\$ 47,834</u>	<u>\$ 34,482</u>	<u>\$ 88,848</u>	<u>\$ 17,951</u>
<u>Cash and Investment Fund Balance - December 31</u>							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ 47,834	\$ 34,482	\$ 88,848	\$ 17,951
Highways and streets	-	-	-	-	-	-	-
Health and welfare	62,329	-	-	-	-	-	-
Culture and recreation	-	-	4,692	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Other purposes	-	8,228	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 62,329</u>	<u>\$ 8,228</u>	<u>\$ 4,692</u>	<u>\$ 47,834</u>	<u>\$ 34,482</u>	<u>\$ 88,848</u>	<u>\$ 17,951</u>

DECATUR 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)

	Riverboat Wagering County Share	County Park and Recreation	Park Activity	Rainy Day	County Sales Disclosure	CEDIT	Hospital Bond
Receipts:							
Taxes	\$ -	\$ 479,636	\$ -	\$ -	\$ -	\$ 566,553	\$ -
Special assessments	-	-	-	-	-	-	188,206
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	73,557	-	-	-	-	-	-
Charges for services	-	32,768	37,858	-	4,405	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	2,600	7,131	-	-	66,221	205,691
Total receipts	73,557	515,004	44,989	-	4,405	632,774	393,897
Disbursements:							
General government	-	-	-	-	-	109,390	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	445,971	49,137	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	37,500	-
Debt service:							
Principal	-	-	-	-	-	420,050	225,000
Interest	-	-	-	-	-	204,950	154,000
Total disbursements	-	445,971	49,137	-	-	771,890	379,000
Excess (deficiency) of receipts over disbursements	73,557	69,033	(4,148)	-	4,405	(139,116)	14,897
Other financing sources (uses):							
Interfund loans	-	-	-	-	-	233,940	-
Transfers in	-	-	-	-	-	-	-
Transfers out	(220,000)	-	-	(120,000)	-	(68,590)	-
Total other financing sources (uses)	(220,000)	-	-	(120,000)	-	165,350	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(146,443)	69,033	(4,148)	(120,000)	4,405	26,234	14,897
Cash and investment fund balance - beginning	221,329	450,443	17,584	121,372	13,307	1,268,444	(5,512)
Cash and investment fund balance - ending	<u>\$ 74,886</u>	<u>\$ 519,476</u>	<u>\$ 13,436</u>	<u>\$ 1,372</u>	<u>\$ 17,712</u>	<u>\$ 1,294,678</u>	<u>\$ 9,385</u>
<u>Cash and Investment Assets - December 31</u>							
Cash and investments	\$ 74,886	\$ -	\$ -	\$ 1,372	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	-	519,476	13,436	-	17,712	1,294,678	9,385
Total cash and investment assets - December 31	<u>\$ 74,886</u>	<u>\$ 519,476</u>	<u>\$ 13,436</u>	<u>\$ 1,372</u>	<u>\$ 17,712</u>	<u>\$ 1,294,678</u>	<u>\$ 9,385</u>
<u>Cash and Investment Fund Balance - December 31</u>							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	519,476	13,436	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	1,294,678	9,385
Other purposes	-	-	-	-	17,712	-	-
Unrestricted	74,886	-	-	1,372	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 74,886</u>	<u>\$ 519,476</u>	<u>\$ 13,436</u>	<u>\$ 1,372</u>	<u>\$ 17,712</u>	<u>\$ 1,294,678</u>	<u>\$ 9,385</u>

DECATUR 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	Bioterrorism Prepared Grant	Operation Pullover	Identification Security Protection	Airport Improvement	Sheriff Drug Testing	Totals
Receipts:							
Taxes	\$ 268,397	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,507,067
Special assessments	-	-	-	-	-	-	299,698
Licenses and permits	-	-	-	-	-	-	11,386
Intergovernmental	-	9,015	-	10,635	-	-	538,770
Charges for services	-	-	-	-	-	-	897,577
Fines and forfeits	-	-	-	-	-	-	84,341
Other	48,849	-	-	-	-	-	498,710
Total receipts	317,246	9,015	-	10,635	-	-	4,837,549
Disbursements:							
General government	1,185,011	-	-	-	-	-	1,745,150
Public safety	-	3,940	88	-	-	-	673,472
Highways and streets	-	-	-	-	-	-	631,315
Health and welfare	-	-	-	-	-	-	666,648
Culture and recreation	-	-	-	-	-	-	497,858
Urban redevelopment and housing	-	-	-	-	-	-	37,500
Debt service:							
Principal	-	-	-	-	-	-	645,050
Interest	-	-	-	-	-	-	358,950
Total disbursements	1,185,011	3,940	88	-	-	-	5,255,943
Excess (deficiency) of receipts over disbursements	(867,765)	5,075	(88)	10,635	-	-	(418,394)
Other financing sources (uses):							
Interfund loans	-	-	-	-	-	-	-
Transfers in	640,000	56,387	1,254	-	68,590	1,151	796,813
Transfers out	-	-	-	-	-	-	(701,270)
Total other financing sources (uses)	640,000	56,387	1,254	-	68,590	1,151	95,543
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(227,765)	61,462	1,166	10,635	68,590	1,151	(322,851)
Cash and investment fund balance - beginning	539,245	-	-	-	-	-	6,374,236
Cash and investment fund balance - ending	\$ 311,480	\$ 61,462	\$ 1,166	\$ 10,635	\$ 68,590	\$ 1,151	\$ 6,051,385
<u>Cash and Investment Assets - December 31</u>							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,258
Restricted assets:							
Cash and investments	311,480	61,462	1,166	10,635	68,590	1,151	5,975,127
Total cash and investment assets - December 31	\$ 311,480	\$ 61,462	\$ 1,166	\$ 10,635	\$ 68,590	\$ 1,151	\$ 6,051,385
<u>Cash and Investment Fund Balance - December 31</u>							
Restricted for:							
Public safety	\$ -	\$ 61,462	\$ 1,166	\$ 10,635	\$ -	\$ 1,151	\$ 888,016
Highways and streets	-	-	-	-	-	-	366,764
Health and welfare	-	-	-	-	-	-	452,613
Culture and recreation	-	-	-	-	-	-	537,604
Urban redevelopment and housing	-	-	-	-	-	-	108,560
Debt service	-	-	-	-	-	-	1,304,063
Other purposes	311,480	-	-	-	68,590	-	2,317,507
Unrestricted	-	-	-	-	-	-	76,258
Total cash and investment fund balance - December 31	\$ 311,480	\$ 61,462	\$ 1,166	\$ 10,635	\$ 68,590	\$ 1,151	\$ 6,051,385

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

	Tax Sale Surplus	State Sales Disclosure Fees	Inheritance Tax	Surplus Tax	Congressional Interest	Infraction Judgments	Tax Distributions
Additions:							
Agency fund additions	\$ 13,202	\$ 4,420	\$ 929,648	\$ 61,484	\$ 923	\$ 45,724	\$ 29,794,971
Deductions:							
Agency fund deductions	111,367	4,395	819,269	35,735	3,319	41,746	29,357,354
Excess (deficiency) of total additions over total deductions	(98,165)	25	110,379	25,749	(2,396)	3,978	437,617
Cash and investment fund balance - beginning	120,047	345	68,645	5,040	20,089	-	67,953
Cash and investment fund balance - ending	<u>\$ 21,882</u>	<u>\$ 370</u>	<u>\$ 179,024</u>	<u>\$ 30,789</u>	<u>\$ 17,693</u>	<u>\$ 3,978</u>	<u>\$ 505,570</u>

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

	County Payroll	Welfare Trust	Surplus Dog Tax	Tax Sale Redemption	City/Town Court Costs	State Fines and Forfeitures	Coroner's Training and Continuing Education
Additions: Agency fund additions	\$ 1,434,486	\$ 21,092	\$ 2,127	\$ 33,150	\$ 10,463	\$ 23,807	\$ 1,053
Deductions: Agency fund deductions	<u>1,357,628</u>	<u>25,589</u>	<u>2,127</u>	<u>32,509</u>	<u>10,657</u>	<u>21,101</u>	<u>1,102</u>
Excess (deficiency) of total additions over total deductions	76,858	(4,497)	-	641	(194)	2,706	(49)
Cash and investment fund balance - beginning	<u>185,111</u>	<u>14,171</u>	<u>1,293</u>	<u>4,942</u>	<u>5,486</u>	<u>2,380</u>	<u>116</u>
Cash and investment fund balance - ending	<u>\$ 261,969</u>	<u>\$ 9,674</u>	<u>\$ 1,293</u>	<u>\$ 5,583</u>	<u>\$ 5,292</u>	<u>\$ 5,086</u>	<u>\$ 67</u>

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

	Education Plate Fees	Wheel Tax	County Hospital Care for the Indigent	Medical Assistance to Wards	Children With Special Health Care Needs	Special Death Benefits	State Mortgage Fee
Additions: Agency fund additions	\$ 1,069	\$ 132,614	\$ 261,879	\$ 8,647	\$ 22,235	\$ 2,180	\$ 4,400
Deductions: Agency fund deductions	<u>900</u>	<u>132,614</u>	<u>261,879</u>	<u>8,647</u>	<u>22,235</u>	<u>3,015</u>	<u>4,333</u>
Excess (deficiency) of total additions over total deductions	169	-	-	-	-	(835)	67
Cash and investment fund balance - beginning	<u>38</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>975</u>	<u>320</u>
Cash and investment fund balance - ending	<u>\$ 207</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 140</u>	<u>\$ 387</u>

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

	Child Restraint Fee	County Treasurer	Clerk of the Circuit Court	County Recorder	County Probation	County Probation Home Detention
Additions:						
Agency fund additions	\$ 300	\$ 36,137,185	\$ 4,539,086	\$ 138,685	\$ 121,887	\$ 46,974
Deductions:						
Agency fund deductions	400	36,957,718	4,519,401	136,844	122,905	44,771
Excess (deficiency) of total additions over total deductions	(100)	(820,533)	19,685	1,841	(1,018)	2,203
Cash and investment fund balance - beginning	100	979,696	755,127	10,466	8,174	2,046
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 159,163</u>	<u>\$ 774,812</u>	<u>\$ 12,307</u>	<u>\$ 7,156</u>	<u>\$ 4,249</u>

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

	County Health	County Sheriff	Sheriff's Inmate Trust	County Parks and Recreation	Prosecutor Check Enforcement	Totals
Additions: Agency fund additions	\$ 29,920	\$ 1,555,316	\$ 51,909	\$ 79,198	\$ 28,411	\$ 75,538,445
Deductions: Agency fund deductions	<u>28,037</u>	<u>1,555,365</u>	<u>52,578</u>	<u>80,578</u>	<u>28,165</u>	<u>75,784,283</u>
Excess (deficiency) of total additions over total deductions	1,883	(49)	(669)	(1,380)	246	(245,838)
Cash and investment fund balance - beginning	<u>1,381</u>	<u>565</u>	<u>4,187</u>	<u>3,565</u>	<u>472</u>	<u>2,262,730</u>
Cash and investment fund balance - ending	<u>\$ 3,264</u>	<u>\$ 516</u>	<u>\$ 3,518</u>	<u>\$ 2,185</u>	<u>\$ 718</u>	<u>\$ 2,016,892</u>

DECATUR 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	\$ 968,108
Bridges	12,670,490
Culverts	1,499,632
Rights of Way	361,172
Roads	10,757,686
Buildings	11,233,191
Improvements other than buildings	2,282,255
Machinery and equipment	<u>7,026,510</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 46,799,044</u>

DECATUR COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT

For The Year Ended December 31, 2006

Description of Asset	Present Value of Net Minimum Lease Payments	Ending Balance	Due Within One Year
CAPITAL LEASES			
Courthouse renovation	\$ 3,628,879	\$ 4,375,000	\$ 625,000
Highway trucks (3)	118,027	127,321	42,440
BONDS PAYABLE			
General obligation bonds:			
Hospital renovation/addition	-	3,450,000	380,000
Total governmental activities long-term debt	<u>\$ 3,746,906</u>	<u>\$ 7,952,321</u>	<u>\$ 1,047,440</u>

DECATUR COUNTY
OTHER REPORTS

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

County Recorder
County Sheriff
County Treasurer
Clerk of the Circuit Court
County Auditor
County Commissioners

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF DECATUR COUNTY, INDIANA

Compliance

We have audited the compliance of Decatur County (County) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2006. The County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2006.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

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

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

This report is intended solely for the information and use of the County's management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

October 1, 2007

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

Federal Grantor Agency/Pass-Through Entity Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Pass-Through Indiana Office of Community and Rural Affairs Community Development Block Grant	14.228		\$ 43,730
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation Highway Planning and Construction	20.205	BRO-9916 (014)	115,035
Pass-Through Indiana Criminal Justice Institute State and Community Highway Safety	20.600	OP 06-02-03-29	3,169
Alcohol Traffic Safety and Drunk Driving Prevention	20.601	J8-06-04-04-01	3,860
Total for federal grantor agency			122,064
<u>U.S. GENERAL SERVICES ADMINISTRATION</u>			
Pass-Through Indiana Secretary of State Election Reform Payments	39.011		16,575
<u>U.S. ELECTIONS ASSISTANCE COMMISSION</u>			
Pass-Through Indiana Secretary of State Help America Vote Act Requirement Payments	90.401		20,162
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-Through Indiana Department of Health Centers for Disease Control - Investigations and Technical Assistance	93.283		52,439
Pass-Through Indiana Department of Child Services Child Support Enforcement	93.563		
County Prosecutor's Expenditures			91,564
County Clerk of the Circuit Court's Expenditures			10,924
Collection Incentives			40,703
Indirect Costs			25,347
Total for program			168,538
Total for federal grantor agency			220,977
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security Homeland Security Grant Program	97.067		
Law Enforcement Terrorism Prevention			197,243
State Homeland Security Program			11,250
Total for federal grantor agency			208,493
Total federal awards expended			\$ 632,001

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

DECATUR COUNTY
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

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

DECATUR COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Qualified

Internal control over financial reporting:
 Material weaknesses identified? no
 Reportable conditions identified that are not considered to be material weaknesses? none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:
 Material weaknesses identified? no
 Reportable conditions identified that are not considered to be material weaknesses? none reported

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

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

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
20.205	Highway Planning and Construction
97.067	Homeland Security Grant Program

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

DECATUR COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

DECATUR COUNTY
EXIT CONFERENCE

The contents of this report were discussed on October 1, 2007, with Charles Buell, President of the Board of County Commissioners; Geneva Hunt, County Council member; and Bridgett C. Weber, Auditor. Our audit disclosed no material items that warrant comment at this time.