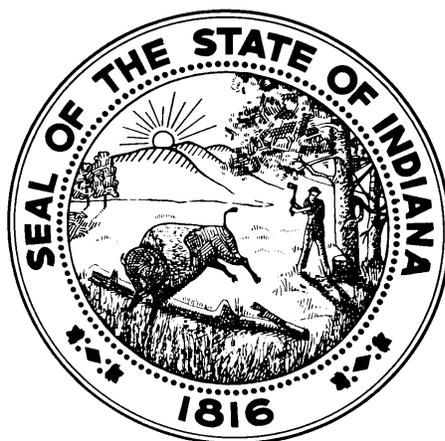


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

ANNUAL FINANCIAL REPORT

2006

BROWN COUNTY, INDIANA



FILED
12/20/2007

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Mari H. Miller	01-01-06 to 12-31-10
Treasurer	Joe Wray	01-01-06 to 12-31-08
Clerk	Benita Fox	01-01-06 to 12-31-07
Sheriff	Robert E. Stogsdill	01-01-06 to 12-31-10
Recorder	Glenda Stogsdill	01-01-06 to 12-31-08
President of the Board of County Commissioners	Stephanie R. Yager	01-01-06 to 12-31-07
President of the County Council	David Critser	01-01-06 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 BROWN COUNTY, INDIANA

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

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

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

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

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Combining Schedules, as listed in the Table of Contents, 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 Long-Term Debt 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

December 11, 2007



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

TO: THE OFFICIALS OF BROWN COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Brown 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 December 11, 2007. The opinion to the financial statements was qualified due to the omission of component units. 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 were reported to management in a separate letter dated December 11, 2007.

This report is intended solely for the information and use of the County's management, commissioners and council, 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

December 11, 2007

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

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Governmental Activities</u>	Net (Disbursement) Receipt and Changes in Net Assets
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		<u>Capital Grants and Contributions</u>
Primary government:					
Governmental activities:					
General government	\$ 3,102,549	\$ 280,626	\$ 222,316	\$ -	\$ (2,599,607)
Public safety	2,623,249	486,771	242,769	-	(1,893,709)
Highways and streets	2,138,897	-	2,002,385	-	(136,512)
Health and welfare	1,752,650	27,720	851,698	-	(873,232)
Culture and recreation	740,763	130,180	1,500	40,500	(568,583)
Urban redevelopment and housing	20,000	-	20,000	-	-
Economic development	482,291	-	-	-	(482,291)
Debt service	693,857	-	202,384	-	(491,473)
Capital outlay	333,282	-	-	144,898	(188,384)
Total governmental activities	<u>\$ 11,887,538</u>	<u>\$ 925,297</u>	<u>\$ 3,543,052</u>	<u>\$ 185,398</u>	<u>(7,233,791)</u>
General receipts:					
Property taxes					8,046,157
Other local sources					1,997,234
Bonds and loans					1,975,000
Unrestricted investment earnings					<u>942,647</u>
Total general receipts					<u>12,961,038</u>
Change in net assets					5,727,247
Net assets - beginning					<u>(2,704,106)</u>
Net assets - ending					<u>\$ 3,023,141</u>
 <u>Assets</u>					
Cash and investments					\$ (2,520,287)
Restricted assets:					
Cash and investments					<u>5,543,428</u>
Total assets					<u>\$ 3,023,141</u>
 <u>Net Assets</u>					
Restricted for:					
General government					\$ 286,553
Public safety					543,319
Highways and streets					1,227,485
Health and welfare					1,087,361
Culture and recreation					207,588
Debt service					194,530
Capital outlays					1,996,592
Unrestricted					<u>(2,520,287)</u>
Total net assets					<u>\$ 3,023,141</u>

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

BROWN 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	Motor Vehicle Highway	County Family and Children	Cumulative Bridge	Improvement Loan	Other Governmental Funds	Totals
Receipts:							
Taxes	\$ 4,700,396	\$ 26,474	\$ 939,725	\$ 397,198	\$ -	\$ 3,125,881	\$ 9,189,674
Intergovernmental	692,066	1,784,558	389,620	102,126	-	1,378,736	4,347,106
Charges for services	248,955	-	-	-	-	676,338	925,293
Other	1,060,768	46,316	-	8,004	30,339	32,283	1,177,710
Total receipts	6,702,185	1,857,348	1,329,345	507,328	30,339	5,213,238	15,639,783
Disbursements:							
General government	2,912,912	-	-	-	-	189,636	3,102,548
Public safety	1,843,689	-	-	-	-	779,560	2,623,249
Highways and streets	-	1,819,724	-	-	-	319,173	2,138,897
Health and welfare	73,818	-	1,127,704	-	-	551,127	1,752,649
Culture and recreation	88,329	-	-	-	-	652,434	740,763
Urban redevelopment and housing	-	-	-	-	-	20,000	20,000
Economic development	-	-	-	-	-	482,291	482,291
Debt service:							
Principal	-	-	-	-	-	251,354	251,354
Interest	-	-	-	-	-	442,503	442,503
Capital outlay:							
Highways and streets	-	-	-	149,746	76,431	54,187	280,364
Culture and recreation	-	-	-	-	52,918	-	52,918
Total disbursements	4,918,748	1,819,724	1,127,704	149,746	129,349	3,742,265	11,887,536
Excess (deficiency) of receipts over disbursements	1,783,437	37,624	201,641	357,582	(99,010)	1,470,973	3,752,247
Other financing sources (uses):							
Loan proceeds	-	-	-	-	1,475,000	500,000	1,975,000
Interfund loans	1,660,000	-	-	-	-	(1,660,000)	-
Transfers in	129,272	-	500,000	-	-	215,677	844,949
Transfers out	-	-	-	-	-	(844,949)	(844,949)
Total other financing sources (uses)	1,789,272	-	500,000	-	1,475,000	(1,789,272)	1,975,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,572,709	37,624	701,641	357,582	1,375,990	(318,299)	5,727,247
Cash and investment fund balance - beginning	(6,133,126)	1,116,972	304,229	145,246	-	1,862,573	(2,704,106)
Cash and investment fund balance - ending	\$ (2,560,417)	\$ 1,154,596	\$ 1,005,870	\$ 502,828	\$ 1,375,990	\$ 1,544,274	\$ 3,023,141
Cash and Investment Assets - December 31							
Cash and investments	\$ (2,560,417)	\$ -	\$ -	\$ -	\$ -	\$ 185,313	\$ (2,375,104)
Restricted assets:							
Cash and investments	-	1,154,596	1,005,870	502,828	1,375,990	1,358,961	5,398,245
Total cash and investment assets - December 31	\$ (2,560,417)	\$ 1,154,596	\$ 1,005,870	\$ 502,828	\$ 1,375,990	\$ 1,544,274	\$ 3,023,141
Cash and Investment Fund Balance - December 31							
Restricted for:							
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 286,553	\$ 286,553
Public safety	-	-	-	-	-	543,319	543,319
Highways and streets	-	1,154,596	-	-	-	72,889	1,227,485
Health and welfare	-	-	1,005,870	-	-	81,491	1,087,361
Culture and recreation	-	-	-	-	-	207,588	207,588
Debt service	-	-	-	-	-	194,530	194,530
Capital outlay	-	-	-	502,828	1,375,990	117,774	1,996,592
Unrestricted	(2,560,417)	-	-	-	-	40,130	(2,520,287)
Total cash and investment fund balance - December 31	\$ (2,560,417)	\$ 1,154,596	\$ 1,005,870	\$ 502,828	\$ 1,375,990	\$ 1,544,274	\$ 3,023,141

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

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

	<u>Pension Trust Fund</u>	<u>Private-Purpose Trust Fund</u>	<u>Agency Funds</u>
Additions:			
Contributions	\$ 134,723	\$ -	\$ -
Investment earnings:			
Net increase in fair value of investments	43,518	-	-
Interest	<u>38,050</u>	<u>-</u>	<u>-</u>
Net investment earnings	81,568	-	-
Agency fund additions	<u>-</u>	<u>-</u>	<u>50,148,574</u>
Total additions	<u>216,291</u>	<u>-</u>	<u>50,148,574</u>
Deductions:			
Benefits	119,243	-	-
Administrative and general	34,156	-	-
Agency fund deductions	<u>-</u>	<u>-</u>	<u>64,910,343</u>
Total deductions	<u>153,399</u>	<u>-</u>	<u>64,910,343</u>
Excess (deficiency) of total additions over total deductions	62,892	-	(14,761,769)
Cash and investment fund balance - beginning	<u>1,351,956</u>	<u>8,496</u>	<u>26,667,947</u>
Cash and investment fund balance - ending	<u>\$ 1,414,848</u>	<u>\$ 8,496</u>	<u>\$ 11,906,178</u>

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

BROWN COUNTY
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

The County was established under the laws of the State of Indiana. The County operates under a Council-Commissioner form of government and provides the following services: public safety (police), highways and streets, health welfare and social services, culture and recreation, public improvements, planning and zoning, and general administrative services.

These financial statements present the County (primary government).

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

Management has chosen to omit from these financial statements component units which have significant operational or financial relationships with the County. 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.

Discretely Presented Component Units

The financial statements of the individual component units may be obtained from their respective offices as follows: Brown County Solid Waste Management District, P.O. Box 1308, Nashville, Indiana 47448; Hamblen Township Fire Protection District, 6593 Sweetwater Trail, Nineveh, Indiana 46164; Helmsburg Regional Sewer District, P.O. Box 147, Helmsburg, Indiana 47435 and Gnawbone Regional Sewer District, P.O. Box 927, Nashville, Indiana 47448.

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.

The County reports the following major governmental funds:

BROWN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 motor vehicle highway fund accounts for the cost of maintaining the county roads. Revenues are monthly distributions from the State of Indiana for highway use taxes.

The county family and children fund accounts for the costs payable by the County to provide services for adoption assistance, foster care and child welfare services. These services are funded by property taxes and assistance from the State of Indiana.

The cumulative bridge fund accounts for construction and maintenance of county bridges. Revenues are taxes and state distributions.

The improvement loan fund accounts for capital expenditures for improvement projects. Revenues are proceeds from a loan and interest earnings.

Additionally, the County reports the following fund types:

The pension trust funds account for the activities of the Sheriff's Pension Trust and the Sheriff's Benefit 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 school corporation.

Agency funds account for assets held by the County as an agent for payroll benefits and money held for other governmental units and individuals 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.

BROWN 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 or internal service 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.

BROWN 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

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:

1. 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.
2. Primary government and component unit activity and balances – Resource flows between the primary government and the discretely-presented component unit(s) are reported as if they were external transactions and are classified separately from internal balances and activities within the primary government.

BROWN 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. However, the Indiana Department of Local Government Finance did not approve a budget for Brown County in 2006.

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
General Fund	\$ (2,560,417)
Health Fund	(104,851)
Brown County Family Access Fund	(39,029)
Impact Grant Fund	(263)
Brown County Tobacco Free Fund	(1,303)

Cash and investment deficits arose primarily from disbursements exceeding receipts due to the delay in billing property taxes because of continuing problems related to the 2002 reassessment. These deficits are to be repaid from future receipts.

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

Investment Type	Sheriff's Retirement and Benefit Pension Plans
U.S. treasuries and securities	\$ 204,580
Mutual funds	151,959
U.S. agencies	138,608
Corporate bonds	13,927
Common stocks	905,345
Total	\$ 1,414,419

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.

BROWN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

The Sheriff's Pension Plan is not subject to the same investment laws as the County. The investment policy, disclosed in the Trust Agreement, for the Sheriff's Retirement and Benefit Pension Plans was signed by the Sheriff's Merit Board on April 1, 2005. Authorized investments include common or preferred stock, options to purchase stocks, bonds, debentures, notes or other evidences of indebtedness or ownership, or other securities, in any corporation, mutual investment fund, investment company, association or business trust; bonds or other obligations or securities issued by the United States of America or any State or governmental subdivision or instrumentality thereof.

Investment Custodial Credit Risk

The Sheriff's Merit Board has adopted an investment policy for custodial credit risk for investments on April 1, 2005. The policy states the Trustee shall act with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. At December 31, 2006, the Sheriff's Retirement and Benefit Pension Plans held investments in U.S. Treasuries and Securities, Mutual Funds, U.S. Agencies, Corporate Bonds, and Common Stock in the total amount of \$1,414,419.

Interest Rate Risk

The Sheriff's Merit Board for the Sheriff's Retirement and Benefit Pension Plans manages interest rate risk by authorizing investments with stated final maturities of up to seven years.

BROWN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Sheriff's Retirement and Benefit Pension Plans:

Investment Type	Investment Maturities (in Years)		
	Less Than 1	1-2	More Than 2
U.S. treasuries and securities	\$ 14,926	\$ 66,425	\$ 123,229
U.S. agencies	-	73,256	65,352
Totals	<u>\$ 14,926</u>	<u>\$ 139,681</u>	<u>\$ 188,581</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:

Standard and Poor's Rating	Moody's Rating	Sheiff's Pension Investments		
		Mutual Funds	Corporate Bonds	Government Sponsored Enterprise
AAA	Aaa	\$ -	\$ 13,927	\$ 343,188
Unrated	Unrated	151,959	-	-
Totals		<u>\$ 151,959</u>	<u>\$ 13,927</u>	<u>\$ 343,188</u>

B. Interfund Transfers

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

Transfer From	Transfer To	2006
Other governmental	General Fund	\$ 129,272
Other governmental	County Family and Children	500,000
Other governmental	Other governmental	215,677
Total		<u>\$ 844,949</u>

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

BROWN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

IV. Other Information

A. Risk Management

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

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

Medical Benefits to Employees, Retirees and Dependents (Excluding Postemployment Benefits)

The County has chosen to establish a risk financing fund for risks associated with medical benefits to employees, retirees and dependents. The risk financing fund is accounted for in the General Fund where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$40,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years.

Job Related Illnesses or Injuries to Employees

During 1990, the County joined other governmental entities in the Indiana Public Employers' Plan, Inc., a public entity risk pool currently operating as a common risk management and insurance program for member governmental entities. This risk pool was formed in 1989. The purpose of the risk pool is to provide a medium for the funding and administration of job related illnesses or injuries to employees. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$1,000,000 per insured event.

B. Holding Corporation

The County has entered into a capital lease with Brown County Jail Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the County. The lessor has been determined to be a related party of the County. Lease payments during the year totaled \$593,000.

C. Administration of Welfare Programs

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

BROWN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

D. Pension Plans

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

a. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

b. 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.

BROWN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

c. County Police Benefit Plan

Plan Description

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

Funding Policy and Annual Pension Cost

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

Actuarial Information for the Above Plans

	PERF	County Police Retirement Plan	County Police Benefit Plan
Annual required contribution	\$ 128,257	\$ 98,904	\$ 11,241
Interest on net pension obligation	(8,220)	2,762	-
Adjustment to annual required contribution	9,368	(5,066)	-
Annual pension cost	129,405	96,600	11,241
Contributions made	135,714	98,904	11,241
Decrease in net pension obligation	(6,309)	(2,304)	-
Net pension obligation, beginning of year	(113,382)	39,464	-
Net pension obligation, end of year	<u>\$ (119,691)</u>	<u>\$ 37,160</u>	<u>\$ -</u>

BROWN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

	PERF	County Police Retirement Plan	County Police Benefit Plan
Contribution rates:			
County	5%	23%	3%
Plan members	3%	6%	6%
Actuarial valuation date	07-01-06	01-01-07	01-01-07
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of projected payroll, closed 40 years	Level percentage of projected payroll, closed 40 years	Level percentage of projected payroll, closed 40 years
Amortization period (from date)	07-01-97	12-31-97	12-31-97
Asset valuation method	4 year smoothed market	4 year smoothed market	4 year smoothed market

Actuarial Assumptions

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

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-04	\$ 119,876	96%	\$ (96,790)
	06-30-05	111,078	115%	(113,382)
	06-30-06	129,405	122%	(119,691)
County Police Retirement Plan	12-31-04	110,255	86%	32,496
	12-31-05	106,294	91%	39,464
	12-31-06	98,904	100%	37,160
County Police Benefit Plan	12-31-04	13,901	100%	-
	12-31-05	12,615	100%	-
	12-31-06	11,241	100%	-

BROWN COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-04	\$ 2,249,058	\$ 2,215,472	\$ 33,586	102%	\$ 2,470,810	1%
07-01-05	2,349,812	2,486,422	(136,610)	95%	2,385,694	(6%)
07-01-06	2,615,151	2,515,976	99,175	104%	2,638,348	4%

County Police Retirement Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-02	1,113,004	1,113,004	\$ -	100%	\$ 374,867	0%
01-01-03	1,082,963	1,082,963	-	100%	392,031	0%
01-01-04	1,175,670	1,175,670	-	100%	427,127	0%
01-01-05	1,300,516	1,300,516	-	100%	427,780	0%
01-01-06	1,385,712	1,385,712	-	100%	422,859	0%
01-01-07	1,485,071	1,485,071	-	100%	422,809	0%

BROWN 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

	Riverboat	Health	Parks and Recreation	Local Road and Street	Property Reassessment	Accident Report	Firearms Training
Receipts:							
Taxes	\$ -	\$ 516,740	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	94,121	138,966	-	199,192	-	-	-
Charges for services	-	-	130,179	-	-	1,898	8,020
Other	-	1,670	175	5,046	-	-	-
Total receipts	94,121	657,376	130,354	204,238	-	1,898	8,020
Disbursements:							
General government	23,048	-	-	-	-	-	-
Public safety	-	-	-	-	-	1,300	-
Highways and streets	-	-	-	310,960	-	-	-
Health and welfare	-	309,681	-	-	-	-	-
Culture and recreation	-	-	79,238	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
Highways and streets	-	-	-	-	-	-	-
Total disbursements	23,048	309,681	79,238	310,960	-	1,300	-
Excess (deficiency) of receipts over disbursements	71,073	347,695	51,116	(106,722)	-	598	8,020
Other financing sources (uses):							
Bond proceeds	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	(4,537)	-	-	(434)	-	-
Total other financing sources (uses)	-	(4,537)	-	-	(434)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	71,073	343,158	51,116	(106,722)	(434)	598	8,020
Cash and investment fund balance - beginning	114,240	(448,009)	15,692	162,294	434	7,196	2,192
Cash and investment fund balance - ending	\$ 185,313	\$ (104,851)	\$ 66,808	\$ 55,572	\$ -	\$ 7,794	\$ 10,212
Cash and Investment Assets - December 31							
Cash and investments	\$ 185,313	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	-	(104,851)	66,808	55,572	-	7,794	10,212
Total cash and investment assets - December 31	\$ 185,313	\$ (104,851)	\$ 66,808	\$ 55,572	\$ -	\$ 7,794	\$ 10,212
Cash and Investment Fund Balance - December 31							
Restricted for:							
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-	7,794	10,212
Highways and streets	-	-	-	55,572	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	66,808	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	185,313	(104,851)	-	-	-	-	-
Total cash and investment fund balance - December 31	\$ 185,313	\$ (104,851)	\$ 66,808	\$ 55,572	\$ -	\$ 7,794	\$ 10,212

BROWN 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 Surveyor's Corner Perpetuation	Juvenile Probation Services	Adult Probation Services	Donations Memorial	Criminal Justice BC Domestic	Convention/ Visitor Bureau/ Hotel/Motel Tax	Extradition
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 577,172	\$ -
Intergovernmental	-	-	-	-	6,869	-	-
Charges for services	6,755	6,180	32,419	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	6,755	6,180	32,419	-	6,869	577,172	-
Disbursements:							
General government	-	-	-	-	-	-	-
Public safety	7,703	-	33,875	-	5,596	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	525,000	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
Highways and streets	-	-	-	-	-	-	-
Total disbursements	7,703	-	33,875	-	5,596	525,000	-
Excess (deficiency) of receipts over disbursements	(948)	6,180	(1,456)	-	1,273	52,172	-
Other financing sources (uses):							
Bond proceeds	-	-	-	-	-	-	-
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	(948)	6,180	(1,456)	-	1,273	52,172	-
Cash and investment fund balance - beginning	33,196	592	24,325	1,037	75	79,585	1,309
Cash and investment fund balance - ending	<u>\$ 32,248</u>	<u>\$ 6,772</u>	<u>\$ 22,869</u>	<u>\$ 1,037</u>	<u>\$ 1,348</u>	<u>\$ 131,757</u>	<u>\$ 1,309</u>
<u>Cash and Investment Assets - December 31</u>							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	32,248	6,772	22,869	1,037	1,348	131,757	1,309
Total cash and investment assets - December 31	<u>\$ 32,248</u>	<u>\$ 6,772</u>	<u>\$ 22,869</u>	<u>\$ 1,037</u>	<u>\$ 1,348</u>	<u>\$ 131,757</u>	<u>\$ 1,309</u>
<u>Cash and Investment Fund Balance - December 31</u>							
Restricted for:							
General government	\$ -	\$ -	\$ -	\$ 1,037	\$ -	\$ -	\$ -
Public safety	32,248	6,772	22,869	-	1,348	-	1,309
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	131,757	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 32,248</u>	<u>\$ 6,772</u>	<u>\$ 22,869</u>	<u>\$ 1,037</u>	<u>\$ 1,348</u>	<u>\$ 131,757</u>	<u>\$ 1,309</u>

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

	Recorder's Records Perpetuation Fund	Clerk's Records Perpetuation Fund	Reassessment	County Law Enforcement Continuing Ed	User Fee	Covered Bridge	Health Maintenance
Receipts:							
Taxes	\$ -	\$ -	\$ 189,252	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	34,714	-	-	1,250	20,000
Charges for services	45,843	3,535	-	1,409	15,356	-	-
Other	-	-	1,527	-	-	-	-
Total receipts	45,843	3,535	225,493	1,409	15,356	1,250	20,000
Disbursements:							
General government	25,473	576	104,323	-	-	-	-
Public safety	-	-	-	-	20,555	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	14,210
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
Highways and streets	-	-	-	-	-	-	-
Total disbursements	25,473	576	104,323	-	20,555	-	14,210
Excess (deficiency) of receipts over disbursements	20,370	2,959	121,170	1,409	(5,199)	1,250	5,790
Other financing sources (uses):							
Bond proceeds	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Transfers in	-	-	434	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	434	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	20,370	2,959	121,604	1,409	(5,199)	1,250	5,790
Cash and investment fund balance - beginning	105,994	16,110	(85,626)	3,893	71,839	7,471	8,232
Cash and investment fund balance - ending	\$ 126,364	\$ 19,069	\$ 35,978	\$ 5,302	\$ 66,640	\$ 8,721	\$ 14,022
<u>Cash and Investment Assets - December 31</u>							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	126,364	19,069	35,978	5,302	66,640	8,721	14,022
Total cash and investment assets - December 31	\$ 126,364	\$ 19,069	\$ 35,978	\$ 5,302	\$ 66,640	\$ 8,721	\$ 14,022
<u>Cash and Investment Fund Balance - December 31</u>							
Restricted for:							
General government	\$ 126,364	\$ 19,069	\$ 35,978	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	5,302	66,640	-	-
Highways and streets	-	-	-	-	-	8,721	-
Health and welfare	-	-	-	-	-	-	14,022
Culture and recreation	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-
Total cash and investment fund balance - December 31	\$ 126,364	\$ 19,069	\$ 35,978	\$ 5,302	\$ 66,640	\$ 8,721	\$ 14,022

BROWN 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 Correction Home Detention	Emergency Planning/ Right to Know	County Drug Free Community	Emergency Telephone System	Guardian Ad Litem/Court	County Misdemeanant Fund	Supplemental Public Defender Service
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	137,470	2,726	-	81,600	3,056	10,714	-
Charges for services	-	-	12,484	174,951	-	-	6,166
Other	-	-	-	-	50	-	-
Total receipts	137,470	2,726	12,484	256,551	3,106	10,714	6,166
Disbursements:							
General government	-	-	-	-	-	-	-
Public safety	169,264	1,017	14,171	197,580	2,193	5,562	4,122
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	63,733	-	7,621	-
Interest	-	-	-	29,124	-	379	-
Capital outlay:							
Highways and streets	-	-	-	-	-	-	-
Total disbursements	169,264	1,017	14,171	290,437	2,193	13,562	4,122
Excess (deficiency) of receipts over disbursements	(31,794)	1,709	(1,687)	(33,886)	913	(2,848)	2,044
Other financing sources (uses):							
Bond proceeds	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Transfers in	49,895	-	-	-	-	-	-
Transfers out	(9,690)	-	-	-	-	-	-
Total other financing sources (uses)	40,205	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	8,411	1,709	(1,687)	(33,886)	913	(2,848)	2,044
Cash and investment fund balance - beginning	(3,969)	3,979	8,047	71,290	6,242	20,219	5,341
Cash and investment fund balance - ending	<u>\$ 4,442</u>	<u>\$ 5,688</u>	<u>\$ 6,360</u>	<u>\$ 37,404</u>	<u>\$ 7,155</u>	<u>\$ 17,371</u>	<u>\$ 7,385</u>
Cash and Investment Assets - December 31							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	4,442	5,688	6,360	37,404	7,155	17,371	7,385
Total cash and investment assets - December 31	<u>\$ 4,442</u>	<u>\$ 5,688</u>	<u>\$ 6,360</u>	<u>\$ 37,404</u>	<u>\$ 7,155</u>	<u>\$ 17,371</u>	<u>\$ 7,385</u>
Cash and Investment Fund Balance - December 31							
Restricted for:							
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	4,442	5,688	6,360	37,404	7,155	17,371	7,385
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 4,442</u>	<u>\$ 5,688</u>	<u>\$ 6,360</u>	<u>\$ 37,404</u>	<u>\$ 7,155</u>	<u>\$ 17,371</u>	<u>\$ 7,385</u>

BROWN 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)

	Electronic Map Generation Fund	Jury Pay	Rainy Day Fund	Health Maintenance	Tobacco II	Public Health Co-Ord
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	3,885	-	-	-	-	50,698
Charges for services	-	-	-	13,139	14,580	-
Other	-	19	-	-	-	-
Total receipts	3,885	19	-	13,139	14,580	50,698
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	3,253	-	-	-	-	-
Health and welfare	-	-	-	10,031	19,224	48,029
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
Highways and streets	-	-	-	-	-	-
Total disbursements	3,253	-	-	10,031	19,224	48,029
Excess (deficiency) of receipts over disbursements	632	19	-	3,108	(4,644)	2,669
Other financing sources (uses):						
Bond proceeds	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(113,956)	-	-	-
Total other financing sources (uses)	-	-	(113,956)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	632	19	(113,956)	3,108	(4,644)	2,669
Cash and investment fund balance - beginning	1,853	7,518	113,956	17,367	48,857	375
Cash and investment fund balance - ending	\$ 2,485	\$ 7,537	\$ -	\$ 20,475	\$ 44,213	\$ 3,044
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	2,485	7,537	-	20,475	44,213	3,044
Total cash and investment assets - December 31	\$ 2,485	\$ 7,537	\$ -	\$ 20,475	\$ 44,213	\$ 3,044
Cash and Investment Fund Balance - December 31						
Restricted for:						
General government	\$ -	\$ 7,537	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-	-
Highways and streets	2,485	-	-	-	-	-
Health and welfare	-	-	-	20,475	44,213	3,044
Culture and recreation	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	\$ 2,485	\$ 7,537	\$ -	\$ 20,475	\$ 44,213	\$ 3,044

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

	Bioterrorism Cash AL	Bioterrorism	Homeland Security	Br. Co. All Hazard Mitig	LLC Highway Safety Equip	Civil Service Fee
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	10,000	-	-	-
Charges for services	-	-	-	-	-	2,410
Other	-	-	-	-	-	-
Total receipts	-	-	10,000	-	-	2,410
Disbursements:						
General government	-	-	-	-	-	-
Public safety	3,438	1,420	10,000	30,000	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
Highways and streets	-	-	-	-	-	-
Total disbursements	3,438	1,420	10,000	30,000	-	-
Excess (deficiency) of receipts over disbursements	(3,438)	(1,420)	-	(30,000)	-	2,410
Other financing sources (uses):						
Bond proceeds	-	-	-	-	-	-
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	(3,438)	(1,420)	-	(30,000)	-	2,410
Cash and investment fund balance - beginning	13,307	10,600	319	30,000	205	950
Cash and investment fund balance - ending	<u>\$ 9,869</u>	<u>\$ 9,180</u>	<u>\$ 319</u>	<u>\$ -</u>	<u>\$ 205</u>	<u>\$ 3,360</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	9,869	9,180	319	-	205	3,360
Total cash and investment assets - December 31	<u>\$ 9,869</u>	<u>\$ 9,180</u>	<u>\$ 319</u>	<u>\$ -</u>	<u>\$ 205</u>	<u>\$ 3,360</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	9,869	9,180	319	-	-	3,360
Highways and streets	-	-	-	-	205	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 9,869</u>	<u>\$ 9,180</u>	<u>\$ 319</u>	<u>\$ -</u>	<u>\$ 205</u>	<u>\$ 3,360</u>

BROWN 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)

	Buckle Up Grant	Highway Safety Plan	Sheriff DNR Dist	Co. Sheriff Law Enforce	Project Income	Life Skills Project Inc
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	9,250	4,250	-	-	-
Charges for services	-	-	-	-	59,451	-
Other	-	90	-	-	-	-
Total receipts	-	9,340	4,250	-	59,451	-
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	4,269	-	31,685	-
Highways and streets	-	4,960	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
Highways and streets	-	-	-	-	-	-
Total disbursements	-	4,960	4,269	-	31,685	-
Excess (deficiency) of receipts over disbursements	-	4,380	(19)	-	27,766	-
Other financing sources (uses):						
Bond proceeds	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	(55,514)	-
Total other financing sources (uses)	-	-	-	-	(55,514)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	4,380	(19)	-	(27,748)	-
Cash and investment fund balance - beginning	21	1,526	164	117	74,274	1,244
Cash and investment fund balance - ending	\$ 21	\$ 5,906	\$ 145	\$ 117	\$ 46,526	\$ 1,244
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	21	5,906	145	117	46,526	1,244
Total cash and investment assets - December 31	\$ 21	\$ 5,906	\$ 145	\$ 117	\$ 46,526	\$ 1,244
Cash and Investment Fund Balance - December 31						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	21	-	145	117	46,526	-
Highways and streets	-	5,906	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	1,244
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	\$ 21	\$ 5,906	\$ 145	\$ 117	\$ 46,526	\$ 1,244

BROWN 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)

	Emergency Planning Grant	Sheriff-Cops More Tech	Salt Creek Trail	Planning Council Grant	Prosecutor Fed Forfeiture	Br. Co. Family Access
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	40,500	-	-	97,157
Charges for services	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	-	40,500	-	-	97,157
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	4,477	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	128,949
Culture and recreation	-	-	47,137	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
Highways and streets	-	-	-	-	-	-
Total disbursements	-	4,477	47,137	-	-	128,949
Excess (deficiency) of receipts over disbursements	-	(4,477)	(6,637)	-	-	(31,792)
Other financing sources (uses):						
Bond proceeds	-	-	-	-	-	-
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	-	(4,477)	(6,637)	-	-	(31,792)
Cash and investment fund balance - beginning	145	4,477	13,975	4,950	5,106	(7,237)
Cash and investment fund balance - ending	\$ 145	\$ -	\$ 7,338	\$ 4,950	\$ 5,106	\$ (39,029)
<u>Cash and Investment Assets - December 31</u>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	145	-	7,338	4,950	5,106	(39,029)
Total cash and investment assets - December 31	\$ 145	\$ -	\$ 7,338	\$ 4,950	\$ 5,106	\$ (39,029)
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ 4,950	\$ 5,106	\$ -
Public safety	145	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	7,338	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	(39,029)
Total cash and investment fund balance - December 31	\$ 145	\$ -	\$ 7,338	\$ 4,950	\$ 5,106	\$ (39,029)

BROWN 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)

	Alternative Dispute Fee	Probation Admin Fee	Probation Application Fee	Clerk Incentive	Prosecutor Infraction Def	Pros Controlled Sub Tax
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,559	-	-	-	-	262
Charges for services	-	12,427	300	-	30,700	-
Other	-	-	-	-	-	73
Total receipts	1,559	12,427	300	-	30,700	335
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	35,344	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
Highways and streets	-	-	-	-	-	-
Total disbursements	-	-	-	-	35,344	-
Excess (deficiency) of receipts over disbursements	1,559	12,427	300	-	(4,644)	335
Other financing sources (uses):						
Bond proceeds	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(6,091)	-	-
Total other financing sources (uses)	-	-	-	(6,091)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,559	12,427	300	(6,091)	(4,644)	335
Cash and investment fund balance - beginning	1,941	15,610	600	6,091	50,165	214
Cash and investment fund balance - ending	<u>\$ 3,500</u>	<u>\$ 28,037</u>	<u>\$ 900</u>	<u>\$ -</u>	<u>\$ 45,521</u>	<u>\$ 549</u>
<u>Cash and Investment Assets - December 31</u>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	3,500	28,037	900	-	45,521	549
Total cash and investment assets - December 31	<u>\$ 3,500</u>	<u>\$ 28,037</u>	<u>\$ 900</u>	<u>\$ -</u>	<u>\$ 45,521</u>	<u>\$ 549</u>
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	3,500	28,037	900	-	45,521	549
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 3,500</u>	<u>\$ 28,037</u>	<u>\$ 900</u>	<u>\$ -</u>	<u>\$ 45,521</u>	<u>\$ 549</u>

BROWN 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)

	New Prosecutor Incentive	Eradication Fund	Local Animal Ordinance	New Clerk Incentive	TRIAD	Sub Treatment (Start)
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	21,395	-	-	12,075	20,938	-
Charges for services	-	-	1,213	-	-	-
Other	-	-	-	-	79	-
Total receipts	21,395	-	1,213	12,075	21,017	-
Disbursements:						
General government	-	-	-	1,116	-	-
Public safety	6,251	-	28	-	19,889	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
Highways and streets	-	-	-	-	-	-
Total disbursements	6,251	-	28	1,116	19,889	-
Excess (deficiency) of receipts over disbursements	15,144	-	1,185	10,959	1,128	-
Other financing sources (uses):						
Bond proceeds	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Transfers in	-	-	-	6,091	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	6,091	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	15,144	-	1,185	17,050	1,128	-
Cash and investment fund balance - beginning	14,922	59	4,610	5,128	8,553	4,328
Cash and investment fund balance - ending	\$ 30,066	\$ 59	\$ 5,795	\$ 22,178	\$ 9,681	\$ 4,328
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	30,066	59	5,795	22,178	9,681	4,328
Total cash and investment assets - December 31	\$ 30,066	\$ 59	\$ 5,795	\$ 22,178	\$ 9,681	\$ 4,328
Cash and Investment Fund Balance - December 31						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ 22,178	\$ -	\$ 4,328
Public safety	30,066	59	5,795	-	9,681	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	\$ 30,066	\$ 59	\$ 5,795	\$ 22,178	\$ 9,681	\$ 4,328

BROWN 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)

	McGruff Crime Dog	Comm Transition	Co. Child Advocacy	Foreign Lang Interpreter	Urine Drug Screen	Impact Grant
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	6,630	-	1,500	-	-
Charges for services	-	-	-	-	3,013	-
Other	-	-	-	-	-	-
Total receipts	-	6,630	-	1,500	3,013	-
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	192	-	-	4,186	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	5,434
Culture and recreation	-	-	-	1,059	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
Highways and streets	-	-	-	-	-	-
Total disbursements	-	192	-	1,059	4,186	5,434
Excess (deficiency) of receipts over disbursements	-	6,438	-	441	(1,173)	(5,434)
Other financing sources (uses):						
Bond proceeds	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Transfers in	-	9,690	-	-	-	-
Transfers out	(257)	(5,160)	-	-	-	-
Total other financing sources (uses)	(257)	4,530	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(257)	10,968	-	441	(1,173)	(5,434)
Cash and investment fund balance - beginning	257	19,320	402	-	2,871	5,171
Cash and investment fund balance - ending	\$ -	\$ 30,288	\$ 402	\$ 441	\$ 1,698	\$ (263)
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	-	30,288	402	441	1,698	(263)
Total cash and investment assets - December 31	\$ -	\$ 30,288	\$ 402	\$ 441	\$ 1,698	\$ (263)
Cash and Investment Fund Balance - December 31						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	30,288	402	-	1,698	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	(263)
Culture and recreation	-	-	-	441	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	\$ -	\$ 30,288	\$ 402	\$ 441	\$ 1,698	\$ (263)

BROWN 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 Grant	Juvenile AC Ability Grant	Economic Dev Commission	Brown Co. Tobacco Free	Access Enhancement	Jail Lease
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,048,194
Intergovernmental	-	-	-	17,437	-	204,338
Charges for services	-	-	-	-	-	-
Other	-	-	-	-	102	-
Total receipts	-	-	-	17,437	102	1,252,532
Disbursements:						
General government	-	-	35,100	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	15,569	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	180,000
Interest	-	-	-	-	-	413,000
Capital outlay:						
Highways and streets	-	-	-	-	-	-
Total disbursements	-	-	35,100	15,569	-	593,000
Excess (deficiency) of receipts over disbursements	-	-	(35,100)	1,868	102	659,532
Other financing sources (uses):						
Bond proceeds	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Transfers in	-	-	35,100	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	35,100	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	1,868	102	659,532
Cash and investment fund balance - beginning	813	593	4,963	(3,171)	80	(465,002)
Cash and investment fund balance - ending	<u>\$ 813</u>	<u>\$ 593</u>	<u>\$ 4,963</u>	<u>\$ (1,303)</u>	<u>\$ 182</u>	<u>\$ 194,530</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	813	593	4,963	(1,303)	182	194,530
Total cash and investment assets - December 31	<u>\$ 813</u>	<u>\$ 593</u>	<u>\$ 4,963</u>	<u>\$ (1,303)</u>	<u>\$ 182</u>	<u>\$ 194,530</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
General government	\$ 813	\$ -	\$ 4,963	\$ -	\$ 182	\$ -
Public safety	-	593	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service	-	-	-	-	-	194,530
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	(1,303)	-	-
Total cash and investment fund balance - December 31	<u>\$ 813</u>	<u>\$ 593</u>	<u>\$ 4,963</u>	<u>\$ (1,303)</u>	<u>\$ 182</u>	<u>\$ 194,530</u>

BROWN 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)

	Small Claims Court	Emergency Gas Award	CEDIT Excess	Recorders Redacted Vers	Document Fees	Family and Children Loan
Receipts:						
Taxes	\$ -	\$ -	\$ 566,345	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Charges for services	2,440	-	-	9,944	6,648	-
Other	-	-	-	-	-	-
Total receipts	2,440	-	566,345	9,944	6,648	-
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Economic development	-	-	482,291	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
Highways and streets	-	-	-	-	-	-
Total disbursements	-	-	482,291	-	-	-
Excess (deficiency) of receipts over disbursements	2,440	-	84,054	9,944	6,648	-
Other financing sources (uses):						
Bond proceeds	-	-	-	-	-	500,000
Interfund loans	-	-	(760,000)	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(35,100)	-	-	(500,000)
Total other financing sources (uses)	-	-	(795,100)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,440	-	(711,046)	9,944	6,648	-
Cash and investment fund balance - beginning	1,170	450	743,564	-	-	-
Cash and investment fund balance - ending	\$ 3,610	\$ 450	\$ 32,518	\$ 9,944	\$ 6,648	\$ -
<u>Cash and Investment Assets - December 31</u>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	3,610	450	32,518	9,944	6,648	-
Total cash and investment assets - December 31	\$ 3,610	\$ 450	\$ 32,518	\$ 9,944	\$ 6,648	\$ -
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
General government	\$ -	\$ -	\$ 32,518	\$ 9,944	\$ 6,648	\$ -
Public safety	3,610	450	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	\$ 3,610	\$ 450	\$ 32,518	\$ 9,944	\$ 6,648	\$ -

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

	Sheriff Surety Bond	Bond Admin Fees	FAP Local Grant	Courthouse Security	Homeland Security	In Housing Dev Fund
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	12,231	22,965	20,000
Charges for services	-	4,938	-	-	-	-
Other	5	-	175	-	-	-
Total receipts	5	4,938	175	12,231	22,965	20,000
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	-	12,231	22,965	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	20,000
Economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
Highways and streets	-	-	-	-	-	-
Total disbursements	-	-	-	12,231	22,965	20,000
Excess (deficiency) of receipts over disbursements	5	4,938	175	-	-	-
Other financing sources (uses):						
Bond proceeds	-	-	-	-	-	-
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	5	4,938	175	-	-	-
Cash and investment fund balance - beginning	-	-	-	-	-	-
Cash and investment fund balance - ending	<u>\$ 5</u>	<u>\$ 4,938</u>	<u>\$ 175</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	5	4,938	175	-	-	-
Total cash and investment assets - December 31	<u>\$ 5</u>	<u>\$ 4,938</u>	<u>\$ 175</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
General government	\$ -	\$ 4,938	\$ -	\$ -	\$ -	\$ -
Public safety	5	-	175	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 5</u>	<u>\$ 4,938</u>	<u>\$ 175</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BROWN 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 Improvement	Cumulative Capital Development	Family Violence and Victim Assistance	Sheriff's Buy Money	Sheriff's Commissary	Totals
Receipts:						
Taxes	\$ -	\$ 228,178	\$ -	\$ -	\$ -	\$ 3,125,881
Intergovernmental	-	43,778	44,880	2,330	-	1,378,736
Charges for services	-	-	-	-	69,940	676,338
Other	-	23,242	30	-	-	32,283
Total receipts	-	295,198	44,910	2,330	69,940	5,213,238
Disbursements:						
General government	-	-	-	-	-	189,636
Public safety	-	-	40,227	12,734	77,286	779,560
Highways and streets	-	-	-	-	-	319,173
Health and welfare	-	-	-	-	-	551,127
Culture and recreation	-	-	-	-	-	652,434
Urban redevelopment and housing	-	-	-	-	-	20,000
Economic development	-	-	-	-	-	482,291
Debt service:						
Principal	-	-	-	-	-	251,354
Interest	-	-	-	-	-	442,503
Capital outlay:						
Highways and streets	-	54,187	-	-	-	54,187
Total disbursements	-	54,187	40,227	12,734	77,286	3,742,265
Excess (deficiency) of receipts over disbursements	-	241,011	4,683	(10,404)	(7,346)	1,470,973
Other financing sources (uses):						
Bond proceeds	-	-	-	-	-	500,000
Interfund loans	-	(900,000)	-	-	-	(1,660,000)
Transfers in	-	114,210	-	-	257	215,677
Transfers out	(254)	(113,956)	-	-	-	(844,949)
Total other financing sources (uses)	(254)	(899,746)	-	-	257	(1,789,272)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(254)	(658,735)	4,683	(10,404)	(7,089)	(318,299)
Cash and investment fund balance - beginning	254	776,509	2,760	30,862	51,197	1,862,573
Cash and investment fund balance - ending	\$ -	\$ 117,774	\$ 7,443	\$ 20,458	\$ 44,108	\$ 1,544,274
<u>Cash and Investment Assets - December 31</u>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 185,313
Restricted assets:						
Cash and investments	-	117,774	7,443	20,458	44,108	1,358,961
Total cash and investment assets - December 31	\$ -	\$ 117,774	\$ 7,443	\$ 20,458	\$ 44,108	\$ 1,544,274
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 286,553
Public safety	-	-	7,443	20,458	44,108	543,319
Highways and streets	-	-	-	-	-	72,889
Health and welfare	-	-	-	-	-	81,491
Culture and recreation	-	-	-	-	-	207,588
Debt service	-	-	-	-	-	194,530
Capital outlay	-	117,774	-	-	-	117,774
Unrestricted	-	-	-	-	-	40,130
Total cash and investment fund balance - December 31	\$ -	\$ 117,774	\$ 7,443	\$ 20,458	\$ 44,108	\$ 1,544,274

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

	State Sales Tax	Surtax	Surplus Dog Tax	Wheel Tax	Infraction Judgments	Inheritance Tax
Additions:						
Agency fund additions	\$ 80	\$ 327,365	\$ 1,733	\$ 26,909	\$ 34,969	\$ 164,847
Deductions:						
Agency fund deductions	56	327,365	2,298	26,909	30,684	134,449
Excess (deficiency) of total additions over total deductions	24	-	(565)	-	4,285	30,398
Cash and investment fund balance - beginning	91	-	565	-	17,302	5,295
Cash and investment fund balance - ending	<u>\$ 115</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,587</u>	<u>\$ 35,693</u>

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

	State Settlement	Surplus Tax	Tax Sale Redemption	Surplus Tax Sale	Congressional School Interest	State Fines and Forfeitures
Additions:						
Agency fund additions	\$ 34,969,773	\$ 3,441,912	\$ -	\$ -	\$ 248	\$ 3,324
Deductions:						
Agency fund deductions	32,406,343	2,717,412	29	10,143	340	2,347
Excess (deficiency) of total additions over total deductions	2,563,430	724,500	(29)	(10,143)	(92)	977
Cash and investment fund balance - beginning	756	40,888	29	10,143	8,704	58
Cash and investment fund balance - ending	<u>\$ 2,564,186</u>	<u>\$ 765,388</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,612</u>	<u>\$ 1,035</u>

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

	Welfare Trust	Overweight Vehicles Fines	City and Town Court Costs	State Sales Disclosure Fee Fund	Property Repl Homestead Cr	Child Restraint Violation Fines
Additions:						
Agency fund additions	\$ 3,029	\$ 1,400	\$ 5,270	\$ 3,135	\$ 5,957,504	\$ 25
Deductions:						
Agency fund deductions	3,468	1,400	3,222	2,740	6,490,706	-
Excess (deficiency) of total additions over total deductions	(439)	-	2,048	395	(533,202)	25
Cash and investment fund balance - beginning	6,884	-	3,222	1,670	5,125,758	-
Cash and investment fund balance - ending	<u>\$ 6,445</u>	<u>\$ -</u>	<u>\$ 5,270</u>	<u>\$ 2,065</u>	<u>\$ 4,592,556</u>	<u>\$ 25</u>

BROWN 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	Health Insurance	Sheriff Serv Fees Retirement	Local Option Tax Dist.	County Economic Development Income Tax	Coroners Training Ed
Additions:						
Agency fund additions	\$ 1,518,490	\$ -	\$ 2,276	\$ 2,757,788	\$ 690,586	\$ 554
Deductions:						
Agency fund deductions	<u>1,585,826</u>	<u>139</u>	<u>247</u>	<u>2,347,892</u>	<u>616,528</u>	<u>547</u>
Excess (deficiency) of total additions over total deductions	(67,336)	(139)	2,029	409,896	74,058	7
Cash and investment fund balance - beginning	<u>59,902</u>	<u>139</u>	<u>-</u>	<u>2,347,892</u>	<u>616,529</u>	<u>331</u>
Cash and investment fund balance - ending	<u>\$ (7,434)</u>	<u>\$ -</u>	<u>\$ 2,029</u>	<u>\$ 2,757,788</u>	<u>\$ 690,587</u>	<u>\$ 338</u>

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

	Plat Book	Comm Vehicle Tax	Education Plate Fee	Medical Assistance to Wards	Financial Inst Tax	County Treasurer
Additions:						
Agency fund additions	\$ -	\$ 140,536	\$ 694	\$ 50,225	\$ 44,706	\$ -
Deductions:						
Agency fund deductions	-	133,854	694	23,455	44,708	17,863,673
Excess (deficiency) of total additions over total deductions	-	6,682	-	26,770	(2)	(17,863,673)
Cash and investment fund balance - beginning	1,110	133,556	-	184	2	17,864,173
Cash and investment fund balance - ending	<u>\$ 1,110</u>	<u>\$ 140,238</u>	<u>\$ -</u>	<u>\$ 26,954</u>	<u>\$ -</u>	<u>\$ 500</u>

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

	County Clerk	County Recorder	County Plan Commission	County Probation Department	County Park and Rec Department	County Sheriff
Additions:						
Agency fund additions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deductions:						
Agency fund deductions	98,191	10,486	1,817	4,042	10,525	-
Excess (deficiency) of total additions over total deductions	(98,191)	(10,486)	(1,817)	(4,042)	(10,525)	-
Cash and investment fund balance - beginning	382,811	10,536	1,867	4,042	12,535	-
Cash and investment fund balance - ending	<u>\$ 284,620</u>	<u>\$ 50</u>	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ 2,010</u>	<u>\$ -</u>

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

	<u>County Sheriff Inmate Trust</u>	<u>County Health Department</u>	<u>County Community Corrections</u>	<u>County Prosecutor's Bad Check</u>	<u>Totals</u>
Additions:					
Agency fund additions	\$ 1,196	\$ -	\$ -	\$ -	\$ 50,148,574
Deductions:					
Agency fund deductions	-	-	5,899	1,909	64,910,343
Excess (deficiency) of total additions over total deductions	1,196	-	(5,899)	(1,909)	(14,761,769)
Cash and investment fund balance - beginning	<u>637</u>	<u>100</u>	<u>5,899</u>	<u>4,337</u>	<u>26,667,947</u>
Cash and investment fund balance - ending	<u>\$ 1,833</u>	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 2,428</u>	<u>\$ 11,906,178</u>

BROWN COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT

For The Year Ended December 31, 2006

Description of Asset	Ending Balance	Due Within One Year
Governmental Activities:		
Capital leases:		
E 911 Equipment	\$ 489,337	\$ 53,515
Savin Copier - Circuit Court	2,454	1,402
Jail Building	8,165,000	190,000
Sheriff Car - #6361507	14,946	14,946
Notes and loans payable:		
2006 Lincoln Bank Loan	1,475,000	308,542
2006 Peoples Bank Loan	500,000	250,000
Total governmental activities long-term debt	<u>\$ 10,646,737</u>	<u>\$ 818,405</u>

BROWN COUNTY
OTHER REPORTS

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

County Auditor
County Treasurer
County Highway Department
County Park and Recreation Department

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

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

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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 BROWN COUNTY, INDIANA

Compliance

We have audited the compliance of Brown 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, commissioners and council, 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

December 11, 2007

BROWN 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 AGRICULTURE</u>			
Cooperative Forestry Assistance 06-LE-11091200-007	10.664		\$ 4,000
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Pass-Through Indiana Department of Commerce Community Development Block Grants/State's Program Housing Needs Assessment	14.228		20,000
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Pass-Through Indiana Criminal Justice Institute Crime Victim Assistance	16.575		
04VA169			31,000
05VA017			26,866
05VA018			17,013
06VA016			25,000
Family Access			26,337
Domestic Violence Task Force			6,869
Total for federal grantor agency			133,085
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation Highway Planning and Construction Cluster Highway Planning and Construction Bridge Inspection	20.205		26,080
Pass-Through Indiana Criminal Justice Institute Highway Safety Cluster Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601		
OP-06-02-03-13			3,750
OP-07-01-02-05			1,500
Total for program			5,250
Total for federal grantor agency			31,330
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-Through Indiana State Department of Health Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283		
Bioterrorism			4,537
BPRS 106-2			46,161
Total for program			50,698

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

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

Federal Grantor Agency/Pass-Through Entity Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)</u>			
Pass-Through Indiana Department of Child Services			
Child Support Enforcement	93.563		
Prosecutor			29,831
Clerk			6,255
Indirect Costs			6,983
Incentive			17,533
Emergency Assistance to Wards			10,256
Child Welfare Service			26,142
Foster Care			68,195
Adoption Assistance			<u>13,481</u>
Total for program			<u>178,676</u>
Grants to States for Access and Visitation Programs 07-07-1C-0119-01	93.597		<u>34,220</u>
Total for federal grantor agency			<u>263,594</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security			
Emergency Management Performance Grants FY 2006 EMA Reimbursement	97.042		14,747
Homeland Security Grant Program 2005 Homeland Security Subgrant Agreement 2005 State Homeland Security Program	97.067		<u>10,000</u> <u>22,965</u>
Total for program			<u>47,712</u>
State Homeland Security Program (SHSP) EDS No. C44P-7-215	97.073		<u>290,612</u>
Law Enforcement Terrorism Prevention Program (LETPP) 2005	97.074		<u>12,231</u>
Total for federal grantor agency			<u>350,555</u>
Total federal awards expended			<u>\$ 802,564</u>

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

BROWN 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 Brown 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.

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

Noncompliance material to financial statements noted?	no
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Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
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

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

CFDA Number	Name of Federal Program or Cluster
93.563	Child Support Enforcement
97.073	State Homeland Security Program (SHSP)

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

Auditee qualified as low-risk auditee?	no
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Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

BROWN COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

BROWN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on December 11, 2007, with Mari H. Miller, Auditor; and Stephanie R. Yager, President of the Board of County Commissioners. Our audit disclosed no material items that warrant comment at this time.