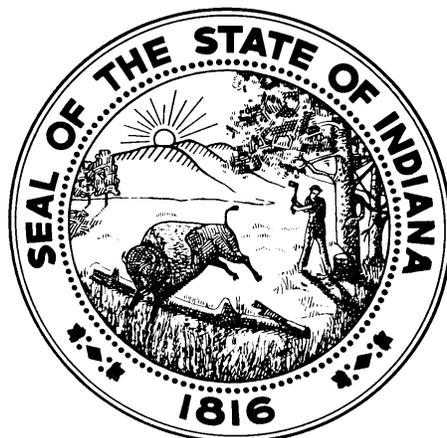


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

ANNUAL FINANCIAL REPORT

2007

DECATUR COUNTY, INDIANA



FILED

09/12/2008

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report on Financial Statements and Supplementary Schedule of Expenditures of Federal Awards	3-4
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	5-6
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Activities and Net Assets – Cash and Investment Basis	7
Fund Financial Statements:	
Governmental Funds:	
Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Governmental Funds	8
Proprietary Funds:	
Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Proprietary Funds.....	9
Fiduciary Funds:	
Statement of Additions, Deductions, and Changes in Cash and Investment Balances – Fiduciary Funds	10
Notes to Financial Statements	11-21
Required Supplementary Information:	
Schedules of Funding Progress	22
Supplementary Information:	
Combining Schedule of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Other Governmental Funds.....	23-32
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Agency Funds.....	33-37
Schedule of Capital Assets.....	38
Schedule of Long-Term Debt	39
Other Reports.....	40
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133.....	42-43
Schedule of Expenditures of Federal Awards	44
Notes to Schedule of Expenditures of Federal Awards.....	45
Schedule of Findings and Questioned Costs	46
Auditee Prepared Schedule:	
Summary Schedule of Prior Audit Findings	47
Exit Conference.....	48

SCHEDULE OF OFFICIALS

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



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF DECATUR COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Decatur County (County), as of and for the year ended December 31, 2007, 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, 2007, and the respective cash receipts and cash disbursements during the year then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated August 18, 2008, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Our report on compliance and on internal control over financial reporting should be read along with this report.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the County taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget

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

Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

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

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

STATE BOARD OF ACCOUNTS

August 18, 2008



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF DECATUR COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Decatur County (County), as of and for the year ended December 31, 2007, which collectively comprise the County's basic financial statements and have issued our report thereon dated August 18, 2008. The opinions to the financial statements were qualified due to the omission of component units which results in incomplete presentation. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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

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

Compliance and Other Matters

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

We noted certain matters that we reported to management in a separate letter dated August 18, 2008.

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

STATE BOARD OF ACCOUNTS

August 18, 2008

DECATUR COUNTY
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For The Year Ended December 31, 2007

Functions/Programs	Program Receipts				Net (Disbursement) Receipt and Changes in Net Assets		
	Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Totals
Primary government:							
Governmental activities:							
General government	\$ 5,009,701	\$ 862,180	\$ -	\$ -	\$ (4,147,521)	\$ -	\$ (4,147,521)
Public safety	3,463,957	588,983	139,915	507,203	(2,227,856)	-	(2,227,856)
Highways and streets	3,934,308	-	1,850	8,000,000	4,067,542	-	4,067,542
Health and welfare	1,909,337	563,560	76,461	58,805	(1,210,511)	-	(1,210,511)
Culture and recreation	633,068	54,890	4,501	-	(573,677)	-	(573,677)
Principal and interest on indebtedness	1,005,000	-	-	-	(1,005,000)	-	(1,005,000)
Total governmental activities	<u>15,955,371</u>	<u>2,069,613</u>	<u>222,727</u>	<u>8,566,008</u>	<u>(5,097,023)</u>	<u>-</u>	<u>(5,097,023)</u>
Business-type activities:							
Self-Insurance	-	-	-	-	-	(368,934)	(368,934)
Total primary government	<u>\$ 15,955,371</u>	<u>\$ 2,069,613</u>	<u>\$ 222,727</u>	<u>\$ 8,566,008</u>	<u>(5,097,023)</u>	<u>(368,934)</u>	<u>(5,465,957)</u>
General receipts:							
Property taxes					6,772,887	-	6,772,887
Income taxes					1,125,490	-	1,125,490
Intergovernmental					5,168,219	-	5,168,219
Other local sources					1,142,701	-	1,142,701
Investment earnings					991,204	-	991,204
Total general receipts, special items, and transfers					<u>15,200,501</u>	<u>-</u>	<u>15,200,501</u>
Change in net assets					10,103,478	(368,934)	9,734,544
Net assets - beginning					<u>13,350,842</u>	<u>382,938</u>	<u>13,733,780</u>
Net assets - ending					<u>\$ 23,454,320</u>	<u>\$ 14,004</u>	<u>\$ 23,468,324</u>
Assets							
Cash and investments					\$ 18,123,721	\$ -	\$ 18,123,721
Restricted assets:							
Cash and investments					<u>5,330,599</u>	<u>14,004</u>	<u>5,344,603</u>
Total assets					<u>\$ 23,454,320</u>	<u>\$ 14,004</u>	<u>\$ 23,468,324</u>
Net Assets							
Restricted for:							
Public safety					\$ 225,924	\$ -	\$ 225,924
Highways and streets					734,438	-	734,438
Health and welfare					1,548,219	-	1,548,219
Capital outlay					2,822,018	-	2,822,018
Other purposes					-	14,004	14,004
Unrestricted					<u>18,123,721</u>	<u>-</u>	<u>18,123,721</u>
Total net assets					<u>\$ 23,454,320</u>	<u>\$ 14,004</u>	<u>\$ 23,468,324</u>

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

DECATUR COUNTY
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2007

	General	Lawrenceburg Grant/ Honda	Highway	Cumulative Bridge	Other Governmental Funds	Totals
Receipts:						
Taxes	\$ 4,700,626	\$ -	\$ -	\$ 770,957	\$ 2,426,794	\$ 7,898,377
Licenses and permits	-	-	-	-	9,652	9,652
Intergovernmental	733,996	-	2,226,373	99,142	2,878,651	5,938,162
Charges for services	940,851	-	-	-	1,128,760	2,069,611
Fines and forfeits	300,737	-	-	-	122,483	423,220
Other	564,481	8,190,001	77,976	78,263	809,106	9,719,827
Total receipts	7,240,691	8,190,001	2,304,349	948,362	7,375,446	26,058,849
Disbursements:						
General government	3,638,392	-	-	-	756,051	4,394,443
Public safety	1,934,981	-	-	-	1,512,596	3,447,577
Highways and streets	31,984	-	2,685,177	520,267	643,076	3,880,504
Health and welfare	168,030	-	-	-	1,717,304	1,885,334
Culture and recreation	-	-	-	-	587,512	587,512
Debt service:						
Principal	-	-	-	-	674,654	674,654
Interest	-	-	-	-	330,346	330,346
Capital outlay:						
General government	251,012	-	-	-	364,246	615,258
Public safety	14,974	-	-	-	1,406	16,380
Highways and streets	11,179	-	42,625	-	-	53,804
Health and welfare	5,025	-	-	-	18,978	24,003
Culture and recreation	-	-	-	-	45,556	45,556
Total disbursements	6,055,577	-	2,727,802	520,267	6,651,725	15,955,371
Excess (deficiency) of receipts over disbursements	1,185,114	8,190,001	(423,453)	428,095	723,721	10,103,478
Other financing sources (uses):						
Transfers in	81,256	-	-	-	212,070	293,326
Transfers out	(157,788)	-	-	-	(135,538)	(293,326)
Total other financing sources (uses)	(76,532)	-	-	-	76,532	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,108,582	8,190,001	(423,453)	428,095	800,253	10,103,478
Cash and investment fund balance - beginning	3,008,556	-	815,958	2,097,577	7,428,751	13,350,842
Cash and investment fund balance - ending	\$ 4,117,138	\$ 8,190,001	\$ 392,505	\$ 2,525,672	\$ 8,229,004	23,454,320
Amounts reported for governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis are different because:						
Internal services funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.						
						14,004
Net assets of governmental activities						\$ 23,468,324
Cash and Investment Assets - Ending						
Cash and investments	\$ 4,117,138	\$ 8,190,001	\$ -	\$ -	\$ 5,816,582	\$ 18,123,721
Restricted assets:						
Cash and investments	-	-	392,505	2,525,672	2,412,422	5,330,599
Total cash and investment assets - ending	\$ 4,117,138	\$ 8,190,001	\$ 392,505	\$ 2,525,672	\$ 8,229,004	\$ 23,454,320
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ 225,924	\$ 225,924
Highways and streets	-	-	392,505	-	341,933	734,438
Health and welfare	-	-	-	-	1,548,219	1,548,219
Capital outlay	-	-	-	2,525,672	296,346	2,822,018
Unrestricted	4,117,138	8,190,001	-	-	5,816,582	18,123,721
Total cash and investment fund balance - ending	\$ 4,117,138	\$ 8,190,001	\$ 392,505	\$ 2,525,672	\$ 8,229,004	\$ 23,454,320

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

DECATUR COUNTY
 STATEMENT OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 PROPRIETARY FUNDS
 As of and for the Year Ended December 31, 2007

	Internal Service Funds
Operating receipts:	
Charges for services	\$ <u>1,111,946</u>
Operating disbursements:	
Insurance claims and expense	<u>1,480,880</u>
Deficiency of operating receipts over operating disbursements	<u>(368,934)</u>
Nonoperating receipts (disbursements):	
Cash and investment fund balance - beginning	<u>382,938</u>
Cash and investment fund balance - ending	<u>\$ 14,004</u>
<u>Cash and Investment Assets - December 31</u>	
Restricted assets:	
Cash and investments	<u>\$ 14,004</u>
<u>Cash and Investment Fund Balance - December 31</u>	
Restricted for:	
Other purposes	<u>\$ 14,004</u>

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

DECATUR COUNTY
 STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 FIDUCIARY FUNDS
 For The Year Ended December 31, 2007

	Sheriff's Pension Trust	Congressional School Principal	Agency Funds
Additions:			
Contributions:			
Employer	\$ 79,761	\$ -	\$ -
Plan members	12,018	-	-
	<u>91,779</u>	<u>-</u>	<u>-</u>
Total contributions			
Investment earnings:			
Net investment income	76,678	-	-
Realized gain	129,696	-	-
	<u>206,374</u>	<u>-</u>	<u>-</u>
Total investment earnings			
Agency fund additions	-	-	<u>93,473,862</u>
Total additions	<u>298,153</u>	<u>-</u>	<u>93,473,862</u>
Deductions:			
Benefits	38,768	-	-
Refunds of contributions	1,979	-	-
Administrative and general	12,536	-	-
Agency fund deductions	-	-	<u>92,444,239</u>
	<u>53,283</u>	<u>-</u>	<u>92,444,239</u>
Total deductions			
Excess of total additions over total deductions	244,870	-	1,029,623
Cash and investment fund balance - beginning	<u>810,550</u>	<u>23,041</u>	<u>2,016,892</u>
Cash and investment fund balance - ending	<u>\$ 1,055,420</u>	<u>\$ 23,041</u>	<u>\$ 3,046,515</u>

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

DECATUR COUNTY
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

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

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

Related Organizations

The County's officials are also responsible for appointing the members of the boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointments.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

Fund Financial Statements

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

DECATUR COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

The County reports the following major governmental funds:

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

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

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

The Lawrenceburg Grant/Honda fund accounts for the grant received from the City of Lawrenceburg restricted to improvements and construction of infrastructure related to the Honda Plant locating in Decatur County.

Additionally, the County reports the following fund types:

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

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

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

Agency funds account for assets held by the County as an agent for the State and others, and serves as control 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, and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

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

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

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

DECATUR COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Capital Assets

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

3. Long-Term Debt

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

4. Equity Classification

Government-Wide Statements

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

a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.

b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

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

Fund Financial Statements

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

DECATUR COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

E. Receipts and Disbursements

1. Program Receipts

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

2. Operating Receipts and Disbursements

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

F. Internal and Interfund Balances and Activities

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

Fund Financial Statements

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

Government-Wide Financial Statements

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

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

DECATUR COUNTY
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

II. Stewardship, Compliance, and Accountability

Budgetary Information

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

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

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

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, 2007, the County had the following investments:

<u>Investment Type</u>	<u>Sheriff's Retirement and Benefit Pension Plans</u>
Mutual funds	\$ <u>1,055,424</u>

DECATUR COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Investment Policies

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

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

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

The Sheriff's Pension Plan is not subject to the same investment laws as the County. The Sheriff's Merit Board has not adopted an investment policy for interest rate and credit risk.

Investment Custodial Credit Risk

The Sheriff's Merit Board has not adopted an investment policy for custodial credit risk for investments. At December 31, 2007, the Sheriff's Retirement and Benefit Pension Plans held investments in mutual funds in the amount of \$1,055,424. Of these investments \$1,055,424 are held by the investment's counterparty, not in the name of the Sheriff's Pension Plan.

Concentration of Credit Risk

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

The Sheriff's Merit Board has not adopted a policy for the concentration of credit risk.

DECATUR COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Interfund Transfers

Interfund transfers for the year ended December 31, 2007, were as follows:

Transfer From	Transfer To	2007
General Fund	Major Fund	\$ 107,768
General Fund	Other governmental funds	50,020
Cumulative Capital Development Fund	General Fund	48,941
Other governmental funds	General Fund	32,315
Other governmental funds	Other governmental funds	54,282
Total		<u>\$ 293,326</u>

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

IV. Other Information

A. Risk Management

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

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

Medical Benefits to Employees, Retirees and Dependents

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

Job Related Illnesses or Injuries to Employees

During 2003, the County joined with other governmental entities in the Indiana Public Employer's Plan, a public entity risk pool currently operating as a common risk management and insurance program for approximately 350 member governmental entities. This risk pool was formed in 1990. The purpose of the risk pool is to provide a medium for the funding and administration of

DECATUR COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

job related illnesses or injuries to employees. The County pays an annual premium to the risk pool for its job related illnesses or injuries to employees coverage. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$1,000,000 per insured event.

B. Holding Corporations

The County has entered into capital leases with the Decatur County Building Corporation and the Decatur County Hospital Association (the lessors). The lessors were organized as a not-for-profit corporations pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the County. The lessor has been determined to be a related party of the County. Lease payments during the year totaled \$625,000 and \$380,000, respectively.

C. Conduit Debt Obligation

In 2007, the County issued Economic Development Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying notes to the financial statements.

As of December 31, 2007, there was one series of Economic Development Bonds outstanding with a principal amount payable of \$4,500,000.

D. 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.

E. Hospital Debt Obligation

The Decatur County Memorial Hospital Board of Trustees, acting through the County Commissioners, issued bonds in 2002 in the amount of \$4,000,000. This amount represents one-half of the total bond issue. The County has agreed to pay approximately \$380,000 per year of this debt obligation of the Hospital by way of an ad valorem tax. The County is obligated for the annual payment only, which is accounted for in a special revenue fund.

F. Pension Plans

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

1. Public Employees' Retirement Fund

Plan Description

The County contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time

DECATUR COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

employees are eligible to participate in the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system and give the County authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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

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

Funding Policy and Annual Pension Cost

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

2. County Police Retirement Plan

Plan Description

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

Funding Policy and Annual Pension Cost

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

3. County Police Benefit Plan

Plan Description

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

DECATUR COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 Board of Health PERF	County Police Retirement Plan	County Police Benefit Plan
Annual required contribution	\$ 154,854	\$ 613	\$ 66,929	\$ 5,108
Interest on net pension obligation	(3,194)	(1,602)	(2,632)	-
Adjustment to annual required contribution	3,640	1,826	3,779	-
Annual pension cost	155,300	837	68,076	5,108
Contributions made	124,301	3,322	74,653	5,108
Increase (decrease) in net pension obligation	30,999	(2,485)	(6,577)	-
Net pension obligation, beginning of year	(44,054)	(22,102)	(37,600)	-
Net pension obligation, end of year	<u>\$ (13,055)</u>	<u>\$ (24,587)</u>	<u>\$ (44,177)</u>	<u>\$ -</u>

	PERF	County Board of Health PERF	County Police Retirement Plan	County Police Benefit Plan
Contribution rates:				
County	5%	2.75%	17%	1%
Plan members	3%	3%	6%	6%
Actuarial valuation date	07-01-06	07-01-06	01-01-07	01-01-07
Actuarial cost method	Entry age	Entry age	Entry age	Entry age
Amortization method	Level percentage of projected payroll, closed			
Amortization period	40 years	40 years	40 years	40 years
Amortization period (from date)	07-01-97	07-01-97	12-31-97	12-31-97
Asset valuation method	4 year smoothed market			

DECATUR COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Actuarial Assumptions	PERF	County Board of Health PERF	County Police Retirement Plan	County Police Benefit Plan
Investment rate of return	7.25%	7.25%	7%	7%
Projected future salary increases:				
Total	5%	5%	5%	5%
Attributed to inflation	4%	4%	4%	4%
Attributed to merit/seniority	1%	1%	1%	1%
Cost-of-living adjustments	2%	2%	2%	0%

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-04	\$ 108,022	81%	\$ (52,690)
	06-30-05	115,878	99%	(44,054)
	06-30-06	155,300	107%	(13,055)
County Board of Health PERF	06-30-04	171	1,627%	(19,474)
	06-30-05	197	1,434%	(22,102)
	06-30-06	837	1,686%	(24,587)
County Police Retirement Plan	11-30-04	47,574	90%	(38,619)
	11-30-05	53,516	100%	(37,600)
	11-30-06	68,076	112%	(44,177)
County Police Benefit Plan	11-30-04	2,787	100%	-
	11-30-05	3,077	100%	-
	11-30-06	5,108	100%	-

DECATUR COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS

Public Employees' Retirement Fund

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

County Health Department Public Employees' Retirement Fund

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

County Police Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
12-01-02	\$ 738,611	\$ 738,611	\$ -	100%	\$ 228,500	0%
12-01-03	738,801	738,801	-	100%	259,528	0%
12-01-04	753,618	753,618	-	100%	292,594	0%
12-01-05	801,080	801,080	-	100%	300,515	0%
12-01-06	863,723	863,723	-	100%	410,964	0%
12-13-07*	952,767	1,086,223	(133,456)	88%	430,574	(31%)

*Actuarial Valuation Date adjusted

DECATUR COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007

	Local Road and Street	Accident Report	Firearms Training	Park Nonreverting Operating	Health	Law Enforcement Continuing Education	Clerk's Records Perpetuation
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 271,106	\$ -	\$ -
Licenses and permits	-	-	7,424	-	-	-	-
Intergovernmental	661,412	-	-	-	42,067	-	-
Charges for services	-	2,353	-	3,675	-	14,104	-
Fines and forfeits	-	-	-	-	-	-	18,819
Other	13,273	-	-	-	26,482	-	-
Total receipts	674,685	2,353	7,424	3,675	339,655	14,104	18,819
Disbursements:							
General government	-	-	-	-	-	-	16,963
Public safety	-	161	2,797	-	-	9,978	-
Highways and streets	643,076	-	-	-	-	-	-
Health and welfare	-	-	-	-	294,076	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	2,045	-	-
Culture and recreation	-	-	-	-	-	-	-
Total disbursements	643,076	161	2,797	-	296,121	9,978	16,963
Excess (deficiency) of receipts over disbursements	31,609	2,192	4,627	3,675	43,534	4,126	1,856
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	31,609	2,192	4,627	3,675	43,534	4,126	1,856
Cash and investment fund balance - beginning	310,324	4,416	5,990	-	287,020	14,930	6,378
Cash and investment fund balance - ending	\$ 341,933	\$ 6,608	\$ 10,617	\$ 3,675	\$ 330,554	\$ 19,056	\$ 8,234
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 6,608	\$ 10,617	\$ 3,675	\$ -	\$ 19,056	\$ 8,234
Restricted assets:							
Cash and investments	341,933	-	-	-	330,554	-	-
Total cash and investment assets - ending	\$ 341,933	\$ 6,608	\$ 10,617	\$ 3,675	\$ 330,554	\$ 19,056	\$ 8,234
Cash and Investment Fund Balance - Ending							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	341,933	-	-	-	-	-	-
Health and welfare	-	-	-	-	330,554	-	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	-	6,608	10,617	3,675	-	19,056	8,234
Total cash and investment fund balance - ending	\$ 341,933	\$ 6,608	\$ 10,617	\$ 3,675	\$ 330,554	\$ 19,056	\$ 8,234

DECATUR COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007
 (Continued)

	Emergency Telephone System	Drug Free Community	Emergency Planning /Right to Know	Convention and Tourism	Parks and Recreation	Property Reassessment	Prosecutor Title IV-D
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 470,199	\$ 163,343	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	51,293	-	-	3,138	13,815	-
Charges for services	-	-	4,826	-	-	-	825
Fines and forfeits	-	-	-	-	-	-	-
Other	344,205	-	-	159,351	68,948	58,018	-
Total receipts	344,205	51,293	4,826	159,351	542,285	235,176	825
Disbursements:							
General government	-	-	-	-	-	264,735	-
Public safety	370,198	59,435	509	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	11,305
Culture and recreation	-	-	-	111,492	433,252	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	285	-
Public safety	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	45,556	-	-
Total disbursements	370,198	59,435	509	111,492	478,808	265,020	11,305
Excess (deficiency) of receipts over disbursements	(25,993)	(8,142)	4,317	47,859	63,477	(29,844)	(10,480)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(25,993)	(8,142)	4,317	47,859	63,477	(29,844)	(10,480)
Cash and investment fund balance - beginning	223,204	51,593	20,978	108,560	519,476	1,295,241	38,443
Cash and investment fund balance - ending	\$ 197,211	\$ 43,451	\$ 25,295	\$ 156,419	\$ 582,953	\$ 1,265,397	\$ 27,963
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 43,451	\$ 25,295	\$ 156,419	\$ 582,953	\$ 1,265,397	\$ 27,963
Restricted assets:							
Cash and investments	197,211	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 197,211	\$ 43,451	\$ 25,295	\$ 156,419	\$ 582,953	\$ 1,265,397	\$ 27,963
Cash and Investment Fund Balance - Ending							
Restricted for:							
Public safety	\$ 197,211	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	-	43,451	25,295	156,419	582,953	1,265,397	27,963
Total cash and investment fund balance - ending	\$ 197,211	\$ 43,451	\$ 25,295	\$ 156,419	\$ 582,953	\$ 1,265,397	\$ 27,963

DECATUR COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007
 (Continued)

	Juvenile Probation Service	Adult Probation Service	Recorder's Records Perpetuation	Covered Bridge	Cannibus /Marijuana Eradication	Family and Children	Health Maintenance
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 529,503	\$ -
Licenses and permits	-	-	-	-	-	-	2,228
Intergovernmental	-	-	-	1,850	-	44,659	6,570
Charges for services	9,828	123,787	28,661	-	8,746	519,653	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	35,077
Total receipts	9,828	123,787	28,661	1,850	8,746	1,093,815	43,875
Disbursements:							
General government	-	-	49,587	-	-	-	-
Public safety	8,993	89,964	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	1,253,516	36,389
Culture and recreation	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	289	625	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Total disbursements	9,282	90,589	49,587	-	-	1,253,516	36,389
Excess (deficiency) of receipts over disbursements	546	33,198	(20,926)	1,850	8,746	(159,701)	7,486
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	(22,000)	-	-	-	-	-
Total other financing sources (uses)	-	(22,000)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	546	11,198	(20,926)	1,850	8,746	(159,701)	7,486
Cash and investment fund balance - beginning	21,508	168,793	105,088	14,818	17,951	1,377,366	31,776
Cash and investment fund balance - ending	\$ 22,054	\$ 179,991	\$ 84,162	\$ 16,668	\$ 26,697	\$ 1,217,665	\$ 39,262
Cash and Investment Assets - Ending							
Cash and investments	\$ 22,054	\$ 179,991	\$ 84,162	\$ 16,668	\$ 26,697	\$ -	\$ 39,262
Restricted assets:							
Cash and investments	-	-	-	-	-	1,217,665	-
Total cash and investment assets - ending	\$ 22,054	\$ 179,991	\$ 84,162	\$ 16,668	\$ 26,697	\$ 1,217,665	\$ 39,262
Cash and Investment Fund Balance - Ending							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	1,217,665	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	22,054	179,991	84,162	16,668	26,697	-	39,262
Total cash and investment fund balance - ending	\$ 22,054	\$ 179,991	\$ 84,162	\$ 16,668	\$ 26,697	\$ 1,217,665	\$ 39,262

DECATUR COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007
 (Continued)

	Community Corrections - Home Detention	Guardian Ad Litem /Court	Plat Book	Misdemeanant	Supplemental Public Defender Service	Clerk Title IV-D	Surveyor's Corner Perpetuation
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	11,614	-
Charges for services	39,339	-	5,965	101,170	-	-	6,135
Fines and forfeits	-	5,948	-	-	55,511	-	-
Other	-	-	-	-	-	-	-
Total receipts	39,339	5,948	5,965	101,170	55,511	11,614	6,135
Disbursements:							
General government	-	2,318	-	-	-	-	7,055
Public safety	76,121	-	-	26,479	35,138	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	492	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	16,933	-
Culture and recreation	-	-	-	-	-	-	-
Total disbursements	76,613	2,318	-	26,479	35,138	16,933	7,055
Excess (deficiency) of receipts over disbursements	(37,274)	3,630	5,965	74,691	20,373	(5,319)	(920)
Other financing sources (uses):							
Transfers in	33,998	-	-	-	-	-	-
Transfers out	-	-	-	(33,998)	-	-	-
Total other financing sources (uses)	33,998	-	-	(33,998)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,276)	3,630	5,965	40,693	20,373	(5,319)	(920)
Cash and investment fund balance - beginning	38,697	201	33,630	107,255	46,759	7,352	57,058
Cash and investment fund balance - ending	\$ 35,421	\$ 3,831	\$ 39,595	\$ 147,948	\$ 67,132	\$ 2,033	\$ 56,138
Cash and Investment Assets - Ending							
Cash and investments	\$ 35,421	\$ 3,831	\$ 39,595	\$ 147,948	\$ 67,132	\$ 2,033	\$ 56,138
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 35,421	\$ 3,831	\$ 39,595	\$ 147,948	\$ 67,132	\$ 2,033	\$ 56,138
Cash and Investment Fund Balance - Ending							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	35,421	3,831	39,595	147,948	67,132	2,033	56,138
Total cash and investment fund balance - ending	\$ 35,421	\$ 3,831	\$ 39,595	\$ 147,948	\$ 67,132	\$ 2,033	\$ 56,138

DECATUR COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007
 (Continued)

	Jury Pay	Rainy Day	Sales Disclosure	Alternative School	Hazardous Materials	Park Grant	Identification Security Protection
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	69,661	-	-	-	-	-
Charges for services	-	-	3,475	-	-	-	11,021
Fines and forfeits	-	-	-	-	-	-	-
Other	9,180	-	-	-	-	4,501	-
Total receipts	9,180	69,661	3,475	-	-	4,501	11,021
Disbursements:							
General government	-	26,739	13,070	-	-	-	-
Public safety	-	-	-	-	-	-	12,615
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Total disbursements	-	26,739	13,070	-	-	-	12,615
Excess (deficiency) of receipts over disbursements	9,180	42,922	(9,595)	-	-	4,501	(1,594)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(308)	-	-
Total other financing sources (uses)	-	-	-	-	(308)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	9,180	42,922	(9,595)	-	(308)	4,501	(1,594)
Cash and investment fund balance - beginning	73,320	1,372	17,712	296	308	4,692	10,635
Cash and investment fund balance - ending	\$ 82,500	\$ 44,294	\$ 8,117	\$ 296	\$ -	\$ 9,193	\$ 9,041
Cash and Investment Assets - Ending							
Cash and investments	\$ 82,500	\$ 44,294	\$ 8,117	\$ 296	\$ -	\$ 9,193	\$ 9,041
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 82,500	\$ 44,294	\$ 8,117	\$ 296	\$ -	\$ 9,193	\$ 9,041
Cash and Investment Fund Balance - Ending							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	82,500	44,294	8,117	296	-	9,193	9,041
Total cash and investment fund balance - ending	\$ 82,500	\$ 44,294	\$ 8,117	\$ 296	\$ -	\$ 9,193	\$ 9,041

DECATUR COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007
 (Continued)

	Operation Pullover	Child Restraint Special Revenue	Probation User Fee Administrative	HAVA Section 102	HAVA Title III	County Police Pension	Adventure Based Counseling
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	5,084	1,100	-	-	-	-	-
Charges for services	-	-	20,512	-	-	1,424	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	-	-	1,250	-	-	-
Total receipts	5,084	1,100	20,512	1,250	-	1,424	-
Disbursements:							
General government	-	-	-	9,094	7,791	49,761	-
Public safety	4,750	2,034	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Total disbursements	4,750	2,034	-	9,094	7,791	49,761	-
Excess (deficiency) of receipts over disbursements	334	(934)	20,512	(7,844)	(7,791)	(48,337)	-
Other financing sources (uses):							
Transfers in	-	-	18,664	-	-	25,020	-
Transfers out	-	(1,620)	(26,521)	-	-	-	(2,150)
Total other financing sources (uses)	-	(1,620)	(7,857)	-	-	25,020	(2,150)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	334	(2,554)	12,655	(7,844)	(7,791)	(23,317)	(2,150)
Cash and investment fund balance - beginning	1,166	2,554	88,848	8,586	124,232	35,468	2,150
Cash and investment fund balance - ending	\$ 1,500	\$ -	\$ 101,503	\$ 742	\$ 116,441	\$ 12,151	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ 1,500	\$ -	\$ 101,503	\$ 742	\$ 116,441	\$ 12,151	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 1,500	\$ -	\$ 101,503	\$ 742	\$ 116,441	\$ 12,151	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	1,500	-	101,503	742	116,441	12,151	-
Total cash and investment fund balance - ending	\$ 1,500	\$ -	\$ 101,503	\$ 742	\$ 116,441	\$ 12,151	\$ -

DECATUR COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007
 (Continued)

	Check Enforcement Fund	Sheriff Drug Testing	Corrections Drug Testing	County Clerk's Incentive	County Prosecutor's Incentive	Covered Bridge Donations	Bioterrorism Preparedness Grant
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	58,805
Charges for services	4,276	-	4,505	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	-	-	592	-	-	-
Total receipts	4,276	-	4,505	592	-	-	58,805
Disbursements:							
General government	-	-	-	592	500	-	-
Public safety	-	446	4,165	-	-	-	55,960
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Total disbursements	-	446	4,165	592	500	-	55,960
Excess (deficiency) of receipts over disbursements	4,276	(446)	340	-	(500)	-	2,845
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,276	(446)	340	-	(500)	-	2,845
Cash and investment fund balance - beginning	8,228	1,151	1,557	35	5,674	41,622	61,462
Cash and investment fund balance - ending	<u>\$ 12,504</u>	<u>\$ 705</u>	<u>\$ 1,897</u>	<u>\$ 35</u>	<u>\$ 5,174</u>	<u>\$ 41,622</u>	<u>\$ 64,307</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 12,504	\$ 705	\$ 1,897	\$ 35	\$ 5,174	\$ 41,622	\$ 64,307
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 12,504</u>	<u>\$ 705</u>	<u>\$ 1,897</u>	<u>\$ 35</u>	<u>\$ 5,174</u>	<u>\$ 41,622</u>	<u>\$ 64,307</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	12,504	705	1,897	35	5,174	41,622	64,307
Total cash and investment fund balance - ending	<u>\$ 12,504</u>	<u>\$ 705</u>	<u>\$ 1,897</u>	<u>\$ 35</u>	<u>\$ 5,174</u>	<u>\$ 41,622</u>	<u>\$ 64,307</u>

DECATUR COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007
 (Continued)

	Welfare Psych Child Treatment	Family Court Counselor	County Law Enforcement Continuing Education	Riverboat Wagering Tax	Burney/Clay Fire Department	Host Homes	Animal Shelter Donations
Receipts:							
Taxes	\$ 251,338	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	21,198	-	-	74,471	507,203	-	-
Charges for services	-	-	1,071	-	-	10,582	-
Fines and forfeits	-	42,205	-	-	-	-	-
Other	-	-	-	-	-	-	10,561
Total receipts	272,536	42,205	1,071	74,471	507,203	10,582	10,561
Disbursements:							
General government	-	63,320	-	-	-	9,700	-
Public safety	-	-	-	-	505,715	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	84,512	-	-	-	-	-	9,317
Culture and recreation	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Total disbursements	84,512	63,320	-	-	505,715	9,700	9,317
Excess (deficiency) of receipts over disbursements	188,024	(21,115)	1,071	74,471	1,488	882	1,244
Other financing sources (uses):							
Transfers in	-	25,000	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	25,000	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	188,024	3,885	1,071	74,471	1,488	882	1,244
Cash and investment fund balance - beginning	62,329	17,909	13,418	74,886	-	-	1,785
Cash and investment fund balance - ending	\$ 250,353	\$ 21,794	\$ 14,489	\$ 149,357	\$ 1,488	\$ 882	\$ 3,029
Cash and Investment Assets - Ending							
Cash and investments	\$ 250,353	\$ 21,794	\$ 14,489	\$ 149,357	\$ 1,488	\$ 882	\$ 3,029
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 250,353	\$ 21,794	\$ 14,489	\$ 149,357	\$ 1,488	\$ 882	\$ 3,029
Cash and Investment Fund Balance - Ending							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	250,353	21,794	14,489	149,357	1,488	882	3,029
Total cash and investment fund balance - ending	\$ 250,353	\$ 21,794	\$ 14,489	\$ 149,357	\$ 1,488	\$ 882	\$ 3,029

DECATUR COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007
 (Continued)

	Tobacco Grant	Drug Free Grant	Sheriff Donation	Sex and Violent Offender Administration	Inmate Phone Fund	Park Activity	Airport Improvement
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	40,130	79,807	-	-	-	-	-
Charges for services	-	-	-	345	10,944	51,214	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	-	2,631	-	-	-	-
Total receipts	40,130	79,807	2,631	345	10,944	51,214	-
Disbursements:							
General government	-	-	-	-	-	-	34,295
Public safety	-	69,576	1,470	-	3,516	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	28,189	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	42,768	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Total disbursements	28,189	69,576	1,470	-	3,516	42,768	34,295
Excess (deficiency) of receipts over disbursements	11,941	10,231	1,161	345	7,428	8,446	(34,295)
Other financing sources (uses):							
Transfers in	-	-	1,620	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	1,620	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	11,941	10,231	2,781	345	7,428	8,446	(34,295)
Cash and investment fund balance - beginning	-	-	12,266	-	60,400	13,436	68,590
Cash and investment fund balance - ending	\$ 11,941	\$ 10,231	\$ 15,047	\$ 345	\$ 67,828	\$ 21,882	\$ 34,295
Cash and Investment Assets - Ending							
Cash and investments	\$ 11,941	\$ 10,231	\$ 15,047	\$ 345	\$ 67,828	\$ 21,882	\$ 34,295
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 11,941	\$ 10,231	\$ 15,047	\$ 345	\$ 67,828	\$ 21,882	\$ 34,295
Cash and Investment Fund Balance - Ending							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	11,941	10,231	15,047	345	67,828	21,882	34,295
Total cash and investment fund balance - ending	\$ 11,941	\$ 10,231	\$ 15,047	\$ 345	\$ 67,828	\$ 21,882	\$ 34,295

DECATUR COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007
 (Continued)

	EDIT Debt Service	Hospital Bond	Cumulative Capital Development	Sheriff's Inmate Food	Sheriff's Commissary	Totals
Receipts:						
Taxes	\$ -	\$ 485,731	\$ 255,574	\$ -	\$ -	\$ 2,426,794
Licenses and permits	-	-	-	-	-	9,652
Intergovernmental	1,125,489	37,728	21,557	-	-	2,878,651
Charges for services	-	-	-	95,551	44,773	1,128,760
Fines and forfeits	-	-	-	-	-	122,483
Other	58,926	3,242	12,869	-	-	809,106
Total receipts	1,184,415	526,701	290,000	95,551	44,773	7,375,446
Disbursements:						
General government	200,531	-	-	-	-	756,051
Public safety	-	-	-	122,034	50,542	1,512,596
Highways and streets	-	-	-	-	-	643,076
Health and welfare	-	-	-	435,426	-	2,152,730
Culture and recreation	-	-	-	-	-	587,512
Debt service:						
Principal	442,154	232,500	-	-	-	674,654
Interest	182,846	147,500	-	-	-	330,346
Capital outlay:						
General government	-	-	363,961	-	-	364,246
Public safety	-	-	-	-	-	1,406
Health and welfare	-	-	-	-	-	18,978
Culture and recreation	-	-	-	-	-	45,556
Total disbursements	825,531	380,000	363,961	557,460	50,542	7,087,151
Excess (deficiency) of receipts over disbursements	358,884	146,701	(73,961)	(461,909)	(5,769)	288,295
Other financing sources (uses):						
Transfers in	-	-	107,768	-	-	212,070
Transfers out	-	-	(48,941)	-	-	(135,538)
Total other financing sources (uses)	-	-	58,827	-	-	76,532
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	358,884	146,701	(15,134)	(461,909)	(5,769)	364,827
Cash and investment fund balance - beginning	1,294,678	9,385	311,480	47,834	34,482	7,428,751
Cash and investment fund balance - ending	\$ 1,653,562	\$ 156,086	\$ 296,346	\$ (414,075)	\$ 28,713	\$ 7,793,578
Cash and Investment Assets - Ending						
Cash and investments	\$ 1,653,562	\$ 156,086	\$ -	\$ 21,351	\$ -	\$ 5,816,582
Restricted assets:						
Cash and investments	-	-	296,346	-	28,713	2,412,422
Total cash and investment assets - ending	\$ 1,653,562	\$ 156,086	\$ 296,346	\$ 21,351	\$ 28,713	\$ 8,229,004
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ 28,713	\$ 225,924
Highways and streets	-	-	-	-	-	341,933
Health and welfare	-	-	-	-	-	1,548,219
Capital outlay	-	-	296,346	-	-	296,346
Unrestricted	1,653,562	156,086	-	21,351	-	5,816,582
Total cash and investment fund balance - ending	\$ 1,653,562	\$ 156,086	\$ 296,346	\$ 21,351	\$ 28,713	\$ 8,229,004

DECATUR COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2007

	City and Town Court Costs	Congressional School Interest	Surplus Tax Sale	Tax Sale Redemption	Surplus Tax	State Fines and Forfeitures	State Sales Disclosure Fee
Additions: Agency fund additions	\$ 14,466	\$ 769	\$ 7,008	\$ 75,671	\$ 85,612	\$ 34,475	\$ 14,945
Deductions: Agency fund deductions	<u>11,942</u>	<u>-</u>	<u>17,851</u>	<u>81,254</u>	<u>24,520</u>	<u>17,421</u>	<u>15,095</u>
Excess (deficiency) of total additions over total deductions	2,524	769	(10,843)	(5,583)	61,092	17,054	(150)
Cash and investment fund balance - beginning	<u>5,292</u>	<u>17,693</u>	<u>21,882</u>	<u>5,583</u>	<u>30,789</u>	<u>5,086</u>	<u>370</u>
Cash and investment fund balance - ending	<u>\$ 7,816</u>	<u>\$ 18,462</u>	<u>\$ 11,039</u>	<u>\$ -</u>	<u>\$ 91,881</u>	<u>\$ 22,140</u>	<u>\$ 220</u>

DECATUR COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2007
 (Continued)

	<u>Infraction Judgements</u>	<u>Inheritance Tax</u>	<u>Payroll</u>	<u>Special Death Benefit</u>	<u>Education Plate Fees</u>	<u>Wheel Tax</u>	<u>Mortgage Fees State Share</u>
Additions: Agency fund additions	\$ 77,489	\$ 640,024	\$ 1,627,217	\$ 2,445	\$ 2,212	\$ 99,952	\$ 3,959
Deductions: Agency fund deductions	<u>55,340</u>	<u>795,359</u>	<u>1,523,697</u>	<u>2,015</u>	<u>2,213</u>	<u>99,673</u>	<u>4,026</u>
Excess (deficiency) of total additions over total deductions	22,149	(155,335)	103,520	430	(1)	279	(67)
Cash and investment fund balance - beginning	<u>3,978</u>	<u>179,024</u>	<u>261,969</u>	<u>140</u>	<u>207</u>	<u>-</u>	<u>387</u>
Cash and investment fund balance - ending	<u>\$ 26,127</u>	<u>\$ 23,689</u>	<u>\$ 365,489</u>	<u>\$ 570</u>	<u>\$ 206</u>	<u>\$ 279</u>	<u>\$ 320</u>

DECATUR COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2007
 (Continued)

	Canine Research and Education	Welfare Trust	Tax Distribution	After Settlement Collections	Coroner's Training and Continuing Education	Children With Special Health Care Needs
Additions:						
Agency fund additions	\$ -	\$ 21,425	\$ 33,395,064	\$ 50,180,778	\$ 1,156	\$ 24,347
Deductions:						
Agency fund deductions	1,293	24,239	32,867,017	49,759,855	1,104	24,347
Excess (deficiency) of total additions over total deductions	(1,293)	(2,814)	528,047	420,923	52	-
Cash and investment fund balance - beginning	1,293	9,674	505,570	159,163	67	-
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 6,860</u>	<u>\$ 1,033,617</u>	<u>\$ 580,086</u>	<u>\$ 119</u>	<u>\$ -</u>

DECATUR COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2007
 (Continued)

	Hospital Care For the Indigent	Medical Assistance To Wards	Clerk of the Circuit Court	County Recorder	County Probation	Home Detention
Additions:						
Agency fund additions	\$ 289,120	\$ 9,130	\$ 5,403,327	\$ 121,519	\$ 115,172	\$ 36,775
Deductions:						
Agency fund deductions	<u>289,120</u>	<u>9,130</u>	<u>5,343,912</u>	<u>125,375</u>	<u>114,951</u>	<u>39,338</u>
Excess (deficiency) of total additions over total deductions	-	-	59,415	(3,856)	221	(2,563)
Cash and investment fund balance - beginning	<u>-</u>	<u>-</u>	<u>774,812</u>	<u>12,307</u>	<u>7,156</u>	<u>4,249</u>
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 834,227</u>	<u>\$ 8,451</u>	<u>\$ 7,377</u>	<u>\$ 1,686</u>

DECATUR COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2007
 (Continued)

	County Health	County Sheriff	Inmate Trust	County Park	County Prosecutor	Totals
Additions:						
Agency fund additions	\$ 27,458	\$ 983,418	\$ 66,453	\$ 90,360	\$ 22,116	\$ 93,473,862
Deductions:						
Agency fund deductions	29,077	983,243	67,921	91,806	22,105	92,444,239
Excess (deficiency) of total additions over total deductions	(1,619)	175	(1,468)	(1,446)	11	1,029,623
Cash and investment fund balance - beginning	3,264	516	3,518	2,185	718	2,016,892
Cash and investment fund balance - ending	<u>\$ 1,645</u>	<u>\$ 691</u>	<u>\$ 2,050</u>	<u>\$ 739</u>	<u>\$ 729</u>	<u>\$ 3,046,515</u>

DECATUR COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS

For the Year Ended December 31, 2006

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

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

Capital asset acquisitions and dispositions were not recorded for the year 2007. Consequently, capital asset balances at December 31, 2006 are the best information available for this report.

<u>Primary Government</u>	<u>12-31-06 Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 968,108
Bridges	12,670,490
Culverts	1,499,632
Rights of Way	361,172
Roads	10,757,686
Buildings	11,233,191
Improvements other than buildings	2,282,255
Machinery and equipment	<u>7,026,510</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 46,799,044</u>

DECATUR COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2007

The County has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
Courthouse renovation	\$ 3,186,725	\$ 625,000
Highway trucks (3)	80,175	42,440
Bonds payable:		
General obligation bonds:		
Hospital renovation/addition	<u>3,217,500</u>	<u>377,000</u>
Total governmental activities debt	<u>\$ 6,484,400</u>	<u>\$ 1,044,440</u>

DECATUR COUNTY
OTHER REPORTS

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

County Auditor
County Treasurer

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF DECATUR COUNTY, INDIANA

Compliance

We have audited the compliance of the Decatur County (County) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2007. 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, 2007.

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

STATE BOARD OF ACCOUNTS

August 18, 2008

DECATUR COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2007

Federal Grantor Agency/Pass-Through Entity Program Title/Project Title	CFDA Number	Federal Awards Expended
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>		
Pass-Through Indiana Office of Community and Rural Affairs Community Development Block Grant/States Program	14.228	\$ 463,473
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>		
Pass-Through Indiana Department of Transportation Highway Planning and Construction BR-NBRIS (517)	20.205	33,727
Pass-Through Indiana Criminal Justice Institute Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants OP-07-01-01-67 OP-08-01-01-71	20.601	3,622 1,066
Total for program		4,688
Total for federal grantor agency		38,415
<u>U.S. GENERAL SERVICES ADMINISTRATION</u>		
Pass-Through Indiana Secretary of State Election Reform Payments	39.011	7,844
<u>U.S. ELECTIONS ASSISTANCE COMMISSION</u>		
Pass-Through Indiana Secretary of State Help America Vote Act Requirement Payments	90.401	7,791
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>		
Pass-Through Indiana Department of Health Centers for Disease Control - Investigations and Technical Assistance	93.283	53,305
Pass-Through Indiana Department of Child services Child Support Enforcement County Prosecutor's Expenditures County Clerk of Circuit Court's Expenditures Indirect Costs	93.563	78,469 14,156 45,119
Total for program		137,744
Total for federal grantor agency		191,049
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>		
Pass-Through Indiana Department of Homeland Security Law Enforcement Terrorism Prevention Program	97.067	84,389
Total federal awards expended		\$ 792,961

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

DECATUR COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

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

II. Subrecipients

Of the federal expenditures presented in the schedule, the County provided federal awards to subrecipients as follows for the year ended December 31, 2007:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>2007</u>
Community Development Block Grant- Fire House for Burney/Clay Volunteer Fire Department	14.228	<u>\$ 463,473</u>

DECATUR COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Qualified

Internal control over financial reporting:

Material weaknesses identified?	no
Reportable conditions identified that are not considered to be material weaknesses?	none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Reportable conditions identified that are not considered to be material weaknesses?	none reported

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

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

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
14.228	Community Development Block Grant/States Program

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

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

DECATUR COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

DECATUR COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 18, 2008, with Charles L. Buell, County Commissioner; and Bridgett C. Weber, Auditor.