

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

ANNUAL FINANCIAL REPORT

2007

VERMILLION COUNTY, INDIANA



**FILED**

09/12/2008



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Sherrie A. Koma	01-01-05 to 12-31-08
Treasurer	Phyllis Orman	01-01-05 to 12-31-08
Clerk	Martha Padish Florinda Pruitt	01-01-05 to 12-31-07 01-01-08 to 12-31-08
Sheriff	Robert Spence	01-01-07 to 12-31-10
Recorder	Lori Porter	01-01-07 to 12-31-10
President of the Board of County Commissioners	Tim J. Wilson	01-01-07 to 12-31-08
President of the County Council	John Yoho (Vacant) John Cheesewright	01-01-07 to 06-06-08 06-07-08 to 07-13-08 07-14-08 to 12-31-08



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
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ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

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

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

TO: THE OFFICIALS OF VERMILLION COUNTY, INDIANA

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, 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 11, 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, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. 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

August 11, 2008



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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 VERMILLION COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Vermillion 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 11, 2008. 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.

This report is intended solely for the information and use of the County's management, the Board of 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 11, 2008

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

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net Disbursement and Changes In Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental activities:				
General government	\$ 5,521,076	\$ 1,017	\$ 817,124	\$ -
Public safety	1,775,041	200,109	-	19,938
Highways and streets	1,715,565	-	-	-
Health and welfare	685,245	-	528,664	-
Economic development	194,728	-	-	-
Culture and recreation	150,678	-	-	-
Principal and interest on indebtedness	401,787	-	-	-
	<u>\$ 10,444,120</u>	<u>\$ 201,126</u>	<u>\$ 1,345,788</u>	<u>\$ 19,938</u>
Total primary government				<u>(8,877,268)</u>
General receipts:				
Property taxes				5,605,709
Intergovernmental				2,384,565
Other local sources				1,855,821
Investment earnings				216,198
Total general receipts				<u>10,062,293</u>
Change in net assets				1,185,025
Net assets - beginning				<u>11,895,407</u>
Net assets - ending				<u>\$ 13,080,432</u>
 <u>Assets</u>				
Cash and investments				\$ 3,378,540
Restricted assets:				
Cash and investments				9,701,892
Total assets				<u>\$ 13,080,432</u>
 <u>Net Assets</u>				
Restricted for:				
General government				\$ 3,523,925
Public safety				1,231,735
Highways and streets				468,622
Health and welfare				873,584
Economic development				765,052
Culture and recreation				100,556
Debt service				514,066
Capital outlay				2,224,352
Unrestricted				3,378,540
Total net assets				<u>\$ 13,080,432</u>

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

VERMILLION 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	Highway	Cumulative Reassessment	Rainy Day Fund	Cumulative Bridge	Other Governmental Funds	Totals
<b>Receipts:</b>							
Taxes	\$ 4,602,416	\$ -	\$ 13,090	\$ -	\$ 272,195	\$ 718,008	\$ 5,605,709
Special assessments	396	-	-	-	-	-	396
Intergovernmental	633,121	1,455,803	1,647	-	5,957	1,653,768	3,750,296
Charges for services	46,091	-	-	-	-	102,278	148,369
Fines and forfeits	52,361	-	-	-	-	-	52,361
Other	525,656	162,481	35,426	524,298	39,425	784,732	2,072,018
<b>Total receipts</b>	<b>5,860,041</b>	<b>1,618,284</b>	<b>50,163</b>	<b>524,298</b>	<b>317,577</b>	<b>3,258,786</b>	<b>11,629,149</b>
<b>Disbursements:</b>							
General government	3,976,616	-	135,313	-	-	733,558	4,845,487
Public safety	1,491,487	-	-	-	-	274,906	1,766,393
Highways and streets	-	1,454,217	-	-	134,534	126,814	1,715,565
Health and welfare	-	-	-	-	-	685,245	685,245
Economic development	-	-	-	-	-	194,728	194,728
Culture and recreation	101,777	-	-	-	-	26,801	128,578
Debt service:							
Principal	-	-	-	-	-	388,913	388,913
Interest	-	-	-	-	-	12,874	12,874
Capital outlay:							
General government	40,710	-	-	-	-	634,879	675,589
Public safety	8,648	-	-	-	-	-	8,648
Culture and recreation	22,100	-	-	-	-	-	22,100
<b>Total disbursements</b>	<b>5,641,338</b>	<b>1,454,217</b>	<b>135,313</b>	<b>-</b>	<b>134,534</b>	<b>3,078,718</b>	<b>10,444,120</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>218,703</b>	<b>164,067</b>	<b>(85,150)</b>	<b>524,298</b>	<b>183,043</b>	<b>180,068</b>	<b>1,185,029</b>
<b>Other financing sources (uses):</b>							
Transfers in	-	-	1,132,186	-	-	57,430	1,189,616
Transfers out	-	-	-	-	-	(1,189,616)	(1,189,616)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>1,132,186</b>	<b>-</b>	<b>-</b>	<b>(1,132,186)</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>218,703</b>	<b>164,067</b>	<b>1,047,036</b>	<b>524,298</b>	<b>183,043</b>	<b>(952,118)</b>	<b>1,185,029</b>
<b>Cash and investment fund balance - beginning</b>	<b>3,113,081</b>	<b>218,394</b>	<b>937,068</b>	<b>535,450</b>	<b>1,097,932</b>	<b>5,993,478</b>	<b>11,895,403</b>
<b>Cash and investment fund balance - ending</b>	<b>\$ 3,331,784</b>	<b>\$ 382,461</b>	<b>\$ 1,984,104</b>	<b>\$ 1,059,748</b>	<b>\$ 1,280,975</b>	<b>\$ 5,041,360</b>	<b>\$ 13,080,432</b>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 3,331,784	\$ -	\$ -	\$ -	\$ -	\$ 46,761	\$ 3,378,545
Restricted assets:							
Cash and investments	-	382,461	1,984,104	1,059,748	1,280,975	4,994,599	9,701,887
<b>Total cash and investment assets - ending</b>	<b>\$ 3,331,784</b>	<b>\$ 382,461</b>	<b>\$ 1,984,104</b>	<b>\$ 1,059,748</b>	<b>\$ 1,280,975</b>	<b>\$ 5,041,360</b>	<b>\$ 13,080,432</b>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
General government	\$ -	\$ -	\$ 1,984,104	\$ 1,059,748	\$ -	\$ 480,073	\$ 3,523,925
Public safety	-	-	-	-	-	1,231,729	1,231,729
Highways and streets	-	382,461	-	-	-	86,161	468,622
Health and welfare	-	-	-	-	-	873,585	873,585
Economic development	-	-	-	-	-	765,052	765,052
Culture and recreation	-	-	-	-	-	100,556	100,556
Debt service	-	-	-	-	-	514,066	514,066
Capital outlay	-	-	-	-	1,280,975	943,377	2,224,352
Unrestricted	3,331,784	-	-	-	-	46,761	3,378,545
<b>Total cash and investment fund balance - ending</b>	<b>\$ 3,331,784</b>	<b>\$ 382,461</b>	<b>\$ 1,984,104</b>	<b>\$ 1,059,748</b>	<b>\$ 1,280,975</b>	<b>\$ 5,041,360</b>	<b>\$ 13,080,432</b>

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

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

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>	<u>Agency Funds</u>
Additions:			
Contributions:			
Employer	\$ 150,000	\$ -	\$ -
Plan members	<u>14,974</u>	<u>-</u>	<u>-</u>
Total contributions	<u>164,974</u>	<u>-</u>	<u>-</u>
Investment earnings:			
Interest	32,335	5,741	-
Net realized gain	<u>8,345</u>	<u>-</u>	<u>-</u>
Total investment earnings	40,680	5,741	-
Agency fund additions	<u>-</u>	<u>-</u>	<u>47,682,049</u>
Total additions	<u>205,654</u>	<u>5,741</u>	<u>47,682,049</u>
Deductions:			
Benefits	28,910	-	-
Administrative and general	9,089	-	-
Agency fund deductions	<u>-</u>	<u>-</u>	<u>43,779,605</u>
Total deductions	<u>37,999</u>	<u>-</u>	<u>43,779,605</u>
Excess of total additions over total deductions	167,655	5,741	3,902,444
Cash and investment fund balance - beginning	<u>527,573</u>	<u>35,102</u>	<u>2,763,459</u>
Cash and investment fund balance - ending	<u>\$ 695,228</u>	<u>\$ 40,843</u>	<u>\$ 6,665,903</u>

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

VERMILLION 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: Vermillion County

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

Related Organizations

The County's officials are also responsible for appointing the members of the boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointments. The County appoints the board members of the West Central Indiana Economic Development Council, Newport – Vermillion County Library, Wabash River Heritage Corridor Commission, Alcoholic Beverage Commission, Clinton – Clinton Township Public Library, Sycamore Trails RC&D Executive Council, and Clinton Economic Development Committee.

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, 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:

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.

VERMILLION COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

The county highway fund is used to account for local and state distributions that will be used for the construction, reconstruction and maintenance of the county's highways, including the purchase, rental and repair of equipment, acquisition of rights of way, and purchase of supplies necessary to carry out the construction, reconstruction and maintenance of the highways.

The cumulative reassessment fund is used to account for local tax distributions and disbursements made for the purpose of the reassessment of real estate located in the county.

The rainy day fund accounts for funds intended to be used during times of economic downturn in order to stabilize a political subdivision's budget so that spending may be maintained without increasing taxes.

The cumulative bridge fund accounts for local, state and federal distributions that will be used for the construction, repair and maintenance of county bridges, approaches, and grade separations.

Additionally, the County reports the following fund types:

The pension trust fund accounts for the activities of the county sheriff's retirement plan and the county sheriff's benefit plan, which accumulate resources for pension benefit payments.

The private-purpose trust funds report trust arrangements under which principal and income benefit the school corporations in Vermillion County.

Agency funds account for assets held by the County as an agent for various taxing authorities, state and federal governmental departments, and employee benefit providers, 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, 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. Exceptions to this general rule are payments-in-lieu of taxes. Elimination of these charges would distort the direct costs and program receipts reported for the various functions concerned.

VERMILLION 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. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the County in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were not distributed to the County on or prior to December 31 of the year collected.

3. 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.

4. 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.

5. 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."

VERMILLION COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

Fund Financial Statements

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

E. Receipts and Disbursements

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.

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 government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

VERMILLION 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 County does not have a deposit policy for custodial credit risk. 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

As of December 31, 2007, the County and the Sheriff's Retirement and Benefit Plan had the following investments:

VERMILLION COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Investment Type	Sheriffs Retirement and Benefit Pension Plans
Mutual funds	\$ 617,413

Statutory Authorization for Investments

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 custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The County does not have a formal investment policy for custodial credit risk for investments.

VERMILLION COUNTY  
 NOTES TO FINANCIAL STATEMENTS  
 (Continued)

The Sheriff's Merit Board has not adopted an investment policy for custodial credit risk for investments.

The following investments held by the County and the Sheriff's Retirement and Benefit Pension Plans were exposed to custodial credit risks because they are uninsured and unregistered with securities held by the counterparty, or the counterparty's trust department or agent, either in the government's name or not in the government's name:

Sheriff's Retirement and Benefit Pension Plans:

<u>Investment Type</u>	<u>Not in the Government's Name</u>
Mutual funds	<u>\$ 617,413</u>

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County must follow state statute and limit the stated final maturities of the investments to no more than two years. The County does not have a formal investment policy for interest rate risk for investments.

The Sheriff's Merit Board has not adopted a formal investment policy for interest rate risk.

Sheriff's Retirement and Benefit Pension Plans:

<u>Investment Type</u>	<u>Investment Maturities (in Years)</u>		
	<u>Less Than 1</u>	<u>1-2</u>	<u>More Than 2</u>
Mutual bond funds*	<u>\$ 285,202</u>	<u>\$ -</u>	<u>\$ -</u>

\*The mutual bond funds had a weighted average maturity of 6.3 and 3.9 years.

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. The County does not have a formal investment policy for credit risk for investments.

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

VERMILLION COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Sheriff's Retirement and Benefit Pension Plans' Investments:

Standard and Poor's Rating	Mutual Funds
Unrated	\$ 617,413

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.

The County and the Sheriff's Retirement and Benefit Pension Plan held the following investments that were exposed to concentration of credit risk:

Sheriff's Retirement and Benefit Pension Plans:

Issuer	2007
Federated Investments	\$ 143,714
Fidelity Investments	179,605
Allianz	159,444
LKCM	75,203
MFS	59,447
Total	\$ 617,413

Foreign Currency Risk

County does not have a formal policy in regards to foreign currency risk.

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

B. Interfund Transfers

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

VERMILLION COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Transfer From	Transfer To	2007
Other governmental funds	Cumulative Reassessment Fund Other governmental funds	\$ 1,132,186 <u>57,430</u>
Total		<u>\$ 1,189,616</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; medical benefits to employees, retirees, and dependents (excluding postemployment benefits); and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

Job Related Illnesses or Injuries to Employees

During 2002, the County joined with 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 930 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 claims arising from job related illnesses or injuries to employees. The County pays an annual premium to the risk pool for its employee's 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 Corporation

The County has entered into a capital lease with the Vermillion 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 \$294,500.

VERMILLION COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

C. Conduit Debt Obligation

From time to time, the County has issued Economic Development Waterworks Revenue Bonds to provide financial assistance to the Clinton Township water system 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 governmental 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 were three series of Indiana Economic Development Waterworks Revenue Bonds outstanding with an aggregate principal amount payable of \$2,350,000.

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. Pension Plans

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

1. Public Employees' Retirement Fund

Plan Description

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

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

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

VERMILLION COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Funding Policy and Annual Pension Cost

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

2. County Police Retirement Plan

Plan Description

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

Funding Policy and Annual Pension Cost

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

3. County Police Benefit Plan

Plan Description

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

Funding Policy and Annual Pension Cost

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

VERMILLION COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Actuarial Information for the Above Plans

	PERF	County Police Retirement Plan	County Police Benefit Plan
Annual required contribution	\$ 182,430	\$ 36,042	\$ 26,811
Interest on net pension obligation	(18,062)	(6,098)	-
Adjustment to annual required contribution	<u>20,583</u>	<u>8,755</u>	<u>-</u>
Annual pension cost	184,951	38,699	26,811
Contributions made	<u>145,393</u>	<u>48,739</u>	<u>26,811</u>
Increase (decrease) in net pension obligation	39,558	(10,040)	-
Net pension obligation, beginning of year	<u>(249,127)</u>	<u>(87,108)</u>	<u>-</u>
Net pension obligation, end of year	<u>\$ (209,569)</u>	<u>\$ (97,148)</u>	<u>\$ -</u>

	PERF	County Police Retirement Plan	County Police Benefit Plan
Contribution rates:			
County	5.75%	13%	10%
Plan members	3%	6%	6%
Actuarial valuation date	07-01-07	01-01-07	01-01-07
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed
Amortization period	30 years	30 years	30 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%	2.75/4%*	2.75/4%*

\*2.75% converted members; 4% nonconverted members

VERMILLION COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Three Year Trend Information

	<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
PERF	06-30-05	\$ 116,030	125%	\$ (215,572)
	06-30-06	112,932	130%	(249,127)
	06-30-07	184,951	79%	(209,569)
County Police Retirement Plan	12-31-04	38,259	152%	(64,128)
	12-31-05	42,649	159%	(87,108)
	12-31-06	38,699	126%	(97,148)
County Police Benefit Plan	12-31-04	27,037	100%	-
	12-31-05	27,415	100%	-
	12-31-06	26,811	100%	-

VERMILLION 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)
07-01-05	\$ 2,375,483	\$ 2,329,777	\$ 45,706	102%	\$ 2,305,525	2%
07-01-06	2,352,678	2,637,609	(284,931)	89%	2,641,661	(11%)
07-01-07	2,693,205	2,991,440	(298,235)	90%	2,692,695	(11%)

County Police Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-02	\$ 153,013	\$ 361,164	\$ (208,151)	42%	\$ 233,650	(89%)
01-01-03	197,461	385,460	(187,999)	51%	273,900	(69%)
01-01-04	261,797	431,580	(169,783)	61%	283,219	(60%)
01-01-05	340,002	485,325	(145,323)	70%	310,550	(47%)
01-01-06	436,464	545,519	(109,055)	80%	317,550	(34%)
01-01-07	527,615	720,772	(193,157)	73%	278,900	(69%)

VERMILLION 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	Health	Economic Development Operating	Law Enforcement Continuing Education	Clerk's Records Perpetuation
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ 37,816	\$ -	\$ -	\$ -
Intergovernmental	152,179	-	-	854	-	-	-
Charges for Services	-	-	-	-	-	-	-
Other	-	543	5,560	7,468	252,757	969	4,432
<b>Total receipts</b>	<b>152,179</b>	<b>543</b>	<b>5,560</b>	<b>46,138</b>	<b>252,757</b>	<b>969</b>	<b>4,432</b>
Disbursements:							
General government	-	-	-	-	-	-	2,451
Public safety	-	-	2,584	-	-	-	-
Highways and streets	126,814	-	-	-	-	-	-
Health and welfare	-	-	-	89,345	-	-	-
Economic development	-	-	-	-	194,728	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>126,814</b>	<b>-</b>	<b>2,584</b>	<b>89,345</b>	<b>194,728</b>	<b>-</b>	<b>2,451</b>
Excess (deficiency) of receipts over disbursements	25,365	543	2,976	(43,207)	58,029	969	1,981
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	25,365	543	2,976	(43,207)	58,029	969	1,981
Cash and investment fund balance - beginning	33,434	969	3,330	63,596	707,023	3,674	16,022
Cash and investment fund balance - ending	<u>\$ 58,799</u>	<u>\$ 1,512</u>	<u>\$ 6,306</u>	<u>\$ 20,389</u>	<u>\$ 765,052</u>	<u>\$ 4,643</u>	<u>\$ 18,003</u>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	58,799	1,512	6,306	20,389	765,052	4,643	18,003
Total cash and investment assets - ending	<u>\$ 58,799</u>	<u>\$ 1,512</u>	<u>\$ 6,306</u>	<u>\$ 20,389</u>	<u>\$ 765,052</u>	<u>\$ 4,643</u>	<u>\$ 18,003</u>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,003
Public safety	-	1,512	6,306	-	-	4,643	-
Highways and streets	58,799	-	-	-	-	-	-
Health and welfare	-	-	-	20,389	-	-	-
Economic development	-	-	-	-	765,052	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-
Total cash and investment fund balance - ending	<u>\$ 58,799</u>	<u>\$ 1,512</u>	<u>\$ 6,306</u>	<u>\$ 20,389</u>	<u>\$ 765,052</u>	<u>\$ 4,643</u>	<u>\$ 18,003</u>

VERMILLION 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)

	Drainage Maintenance	Convention and Tourism	Parks and Recreation	Extradition	Juvenile Probation Service	Probation Users Fees
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Other	2,634	9,417	13,340	1,955	6,625	79,370
<b>Total receipts</b>	<b>2,634</b>	<b>9,417</b>	<b>13,340</b>	<b>1,955</b>	<b>6,625</b>	<b>79,370</b>
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	2,002	69,360
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	7,094	19,707	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>7,094</b>	<b>19,707</b>	<b>-</b>	<b>2,002</b>	<b>69,360</b>
Excess (deficiency) of receipts over disbursements	2,634	2,323	(6,367)	1,955	4,623	10,010
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,634	2,323	(6,367)	1,955	4,623	10,010
Cash and investment fund balance - beginning	111,208	6,552	98,048	7,937	52,857	107,739
Cash and investment fund balance - ending	\$ 113,842	\$ 8,875	\$ 91,681	\$ 9,892	\$ 57,480	\$ 117,749
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	113,842	8,875	91,681	9,892	57,480	117,749
<b>Total cash and investment assets - ending</b>	<b>\$ 113,842</b>	<b>\$ 8,875</b>	<b>\$ 91,681</b>	<b>\$ 9,892</b>	<b>\$ 57,480</b>	<b>\$ 117,749</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
General government	\$ 113,842	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	9,892	57,480	117,749
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	8,875	91,681	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ 113,842</b>	<b>\$ 8,875</b>	<b>\$ 91,681</b>	<b>\$ 9,892</b>	<b>\$ 57,480</b>	<b>\$ 117,749</b>

VERMILLION 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)

	User Fee	Covered Bridge	Family and Children	Health Maintenance	Pretrial Diversion	Misdemeanant
Receipts:						
Taxes	\$ -	\$ -	\$ 178,276	\$ -	\$ -	\$ -
Intergovernmental	-	-	203,239	-	-	-
Charges for Services	-	-	-	-	-	-
Other	8,252	5,550	45,521	41,424	116,806	14,050
<b>Total receipts</b>	<b>8,252</b>	<b>5,550</b>	<b>427,036</b>	<b>41,424</b>	<b>116,806</b>	<b>14,050</b>
Disbursements:						
General government	2,012	-	-	-	-	-
Public safety	-	-	-	-	99,476	3,916
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	558,988	35,876	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
<b>Total disbursements</b>	<b>2,012</b>	<b>-</b>	<b>558,988</b>	<b>35,876</b>	<b>99,476</b>	<b>3,916</b>
Excess (deficiency) of receipts over disbursements	6,240	5,550	(131,952)	5,548	17,330	10,134
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	6,240	5,550	(131,952)	5,548	17,330	10,134
Cash and investment fund balance - beginning	40,014	21,812	755,880	55,127	214,665	4,401
Cash and investment fund balance - ending	\$ 46,254	\$ 27,362	\$ 623,928	\$ 60,675	\$ 231,995	\$ 14,535
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	46,254	27,362	623,928	60,675	231,995	14,535
<b>Total cash and investment assets - ending</b>	<b>\$ 46,254</b>	<b>\$ 27,362</b>	<b>\$ 623,928</b>	<b>\$ 60,675</b>	<b>\$ 231,995</b>	<b>\$ 14,535</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	46,254	-	-	-	231,995	14,535
Highways and streets	-	27,362	-	-	-	-
Health and welfare	-	-	623,928	60,675	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ 46,254</b>	<b>\$ 27,362</b>	<b>\$ 623,928</b>	<b>\$ 60,675</b>	<b>\$ 231,995</b>	<b>\$ 14,535</b>

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

	Surveyor's Corner Perpetuation	Drug Abuse Interdiction	Children's Psych Res Treatment Service	Drug Task Force	Common School	Gal/Casa
Receipts:						
Taxes	\$ -	\$ -	\$ 55,589	\$ -	\$ -	\$ -
Intergovernmental	-	-	1,236	-	-	-
Charges for Services	-	-	-	-	-	-
Other	3,675	11,142	60	-	-	-
<b>Total receipts</b>	<b>3,675</b>	<b>11,142</b>	<b>56,885</b>	<b>-</b>	<b>-</b>	<b>-</b>
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	5,000	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	1,036	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>5,000</b>	<b>1,036</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	3,675	6,142	55,849	-	-	-
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,675	6,142	55,849	-	-	-
Cash and investment fund balance - beginning	41,383	21,293	76,510	6,272	2,030	5,225
Cash and investment fund balance - ending	\$ 45,058	\$ 27,435	\$ 132,359	\$ 6,272	\$ 2,030	\$ 5,225
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	45,058	27,435	132,359	6,272	2,030	5,225
<b>Total cash and investment assets - ending</b>	<b>\$ 45,058</b>	<b>\$ 27,435</b>	<b>\$ 132,359</b>	<b>\$ 6,272</b>	<b>\$ 2,030</b>	<b>\$ 5,225</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
General government	\$ 45,058	\$ -	\$ -	\$ -	\$ 2,030	\$ 5,225
Public safety	-	27,435	-	6,272	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	132,359	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ 45,058</b>	<b>\$ 27,435</b>	<b>\$ 132,359</b>	<b>\$ 6,272</b>	<b>\$ 2,030</b>	<b>\$ 5,225</b>

VERMILLION 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)

	Jail Lease Rental	Local Emergency Planning and Right To Know	Prosecutor Child Support Incentive	Public Health Coordinator	Recorder's Copy Perpetuation	Reimburse Court Appointed Attorney
Receipts:						
Taxes	\$ 205,420	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	5,931	8,762	-	57,353	-	-
Charges for Services	-	-	-	-	-	-
Other	-	-	-	-	20,774	11,284
<b>Total receipts</b>	<b>211,351</b>	<b>8,762</b>	<b>-</b>	<b>57,353</b>	<b>20,774</b>	<b>11,284</b>
Disbursements:						
General government	6,915	10,062	9,169	60,980	28,129	23,204
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service:						
Principal	285,000	-	-	-	-	-
Interest	9,500	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
<b>Total disbursements</b>	<b>301,415</b>	<b>10,062</b>	<b>9,169</b>	<b>60,980</b>	<b>28,129</b>	<b>23,204</b>
Excess (deficiency) of receipts over disbursements	(90,064)	(1,300)	(9,169)	(3,627)	(7,355)	(11,920)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(90,064)	(1,300)	(9,169)	(3,627)	(7,355)	(11,920)
Cash and investment fund balance - beginning	310,120	20,225	9,195	3,660	120,015	19,790
Cash and investment fund balance - ending	<u>\$ 220,056</u>	<u>\$ 18,925</u>	<u>\$ 26</u>	<u>\$ 33</u>	<u>\$ 112,660</u>	<u>\$ 7,870</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	220,056	18,925	26	33	112,660	7,870
<b>Total cash and investment assets - ending</b>	<u>\$ 220,056</u>	<u>\$ 18,925</u>	<u>\$ 26</u>	<u>\$ 33</u>	<u>\$ 112,660</u>	<u>\$ 7,870</u>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
General government	\$ -	\$ 18,925	\$ -	\$ -	\$ 112,660	\$ -
Public safety	-	-	-	-	-	7,870
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	26	33	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service	220,056	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
<b>Total cash and investment fund balance - ending</b>	<u>\$ 220,056</u>	<u>\$ 18,925</u>	<u>\$ 26</u>	<u>\$ 33</u>	<u>\$ 112,660</u>	<u>\$ 7,870</u>

VERMILLION 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)

	Riverboat Wagering Tax	Title III HAVA	Tobacco Master Settlement	Unsafe Building	Vermillion County Jail Building	Vermillion County Victims Assistance
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	105,644	-	15,709	-	-	17,120
Charges for Services	-	-	-	-	-	-
Other	218	-	33	1,008	-	90
<b>Total receipts</b>	<b>105,862</b>	<b>-</b>	<b>15,742</b>	<b>1,008</b>	<b>-</b>	<b>17,210</b>
Disbursements:						
General government	120,023	37,503	21,782	8,059	-	17,120
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
<b>Total disbursements</b>	<b>120,023</b>	<b>37,503</b>	<b>21,782</b>	<b>8,059</b>	<b>-</b>	<b>17,120</b>
Excess (deficiency) of receipts over disbursements	(14,161)	(37,503)	(6,040)	(7,051)	-	90
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(14,161)	(37,503)	(6,040)	(7,051)	-	90
Cash and investment fund balance - beginning	60,922	37,503	33,915	9,414	2,500	(90)
Cash and investment fund balance - ending	\$ 46,761	\$ -	\$ 27,875	\$ 2,363	\$ 2,500	\$ -
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 46,761	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	27,875	2,363	2,500	-
<b>Total cash and investment assets - ending</b>	<b>\$ 46,761</b>	<b>\$ -</b>	<b>\$ 27,875</b>	<b>\$ 2,363</b>	<b>\$ 2,500</b>	<b>\$ -</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ 2,363	\$ -	\$ -
Public safety	-	-	-	-	2,500	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	27,875	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	46,761	-	-	-	-	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ 46,761</b>	<b>\$ -</b>	<b>\$ 27,875</b>	<b>\$ 2,363</b>	<b>\$ 2,500</b>	<b>\$ -</b>

VERMILLION 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)

	Vermillion County E911 Project	Vermillion County E911 Sinking	Vermillion County Seized Assets	Welfare Reform Local	Area Plan Commission	Bail Agency Pre-Trial
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	244,678	-	-	-	-
Charges for Services	-	-	-	-	-	-
Other	14,587	-	7,120	-	9,408	20,993
<b>Total receipts</b>	<b>14,587</b>	<b>244,678</b>	<b>7,120</b>	<b>-</b>	<b>9,408</b>	<b>20,993</b>
Disbursements:						
General government	79,212	17	6,500	-	8,873	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service:						
Principal	-	103,913	-	-	-	-
Interest	-	3,374	-	-	-	-
Capital outlay:						
General government	12,323	-	-	-	-	-
<b>Total disbursements</b>	<b>91,535</b>	<b>107,304</b>	<b>6,500</b>	<b>-</b>	<b>8,873</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	(76,948)	137,374	620	-	535	20,993
Other financing sources (uses):						
Transfers in	57,430	-	-	-	-	-
Transfers out	-	(57,430)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>57,430</b>	<b>(57,430)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(19,518)	79,944	620	-	535	20,993
Cash and investment fund balance - beginning	149,518	291,096	2,606	2,786	1,282	69,265
Cash and investment fund balance - ending	\$ 130,000	\$ 371,040	\$ 3,226	\$ 2,786	\$ 1,817	\$ 90,258
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	130,000	371,040	3,226	2,786	1,817	90,258
<b>Total cash and investment assets - ending</b>	<b>\$ 130,000</b>	<b>\$ 371,040</b>	<b>\$ 3,226</b>	<b>\$ 2,786</b>	<b>\$ 1,817</b>	<b>\$ 90,258</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ 1,817	\$ -
Public safety	130,000	371,040	3,226	-	-	90,258
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	2,786	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ 130,000</b>	<b>\$ 371,040</b>	<b>\$ 3,226</b>	<b>\$ 2,786</b>	<b>\$ 1,817</b>	<b>\$ 90,258</b>

VERMILLION 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)

	Bioterrorism Grant	C.S.E.P.P	C.S.E.P.P. Grant	Campaign Finance Enforcement	Clerk Child Support Incentive	Identification Security Protection
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	817,129	19,938	-	-	-
Charges for Services	-	-	-	-	-	-
Other	-	6,899	-	-	-	5,562
<b>Total receipts</b>	<b>-</b>	<b>824,028</b>	<b>19,938</b>	<b>-</b>	<b>-</b>	<b>5,562</b>
Disbursements:						
General government	575	203,451	19,938	-	10,980	8,940
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	622,556	-	-	-	-
<b>Total disbursements</b>	<b>575</b>	<b>826,007</b>	<b>19,938</b>	<b>-</b>	<b>10,980</b>	<b>8,940</b>
Excess (deficiency) of receipts over disbursements	(575)	(1,979)	-	-	(10,980)	(3,378)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(575)	(1,979)	-	-	(10,980)	(3,378)
Cash and investment fund balance - beginning	8,009	14,615	-	210	11,624	6,316
Cash and investment fund balance - ending	<u>\$ 7,434</u>	<u>\$ 12,636</u>	<u>\$ -</u>	<u>\$ 210</u>	<u>\$ 644</u>	<u>\$ 2,938</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	7,434	12,636	-	210	644	2,938
<b>Total cash and investment assets - ending</b>	<b>\$ 7,434</b>	<b>\$ 12,636</b>	<b>\$ -</b>	<b>\$ 210</b>	<b>\$ 644</b>	<b>\$ 2,938</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ 210	\$ -	\$ 2,938
Public safety	7,434	12,636	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	644	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ 7,434</b>	<b>\$ 12,636</b>	<b>\$ -</b>	<b>\$ 210</b>	<b>\$ 644</b>	<b>\$ 2,938</b>

VERMILLION 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)

	Cost of Tax Sale	County Drug Free Community	County Health Vaccine	County Hospital Lease	Probation Administration	Cumulative Reassessment 2003
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 133,417
Intergovernmental	-	-	-	-	-	1,615
Charges for Services	-	-	-	-	-	-
Other	-	25,125	3,580	7,016	2,052	-
<b>Total receipts</b>	<b>-</b>	<b>25,125</b>	<b>3,580</b>	<b>7,016</b>	<b>2,052</b>	<b>135,032</b>
Disbursements:						
General government	19,361	10,000	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
<b>Total disbursements</b>	<b>19,361</b>	<b>10,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	(19,361)	15,125	3,580	7,016	2,052	135,032
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(1,132,186)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,132,186)</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(19,361)	15,125	3,580	7,016	2,052	(997,154)
Cash and investment fund balance - beginning	25,401	23,168	1,290	286,994	7,642	1,148,116
Cash and investment fund balance - ending	<u>\$ 6,040</u>	<u>\$ 38,293</u>	<u>\$ 4,870</u>	<u>\$ 294,010</u>	<u>\$ 9,694</u>	<u>\$ 150,962</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	6,040	38,293	4,870	294,010	9,694	150,962
<b>Total cash and investment assets - ending</b>	<b>\$ 6,040</b>	<b>\$ 38,293</b>	<b>\$ 4,870</b>	<b>\$ 294,010</b>	<b>\$ 9,694</b>	<b>\$ 150,962</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
General government	\$ 6,040	\$ -	\$ -	\$ -	\$ -	\$ 150,962
Public safety	-	38,293	-	-	9,694	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	4,870	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service	-	-	-	294,010	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ 6,040</b>	<b>\$ 38,293</b>	<b>\$ 4,870</b>	<b>\$ 294,010</b>	<b>\$ 9,694</b>	<b>\$ 150,962</b>

VERMILLION 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)

	Cumulative Capital Development	Cumulative Jail	Sheriff Commissary	Sheriff Evidence Fund	Prosecutor Asset Forfeiture	Totals
Receipts:						
Taxes	\$ 107,490	\$ -	\$ -	\$ -	\$ -	\$ 718,008
Intergovernmental	2,381	-	-	-	-	1,653,768
Charges for Services	-	-	102,278	-	-	102,278
Other	1,222	5,867	-	3,844	6,500	784,732
<b>Total receipts</b>	<b>111,093</b>	<b>5,867</b>	<b>102,278</b>	<b>3,844</b>	<b>6,500</b>	<b>3,258,786</b>
Disbursements:						
General government	18,302	-	-	-	-	733,558
Public safety	-	-	82,203	1,469	8,896	274,906
Highways and streets	-	-	-	-	-	126,814
Health and welfare	-	-	-	-	-	685,245
Economic development	-	-	-	-	-	194,728
Culture and recreation	-	-	-	-	-	26,801
Debt service:						
Principal	-	-	-	-	-	388,913
Interest	-	-	-	-	-	12,874
Capital outlay:						
General government	-	-	-	-	-	634,879
<b>Total disbursements</b>	<b>18,302</b>	<b>-</b>	<b>82,203</b>	<b>1,469</b>	<b>8,896</b>	<b>3,078,718</b>
Excess (deficiency) of receipts over disbursements	92,791	5,867	20,075	2,375	(2,396)	180,068
Other financing sources (uses):						
Transfers in	-	-	-	-	-	57,430
Transfers out	-	-	-	-	-	(1,189,616)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,132,186)</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	92,791	5,867	20,075	2,375	(2,396)	(952,118)
Cash and investment fund balance - beginning	686,203	158,516	1,317	10,355	2,979	5,993,478
Cash and investment fund balance - ending	\$ 778,994	\$ 164,383	\$ 21,392	\$ 12,730	\$ 583	\$ 5,041,360
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,761
Restricted assets:						
Cash and investments	778,994	164,383	21,392	12,730	583	4,994,599
<b>Total cash and investment assets - ending</b>	<b>\$ 778,994</b>	<b>\$ 164,383</b>	<b>\$ 21,392</b>	<b>\$ 12,730</b>	<b>\$ 583</b>	<b>\$ 5,041,360</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 480,073
Public safety	-	-	21,392	12,730	583	1,231,729
Highways and streets	-	-	-	-	-	86,161
Health and welfare	-	-	-	-	-	873,585
Economic development	-	-	-	-	-	765,052
Culture and recreation	-	-	-	-	-	100,556
Debt service	-	-	-	-	-	514,066
Capital outlay	778,994	164,383	-	-	-	943,377
Unrestricted	-	-	-	-	-	46,761
<b>Total cash and investment fund balance - ending</b>	<b>\$ 778,994</b>	<b>\$ 164,383</b>	<b>\$ 21,392</b>	<b>\$ 12,730</b>	<b>\$ 583</b>	<b>\$ 5,041,360</b>

VERMILLION COUNTY  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 PRIVATE-PURPOSE TRUST FUNDS  
 For The Year Ended December 31, 2007

	Congressional School Principal	Ryerson Will Trust	Totals
Additions:			
Investment earnings:			
Interest	\$ 5,741	\$ -	\$ 5,741
Cash and investment fund balance - beginning	34,902	200	35,102
Cash and investment fund balance - ending	\$ 40,643	\$ 200	\$ 40,843

VERMILLION 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	Surplus Dog Tax	State Fines and Forfeitures
Additions:							
Agency fund additions	\$ 3,612	\$ 1,404	\$ 713,242	\$ 46,468	\$ 285	\$ -	\$ 2,178
Deductions:							
Agency fund deductions	-	4,188	232,704	39,690	19,430	-	12,266
Excess (deficiency) of total additions over total deductions	3,612	(2,784)	480,538	6,778	(19,145)	-	(10,088)
Cash and investment fund balance - beginning	42,920	19,691	827	4,868	18,181	1,588	10,927
Cash and investment fund balance - ending	<u>\$ 46,532</u>	<u>\$ 16,907</u>	<u>\$ 481,365</u>	<u>\$ 11,646</u>	<u>\$ (964)</u>	<u>\$ 1,588</u>	<u>\$ 839</u>

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

	State Sales Disclosure Fee	Overweight Vehicle Fines	Infraction Judgements	Inheritance Tax	Treasurer Trust	Payroll	Education Plate Fee
Additions:							
Agency fund additions	\$ 1,840	\$ 50	\$ 21,453	\$ 200,111	\$ 27,199,761	\$ 2,215,904	\$ 2,625
Deductions:							
Agency fund deductions	1,750	-	15,163	154,373	24,290,554	2,244,958	2,550
Excess (deficiency) of total additions over total deductions	90	50	6,290	45,738	2,909,207	(29,054)	75
Cash and investment fund balance - beginning	930	-	7,746	20,661	2,296,250	32,445	-
Cash and investment fund balance - ending	<u>\$ 1,020</u>	<u>\$ 50</u>	<u>\$ 14,036</u>	<u>\$ 66,399</u>	<u>\$ 5,205,457</u>	<u>\$ 3,391</u>	<u>\$ 75</u>

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

	CEDIT	Mortgage Fees State Share	Child Restraint Violation Fines	Welfare Trust	Homestead Credit Rebate	Tax Distribution
Additions:						
Agency fund additions	\$ 283,298	\$ 1,885	\$ 1,075	\$ 35,263	\$ 416,918	\$ 13,229,021
Deductions:						
Agency fund deductions	<u>283,298</u>	<u>1,985</u>	<u>1,050</u>	<u>24,551</u>	<u>-</u>	<u>13,161,810</u>
Excess (deficiency) of total additions over total deductions	-	(100)	25	10,712	416,918	67,211
Cash and investment fund balance - beginning	<u>-</u>	<u>1,298</u>	<u>700</u>	<u>9,313</u>	<u>-</u>	<u>104,647</u>
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 1,198</u>	<u>\$ 725</u>	<u>\$ 20,025</u>	<u>\$ 416,918</u>	<u>\$ 171,858</u>

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

	Unemployment Insurance Fund	Coroners Continuing Education	Domestic Violence Prevention	Sheriff Pension Fees	Special Death Benefit Fees	State Welfare Excise
Additions:						
Agency fund additions	\$ 29,417	\$ 1,177	\$ -	\$ 7,316	\$ -	\$ 8,346
Deductions:						
Agency fund deductions	<u>29,545</u>	<u>1,176</u>	<u>-</u>	<u>-</u>	<u>850</u>	<u>8,346</u>
Excess (deficiency) of total additions over total deductions	(128)	1	-	7,316	(850)	-
Cash and investment fund balance - beginning	<u>4,410</u>	<u>658</u>	<u>2,610</u>	<u>4,729</u>	<u>850</u>	<u>-</u>
Cash and investment fund balance - ending	<u><u>\$ 4,282</u></u>	<u><u>\$ 659</u></u>	<u><u>\$ 2,610</u></u>	<u><u>\$ 12,045</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

	County Clerk	County Sheriff	Health Department	Prosecuting Attorney Buy Money	County Recorder	Totals
Additions:						
Agency fund additions	\$ 2,115,259	\$ 1,061,535	\$ 10,356	\$ -	\$ 72,250	\$ 47,682,049
Deductions:						
Agency fund deductions	2,104,751	1,061,511	10,856	-	72,250	43,779,605
Excess (deficiency) of total additions over total deductions	10,508	24	(500)	-	-	3,902,444
Cash and investment fund balance - beginning	172,001	3,626	1,467	66	50	2,763,459
Cash and investment fund balance - ending	<u>\$ 182,509</u>	<u>\$ 3,650</u>	<u>\$ 967</u>	<u>\$ 66</u>	<u>\$ 50</u>	<u>\$ 6,665,903</u>

VERMILLION 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 lease:		
Jail Building	\$ 290,000	\$ 295,220
Notes and loans payable	<u>40,611</u>	<u>41,320</u>
Total governmental activities debt	<u>\$ 330,611</u>	<u>\$ 336,540</u>

VERMILLION 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 Sheriff  
County Emergency Management Agency

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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 VERMILLION COUNTY, INDIANA

### Compliance

We have audited the compliance of Vermillion 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 Board of 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 11, 2008

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

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 JUSTICE</u>			
Pass-Through Indiana Criminal Justice Institute Crime Victim Assistance	16.575	06VA145 05VA130	\$ 8,560 <u>8,560</u>
Total for federal grantor agency			<u>17,120</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-Through Indiana State Department of Health Public Health Emergency Preparedness	93.069		<u>2,500</u>
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	U90/CCU517024-07 U90/CCU517024-08	41,674 <u>8,860</u>
Total for program			<u>50,534</u>
Pass-Through Indiana Department of Child Services Child Support Enforcement	93.563		57,798
Child Support Expenditures			20,148
Incentive Expenditures			<u>9,742</u>
Indirect Costs			
Total for program			<u>87,688</u>
Total for federal grantor agency			<u>157,842</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security Public Assistance Grants	97.036		<u>22,841</u>
Chemical Stockpile Emergency Preparedness Program	97.040	FY2005 FY2006 FY2007 FY2008	234,965 78,830 445,734 <u>82,394</u>
Total for program			<u>841,923</u>
Total for federal grantor agency			<u>864,764</u>
Total federal awards expended			<u>\$ 1,022,606</u>

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

VERMILLION COUNTY  
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note I. Basis of Presentation

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

VERMILLION COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	no
Significant deficiencies 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
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

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
97.040	Chemical Stockpile Emergency Preparedness 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.

VERMILLION COUNTY  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

VERMILLION COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on August 19, 2008, with Sherrie A. Koma, Auditor; John Cheesewright, President of the County Council; and Tim J. Wilson, President of the Board of County Commissioners. Our audit disclosed no material items that warrant comment at this time.