

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

ANNUAL FINANCIAL REPORT

2007

LAKE COUNTY, INDIANA



FILED
09/26/2008

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Peggy Holinga Katona	01-01-07 to 12-31-10
Treasurer	John E. Petalas	01-01-07 to 12-31-10
Clerk of the Circuit Court	Thomas R. Philpot	01-01-04 to 12-31-11
Sheriff	Rogelio Dominguez	01-01-07 to 12-31-10
Recorder	Michael A. Brown	01-01-05 to 12-31-08
President of the Board of County Commissioners	Roosevelt Allen, Jr. Gerry J. Scheub	01-01-07 to 12-31-07 01-01-08 to 12-31-08
President of the County Council	Elsie Franklin Christine Cid	01-01-07 to 12-31-07 01-01-08 to 12-31-08



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

TO: THE OFFICIALS OF LAKE COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lake County (County), as of and for the year ended December 31, 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.

Except as described in the fourth paragraph, 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.

The Health Insurance Reserve Fund is an internal service fund of the County. The disbursements from this fund are accounted for by a service organization as defined by Statement on Auditing Standards (SAS) 70. A SAS 70 examination of the service organization's control activities and processes by an independent accounting and auditing firm was not completed as of the date of this report. We were unable to obtain sufficient documentation and we did not perform alternative procedures to obtain reasonable assurance that the reported disbursements of the Health Insurance Reserve Fund were free of material misstatement.

In our opinion, except for the effects, if any, of not obtaining a SAS 70 report regarding the cash disbursements of the Health Insurance Reserve Fund as described in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 2007, and the respective cash receipts and cash disbursements during the year then ended on the basis of accounting described in Note I.

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

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 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 and Schedules of Contributions From the Employer and Other Contributing Entities, 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



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

TO: THE OFFICIALS OF LAKE COUNTY, INDIANA

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lake County (County), as of and for the year ended December 31, 2007, which collectively comprise the County's basic financial statements and have issued our report thereon dated August 18, 2008. The opinion on the financial statements was qualified due to the County not receiving a SAS 70 report on their service organization's control activities which limited the scope of 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.

Internal Control Over Financial Reporting

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we considered to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in items 2007-1 and 2007-2 of the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting.

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

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)

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, of the significant deficiencies described above, we consider item 2007-2 to be a material weakness.

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.

The County's response to the findings identified in our audit is described in the accompanying section of the report entitled Corrective Action Plan. We did not audit the County's response and accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Auditor, the County Council, the County Board of 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

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

Functions/Programs	Disbursements	Program Receipts			Net (Disbursement) Receipt and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Totals
Primary government:							
Governmental activities:							
General government	\$ 129,879,092	\$ 9,832,035	\$ 7,263,788	\$ -	\$ (112,783,269)	\$ -	\$ (112,783,269)
Public safety	56,679,079	5,057,051	9,556,091	1,551,399	(40,514,538)	-	(40,514,538)
Highways and streets	16,773,262	-	5,509,076	2,362,560	(8,901,626)	-	(8,901,626)
Health and welfare	87,034,605	392,285	24,972,579	-	(61,669,741)	-	(61,669,741)
Culture and recreation	23,677,822	5,835,229	3,960	-	(17,838,633)	-	(17,838,633)
Urban redevelopment and housing	5,377,103	-	1,995,481	-	(3,381,622)	-	(3,381,622)
Interest on long-term debt	3,401,657	-	-	-	(3,401,657)	-	(3,401,657)
Temporary loans to agency funds (Note III.D.)	12,000,000	-	-	-	(12,000,000)	-	(12,000,000)
Total governmental activities	<u>334,822,620</u>	<u>21,116,600</u>	<u>49,300,975</u>	<u>3,913,959</u>	<u>(260,491,086)</u>	<u>-</u>	<u>(260,491,086)</u>
Business-type activities:							
Wastewater	87,574	152,595	-	-	-	65,021	65,021
Total primary government	<u>\$ 334,910,194</u>	<u>\$ 21,269,195</u>	<u>\$ 49,300,975</u>	<u>\$ 3,913,959</u>	<u>(260,491,086)</u>	<u>65,021</u>	<u>(260,426,065)</u>
General receipts:							
Property taxes					99,317,667	-	99,317,667
Inheritance taxes					1,055,911	-	1,055,911
Excise taxes					22,609,074	-	22,609,074
FIT taxes					587,881	-	587,881
Franchise fees					162,848	-	162,848
Gaming taxes					10,397,106	-	10,397,106
Refunds and reimbursements					608,593	-	608,593
Other					1,696,723	-	1,696,723
Bonds and loans					98,595,600	-	98,595,600
Unrestricted investment earnings					11,690,779	-	11,690,779
Total general receipts					<u>246,722,182</u>	<u>-</u>	<u>246,722,182</u>
Change in net assets					(13,768,904)	65,021	(13,703,883)
Net assets - beginning					<u>134,407,638</u>	<u>62,664</u>	<u>134,470,302</u>
Net assets - ending					<u>\$ 120,638,734</u>	<u>\$ 127,685</u>	<u>\$ 120,766,419</u>
Assets							
Cash and investments					\$ 63,914,974	\$ 127,685	\$ 64,042,659
Cash with fiscal agent					483,500	-	483,500
Restricted assets:							
Cash and investments					<u>56,240,260</u>	<u>-</u>	<u>56,240,260</u>
Total assets					<u>\$ 120,638,734</u>	<u>\$ 127,685</u>	<u>\$ 120,766,419</u>
Net Assets							
Restricted for:							
Public safety					\$ 4,045,788	\$ -	\$ 4,045,788
Highways and streets					17,730,683	-	17,730,683
Health and welfare					1,494,503	-	1,494,503
Culture and recreation					1,169,231	-	1,169,231
Urban redevelopment and housing					2,974,091	-	2,974,091
Debt service					7,998,522	-	7,998,522
Other purposes					20,827,442	-	20,827,442
Unrestricted					<u>64,398,474</u>	<u>127,685</u>	<u>64,526,159</u>
Total net assets					<u>\$ 120,638,734</u>	<u>\$ 127,685</u>	<u>\$ 120,766,419</u>

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

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

	General	Welfare Family and Children	Other Governmental Funds	Totals
Receipts:				
Taxes	\$ 50,138,844	\$ 36,988,013	\$ 13,246,721	\$ 100,373,578
Licenses and permits	85,850	-	276,352	362,202
Intergovernmental	23,476,715	24,417,737	35,056,624	82,951,076
Charges for services	3,220,688	-	12,474,873	15,695,561
Fines and forfeits	3,117,889	-	2,184,490	5,302,379
Other	10,163,137	1,665,731	3,565,075	15,393,943
Total receipts	90,203,123	63,071,481	66,804,134	220,078,738
Disbursements:				
General government	99,171,955	-	14,777,186	113,949,141
Public safety	36,357,320	-	13,266,913	49,624,233
Highways and streets	-	-	8,287,389	8,287,389
Health and welfare	1,580,573	83,264,577	2,006,565	86,851,715
Culture and recreation	182,451	-	10,178,866	10,361,317
Urban redevelopment and housing	-	-	1,987,277	1,987,277
Debt service:				
Principal	-	-	19,208,039	19,208,039
Interest	-	-	3,401,657	3,401,657
Capital outlay:				
General government	-	-	11,628,661	11,628,661
Public safety	-	-	2,115,563	2,115,563
Highways and streets	-	-	8,467,995	8,467,995
Health and welfare	-	-	138,384	138,384
Culture and recreation	-	-	3,855,790	3,855,790
Urban redevelopment and housing	-	-	1,525,974	1,525,974
Total disbursements	137,292,299	83,264,577	100,846,259	321,403,135
Deficiency of receipts over disbursements	(47,089,176)	(20,193,096)	(34,042,125)	(101,324,397)
Other financing sources (uses):				
Bond proceeds	-	-	28,595,600	28,595,600
Tax anticipation warrants issued	50,000,000	20,000,000	-	70,000,000
Interfund loans received	-	-	8,223,000	8,223,000
Interfund loans repaid	-	-	(14,223,000)	(14,223,000)
Transfers in	905,796	-	5,688,500	6,594,296
Transfers out	(129)	-	(4,544,167)	(4,544,296)
Total other financing sources (uses)	50,905,667	20,000,000	23,739,933	94,645,600
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,816,491	(193,096)	(10,302,192)	(6,678,797)
Cash and investment fund balance - beginning (Note III.C.)	10,410,171	25,265,840	82,061,085	117,737,096
Cash and investment fund balance - ending	\$ 14,226,662	\$ 25,072,744	\$ 71,758,893	111,058,299
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.				9,580,435
Net assets of governmental activities				\$ 120,638,734
Cash and Investment Assets - December 31				
Cash and investments	\$ 14,226,662	\$ 25,072,744	\$ 15,518,633	\$ 54,818,039
Restricted assets:				
Cash and investments	-	-	56,240,260	56,240,260
Total cash and investment assets - December 31	\$ 14,226,662	\$ 25,072,744	\$ 71,758,893	\$ 111,058,299
Cash and Investment Fund Balance - December 31				
Restricted for:				
Public safety	\$ -	\$ -	\$ 4,045,788	\$ 4,045,788
Highways and streets	-	-	17,730,683	17,730,683
Health and welfare	-	-	1,494,503	1,494,503
Culture and recreation	-	-	1,169,231	1,169,231
Urban redevelopment and housing	-	-	2,974,091	2,974,091
Debt service	-	-	7,998,522	7,998,522
Other purposes	-	-	20,827,442	20,827,442
Unrestricted	14,226,662	25,072,744	15,518,633	54,818,039
Total cash and investment fund balance - December 31	\$ 14,226,662	\$ 25,072,744	\$ 71,758,893	\$ 111,058,299

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

	Wastewater Utility	Internal Service Funds
Operating receipts:		
Flat rate receipts	\$ 152,595	\$ -
Insurance proceeds - employer	-	26,983,297
Insurance proceeds - employee	-	1,773,673
Rental receipts	-	2,607,000
Other	-	487,363
	<u>152,595</u>	<u>31,851,333</u>
Total operating receipts		
Operating disbursements:		
Cost of sales and services	87,574	24,984
Insurance disbursements	-	28,383,225
	<u>87,574</u>	<u>28,408,209</u>
Total operating disbursements		
Excess of operating receipts over operating disbursements	<u>65,021</u>	<u>3,443,124</u>
Nonoperating receipts (disbursements):		
Interest and investment receipts	-	118,342
Debt service of principal	-	(1,905,000)
Interest and investment disbursement	-	(696,573)
	<u>-</u>	<u>(2,483,231)</u>
Total nonoperating receipts (disbursements)		
Excess of receipts over disbursements and nonoperating receipts (disbursements)	65,021	959,893
Temporary loan use	-	(6,000,000)
Transfers out	-	(2,050,000)
	<u>-</u>	<u>(2,050,000)</u>
Excess (deficiency) of receipts over disbursements, temporary loans, and transfers out	65,021	(7,090,107)
Cash and investment fund balance - beginning	<u>62,664</u>	<u>16,670,542</u>
Cash and investment fund balance - ending	<u>\$ 127,685</u>	<u>\$ 9,580,435</u>
<u>Cash and Investment Assets - December 31</u>		
Cash and investments	\$ 127,685	\$ 9,096,935
Cash with fiscal agent	-	483,500
	<u>-</u>	<u>483,500</u>
Total cash and investment assets - December 31	<u>\$ 127,685</u>	<u>\$ 9,580,435</u>
<u>Cash and Investment Fund Balance - December 31</u>		
Unrestricted	<u>\$ 127,685</u>	<u>\$ 9,580,435</u>
Total unrestricted cash and investment fund balance - December 31	<u>\$ 127,685</u>	<u>\$ 9,580,435</u>

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

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

	<u>Pension Trust Fund</u>	<u>Private-Purpose Trust Fund</u>	<u>Agency Funds</u>
Additions:			
Contributions:			
Employer	\$ 2,824,761	\$ -	\$ -
Plan members	325,911	-	-
Total contributions	<u>3,150,672</u>	-	-
Investment earnings:			
Interest	<u>1,266,567</u>	-	-
Agency fund additions	-	-	<u>1,235,560,852</u>
Total additions	<u>4,417,239</u>	-	<u>1,235,560,852</u>
Deductions:			
Benefits	2,943,102	-	-
Administrative and general	27,977	-	-
Agency fund deductions	-	-	<u>875,821,113</u>
Total deductions	<u>2,971,079</u>	-	<u>875,821,113</u>
Excess of total additions over total deductions	1,446,160	-	359,739,739
Cash and investment fund balance - beginning (Note III.C.)	<u>23,726,887</u>	<u>35,000</u>	<u>60,841,821</u>
Cash and investment fund balance - ending	<u>\$ 25,173,047</u>	<u>\$ 35,000</u>	<u>\$ 420,581,560</u>

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

LAKE COUNTY
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

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

Blended Component Units

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

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

LAKE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Joint Ventures

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

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

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

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

Related Organizations

The County's officials are also responsible for appointing the members of the boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointments. The County appoints the board members of the Lake County Public Library and the Lake County Convention and Visitor's Bureau.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

LAKE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund Financial Statements

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

The County reports the following major governmental funds:

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

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

The County reports the following major proprietary fund:

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

Additionally, the County reports the following fund types:

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

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

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

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

C. Measurement Focus and Basis of Accounting

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

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

LAKE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

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

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to people outside the government (enterprise funds) or other departments or agencies primarily within the government (internal service funds).

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

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Capital Assets

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

3. Long-Term Debt

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

LAKE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

E. Receipts and Disbursements

1. Program Receipts

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

2. Operating Receipts and Disbursements

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

F. Internal and Interfund Balances and Activities

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

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.

LAKE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

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

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

B. Cash and Investment Balance Deficits

At December 31, 2007, the following funds reported deficit cash and investments, which are violations of the Uniform Compliance Guidelines and state statute:

LAKE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund	2007
Treasurer's Tax Sale	\$ 169,526
Sheriff - Civil	155,480
Anti-Bioterrorism	1,479

These deficits arose primarily from disbursements exceeding receipts; these deficits are to be repaid from future receipts.

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 (Plans). This investment policy outlines parameters for investment activity for the Plans. As of December 31, 2007, the County had the following investments:

Investment Type	Primary Government Market Value	Lake County Police Retirement Plan and Benefit Plan Market Value
Government sponsored enterprise	\$ 2,091,526	\$ 570,185
Corporate stock	-	3,921,864
Corporate bonds	-	249,625
Mutual funds	-	17,831,021
Totals	\$ 2,091,526	\$ 22,572,695

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

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The County does not have a formal investment policy for custodial credit risk for investments. At December 31, 2007, the County held investments in Government Securities in the amount of \$2,091,526. Of these investments, \$2,091,526 were held by the counterparty's trust department or agent but not in the County's name.

LAKE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

The Sheriff's Merit Board has not adopted an investment policy for custodial credit risk for investments. At December 31, 2007, the Lake County Police Retirement Plan and Benefit Plan (Plans) held investments in Government Securities, Corporate Equity, Corporate Debt, and Mutual Funds in the amount of \$22,572,695. Of these investments \$10,604,591 were held by the counterparty's trust department or agent, not in the Plans' name.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County must follow state statute and limit the stated final maturities of the investments to no more than two years.

The Sheriff's Merit Board has not adopted a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses.

Primary Government:

Investment Type	Investment Maturities (in Years) Less Than 1
Government sponsored enterprises	\$ 2,091,526

Lake County Police Retirement and Benefit Plans:

Investment Type	Investment Maturities (in Years)		
	Less Than 1	1-2	More Than 2
Government sponsored enterprises	\$ 40,000	\$ -	\$ 530,185
Mutual bond funds*	-	-	17,831,021
Corporate stock	-	-	3,438,959
Corporate bonds	-	249,625	482,905
Totals	\$ 40,000	\$ 249,625	\$ 22,283,070

*The mutual bond fund investments were not fully disclosed; therefore, we were unable to determine a weighted average maturity.

Credit Risk

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

LAKE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

	Primary Government's Investments
Standard and Poor's Rating	Government Sponsored Enterprise
AAA	<u>\$ 2,091,526</u>

Standard and Poor's Rating	<u>Lake County Police Retirement Plan and Benefit Plan's Investments</u>			
	<u>Mutual Funds</u>	<u>Corporate Bonds</u>	<u>Corporate Stock</u>	<u>Government Sponsored Enterprise</u>
AAA	\$ -	\$ -	\$ -	\$ 570,185
AA	10,604,591	300,416	-	-
A	-	121,042	343,890	-
BBB	-	61,447	75,000	-
BB	-	249,625	-	-
Unrated	<u>7,226,430</u>	<u>-</u>	<u>3,020,069</u>	<u>-</u>
Totals	<u>\$ 17,831,021</u>	<u>\$ 732,530</u>	<u>\$ 3,438,959</u>	<u>\$ 570,185</u>

Concentration of Credit Risk

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

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

B. Interfund Transfers

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

LAKE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

<u>Transfer From</u>	<u>Transfer To</u>	<u>2007</u>
General Fund	Other governmental funds	\$ 129
Other governmental funds	General Fund	905,796
Other governmental funds	Other governmental funds	3,638,371
Internal Service Fund	Other governmental funds	<u>2,050,000</u>
Total		<u>\$ 6,594,296</u>

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

C. Restatements and Reclassifications

For the year ended December 31, 2007, certain changes have been made to the financial statements to more appropriately reflect financial activity of the County. The following schedule presents a summary of restated beginning balances by opinion unit. New Funds represents the inclusion of existing funds which were not presented in the prior report.

<u>Opinion Unit</u>	<u>Balance as Reported December 31, 2006</u>	<u>Fund Reclassification</u>	<u>New Funds</u>	<u>Balance as Restated January 1, 2007</u>
Governmental activities:				
Major funds:				
General Fund	\$ 10,441,979	\$ (31,808)	\$ -	\$ 10,410,171
Other governmental funds	82,028,488	31,808	789	82,061,085
Fiduciary funds:				
Agency funds	60,911,984	-	(70,163)	60,841,821

D. Interfund Loans

The government had to use interfund loans to fund ongoing operation in advance of property tax collections. The loans were necessary because the government had cash flow needs before property taxes were collected and distributed. Unpaid interfund loans as of December 31, 2007, were as follows:

<u>Loan From</u>	<u>Loan To</u>	<u>2007</u>
Other governmental funds	Other governmental funds	\$ 7,015,000
Other governmental funds	All others	6,000,000
Internal Service Fund	All others	6,000,000
All others	All others	<u>4,000,000</u>
Total		<u>\$ 23,015,000</u>

LAKE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Of the interfund loans outstanding, \$20,000,000 was loaned to the Circuit Breaker Repository fund, an agency fund; \$6,000,000 from governmental funds, \$6,000,000 from internal service funds, and the remaining \$4,000,000 from other agency funds.

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

Group Health Insurance and Workmen's Compensation

The County has chosen to establish a risk financing fund for risks associated with medical benefits to employees, retirees, and dependents (excluding postemployment benefits) and job related illnesses or injuries. The risk financing fund is accounted for in the Health Insurance Reserve Fund, an internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$275,000, but not more than \$2,000,000 per year, per employee. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. Interfund premiums are paid into the fund by all affected funds and are available to pay claims, claim reserves, and administrative costs of the program. The total charge allocated to each of the funds is calculated upon the percentage of each fund's current payroll, as it relates to total payroll. Provisions are also made for unexpected and unusual claims.

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

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

	<u>2006</u>	<u>2007</u>
Unpaid claims, beginning of fiscal year	\$ 5,858,375	\$ 3,558,402
Incurred claims and changes in estimates	23,632,646	24,198,575
Claim payments	<u>25,932,619</u>	<u>23,832,390</u>
Unpaid claims, end of fiscal year	<u>\$ 3,558,402</u>	<u>\$ 3,924,587</u>

LAKE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

General Liability

The County has chosen to establish a risk financing fund for risks associated with torts, general liability claims, and errors and omissions. The risk financing fund is accounted for in the Non-reverting Self-Insurance Fund, an internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$300,000 per incident, up to \$1,000,000 maximum per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. Amounts are paid into the fund by an appropriation in the County Council's General Fund budget and are available to pay claims, claim reserves, and administrative costs of the program.

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

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

	2006	2007
Unpaid claims, beginning of fiscal year	\$ 2,300,000	\$ 3,350,000
Incurred claims and changes in estimates	5,251,624	3,726,490
Claim payments	4,201,624	2,976,490
Unpaid claims, end of fiscal year	\$ 3,350,000	\$ 4,100,000

Park and Recreation Department

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

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

The County has chosen to establish a risk financing fund for risks associated with the park and recreation department's judgments, settlements, claims, and damages for uninsured liability claims. The risk financing fund is accounted for in the Park and Recreation Self-Insurance Fund, an internal service fund, where assets are set aside for claim settlements. Amounts are paid into the funds by an appropriation in the Park and Recreation Operating Fund's budget and are available to pay claims, claim reserves, and administrative costs of the program.

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

LAKE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

	2006	2007
Unpaid claims, beginning of fiscal year	\$ -	\$ -
Incurred claims and changes in estimates	110,575	148,226
Claim payments	110,575	148,226
Unpaid claims, end of fiscal year	\$ -	\$ -

B. Holding Corporation

The County has entered into a capital lease with the Lake County 2000 Building Corporation (the lessor), a blended component unit of the government. The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the County. The term of the lease is 12 years with annual lease payments of \$2,512,000 to \$2,618,000. Lease payments during 2007 totaled \$2,607,000. The Building Corporation is a blended component unit as described in Note I.A. and is presented as an internal service fund on the proprietary fund statements and as a governmental fund on the government-wide statements.

C. Subsequent Events

On January 31, 2008, Lake County issued \$1,750,000 in Judgment Funding Bonds to pay court-ordered judgments. The bonds mature January 15, 2010.

On March 11, 2008, Lake County issued \$110,000,000 in tax anticipation warrants; \$80,000,000 and \$30,000,000, respectively, for the General and Welfare Family and Children Funds. Tax anticipation warrants outstanding as of December 31, 2007, of \$50,000,000 and \$20,000,000, respectively, for the General and Welfare Family and Children Funds were repaid on March 24, 2008.

Property tax rates and levies were not established by the Indiana Department of Local Government Finance as of February 15, 2008, as required by state statute, due to the continued delay caused by the reassessment of Lake County. As of August 18, 2008, the property tax rates and levies had not yet been established for 2007 pay 2008 property taxes.

D. Postemployment Benefits

In addition to the pension benefits described below, the County provides postemployment health insurance benefits, as authorized by Indiana Code 5-10-8, to all employees who retire from the County with at least 20 years of service and elect to enroll into the program. Currently, 428 retirees meet these eligibility requirements. The monthly premium amount paid by the retirees is determined by the number of years of service and retirees age. For retirees on the single plan, the County provides between 74% and 100% of these postemployment benefits. For retirees on the family plan, the County provides between 76% and 100% of these postemployment benefits. Disbursements for postemployment benefits cannot be reasonably estimated.

LAKE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

E. Administration of Welfare Programs

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

F. Rate Structure – Enterprise Fund

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

G. Pension Plans

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

1. Public Employees' Retirement Fund

Plan Description

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

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

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

LAKE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

(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.

Actuarial Information for the Above Plans

	<u>PERF</u>	<u>County Police Retirement Plan</u>	<u>County Police Benefit Plan</u>
Annual required contribution	\$ 3,448,443	\$ 2,041,238	\$ 568,202
Interest on net pension obligation	24,966	(82,836)	-
Adjustment to annual required contribution	<u>(28,451)</u>	<u>118,932</u>	<u>-</u>
Annual pension cost	3,444,958	2,077,334	568,202
Contributions made	<u>3,147,619</u>	<u>2,256,559</u>	<u>568,202</u>
Increase (decrease) in net pension obligation	297,339	(179,225)	-
Net pension obligation, beginning of year	<u>344,357</u>	<u>(1,183,370)</u>	<u>-</u>
Net pension obligation, end of year	<u>\$ 641,696</u>	<u>\$ (1,362,595)</u>	<u>\$ -</u>

LAKE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

	PERF	County Police Retirement Plan	County Police Benefit Plan
Contribution rates:			
County	6%	29%	8%
Plan members	3%	6%	None
Actuarial valuation date	07-01-07	01-01-08	01-01-08
Actuarial cost method	Entry age	Frozen Initial Liability	Aggregate
Amortization method	Level percentage of projected payroll, closed 40 years	Level percentage of projected payroll, closed 40 years	*
Amortization period	40 years	40 years	*
Amortization period (from date)	07-01-97	12-31-97	*
Asset valuation method	4 year smoothed market	75% of expected actuarial value plus 25% of market value	75% of expected actuarial value plus 25% of market value

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

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

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-05	\$ 2,788,902	87%	\$ (290,334)
	06-30-06	3,342,288	81%	344,357
	06-30-07	3,444,958	91%	641,696

LAKE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
County Police				
Retirement Plan	12-31-05	\$ 1,592,233	99%	\$ (1,088,554)
	12-31-06	1,877,255	105%	(1,183,370)
	12-31-07	2,077,334	109%	(1,362,595)
County Police				
Benefit Plan	12-31-05	519,392	100%	-
	12-31-06	547,027	100%	-
	12-31-07	568,202	100%	-

LAKE COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-05	\$ 52,715,316	\$ 61,639,379	\$ (8,924,063)	86%	\$ 52,436,508	(17%)
07-01-06	59,140,086	63,089,796	(3,949,710)	94%	52,202,874	(8%)
07-01-07	65,023,260	68,940,535	(3,917,275)	94%	54,568,239	(7%)

County Police Retirement Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-03	\$ 18,414,220	\$ 21,763,724	\$ (3,349,504)	85%	\$ 6,114,013	(55%)
01-01-04	20,005,163	23,062,964	(3,057,801)	87%	6,455,841	(47%)
01-01-05	17,564,286	20,440,346	(2,876,060)	86%	6,197,724	(46%)
01-01-06	17,114,527	24,641,653	(7,527,126)	69%	6,417,006	(117%)
01-01-07	18,633,434	25,906,572	(7,273,138)	72%	7,025,720	(104%)
01-01-08	19,860,389	28,746,660	(8,886,271)	69%	7,349,496	(121%)

LAKE COUNTY
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULES OF CONTRIBUTIONS FROM THE
 EMPLOYER AND OTHER CONTRIBUTING ENTITIES

	Year Ending	Annual Required Contribution (ARC)	Percentage of ARC Contributed	
			County	State
County Police Retirement Plan	12-31-05	\$ 1,518,153	104%	0%
	12-31-06	1,844,052	107%	0%
	12-31-07	2,041,238	111%	0%
County Police Benefit Plan	12-31-05	519,392	100%	0%
	12-31-06	547,027	100%	0%
	12-31-07	568,202	100%	0%

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

	County Highway	Infraction Deferral Program	County Health	Unsafe Building	Parks and Recreation Operating	County Drug Free Community
Receipts:						
Taxes	\$ -	\$ -	\$ 519,795	\$ -	\$ 3,341,780	\$ -
Licenses and permits	-	-	190,987	-	-	-
Intergovernmental	5,509,076	-	146,117	-	330,548	-
Charges for services	-	-	453,440	-	2,192,241	-
Fines and forfeits	-	904,577	-	-	-	389,540
Other	156,689	407	10,994	-	12,202	22,241
Total receipts	5,665,765	904,984	1,321,333	-	5,876,771	411,781
Disbursements:						
General government	-	704,116	-	-	-	-
Public safety	-	-	-	-	-	438,928
Highways and streets	6,306,905	-	-	-	-	-
Health and welfare	-	-	1,989,309	-	-	-
Culture and recreation	-	-	-	-	6,754,653	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Total disbursements	6,306,905	704,116	1,989,309	-	6,754,653	438,928
Excess (deficiency) of receipts over disbursements	(641,140)	200,868	(667,976)	-	(877,882)	(27,147)
Other financing sources (uses):						
Bond proceeds	-	-	-	-	-	-
Interfund loans received	-	-	-	-	2,555,000	-
Interfund loans repaid	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	(156,160)	-
Total other financing sources (uses)	-	-	-	-	2,398,840	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(641,140)	200,868	(667,976)	-	1,520,958	(27,147)
Cash and investment fund balance - beginning	2,960,254	911,217	1,984,213	160,991	821,763	311,553
Cash and investment fund balance - ending	<u>\$ 2,319,114</u>	<u>\$ 1,112,085</u>	<u>\$ 1,316,237</u>	<u>\$ 160,991</u>	<u>\$ 2,342,721</u>	<u>\$ 284,406</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ 1,112,085	\$ -	\$ -	\$ 2,342,721	\$ -
Restricted assets:						
Cash and investments	2,319,114	-	1,316,237	160,991	-	284,406
Total cash and investment assets - December 31	<u>\$ 2,319,114</u>	<u>\$ 1,112,085</u>	<u>\$ 1,316,237</u>	<u>\$ 160,991</u>	<u>\$ 2,342,721</u>	<u>\$ 284,406</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ 160,991	\$ -	\$ 284,406
Highways and streets	2,319,114	-	-	-	-	-
Health and welfare	-	-	1,316,237	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-
Unrestricted	-	1,112,085	-	-	2,342,721	-
Total cash and investment fund balance - December 31	<u>\$ 2,319,114</u>	<u>\$ 1,112,085</u>	<u>\$ 1,316,237</u>	<u>\$ 160,991</u>	<u>\$ 2,342,721</u>	<u>\$ 284,406</u>

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

	NSF Service Fee Charge	Local Road and Street	Park Nonreverting Operating	Park Gift	Inmate Medical Fees	Sheriff's Commissary
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	935,606	-	-	-	-
Charges for services	-	-	3,568,722	-	5,318	917,521
Fines and forfeits	1,403	-	-	-	-	-
Other	-	28,689	1,891	2,110	-	-
Total receipts	1,403	964,295	3,570,613	2,110	5,318	917,521
Disbursements:						
General government	50	-	-	-	-	-
Public safety	-	-	-	-	371	1,118,314
Highways and streets	-	1,524,396	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	3,361,564	95	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Total disbursements	50	1,524,396	3,361,564	95	371	1,118,314
Excess (deficiency) of receipts over disbursements	1,353	(560,101)	209,049	2,015	4,947	(200,793)
Other financing sources (uses):						
Bond proceeds	-	-	-	-	-	-
Interfund loans received	-	-	-	-	-	-
Interfund loans repaid	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,353	(560,101)	209,049	2,015	4,947	(200,793)
Cash and investment fund balance - beginning	25,310	2,571,381	106,821	46,399	1,344	361,857
Cash and investment fund balance - ending	<u>\$ 26,663</u>	<u>\$ 2,011,280</u>	<u>\$ 315,870</u>	<u>\$ 48,414</u>	<u>\$ 6,291</u>	<u>\$ 161,064</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ 26,663	\$ -	\$ 315,870	\$ 48,414	\$ 6,291	\$ 161,064
Restricted assets:						
Cash and investments	-	2,011,280	-	-	-	-
Total cash and investment assets - December 31	<u>\$ 26,663</u>	<u>\$ 2,011,280</u>	<u>\$ 315,870</u>	<u>\$ 48,414</u>	<u>\$ 6,291</u>	<u>\$ 161,064</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	2,011,280	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-
Unrestricted	26,663	-	315,870	48,414	6,291	161,064
Total cash and investment fund balance - December 31	<u>\$ 26,663</u>	<u>\$ 2,011,280</u>	<u>\$ 315,870</u>	<u>\$ 48,414</u>	<u>\$ 6,291</u>	<u>\$ 161,064</u>

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

	Accident Report	Firearms Training	State Drunk Driving Fees	Elderly Abuse Program	Nonreverting Operating Fairgrounds	1999 Reassessment
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	20,190	-	-	-	-
Intergovernmental	-	-	17,305	190,035	1,850	-
Charges for services	9,150	-	-	-	74,266	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	-	586	-
Total receipts	9,150	20,190	17,305	190,035	76,702	-
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	1,108	20,397	180,670	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	62,554	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Total disbursements	-	1,108	20,397	180,670	62,554	-
Excess (deficiency) of receipts over disbursements	9,150	19,082	(3,092)	9,365	14,148	-
Other financing sources (uses):						
Bond proceeds	-	-	-	-	-	-
Interfund loans received	-	-	-	-	-	-
Interfund loans repaid	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	9,150	19,082	(3,092)	9,365	14,148	-
Cash and investment fund balance - beginning	69,345	7,848	17,831	34,807	30,527	1,041
Cash and investment fund balance - ending	<u>\$ 78,495</u>	<u>\$ 26,930</u>	<u>\$ 14,739</u>	<u>\$ 44,172</u>	<u>\$ 44,674</u>	<u>\$ 1,041</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ 78,495	\$ -	\$ -	\$ -	\$ 44,674	\$ -
Restricted assets:						
Cash and investments	-	26,930	14,739	44,172	-	1,041
Total cash and investment assets - December 31	<u>\$ 78,495</u>	<u>\$ 26,930</u>	<u>\$ 14,739</u>	<u>\$ 44,172</u>	<u>\$ 44,674</u>	<u>\$ 1,041</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
Public safety	\$ -	\$ 26,930	\$ 14,739	\$ 44,172	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Other purposes	-	-	-	-	-	1,041
Unrestricted	78,495	-	-	-	44,674	-
Total cash and investment fund balance - December 31	<u>\$ 78,495</u>	<u>\$ 26,930</u>	<u>\$ 14,739</u>	<u>\$ 44,172</u>	<u>\$ 44,674</u>	<u>\$ 1,041</u>

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

	Pretrial Diversion	Community Corrections Fair Share	Community Corrections	Nonreverting RICO Seizure	DAG 71 Prosecutor's Nonreverting Federal	Supplemental Adult Probation Services
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	1,858,687	-	-	-
Charges for services	-	345,972	-	-	-	775,504
Fines and forfeits	130,342	-	-	7,442	20,627	-
Other	-	9,650	9,950	13,919	-	-
Total receipts	130,342	355,622	1,868,637	21,361	20,627	775,504
Disbursements:						
General government	71,014	-	-	-	-	-
Public safety	-	5,414	2,167,268	23,598	84,923	597,183
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Total disbursements	71,014	5,414	2,167,268	23,598	84,923	597,183
Excess (deficiency) of receipts over disbursements	59,328	350,208	(298,631)	(2,237)	(64,296)	178,321
Other financing sources (uses):						
Bond proceeds	-	-	-	-	-	-
Interfund loans received	-	-	-	-	-	-
Interfund loans repaid	-	-	-	-	-	-
Transfers in	-	100,000	525,000	-	-	-
Transfers out	-	(525,000)	(100,000)	-	-	-
Total other financing sources (uses)	-	(425,000)	425,000	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	59,328	(74,792)	126,369	(2,237)	(64,296)	178,321
Cash and investment fund balance - beginning	559,335	348,121	85,407	436,327	78,363	1,727,054
Cash and investment fund balance - ending	<u>\$ 618,663</u>	<u>\$ 273,329</u>	<u>\$ 211,776</u>	<u>\$ 434,090</u>	<u>\$ 14,067</u>	<u>\$ 1,905,375</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	618,663	273,329	211,776	434,090	14,067	1,905,375
Total cash and investment assets - December 31	<u>\$ 618,663</u>	<u>\$ 273,329</u>	<u>\$ 211,776</u>	<u>\$ 434,090</u>	<u>\$ 14,067</u>	<u>\$ 1,905,375</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
Public safety	\$ -	\$ 273,329	\$ 211,776	\$ 434,090	\$ 14,067	\$ 1,905,375
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Other purposes	618,663	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 618,663</u>	<u>\$ 273,329</u>	<u>\$ 211,776</u>	<u>\$ 434,090</u>	<u>\$ 14,067</u>	<u>\$ 1,905,375</u>

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

	Supplemental Juvenile Probation Services	Nonreverting Property Seizure	Sheriff's Law Enforcement Continuing Education	Misdemeanant Jail Housing	Health Maintenance	Sheriff's Alarms, Permits, and Fines
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	4,087	-	680,481	68,174	-
Charges for services	34,970	-	-	-	-	-
Fines and forfeits	-	112,742	21,183	-	-	11,070
Other	1,845	18,877	-	1,667	-	-
Total receipts	36,815	135,706	21,183	682,148	68,174	11,070
Disbursements:						
General government	-	-	-	-	-	-
Public safety	16,524	392,036	-	418,109	-	15,625
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	17,256	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Total disbursements	16,524	392,036	-	418,109	17,256	15,625
Excess (deficiency) of receipts over disbursements	20,291	(256,330)	21,183	264,039	50,918	(4,555)
Other financing sources (uses):						
Bond proceeds	-	-	-	-	-	-
Interfund loans received	-	-	-	-	-	-
Interfund loans repaid	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	20,291	(256,330)	21,183	264,039	50,918	(4,555)
Cash and investment fund balance - beginning	221,517	753,703	131	483,160	127,348	16,309
Cash and investment fund balance - ending	<u>\$ 241,808</u>	<u>\$ 497,373</u>	<u>\$ 21,314</u>	<u>\$ 747,199</u>	<u>\$ 178,266</u>	<u>\$ 11,754</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ 497,373	\$ -	\$ 747,199	\$ -	\$ 11,754
Restricted assets:						
Cash and investments	241,808	-	21,314	-	178,266	-
Total cash and investment assets - December 31	\$ 241,808	\$ 497,373	\$ 21,314	\$ 747,199	\$ 178,266	\$ 11,754
Cash and Investment Fund Balance - December 31						
Restricted for:						
Public safety	\$ 241,808	\$ -	\$ 21,314	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	178,266	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-
Unrestricted	-	497,373	-	747,199	-	11,754
Total cash and investment fund balance - December 31	\$ 241,808	\$ 497,373	\$ 21,314	\$ 747,199	\$ 178,266	\$ 11,754

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

	Spay and Neuter Assistance Program	Juvenile Home Detention Grant	Juvenile Home Detention Project Income	Lake County Animal Shelter Nonreverting	Surveyor's Corner Perpetuation	Stop Violence Against Women
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	238,458	-	-	-	58,995
Charges for services	15,880	-	5,475	8,349	105,225	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	1,165	-	-
Total receipts	15,880	238,458	5,475	9,514	105,225	58,995
Disbursements:						
General government	22,124	-	-	-	263,001	-
Public safety	-	255,832	-	6,997	-	58,597
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Total disbursements	22,124	255,832	-	6,997	263,001	58,597
Excess (deficiency) of receipts over disbursements	(6,244)	(17,374)	5,475	2,517	(157,776)	398
Other financing sources (uses):						
Bond proceeds	-	-	-	-	-	-
Interfund loans received	-	-	-	-	-	-
Interfund loans repaid	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(6,244)	(17,374)	5,475	2,517	(157,776)	398
Cash and investment fund balance - beginning	12,495	100,352	23,460	1,997	251,233	-
Cash and investment fund balance - ending	<u>\$ 6,251</u>	<u>\$ 82,978</u>	<u>\$ 28,935</u>	<u>\$ 4,514</u>	<u>\$ 93,457</u>	<u>\$ 398</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ 6,251	\$ -	\$ -	\$ 4,514	\$ -	\$ -
Restricted assets:						
Cash and investments	-	82,978	28,935	-	93,457	398
Total cash and investment assets - December 31	\$ 6,251	\$ 82,978	\$ 28,935	\$ 4,514	\$ 93,457	\$ 398
Cash and Investment Fund Balance - December 31						
Restricted for:						
Public safety	\$ -	\$ 82,978	\$ 28,935	\$ -	\$ -	\$ 398
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Other purposes	-	-	-	-	93,457	-
Unrestricted	6,251	-	-	4,514	-	-
Total cash and investment fund balance - December 31	\$ 6,251	\$ 82,978	\$ 28,935	\$ 4,514	\$ 93,457	\$ 398

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

	Community Development Administration	Community Development County Home Program	Community Development Cities and Towns	Community Development Rehabilitation	Community Development REMP	Community Development FMHA
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	343,363	343,577	592,749	151,728	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	119,667	361,177	-	18,271	9,384	-
Total receipts	463,030	704,754	592,749	169,999	9,384	-
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	461,431	707,285	592,749	173,026	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Total disbursements	461,431	707,285	592,749	173,026	-	-
Excess (deficiency) of receipts over disbursements	1,599	(2,531)	-	(3,027)	9,384	-
Other financing sources (uses):						
Bond proceeds	-	-	-	-	-	-
Interfund loans received	-	-	-	-	-	-
Interfund loans repaid	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,599	(2,531)	-	(3,027)	9,384	-
Cash and investment fund balance - beginning	5,177	8,992	-	3,027	321,448	45,238
Cash and investment fund balance - ending	<u>\$ 6,776</u>	<u>\$ 6,461</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 330,832</u>	<u>\$ 45,238</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 330,832	\$ 45,238
Restricted assets:						
Cash and investments	6,776	6,461	-	-	-	-
Total cash and investment assets - December 31	<u>\$ 6,776</u>	<u>\$ 6,461</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 330,832</u>	<u>\$ 45,238</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	6,776	6,461	-	-	-	-
Debt service	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-
Unrestricted	-	-	-	-	330,832	45,238
Total cash and investment fund balance - December 31	<u>\$ 6,776</u>	<u>\$ 6,461</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 330,832</u>	<u>\$ 45,238</u>

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

	Recorder's Records Perpetuation	County Economic Revolving Loan	Nonreverting Sheriff's Federal Forfeiture	County Multi-Agency Task Force	State and County Nonreverting Fund (Sheriff)	Hazardous Substance Response Training
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	340,366	-	34,051
Charges for services	471,372	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	37,128	144,102	-	218	-	4,088
Total receipts	508,500	144,102	-	340,584	-	38,139
Disbursements:						
General government	559,210	-	-	-	-	-
Public safety	-	-	-	385,532	-	21,890
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	150	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Total disbursements	559,210	150	-	385,532	-	21,890
Excess (deficiency) of receipts over disbursements	(50,710)	143,952	-	(44,948)	-	16,249
Other financing sources (uses):						
Bond proceeds	-	-	-	-	-	-
Interfund loans received	-	-	-	-	-	-
Interfund loans repaid	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(50,710)	143,952	-	(44,948)	-	16,249
Cash and investment fund balance - beginning	402,536	502,362	8,638	97,873	4,995	120,829
Cash and investment fund balance - ending	<u>\$ 351,826</u>	<u>\$ 646,314</u>	<u>\$ 8,638</u>	<u>\$ 52,925</u>	<u>\$ 4,995</u>	<u>\$ 137,078</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ 646,314	\$ -	\$ -	\$ 4,995	\$ -
Restricted assets:						
Cash and investments	351,826	-	8,638	52,925	-	137,078
Total cash and investment assets - December 31	<u>\$ 351,826</u>	<u>\$ 646,314</u>	<u>\$ 8,638</u>	<u>\$ 52,925</u>	<u>\$ 4,995</u>	<u>\$ 137,078</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
Public safety	\$ -	\$ -	\$ 8,638	\$ 52,925	\$ -	\$ 137,078
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Other purposes	351,826	-	-	-	-	-
Unrestricted	-	646,314	-	-	4,995	-
Total cash and investment fund balance - December 31	<u>\$ 351,826</u>	<u>\$ 646,314</u>	<u>\$ 8,638</u>	<u>\$ 52,925</u>	<u>\$ 4,995</u>	<u>\$ 137,078</u>

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

	Special Vehicle Inspection	CDBG Recapture Loans	Public Works Tax Incentive	Auditor's Tax Incentive	Clerk's Record Perpetuation	Gambling Admission Tax Fund
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	10,397,106
Charges for services	1,155	-	-	100,000	109,181	-
Fines and forfeits	-	-	-	-	-	-
Other	-	60,943	-	3,229	-	305,424
Total receipts	1,155	60,943	-	103,229	109,181	10,702,530
Disbursements:						
General government	-	-	-	86,743	27,791	8,707,748
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	26,086
Interest	-	-	-	-	-	14,711
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Total disbursements	-	-	-	86,743	27,791	8,748,545
Excess (deficiency) of receipts over disbursements	1,155	60,943	-	16,486	81,390	1,953,985
Other financing sources (uses):						
Bond proceeds	-	-	-	-	-	-
Interfund loans received	-	-	-	-	-	104,000
Interfund loans repaid	-	-	-	-	-	(2,104,000)
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(1,125,437)
Total other financing sources (uses)	-	-	-	-	-	(3,125,437)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,155	60,943	-	16,486	81,390	(1,171,452)
Cash and investment fund balance - beginning	18,149	525,364	7	82,030	167,417	3,254,564
Cash and investment fund balance - ending	<u>\$ 19,304</u>	<u>\$ 586,307</u>	<u>\$ 7</u>	<u>\$ 98,516</u>	<u>\$ 248,807</u>	<u>\$ 2,083,112</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ 19,304	\$ 586,307	\$ 7	\$ 98,516	\$ -	\$ 2,083,112
Restricted assets:						
Cash and investments	-	-	-	-	248,807	-
Total cash and investment assets - December 31	<u>\$ 19,304</u>	<u>\$ 586,307</u>	<u>\$ 7</u>	<u>\$ 98,516</u>	<u>\$ 248,807</u>	<u>\$ 2,083,112</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Other purposes	-	-	-	-	248,807	-
Unrestricted	19,304	586,307	7	98,516	-	2,083,112
Total cash and investment fund balance - December 31	<u>\$ 19,304</u>	<u>\$ 586,307</u>	<u>\$ 7</u>	<u>\$ 98,516</u>	<u>\$ 248,807</u>	<u>\$ 2,083,112</u>

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

	Emergency Telephone System	Lake County HIDTA	Storm Water Maintenance and Sediment Control	Campaign Finance Enforcement	Division III Addiction Abuse	Jury Fees
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	1,983,254	1,993,989	-	-	-	-
Charges for services	1,052,452	-	31,197	-	420	-
Fines and forfeits	-	-	-	6,971	7,336	101,648
Other	24,496	-	-	-	-	5,242
Total receipts	3,060,202	1,993,989	31,197	6,971	7,756	106,890
Disbursements:						
General government	-	-	-	-	11,117	108,573
Public safety	2,499,074	2,021,006	23,670	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Total disbursements	2,499,074	2,021,006	23,670	-	11,117	108,573
Excess (deficiency) of receipts over disbursements	561,128	(27,017)	7,527	6,971	(3,361)	(1,683)
Other financing sources (uses):						
Bond proceeds	-	-	-	-	-	-
Interfund loans received	-	104,000	-	-	-	-
Interfund loans repaid	-	(104,000)	-	-	-	-
Transfers in	-	11,042	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	11,042	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	561,128	(15,975)	7,527	6,971	(3,361)	(1,683)
Cash and investment fund balance - beginning	2,957,330	19,892	13,328	25,726	35,916	24,413
Cash and investment fund balance - ending	<u>\$ 3,518,458</u>	<u>\$ 3,917</u>	<u>\$ 20,855</u>	<u>\$ 32,697</u>	<u>\$ 32,555</u>	<u>\$ 22,730</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ 3,518,458	\$ -	\$ 20,855	\$ -	\$ 32,555	\$ -
Restricted assets:						
Cash and investments	-	3,917	-	32,697	-	22,730
Total cash and investment assets - December 31	<u>\$ 3,518,458</u>	<u>\$ 3,917</u>	<u>\$ 20,855</u>	<u>\$ 32,697</u>	<u>\$ 32,555</u>	<u>\$ 22,730</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
Public safety	\$ -	\$ 3,917	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Other purposes	-	-	-	32,697	-	22,730
Unrestricted	3,518,458	-	20,855	-	32,555	-
Total cash and investment fund balance - December 31	<u>\$ 3,518,458</u>	<u>\$ 3,917</u>	<u>\$ 20,855</u>	<u>\$ 32,697</u>	<u>\$ 32,555</u>	<u>\$ 22,730</u>

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

	Combined Task Force/HIDTA RICO Forfeiture	Combined Task Force IN-REM Forfeiture	County Police DARE	Division I LADOS	Division II LADOS	County Child Advocacy
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	4,928	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	168,964	181,291	-
Other	-	-	8,531	1,034	1,034	403
Total receipts	4,928	-	8,531	169,998	182,325	403
Disbursements:						
General government	-	-	-	168,827	157,198	-
Public safety	9,365	19,590	8,756	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Total disbursements	9,365	19,590	8,756	168,827	157,198	-
Excess (deficiency) of receipts over disbursements	(4,437)	(19,590)	(225)	1,171	25,127	403
Other financing sources (uses):						
Bond proceeds	-	-	-	-	-	-
Interfund loans received	-	-	-	-	-	-
Interfund loans repaid	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	(7,771)	(3,271)	-	-	-	-
Total other financing sources (uses)	(7,771)	(3,271)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(12,208)	(22,861)	(225)	1,171	25,127	403
Cash and investment fund balance - beginning	12,208	22,861	3,686	121,004	125,940	7,135
Cash and investment fund balance - ending	\$ -	\$ -	\$ 3,461	\$ 122,175	\$ 151,067	\$ 7,538
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ 3,461	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	122,175	151,067	7,538
Total cash and investment assets - December 31	\$ -	\$ -	\$ 3,461	\$ 122,175	\$ 151,067	\$ 7,538
Cash and Investment Fund Balance - December 31						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Other purposes	-	-	-	122,175	151,067	7,538
Unrestricted	-	-	3,461	-	-	-
Total cash and investment fund balance - December 31	\$ -	\$ -	\$ 3,461	\$ 122,175	\$ 151,067	\$ 7,538

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

	Division III Defensive Driving Fee Nonreverting	Court Improvement Grant	Local Rd and St 5% Riverboat Nonreverting Gambling	2002 Reassessment	JAIBG Block Grant	Lake County CASA Program Grant
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	31,869	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	-	3,848	-
Total receipts	-	-	-	-	35,717	-
Disbursements:						
General government	-	-	-	35,000	-	-
Public safety	-	-	-	-	37,739	-
Highways and streets	-	-	456,088	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Total disbursements	-	-	456,088	35,000	37,739	-
Excess (deficiency) of receipts over disbursements	-	-	(456,088)	(35,000)	(2,022)	-
Other financing sources (uses):						
Bond proceeds	-	-	-	-	-	-
Interfund loans received	-	-	-	-	-	-
Interfund loans repaid	-	-	-	-	-	-
Transfers in	-	-	603,877	-	-	-
Transfers out	(20,274)	-	-	(62,163)	-	-
Total other financing sources (uses)	(20,274)	-	603,877	(62,163)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(20,274)	-	147,789	(97,163)	(2,022)	-
Cash and investment fund balance - beginning	20,274	78	274,112	97,163	5,018	1,790
Cash and investment fund balance - ending	\$ -	\$ 78	\$ 421,901	\$ -	\$ 2,996	\$ 1,790
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ 421,901	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	-	78	-	-	2,996	1,790
Total cash and investment assets - December 31	\$ -	\$ 78	\$ 421,901	\$ -	\$ 2,996	\$ 1,790
Cash and Investment Fund Balance - December 31						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ 2,996	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Other purposes	-	78	-	-	-	1,790
Unrestricted	-	-	421,901	-	-	-
Total cash and investment fund balance - December 31	\$ -	\$ 78	\$ 421,901	\$ -	\$ 2,996	\$ 1,790

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

	Domestic Relations Counseling	Nonreverting Delinquent Collection Fees	2005 Reassessment	Local Law Enforcement Grant	Sheriff's Grants	Rainy Day
Receipts:						
Taxes	\$ -	\$ -	\$ 719,292	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	18,795	-	103,729	-	55,714	-
Charges for services	14,544	-	-	-	-	-
Fines and forfeits	-	18,606	-	-	-	-
Other	9,865	-	-	-	-	-
Total receipts	43,204	18,606	823,021	-	55,714	-
Disbursements:						
General government	30,984	18,483	1,538,983	-	-	261,273
Public safety	-	-	-	129	62,055	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Total disbursements	30,984	18,483	1,538,983	129	62,055	261,273
Excess (deficiency) of receipts over disbursements	12,220	123	(715,962)	(129)	(6,341)	(261,273)
Other financing sources (uses):						
Bond proceeds	-	-	-	-	-	-
Interfund loans received	-	-	-	-	-	-
Interfund loans repaid	-	-	(2,200,000)	-	-	-
Transfers in	-	-	62,163	129	-	200,000
Transfers out	-	-	-	(408)	-	-
Total other financing sources (uses)	-	-	(2,137,837)	(279)	-	200,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	12,220	123	(2,853,799)	(408)	(6,341)	(61,273)
Cash and investment fund balance - beginning	47,299	335	5,675,774	408	18,106	239,715
Cash and investment fund balance - ending	<u>\$ 59,519</u>	<u>\$ 458</u>	<u>\$ 2,821,975</u>	<u>\$ -</u>	<u>\$ 11,765</u>	<u>\$ 178,442</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ 59,519	\$ 458	\$ -	\$ -	\$ -	\$ 178,442
Restricted assets:						
Cash and investments	-	-	2,821,975	-	11,765	-
Total cash and investment assets - December 31	<u>\$ 59,519</u>	<u>\$ 458</u>	<u>\$ 2,821,975</u>	<u>\$ -</u>	<u>\$ 11,765</u>	<u>\$ 178,442</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ 11,765	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Other purposes	-	-	2,821,975	-	-	-
Unrestricted	59,519	458	-	-	-	178,442
Total cash and investment fund balance - December 31	<u>\$ 59,519</u>	<u>\$ 458</u>	<u>\$ 2,821,975</u>	<u>\$ -</u>	<u>\$ 11,765</u>	<u>\$ 178,442</u>

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

	Emergency Planning Subgrant	Commissioner's Incentive	Children Psychiatric Treatment	Adult Probation Administration	Juvenile Probation Administration	Sheriff's Community Foundation
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	42,571	-	-	-
Charges for services	-	100,000	-	180,367	62,016	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	173,540	-	-	-
Total receipts	-	100,000	216,111	180,367	62,016	-
Disbursements:						
General government	-	94,186	448,735	-	-	-
Public safety	-	-	-	153,083	70,637	2,693
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Total disbursements	-	94,186	448,735	153,083	70,637	2,693
Excess (deficiency) of receipts over disbursements	-	5,814	(232,624)	27,284	(8,621)	(2,693)
Other financing sources (uses):						
Bond proceeds	-	-	-	-	-	-
Interfund loans received	-	-	-	-	-	-
Interfund loans repaid	-	-	(4,000,000)	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(885,114)	-	-	-
Total other financing sources (uses)	-	-	(4,885,114)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	5,814	(5,117,738)	27,284	(8,621)	(2,693)
Cash and investment fund balance - beginning	29	158,721	6,782,225	128,608	88,868	2,705
Cash and investment fund balance - ending	<u>29</u>	<u>164,535</u>	<u>1,664,487</u>	<u>155,892</u>	<u>80,247</u>	<u>12</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ 164,535	\$ -	\$ 155,892	\$ 80,247	\$ 12
Restricted assets:						
Cash and investments	29	-	1,664,487	-	-	-
Total cash and investment assets - December 31	<u>29</u>	<u>164,535</u>	<u>1,664,487</u>	<u>155,892</u>	<u>80,247</u>	<u>12</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
Public safety	\$ 29	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Other purposes	-	-	1,664,487	-	-	-
Unrestricted	-	164,535	-	155,892	80,247	12
Total cash and investment fund balance - December 31	<u>29</u>	<u>164,535</u>	<u>1,664,487</u>	<u>155,892</u>	<u>80,247</u>	<u>12</u>

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

	Homeland Security Grant	Surveyor's Electronic Mapping	Family Court Initiative Grant	Anti-Bioterrorism	Weights and Measures User Fees	Website Maintenance
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	65,175	-
Intergovernmental	1,551,399	-	17,700	55,640	-	-
Charges for services	-	43,059	-	-	-	205,566
Fines and forfeits	-	-	-	-	-	-
Other	46,000	-	-	-	-	-
Total receipts	1,597,399	43,059	17,700	55,640	65,175	205,566
Disbursements:						
General government	-	38,819	16,824	-	72,887	136,532
Public safety	1,551,512	-	-	56,313	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Total disbursements	1,551,512	38,819	16,824	56,313	72,887	136,532
Excess (deficiency) of receipts over disbursements	45,887	4,240	876	(673)	(7,712)	69,034
Other financing sources (uses):						
Bond proceeds	-	-	-	-	-	-
Interfund loans received	500,000	-	-	-	-	-
Interfund loans repaid	(500,000)	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	45,887	4,240	876	(673)	(7,712)	69,034
Cash and investment fund balance - beginning	32,641	11,115	51,215	(806)	27,268	176,324
Cash and investment fund balance - ending	<u>\$ 78,528</u>	<u>\$ 15,355</u>	<u>\$ 52,091</u>	<u>\$ (1,479)</u>	<u>\$ 19,556</u>	<u>\$ 245,358</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ 15,355	\$ -	\$ (1,479)	\$ -	\$ 245,358
Restricted assets:						
Cash and investments	78,528	-	52,091	-	19,556	-
Total cash and investment assets - December 31	<u>\$ 78,528</u>	<u>\$ 15,355</u>	<u>\$ 52,091</u>	<u>\$ (1,479)</u>	<u>\$ 19,556</u>	<u>\$ 245,358</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
Public safety	\$ 78,528	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Other purposes	-	-	52,091	-	19,556	-
Unrestricted	-	15,355	-	(1,479)	-	245,358
Total cash and investment fund balance - December 31	<u>\$ 78,528</u>	<u>\$ 15,355</u>	<u>\$ 52,091</u>	<u>\$ (1,479)</u>	<u>\$ 19,556</u>	<u>\$ 245,358</u>

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

	Community Emergency Response Team (CERT)	Interpreter Services Grant	Recorder's Incentive	Justice Assistance Grant	HAVA Title III Voting System	MS4
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	10,250	-	342,069	-	-
Charges for services	-	-	100,000	-	-	639
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	10,250	100,000	342,069	-	639
Disbursements:						
General government	-	10,206	-	-	-	-
Public safety	-	-	-	353,123	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Total disbursements	-	10,206	-	353,123	-	-
Excess (deficiency) of receipts over disbursements	-	44	100,000	(11,054)	-	639
Other financing sources (uses):						
Bond proceeds	-	-	-	-	-	-
Interfund loans received	-	-	-	-	-	-
Interfund loans repaid	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	44	100,000	(11,054)	-	639
Cash and investment fund balance - beginning	348	213	18,857	11,054	2,081,397	325
Cash and investment fund balance - ending	<u>\$ 348</u>	<u>\$ 257</u>	<u>\$ 118,857</u>	<u>\$ -</u>	<u>\$ 2,081,397</u>	<u>\$ 964</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ 118,857	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	348	257	-	-	2,081,397	964
Total cash and investment assets - December 31	<u>\$ 348</u>	<u>\$ 257</u>	<u>\$ 118,857</u>	<u>\$ -</u>	<u>\$ 2,081,397</u>	<u>\$ 964</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
Public safety	\$ 348	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Other purposes	-	257	-	-	2,081,397	964
Unrestricted	-	-	118,857	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 348</u>	<u>\$ 257</u>	<u>\$ 118,857</u>	<u>\$ -</u>	<u>\$ 2,081,397</u>	<u>\$ 964</u>

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

	Identification Security Protection	BMV Project Grant	Sheriff's Aviation Grant	Public Works Recycling Grant	Sheriff's SIG Grant	Auditor's Endorsement Fees
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	36,986	-	12,495	45,700	-
Charges for services	203,940	-	-	-	-	62,528
Fines and forfeits	-	-	-	-	-	-
Other	-	-	180,500	-	-	-
Total receipts	203,940	36,986	180,500	12,495	45,700	62,528
Disbursements:						
General government	159,964	36,986	-	12,336	-	25,052
Public safety	-	-	-	-	32,404	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Total disbursements	159,964	36,986	-	12,336	32,404	25,052
Excess (deficiency) of receipts over disbursements	43,976	-	180,500	159	13,296	37,476
Other financing sources (uses):						
Bond proceeds	-	-	-	-	-	-
Interfund loans received	-	-	-	-	-	-
Interfund loans repaid	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	43,976	-	180,500	159	13,296	37,476
Cash and investment fund balance - beginning	229,404	-	-	-	-	-
Cash and investment fund balance - ending	\$ 273,380	\$ -	\$ 180,500	\$ 159	\$ 13,296	\$ 37,476
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ 180,500	\$ 159	\$ -	\$ 37,476
Restricted assets:						
Cash and investments	273,380	-	-	-	13,296	-
Total cash and investment assets - December 31	\$ 273,380	\$ -	\$ 180,500	\$ 159	\$ 13,296	\$ 37,476
Cash and Investment Fund Balance - December 31						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Other purposes	273,380	-	-	-	13,296	-
Unrestricted	-	-	180,500	159	-	37,476
Total cash and investment fund balance - December 31	\$ 273,380	\$ -	\$ 180,500	\$ 159	\$ 13,296	\$ 37,476

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

	Supplemental Public Defenders Services	Alternative Dispute Resolution	Alternative Dispute Resolution Co-Payment	Treasurer's Incentive	Environmental Task Force	Title Search Fees
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	184,727	-	-	-	150,000	-
Charges for services	-	39,440	5,680	100,000	-	368,687
Fines and forfeits	64,541	-	-	-	32,533	-
Other	1,118	-	4,690	-	-	-
Total receipts	250,386	39,440	10,370	100,000	182,533	368,687
Disbursements:						
General government	225,134	29,332	3,845	8,680	-	335,242
Public safety	-	-	-	-	145,921	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Total disbursements	225,134	29,332	3,845	8,680	145,921	335,242
Excess (deficiency) of receipts over disbursements	25,252	10,108	6,525	91,320	36,612	33,445
Other financing sources (uses):						
Bond proceeds	-	-	-	-	-	-
Interfund loans received	-	-	-	-	-	-
Interfund loans repaid	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	25,252	10,108	6,525	91,320	36,612	33,445
Cash and investment fund balance - beginning	109,214	88,866	7,323	31,808	-	5,787
Cash and investment fund balance - ending	134,466	98,974	13,848	123,128	36,612	39,232
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ 13,848	\$ 123,128	\$ 36,612	\$ 39,232
Restricted assets:						
Cash and investments	134,466	98,974	-	-	-	-
Total cash and investment assets - December 31	134,466	98,974	13,848	123,128	36,612	39,232
Cash and Investment Fund Balance - December 31						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Other purposes	134,466	98,974	-	-	-	-
Unrestricted	-	-	13,848	123,128	36,612	39,232
Total cash and investment fund balance - December 31	134,466	98,974	13,848	123,128	36,612	39,232

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

	Sheriff's Sale	Bail Bonds Fees	Court Appointed Special Advocate	Nonreverting Property Seizure	DUI Task Force Grant	Sales Disclosure
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	352,140	-	5,089	-
Charges for services	633,600	-	-	-	-	58,445
Fines and forfeits	-	-	-	3,674	-	-
Other	-	3,163	-	-	-	-
Total receipts	633,600	3,163	352,140	3,674	5,089	58,445
Disbursements:						
General government	-	2,550	156,358	-	-	39,590
Public safety	-	-	-	-	5,100	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Total disbursements	-	2,550	156,358	-	5,100	39,590
Excess (deficiency) of receipts over disbursements	633,600	613	195,782	3,674	(11)	18,855
Other financing sources (uses):						
Bond proceeds	-	-	-	-	-	-
Interfund loans received	-	-	-	-	-	-
Interfund loans repaid	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	633,600	613	195,782	3,674	(11)	18,855
Cash and investment fund balance - beginning	-	14,091	1,412	11,116	4,267	68,998
Cash and investment fund balance - ending	\$ 633,600	\$ 14,704	\$ 197,194	\$ 14,790	\$ 4,256	\$ 87,853
Cash and Investment Assets - December 31						
Cash and investments	\$ 633,600	\$ 14,704	\$ -	\$ 14,790	\$ -	\$ 87,853
Restricted assets:						
Cash and investments	-	-	197,194	-	4,256	-
Total cash and investment assets - December 31	\$ 633,600	\$ 14,704	\$ 197,194	\$ 14,790	\$ 4,256	\$ 87,853
Cash and Investment Fund Balance - December 31						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ 4,256	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Other purposes	-	-	197,194	-	-	-
Unrestricted	633,600	14,704	-	14,790	-	87,853
Total cash and investment fund balance - December 31	\$ 633,600	\$ 14,704	\$ 197,194	\$ 14,790	\$ 4,256	\$ 87,853

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

	Community Economic Development	Park Bond Redemption	Park Revenue Bond Redemption	County Bond Redemption	Circuit Breaker Debt Service	Lake County Redevelopment Commission
Receipts:						
Taxes	\$ -	\$ 1,173,139	\$ 489,179	\$ 2,734,920	\$ -	\$ 1,057,276
Licenses and permits	-	-	-	-	-	-
Intergovernmental	50,179	149,220	4,471	394,839	3,328,883	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	26,272	4,177	-	-	216,435
Total receipts	50,179	1,348,631	497,827	3,129,759	3,328,883	1,273,711
Disbursements:						
General government	-	128,587	-	-	23,106	-
Public safety	-	-	-	5,427	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	47,411	-	-	-	-	-
Debt service:						
Principal	-	2,300,000	-	5,190,000	2,831,953	-
Interest	-	238,125	1,204,641	1,507,122	249,601	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	1,521,405
Total disbursements	47,411	2,666,712	1,204,641	6,702,549	3,104,660	1,521,405
Excess (deficiency) of receipts over disbursements	2,768	(1,318,081)	(706,814)	(3,572,790)	224,223	(247,694)
Other financing sources (uses):						
Bond proceeds	-	-	-	-	-	-
Interfund loans received	-	1,140,000	1,120,000	1,700,000	-	-
Interfund loans repaid	-	-	-	-	-	-
Transfers in	-	-	-	1,800,000	521,560	-
Transfers out	-	-	-	-	-	(514,858)
Total other financing sources (uses)	-	1,140,000	1,120,000	3,500,000	521,560	(514,858)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,768	(178,081)	413,186	(72,790)	745,783	(762,552)
Cash and investment fund balance - beginning	789	1,253,985	82,666	2,953,100	(641,471)	4,309,007
Cash and investment fund balance - ending	\$ 3,557	\$ 1,075,904	\$ 495,852	\$ 2,880,310	\$ 104,312	\$ 3,546,455
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 104,312	\$ -
Restricted assets:						
Cash and investments	3,557	1,075,904	495,852	2,880,310	-	3,546,455
Total cash and investment assets - December 31	\$ 3,557	\$ 1,075,904	\$ 495,852	\$ 2,880,310	\$ 104,312	\$ 3,546,455
Cash and Investment Fund Balance - December 31						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	3,557	-	-	-	-	-
Debt service	-	1,075,904	495,852	2,880,310	-	3,546,455
Other purposes	-	-	-	-	-	-
Unrestricted	-	-	-	-	104,312	-
Total cash and investment fund balance - December 31	\$ 3,557	\$ 1,075,904	\$ 495,852	\$ 2,880,310	\$ 104,312	\$ 3,546,455

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

	Lake County Redevelopment Authority	Park Nonreverting Capital	Cumulative Bridge	Park District Bonds 1993	Major Moves	Cumulative Capital Development
Receipts:						
Taxes	\$ -	\$ -	\$ 1,322,768	\$ -	\$ -	\$ 1,078,329
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	314,836	-	1,302,329	138,898
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	12,650	270,426	164,310	166,053	113,827	2,771
Total receipts	12,650	270,426	1,801,914	166,053	1,416,156	1,219,998
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	4,225	-	-	-	-	-
Debt service:						
Principal	1,860,000	-	-	7,000,000	-	-
Interest	67,005	-	-	120,452	-	-
Capital outlay:						
General government	-	-	-	-	-	1,831,796
Public safety	-	-	-	-	-	464,502
Highways and streets	-	-	3,656,824	-	1,108,586	-
Health and welfare	-	-	-	-	-	138,384
Culture and recreation	-	905,843	-	2,868,565	-	81,382
Urban redevelopment and housing	-	-	-	-	-	-
Total disbursements	1,931,230	905,843	3,656,824	9,989,017	1,108,586	2,516,064
Excess (deficiency) of receipts over disbursements	(1,918,580)	(635,417)	(1,854,910)	(9,822,964)	307,570	(1,296,066)
Other financing sources (uses):						
Bond proceeds	-	-	-	7,000,000	-	-
Interfund loans received	-	-	500,000	-	-	500,000
Interfund loans repaid	-	(330,000)	(500,000)	(4,485,000)	-	-
Transfers in	1,040,069	406,160	-	-	-	-
Transfers out	-	-	(200,000)	-	-	-
Total other financing sources (uses)	1,040,069	76,160	(200,000)	2,515,000	-	500,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(878,511)	(559,257)	(2,054,910)	(7,307,964)	307,570	(796,066)
Cash and investment fund balance - beginning	878,512	727,130	9,039,808	8,309,322	3,981,436	1,908,130
Cash and investment fund balance - ending	\$ 1	\$ 167,873	\$ 6,984,898	\$ 1,001,358	\$ 4,289,006	\$ 1,112,064
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	1	167,873	6,984,898	1,001,358	4,289,006	1,112,064
Total cash and investment assets - December 31	\$ 1	\$ 167,873	\$ 6,984,898	\$ 1,001,358	\$ 4,289,006	\$ 1,112,064
Cash and Investment Fund Balance - December 31						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	6,984,898	-	4,289,006	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	167,873	-	1,001,358	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service	1	-	-	-	-	-
Other purposes	-	-	-	-	-	1,112,064
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	\$ 1	\$ 167,873	\$ 6,984,898	\$ 1,001,358	\$ 4,289,006	\$ 1,112,064

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

	Lake County Voting System Cumulative	Drainage Improvements	Lake County Highway Garage	County Bond Improvements	Lake County Redevelopment Authority	Totals
Receipts:						
Taxes	\$ -	\$ 810,243	\$ -	\$ -	\$ -	\$ 13,246,721
Licenses and permits	-	-	-	-	-	276,352
Intergovernmental	14,956	116,610	-	-	-	35,056,624
Charges for services	-	18,552	-	-	-	12,474,873
Fines and forfeits	-	-	-	-	-	2,184,490
Other	-	-	203,391	504,716	60,070	3,565,075
Total receipts	14,956	945,405	203,391	504,716	60,070	66,804,134
Disbursements:						
General government	-	-	-	-	-	14,777,186
Public safety	-	-	-	-	-	13,266,913
Highways and streets	-	-	-	-	-	8,287,389
Health and welfare	-	-	-	-	-	2,006,565
Culture and recreation	-	-	-	-	-	10,178,866
Urban redevelopment and housing	-	-	-	-	1,000	1,987,277
Debt service:						
Principal	-	-	-	-	-	19,208,039
Interest	-	-	-	-	-	3,401,657
Capital outlay:						
General government	31,120	-	-	9,765,745	-	11,628,661
Public safety	-	1,651,061	-	-	-	2,115,563
Highways and streets	-	-	3,702,585	-	-	8,467,995
Health and welfare	-	-	-	-	-	138,384
Culture and recreation	-	-	-	-	-	3,855,790
Urban redevelopment and housing	-	-	-	-	4,569	1,525,974
Total disbursements	31,120	1,651,061	3,702,585	9,765,745	5,569	100,846,259
Excess (deficiency) of receipts over disbursements	(16,164)	(705,656)	(3,499,194)	(9,261,029)	54,501	(34,042,125)
Other financing sources (uses):						
Bond proceeds	-	-	-	18,685,000	2,910,600	28,595,600
Interfund loans received	-	-	-	-	-	8,223,000
Interfund loans repaid	-	-	-	-	-	(14,223,000)
Transfers in	-	-	-	-	418,500	5,688,500
Transfers out	-	-	-	-	(943,711)	(4,544,167)
Total other financing sources (uses)	-	-	-	18,685,000	2,385,389	23,739,933
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(16,164)	(705,656)	(3,499,194)	9,423,971	2,439,890	(10,302,192)
Cash and investment fund balance - beginning	1,297,665	1,562,056	4,769,179	-	517,407	82,061,085
Cash and investment fund balance - ending	\$ 1,281,501	\$ 856,400	\$ 1,269,985	\$ 9,423,971	\$ 2,957,297	\$ 71,758,893
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,518,633
Restricted assets:						
Cash and investments	1,281,501	856,400	1,269,985	9,423,971	2,957,297	56,240,260
Total cash and investment assets - December 31	\$ 1,281,501	\$ 856,400	\$ 1,269,985	\$ 9,423,971	\$ 2,957,297	\$ 71,758,893
Cash and Investment Fund Balance - December 31						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,045,788
Highways and streets	-	856,400	1,269,985	-	-	17,730,683
Health and welfare	-	-	-	-	-	1,494,503
Culture and recreation	-	-	-	-	-	1,169,231
Urban redevelopment and housing	-	-	-	-	2,957,297	2,974,091
Debt service	-	-	-	-	-	7,998,522
Other purposes	1,281,501	-	-	9,423,971	-	20,827,442
Unrestricted	-	-	-	-	-	15,518,633
Total cash and investment fund balance - December 31	\$ 1,281,501	\$ 856,400	\$ 1,269,985	\$ 9,423,971	\$ 2,957,297	\$ 71,758,893

LAKE COUNTY
COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
INTERNAL SERVICE FUNDS
As of and for the Year Ended December 31, 2007

	Park and Recreation Self-Insurance	Nonreverting Self-Insurance	Health Insurance Reserve	Lake County 2000 Building Corporation	Totals
Operating receipts:					
Insurance proceeds - employer	\$ 37,325	\$ 2,879,500	\$ 24,066,472	\$ -	\$ 26,983,297
Insurance proceeds - employee	-	-	1,773,673	-	1,773,673
Rental revenue	-	-	-	2,607,000	2,607,000
Other	404	342,839	144,120	-	487,363
Total operating receipts	<u>37,729</u>	<u>3,222,339</u>	<u>25,984,265</u>	<u>2,607,000</u>	<u>31,851,333</u>
Operating disbursements:					
Other supplies and expenses	-	6,667	-	18,317	24,984
Insurance disbursements	148,226	2,976,490	25,258,509	-	28,383,225
Total operating disbursements	<u>148,226</u>	<u>2,983,157</u>	<u>25,258,509</u>	<u>18,317</u>	<u>28,408,209</u>
Excess (deficiency) of receipts over disbursements	<u>(110,497)</u>	<u>239,182</u>	<u>725,756</u>	<u>2,588,683</u>	<u>3,443,124</u>
Nonoperating receipts (disbursements):					
Interest and investment receipts	29,370	-	-	88,972	118,342
Debt service of principal	-	-	-	(1,905,000)	(1,905,000)
Interest disbursements	-	-	-	(696,573)	(696,573)
Total nonoperating receipts (disbursements)	<u>29,370</u>	<u>-</u>	<u>-</u>	<u>(2,512,601)</u>	<u>(2,483,231)</u>
Excess (deficiency) of receipts over disbursements and nonoperating receipts (disbursements)	<u>(81,127)</u>	<u>239,182</u>	<u>725,756</u>	<u>76,082</u>	<u>959,893</u>
Temporary loan use	-	-	(6,000,000)	-	(6,000,000)
Transfers out	(250,000)	-	-	(1,800,000)	(2,050,000)
Excess (deficiency) of receipts over disbursements, temporary loans and transfers out	<u>(331,127)</u>	<u>239,182</u>	<u>(5,274,244)</u>	<u>(1,723,918)</u>	<u>(7,090,107)</u>
Cash and investment fund balance - beginning	<u>1,103,557</u>	<u>3,368,547</u>	<u>10,307,142</u>	<u>1,891,296</u>	<u>16,670,542</u>
Cash and investment fund balance - ending	<u>\$ 772,430</u>	<u>\$ 3,607,729</u>	<u>\$ 5,032,898</u>	<u>\$ 167,378</u>	<u>\$ 9,580,435</u>
<u>Cash and Investment Assets - December 31</u>					
Cash and investments	\$ 772,430	\$ 3,607,729	\$ 4,549,398	\$ 167,378	\$ 9,096,935
Cash with fiscal agent	-	-	483,500	-	483,500
Total cash and investment assets - December 31	<u>\$ 772,430</u>	<u>\$ 3,607,729</u>	<u>\$ 5,032,898</u>	<u>\$ 167,378</u>	<u>\$ 9,580,435</u>
<u>Cash and Investment Fund Balance - December 31</u>					
Unrestricted	<u>\$ 772,430</u>	<u>\$ 3,607,729</u>	<u>\$ 5,032,898</u>	<u>\$ 167,378</u>	<u>\$ 9,580,435</u>
Total cash and investment fund balance - December 31	<u>\$ 772,430</u>	<u>\$ 3,607,729</u>	<u>\$ 5,032,898</u>	<u>\$ 167,378</u>	<u>\$ 9,580,435</u>

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

	Financial Institution Tax	Convention and Visitor's Bureau	National Park System Reimbursement	County Innkeepers Tax	County User Fees	Educational Plate Fee	Doctors and Merchants
Additions:							
Agency fund additions	<u>\$ 2,934,063</u>	<u>\$ 4,513,479</u>	<u>\$ 5,926</u>	<u>\$ 2,603,176</u>	<u>\$ 1,451,954</u>	<u>\$ 72,394</u>	<u>\$ 296</u>
Deductions:							
Agency fund deductions	<u>2,934,063</u>	<u>4,513,450</u>	<u>-</u>	<u>2,491,830</u>	<u>1,386,367</u>	<u>70,784</u>	<u>-</u>
Excess (deficiency) of total additions over total deductions	-	29	5,926	111,346	65,587	1,610	296
Cash and investment fund balance - beginning	<u>-</u>	<u>220,293</u>	<u>174</u>	<u>1,746</u>	<u>585,397</u>	<u>6,356</u>	<u>57</u>
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 220,322</u>	<u>\$ 6,100</u>	<u>\$ 113,092</u>	<u>\$ 650,984</u>	<u>\$ 7,966</u>	<u>\$ 353</u>

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

	Ordinance Deferral Program	US Research Consultants - Personal Property	Interstate Compact Fee	Circuit Breaker Repository	State Mortgage	Child Restraint System Fees
Additions:						
Agency fund additions	\$ 171,043	\$ 2,807	\$ 2,400	\$ 16,000,000	\$ 68,411	\$ 2,375
Deductions:						
Agency fund deductions	168,182	1,884	1,050	15,753,987	43,783	950
Excess (deficiency) of total additions over total deductions	2,861	923	1,350	246,013	24,628	1,425
Cash and investment fund balance - beginning	10,163	2,550	375	-	20,140	100
Cash and investment fund balance - ending	<u>\$ 13,024</u>	<u>\$ 3,473</u>	<u>\$ 1,725</u>	<u>\$ 246,013</u>	<u>\$ 44,768</u>	<u>\$ 1,525</u>

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

	Homestead Credit Refund	Commissioner's Tax Sale	Commissioner's Tax Certificate Sale	Payment Error - Refunds	Tax Sale Cancellation	Subdivision Escrow Bonds
Additions:						
Agency fund additions	<u>\$ 40,656,743</u>	<u>\$ 55,360</u>	<u>\$ 2,793,693</u>	<u>\$ 99,614</u>	<u>\$ 695,773</u>	<u>\$ 25,692</u>
Deductions:						
Agency fund deductions	<u>-</u>	<u>719,737</u>	<u>392,680</u>	<u>111,563</u>	<u>963,048</u>	<u>24,439</u>
Excess (deficiency) of total additions over total deductions	40,656,743	(664,377)	2,401,013	(11,949)	(267,275)	1,253
Cash and investment fund balance - beginning	<u>-</u>	<u>664,377</u>	<u>923,792</u>	<u>361,456</u>	<u>285,785</u>	<u>86,491</u>
Cash and investment fund balance - ending	<u>\$ 40,656,743</u>	<u>\$ -</u>	<u>\$ 3,324,805</u>	<u>\$ 349,507</u>	<u>\$ 18,510</u>	<u>\$ 87,744</u>

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

	Refund Overpayment	Northwest Indiana Regional Planning Commission	Property Replacement Homestead	Park Sales Tax	Payroll Withholding	United Way
Additions:						
Agency fund additions	\$ 4,038,961	\$ 261,882	\$ 2,889,826	\$ 104,908	\$ 33,818,728	\$ -
Deductions:						
Agency fund deductions	6,828,268	200,225	2,889,826	104,031	33,661,930	8,682
Excess (deficiency) of total additions over total deductions	(2,789,307)	61,657	-	877	156,798	(8,682)
Cash and investment fund balance - beginning	3,183,858	159,704	95,030	2,448	1,367,142	8,682
Cash and investment fund balance - ending	<u>\$ 394,551</u>	<u>\$ 221,361</u>	<u>\$ 95,030</u>	<u>\$ 3,325</u>	<u>\$ 1,523,940</u>	<u>\$ -</u>

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

	County Welfare Trust	Tax Sale SRI Fees, Inc.	City and Town Court Costs	Infraction Judgment	State Fair Board	Supplemental Countywide School
Additions:						
Agency fund additions	<u>\$ 494,476</u>	<u>\$ 369,566</u>	<u>\$ 149,993</u>	<u>\$ 855,815</u>	<u>\$ 84,650</u>	<u>\$ 1,857,778</u>
Deductions:						
Agency fund deductions	<u>493,975</u>	<u>358,949</u>	<u>71,936</u>	<u>416,580</u>	<u>84,650</u>	<u>1,819,106</u>
Excess (deficiency) of total additions over total deductions	501	10,617	78,057	439,235	-	38,672
Cash and investment fund balance - beginning	<u>46,820</u>	<u>9,220</u>	<u>23,750</u>	<u>123,381</u>	<u>-</u>	<u>1,894,791</u>
Cash and investment fund balance - ending	<u><u>\$ 47,321</u></u>	<u><u>\$ 19,837</u></u>	<u><u>\$ 101,807</u></u>	<u><u>\$ 562,616</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,933,463</u></u>

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

	State Forestry	Congressional School Interest	Coroner's Training and Continuing Education	County Treasurer	Tax Sale Redemption	Tax Sale Surplus
Additions:						
Agency fund additions	\$ 169,299	\$ -	\$ 43,534	\$ 596,331,514	\$ 8,690,392	\$ 16,819,160
Deductions:						
Agency fund deductions	169,299	700	17,930	289,681,274	8,549,466	24,162,938
Excess (deficiency) of total additions over total deductions	-	(700)	25,604	306,650,240	140,926	(7,343,778)
Cash and investment fund balance - beginning	-	22,125	2,088	6,239,497	627,032	19,744,619
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 21,425</u>	<u>\$ 27,692</u>	<u>\$ 312,889,737</u>	<u>\$ 767,958</u>	<u>\$ 12,400,841</u>

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

	State Fines and Forfeitures	Inheritance Tax	State Sale Disclosure Fee	Treasurer's Tax Sale	Auditor's Tax Sale	Delinquent Sewage Collections
Additions:						
Agency fund additions	\$ 405,182	\$ 12,268,404	\$ 58,445	\$ 22,601,716	\$ -	\$ 720
Deductions:						
Agency fund deductions	421,452	11,964,583	30,985	22,779,087	1,417,977	-
Excess (deficiency) of total additions over total deductions	(16,270)	303,821	27,460	(177,371)	(1,417,977)	720
Cash and investment fund balance - beginning	79,279	3,151,371	5,770	7,845	1,417,977	2,236
Cash and investment fund balance - ending	<u>\$ 63,009</u>	<u>\$ 3,455,192</u>	<u>\$ 33,230</u>	<u>\$ (169,526)</u>	<u>\$ -</u>	<u>\$ 2,956</u>

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

	Barrett Law Collections	Overweight Vehicle	Commissioner's Sale Surplus	US Steel Property Tax Settlement	Indiana Common School	Miscellaneous Settlement Accounts
Additions:						
Agency fund additions	\$ -	\$ 52,225	\$ -	\$ 69,785	\$ 29,166	\$ 385,671,209
Deductions:						
Agency fund deductions	-	36,557	-	477,949	92,420	364,996,763
Excess (deficiency) of total additions over total deductions	-	15,668	-	(408,164)	(63,254)	20,674,446
Cash and investment fund balance - beginning	1,220	18,708	5,881	938,811	73,729	270,486
Cash and investment fund balance - ending	<u>\$ 1,220</u>	<u>\$ 34,376</u>	<u>\$ 5,881</u>	<u>\$ 530,647</u>	<u>\$ 10,475</u>	<u>\$ 20,944,932</u>

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

	Special Death Benefit	Vehicle License Additional Tax	Excess Monies - Settlement 2001	County Clerk	Sheriff - Civil/ Narcotics	Sheriff - Civil
Additions:						
Agency fund additions	\$ 63,975	\$ -	\$ -	\$ 65,155,683	\$ 18,103	\$ 7,606,862
Deductions:						
Agency fund deductions	30,737	-	519	64,821,042	37,000	7,692,179
Excess (deficiency) of total additions over total deductions	33,238	-	(519)	334,641	(18,897)	(85,317)
Cash and investment fund balance - beginning	8,562	1,094	108,293	17,676,908	71,935	(70,163)
Cash and investment fund balance - ending	<u>\$ 41,800</u>	<u>\$ 1,094</u>	<u>\$ 107,774</u>	<u>\$ 18,011,549</u>	<u>\$ 53,038</u>	<u>\$ (155,480)</u>

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

	Juvenile Probation	Adult Probation	Drug Task Force Seizure Fund	Sheriffs Inmate Trust	Non-AC Funds Not Payroll Withholding or Insurance	Totals
Additions:						
Agency fund additions	<u>\$ 127,835</u>	<u>\$ 414,130</u>	<u>\$ 578,385</u>	<u>\$ 1,303,346</u>	<u>\$ -</u>	<u>\$ 1,235,560,852</u>
Deductions:						
Agency fund deductions	<u>127,835</u>	<u>414,130</u>	<u>107,434</u>	<u>1,274,902</u>	<u>-</u>	<u>875,821,113</u>
Excess (deficiency) of total additions over total deductions	-	-	470,951	28,444	-	359,739,739
Cash and investment fund balance - beginning	<u>-</u>	<u>930</u>	<u>154,944</u>	<u>196,555</u>	<u>11</u>	<u>60,841,821</u>
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 930</u>	<u>\$ 625,895</u>	<u>\$ 224,999</u>	<u>\$ 11</u>	<u>\$ 420,581,560</u>

LAKE COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended December 31, 2007

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

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

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 24,602,686
Buildings and improvements	112,089,052
Sanitary sewer/storm water	9,000,000
Machinery and equipment	29,885,739
Bridges	121,211,183
Roads	110,433,433
Street lights and traffic signals	1,219,034
Construction in progress	<u>20,484,054</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 428,925,181</u>
 Business-type activities:	
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	\$ 21,040
Improvements other than buildings	<u>969,251</u>
 Total business-type activities capital assets	 <u>\$ 990,291</u>

LAKE COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 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:		
Machinery and Equipment	\$ 759,739	\$ 345,246
Claims and judgments	1,750,000	1,750,000
Notes and loans payable	905,105	417,248
Bonds payable:		
General obligation bonds:		
1998 \$5,005,000 Park Improvements	1,425,000	771,250
1999 \$26,750,000 Jail Construction	6,460,000	3,390,320
2002 \$10,610,000 Park Refunding	2,765,000	1,776,900
2006 \$1,235,000 Judgement	945,000	649,719
2006 \$5,000,000 Highway Garage Construction	5,000,000	519,040
2007 Energy Savings	18,500,000	1,750,000
Revenue bonds:		
2000 \$23,000,000 Lake County Building Corporation	11,085,000	2,603,000
2005 \$23,300,000 Park District	23,300,000	1,013,587
2007 \$2,940,000 Redevelopment District	2,940,000	826,112
2007 \$7,000,000 Park District	<u>7,000,000</u>	<u>280,731</u>
 Total governmental activities debt	 <u>\$ 82,834,844</u>	 <u>\$ 16,093,153</u>
 Business-type activities:		
Wastewater Utility		
Notes and loans payable	<u>\$ 394,234</u>	<u>\$ 40,325</u>

LAKE COUNTY
OTHER REPORTS

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

Board of County Commissioners
County Auditor
County Clerk of the Circuit Court
County Council
County Park and Recreation Department
County Recorder
County Sheriff
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

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

TO: THE OFFICIALS OF LAKE COUNTY, INDIANA

Compliance

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

As described in item 2007-4 in the accompanying Schedule of Findings and Questioned Costs, the County did not comply with requirements regarding Period of Availability that are applicable to its Homeland Security Grant Program. Compliance with such requirements is necessary, in our opinion, for the County to comply with requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its other major federal programs for the year ended December 31, 2007. The results of our auditing procedures also disclosed other instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2007-3.

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)

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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A control deficiency in a County's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency in internal control over compliance described in item 2007-4 of the accompanying Schedule of Findings and Questioned Costs to be a significant deficiency.

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. The significant deficiency in internal control over compliance described in item 2007-4 in the accompanying Schedule of Findings and Questioned Costs is considered to be a material weakness.

The County's response to the findings identified in our audit is described in the accompanying Corrective Action Plan section of the report. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Auditor, County Council, and 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 18, 2008

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

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>EXECUTIVE OFFICE OF THE PRESIDENT - OFFICE OF NATIONAL DRUG CONTROL POLICY</u>			
Direct Grant			
High Intensity Drug Trafficking Area (HIDTA)	07.XXX	17PLCP501Z	\$ 2,022,006
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Pass-Through Indiana Department of Education			
Child Nutrition Cluster			
School Breakfast Program	10.553		49,793
National School Lunch Program	10.555		76,004
Total for federal grantor agency			125,797
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Direct Grant			
CDBG-Entitlement and (HUD-Administered) Small Cities Cluster			
Community Development Block Grants/Entitlement Grants	14.218	B-05-UC-18-0016	768,827
		B-06-UC-18-0016	325,381
		B-07-UC-18-0016	5,187
Total for cluster			1,099,395
HOME Investment Partnerships Program	14.239	M-05-UC-180270	273,192
		M-06-UC-180270	277,462
		M-07-UC-180270	145,292
Total for program			695,946
Total for federal grantor agency			1,795,341
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Direct Grant			
Federal Equity Sharing	16.XXX		
Federal Forfeitures - County Sheriff			20,627
Federal Forfeitures - County Prosecutor			11,980
Total for program			32,607
Direct Grant			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2005-DJ-BX-1407	163,543
Lake County Justice Assistance Grant		2006-DJ-BX-1120	156,115
2007 Lake County JAG Project		2007-DJBX-0698	33,465
Pass-Through Indiana Criminal Justice Institute			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	05-DJ-071	122,948
		05-DJ-083	134,805
Total for program			610,876
Pass-Through Indiana Criminal Justice Institute			
Juvenile Accountability Incentive Block Grants	16.523		
JAIBG Enhancement Program		05-JB-012	33,891
Pass-Through Indiana Criminal Justice Institute			
Violence Against Women Formula Grants	16.588	06ST028	58,995
Total for federal grantor agency			736,369

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

LAKE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2007
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation Highway Planning and Construction Cluster Highway Planning and Construction	20.205		
Bridge Inspection		STP-9099 (107)	14,576
Construction Management		BR-9945 (110)	67,021
Construction Management		STP-9945 (042)	33,503
Construction Management		CMAQ-0001 (069)	<u>70,744</u>
Total for cluster			<u>185,844</u>
Pass-Through Indiana Criminal Justice Institute Highway Safety Cluster State and Community Highway Safety	20.600		
Big City/County Seat Belt Enforcement		PT-07-04-01-38	13,480
Big City/County Seat Belt Enforcement		PT-08-04-01-32	2,650
Fatality Crash Reduction Effort		154HE-2007-08-01-03	4,070
Lake County DUI Taskforce		K8-07-03-01-18	<u>3,634</u>
Total for cluster			<u>23,834</u>
Pass-Through Indiana Department of Homeland Security Interagency Hazardous Materials Public Sector Training and Planning Grant	20.703		
		HMEP #12	9,600
		HMEP #13	<u>3,867</u>
Total for program			<u>13,467</u>
Total for federal grantor agency			<u>223,145</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-Through Indiana Family and Social Services Administration Special Programs for the Aging - Title VII, Chapter 3 Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041		
		45-06-PV-1222-02	100,218
		45-08-PV-1222-01	<u>82,822</u>
Total for program			<u>183,040</u>
Pass-Through Indiana Department of Health Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116		
		TB-144-4	<u>48,431</u>
Pass-Through Indiana Family and Social Services Administration Substance Abuse and Mental Health Services	93.243		
		45-08-XQ-1222-01	<u>32,404</u>
Pass-Through Indiana Department of Health Center for Disease Control and Prevention - Investigations and Technical Assistance	93.283		
		BPRS-144-11	<u>56,313</u>
Pass-Through Indiana Department of Child Services Child Support Enforcement	93.563		
County Prosecutor's Expenditures			1,218,259
County Clerk's Expenditures			129,297
County Court Expenditures			<u>177,677</u>
Total for program			<u>1,525,233</u>
Pass-Through Indiana Department of Health Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944		
		ASP-144-8	<u>53,152</u>
Total for federal grantor agency			<u>1,898,573</u>

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

LAKE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2007
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security Homeland Security Cluster			
Homeland Security Grant Program	97.067		
State Homeland Security Program		C44P-7-118	11,250
		C44P-7-228	977,800
		C44P-7-408	17,901
		C44P-7-249	2,183
Law Enforcement Terrorism Prevention Program		C44P-7-228	<u>542,378</u>
Total for cluster			<u>1,551,512</u>
Pass-Through Indiana Department of Homeland Security Disaster Grants - Public Assistance	97.036		<u>86,637</u>
Pass-Through Indiana Department of Homeland Security Emergency Management Performance Grants	97.042		
		EMPG 05	49,324
		EMPG 06	<u>56,978</u>
Total for program			<u>106,302</u>
Total for federal grantor agency			<u>1,744,451</u>
Total federal awards expended			<u>\$ 8,545,682</u>

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

LAKE COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

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

II. Subrecipients

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

Program Title	Federal CFDA Number	2007
HOME Investment Partnerships Program	14.239	<u>\$ 60,000</u>

LAKE 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?	yes
Significant deficiencies identified that are not considered to be material weaknesses?	yes

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
14.218	Community Development Block Grants/Entitlement Grants
14.239	HOME Investment Partnerships Program
93.563	Child Support Enforcement
97.067	Homeland Security Grant Program

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

FINDING 2007-1, INTERNAL CONTROLS OVER CASH, INVESTMENTS, RECEIPTS AND DISBURSEMENTS

Deficiencies were noted in the internal controls over cash, investments, receipts, and disbursements of the County Clerk's Gary Division. There were discrepancies between computer generated reports and the manual records for trust balances and the various court fee ending balances. Court View, a computer software system, was used for issuing receipts and disbursements. The Gary Division also maintained a manual trust ledger and cash book. The Account Balance Listing (ABL), the computerized

LAKE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

record, had inaccurate beginning balances for both trust and fee items, which caused the computerized records to have different ending balances than the manual trust ledger and cash book. For instance, the December 31, 2007, balance of all the fee items in the manual cash book was \$0, however, the computerized record (ABL) had a negative balance of \$12,831. This issue began with the installation of the Court View system at the Gary Division.

The County Clerk's Gary Division depository reconciliations of the record balances to the bank account balances were either not presented for audit or were incorrect. The employee responsible for depository reconciliations was on extended leave and during that time, no bank reconciliations were prepared. Bank reconciliations were not completed for the months October 2007 through June 2008.

Court ordered investments were not posted to the record in a timely manner. Some investment accounts were not posted for up to eight months after the bank statements were received. In addition, the bank statements for some court ordered investments were not available for audit.

The reported balance of the County Clerk's Gary Division's cash and court ordered investments was \$3,760,138 at December 31, 2007.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Clerks of the Circuit Courts of Indiana, Chapter 13)

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

Lack of timely reconciliations result in required reports prepared and submitted late and errors not discovered or corrected timely or even in the same accounting period (calendar year). Lack of timely reconciliations and reports of the financial condition of the Clerk of the Circuit Court's office could result in inaccurate financial information being used by County officials to make important management decisions.

The Clerk of the Circuit Court should establish procedures to ensure that accurate financial information is recorded and reconciled timely; including training an adequate number of employees necessary to reconcile record balances to bank balances within one month after the end of each month. These procedures should ensure that critical accounting functions can continue without interruption and be performed in a timely manner in the event that the responsible employee is not available or able to perform these duties.

FINDING 2007-2, SAS 70 EXAMINATION OF HEALTH INSURANCE RESERVE FUND

The Health Insurance Reserve Fund, an Internal Service Fund of the County, is administered by an outside service organization as defined by Statement on Auditing Standards (SAS) 70. The County transfers money to an account that the service organization maintains and uses to pay health insurance claims. The County receives activity reports and bank statements for this account. Disbursements of \$25,575,646 from this fund were made without sufficient audit evidence because a SAS 70 examination of the service organization's control activities and processes by an independent accounting and auditing firm was not completed.

LAKE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Statement on Auditing Standards (SAS) Number 70, as amended by SAS 88 (AU 324), defines a service organization as an entity that provides services to a user organization. SAS 70 allows service organizations to disclose their control activities and processes to their customers and their customers' auditors in a uniform reporting format. A SAS 70 examination signifies that a service organization has had its control objectives and control activities examined by an independent accounting and auditing firm. A formal report including the auditor's opinion (Service Auditor's Report) is issued to the service organization at the conclusion of a SAS 70 examination.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Counties, Chapter 1)

We were unable to obtain sufficient documentation and we did not perform alternative procedures to obtain reasonable assurance that the reported disbursements of the Health Insurance Reserve Fund were free of material misstatement. The service organization which administers the County's Health Insurance Reserve Fund has engaged an independent accounting firm to perform a SAS 70 examination. However, the projected completion date of the examination is September 2008.

The County should ensure that the examination of the control activities and processes of the service organization that administers the Health Insurance Reserve Fund is completed in compliance with SAS 70 requirements.

Section III – Federal Award Findings and Questioned Costs

FINDING 2007-3, CASH MANAGEMENT

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

The Homeland Security Grant Fund has had an excess cash balance at the end of each of the last three years. Throughout 2007, month end cash balances varied from an overdrawn balance of \$243,427 to a positive balance of \$315,483, with an average month end cash balance of \$62,033. There should never be a positive cash balance in the grant fund since the Homeland Security Grants are on a reimbursement basis. The County has made provision for interfund loans to finance grant purchases until the reimbursements are received to avoid overdrawing the grant fund, although this mechanism has not yet been employed.

As detailed in prior years' federal audit reports, the County has been requesting "reimbursement" for grant purchases based on purchase orders before the vendor invoices were actually received or paid. Excess grant funds were received when the actual invoice amounts were less than the purchase orders. Also explained in the prior year's federal audit report, a \$50,000 payment was made in advance of the services to be received. Eventually, only a small portion of the services were performed and the County received a refund of \$46,000 in 2007. The County also occasionally receives rebates based on quantity purchases from vendors. All of these issues contributed to an excess cash balance of \$78,528 at December 31, 2007.

LAKE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

New controls have been designed and implemented to address the prior years' federal audit report findings. However, the excess cash balance remains. In a meeting attended at the request of County Officials, Lake County Homeland Security Officials were instructed in December 2007 to contact the Indiana Department of Homeland Security in writing to determine if the excess funds could be expended for grant purposes or if they must be returned to the State. As of July 31, 2008, no evidence of contact with the State Agency regarding excess cash balances had been provided.

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

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

- C. The Sub-grantee must have submitted to the State records demonstrating that the Sub-grantee has entered into an obligation to expend funds as allowed by this Agreement. The following types of records will satisfy this requirement:
 - i. An invoice from the vendor.
 - ii. A receipt or other documentation demonstrating that payment has been made . . .
- D. All payments shall be made in arrears in conformance with State fiscal policies and procedures . . . No payments will be made in advance of receipt of the goods or services that are the subject of this Agreement . . .
- I. If the funds received by the Sub-grantee exceed the Sub-grantee's actual allowable expenditures, the Sub-grantee will promptly return to the State all the funds received that exceed the actual allowable expenditures."

Title 28 Judicial Administration Part 66 Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments § 66.21 Payment states in part: "(b) Basic standard. Methods and procedures for payment shall minimize the time elapsing between the transfer of funds and disbursement by the grantee or subgrantee, in accordance with Treasury regulations at 31 CFR part 205."

With the excess cash on hand at December 31, 2007, the County is not in compliance with the cash management requirements for this program. Failure to comply with these requirements could jeopardize the receipt of future federal awards.

In addition to the new procedures already implemented, we again recommended that the County contact the Indiana Department of Homeland Security for guidance in resolving the issue of the excess cash on hand.

FINDING 2007-4, PERIOD OF AVAILABILITY

Federal Agency: U.S. Department of Homeland Security
Federal Program: Homeland Security Grant Program
CFDA Number: 97.067
Award Number: C44P-7-228, C44P-7-118, C44P-7-408
Pass-Through: Indiana Department of Homeland Security

LAKE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

In 2006, Lake County received a grant for \$11,250 from the Indiana Department of Homeland Security 2004 grant funds for the purchase of 10 laptop computers. Per the Homeland Security Sub-Grant Agreement between the Indiana Department of Homeland Security and Lake County, the grant funds were to be expended by October 30, 2006. The County requested and received the grant funds on February 23, 2007. The laptops were not purchased until May 10, 2007. No extension of this agreement was approved.

Lake County began expending 2006 State Homeland Security Grant Program funds in 2007. The deadline specified in the Sub-Grant Agreement for which the Sub-grantee should have completed, as well as paid for, all expenditures was within six (6) months of the effective date of the Agreement or by April 30, 2008, whichever was earlier. The final signature approving the Agreement was secured on May 9, 2007, which would place the expenditure deadline at November 9, 2007. Only \$17,901 of the \$212,431 grant award was expended by this date as well as by April 30, 2008. There was no evidence of a request for extension of time to complete grant expenditures until a June 20, 2008, e-mail. This e-mail occurred three weeks after the audit request for approval of an extension. A written request from the County Commissioners was mailed on June 26, 2008. An extension through October 2008 was finally approved via e-mail on July 16, 2008.

It appears that officials have misunderstood the Sub-Grant Agreements. Although the actual grant terms of the aforementioned grants were four years and two years, respectively, the Sub-Grant Agreements outline specific expenditure deadlines. Since the grant terms had not expired, the County could request, in writing, an extension of the expenditure deadlines.

Title 28 Judicial Administration Part 66 Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments § 66.23 Period of availability of fund states in part: "(a) General. Where a funding period is specified, a grantee may charge to the award only costs resulting from obligations of the funding period unless carryover of unobligated balances is permitted . . ."

The applicable Homeland Security Sub-Grant Agreements between the Indiana Department of Homeland Security and Lake County, Section 6., Sub-grantee's Duties and Responsibilities, of the Sub-Grant Agreement states in part: "B. The Sub-grantee may request, and the State may, at its sole discretion, authorize the Sub-grantee additional time to complete the expenditures allowed under this Agreement. The request and authorization shall be in writing."

Because the County did not expend grant funds by the expenditure deadlines and because requests for extensions were not made or were not made timely, the County is not in compliance with the period of availability requirements for this program. Failure to comply with these requirements could jeopardize the receipt of future federal awards.

We recommended that officials establish procedures to ensure that grant funds are expended within the period of availability established in the Sub-Grant Agreements.



Office of The Auditor

LAKE COUNTY, INDIANA

Peggy Holinga Katona
AUDITOR

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING NO. 2006-2 CASH MANAGEMENT

Original SBA Audit Report Number: B31117
Federal Agency: U.S. Department of Homeland Security
Federal Program: Homeland Security Grant Program
CFDA Number: 97.067
Award Number: C44-4-434, C44P-7-228
Pass-Through: Indiana Department of Homeland Security
Auditee Contact Person: Jodi Richmond
Title of Contact Person: Deputy Director
Lake County Homeland Security/Emergency Mgmt
Phone No: (219) 755-3549

Status of Finding:

Lake County Homeland Security/Emergency Management along with the Lake County Auditor's office have instituted a program wherein a temporary internal loan for expenditures has been executed to provide funds for purchasing prior to claims for reimbursement. This program is monitored by the Auditor's office to assure that all claims for reimbursement are for funds already expended and are not for payments in advance for any goods or services.

The Lake County Auditor's office is aware of the excess funds as of December 31, 2007 and will instruct Lake County Homeland Security to contact the Indiana Department of Homeland Security for guidance in resolving the issue of excess cash on hand. The Auditor's office will follow up on this recommendation and will monitor the results.

FINDING NO. 2006-3, REPORTING

Original SBA Audit Report Number: B31117
Federal Agency: U.S. Department of Homeland Security
Federal Program: Homeland Security Grant Program
CFDA Number: 97.067
Award Number: C44P-4-099, C44-4-434
Pass-Through: Indiana Department of Homeland Security

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

Status of Finding:

The original finding for 2006 indicated that: "The County shall submit to the State semiannual reports, due on the following schedule:

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

The schedule has since been amended to require quarterly reports which have been submitted on time.

Also, Lake County Homeland Security has indicated to this office that they have contacted Indiana Department of Homeland Security and have filed all previous reports that appeared to have been missing from prior findings.

FINDING NO. 2006-4, PERIOD OF AVAILABILITY

Original SBA Audit Report Number: B31117
Federal Agency: U.S. Department of Homeland Security
Federal Program: Homeland Security Grant Program
CFDA Number: 97.067
Award Number: C44P-4-099, C44-4-434, C44P-7-118
Pass-Through: Indiana Department of Homeland Security
Auditee Contact Person: Jodi Richmond
Title of Contact Person: Deputy Director
Lake County Homeland Security/Emergency Mgmt.
Phone No: (219) 755-3549

Working with the Lake County Auditor's Office, procedures have been implemented to identify periods of availability. The Auditor's office has created spreadsheets to use to identify each grant, how much is available, how much has been expended and, if necessary, guidance of Homeland Security personnel the necessity of extensions. The Auditor's office has provided this information, but Homeland Security is ultimately responsible for the execution. Our office is committed to providing whatever is necessary to help Lake County Homestead Security become compliant.

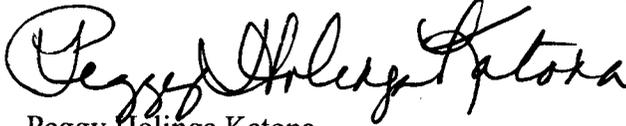
FINDING NO. 2006-5, ALLOWABLE COST PRINCIPLES

Original SBA Audit Report Number: B31117
Federal Agency: U.S. Department of Homeland Security
Federal Program: Homeland Security Grant Program
CFDA Number: 97.067
Award Number: C44-4-434

Pass-Through: Indiana Department of Homeland Security
Auditee Contact Person: Jodi Richmond
Title of Contact Person: Deputy Director
Lake County Homeland Security/Emergency Mgmt.
Phone No: (219) 755-3549

As previously stated, the Lake County Auditor's office, in conjunction with Homeland Security, has implemented procedures to monitor purchases and payments to eliminate compliancy issues.

Respectfully submitted this the 18th day of August, 2008

A handwritten signature in black ink, appearing to read "Peggy Holinga Katona". The signature is written in a cursive style with a large initial "P".

Peggy Holinga Katona,
Lake County Auditor



Office of The Auditor

LAKE COUNTY, INDIANA

Heggy Holinga Katona
AUDITOR

CORRECTIVE ACTION PLAN

Section II

FINDING NO. 2007-1 Internal Control Over Cash, Investments, Receipts, and Disbursements

Original SBA Audit Report Number:
Auditee Contact Person: Thomas R. Philpot
Title of Contact Person: Lake County Clerk

Phone Number: (219) 755-3533

Corrective Action and Plan submitted:
The Lake County Clerk was notified of this finding and has submitted a Corrective Action Plan to address this finding

FINDING NO. 2007-2, SAS Examination Of Health Insurance Reserve Fund

Original SBA Audit Report Number
Auditee Contact Person: Gerry Scheub
Title of Contact Person: Lake County Commissioner

Corrective Action and Plan Submitted:
Lake County Board of Commissioners has contacted the administrators of our Health Insurance Reserve Fund and they have engaged an independent accounting firm to perform a SAS examination.
Upon completion of this report a copy will be forwarded to the State Board of Accounts.

SECTION III

FINDING NO. 2007-3 CASH MANAGEMENT

Original SBA Audit Report Number:

Federal Agency: U.S. Department of Homeland Security

Federal Program: Homeland Security Grant Program

CFDA Number: 97.067

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

Pass-Through: Indiana Department of Homeland Security

Auditee Contact Person: Jodi Richmond

Title of Contact Person: Deputy Director

Lake County Homeland Security/Emergency Mgmt.

Phone Number: (219) 755-3549

Response Submitted:

Lake County Auditor's Office has implemented new procedures to monitor cash management and the Indiana Department of Homeland Security has been contacted for guidance in resolving the issue of excess cash on hand.

FINDING NO. 2007-4 PERIOD OF AVAILABILITY

Original SBA Audit Report Number:

Federal Agency: U.S. Department of Homeland Security

Federal Program: Homeland Security Grant Program

CFDA Number: 97.067

Award Number: C44P-7-228, C44P-7-118, C44P-7-408

Pass-Through: Indiana Department of Homeland Security

Original SBA Audit Report Number:

Auditee Contact Person: Jodi Richmond

Title of Contact Person: Deputy Director

Lake County Homeland Security/Emergency Mgmt.

Phone Number: (219) 755-3549

Response Submitted:

Lake County Auditor's Office has instituted a program to review all grants and sub-grant agreements. This program will identify all periods of availability of subsequent grants. This information will be used to alert Homeland Security to the status of availability and whether or not extensions must be requested in a timely manner.

Respectfully submitted, this the 19th day of August, 2008



Peggy Holinga Katona, Lake County Auditor



Michael T Wieser, Director of Finance



THOMAS R. PHILPOT
CLERK OF THE CIRCUIT COURT
2293 NORTH MAIN STREET
CROWN POINT, INDIANA 46307

PHONE: (219) 755-3533

FAX: (219) 755-3337



July 22, 2008

Indiana State Board of Accounts
Bruce Hartmann
State Examiner
302 W. Washington St. - Room E-418
Indianapolis, IN 46204-2765

Re: Finding Number 2007-1
Internal Controls Over Cash Investments, Receipts and
Disbursements – County Clerk's Gary Division
CORRECTIVE ACTION PLAN

Dear Mr. Hartmann:

We are in receipt of the Schedule of Findings and Questioned Costs captioned above. Please be advised that we have already put into place a corrective action plan as follows:

1. All prescribed forms are now updated and maintained and formal training has begun to ensure that computer-generated reports are widely used wherever available.
2. Due to excessive absences and an apparent inability to do the entire job correctly, we have changed personnel in the Gary office. Court ordered investments and other financial matters are now being handled by an employee we transferred to Gary for that purpose, who is currently in training.
3. Our Chief Financial Officer will, beginning Monday, July 28, 2008, be in Gary to ensure the establishment of a secure process, the completion of bank reconciliations, the proper use of forms, and the ability of the new employee to do the job satisfactorily.

We have also required weekly progress reports from all parties involved in the correction of these internal controls.

Sincerely,
LAKE COUNTY CLERK

Thomas R. Philpot
08-02

CC: Sandi Radoja, Executive Chief Deputy
Betty Druckten, Financial Officer
Arlene Allen, Chief Deputy



**OFFICE OF THE ATTORNEY
TO THE BOARD OF COMMISSIONERS**

John S. Dull

LAKE COUNTY GOVERNMENT CENTER
2293 NORTH MAIN STREET
CROWN POINT, IN 46307
PH.-219/755-3058 • FAX 219/755-3064



August 19, 2008

Indiana State Board of Accounts
Bruce Harman, State Examiner
302 W. Washington St. – Room E418
Indianapolis, Indiana 46204-2765

Re: Corrective Action Plan

Dear Mr. Harman:

Finding Number 2007-2 addressed Lake County's lack of an SAS examination of its health insurance reserve fund.

The Lake County third party administrator, Professional Claims Management, Inc. handles the health insurance funds for several municipalities.

An examination of the Lake County Health Insurance Reserve Fund utilizing SAS 70 standards is being taken for all of the health insurance reserve funds with which the third party administrator is under contract to handle.

At present, a completion date for that audit has not been established. However that audit will clearly be completed prior to 12/31/ 2008.

When the audit is completed a copy will be supplied to the State Board of Accounts and yourself as examiner.

In the future, Lake County will ensure that the audit is initiated and completed in time so that your on site examiners will have the documents prior to closing out their annual audit.

Sincerely,

LAKE COUNTY BOARD OF COMMISSIONERS' ATTORNEY

John S. Dull

LAKE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 18, 2008, with Peggy Holinga Katona, Auditor; Larry Cak, Chief Deputy; and Michael Weiser, Finance Director.

The contents of this report were also discussed on August 19, 2008, with Gerry J. Scheub, President of the Board of County Commissioners; John Dull, County Attorney; Christine Cid, President of the County Council; Larry Blanchard, Council member; and Ted Bilski, Council member.