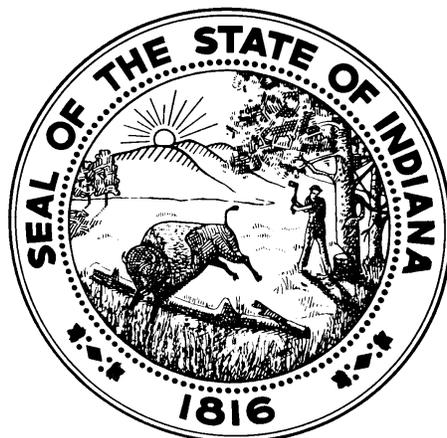


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

ANNUAL FINANCIAL REPORT

2008

KOSCIUSKO COUNTY, INDIANA



FILED

10/28/2009

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Marsha McSherry	01-01-08 to 12-31-11
Treasurer	Kent Adams Sue Ann Mitchell	01-01-05 to 12-31-08 01-01-09 to 12-31-12
Clerk of the Circuit Court	Sharon Christner Jason McSherry	01-01-05 to 12-31-08 01-01-09 to 12-31-12
Sheriff	William Goshert	01-01-07 to 12-31-10
Recorder	Deborah Wulliman	01-01-07 to 12-31-10
President of the Board of County Commissioners	Brad Jackson Robert Conley	01-01-08 to 12-31-08 01-01-09 to 12-31-09
President of the County Council	Harold Jones	01-01-08 to 12-31-09



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF KOSCIUSKO COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Kosciusko County (County), as of and for the year ended December 31, 2008, which collectively comprise the County's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

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

In our opinion, except that the omission of the component unit of the County referred to in the preceding paragraph results in incomplete presentation, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 2008, and the respective cash receipts and cash disbursements during the year then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated October 6, 2009, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

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

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

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

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

STATE BOARD OF ACCOUNTS

October 6, 2009



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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 KOSCIUSKO COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Kosciusko County (County), as of and for the year ended December 31, 2008, which collectively comprise the County's basic financial statements and have issued our report thereon dated October 6, 2009. The opinions to the financial statements were qualified due to omission of a component unit, which results in incomplete presentation. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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

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

Compliance and Other Matters

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

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

October 6, 2009

KOSCIUSKO COUNTY
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For The Year Ended December 31, 2008

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>			<u>Net (Disbursement) Receipt and Changes in Net Assets</u>
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	<u>Primary Governmental Activities</u>
Primary government:					
Governmental activities:					
General government	\$ 15,711,646	\$ 672,702	\$ -	\$ -	\$ (15,038,944)
Public safety	7,607,803	2,382,616	285,236	294,253	(4,645,698)
Highways and streets	5,344,841	-	3,295,001	-	(2,049,840)
Sanitation	11,917	1,580	-	-	(10,337)
Health and welfare	2,719,763	72,508	654,975	-	(1,992,280)
Economic development	990,712	-	-	-	(990,712)
Culture and recreation	-	-	-	36,739	36,739
Principal and interest on indebtedness	1,895,000	-	-	-	(1,895,000)
Total primary government	<u>\$ 34,281,682</u>	<u>\$ 3,129,406</u>	<u>\$ 4,235,212</u>	<u>\$ 330,992</u>	<u>(26,586,072)</u>
General receipts:					
Property taxes					10,338,552
Income taxes					3,651,165
Intergovernmental					3,613,368
Other local sources					8,243,533
Grants and contributions not restricted to specific programs					1,274
Investment earnings					<u>1,362,430</u>
Total general receipts					<u>27,210,322</u>
Change in net assets					624,250
Net assets - beginning					<u>34,519,184</u>
Net assets - ending					<u>\$ 35,143,434</u>
 <u>Assets</u>					
Cash and investments					\$ 7,235,220
Restricted assets:					
Cash and investments					<u>27,908,214</u>
Total assets					<u>\$ 35,143,434</u>
 <u>Net Assets</u>					
Restricted for:					
Public safety					\$ 1,534,603
Highways and streets					4,634,121
Health and welfare					2,039,111
Economic development					57,157
Capital outlay					13,206,351
Other purposes					6,436,871
Unrestricted					<u>7,235,220</u>
Total net assets					<u>\$ 35,143,434</u>

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

KOSCIUSKO 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, 2008

	General	Motor Vehicle Highway	Cumulative Capital Development	CEDIT Capital Projects	Other Governmental Funds	Totals
Receipts:						
Taxes	\$ 10,974,248	\$ -	\$ 822,516	\$ 3,092,885	\$ 4,228,388	\$ 19,118,037
Special assessments	-	-	-	-	690,321	690,321
Licenses and permits	1,049	23,288	-	-	102,119	126,456
Intergovernmental	1,363,155	3,295,001	90,569	-	2,966,283	7,715,008
Charges for services	1,215,642	13,489	-	-	906,016	2,135,147
Fines and forfeits	490,253	40	-	-	320,353	810,646
Other	1,407,873	148,793	54,100	175,028	982,480	2,768,274
Total receipts	15,452,220	3,480,611	967,185	3,267,913	10,195,960	33,363,889
Disbursements:						
General government	12,097,535	-	-	-	2,048,836	14,146,371
Public safety	4,696,886	-	-	-	2,412,899	7,109,785
Highways and streets	-	3,417,574	-	-	1,819,559	5,237,133
Sanitation	11,917	-	-	-	-	11,917
Health and welfare	354,459	-	-	-	2,349,083	2,703,542
Debt service:						
Principal	-	-	-	1,430,000	-	1,430,000
Interest	-	-	-	465,000	-	465,000
Capital outlay:						
General government	110,954	-	348,543	-	236,678	696,175
Public safety	29,265	-	-	-	468,753	498,018
Highways and streets	-	107,708	-	-	-	107,708
Health and welfare	-	-	-	-	16,221	16,221
Economic development	-	-	-	990,712	-	990,712
Total disbursements	17,301,016	3,525,282	348,543	2,885,712	9,352,029	33,412,582
Excess (deficiency) of receipts over disbursements	(1,848,796)	(44,671)	618,642	382,201	843,931	(48,693)
Other financing sources (uses):						
Other receipts	494,528	10,738	-	14,466	360,616	880,348
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,354,268)	(33,933)	618,642	396,667	1,204,547	831,655
Cash and investment fund balance - beginning	8,589,488	3,961,649	3,225,884	7,797,444	10,334,874	33,909,339
Cash and investment fund balance - ending	<u>\$ 7,235,220</u>	<u>\$ 3,927,716</u>	<u>\$ 3,844,526</u>	<u>\$ 8,194,111</u>	<u>\$ 11,539,421</u>	34,740,994
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.						
						402,440
Net assets of governmental activities						<u>\$ 35,143,434</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 7,235,220	\$ -	\$ -	\$ -	\$ -	\$ 7,235,220
Restricted assets:						
Cash and investments	-	3,927,716	3,844,526	8,194,111	11,539,421	27,505,774
Total cash and investment assets - ending	<u>\$ 7,235,220</u>	<u>\$ 3,927,716</u>	<u>\$ 3,844,526</u>	<u>\$ 8,194,111</u>	<u>\$ 11,539,421</u>	<u>\$ 34,740,994</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ 1,534,603	\$ 1,534,603
Highways and streets	-	3,927,716	-	-	706,405	4,634,121
Health and welfare	-	-	-	-	2,039,111	2,039,111
Economic development	-	-	-	-	57,157	57,157
Capital outlay	-	-	3,844,526	8,194,111	1,167,714	13,206,351
Other purposes	-	-	-	-	6,034,431	6,034,431
Unrestricted	<u>7,235,220</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,235,220</u>
Total cash and investment fund balance - ending	<u>\$ 7,235,220</u>	<u>\$ 3,927,716</u>	<u>\$ 3,844,526</u>	<u>\$ 8,194,111</u>	<u>\$ 11,539,421</u>	<u>\$ 34,740,994</u>

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

KOSCIUSKO COUNTY
STATEMENT OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
PROPRIETARY FUND
As Of And For The Year Ended December 31, 2008

	Internal Service Fund
Operating receipts:	
Charges for services	\$ 2,234,181
Miscellaneous	<u>197,131</u>
Total operating receipts	<u>2,431,312</u>
Operating disbursements:	
Insurance claims and expense	<u>2,638,717</u>
Deficiency of operating receipts over operating disbursements	(207,405)
Cash and investment fund balance - beginning	<u>609,845</u>
Cash and investment fund balance - ending	<u><u>\$ 402,440</u></u>
<u>Cash and Investment Assets - December 31</u>	
Restricted assets:	
Cash and investments	<u><u>\$ 402,440</u></u>
<u>Cash and Investment Fund Balance - December 31</u>	
Restricted for:	
Other purposes	<u><u>\$ 402,440</u></u>

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

KOSCIUSKO COUNTY
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For The Year Ended December 31, 2008

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>	<u>Agency Funds</u>
Additions:			
Contributions:			
Employer	\$ 325,871	\$ -	
Plan members	<u>53,936</u>	<u>-</u>	
Total contributions	<u>379,807</u>	<u>-</u>	
Investment earnings:			
Interest	111,613	-	
Dividends	<u>97,704</u>	<u>-</u>	
Total investment earnings	209,317	-	
Less realized losses	<u>(181,018)</u>	<u>-</u>	
Net investment earnings	<u>28,299</u>	<u>-</u>	
Total additions	<u>408,106</u>	<u>-</u>	
Deductions:			
Benefits	216,426	-	
Administrative and general	<u>30,282</u>	<u>-</u>	
Total deductions	<u>246,708</u>	<u>-</u>	
Excess total additions over total deductions	161,398	-	
Cash and investment fund balance - beginning	<u>5,171,202</u>	<u>28,129</u>	
Cash and investment fund balance - ending	<u>\$ 5,332,600</u>	<u>\$ 28,129</u>	<u>\$ 18,498,341</u>

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

KOSCIUSKO COUNTY
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

Primary Government:	Kosciusko County
Blended Component Unit:	Kosciusko County Convention and Visitors' Commission
Discretely Presented Component Unit:	Kosciusko County Solid Waste Management District

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

The Kosciusko County Solid Waste Management District, a discretely presented component unit, has been omitted from these financial statements. Accordingly, the financial statements do not include the data of all of the County's component units necessary to fairly present the financial position of the County.

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 unit is presented below:

Component Unit	Description/Inclusion Criteria	Fund Included In
Kosciusko County Convention and Visitors' Commission	The primary government appoints a voting majority of the Commission's board and a financial benefit/burden relationship exists between the County and the Commission. Although it is legally separate from the County, the Commission is reported as if it were a part of the County because it provides services entirely or almost entirely to the County.	Other governmental

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.

KOSCIUSKO COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

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

The County reports the following major governmental funds:

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

The motor vehicle highway fund accounts for all the financial resources allocated for maintaining county thoroughfares.

The cumulative capital development fund accounts for taxes levied per Indiana statute. Expenditures are used to fund projects in accordance with the County's Capital Projects Plan.

The CEDIT capital projects fund accounts for the County's share of the county economic development income tax. Expenditures include construction and acquisition related costs for economic development projects.

Additionally, the County reports the following fund types:

The internal service fund accounts for medical benefits provided to employees, retirees, and dependents.

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

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

Agency funds account for assets held by the County as an agent for other governmental entities and individuals. They serve as a control of accounts for certain cash transactions during the time they represent a liability to the County.

C. Measurement Focus and Basis of Accounting

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

KOSCIUSKO COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

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

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

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Property Taxes

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

3. Capital Assets

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

4. Long-Term Debt

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

KOSCIUSKO COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

5. Equity Classification

Government-Wide Statements

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

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

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.
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.

KOSCIUSKO COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

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

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

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

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

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

B. Cash and Investment Balance Deficits

At December 31, 2008, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines and state statute:

KOSCIUSKO COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund	2008
Operation Pull Over	\$ 2,753
DNR Grant 2008	4,885
Victim Assistance	5,818
VOCA 07VA053	9,138
VOCA 05VA061	1,759
Center of Hope	1,006
FACT Grant D3-9-2168	1,864
Aggressive Driving Enforcement	670
District 2 Exercise Grant	5,159

Cash and investment deficits arose primarily from reimbursement grants where disbursements necessarily occur prior to receiving reimbursement. These deficits are to be repaid from future reimbursements.

III. Detailed Notes on All Funds

Deposits and Investments

A. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The County does not have a deposit policy for custodial credit risk. At December 31, 2008, the County had deposit balances in the amount of \$54,303,681. Of this amount, \$632,387 was uninsured and uncollateralized.

The remaining 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.

B. Investments

As of December 31, 2008, the County and the Sheriff's Retirement and Benefit Plans had the following investments:

Investment Type	Sheriff's Retirement and Benefit Pension Plans
Mutual equity funds	\$ 1,695,849
Mutual bond funds	1,022,176
Corporate Bonds	1,345,126
Total	\$ 4,063,151

KOSCIUSKO COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Statutory Authorization for Investments

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

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

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

The Sheriff's Pension Plan is not subject to the same investment laws as the County. The Sheriff's Merit Board has adopted an investment policy for the Sheriff's Retirement and Benefit Pension Plans. This investment policy outlines parameters for investment activity for the Sheriff's Pension Plans.

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.

The Sheriff's Merit Board has not adopted an investment policy for custodial credit risk for investments. At December 31, 2008, the Sheriff's Retirement and Benefit Pension Plans held investments in corporate bonds and mutual funds in the amount of \$4,063,151. These investments were held by the investments' counterparties, not in the name of the Sheriff's Pension Plan.

KOSCIUSKO COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 for the Sheriff's Retirement and Benefit Pension Plans manages interest rate risk by authorizing investments with stated final maturities of ten years.

Sheriff's Retirement and Benefit Pension Plans:

Investment Type	Investment Maturities (in Years)		
	Less Than 1	1-2	More Than 2
Mutual bond funds	\$ -	\$ -	\$ 1,022,176
Corporate Bonds	-	-	1,345,126
Totals	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,367,302</u>

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The distribution of securities with credit ratings is summarized below. The County does not have a formal investment policy for credit risk for investments.

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

Sheriff's Retirement and Benefit Pension Plans:

Standard and Poor's Rating	Moody's Rating	County's Investments	
		Mutual Equity Funds	Corporate Bonds
AAA	Aaa	\$ -	\$ 89,581
AA	Aa	-	51,779
AA-	Aa3	-	92,180
A+	Aa2	-	39,572
A	A	-	20,713
A	A	-	154,631
A-	A3	-	94,879
BBB+	Baa	-	20,118
BBB+	Baa1	-	10,704
BBB	Baa2	-	35,164
BBB-	Baa3	-	40,653
BB	Ba	-	449
Unrated	Unrated	1,695,849	694,704
Totals		<u>\$ 1,695,849</u>	<u>\$ 1,345,126</u>

KOSCIUSKO COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Concentration of Credit Risk

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

The Sheriff's Merit Board has adopted the following policy for the concentration of credit risk: no more than 20% of the investment account and total assets in any one industry, no more than 5% of the investment account and total assets in the equity securities of any one issuer, and no more than 5% of the investment account and total assets shall be committed to the fixed income securities issued or guaranteed by the full faith and credit of the United States or AAA-rated securities issued by government sponsored enterprises. More than 5% of the Sheriff's Retirement and Benefit investments are in Dodge & Cox Income Fund, Wasatch-1st Source Income Equity Fund, Vanguard Short Term Bond Index #132, and Goldman Sachs Financial Square Prime Obligations Fund #462. These investments represent 10.47%, 14.23%, 11.17%, and 16.46%, respectively, of the total investments.

Foreign Currency Risk

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

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; and natural disasters.

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

Medical Benefits to Employees, Retirees, and Dependents

The County has chosen to establish a risk financing fund for risks associated with medical benefits to employees, retirees, and dependents. The risk financing fund is accounted for in the Employee Key Benefit Plan 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 \$50,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. Interfund premiums are paid into the fund by all affected funds and are available to pay claims, claim reserves, and administrative costs of the program. Interfund premiums are based upon an overall premium percentage which is applied to each affected fund and are reported as quasi-external interfund transactions.

KOSCIUSKO COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Holding Corporation

The County has entered into a capital lease with the Kosciusko County Justice Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the County. The lessor has been determined to be a related party of the County. Lease payments during the year totaled \$1,895,000.

C. Administration of Welfare Programs

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

D. 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.

KOSCIUSKO COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

2. County Police Retirement Plan

Plan Description

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

Funding Policy and Annual Pension Cost

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

3. County Police Benefit Plan

Plan Description

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

Funding Policy and Annual Pension Cost

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

KOSCIUSKO COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Actuarial Information for the Above Plans

	PERF	County Police Retirement Plan	County Police Benefit Plan
Annual required contribution	\$ 522,092	\$ 279,237	\$ 36,611
Interest on net pension obligation	(15,798)	(1,912)	-
Adjustment to annual required contribution	18,003	2,953	-
Annual pension cost	524,297	280,278	36,611
Contributions made	467,870	289,260	36,611
Increase (decrease) in net pension obligation	56,427	(8,982)	-
Net pension obligation, beginning of year	(217,904)	(27,318)	-
Net pension obligation, end of year	\$ (161,477)	\$ (36,300)	\$ -

	PERF	County Police Retirement Plan	County Police Benefit Plan
Contribution rates:			
County	5.5%	17%	2%
Plan members	3%	3%	0%
Actuarial valuation date	07-01-08	01-01-09	01-01-09
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed
Amortization period	30 years	30 years	30 years
Amortization period (from date)	07-01-97	01-01-09	12-31-97
Asset valuation method	4 year smoothed market	4 year smoothed market	4 year smoothed market

<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%	5%	5%
Attributed to inflation	4%	4%	4%
Attributed to merit/seniority	1%	1%	1%
Cost-of-living adjustments	2%	2%	0%

KOSCIUSKO COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Three Year Trend Information

	<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
PERF	06-30-06	\$ 422,482	82%	\$ (262,180)
	06-30-07	436,806	90%	(217,904)
	06-30-08	524,297	89%	(161,477)
County Police Retirement Plan	12-31-06	305,135	100%	(28,400)
	12-31-07	315,302	100%	(27,318)
	12-31-08	280,278	104%	(36,300)
County Police Benefit Plan	12-31-06	38,258	100%	-
	12-31-07	39,898	100%	-
	12-31-08	36,611	100%	-

KOSCIUSKO 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)
07-01-06	\$ 6,652,744	\$ 7,036,264	\$ (383,520)	95%	\$ 7,043,147	(5%)
07-01-07	7,432,020	8,199,180	(767,160)	91%	7,860,701	(10%)
07-01-08	7,995,795	8,928,296	(932,501)	90%	8,335,827	(11%)

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)
01-01-04	\$ 3,478,345	\$ 3,570,482	\$ (92,137)	97%	\$ 1,445,046	(6%)
01-01-05	3,657,726	3,743,194	(85,468)	98%	1,487,054	(6%)
01-01-06	4,077,264	4,077,264	-	100%	1,536,681	0%
01-01-07	4,557,490	4,557,490	-	100%	1,659,368	0%
01-01-08	5,064,259	5,790,140	(725,881)	87%	1,692,344	(43%)
01-01-09	5,181,858	6,229,869	(1,048,011)	83%	1,747,643	(60%)

KOSCIUSKO 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, 2008

	Local Road and Street	Accident Report	Firearms Training	Health	Alcohol and Drug Services	Donations
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ 568,504	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	30,660	55,039	-	-
Intergovernmental	688,018	-	-	67,600	-	-
Charges for services	-	7,945	-	-	-	-
Fines and forfeits	-	-	-	83	-	-
Other	14,789	-	-	100	61,476	12,336
Total receipts	702,807	7,945	30,660	691,326	61,476	12,336
Disbursements:						
General government	-	-	-	-	-	12,701
Public safety	-	2,150	15,482	-	26,251	-
Highways and streets	940,173	-	-	-	-	-
Health and welfare	-	-	-	611,135	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health and welfare	-	-	-	1,221	-	-
Total disbursements	940,173	2,150	15,482	612,356	26,251	12,701
Excess (deficiency) of receipts over disbursements	(237,366)	5,795	15,178	78,970	35,225	(365)
Other financing sources (uses):						
Other receipts	-	-	8	2,827	86	2
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(237,366)	5,795	15,186	81,797	35,311	(363)
Cash and investment fund balance - beginning	943,771	11,910	10,180	307,426	139,650	8,837
Cash and investment fund balance - ending	<u>\$ 706,405</u>	<u>\$ 17,705</u>	<u>\$ 25,366</u>	<u>\$ 389,223</u>	<u>\$ 174,961</u>	<u>\$ 8,474</u>
<u>Cash and Investment Assets - Ending</u>						
Restricted assets:						
Cash and investments	<u>\$ 706,405</u>	<u>\$ 17,705</u>	<u>\$ 25,366</u>	<u>\$ 389,223</u>	<u>\$ 174,961</u>	<u>\$ 8,474</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Public safety	\$ -	\$ 17,705	\$ 25,366	\$ -	\$ 174,961	\$ -
Highways and streets	706,405	-	-	-	-	-
Health and welfare	-	-	-	389,223	-	-
Economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other purposes	-	-	-	-	-	8,474
Total cash and investment fund balance - ending	<u>\$ 706,405</u>	<u>\$ 17,705</u>	<u>\$ 25,366</u>	<u>\$ 389,223</u>	<u>\$ 174,961</u>	<u>\$ 8,474</u>

KOSCIUSKO 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, 2008
 (Continued)

	Public Mass Transportation 18025040Fed	Clerk's Records Perpetuation	Enhanced Access	Electronic Map Generation	Emergency Telephone System	Drug Free Community
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	464,682	-	-	-	-	-
Charges for services	-	-	-	9,828	590,192	-
Fines and forfeits	-	26,474	-	-	-	82,056
Other	-	-	273	-	-	191
Total receipts	464,682	26,474	273	9,828	590,192	82,247
Disbursements:						
General government	464,682	3,748	-	-	-	-
Public safety	-	-	-	-	719,982	87,586
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	35,877	-
Health and welfare	-	-	-	-	-	-
Total disbursements	464,682	3,748	-	-	755,859	87,586
Excess (deficiency) of receipts over disbursements	-	22,726	273	9,828	(165,667)	(5,339)
Other financing sources (uses):						
Other receipts	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	22,726	273	9,828	(165,667)	(5,339)
Cash and investment fund balance - beginning	-	15,811	-	16,316	304,896	69,958
Cash and investment fund balance - ending	\$ -	\$ 38,537	\$ 273	\$ 26,144	\$ 139,229	\$ 64,619
Cash and Investment Assets - Ending						
Restricted assets:						
Cash and investments	\$ -	\$ 38,537	\$ 273	\$ 26,144	\$ 139,229	\$ 64,619
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ 139,229	\$ 64,619
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other purposes	-	38,537	273	26,144	-	-
Total cash and investment fund balance - ending	\$ -	\$ 38,537	\$ 273	\$ 26,144	\$ 139,229	\$ 64,619

KOSCIUSKO 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, 2008
 (Continued)

	Drainage Maintenance	Local Emergency Planning	Property Reassessment	Prosecutor IV-D Incentive New	Extradition	Juvenile Probation Services
Receipts:						
Taxes	\$ -	\$ -	\$ 350,779	\$ -	\$ -	\$ -
Special assessments	680,439	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	9,378	38,626	-	-	-
Charges for services	-	-	-	-	17,457	-
Fines and forfeits	-	-	-	-	-	4,490
Other	-	-	68,301	-	-	-
Total receipts	680,439	9,378	457,706	-	17,457	4,490
Disbursements:						
General government	293,687	-	144,881	-	-	-
Public safety	-	5,488	-	-	36,311	10,972
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	47,056	-	-
Capital outlay:						
General government	-	-	183,910	-	-	-
Public safety	-	230	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total disbursements	293,687	5,718	328,791	47,056	36,311	10,972
Excess (deficiency) of receipts over disbursements	386,752	3,660	128,915	(47,056)	(18,854)	(6,482)
Other financing sources (uses):						
Other receipts	-	40	-	50,463	34	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	386,752	3,700	128,915	3,407	(18,820)	(6,482)
Cash and investment fund balance - beginning	894,069	45,735	2,699,755	89,492	30,551	53,828
Cash and investment fund balance - ending	<u>\$ 1,280,821</u>	<u>\$ 49,435</u>	<u>\$ 2,828,670</u>	<u>\$ 92,899</u>	<u>\$ 11,731</u>	<u>\$ 47,346</u>
<u>Cash and Investment Assets - Ending</u>						
Restricted assets:						
Cash and investments	<u>\$ 1,280,821</u>	<u>\$ 49,435</u>	<u>\$ 2,828,670</u>	<u>\$ 92,899</u>	<u>\$ 11,731</u>	<u>\$ 47,346</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Public safety	\$ -	\$ 49,435	\$ -	\$ -	\$ 11,731	\$ 47,346
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	92,899	-	-
Economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other purposes	1,280,821	-	2,828,670	-	-	-
Total cash and investment fund balance - ending	<u>\$ 1,280,821</u>	<u>\$ 49,435</u>	<u>\$ 2,828,670</u>	<u>\$ 92,899</u>	<u>\$ 11,731</u>	<u>\$ 47,346</u>

KOSCIUSKO 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, 2008
 (Continued)

	Adult Probation Services	Recorder's Records Perpetuation	User Fee	Family and Children	Pretrial Diversion	Court Appointed Special Advocate
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ 423,354	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	589,320	-	9,695
Charges for services	150	83,165	-	-	50,668	-
Fines and forfeits	103,294	-	24,916	-	-	-
Other	-	-	-	126	-	-
Total receipts	103,444	83,165	24,916	1,012,800	50,668	9,695
Disbursements:						
General government	-	165,585	24,155	-	-	6,695
Public safety	138,031	-	-	-	40,779	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	1,306,598	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total disbursements	138,031	165,585	24,155	1,306,598	40,779	6,695
Excess (deficiency) of receipts over disbursements	(34,587)	(82,420)	761	(293,798)	9,889	3,000
Other financing sources (uses):						
Other receipts	38,935	-	-	44,137	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,348	(82,420)	761	(249,661)	9,889	3,000
Cash and investment fund balance - beginning	354,578	97,330	35,406	682,793	122,333	-
Cash and investment fund balance - ending	<u>\$ 358,926</u>	<u>\$ 14,910</u>	<u>\$ 36,167</u>	<u>\$ 433,132</u>	<u>\$ 132,222</u>	<u>\$ 3,000</u>
Cash and Investment Assets - Ending						
Restricted assets:						
Cash and investments	<u>\$ 358,926</u>	<u>\$ 14,910</u>	<u>\$ 36,167</u>	<u>\$ 433,132</u>	<u>\$ 132,222</u>	<u>\$ 3,000</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ 358,926	\$ -	\$ -	\$ -	\$ 132,222	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	433,132	-	-
Economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other purposes	-	14,910	36,167	-	-	3,000
Total cash and investment fund balance - ending	<u>\$ 358,926</u>	<u>\$ 14,910</u>	<u>\$ 36,167</u>	<u>\$ 433,132</u>	<u>\$ 132,222</u>	<u>\$ 3,000</u>

KOSCIUSKO 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, 2008
 (Continued)

	Plat Book	Misdemeanant	Clerk IV-D Incentive Old	Dog Fund	Surveyor's Corner Perpetuation	Sheriff's Continuing Education
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	16,420	-	-
Intergovernmental	-	49,610	-	-	-	-
Charges for services	-	-	-	-	18,070	-
Fines and forfeits	18,615	-	-	-	-	4,408
Other	-	-	-	-	-	-
Total receipts	18,615	49,610	-	16,420	18,070	4,408
Disbursements:						
General government	5	-	-	-	3,081	-
Public safety	-	55,469	-	3,399	-	250
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	15,975	-	-	-
Capital outlay:						
General government	-	-	-	-	35,000	-
Public safety	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total disbursements	5	55,469	15,975	3,399	38,081	250
Excess (deficiency) of receipts over disbursements	18,610	(5,859)	(15,975)	13,021	(20,011)	4,158
Other financing sources (uses):						
Other receipts	-	-	27,253	-	462	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	18,610	(5,859)	11,278	13,021	(19,549)	4,158
Cash and investment fund balance - beginning	62,329	55,469	116,023	18,065	85,148	2,340
Cash and investment fund balance - ending	<u>\$ 80,939</u>	<u>\$ 49,610</u>	<u>\$ 127,301</u>	<u>\$ 31,086</u>	<u>\$ 65,599</u>	<u>\$ 6,498</u>
Cash and Investment Assets - Ending						
Restricted assets:						
Cash and investments	<u>\$ 80,939</u>	<u>\$ 49,610</u>	<u>\$ 127,301</u>	<u>\$ 31,086</u>	<u>\$ 65,599</u>	<u>\$ 6,498</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ -	\$ 49,610	\$ -	\$ 31,086	\$ -	\$ 6,498
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	127,301	-	-	-
Economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other purposes	80,939	-	-	-	65,599	-
Total cash and investment fund balance - ending	<u>\$ 80,939</u>	<u>\$ 49,610</u>	<u>\$ 127,301</u>	<u>\$ 31,086</u>	<u>\$ 65,599</u>	<u>\$ 6,498</u>

KOSCIUSKO 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, 2008
 (Continued)

	Jury Pay	Prenatal	Victim Assistance Stop Grant	CDC Enabler	County Transition Program	Operation Pull Over
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	38,498	-	-	1,310	19,181
Charges for services	-	-	-	-	-	-
Fines and forfeits	15,413	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	15,413	38,498	-	-	1,310	19,181
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	21,934
Highways and streets	-	-	-	-	-	-
Health and welfare	-	14,909	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total disbursements	-	14,909	-	-	-	21,934
Excess (deficiency) of receipts over disbursements	15,413	23,589	-	-	1,310	(2,753)
Other financing sources (uses):						
Other receipts	-	-	-	-	3,480	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	15,413	23,589	-	-	4,790	(2,753)
Cash and investment fund balance - beginning	12,050	36,904	138	3	1,550	-
Cash and investment fund balance - ending	<u>\$ 27,463</u>	<u>\$ 60,493</u>	<u>\$ 138</u>	<u>\$ 3</u>	<u>\$ 6,340</u>	<u>\$ (2,753)</u>
<u>Cash and Investment Assets - Ending</u>						
Restricted assets:						
Cash and investments	<u>\$ 27,463</u>	<u>\$ 60,493</u>	<u>\$ 138</u>	<u>\$ 3</u>	<u>\$ 6,340</u>	<u>\$ (2,753)</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Public safety	\$ -	\$ -	\$ 138	\$ -	\$ 6,340	\$ (2,753)
Highways and streets	-	-	-	-	-	-
Health and welfare	-	60,493	-	-	-	-
Economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other purposes	27,463	-	-	3	-	-
Total cash and investment fund balance - ending	<u>\$ 27,463</u>	<u>\$ 60,493</u>	<u>\$ 138</u>	<u>\$ 3</u>	<u>\$ 6,340</u>	<u>\$ (2,753)</u>

KOSCIUSKO 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, 2008
 (Continued)

	DNR Grant 2008	Rainy Day	Sales Disclosure	Anti-Drug Grant	Sheriff's Commissary	Well Child
Receipts:						
Taxes	\$ -	\$ 964,928	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	39,841	-	-	-	-	17,472
Charges for services	-	-	9,128	-	-	-
Fines and forfeits	-	-	9,128	-	-	-
Other	-	-	-	-	415,365	914
Total receipts	39,841	964,928	18,256	-	415,365	18,386
Disbursements:						
General government	-	7,600	9,003	-	-	-
Public safety	28,096	-	-	-	374,910	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	29,447
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total disbursements	28,096	7,600	9,003	-	374,910	29,447
Excess (deficiency) of receipts over disbursements	11,745	957,328	9,253	-	40,455	(11,061)
Other financing sources (uses):						
Other receipts	59	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	11,804	957,328	9,253	-	40,455	(11,061)
Cash and investment fund balance - beginning	(16,689)	343,461	52,454	18,343	113,168	55,000
Cash and investment fund balance - ending	\$ (4,885)	\$ 1,300,789	\$ 61,707	\$ 18,343	\$ 153,623	\$ 43,939
Cash and Investment Assets - Ending						
Restricted assets:						
Cash and investments	\$ (4,885)	\$ 1,300,789	\$ 61,707	\$ 18,343	\$ 153,623	\$ 43,939
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	153,623	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	43,939
Economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other purposes	(4,885)	1,300,789	61,707	18,343	-	-
Total cash and investment fund balance - ending	\$ (4,885)	\$ 1,300,789	\$ 61,707	\$ 18,343	\$ 153,623	\$ 43,939

KOSCIUSKO 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, 2008
 (Continued)

	Tobacco Settlement	Soil and Water Grant	KCCRVC Commission	Health Maintenance Grant	Child Abuse Prevention	Law Enforcement Forfeitures
Receipts:						
Taxes	\$ -	\$ -	\$ 466,599	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	35,073	36,739	-	34,320	-	66,040
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	10
Other	-	-	3,873	-	350	-
Total receipts	35,073	36,739	470,472	34,320	350	66,050
Disbursements:						
General government	-	36,764	588,474	-	-	-
Public safety	-	-	-	-	-	53,845
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	65,048	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health and welfare	-	-	-	15,000	-	-
Total disbursements	-	36,764	588,474	80,048	-	53,845
Excess (deficiency) of receipts over disbursements	35,073	(25)	(118,002)	(45,728)	350	12,205
Other financing sources (uses):						
Other receipts	-	25	-	-	-	10
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	35,073	-	(118,002)	(45,728)	350	12,215
Cash and investment fund balance - beginning	100,587	-	346,954	137,659	4,750	84,683
Cash and investment fund balance - ending	<u>\$ 135,660</u>	<u>\$ -</u>	<u>\$ 228,952</u>	<u>\$ 91,931</u>	<u>\$ 5,100</u>	<u>\$ 96,898</u>
Cash and Investment Assets - Ending						
Restricted assets:						
Cash and investments	<u>\$ 135,660</u>	<u>\$ -</u>	<u>\$ 228,952</u>	<u>\$ 91,931</u>	<u>\$ 5,100</u>	<u>\$ 96,898</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ 5,100	\$ 96,898
Highways and streets	-	-	-	-	-	-
Health and welfare	135,660	-	-	91,931	-	-
Economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other purposes	-	-	228,952	-	-	-
Total cash and investment fund balance - ending	<u>\$ 135,660</u>	<u>\$ -</u>	<u>\$ 228,952</u>	<u>\$ 91,931</u>	<u>\$ 5,100</u>	<u>\$ 96,898</u>

KOSCIUSKO 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, 2008
 (Continued)

	DUI Reimbursement	Victim Assistance	VOCA 07VA053	VOCA 05VA061	Center of Hope	Fire District 2 Federal Training (1)
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	6,967	-	15,345	6,116	1,200	45,691
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	6,967	-	15,345	6,116	1,200	45,691
Disbursements:						
General government	-	-	-	-	-	-
Public safety	8,003	-	21,266	7,875	1,045	45,691
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total disbursements	8,003	-	21,266	7,875	1,045	45,691
Excess (deficiency) of receipts over disbursements	(1,036)	-	(5,921)	(1,759)	155	-
Other financing sources (uses):						
Other receipts	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,036)	-	(5,921)	(1,759)	155	-
Cash and investment fund balance - beginning	1,418	(5,818)	(3,217)	-	(1,161)	-
Cash and investment fund balance - ending	<u>\$ 382</u>	<u>\$ (5,818)</u>	<u>\$ (9,138)</u>	<u>\$ (1,759)</u>	<u>\$ (1,006)</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Restricted assets:						
Cash and investments	<u>\$ 382</u>	<u>\$ (5,818)</u>	<u>\$ (9,138)</u>	<u>\$ (1,759)</u>	<u>\$ (1,006)</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ 382	\$ (5,818)	\$ (9,138)	\$ (1,759)	\$ (1,006)	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-
Total cash and investment fund balance - ending	<u>\$ 382</u>	<u>\$ (5,818)</u>	<u>\$ (9,138)</u>	<u>\$ (1,759)</u>	<u>\$ (1,006)</u>	<u>\$ -</u>

KOSCIUSKO 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, 2008
 (Continued)

	Fact Grant D3-9-2168	Health Bioterrorism	Aggressive Driving Enforcement	PDA/GPS Units	K-21 Mobile Data	KCADP United Way Grant
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	5,357	-	11,666	-	38,570	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	5,357	-	11,666	-	38,570	-
Disbursements:						
General government	-	-	-	-	-	6,577
Public safety	7,221	-	12,336	1,700	38,570	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total disbursements	7,221	-	12,336	1,700	38,570	6,577
Excess (deficiency) of receipts over disbursements	(1,864)	-	(670)	(1,700)	-	(6,577)
Other financing sources (uses):						
Other receipts	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,864)	-	(670)	(1,700)	-	(6,577)
Cash and investment fund balance - beginning	-	342	-	1,700	-	14,102
Cash and investment fund balance - ending	<u>\$ (1,864)</u>	<u>\$ 342</u>	<u>\$ (670)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,525</u>
Cash and Investment Assets - Ending						
Restricted assets:						
Cash and investments	<u>\$ (1,864)</u>	<u>\$ 342</u>	<u>\$ (670)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,525</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ (1,864)	\$ -	\$ (670)	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	342	-	-	-	-
Economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other purposes	-	-	-	-	-	7,525
Total cash and investment fund balance - ending	<u>\$ (1,864)</u>	<u>\$ 342</u>	<u>\$ (670)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,525</u>

KOSCIUSKO 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, 2008
 (Continued)

	Sheriff Sale Administration	Identification Security Protection	Children's Psychiatric Residential Treatment Services	Public Safety Interoperable Communication	HEA 1001-2008 Homestead Credit	Redevelopment Commission
Receipts:						
Taxes	\$ -	\$ -	\$ 635,030	\$ -	\$ -	\$ 57,157
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	69,924	294,253	-	-
Charges for services	60,850	-	-	-	-	-
Fines and forfeits	-	31,466	-	-	-	-
Other	-	-	-	-	16,159	-
Total receipts	60,850	31,466	704,954	294,253	16,159	57,157
Disbursements:						
General government	-	-	-	-	-	-
Public safety	54,017	24,143	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	238,512	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	294,253	-	-
Health and welfare	-	-	-	-	-	-
Total disbursements	54,017	24,143	238,512	294,253	-	-
Excess (deficiency) of receipts over disbursements	6,833	7,323	466,442	-	16,159	57,157
Other financing sources (uses):						
Other receipts	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	6,833	7,323	466,442	-	16,159	57,157
Cash and investment fund balance - beginning	62,488	50,110	197,749	-	-	-
Cash and investment fund balance - ending	<u>\$ 69,321</u>	<u>\$ 57,433</u>	<u>\$ 664,191</u>	<u>\$ -</u>	<u>\$ 16,159</u>	<u>\$ 57,157</u>
Cash and Investment Assets - Ending						
Restricted assets:						
Cash and investments	<u>\$ 69,321</u>	<u>\$ 57,433</u>	<u>\$ 664,191</u>	<u>\$ -</u>	<u>\$ 16,159</u>	<u>\$ 57,157</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ 69,321	\$ 57,433	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	664,191	-	-	-
Economic development	-	-	-	-	-	57,157
Capital outlay	-	-	-	-	-	-
Other purposes	-	-	-	-	16,159	-
Total cash and investment fund balance - ending	<u>\$ 69,321</u>	<u>\$ 57,433</u>	<u>\$ 664,191</u>	<u>\$ -</u>	<u>\$ 16,159</u>	<u>\$ 57,157</u>

KOSCIUSKO 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, 2008
 (Continued)

	Anti-Drug Grant 05-DJ-025	Sheriff Pension Holding	Fire District 2 State Training	Fire District 2 Federal Training (2)	FACT K4-2008-02-02-04	District 2 Exercise Grant
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	98,819	10,105	72,956	1
Charges for services	-	58,563	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	58,563	98,819	10,105	72,956	1
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	58,383	98,661	-	50,904	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	20,403
Capital outlay:						
General government	-	-	-	-	17,768	-
Public safety	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total disbursements	-	58,383	98,661	-	68,672	20,403
Excess (deficiency) of receipts over disbursements	-	180	158	10,105	4,284	(20,402)
Other financing sources (uses):						
Other receipts	-	-	-	-	21	15,243
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	180	158	10,105	4,305	(5,159)
Cash and investment fund balance - beginning	20,089	60	-	-	(4,305)	-
Cash and investment fund balance - ending	<u>\$ 20,089</u>	<u>\$ 240</u>	<u>\$ 158</u>	<u>\$ 10,105</u>	<u>\$ -</u>	<u>\$ (5,159)</u>
Cash and Investment Assets - Ending						
Restricted assets:						
Cash and investments	<u>\$ 20,089</u>	<u>\$ 240</u>	<u>\$ 158</u>	<u>\$ 10,105</u>	<u>\$ -</u>	<u>\$ (5,159)</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ 20,089	\$ 240	\$ 158	\$ 10,105	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other purposes	-	-	-	-	-	(5,159)
Total cash and investment fund balance - ending	<u>\$ 20,089</u>	<u>\$ 240</u>	<u>\$ 158</u>	<u>\$ 10,105</u>	<u>\$ -</u>	<u>\$ (5,159)</u>

KOSCIUSKO 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, 2008
 (Continued)

	Inmate Meals	Cumulative Bridge	Cumulative Jail	General Drain Improvement	Totals
Receipts:					
Taxes	\$ -	\$ 610,839	\$ 151,198	\$ -	\$ 4,228,388
Special assessments	-	-	-	9,882	690,321
Licenses and permits	-	-	-	-	102,119
Intergovernmental	-	67,261	16,649	-	2,966,283
Charges for services	-	-	-	-	906,016
Fines and forfeits	-	-	-	-	320,353
Other	361,624	26,603	-	-	982,480
Total receipts	361,624	704,703	167,847	9,882	10,195,960
Disbursements:					
General government	-	-	-	281,198	2,048,836
Public safety	362,149	-	-	-	2,412,899
Highways and streets	-	879,386	-	-	1,819,559
Health and welfare	-	-	-	-	2,349,083
Capital outlay:					
General government	-	-	-	-	236,678
Public safety	-	-	138,393	-	468,753
Health and welfare	-	-	-	-	16,221
Total disbursements	362,149	879,386	138,393	281,198	9,352,029
Excess (deficiency) of receipts over disbursements	(525)	(174,683)	29,454	(271,316)	843,931
Other financing sources (uses):					
Other receipts	-	150,000	-	27,531	360,616
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(525)	(24,683)	29,454	(243,785)	1,204,547
Cash and investment fund balance - beginning	29,575	982,627	131,311	292,790	10,334,874
Cash and investment fund balance - ending	<u>\$ 29,050</u>	<u>\$ 957,944</u>	<u>\$ 160,765</u>	<u>\$ 49,005</u>	<u>\$ 11,539,421</u>
Cash and Investment Assets - Ending					
Restricted assets:					
Cash and investments	<u>\$ 29,050</u>	<u>\$ 957,944</u>	<u>\$ 160,765</u>	<u>\$ 49,005</u>	<u>\$ 11,539,421</u>
Cash and Investment Fund Balance - Ending					
Restricted for:					
Public safety	\$ 29,050	\$ -	\$ -	\$ -	\$ 1,534,603
Highways and streets	-	-	-	-	706,405
Health and welfare	-	-	-	-	2,039,111
Economic development	-	-	-	-	57,157
Capital outlay	-	957,944	160,765	49,005	1,167,714
Other purposes	-	-	-	-	6,034,431
Total cash and investment fund balance - ending	<u>\$ 29,050</u>	<u>\$ 957,944</u>	<u>\$ 160,765</u>	<u>\$ 49,005</u>	<u>\$ 11,539,421</u>

KOSCIUSKO COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PENSION TRUST FUNDS
 For The Year Ended December 31, 2008

	Sheriff's Retirement	Sheriff's Benefit	Totals
Additions:			
Contributions:			
Employer	\$ 292,885	\$ 32,986	\$ 325,871
Plan members	53,936	-	53,936
	<u>346,821</u>	<u>32,986</u>	<u>379,807</u>
Total contributions			
Investment receipts:			
Interest	101,767	9,846	111,613
Dividends	91,960	5,744	97,704
	<u>193,727</u>	<u>15,590</u>	<u>209,317</u>
Total investment receipts			
Less realized losses	(181,018)	-	(181,018)
	<u>12,709</u>	<u>15,590</u>	<u>28,299</u>
Net investment receipts			
Total additions	<u>359,530</u>	<u>48,576</u>	<u>408,106</u>
Deductions:			
Benefits	187,537	28,889	216,426
Administrative and general	28,359	1,923	30,282
	<u>215,896</u>	<u>30,812</u>	<u>246,708</u>
Total deductions			
Excess of total additions over total deductions	143,634	17,764	161,398
Cash and investment fund balance - beginning	<u>4,806,010</u>	<u>365,192</u>	<u>5,171,202</u>
Cash and investment fund balance - ending	<u>\$ 4,949,644</u>	<u>\$ 382,956</u>	<u>\$ 5,332,600</u>

KOSCIUSKO COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2008

	City and Town Court Costs	Congressional School Interest	Clerk of the Circuit Court	Surplus Tax Sale	Surplus Tax	State Fair Board
Additions:						
Agency fund additions	\$ 30,480	\$ 1,062	\$ 9,762,140	\$ -	\$ 106,808	\$ 31,959
Deductions:						
Agency fund deductions	30,872	1,125	10,092,119	148,857	340,963	31,959
Excess (deficiency) of total additions over total deductions	(392)	(63)	(329,979)	(148,857)	(234,155)	-
Cash and investment fund balance - beginning	2,341	15,009	1,207,292	164,618	471,944	-
Cash and investment fund balance - ending	<u>\$ 1,949</u>	<u>\$ 14,946</u>	<u>\$ 877,313</u>	<u>\$ 15,761</u>	<u>\$ 237,789</u>	<u>\$ -</u>

KOSCIUSKO COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	State Fines and Forfeitures	State Forestry Tax	Sewage Collections	Overweight Vehicle Fines	Recorder	Infraction Judgements
Additions:						
Agency fund additions	\$ 133,483	\$ 63,919	\$ 29,829	\$ 1,000	\$ 15	\$ 230,765
Deductions:						
Agency fund deductions	125,179	63,919	29,829	1,000	8	246,721
Excess (deficiency) of total additions over total deductions	8,304	-	-	-	7	(15,956)
Cash and investment fund balance - beginning	10,042	-	-	-	443	73,055
Cash and investment fund balance - ending	<u>\$ 18,346</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 450</u>	<u>\$ 57,099</u>

KOSCIUSKO COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	Inheritance Tax	Payroll	Deferred Compensation	Payroll Withholdings Other	PERF	Payroll Withholdings Federal
Additions:						
Agency fund additions	\$ 1,399,168	\$ 11,176,687	\$ 81,661	\$ 204,437	\$ 266,037	\$ 1,109,423
Deductions:						
Agency fund deductions	3,381,698	11,176,687	81,661	201,534	273,020	1,109,423
Excess (deficiency) of total additions over total deductions	(1,982,530)	-	-	2,903	(6,983)	-
Cash and investment fund balance - beginning	2,430,925	-	-	1,486	69,242	-
Cash and investment fund balance - ending	<u>\$ 448,395</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,389</u>	<u>\$ 62,259</u>	<u>\$ -</u>

KOSCIUSKO COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	Payroll Withholdings State	Payroll Withholdings OASI	Payroll Withholdings Local Tax	Wage Garnishment	Special Death Benefit	Payroll Withholdings United Way
Additions:						
Agency fund additions	\$ 365,044	\$ 659,544	\$ 107,226	\$ 101,167	\$ 9,140	\$ 171
Deductions:						
Agency fund deductions	365,044	659,544	107,226	101,167	9,305	171
Excess (deficiency) of total additions over total deductions	-	-	-	-	(165)	-
Cash and investment fund balance - beginning	-	-	-	-	565	-
Cash and investment fund balance - ending	\$ -	\$ -	\$ -	\$ -	\$ 400	\$ -

KOSCIUSKO COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	Education Plate Fee Agency	CEDIT Agency	Payroll Withholdings Medicare	COIT Agency	Innkeepers Tax	Direct Deposit Clearing
Additions:						
Agency fund additions	\$ 4,463	\$ 5,648,453	\$ 154,498	\$ 12,271,431	\$ 461,295	\$ 6,453,380
Deductions:						
Agency fund deductions	4,576	5,648,453	154,498	12,271,431	466,599	6,453,380
Excess (deficiency) of total additions over total deductions	(113)	-	-	-	(5,304)	-
Cash and investment fund balance - beginning	113	-	-	-	34,467	-
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,163</u>	<u>\$ -</u>

KOSCIUSKO COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	Mortgage Fees - State Share	Children with Special Health Needs Agency	Health Care for the Indigent Agency	Medical Assistance to Wards Agency	Welfare Trust	Homestead Credit Rebate
Additions:						
Agency fund additions	\$ 9,068	\$ 31,959	\$ 163,792	\$ 11,985	\$ 22,492	\$ 19,058
Deductions:						
Agency fund deductions	9,152	31,959	163,792	11,985	41,533	2,276,923
Excess (deficiency) of total additions over total deductions	(84)	-	-	-	(19,041)	(2,257,865)
Cash and investment fund balance - beginning	704	-	-	-	31,268	2,269,013
Cash and investment fund balance - ending	<u>\$ 620</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,227</u>	<u>\$ 11,148</u>

KOSCIUSKO COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	Tax Distribution	Inmate Trust	Treasurer	Coroner's Education	Subdivision Escrow	Riverboat Revenue Sharing
Additions:						
Agency fund additions	\$ 75,241,636	\$ 1,148,981	\$ 102,353,248	\$ 7,130	\$ -	\$ 464,564
Deductions:						
Agency fund deductions	75,241,636	1,187,057	86,651,094	7,107	-	464,564
Excess (deficiency) of total additions over total deductions	-	(38,076)	15,702,154	23	-	-
Cash and investment fund balance - beginning	-	47,186	982,829	614	3,750	-
Cash and investment fund balance - ending	\$ -	\$ 9,110	\$ 16,684,983	\$ 637	\$ 3,750	\$ -

KOSCIUSKO COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	Prosecuting Attorney	Surveyor	Probation	Sheriff	Work Release	Totals
Additions:						
Agency fund additions	\$ 8,710	\$ -	\$ 300,037	\$ 1,899,941	\$ 4,758	\$ 232,552,044
Deductions:						
Agency fund deductions	10,100	-	301,100	1,899,941	227	221,876,138
Excess (deficiency) of total additions over total deductions	(1,390)	-	(1,063)	-	4,531	10,675,906
Cash and investment fund balance - beginning	1,390	50	4,089	-	-	7,822,435
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 50</u>	<u>\$ 3,026</u>	<u>\$ -</u>	<u>\$ 4,531</u>	<u>\$ 18,498,341</u>

KOSCIUSKO COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended December 31, 2008

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 and Buildings	\$ 38,373,868
Infrastructure	42,051,289
Machinery and equipment	5,555,005
Construction in progress	<u>61,800</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 86,041,962</u>

KOSCIUSKO COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2008

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:		
Justice building	\$ 9,235,000	\$ 1,895,000

KOSCIUSKO COUNTY
OTHER REPORT

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

Clerk of the Circuit Court

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF KOSCIUSKO COUNTY, INDIANA

Compliance

We have audited the compliance of Kosciusko 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, 2008. The County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, the County complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2008.

Internal Control Over Compliance

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

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

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

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

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

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

October 6, 2009

KOSCIUSKO COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2008

Federal Grantor Agency/Pass-Through Entity Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF COMMERCE</u>			
Pass-Through Indiana Department of Homeland Security Public Safety Interoperable Communications Grant Program	11.555	C44P-9-518A	\$ 294,253
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Pass-Through Indiana Criminal Justice institute Crime Victim Assistance	16.575	07VA053 07VA210 07VA052	13,194 6,754 <u>6,695</u>
Total for program			<u>26,643</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation Federal Transit Formula Grants	20.507	18025040	<u>348,052</u>
Pass-Through Indiana Criminal Justice institute State and Community Highway Safety	20.600	PT-08-04-01-21	<u>22,922</u>
Pass-Through Indiana Criminal Justice institute Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	K8-2009-03-03-16 K8-2008-02-03-14 K8-2008-02-02-04	860 6,595 <u>63,993</u>
Total for program			<u>71,448</u>
Total for federal grantor agency			<u>442,422</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-Through Indiana Department of Children's Services Child Support Enforcement	93.563		
County Prosecutor's Expenditures			264,258
County Clerk's Expenditures			17,920
Collection Incentives			33,451
Indirect Costs			<u>61,879</u>
Total for program			<u>377,508</u>
Pass-Through Indiana Department of Health Maternal and Child Health Services Block Grant to the States	93.994		<u>15,593</u>
Total for federal grantor agency			<u>393,101</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security Homeland Security Grant Program	97.067		<u>9,378</u>
Total federal awards expended			<u>\$ 1,165,797</u>

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

KOSCIUSKO 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 Kosciusko 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, 2008:

Program Title	Federal CFDA Number	2008
Federal Transit Formula Grants	20.507	<u>\$ 348,052</u>

KOSCIUSKO COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Qualified

Internal control over financial reporting:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Noncompliance material to financial statements noted?	no
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Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

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

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

CFDA Number	Name of Federal Program or Cluster
93.563	Child Support Enforcement

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

Auditee qualified as low-risk auditee?	yes
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Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

KOSCIUSKO COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

KOSCIUSKO COUNTY
EXIT CONFERENCE

The contents of this report were discussed on October 6, 2009, with Marsha McSherry, Auditor; Ronald Robinson, County Administrator; and Robert Conley, President of the Board of County Commissioners.