

**STATE BOARD OF ACCOUNTS  
302 West Washington Street  
Room E418  
INDIANAPOLIS, INDIANA 46204-2765**

ANNUAL FINANCIAL REPORT

2005

LAKE COUNTY, INDIANA



**FILED**

11/29/2006



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## SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Stephen R. Stiglich	01-01-03 to 07-28-05
	Judith Companik (Interim)	07-29-05 to 09-25-05
	Peggy Holinga Katona	09-26-05 to 12-31-06
Treasurer	Peggy Holinga Katona	01-01-03 to 09-25-05
	Irene Holinga (Interim)	09-26-05 to 11-20-05
	John E. Petalas	11-21-05 to 12-31-06
Clerk of the Circuit Court	Thomas R. Philpot	01-01-04 to 12-31-07
Sheriff	Roy Dominguez	01-01-03 to 12-31-06
Recorder	Michael A. Brown	01-01-05 to 12-31-08
President of the Board of County Commissioners	Gerry J. Scheub	01-01-05 to 12-31-05
	Rudolph Clay	01-01-06 to 04-07-06
	Frances DuPey	04-08-06 to 05-16-06
	Gerry J. Scheub	05-17-06 to 12-31-06
President of the County Council	Will A. Smith, Jr.	01-01-05 to 12-31-06



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF LAKE COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lake County (County), as of and for the year ended December 31, 2005, 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. The basis of accounting noted above is a different basis than that used in the prior year.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 2005, 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 September 28, 2006, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Our report on compliance and on internal control over financial reporting should be read along with this report.

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

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

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 Debt are presented for additional analysis and are not a required part 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 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

September 28, 2006



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF LAKE COUNTY, INDIANA

We have audited the financial statements of Lake County (County), as of and for the year ended December 31, 2005, and have issued our report thereon dated September 28, 2006. 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.

Compliance

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 grants, 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 that are required to be reported under Government Auditing Standards.

We noted certain immaterial instances of noncompliance that we have discussed with the management of the County on October 16, 2006. These immaterial instances of noncompliance were subsequently communicated to management in a separate letter.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

We noted other matters involving the internal control over financial reporting that we have discussed with the management of the County on October 16, 2006. These immaterial instances of noncompliance were subsequently communicated to management in a separate letter.

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

September 28, 2006

LAKE COUNTY  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For The Year Ended December 31, 2005

Functions/Programs	Program Receipts				Net (Disbursement) Receipt and Changes in Net Assets		
	Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 158,857,954	\$ 8,935,578	\$ 7,374,030	\$ -	\$ (142,548,346)	\$ -	\$ (142,548,346)
Public safety	54,465,303	4,682,395	12,034,660	-	(37,748,248)	-	(37,748,248)
Highways and streets	9,320,889	-	5,675,090	919,245	(2,726,554)	-	(2,726,554)
Health and welfare	119,904,093	222,544	20,034,329	-	(99,647,220)	-	(99,647,220)
Culture and recreation	49,298,674	-	5,214	53,298	(49,240,162)	-	(49,240,162)
Urban redevelopment and housing	6,807,732	5,301,830	2,313,779	-	807,877	-	807,877
Interest on long-term debt	3,390,468	-	-	-	(3,390,468)	-	(3,390,468)
Total governmental activities	<u>402,045,113</u>	<u>19,142,347</u>	<u>47,437,102</u>	<u>972,543</u>	<u>(334,493,121)</u>	<u>-</u>	<u>(334,493,121)</u>
Business-type activities:							
Wastewater	168,007	140,848	-	-	-	(27,159)	(27,159)
Total primary government	<u>\$ 402,213,120</u>	<u>\$ 19,283,195</u>	<u>\$ 47,437,102</u>	<u>\$ 972,543</u>	<u>(334,493,121)</u>	<u>(27,159)</u>	<u>(334,520,280)</u>
General receipts:							
Property taxes					236,241,185	-	236,241,185
Inheritance taxes					871,394	-	871,394
Excise taxes					38,938,359	-	38,938,359
FIT taxes					1,466,411	-	1,466,411
Franchise fees					154,915	-	154,915
Gaming taxes					12,910,872	-	12,910,872
Refunds and reimbursements					2,199,867	-	2,199,867
Other					661,142	-	661,142
Bonds and loans					41,441,290	-	41,441,290
Unrestricted investment earnings					7,569,662	-	7,569,662
Total general receipts					<u>342,455,097</u>	<u>-</u>	<u>342,455,097</u>
Change in net assets					7,961,976	(27,159)	7,934,817
Net assets - beginning					<u>120,801,446</u>	<u>38,120</u>	<u>120,839,566</u>
Net assets - ending					<u>\$ 128,763,422</u>	<u>\$ 10,961</u>	<u>\$ 128,774,383</u>
<b>Assets</b>							
Cash and investments					\$ 73,595,695	\$ 10,051	\$ 73,605,746
Cash with fiscal agent					310,621	-	310,621
Restricted assets:							
Cash and investments					<u>54,857,106</u>	<u>910</u>	<u>54,858,016</u>
Total assets					<u>\$ 128,763,422</u>	<u>\$ 10,961</u>	<u>\$ 128,774,383</u>
<b>Net Assets</b>							
Restricted for:							
Public safety					\$ 4,131,918	\$ -	\$ 4,131,918
Highways and streets					13,774,239	-	13,774,239
Health and welfare					1,871,748	-	1,871,748
Culture and recreation					8,535,059	-	8,535,059
Urban redevelopment and housing					42,093	-	42,093
Debt service					10,048,757	910	10,049,667
Other purposes					16,453,292	-	16,453,292
Unrestricted					<u>73,906,316</u>	<u>10,051</u>	<u>73,916,367</u>
Total net assets					<u>\$ 128,763,422</u>	<u>\$ 10,961</u>	<u>\$ 128,774,383</u>

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

LAKE COUNTY  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
GOVERNMENTAL FUNDS  
For The Year Ended December 31, 2005

	General	Welfare Family and Children	Other Governmental Funds	Totals
<b>Receipts:</b>				
Taxes	\$ 120,263,880	\$ 84,142,148	\$ 32,706,552	\$ 237,112,580
Licenses and permits	84,250	-	367,231	451,481
Intergovernmental	32,464,218	22,734,575	39,704,148	94,902,941
Charges for services	3,249,736	-	10,770,536	14,020,272
Fines and forfeits	2,310,012	-	2,143,138	4,453,150
Other	<u>8,973,749</u>	<u>3,951,364</u>	<u>2,146,802</u>	<u>15,071,915</u>
<b>Total receipts</b>	<u>167,345,845</u>	<u>110,828,087</u>	<u>87,838,407</u>	<u>366,012,339</u>
<b>Disbursements:</b>				
General government	92,884,389	-	10,079,580	102,963,969
Public safety	32,101,287	-	17,734,130	49,835,417
Highways and streets	-	-	7,477,881	7,477,881
Health and welfare	1,489,559	84,609,681	1,785,337	87,884,577
Culture and recreation	198,627	-	9,170,179	9,368,806
Urban redevelopment and housing	-	-	2,307,532	2,307,532
Debt service:				
Principal	-	-	35,721,148	35,721,148
Interest	-	-	3,396,135	3,396,135
Capital outlay:				
General government	-	-	1,870,523	1,870,523
Highways and streets	-	-	1,731,847	1,731,847
Culture and recreation	-	-	12,402,810	12,402,810
Urban redevelopment and housing	-	-	1,207	1,207
<b>Total disbursements</b>	<u>126,673,862</u>	<u>84,609,681</u>	<u>103,678,309</u>	<u>314,961,852</u>
<b>Excess (deficiency) of receipts over disbursements</b>	<u>40,671,983</u>	<u>26,218,406</u>	<u>(15,839,902)</u>	<u>51,050,487</u>
<b>Other financing sources (uses)</b>				
Bond proceeds	-	-	41,441,290	41,441,290
TAW issued	80,977,133	49,000,000	-	129,977,133
TAW repaid	(127,769,237)	(80,945,268)	(2,000,000)	(210,714,505)
Interfund loans received	-	-	3,630,000	3,630,000
Interfund loans repaid	-	-	(10,810,000)	(10,810,000)
Transfers in	5,700,000	-	19,766,837	25,466,837
Transfers out	-	-	(25,466,837)	(25,466,837)
<b>Total other financing sources (uses)</b>	<u>(41,092,104)</u>	<u>(31,945,268)</u>	<u>26,561,290</u>	<u>(46,476,082)</u>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<u>(420,121)</u>	<u>(5,726,862)</u>	<u>10,721,388</u>	<u>4,574,405</u>
<b>Cash and investment fund balance - beginning</b>	<u>16,758,753</u>	<u>29,946,659</u>	<u>58,410,018</u>	<u>105,115,430</u>
<b>Cash and investment fund balance - ending</b>	<u>\$ 16,338,632</u>	<u>\$ 24,219,797</u>	<u>\$ 69,131,406</u>	<u>109,689,835</u>
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.				<u>19,073,587</u>
<b>Net assets of governmental activities</b>				<u>\$ 128,763,422</u>

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

LAKE COUNTY  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
GOVERNMENTAL FUNDS  
For The Year Ended December 31, 2005  
(Continued)

	General	Welfare Family and Children	Other Governmental Funds	Totals
<u>Cash and Investment Assets - December 31</u>				
Cash and investments	\$ 16,338,632	\$ 24,219,797	\$ 14,274,300	\$ 54,832,729
Restricted assets:				
Cash and investments	-	-	54,857,106	54,857,106
Total cash and investment assets - December 31	<u>\$ 16,338,632</u>	<u>\$ 24,219,797</u>	<u>\$ 69,131,406</u>	<u>\$ 109,689,835</u>
<u>Cash and Investment Fund Balance - December 31</u>				
Restricted for:				
Public safety	\$ -	\$ -	\$ 4,131,918	\$ 4,131,918
Highways and streets	-	-	13,774,239	13,774,239
Health and welfare	-	-	1,871,748	1,871,748
Culture and recreation	-	-	8,535,059	8,535,059
Urban redevelopment and housing	-	-	42,093	42,093
Debt service	-	-	10,048,757	10,048,757
Other purposes	-	-	16,453,292	16,453,292
Unrestricted	<u>16,338,632</u>	<u>24,219,797</u>	<u>14,274,300</u>	<u>54,832,729</u>
Total cash and investment fund balance - December 31	<u>\$ 16,338,632</u>	<u>\$ 24,219,797</u>	<u>\$ 69,131,406</u>	<u>\$ 109,689,835</u>

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

LAKE COUNTY  
STATEMENT OF ASSETS AND FUND BALANCES AND  
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES  
CASH AND INVESTMENT BASIS  
PROPRIETARY FUNDS  
As of and for the Year Ended December 31, 2005

	Wastewater Utility	Internal Service Funds
Operating receipts:		
Flat rate receipts	\$ 140,848	\$ -
Insurance proceeds - employer	-	22,880,250
Insurance proceeds - employee	-	2,443,466
Rental revenue	-	2,606,000
Other	-	26,583
Total operating receipts	140,848	27,956,299
Operating disbursements:		
Cost of sales and services	-	15,169
Material and supplies	1,773	-
Contractual services	125,437	-
Insurance disbursements	-	28,454,714
Total operating disbursements	127,210	28,469,883
Excess (deficiency) of operating receipts over operating disbursements	13,638	(513,584)
Nonoperating receipts (disbursements):		
Disbursements made on behalf of fund 353, Park District Bonds 1993, for park construction items to be repaid in 2006	-	(761,923)
Interest and investment receipts	-	83,411
Debt service of principal	(24,351)	(1,740,000)
Interest and investment disbursement	(16,446)	(860,333)
Total nonoperating receipts (disbursements)	(40,797)	(3,278,845)
Deficiency of receipts over disbursements and nonoperating receipts (disbursements)	(27,159)	(3,792,429)
Temporary loan received	-	10,610,000
Temporary loan repaid	-	(3,430,000)
Excess (deficiency) of receipts and temporary loan sources over disbursements and temporary loan uses	(27,159)	3,387,571
Cash and investment fund balance - beginning	38,120	15,686,016
Cash and investment fund balance - ending	\$ 10,961	\$ 19,073,587
<u>Cash and Investment Assets - December 31</u>		
Cash and investments	\$ 10,051	\$ 18,762,966
Cash with fiscal agent	-	310,621
Restricted assets:		
Cash and investments	910	-
Total cash and investment assets - December 31	\$ 10,961	\$ 19,073,587
<u>Cash and Investment Fund Balance - December 31</u>		
Restricted for:		
Debt service	\$ 910	\$ -
Unrestricted	10,051	19,073,587
Total cash and investment fund balance - December 31	\$ 10,961	\$ 19,073,587

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

LAKE COUNTY  
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
FIDUCIARY FUNDS  
For The Year Ended December 31, 2005

	Pension Trust Fund	Private-Purpose Trust Fund	Agency Funds
Additions:			
Contributions:			
Employer	\$ 2,101,896	\$ -	\$ -
Plan members	<u>273,149</u>	<u>-</u>	<u>-</u>
Total contributions	<u>2,375,045</u>	<u>-</u>	<u>-</u>
Investment earnings:			
Interest	<u>1,094,809</u>	<u>897</u>	<u>-</u>
Agency fund additions	<u>-</u>	<u>-</u>	<u>2,774,983,644</u>
Total additions	<u>3,469,854</u>	<u>897</u>	<u>2,774,983,644</u>
Deductions:			
Benefits	3,775,555	-	-
Refunds of contributions	-	1,359	-
Administrative and general	30,685	-	-
Agency fund deductions	<u>-</u>	<u>-</u>	<u>2,853,125,899</u>
Total deductions	<u>3,806,240</u>	<u>1,359</u>	<u>2,853,125,899</u>
Deficiency of total additions over total deductions	(336,386)	(462)	(78,142,255)
Cash and investment fund balance - beginning	<u>22,034,620</u>	<u>35,462</u>	<u>192,269,158</u>
Cash and investment fund balance - ending	<u>\$ 21,698,234</u>	<u>\$ 35,000</u>	<u>\$ 114,126,903</u>

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

LAKE COUNTY  
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

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

Blended Component Units

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

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

LAKE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Joint Venture

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

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

The County is a participant with the State of Indiana and Porter County in a joint venture to operate the Regional Development Authority (RDA), which was created as a planning and development agency for Northwest Indiana in the areas of rail, bus service, airport, and Lake Michigan shoreline renovation. RDA is in the organizing phase. No separate financial statements are available.

Related Organizations

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

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

Fund Financial Statements

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

LAKE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

The County reports the following major governmental funds:

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

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

The County reports the following major proprietary fund:

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

Additionally, the County reports the following fund types:

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

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

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

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

LAKE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

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

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

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Capital Assets

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

3. Long-Term Debt

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

4. Equity Classification

Government-Wide Statements

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

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

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

LAKE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

F. Internal and Interfund Balances and Activities

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

Fund Financial Statements

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

Government-Wide Financial Statements

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

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

LAKE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

On or before August 31, 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. Disbursements in Excess of Appropriations

For the year ended December 31, 2005, disbursements exceeded budgeted appropriations in the following funds by the amounts below:

Fund	2005
General Fund-Commissioners Department	\$ 500,689
Circuit Breaker Debt Service (325)	<u>636,661</u>
 Total	 <u>\$ 1,137,350</u>

These disbursements were funded by local property taxes, financial institutions tax and excise taxes.

C. Cash and Investment Balance Deficits

At December 31, 2005, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines and State statute:

Fund	2005
Circuit Breaker Debt Service Fund	<u>\$ 666,077</u>

LAKE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Cash and investment deficits arose primarily from disbursements exceeding receipts due to the underestimate of current requirements; these deficits are to be repaid from future receipts.

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision balances. The balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

2. Investments

Authorization for investment activity is stated in Indiana Code 5-13. The Sheriff's Merit Board has established an investment policy for the Lake County Police Retirement Plan and Benefit Plan (Plans). This investment policy outlines parameters for investment activity for the Plans. As of December 31, 2005, the County had the following investments:

Investment Type	Primary Government Market Value	Lake County Police Retirement Plan and Benefit Plan Market Value
U.S. Treasuries and Securities	\$ -	\$ 160,149
U.S. Agencies	2,083,124	642,392
Mutual Funds	-	14,982,178
Corporate Stock	-	3,354,693
Corporate Bonds	-	733,945
Repurchase Agreements	-	1,358,666
Totals	<u>\$ 2,083,124</u>	<u>\$ 21,232,023</u>

Investment Policies

Indiana Code 5-13-9 authorizes the County to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the unit 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.

LAKE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

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

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

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The County does not have a formal investment policy for custodial credit risk for investments. At December 31, 2005, the County held investments in Government Securities in the amount of \$2,083,124. Of these investments \$2,083,124 are held by the counterparty's trust department or agent but not in the County's name.

The Sheriff's Merit Board has not adopted an investment policy for custodial credit risk for investments. At December 31, 2005, the Lake County Police Retirement Plan and Benefit Plan (Plans) held investments in Government Securities, Corporate Equity, Corporate Debt, and Mutual Funds in the amount of \$21,232,023. Of these investments \$9,661,880 are held by the counterparty's trust department or agent but not in the Plans' name.

Interest Rate Risk

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

LAKE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

Primary Government

Investment Type	Investment Maturity (in years) <u>Less Than 1</u>
U.S. Agencies	\$ 2,083,124

Lake County Police Retirement Plan and Benefit Plan

Investment Type	Investment Maturities (in Years)		
	Less Than 1	1-2	More Than 2
U.S. Treasuries and Securities	\$ 59,722	\$ -	\$ 100,427
U.S. Agencies	199,453	-	442,939
Mutual Funds*	-	-	14,982,178
Corporate Stock	-	-	3,354,693
Corporate Bonds	24,813	148,392	560,740
Repurchase Agreements	1,358,666	-	-
Totals	<u>\$ 1,642,654</u>	<u>\$ 148,392</u>	<u>\$ 19,440,977</u>

\*Since the mutual fund investments were not disclosed, we were unable to determine a weighted average maturity.

Credit Risk

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

Standard and Poor's Rating	Primary Government's Investments <u>Government Sponsored Enterprise</u>
Unrated	<u>\$ 2,083,124</u>

LAKE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Standard and Poor's Rating	<u>Lake County Police Retirement Plan and Benefit Plan's Investments</u>			
	Mutual Funds	Corporate Bonds	Corporate Stock	Government Sponsored Enterprise
AAA	\$ -	\$ 207,108	\$ 52,743	\$ 423,713
AA	-	182,533	229,392	68,446
A	-	30,298	793,647	150,233
BBB	-	15,227	571,859	-
BB	-	256,197	289,840	-
B	-	4,473	221,596	-
CCC	-	25,000	-	-
Unrated	<u>5,320,298</u>	<u>13,109</u>	<u>1,195,616</u>	<u>-</u>
Totals	<u>\$ 5,320,298</u>	<u>\$ 733,945</u>	<u>\$ 3,354,693</u>	<u>\$ 642,392</u>

Concentration of Credit Risk

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

The Sheriff's Merit Board has not adopted a policy for the concentration of credit risk. More than 5% of the Sheriff's Retirement and Benefit investments are through Securian Retirement Services, a business unit of Minnesota Life Insurance Company. This investment represents 45.5% of the total investments.

B. Interfund Transfers

Interfund transfers for the year ended December 31, 2005, were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>2005</u>
Other governmental	General fund	\$ 5,700,000
	Other governmental	<u>19,766,837</u>
Total		<u>\$ 25,466,837</u>

The County typically uses transfers to fund ongoing operating subsidies and to transfer the portion of state-shared revenues from the General Fund to the debt service fund for current-year debt service requirements.

C. Restatements and Reclassifications

Indiana Code 6-9-2 was updated by Public Law 168-2005 which was effective July 1, 2005. This part of the Indiana Code concerns the Lake County Convention and Visitors Bureau (LCCVB). The new law changed how the LCCVB is reported as it relates to Lake County. In the past, several funds

LAKE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

held at the LCCVB were added to the one fund on the County's records and reported as part of the Lake County audit. The County did have to approve the LCCVB budget each year. Under the new law, the LCCVB is now a related organization. The County now has no LCCVB funds except for a pay-roll service agency fund. The County only appoints 4 of the 15 members of the LCCVB board of directors. The LCCVB budget is no longer under the control of the County. Because of the change in the law, the LCCVB funds that had been held at LCCVB of \$3,289,982 were restated as of January 1, 2005, at zero. The balances at July 1, when the law was effective, were not available. The LCCVB fund on the County's records was reclassified from a special revenue fund to an agency fund of \$123,990 as of January 1, 2005.

For the year ended December 31, 2005, certain changes have been made to the financial statements to more appropriately reflect financial activity of the County. The following schedule presents a summary of restated beginning balances by opinion unit. Fund reclassification represents funds which were reclassified to more accurately reflect the purpose of the fund. These include the LCCVB fund of \$123,990 shown in the prior paragraph and \$65 for another special revenue fund now considered an agency fund. New Funds represents the inclusion of one existing fund which was not presented in the prior report. This fund is a \$12 agency fund. Prior period adjustments represent a decrease of \$3,289,982 to the governmental funds due to the change in the LCCVB law as stated in the prior paragraph. An increase of \$386,590 to the beginning balance of the Sheriff's Commissary Fund, a special revenue fund, is due to an existing bank account that was not reported in the prior year.

Opinion Unit	Balance as Reported December 31, 2004	Fund Reclassification	New Funds	Prior Period Adjustments	Balance as Restated January 1, 2005
Governmental Funds	\$ 108,142,876	\$ (124,055)	\$ -	\$ (2,903,391)	\$ 105,115,430
Agency Funds	192,145,091	124,055	12	-	192,269,158

IV. Other Information

A. Risk Management

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

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

Group Health Insurance and Workmen's Compensation

The County has chosen to establish a risk financing fund for risks associated with medical benefits to employees, retirees, and dependents (excluding post employment benefits) and job related illnesses or injuries. The risk financing fund is accounted for in the Health Insurance Reserve Fund, an internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$275,000, but not more than \$1,000,000 per year, per

LAKE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

employee. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. Interfund premiums are paid into the fund by all affected funds and are available to pay claims, claim reserves, and administrative costs of the program. The total charge allocated to each of the funds is calculated upon the percentage of each fund's current payroll, as it relates to total payroll. Provisions are also made for unexpected and unusual claims.

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

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

	<u>2004</u>	<u>2005</u>
Unpaid claims, beginning of fiscal year	\$ 3,593,385	\$ 5,263,490
Incurred claims and changes in estimates	22,470,459	25,375,435
Claim payments	<u>20,800,354</u>	<u>24,780,550</u>
Unpaid claims, end of fiscal year	<u>\$ 5,263,490</u>	<u>\$ 5,858,375</u>

General Liability

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

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

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

	<u>2004</u>	<u>2005</u>
Unpaid claims, beginning of fiscal year	\$ 1,975,000	\$ 2,800,000
Incurred claims and changes in estimates	2,558,879	3,003,978
Claim payments	<u>1,733,879</u>	<u>3,503,978</u>
Unpaid claims, end of fiscal year	<u>\$ 2,800,000</u>	<u>\$ 2,300,000</u>

LAKE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Park and Recreation Department

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

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

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

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

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

	2004	2005
Unpaid claims, beginning of fiscal year	\$ 1,863	\$ 57
Incurred claims and changes in estimates	304,233	170,186
Claim payments	306,039	170,243
Unpaid claims, end of fiscal year	\$ 57	\$ -

B. Building Corporation

The County has entered into a capital lease with Lake County 2000 Building Corporation (the lessor), a blended component unit of the government. The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the County. The term of the lease is 12 years with annual lease payments of \$2,512,000 to \$2,618,000. Lease payments during 2005 totaled \$2,606,000. The Building Corporation is a blended component unit as described in Note I. A., and is presented as an internal service fund on the proprietary fund statements and as a governmental fund on the government wide statements.

C. Subsequent Events

On March 14, 2006, Resolution 06-41 approved the preliminary determination to issue general obligation bonds concerning the County highway garage. The principal is not to exceed \$5,000,000.

On April 11, 2006, Ordinance 1274D authorized a tax anticipation warrant temporary loan for the General Fund during 2006 of \$44,000,000. The debt is due December 29, 2006.

LAKE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

On July 11, 2006, Resolution 06-77 approved the issuance of general obligation judgment funding bonds not to exceed \$1,500,000 to fund certain judgments and settlements entered against the County. The bonds are expected to mature no later than December 31, 2012.

The Parks and Recreation Department has pledged \$100,000 to the Grand Kankakee Habitat Restoration Project. The contribution will not be made until an appropriate property has been identified, appraised, and approved for purchase.

The County entered into and received a property tax settlement from BP Amoco in August 2006 in the amount of \$8,800,000. This settlement covers personal property tax disputes for the 2000 pay 2001, 2001 pay 2002, and 2002 pay 2003 tax years. This settlement affects all taxing units in East Chicago, Hammond, and Whiting. The County will distribute these funds with the spring property tax settlement in October 2006. The cities of East Chicago, Hammond and Whiting have agreed to reimburse the County General Fund a total of \$150,000 towards various fees incurred in the settlement, including attorney fees, from their respective distributions. Personal property tax payments from BP Amoco have not been disputed for any subsequent tax years.

Property tax rates and levies were not established by the Indiana Department of Local Government Finance as of February 15, 2006, as required by statute, due to the continued delay caused by the reassessment of Lake County. The 2005 pay 2006 property tax bills were mailed out on August 1, 2006, with the first installment due August 29, 2006, and the second installment due November 14, 2006.

D. Postemployment Benefits

In addition to the pension benefits described below, the County provides postemployment health insurance benefits, as authorized by Indiana Code 5-10-8, to all employees who retire from the County with at least 20 years of service and elect to enroll into the program. Currently, 349 retirees meet these eligibility requirements. The monthly premium amount paid by the retirees is determined by the number of years of service and retirees age. For retirees on the single plan, the County provides between 74% and 100% of these postemployment benefits. For retirees on the family plan, the County provides between 74% and 100% of these postemployment benefits. Disbursements for post-employment benefits cannot be reasonably estimated.

E. Administration of Welfare Programs

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

F. Rate Structure – Enterprise Fund

Wastewater Utility

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

LAKE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

G. Pension Plans

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

1. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

2. County Police Retirement Plan

Plan Description

The County contributes to the County Police Retirement Plan, which is a single-employer defined benefit pension plan. With the approval of the County's fiscal body, the plan is administered by the sheriff's department and an appointed trustee as authorized by state statute (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.

LAKE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

3. County Police Benefit Plan

Plan Description

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

Funding Policy and Annual Pension Cost

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

Actuarial Information for the Above Plans

	<u>PERF</u>	<u>County Police Retirement Plan</u>	<u>County Police Benefit Plan</u>
Annual required contribution	\$ 2,782,417	\$ 1,518,153	\$ 519,392
Interest on net pension obligation	(46,464)	(82,371)	-
Adjustment to annual required contribution	<u>52,949</u>	<u>156,451</u>	<u>-</u>
Annual pension cost	2,788,902	1,592,233	519,392
Contributions made	<u>2,438,355</u>	<u>1,582,504</u>	<u>519,392</u>
Increase in net pension obligation	350,547	9,729	-
Net pension obligation, beginning of year	<u>(640,881)</u>	<u>(1,098,283)</u>	<u>-</u>
Net pension obligation, end of year	<u>\$ (290,334)</u>	<u>\$ (1,088,554)</u>	<u>\$ -</u>

LAKE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

	PERF	County Police Retirement Plan	County Police Benefit Plan
Contribution rates:			
County	5.3%	25%	8%
Plan members	3%	6%	None
Actuarial valuation date	07-01-05	01-01-06	01-01-06
Actuarial cost method	Entry age	Frozen Initial Liability	Aggregate
Amortization method	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed	*
Amortization period	40 years	40 years	*
Amortization period (from date)	07-01-97	12-31-97	*
Asset valuation method	4 year smoothed market	75% of expected actuarial value plus 25% of market value	75% of expected actuarial value plus 25% of market value

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

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

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-03	\$ 2,615,061	77%	\$ (830,821)
	06-30-04	2,400,836	92%	(640,881)
	06-30-05	2,788,902	102%	(290,334)
County Police Retirement Plan	12-31-03	1,314,061	112%	(1,056,570)
	12-31-04	1,459,968	103%	(1,098,283)
	12-31-05	1,592,233	99%	(1,088,554)
County Police Benefit Plan	12-31-03	426,332	100%	-
	12-31-04	488,319	100%	-
	12-31-05	519,392	100%	-

LAKE COUNTY  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-03	\$ 50,411,410	\$ 50,799,619	\$ (388,209)	99%	\$ 52,219,309	(1%)
07-01-04	50,793,044	54,380,711	(3,587,667)	93%	52,949,900	(7%)
07-01-05	52,715,316	61,639,379	(8,924,063)	86%	52,436,508	(17%)

County Police Retirement Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-01	\$ 17,454,105	\$ 21,365,010	\$ (3,910,905)	82%	\$ 6,377,867	(61%)
01-01-02	18,626,807	22,278,453	(3,651,646)	84%	6,318,977	(58%)
01-01-03	18,414,220	21,763,724	(3,349,504)	85%	6,114,013	(55%)
01-01-04	20,005,163	23,062,964	(3,057,801)	87%	6,455,841	(47%)
01-01-05	17,564,286	20,440,346	(2,876,060)	86%	6,197,724	(46%)
01-01-06	17,114,527	24,641,653	(7,527,126)	69%	6,417,006	(117%)

LAKE COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2005

	County Highway	Infraction Deferral Program	County Health	Unsafe Building	Parks and Recreation Operating	County Drug Free Community	NSF Service Fee Charge	Local Road and Street
<b>Receipts:</b>								
Taxes	\$ -	\$ -	\$ 2,150,214	\$ -	\$ 4,560,231	\$ -	\$ -	\$ -
Licenses and permits	-	-	194,199	-	-	-	-	-
Intergovernmental	5,675,090	-	544,093	-	585,771	-	-	893,944
Charges for services	-	-	272,541	-	2,380,929	-	-	-
Fines and forfeits	-	546,086	-	-	-	398,977	2,885	-
Other	154,789	3,808	1,168	-	12,356	34,224	-	16,357
<b>Total receipts</b>	<b>5,829,879</b>	<b>549,894</b>	<b>3,162,215</b>	<b>-</b>	<b>7,539,287</b>	<b>433,201</b>	<b>2,885</b>	<b>910,301</b>
<b>Disbursements:</b>								
General government	-	602,761	-	-	-	-	1,731	-
Public safety	-	-	-	-	-	387,038	-	-
Highways and streets	5,628,254	-	-	-	-	-	-	663,263
Health and welfare	-	-	1,768,145	-	-	-	-	-
Culture and recreation	-	-	-	-	6,307,457	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Capital outlay:								
General government	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>5,628,254</b>	<b>602,761</b>	<b>1,768,145</b>	<b>-</b>	<b>6,307,457</b>	<b>387,038</b>	<b>1,731</b>	<b>663,263</b>
Excess (deficiency) of receipts over disbursements	201,625	(52,867)	1,394,070	-	1,231,830	46,163	1,154	247,038
<b>Other financing sources (uses)</b>								
Bond proceeds	-	-	-	-	-	-	-	-
TAW repaid	-	-	-	-	-	-	-	-
Interfund loans received	-	-	500,000	-	1,330,000	-	-	-
Interfund loans repaid	-	-	(800,000)	-	(4,330,000)	-	-	-
Transfers in	-	-	-	-	3,000,000	-	-	-
Transfers out	-	-	-	-	(176,305)	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(300,000)</b>	<b>-</b>	<b>(176,305)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	201,625	(52,867)	1,094,070	-	1,055,525	46,163	1,154	247,038
Cash and investment fund balance - beginning	2,205,265	1,008,224	672,130	47,600	1,416,914	298,860	21,214	2,095,453
Cash and investment fund balance - ending	<u>\$ 2,406,890</u>	<u>\$ 955,357</u>	<u>\$ 1,766,200</u>	<u>\$ 47,600</u>	<u>\$ 2,472,439</u>	<u>\$ 345,023</u>	<u>\$ 22,368</u>	<u>\$ 2,342,491</u>
<b>Cash and Investment Assets - December 31</b>								
Cash and investments	\$ -	\$ 955,357	\$ -	\$ -	\$ 2,472,439	\$ -	\$ 22,368	\$ -
Restricted assets:								
Cash and investments	2,406,890	-	1,766,200	47,600	-	345,023	-	2,342,491
<b>Total cash and investment assets - December 31</b>	<u>\$ 2,406,890</u>	<u>\$ 955,357</u>	<u>\$ 1,766,200</u>	<u>\$ 47,600</u>	<u>\$ 2,472,439</u>	<u>\$ 345,023</u>	<u>\$ 22,368</u>	<u>\$ 2,342,491</u>
<b>Cash and Investment Fund Balance - December 31</b>								
Restricted for:								
Public safety	\$ -	\$ -	\$ -	\$ 47,600	\$ -	\$ 345,023	\$ -	\$ -
Highways and streets	2,406,890	-	-	-	-	-	-	2,342,491
Health and welfare	-	-	1,766,200	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-	-
Unrestricted	-	955,357	-	-	2,472,439	-	22,368	-
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 2,406,890</u>	<u>\$ 955,357</u>	<u>\$ 1,766,200</u>	<u>\$ 47,600</u>	<u>\$ 2,472,439</u>	<u>\$ 345,023</u>	<u>\$ 22,368</u>	<u>\$ 2,342,491</u>

LAKE COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2005  
 (Continued)

	Park Nonreverting Operating	Park Gift	Inmate Medical Fees	Sheriff's Commissary	Accident Report	Firearms Training	State Drunk Driving Fees	Elderly Abuse Program
Receipts:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	6,060	-	-
Intergovernmental	-	-	-	-	-	-	10,000	155,296
Charges for services	2,862,649	-	5,368	1,529,374	11,525	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Other	4,955	3,964	-	-	-	-	-	-
<b>Total receipts</b>	<b>2,867,604</b>	<b>3,964</b>	<b>5,368</b>	<b>1,529,374</b>	<b>11,525</b>	<b>6,060</b>	<b>10,000</b>	<b>155,296</b>
Disbursements:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	3,309	1,532,574	-	-	4,196	153,993
Highways and streets	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-
Culture and recreation	2,802,400	1,004	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Capital outlay:								
General government	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>2,802,400</b>	<b>1,004</b>	<b>3,309</b>	<b>1,532,574</b>	<b>-</b>	<b>-</b>	<b>4,196</b>	<b>153,993</b>
Excess (deficiency) of receipts over disbursements	65,204	2,960	2,059	(3,200)	11,525	6,060	5,804	1,303
Other financing sources (uses)								
Bond proceeds	-	-	-	-	-	-	-	-
TAW repaid	-	-	-	-	-	-	-	-
Interfund loans received	-	-	-	-	-	-	-	-
Interfund loans repaid	(500,000)	-	-	-	-	-	-	-
Transfers in	500,000	-	-	-	-	-	-	-
Transfers out	(100,000)	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(100,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(34,796)	2,960	2,059	(3,200)	11,525	6,060	5,804	1,303
Cash and investment fund balance - beginning	566,610	42,233	3,954	422,758	44,924	8,408	11,117	35,692
Cash and investment fund balance - ending	<u>\$ 531,814</u>	<u>\$ 45,193</u>	<u>\$ 6,013</u>	<u>\$ 419,558</u>	<u>\$ 56,449</u>	<u>\$ 14,468</u>	<u>\$ 16,921</u>	<u>\$ 36,995</u>
<b>Cash and Investment Assets - December 31</b>								
Cash and investments	\$ 531,814	\$ 45,193	\$ 6,013	\$ 419,558	\$ 56,449	\$ -	\$ -	\$ -
Restricted assets:								
Cash and investments	-	-	-	-	-	14,468	16,921	36,995
<b>Total cash and investment assets - December 31</b>	<u>\$ 531,814</u>	<u>\$ 45,193</u>	<u>\$ 6,013</u>	<u>\$ 419,558</u>	<u>\$ 56,449</u>	<u>\$ 14,468</u>	<u>\$ 16,921</u>	<u>\$ 36,995</u>
<b>Cash and Investment Fund Balance - December 31</b>								
Restricted for:								
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,468	\$ 16,921	\$ 36,995
Highways and streets	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-	-
Unrestricted	531,814	45,193	6,013	419,558	56,449	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 531,814</u>	<u>\$ 45,193</u>	<u>\$ 6,013</u>	<u>\$ 419,558</u>	<u>\$ 56,449</u>	<u>\$ 14,468</u>	<u>\$ 16,921</u>	<u>\$ 36,995</u>

LAKE COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2005  
 (Continued)

	Nonreverting Operating Fairgrounds	1999 Reassessment	Pretrial Diversion	Community Corrections Fair Share	Community Corrections	Nonreverting RICO Seizure	DAG 71 Prosecutor's Nonreverting Federal	Supplemental Adult Probation Services
<b>Receipts:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	1,250	-	-	-	1,597,500	-	-	-
Charges for services	58,252	-	-	330,749	-	-	-	698,341
Fines and forfeits	-	-	129,197	-	-	26,696	75,548	-
Other	356	1,041	13	18,062	5,559	6,034	-	401
<b>Total receipts</b>	<b>59,858</b>	<b>1,041</b>	<b>129,210</b>	<b>348,811</b>	<b>1,603,059</b>	<b>32,730</b>	<b>75,548</b>	<b>698,742</b>
<b>Disbursements:</b>								
General government	-	-	54,107	-	-	-	-	-
Public safety	-	-	-	-	2,168,360	55,472	18,625	425,713
Highways and streets	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-
Culture and recreation	59,318	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Capital outlay:								
General government	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>59,318</b>	<b>-</b>	<b>54,107</b>	<b>-</b>	<b>2,168,360</b>	<b>55,472</b>	<b>18,625</b>	<b>425,713</b>
Excess (deficiency) of receipts over disbursements	540	1,041	75,103	348,811	(565,301)	(22,742)	56,923	273,029
<b>Other financing sources (uses)</b>								
Bond proceeds	-	-	-	-	-	-	-	-
TAW repaid	-	-	-	-	-	-	-	-
Interfund loans received	-	-	-	-	-	-	-	-
Interfund loans repaid	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	270,521	-	-	-
Transfers out	-	-	-	(322,675)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(322,675)</b>	<b>270,521</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	540	1,041	75,103	26,136	(294,780)	(22,742)	56,923	273,029
Cash and investment fund balance - beginning	14,278	-	443,375	293,911	457,978	508,538	8,558	1,254,839
Cash and investment fund balance - ending	<u>\$ 14,818</u>	<u>\$ 1,041</u>	<u>\$ 518,478</u>	<u>\$ 320,047</u>	<u>\$ 163,198</u>	<u>\$ 485,796</u>	<u>\$ 65,481</u>	<u>\$ 1,527,868</u>
<b>Cash and Investment Assets - December 31</b>								
Cash and investments	\$ 14,818	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:								
Cash and investments	-	1,041	518,478	320,047	163,198	485,796	65,481	1,527,868
<b>Total cash and investment assets - December 31</b>	<b>\$ 14,818</b>	<b>\$ 1,041</b>	<b>\$ 518,478</b>	<b>\$ 320,047</b>	<b>\$ 163,198</b>	<b>\$ 485,796</b>	<b>\$ 65,481</b>	<b>\$ 1,527,868</b>
<b>Cash and Investment Fund Balance - December 31</b>								
Restricted for:								
Public safety	\$ -	\$ -	\$ -	\$ 320,047	\$ 163,198	\$ 485,796	\$ 65,481	\$ 1,527,868
Highways and streets	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Other purposes	-	1,041	518,478	-	-	-	-	-
Unrestricted	14,818	-	-	-	-	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 14,818</b>	<b>\$ 1,041</b>	<b>\$ 518,478</b>	<b>\$ 320,047</b>	<b>\$ 163,198</b>	<b>\$ 485,796</b>	<b>\$ 65,481</b>	<b>\$ 1,527,868</b>

LAKE COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2005  
 (Continued)

	Supplemental Juvenile Probation Services	Nonreverting Property Seizure	Sheriff's Law Enforcement Continuing Education	Hazardous Substance	Misdemeanant Jail Housing	Health Maintenance	Sheriff's Alarms, Permits, and Fines	Spay and Neuter Assistance Program
Receipts:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	2	-	-	-	-	-
Intergovernmental	-	-	-	-	669,512	32,318	-	-
Charges for services	93,756	-	-	-	-	-	-	13,896
Fines and forfeits	-	126,952	-	-	-	-	9,629	-
Other	1,144	3,836	-	-	-	-	-	-
<b>Total receipts</b>	<b>94,900</b>	<b>130,788</b>	<b>2</b>	<b>-</b>	<b>669,512</b>	<b>32,318</b>	<b>9,629</b>	<b>13,896</b>
Disbursements:								
General government	-	-	-	-	-	-	-	9,293
Public safety	16,611	70,489	-	-	451,367	-	25,413	-
Highways and streets	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	17,192	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Capital outlay:								
General government	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>16,611</b>	<b>70,489</b>	<b>-</b>	<b>-</b>	<b>451,367</b>	<b>17,192</b>	<b>25,413</b>	<b>9,293</b>
Excess (deficiency) of receipts over disbursements	78,289	60,299	2	-	218,145	15,126	(15,784)	4,603
Other financing sources (uses)								
Bond proceeds	-	-	-	-	-	-	-	-
TAW repaid	-	-	-	-	-	-	-	-
Interfund loans received	-	-	-	-	-	-	-	-
Interfund loans repaid	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	78,289	60,299	2	-	218,145	15,126	(15,784)	4,603
Cash and investment fund balance - beginning	115,866	715,649	129	-	186,444	90,422	37,777	15,158
Cash and investment fund balance - ending	<u>\$ 194,155</u>	<u>\$ 775,948</u>	<u>\$ 131</u>	<u>\$ -</u>	<u>\$ 404,589</u>	<u>\$ 105,548</u>	<u>\$ 21,993</u>	<u>\$ 19,761</u>
<b>Cash and Investment Assets - December 31</b>								
Cash and investments	\$ -	\$ 775,948	\$ -	\$ -	\$ 404,589	\$ -	\$ 21,993	\$ 19,761
Restricted assets:								
Cash and investments	194,155	-	131	-	-	105,548	-	-
<b>Total cash and investment assets - December 31</b>	<b>\$ 194,155</b>	<b>\$ 775,948</b>	<b>\$ 131</b>	<b>\$ -</b>	<b>\$ 404,589</b>	<b>\$ 105,548</b>	<b>\$ 21,993</b>	<b>\$ 19,761</b>
<b>Cash and Investment Fund Balance - December 31</b>								
Restricted for:								
Public safety	\$ 194,155	\$ -	\$ 131	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	105,548	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-	-
Unrestricted	-	775,948	-	-	404,589	-	21,993	19,761
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 194,155</b>	<b>\$ 775,948</b>	<b>\$ 131</b>	<b>\$ -</b>	<b>\$ 404,589</b>	<b>\$ 105,548</b>	<b>\$ 21,993</b>	<b>\$ 19,761</b>

LAKE COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2005  
 (Continued)

	Juvenile Home Detention Grant	Juvenile Home Detention Project Income	Lake County Animal Shelter Nonreverting	Surveyor's Corner Perpetuation	Community Development Administration	Community Development County Home Program	Community Development Cities and Towns	Community Development Rehabilitation
Receipts:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	228,483	-	-	-	306,900	206,155	768,565	475,085
Charges for services	-	4,951	-	128,315	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Other	-	6	8,173	-	91,582	392,576	-	30,094
Total receipts	228,483	4,957	8,173	128,315	398,482	598,731	768,565	505,179
Disbursements:								
General government	-	-	-	96,446	-	-	-	-
Public safety	838,024	138	26,717	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	409,484	586,978	768,565	505,179
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Capital outlay:								
General government	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-	-
Total disbursements	838,024	138	26,717	96,446	409,484	586,978	768,565	505,179
Excess (deficiency) of receipts over disbursements	(609,541)	4,819	(18,544)	31,869	(11,002)	11,753	-	-
Other financing sources (uses)								
Bond proceeds	-	-	-	-	-	-	-	-
TAW repaid	-	-	-	-	-	-	-	-
Interfund loans received	-	-	-	-	-	-	-	-
Interfund loans repaid	-	-	-	-	-	-	-	-
Transfers in	52,154	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	52,154	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(557,387)	4,819	(18,544)	31,869	(11,002)	11,753	-	-
Cash and investment fund balance - beginning	780,376	7,319	31,276	224,587	11,002	3,564	-	462
Cash and investment fund balance - ending	\$ 222,989	\$ 12,138	\$ 12,732	\$ 256,456	\$ -	\$ 15,317	\$ -	\$ 462
<b>Cash and Investment Assets - December 31</b>								
Cash and investments	\$ -	\$ -	\$ 12,732	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:								
Cash and investments	222,989	12,138	-	256,456	-	15,317	-	462
Total cash and investment assets - December 31	\$ 222,989	\$ 12,138	\$ 12,732	\$ 256,456	\$ -	\$ 15,317	\$ -	\$ 462
<b>Cash and Investment Fund Balance - December 31</b>								
Restricted for:								
Public safety	\$ 222,989	\$ 12,138	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	15,317	-	462
Debt service	-	-	-	-	-	-	-	-
Other purposes	-	-	-	256,456	-	-	-	-
Unrestricted	-	-	12,732	-	-	-	-	-
Total cash and investment fund balance - December 31	\$ 222,989	\$ 12,138	\$ 12,732	\$ 256,456	\$ -	\$ 15,317	\$ -	\$ 462

LAKE COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2005  
 (Continued)

	Community Development REMP	Community Development FMHA	Recorder's Records Perpetuation	County Economic Revolving Loan	Nonreverting Sheriff's Federal Forfeiture	County Multi-Agency Task Force	Highway Safety Project Grant	State and County Nonreverting Fund (Sheriff)
<b>Receipts:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	618,685	-	-
Charges for services	-	-	554,200	-	-	-	-	-
Fines and forfeits	-	-	-	-	273,385	-	-	-
Other	7,070	-	-	142,026	200	1,418	240	1,024
<b>Total receipts</b>	<b>7,070</b>	<b>-</b>	<b>554,200</b>	<b>142,026</b>	<b>273,585</b>	<b>620,103</b>	<b>240</b>	<b>1,024</b>
<b>Disbursements:</b>								
General government	-	-	404,626	-	-	-	-	-
Public safety	-	-	-	-	83,167	588,973	-	-
Highways and streets	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Capital outlay:								
General government	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>-</b>	<b>404,626</b>	<b>-</b>	<b>83,167</b>	<b>588,973</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>7,070</b>	<b>-</b>	<b>149,574</b>	<b>142,026</b>	<b>190,418</b>	<b>31,130</b>	<b>240</b>	<b>1,024</b>
<b>Other financing sources (uses)</b>								
Bond proceeds	-	-	-	-	-	-	-	-
TAW repaid	-	-	-	-	-	-	-	-
Interfund loans received	-	-	-	-	-	-	-	-
Interfund loans repaid	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>7,070</b>	<b>-</b>	<b>149,574</b>	<b>142,026</b>	<b>190,418</b>	<b>31,130</b>	<b>240</b>	<b>1,024</b>
<b>Cash and investment fund balance - beginning</b>	<b>305,778</b>	<b>45,238</b>	<b>296,604</b>	<b>221,423</b>	<b>20,396</b>	<b>91,393</b>	<b>-</b>	<b>8,400</b>
<b>Cash and investment fund balance - ending</b>	<b>\$ 312,848</b>	<b>\$ 45,238</b>	<b>\$ 446,178</b>	<b>\$ 363,449</b>	<b>\$ 210,814</b>	<b>\$ 122,523</b>	<b>\$ 240</b>	<b>\$ 9,424</b>
<b>Cash and Investment Assets - December 31</b>								
Cash and investments	\$ 312,848	\$ 45,238	\$ -	\$ 363,449	\$ -	\$ -	\$ -	\$ 9,424
Restricted assets:								
Cash and investments	-	-	446,178	-	210,814	122,523	240	-
<b>Total cash and investment assets - December 31</b>	<b>\$ 312,848</b>	<b>\$ 45,238</b>	<b>\$ 446,178</b>	<b>\$ 363,449</b>	<b>\$ 210,814</b>	<b>\$ 122,523</b>	<b>\$ 240</b>	<b>\$ 9,424</b>
<b>Cash and Investment Fund Balance - December 31</b>								
Restricted for:								
Public safety	\$ -	\$ -	\$ -	\$ -	\$ 210,814	\$ 122,523	\$ 240	\$ -
Highways and streets	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Other purposes	-	-	446,178	-	-	-	-	-
Unrestricted	312,848	45,238	-	363,449	-	-	-	9,424
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 312,848</b>	<b>\$ 45,238</b>	<b>\$ 446,178</b>	<b>\$ 363,449</b>	<b>\$ 210,814</b>	<b>\$ 122,523</b>	<b>\$ 240</b>	<b>\$ 9,424</b>

LAKE COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2005  
 (Continued)

	Hazardous Substance Response Training	Special Vehicle Inspection	CDBG Recapture Loans	Public Works Tax Incentive	Auditor's Tax Incentive	Clerk's Record Perpetuation	Gambling Admission Tax Fund	Emergency Telephone System
<b>Receipts:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	43,795	-	-	-	-	-	12,910,872	2,247,922
Charges for services	-	1,340	-	-	120,370	93,851	-	1,073,214
Fines and forfeits	-	-	-	-	-	-	-	-
Other	1,414	-	49,186	-	3,502	-	49,065	10,924
<b>Total receipts</b>	<b>45,209</b>	<b>1,340</b>	<b>49,186</b>	<b>-</b>	<b>123,872</b>	<b>93,851</b>	<b>12,959,937</b>	<b>3,332,060</b>
<b>Disbursements:</b>								
General government	-	-	-	-	99,140	70,820	6,383,278	-
Public safety	42,642	-	-	-	-	-	-	2,298,861
Highways and streets	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Capital outlay:								
General government	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>42,642</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>99,140</b>	<b>70,820</b>	<b>6,383,278</b>	<b>2,298,861</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>2,567</b>	<b>1,340</b>	<b>49,186</b>	<b>-</b>	<b>24,732</b>	<b>23,031</b>	<b>6,576,659</b>	<b>1,033,199</b>
<b>Other financing sources (uses)</b>								
Bond proceeds	-	-	-	-	-	-	-	-
TAW repaid	-	-	-	-	-	-	-	-
Interfund loans received	-	-	-	-	-	-	-	-
Interfund loans repaid	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(7,698,519)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,698,519)</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>2,567</b>	<b>1,340</b>	<b>49,186</b>	<b>-</b>	<b>24,732</b>	<b>23,031</b>	<b>(1,121,860)</b>	<b>1,033,199</b>
Cash and investment fund balance - beginning	105,235	15,425	426,321	7	92,286	161,146	5,072,302	1,574,042
Cash and investment fund balance - ending	<u>\$ 107,802</u>	<u>\$ 16,765</u>	<u>\$ 475,507</u>	<u>\$ 7</u>	<u>\$ 117,018</u>	<u>\$ 184,177</u>	<u>\$ 3,950,442</u>	<u>\$ 2,607,241</u>
<b>Cash and Investment Assets - December 31</b>								
Cash and investments	\$ -	\$ 16,765	\$ 475,507	\$ 7	\$ 117,018	\$ -	\$ 3,950,442	\$ 2,607,241
Restricted assets:								
Cash and investments	107,802	-	-	-	-	184,177	-	-
<b>Total cash and investment assets - December 31</b>	<u>\$ 107,802</u>	<u>\$ 16,765</u>	<u>\$ 475,507</u>	<u>\$ 7</u>	<u>\$ 117,018</u>	<u>\$ 184,177</u>	<u>\$ 3,950,442</u>	<u>\$ 2,607,241</u>
<b>Cash and Investment Fund Balance - December 31</b>								
Restricted for:								
Public safety	\$ 107,802	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	184,177	-	-
Unrestricted	-	16,765	475,507	7	117,018	-	3,950,442	2,607,241
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 107,802</u>	<u>\$ 16,765</u>	<u>\$ 475,507</u>	<u>\$ 7</u>	<u>\$ 117,018</u>	<u>\$ 184,177</u>	<u>\$ 3,950,442</u>	<u>\$ 2,607,241</u>

LAKE COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2005  
 (Continued)

	Lake County HIDTA	Storm Water Maintenance and Sediment Control	Campaign Finance Enforcement	Division III Addiction Abuse	Jury Fees	ICJI - VNA Health and Family	Combined Task Force/HIDTA RICO Forfeiture	Combined Task Force IN-REM Forfeiture
<b>Receipts:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	3,034,466	-	-	-	-	-	400	-
Charges for services	-	26,204	-	932	-	-	-	-
Fines and forfeits	-	-	844	34,661	92,225	-	-	-
Other	4,076	-	-	-	160	-	-	-
<b>Total receipts</b>	<b>3,038,542</b>	<b>26,204</b>	<b>844</b>	<b>35,593</b>	<b>92,385</b>	<b>-</b>	<b>400</b>	<b>-</b>
<b>Disbursements:</b>								
General government	-	-	-	14,958	137,694	-	-	-
Public safety	3,129,211	32,959	-	-	-	-	4,596	2,080
Highways and streets	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Capital outlay:								
General government	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>3,129,211</b>	<b>32,959</b>	<b>-</b>	<b>14,958</b>	<b>137,694</b>	<b>-</b>	<b>4,596</b>	<b>2,080</b>
Excess (deficiency) of receipts over disbursements	(90,669)	(6,755)	844	20,635	(45,309)	-	(4,196)	(2,080)
<b>Other financing sources (uses)</b>								
Bond proceeds	-	-	-	-	-	-	-	-
TAW repaid	-	-	-	-	-	-	-	-
Interfund loans received	-	-	-	-	-	-	-	-
Interfund loans repaid	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(90,669)	(6,755)	844	20,635	(45,309)	-	(4,196)	(2,080)
Cash and investment fund balance - beginning	161,731	12,413	23,012	21,204	113,194	-	18,497	25,084
Cash and investment fund balance - ending	<u>\$ 71,062</u>	<u>\$ 5,658</u>	<u>\$ 23,856</u>	<u>\$ 41,839</u>	<u>\$ 67,885</u>	<u>\$ -</u>	<u>\$ 14,301</u>	<u>\$ 23,004</u>
<b>Cash and Investment Assets - December 31</b>								
Cash and investments	\$ -	\$ 5,658	\$ -	\$ 41,839	\$ -	\$ -	\$ 14,301	\$ 23,004
Restricted assets:								
Cash and investments	71,062	-	23,856	-	67,885	-	-	-
<b>Total cash and investment assets - December 31</b>	<u>\$ 71,062</u>	<u>\$ 5,658</u>	<u>\$ 23,856</u>	<u>\$ 41,839</u>	<u>\$ 67,885</u>	<u>\$ -</u>	<u>\$ 14,301</u>	<u>\$ 23,004</u>
<b>Cash and Investment Fund Balance - December 31</b>								
Restricted for:								
Public safety	\$ 71,062	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Other purposes	-	-	23,856	-	67,885	-	-	-
Unrestricted	-	5,658	-	41,839	-	-	14,301	23,004
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 71,062</u>	<u>\$ 5,658</u>	<u>\$ 23,856</u>	<u>\$ 41,839</u>	<u>\$ 67,885</u>	<u>\$ -</u>	<u>\$ 14,301</u>	<u>\$ 23,004</u>

LAKE COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2005  
 (Continued)

	County Police DARE	Division I LADOS	Division II LADOS	Law Enforcement Assistance Fund (LEAF)	County Child Advocacy	Division III Defensive Driving Fee Nonreverting	Court Improvement Grant	Local Rd and St 5% Riverboat Nonreverting Gambling
Receipts:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	2,500	2,500	-	-	-	-	-
Charges for services	-	-	-	-	-	16,200	-	-
Fines and forfeits	-	156,660	170,598	-	-	-	-	-
Other	24,878	573	544	-	600	-	-	1,525
<b>Total receipts</b>	<b>24,878</b>	<b>159,733</b>	<b>173,642</b>	<b>-</b>	<b>600</b>	<b>16,200</b>	<b>-</b>	<b>1,525</b>
Disbursements:								
General government	-	152,898	151,768	-	-	-	-	-
Public safety	30,432	-	-	-	-	9,432	-	-
Highways and streets	-	-	-	-	-	-	-	1,186,364
Health and welfare	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Capital outlay:								
General government	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>30,432</b>	<b>152,898</b>	<b>151,768</b>	<b>-</b>	<b>-</b>	<b>9,432</b>	<b>-</b>	<b>1,186,364</b>
Excess (deficiency) of receipts over disbursements	(5,554)	6,835	21,874	-	600	6,768	-	(1,184,839)
Other financing sources (uses)								
Bond proceeds	-	-	-	-	-	-	-	-
TAW repaid	-	-	-	-	-	-	-	-
Interfund loans received	-	-	-	-	-	-	-	-
Interfund loans repaid	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	1,165,191
Transfers out	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,165,191</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,554)	6,835	21,874	-	600	6,768	-	(19,648)
Cash and investment fund balance - beginning	11,033	92,244	84,361	-	6,085	14,748	78	309,548
Cash and investment fund balance - ending	\$ 5,479	\$ 99,079	\$ 106,235	\$ -	\$ 6,685	\$ 21,516	\$ 78	\$ 289,900
<b>Cash and Investment Assets - December 31</b>								
Cash and investments	\$ 5,479	\$ -	\$ -	\$ -	\$ -	\$ 21,516	\$ -	\$ 289,900
Restricted assets:								
Cash and investments	-	99,079	106,235	-	6,685	-	78	-
<b>Total cash and investment assets - December 31</b>	<b>\$ 5,479</b>	<b>\$ 99,079</b>	<b>\$ 106,235</b>	<b>\$ -</b>	<b>\$ 6,685</b>	<b>\$ 21,516</b>	<b>\$ 78</b>	<b>\$ 289,900</b>
<b>Cash and Investment Fund Balance - December 31</b>								
Restricted for:								
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Other purposes	-	99,079	106,235	-	6,685	-	78	-
Unrestricted	5,479	-	-	-	-	21,516	-	289,900
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 5,479</b>	<b>\$ 99,079</b>	<b>\$ 106,235</b>	<b>\$ -</b>	<b>\$ 6,685</b>	<b>\$ 21,516</b>	<b>\$ 78</b>	<b>\$ 289,900</b>

LAKE COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2005  
 (Continued)

	2002 Reassessment	JAIBG Block Grant	Lake County CASA Program Grant	Domestic Relation Counseling	Nonreverting Delinquent Collection Fees	Project IMPACT Grant	2005 Reassessment	Local Law Enforcement Grant
<b>Receipts:</b>								
Taxes	\$ 150,001	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,247,832	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	136,157	22,500	-	-	-	250,473	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	14,557	-	-	-
Other	-	-	-	53,571	-	-	14	-
<b>Total receipts</b>	<b>150,001</b>	<b>136,157</b>	<b>22,500</b>	<b>53,571</b>	<b>14,557</b>	<b>-</b>	<b>2,498,319</b>	<b>-</b>
<b>Disbursements:</b>								
General government	502,813	-	22,316	24,874	14,200	1,080	15,663	-
Public safety	-	208,005	-	-	-	-	-	1,488
Highways and streets	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Capital outlay:								
General government	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>502,813</b>	<b>208,005</b>	<b>22,316</b>	<b>24,874</b>	<b>14,200</b>	<b>1,080</b>	<b>15,663</b>	<b>1,488</b>
Excess (deficiency) of receipts over disbursements	(352,812)	(71,848)	184	28,697	357	(1,080)	2,482,656	(1,488)
<b>Other financing sources (uses)</b>								
Bond proceeds	-	-	-	-	-	-	-	-
TAW repaid	-	-	-	-	-	-	-	-
Interfund loans received	-	-	-	-	-	-	-	-
Interfund loans repaid	-	-	-	-	-	-	-	-
Transfers in	300,000	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>300,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(52,812)	(71,848)	184	28,697	357	(1,080)	2,482,656	(1,488)
Cash and investment fund balance - beginning	249,017	94,216	1,607	13,898	127	1,080	3,872,938	1,896
Cash and investment fund balance - ending	\$ 196,205	\$ 22,368	\$ 1,791	\$ 42,595	\$ 484	\$ -	\$ 6,355,594	\$ 408
<b>Cash and Investment Assets - December 31</b>								
Cash and investments	\$ -	\$ -	\$ -	\$ 42,595	\$ 484	\$ -	\$ -	\$ -
Restricted assets:								
Cash and investments	196,205	22,368	1,791	-	-	-	6,355,594	408
<b>Total cash and investment assets - December 31</b>	<b>\$ 196,205</b>	<b>\$ 22,368</b>	<b>\$ 1,791</b>	<b>\$ 42,595</b>	<b>\$ 484</b>	<b>\$ -</b>	<b>\$ 6,355,594</b>	<b>\$ 408</b>
<b>Cash and Investment Fund Balance - December 31</b>								
Restricted for:								
Public safety	\$ -	\$ 22,368	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 408
Highways and streets	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Other purposes	196,205	-	1,791	-	-	-	6,355,594	-
Unrestricted	-	-	-	42,595	484	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 196,205</b>	<b>\$ 22,368</b>	<b>\$ 1,791</b>	<b>\$ 42,595</b>	<b>\$ 484</b>	<b>\$ -</b>	<b>\$ 6,355,594</b>	<b>\$ 408</b>

LAKE COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2005  
 (Continued)

	Sheriff's Grants	Rainy Day	Emergency Planning Subgrant	Commissioner's Incentive	Children Psychiatric Treatment	Adult Probation Administration	Juvenile Probation Administration
<b>Receipts:</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 7,251,341	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	427,720	-	-	-	841,882	-	-
Charges for services	-	-	-	-	-	167,338	59,418
Fines and forfeits	-	-	-	-	-	-	-
Other	2,500	-	-	120,370	66,326	-	-
<b>Total receipts</b>	<b>430,220</b>	<b>-</b>	<b>-</b>	<b>120,370</b>	<b>8,159,549</b>	<b>167,338</b>	<b>59,418</b>
<b>Disbursements:</b>							
General government	-	9,813	-	27,412	462,840	-	-
Public safety	486,089	-	29,913	-	-	113,388	33,332
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>486,089</b>	<b>9,813</b>	<b>29,913</b>	<b>27,412</b>	<b>462,840</b>	<b>113,388</b>	<b>33,332</b>
Excess (deficiency) of receipts over disbursements	(55,869)	(9,813)	(29,913)	92,958	7,696,709	53,950	26,086
<b>Other financing sources (uses)</b>							
Bond proceeds	-	-	-	-	-	-	-
TAW repaid	-	-	-	-	-	-	-
Interfund loans received	-	-	-	-	-	-	-
Interfund loans repaid	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	(3,022)	-	(5,700,000)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(3,022)</b>	<b>-</b>	<b>(5,700,000)</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(55,869)	(9,813)	(32,935)	92,958	1,996,709	53,950	26,086
Cash and investment fund balance - beginning	59,587	149,103	32,965	40,064	2,148,892	36,175	28,900
<b>Cash and investment fund balance - ending</b>	<b>\$ 3,718</b>	<b>\$ 139,290</b>	<b>\$ 30</b>	<b>\$ 133,022</b>	<b>\$ 4,145,601</b>	<b>\$ 90,125</b>	<b>\$ 54,986</b>
<b>Cash and Investment Assets - December 31</b>							
Cash and investments	\$ -	\$ 139,290	\$ -	\$ 133,022	\$ -	\$ 90,125	\$ 54,986
Restricted assets:							
Cash and investments	3,718	-	30	-	4,145,601	-	-
<b>Total cash and investment assets - December 31</b>	<b>\$ 3,718</b>	<b>\$ 139,290</b>	<b>\$ 30</b>	<b>\$ 133,022</b>	<b>\$ 4,145,601</b>	<b>\$ 90,125</b>	<b>\$ 54,986</b>
<b>Cash and Investment Fund Balance - December 31</b>							
Restricted for:							
Public safety	\$ 3,718	\$ -	\$ 30	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Other purposes	-	-	-	-	4,145,601	-	-
Unrestricted	-	139,290	-	133,022	-	90,125	54,986
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 3,718</b>	<b>\$ 139,290</b>	<b>\$ 30</b>	<b>\$ 133,022</b>	<b>\$ 4,145,601</b>	<b>\$ 90,125</b>	<b>\$ 54,986</b>

LAKE COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2005  
 (Continued)

	Sheriff's Community Foundation	Homeland Security Grant	Surveyor's Electronic Mapping	RBA Nonreverting	Family Court Initiative Grant	Anti-Bioterrorism	Weights and Measures User Fees
<b>Receipts:</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	166,970
Intergovernmental	-	1,068,559	-	-	45,000	62,470	-
Charges for services	-	-	38,430	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	14,978	-	148,000	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>1,083,537</b>	<b>38,430</b>	<b>148,000</b>	<b>45,000</b>	<b>62,470</b>	<b>166,970</b>
<b>Disbursements:</b>							
General government	-	-	68,397	72,093	244	-	158,266
Public safety	15,115	4,221,079	-	-	-	48,490	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>15,115</b>	<b>4,221,079</b>	<b>68,397</b>	<b>72,093</b>	<b>244</b>	<b>48,490</b>	<b>158,266</b>
Excess (deficiency) of receipts over disbursements	(15,115)	(3,137,542)	(29,967)	75,907	44,756	13,980	8,704
<b>Other financing sources (uses)</b>							
Bond proceeds	-	-	-	-	-	-	-
TAW repaid	-	-	-	-	-	-	-
Interfund loans received	-	-	-	-	-	-	-
Interfund loans repaid	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(15,115)	(3,137,542)	(29,967)	75,907	44,756	13,980	8,704
Cash and investment fund balance - beginning	17,821	3,250,698	46,328	136,063	35,000	-	-
Cash and investment fund balance - ending	<u>\$ 2,706</u>	<u>\$ 113,156</u>	<u>\$ 16,361</u>	<u>\$ 211,970</u>	<u>\$ 79,756</u>	<u>\$ 13,980</u>	<u>\$ 8,704</u>
<b>Cash and Investment Assets - December 31</b>							
Cash and investments	\$ 2,706	\$ -	\$ 16,361	\$ 211,970	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	-	113,156	-	-	79,756	13,980	8,704
<b>Total cash and investment assets - December 31</b>	<u>\$ 2,706</u>	<u>\$ 113,156</u>	<u>\$ 16,361</u>	<u>\$ 211,970</u>	<u>\$ 79,756</u>	<u>\$ 13,980</u>	<u>\$ 8,704</u>
<b>Cash and Investment Fund Balance - December 31</b>							
Restricted for:							
Public safety	\$ -	\$ 113,156	\$ -	\$ -	\$ -	\$ 13,980	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Other purposes	-	-	-	-	79,756	-	8,704
Unrestricted	2,706	-	16,361	211,970	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 2,706</u>	<u>\$ 113,156</u>	<u>\$ 16,361</u>	<u>\$ 211,970</u>	<u>\$ 79,756</u>	<u>\$ 13,980</u>	<u>\$ 8,704</u>

LAKE COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2005  
 (Continued)

	Website Maintenance	Community Emergency Response Team (CERT)	Interpreter Services Grant	Recorder's Incentive	Justice Assistance Grant	HAVA Title III Voting System	Supplemental Public Defenders Services
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	4,156	10,000	-	180,561	2,085,270	242,495
Charges for services	115,191	-	-	18,857	-	-	-
Fines and forfeits	-	-	-	-	-	-	83,383
Other	-	-	-	-	-	-	527
<b>Total receipts</b>	<b>115,191</b>	<b>4,156</b>	<b>10,000</b>	<b>18,857</b>	<b>180,561</b>	<b>2,085,270</b>	<b>326,405</b>
Disbursements:							
General government	-	-	9,810	-	-	-	261,681
Public safety	-	3,040	-	-	172,787	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>3,040</b>	<b>9,810</b>	<b>-</b>	<b>172,787</b>	<b>-</b>	<b>261,681</b>
Excess (deficiency) of receipts over disbursements	115,191	1,116	190	18,857	7,774	2,085,270	64,724
Other financing sources (uses)							
Bond proceeds	-	-	-	-	-	-	-
TAW repaid	-	-	-	-	-	-	-
Interfund loans received	-	-	-	-	-	-	-
Interfund loans repaid	-	-	-	-	-	-	-
Transfers in	-	3,022	-	-	-	-	-
Transfers out	(18,000)	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(18,000)</b>	<b>3,022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	97,191	4,138	190	18,857	7,774	2,085,270	64,724
Cash and investment fund balance - beginning	-	-	-	-	-	-	25,104
<b>Cash and investment fund balance - ending</b>	<b>\$ 97,191</b>	<b>\$ 4,138</b>	<b>\$ 190</b>	<b>\$ 18,857</b>	<b>\$ 7,774</b>	<b>\$ 2,085,270</b>	<b>\$ 89,828</b>
<b>Cash and Investment Assets - December 31</b>							
Cash and investments	\$ 97,191	\$ -	\$ -	\$ 18,857	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	-	4,138	190	-	7,774	2,085,270	89,828
<b>Total cash and investment assets - December 31</b>	<b>\$ 97,191</b>	<b>\$ 4,138</b>	<b>\$ 190</b>	<b>\$ 18,857</b>	<b>\$ 7,774</b>	<b>\$ 2,085,270</b>	<b>\$ 89,828</b>
<b>Cash and Investment Fund Balance - December 31</b>							
Restricted for:							
Public safety	\$ -	\$ 4,138	\$ -	\$ -	\$ 7,774	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Other purposes	-	-	190	-	-	2,085,270	89,828
Unrestricted	97,191	-	-	18,857	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 97,191</b>	<b>\$ 4,138</b>	<b>\$ 190</b>	<b>\$ 18,857</b>	<b>\$ 7,774</b>	<b>\$ 2,085,270</b>	<b>\$ 89,828</b>

LAKE COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2005  
 (Continued)

	Alternative Dispute Resolution	Alternative Dispute Resolution Co-Payment	Title Search Fees	Bail Bonds Fees	Court Appointed Special Advocate	Nonreverting Property Seizure	DUI Task Force Grant
<b>Receipts:</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	1,100	-	-	-	98,527	-	1,012
Charges for services	-	7,330	17,234	-	-	-	-
Fines and forfeits	-	-	-	-	-	855	-
Other	38,280	-	-	5,885	-	-	1,000
<b>Total receipts</b>	<b>39,380</b>	<b>7,330</b>	<b>17,234</b>	<b>5,885</b>	<b>98,527</b>	<b>855</b>	<b>2,012</b>
<b>Disbursements:</b>							
General government	7,306	4,730	16,889	6,083	105,020	-	-
Public safety	-	-	-	-	-	-	1,012
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>7,306</b>	<b>4,730</b>	<b>16,889</b>	<b>6,083</b>	<b>105,020</b>	<b>-</b>	<b>1,012</b>
Excess (deficiency) of receipts over disbursements	32,074	2,600	345	(198)	(6,493)	855	1,000
<b>Other financing sources (uses)</b>							
Bond proceeds	-	-	-	-	-	-	-
TAW repaid	-	-	-	-	-	-	-
Interfund loans received	-	-	-	-	-	-	-
Interfund loans repaid	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	32,074	2,600	345	(198)	(6,493)	855	1,000
Cash and investment fund balance - beginning	28,940	-	4,247	12,074	18,687	4,306	95
Cash and investment fund balance - ending	<u>\$ 61,014</u>	<u>\$ 2,600</u>	<u>\$ 4,592</u>	<u>\$ 11,876</u>	<u>\$ 12,194</u>	<u>\$ 5,161</u>	<u>\$ 1,095</u>
<b>Cash and Investment Assets - December 31</b>							
Cash and investments	\$ -	\$ 2,600	\$ 4,592	\$ 11,876	\$ -	\$ 5,161	\$ -
Restricted assets:							
Cash and investments	61,014	-	-	-	12,194	-	1,095
<b>Total cash and investment assets - December 31</b>	<b>\$ 61,014</b>	<b>\$ 2,600</b>	<b>\$ 4,592</b>	<b>\$ 11,876</b>	<b>\$ 12,194</b>	<b>\$ 5,161</b>	<b>\$ 1,095</b>
<b>Cash and Investment Fund Balance - December 31</b>							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,095
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Other purposes	61,014	-	-	-	12,194	-	-
Unrestricted	-	2,600	4,592	11,876	-	5,161	-
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 61,014</b>	<b>\$ 2,600</b>	<b>\$ 4,592</b>	<b>\$ 11,876</b>	<b>\$ 12,194</b>	<b>\$ 5,161</b>	<b>\$ 1,095</b>

LAKE COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2005  
 (Continued)

	Sales Disclosure	Park Bond Redemption	Park Revenue Bond Redemption	County Bond Redemption	Circuit Breaker Debt Service	Lake County Redevelopment Commission	Lake County Redevelopment Authority
Receipts:							
Taxes	\$ -	\$ 4,068,196	\$ -	\$ 1,761,250	\$ -	\$ 1,937,758	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	600,876	-	286,061	1,332,153	-	-
Charges for services	69,781	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	9,227	1,692	-	-	142,667	22,059
<b>Total receipts</b>	<b>69,781</b>	<b>4,678,299</b>	<b>1,692</b>	<b>2,047,311</b>	<b>1,332,153</b>	<b>2,080,425</b>	<b>22,059</b>
Disbursements:							
General government	108,530	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	37,326	-
Debt service:							
Principal	-	2,145,000	-	4,805,000	1,786,148	-	-
Interest	-	432,267	-	1,475,418	525,018	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>108,530</b>	<b>2,577,267</b>	<b>-</b>	<b>6,280,418</b>	<b>2,311,166</b>	<b>37,326</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	(38,749)	2,101,032	1,692	(4,233,107)	(979,013)	2,043,099	22,059
Other financing sources (uses)							
Bond proceeds	-	-	-	-	-	-	-
TAW repaid	-	(2,000,000)	-	-	-	-	-
Interfund loans received	-	-	-	-	-	-	-
Interfund loans repaid	-	(2,000,000)	-	-	-	-	-
Transfers in	18,000	2,000,000	276,305	5,920,392	312,936	5,000	-
Transfers out	-	-	-	-	-	(4,564,797)	(36,182)
<b>Total other financing sources (uses)</b>	<b>18,000</b>	<b>(2,000,000)</b>	<b>276,305</b>	<b>5,920,392</b>	<b>312,936</b>	<b>(4,559,797)</b>	<b>(36,182)</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(20,749)	101,032	277,997	1,687,285	(666,077)	(2,516,698)	(14,123)
Cash and investment fund balance - beginning	70,642	1,987,035	100,000	1,331,848	-	6,239,821	854,560
Cash and investment fund balance - ending	\$ 49,893	\$ 2,088,067	\$ 377,997	\$ 3,019,133	\$ (666,077)	\$ 3,723,123	\$ 840,437
<b>Cash and Investment Assets - December 31</b>							
Cash and investments	\$ 49,893	\$ -	\$ -	\$ -	\$ (666,077)	\$ -	\$ -
Restricted assets:							
Cash and investments	-	2,088,067	377,997	3,019,133	-	3,723,123	840,437
<b>Total cash and investment assets - December 31</b>	<b>\$ 49,893</b>	<b>\$ 2,088,067</b>	<b>\$ 377,997</b>	<b>\$ 3,019,133</b>	<b>\$ (666,077)</b>	<b>\$ 3,723,123</b>	<b>\$ 840,437</b>
<b>Cash and Investment Fund Balance - December 31</b>							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service	-	2,088,067	377,997	3,019,133	-	3,723,123	840,437
Other purposes	-	-	-	-	-	-	-
Unrestricted	49,893	-	-	-	(666,077)	-	-
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 49,893</b>	<b>\$ 2,088,067</b>	<b>\$ 377,997</b>	<b>\$ 3,019,133</b>	<b>\$ (666,077)</b>	<b>\$ 3,723,123</b>	<b>\$ 840,437</b>

LAKE COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2005  
 (Continued)

	Park Nonreverting Capital	Cumulative Bridge	Park District Bonds 1993	Cumulative Capital Development	Drainage Improvements	Lake County Redevelopment Authority	Totals
<b>Receipts:</b>							
Taxes	\$ -	\$ 3,991,005	\$ -	\$ 2,803,807	\$ 1,784,917	\$ -	\$ 32,706,552
Licenses and permits	-	-	-	-	-	-	367,231
Intergovernmental	-	472,284	-	303,928	219,862	-	39,704,148
Charges for services	-	-	-	-	-	-	10,770,536
Fines and forfeits	-	-	-	-	-	-	2,143,138
Other	63,808	2,670	278,019	79,062	9	7,215	2,146,802
<b>Total receipts</b>	<b>63,808</b>	<b>4,465,959</b>	<b>278,019</b>	<b>3,186,797</b>	<b>2,004,788</b>	<b>7,215</b>	<b>87,838,407</b>
<b>Disbursements:</b>							
General government	-	-	-	-	-	-	10,079,580
Public safety	-	-	-	-	-	-	17,734,130
Highways and streets	-	-	-	-	-	-	7,477,881
Health and welfare	-	-	-	-	-	-	1,785,337
Culture and recreation	-	-	-	-	-	-	9,170,179
Urban redevelopment and housing	-	-	-	-	-	-	2,307,532
Debt service:							
Principal	-	-	22,500,000	-	-	4,485,000	35,721,148
Interest	-	-	435,007	-	-	528,425	3,396,135
Capital outlay:							
General government	-	-	-	1,870,523	-	-	1,870,523
Highways and streets	-	1,164,072	-	-	567,775	-	1,731,847
Culture and recreation	835,333	-	11,567,477	-	-	-	12,402,810
Urban redevelopment and housing	-	-	-	-	-	1,207	1,207
<b>Total disbursements</b>	<b>835,333</b>	<b>1,164,072</b>	<b>34,502,484</b>	<b>1,870,523</b>	<b>567,775</b>	<b>5,014,632</b>	<b>103,678,309</b>
Excess (deficiency) of receipts over disbursements	(771,525)	3,301,887	(34,224,465)	1,316,274	1,437,013	(5,007,417)	(15,839,902)
<b>Other financing sources (uses)</b>							
Bond proceeds	-	-	41,441,290	-	-	-	41,441,290
TAW repaid	-	-	-	-	-	-	(2,000,000)
Interfund loans received	200,000	-	500,000	1,000,000	100,000	-	3,630,000
Interfund loans repaid	(200,000)	-	(500,000)	(1,280,000)	(1,200,000)	-	(10,810,000)
Transfers in	94,000	-	-	-	-	5,849,316	19,766,837
Transfers out	(94,000)	-	(5,500,000)	-	-	(1,253,337)	(25,466,837)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>35,941,290</b>	<b>(280,000)</b>	<b>(1,100,000)</b>	<b>4,595,979</b>	<b>26,561,290</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(771,525)	3,301,887	1,716,825	1,036,274	337,013	(411,438)	10,721,388
Cash and investment fund balance - beginning	1,466,477	4,869,431	6,123,282	670,723	516,527	437,752	58,410,018
Cash and investment fund balance - ending	\$ 694,952	\$ 8,171,318	\$ 7,840,107	\$ 1,706,997	\$ 853,540	\$ 26,314	\$ 69,131,406
<b>Cash and Investment Assets - December 31</b>							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,274,300
Restricted assets:							
Cash and investments	694,952	8,171,318	7,840,107	1,706,997	853,540	26,314	54,857,106
<b>Total cash and investment assets - December 31</b>	<b>\$ 694,952</b>	<b>\$ 8,171,318</b>	<b>\$ 7,840,107</b>	<b>\$ 1,706,997</b>	<b>\$ 853,540</b>	<b>\$ 26,314</b>	<b>\$ 69,131,406</b>
<b>Cash and Investment Fund Balance - December 31</b>							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,131,918
Highways and streets	-	8,171,318	-	-	853,540	-	13,774,239
Health and welfare	-	-	-	-	-	-	1,871,748
Culture and recreation	694,952	-	7,840,107	-	-	-	8,535,059
Urban redevelopment and housing	-	-	-	-	-	26,314	42,093
Debt service	-	-	-	-	-	-	10,048,757
Other purposes	-	-	-	1,706,997	-	-	16,453,292
Unrestricted	-	-	-	-	-	-	14,274,300
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 694,952</b>	<b>\$ 8,171,318</b>	<b>\$ 7,840,107</b>	<b>\$ 1,706,997</b>	<b>\$ 853,540</b>	<b>\$ 26,314</b>	<b>\$ 69,131,406</b>

LAKE COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 INTERNAL SERVICE FUNDS  
 As of and for the Year Ended December 31, 2005

	Park and Recreation Self-Insurance	Nonreverting Self-Insurance	Health Insurance Reserve	Lake County 2000 Building Corporation	Total
Operating receipts:					
Insurance proceeds - employer	\$ 233,082	\$ 2,429,500	\$ 20,217,668	\$ -	\$ 22,880,250
Insurance proceeds - employee	-	72,786	2,370,680	-	2,443,466
Rental revenue	-	-	-	2,606,000	2,606,000
Other	-	26,169	414	-	26,583
<b>Total operating receipts</b>	<b>233,082</b>	<b>2,528,455</b>	<b>22,588,762</b>	<b>2,606,000</b>	<b>27,956,299</b>
Operating disbursements:					
Cost of sales and services	-	-	-	15,169	15,169
Insurance disbursements	170,186	3,503,978	24,780,550	-	28,454,714
<b>Total operating disbursements</b>	<b>170,186</b>	<b>3,503,978</b>	<b>24,780,550</b>	<b>15,169</b>	<b>28,469,883</b>
Excess (deficiency) of receipts over disbursements	62,896	(975,523)	(2,191,788)	2,590,831	(513,584)
Nonoperating receipts (disbursements):					
Disbursements made on behalf of fund 353, Park District Bonds 1993, for park construction items to be repaid in 2006	(761,923)	-	-	-	(761,923)
Interest and investment receipts	10,058	-	10,621	62,732	83,411
Debt service of principal	-	-	-	(1,740,000)	(1,740,000)
Interest disbursements	-	-	-	(860,333)	(860,333)
<b>Total nonoperating receipts (disbursements)</b>	<b>(751,865)</b>	<b>-</b>	<b>10,621</b>	<b>(2,537,601)</b>	<b>(3,278,845)</b>
Excess (deficiency) of receipts over disbursements and nonoperating receipts (disbursements)	(688,969)	(975,523)	(2,181,167)	53,230	(3,792,429)
Temporary loan received	630,000	-	9,980,000	-	10,610,000
Temporary loan repaid	(630,000)	-	(2,800,000)	-	(3,430,000)
Excess (deficiency) of receipts and temporary loan sources over disbursements and temporary loan uses	(688,969)	(975,523)	4,998,833	53,230	3,387,571
Cash and investment fund balance - beginning	1,759,784	4,561,663	7,344,244	2,020,325	15,686,016
<b>Cash and investment fund balance - ending</b>	<b>\$ 1,070,815</b>	<b>\$ 3,586,140</b>	<b>\$ 12,343,077</b>	<b>\$ 2,073,555</b>	<b>\$ 19,073,587</b>
<b><u>Cash and Investment Assets - December 31</u></b>					
Cash and investments	\$ 1,070,815	\$ 3,586,140	\$ 12,032,456	\$ 2,073,555	\$ 18,762,966
Cash with fiscal agent	-	-	310,621	-	310,621
<b>Total cash and investment assets - December 31</b>	<b>\$ 1,070,815</b>	<b>\$ 3,586,140</b>	<b>\$ 12,343,077</b>	<b>\$ 2,073,555</b>	<b>\$ 19,073,587</b>
<b><u>Cash and Investment Fund Balance - December 31</u></b>					
Unrestricted	\$ 1,070,815	\$ 3,586,140	\$ 12,343,077	\$ 2,073,555	\$ 19,073,587
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 1,070,815</b>	<b>\$ 3,586,140</b>	<b>\$ 12,343,077</b>	<b>\$ 2,073,555</b>	<b>\$ 19,073,587</b>

LAKE COUNTY  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND  
 CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2005

	Financial Institution Tax	Griffith Deferral Program	Convention and Visitor's Bureau	National Park System Reimbursement	County Innkeepers Tax	County User Fees	Educational Plate Fee
Additions:							
Agency fund additions	<u>\$ 3,772,782</u>	<u>\$ 9,300</u>	<u>\$ 3,631,082</u>	<u>\$ 12,748</u>	<u>\$ 2,247,100</u>	<u>\$ 1,016,820</u>	<u>\$ 37,069</u>
Deductions:							
Agency fund deductions	<u>7,331,664</u>	<u>6,720</u>	<u>3,687,028</u>	<u>12,684</u>	<u>2,153,559</u>	<u>986,214</u>	<u>31,275</u>
Excess (deficiency) of total additions over total deductions	(3,558,882)	2,580	(55,946)	64	93,541	30,606	5,794
Cash and investment fund balance - beginning	<u>3,558,882</u>	<u>-</u>	<u>123,990</u>	<u>110</u>	<u>104,196</u>	<u>481,407</u>	<u>5,794</u>
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 2,580</u>	<u>\$ 68,044</u>	<u>\$ 174</u>	<u>\$ 197,737</u>	<u>\$ 512,013</u>	<u>\$ 11,588</u>

LAKE COUNTY  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND  
 CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2005  
 (Continued)

	Doctor's and Merchants	Ordinance Deferral Program	US Research Consultants - Personal Property	Interstate Compact Fee	Circuit Breaker Repository	State Mortgage	Child Restraint System Fees
Additions:							
Agency fund additions	\$ 522	\$ 63,768	\$ 40,989	\$ 3,037	\$ 32,966,618	\$ 85,905	\$ 605
Deductions:							
Agency fund deductions	-	62,040	40,300	2,513	48,258,317	71,253	430
Excess (deficiency) of total additions over total deductions	522	1,728	689	524	(15,291,699)	14,652	175
Cash and investment fund balance - beginning	7,022	1,680	578	75	15,291,699	-	-
Cash and investment fund balance - ending	<u>\$ 7,544</u>	<u>\$ 3,408</u>	<u>\$ 1,267</u>	<u>\$ 599</u>	<u>\$ -</u>	<u>\$ 14,652</u>	<u>\$ 175</u>

LAKE COUNTY  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND  
 CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2005  
 (Continued)

	Poor Relief Loan	Children Psychiatric Treatment	Commissioner's Tax Sale	Commissioner's Tax Certificate Sale	Payment Error - Refunds	Tax Sale Cancellation	Subdivision Escrow Bonds
Additions:							
Agency fund additions	\$ 4,717,951	\$ 66,233	\$ 42,430	\$ 1,082,831	\$ 956,883	\$ -	\$ 20,255
Deductions:							
Agency fund deductions	4,717,951	66,298	62,735	460,648	963,102	2,288	39,685
Excess (deficiency) of total additions over total deductions	-	(65)	(20,305)	622,183	(6,219)	(2,288)	(19,430)
Cash and investment fund balance - beginning	-	65	400,576	277,479	101,998	10,249	92,086
Cash and investment fund balance - ending	\$ -	\$ -	\$ 380,271	\$ 899,662	\$ 95,779	\$ 7,961	\$ 72,656

LAKE COUNTY  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND  
 CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2005  
 (Continued)

	Refund Overpayment	Northwest Indiana Regional Planning Commission	Property Replacement Homestead	Park Sales Tax	Payroll Withholding	United Way	Poor Relief
Additions:							
Agency fund additions	<u>\$ 17,433,093</u>	<u>\$ 393,007</u>	<u>\$ 3,684,922</u>	<u>\$ 88,180</u>	<u>\$ 28,731,894</u>	<u>\$ 8,682</u>	<u>\$ 22,416,592</u>
Deductions:							
Agency fund deductions	<u>37,754,160</u>	<u>475,934</u>	<u>3,684,922</u>	<u>86,381</u>	<u>28,740,743</u>	<u>-</u>	<u>22,416,592</u>
Excess (deficiency) of total additions over total deductions	(20,321,067)	(82,927)	-	1,799	(8,849)	8,682	-
Cash and investment fund balance - beginning	<u>27,766,170</u>	<u>100,745</u>	<u>8,474</u>	<u>5,641</u>	<u>1,263,015</u>	<u>-</u>	<u>-</u>
Cash and investment fund balance - ending	<u>\$ 7,445,103</u>	<u>\$ 17,818</u>	<u>\$ 8,474</u>	<u>\$ 7,440</u>	<u>\$ 1,254,166</u>	<u>\$ 8,682</u>	<u>\$ -</u>

LAKE COUNTY  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND  
 CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2005  
 (Continued)

	County Welfare Trust	Tax Sale SRI Fees, Inc.	City and Town Court Costs	Infraction Judgment	State Fair Board	Supplemental Countywide School	State Forestry
Additions:							
Agency fund additions	<u>\$ 432,231</u>	<u>\$ 17,315</u>	<u>\$ 98,673</u>	<u>\$ 728,964</u>	<u>\$ 257,521</u>	<u>\$ 5,386,127</u>	<u>\$ 515,041</u>
Deductions:							
Agency fund deductions	<u>435,991</u>	<u>13,000</u>	<u>157,776</u>	<u>1,129,231</u>	<u>257,521</u>	<u>6,225,138</u>	<u>515,041</u>
Excess (deficiency) of total additions over total deductions	(3,760)	4,315	(59,103)	(400,267)	-	(839,011)	-
Cash and investment fund balance - beginning	<u>41,030</u>	<u>1,562</u>	<u>80,867</u>	<u>494,852</u>	<u>-</u>	<u>1,086,141</u>	<u>-</u>
Cash and investment fund balance - ending	<u><u>\$ 37,270</u></u>	<u><u>\$ 5,877</u></u>	<u><u>\$ 21,764</u></u>	<u><u>\$ 94,585</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 247,130</u></u>	<u><u>\$ -</u></u>

LAKE COUNTY  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND  
 CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2005  
 (Continued)

	Congressional School Interest	Coroner's Training and Continuing Education	County Treasurer	Tax Sale Redemption	Tax Sale Surplus	Dog Tax Surplus	State Fines and Forfeitures
Additions:							
Agency fund additions	\$ 1,359	\$ 40,675	\$ 1,352,446,418	\$ 210,295	\$ -	\$ 1,268	\$ 515,611
Deductions:							
Agency fund deductions	2,800	55,427	1,430,549,832	196,758	777,733	1,268	541,730
Excess (deficiency) of total additions over total deductions	(1,441)	(14,752)	(78,103,414)	13,537	(777,733)	-	(26,119)
Cash and investment fund balance - beginning	24,069	18,051	108,769,240	185,711	823,725	-	83,264
Cash and investment fund balance - ending	<u>\$ 22,628</u>	<u>\$ 3,299</u>	<u>\$ 30,665,826</u>	<u>\$ 199,248</u>	<u>\$ 45,992</u>	<u>\$ -</u>	<u>\$ 57,145</u>

LAKE COUNTY  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND  
 CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2005  
 (Continued)

	Inheritance Tax	State Sale Disclosure Fee	Auditor's Tax Sale	Delinquent Sewage Collections	Barrett Law Collections	Overweight Vehicle	Commissioner's Sale Surplus
Additions:							
Agency fund additions	<u>\$ 10,851,527</u>	<u>\$ 69,780</u>	<u>\$ 1,955</u>	<u>\$ 844,590</u>	<u>\$ 22,638</u>	<u>\$ 65,356</u>	<u>\$ -</u>
Deductions:							
Agency fund deductions	<u>10,532,444</u>	<u>105,115</u>	<u>1,730</u>	<u>842,839</u>	<u>21,898</u>	<u>104,053</u>	<u>-</u>
Excess (deficiency) of total additions over total deductions	319,083	(35,335)	225	1,751	740	(38,697)	-
Cash and investment fund balance - beginning	<u>3,000,759</u>	<u>40,170</u>	<u>1,573,438</u>	<u>485</u>	<u>-</u>	<u>47,197</u>	<u>22,960</u>
Cash and investment fund balance - ending	<u>\$ 3,319,842</u>	<u>\$ 4,835</u>	<u>\$ 1,573,663</u>	<u>\$ 2,236</u>	<u>\$ 740</u>	<u>\$ 8,500</u>	<u>\$ 22,960</u>

LAKE COUNTY  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND  
 CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2005  
 (Continued)

	U.S. Steel Property Tax Settlement	Indiana Common School	Miscellaneous Settlement Accounts	Vehicle License Additional Tax	Excess Monies - Settlement 2001	County Clerk	Sheriff - Civil/ Narcotics
Additions:							
Agency fund additions	<u>\$ 53,097,135</u>	<u>\$ 40,957</u>	<u>\$ 1,150,070,600</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,130,904</u>	<u>\$ 83,000</u>
Deductions:							
Agency fund deductions	<u>5,903,188</u>	<u>-</u>	<u>1,158,620,162</u>	<u>-</u>	<u>-</u>	<u>71,471,682</u>	<u>60,000</u>
Excess (deficiency) of total additions over total deductions	47,193,947	40,957	(8,549,562)	-	-	1,659,222	23,000
Cash and investment fund balance - beginning	<u>-</u>	<u>-</u>	<u>12,214,331</u>	<u>1,094</u>	<u>108,293</u>	<u>13,762,175</u>	<u>55,635</u>
Cash and investment fund balance - ending	<u>\$ 47,193,947</u>	<u>\$ 40,957</u>	<u>\$ 3,664,769</u>	<u>\$ 1,094</u>	<u>\$ 108,293</u>	<u>\$ 15,421,397</u>	<u>\$ 78,635</u>

LAKE COUNTY  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND  
 CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2005  
 (Continued)

	Juvenile Probation	Adult Probation	Drug Task Force Seizure Fund	Sheriff's Inmate Trust	Non-AC Funds Not Payroll Withholding or Insurance	Total
Additions:						
Agency fund additions	\$ 178,801	\$ 490,832	\$ 471,854	\$ 1,379,395	\$ 1,524	\$ 2,774,983,644
Deductions:						
Agency fund deductions	178,801	490,707	507,617	1,309,456	1,525	2,853,125,899
Excess (deficiency) of total additions over total deductions	-	125	(35,763)	69,939	(1)	(78,142,255)
Cash and investment fund balance - beginning	-	930	126,096	105,140	12	192,269,158
Cash and investment fund balance - ending	\$ -	\$ 1,055	\$ 90,333	\$ 175,079	\$ 11	\$ 114,126,903

LAKE COUNTY  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2005

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>12/31/2005 Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 21,150,162
Buildings and improvements	112,089,052
Sanitary sewer/storm water	9,000,000
Machinery and equipment	27,360,816
Bridges	99,892,430
Roads	106,642,089
Street lights and traffic signals	911,082
Construction in progress	<u>12,018,805</u>
 Total governmental activities, capital assets not being depreciated	 <u><u>\$ 389,064,436</u></u>

<u>Primary Government</u>	<u>12/31/2005 Balance</u>
Business-type activities:	
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	\$ 21,040
Wastewater collection and distribution system	<u>969,251</u>
 Total business-type activities capital assets	 <u><u>990,291</u></u>

LAKE COUNTY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF DEBT  
 For The Year Ended December 31, 2005

Capital Leases

The County has entered into the following capital leases:

Description of Asset	Present Value of Net Minimum Lease Payments	Ending Balance	Due Within One Year
Capital leases for machinery and equipment	\$ 775,690	\$ 775,690	\$ 187,052

Other Long Term Debt

	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>		
Claims and judgments	\$ 2,300,000	\$ -
Loans payable	1,660,902	372,345
Bond anticipation notes payable	7,000,000	-
Bonds payable:		
General obligation bonds:		
1998 \$5,005,000 Park District improvements	2,745,000	650,000
1999 \$26,750,000 Jail construction	12,310,000	2,855,000
2003 \$10,610,000 Park refunding	5,970,000	1,575,000
Revenue bonds:		
1995 \$9,000,000 Economic development lease rental	2,280,000	420,000
2000 \$23,000,000 Lake County Building Corporation	14,810,000	1,820,000
2005 \$23,300,000 Special taxing district	23,300,000	-
<b>Total governmental activities long-term debt</b>	<b>\$ 72,375,902</b>	<b>\$ 7,692,345</b>
<b>Business-type Activities:</b>		
Wastewater Utility		
Notes and loans payable	\$ 445,524	\$ 25,204

LAKE COUNTY  
OTHER REPORTS

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

County Auditor  
County Treasurer  
Board of County Commissioners  
County Council  
Clerk of the Circuit Court  
County Sheriff  
County Recorder  
County Parks and Recreation

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
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INDIANAPOLIS, INDIANA 46204-2765

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 LAKE COUNTY, INDIANA

Compliance

We have audited the compliance of the Lake County (County) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2005. 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; 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, 2005. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2005-1 and 2005-2.

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 and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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)

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the County's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as items 2005-1 and 2005-2.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

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

September 28, 2006

LAKE COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Year Ended December 31, 2005

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>EXECUTIVE OFFICE OF THE PRESIDENT - OFFICE OF NATIONAL DRUG CONTROL POLICY</u>			
Direct Grant			
High Intensity Drug Trafficking Area (HIDTA)	07.Unknown	13PLCP501 14PLCP501 15PLCP501	\$ 14,062 843,599 <u>2,173,029</u>
Total for federal grantor agency			<u>3,030,690</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Pass-Through Indiana Department of Education			
Child Nutrition Cluster			
School Breakfast Program	10.553		40,001
National School Lunch Program	10.555		<u>60,084</u>
Total for federal grantor agency			<u>100,085</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Direct Grant			
CDBG-Entitlement and (HUD-Administered) Small Cities Cluster			
Community Development Block Grants/Entitlement Grants	14.218	B-02-UC-18-0016 B-03-UC-18-0016 B-04-UC-18-0016 B-05-UC-18-0016	65,351 1,485,199 21,693 <u>8,401</u>
Total for Cluster			<u>1,580,644</u>
HOME Investment Partnerships Program	14.239	M-03-UC-180270 M-04-UC-180270 M-05-UC-180270	59,867 471,360 <u>61,445</u>
Total for program			<u>592,672</u>
Total for federal grantor agency			<u>2,173,316</u>
<u>U.S. DEPARTMENT OF THE INTERIOR</u>			
Pass-Through Indiana Department of Natural Resources			
Coastal Program	15.630		
Lake Michigan Coastal Grants Program			100,000
Indiana Coastal Grants Program			<u>65,800</u>
Total for federal grantor agency			<u>165,800</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Direct Grant			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2005DJBX1407	<u>172,787</u>
Pass-Through Indiana Criminal Justice Institute			
Juvenile Accountability Incentive Block Grants	16.523		
Lake County Night Light/Intensive Enhancement Program		03-JB-BX-0044	<u>174,403</u>
Pass-Through National Court Appointed Special Advocate Association			
Victims of Child Abuse	16.547	Special Advocate	<u>22,316</u>
Pass-Through Indiana Criminal Justice Institute			
Edward Byrne Memorial Formula Grant Program	16.579	03-DB-028 04-DB-023	161,583 <u>342,779</u>
Total for program			<u>504,362</u>
Pass-Through Indiana Criminal Justice Institute			
Public Safety Partnership and Community Policing Grants	16.710	2003CKWX-0030 2004CKWX-0409 2005CKWX-0084	12,095 99,349 <u>296,843</u>
Total for program			<u>408,287</u>
Pass-Through Indiana Criminal Justice Institute			
Drug Control and System Improvement - Formula Grant	16. Unknown		
Federal Forfeitures			<u>17,326</u>
Federal Asset Forfeiture Formula Grant	16. Unknown		
RICO Seizures			<u>1,134</u>
Total for federal grantor agency			<u>1,300,615</u>

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

LAKE COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Year Ended December 31, 2005  
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation			
Highway Planning and Construction	20.205		
Bridge Construction		STP-N620	19,809
Bridge Inspection		BR-NBIS	5,492
Total for program			<u>25,301</u>
Pass-Through Indiana Criminal Justice Institute			
Highway Safety Cluster	20.600		
State and Community Highway Safety			
Operation Pull-Over			5,208
Emergency Gas Award			1,000
Total for program			<u>6,208</u>
Pass-Through Indiana Department of Homeland Security			
Interagency Hazardous Materials Public Sector Training and			
Planning Grants	20.703		
Emergency Planning Right to Know			46,327
Total for federal grantor agency			<u>77,836</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-Through Indiana Family and Social Services Administration			
Special Programs for the Aging - Title VII, Chapter 3			
Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	45-04-OV-1222-02 45-06-OV-1222-01	86,987 66,303
Total for program			<u>153,290</u>
Pass-Through Indiana Department of Health			
Project Grants and Cooperative Agreements for			
Tuberculosis Control Programs	93.116	TB-144-4	40,588
Pass-Through Indiana Department of Health			
Center for Disease Control and Prevention - Investigations			
and Technical Assistance	93.283	BPRS-144-11-04 BPRS-144-11-05	23,702 31,535
Total for program			<u>55,237</u>
Pass-Through Indiana Department of Child Services			
Child Support Enforcement	93.563		
County Prosecutor's Expenditures			1,396,940
County Clerk's Expenditures			139,223
County Court Expenditures			108,028
Total for program			<u>1,644,191</u>
Pass-Through Indiana Department of Health			
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency			
Virus Syndrome (AIDS) Surveillance	93.944	ASP-144-8	50,768
Total for federal grantor agency			<u>1,944,074</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security			
Homeland Security Grant Program	97.067		
State Domestic Preparedness Equipment Support Program		C44P-4-067, C44-4-434	3,151,396
Emergency Management Performance Grants			49,324
Total for federal grantor agency			<u>3,200,720</u>
Total federal awards expended			<u>\$ 11,993,136</u>

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

LAKE COUNTY  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

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

II. Subrecipients

Of the federal expenditures presented in the schedule, the County provided federal awards to sub-recipients as follows for the year ended December 31, 2005:

Program Title	Federal CFDA Number	2005
HOME Investment Partnerships Program	14.239	\$ 89,500

LAKE COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Reportable conditions identified that are not considered to be material weaknesses?	yes

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? yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
14.218	CDBG Entitlement and (HUD Administered) Small Cities Cluster
14.239	HOME Investment Partnerships Program
16.579	Edward Byrne Memorial Formula Grant Programs
16.710	Public Safety Partnership and Community Policing Grants
97.067	Homeland Security Grant Program

Dollar threshold used to distinguish between Type A and Type B programs: \$359,035

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

LAKE COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

Section III – Federal Award Findings and Questioned Costs

FINDING 2005-1, REPORTING

Federal Agency: U.S. Department of Homeland Security  
Federal Program: Homeland Security Grant Program  
CFDA Number: 97.067  
Award Number: C44P-4-067, C44-4-434  
Pass-Through: Indiana Department of Homeland Security

Semiannual reports were required by the Indiana Department of Homeland Security; however, the County did not file any reports. Officials indicated that they did not know that any reports were required, and that the State did not make any inquiries regarding reports not filed. Two reports were required to be filed for 2005. Officials have not established any procedures for preparing or filing reports.

The 2004 Homeland Security Sub-Grant Agreement between the Indiana Department of Homeland Security, and Lake County, Section 5, County's Duties and Responsibilities, part B. states: "The County shall submit to the State semiannual reports, due on the following schedule:

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

These reports shall include the information and be in the format specified by the State. If the State has not specified the information and format for this report, the report shall contain the information and be in the format specified in Appendix C of the Office for Domestic Preparedness Guidance titled 'Fiscal Year 2004 State Homeland Security Grant Program'."

Title 28 Judicial Administration Part 66 Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments § 66.40 Monitoring and reporting program performance states: "(a) Monitoring by grantees. Grantees are responsible for managing the day-to-day operations of grant and subgrant supported activities. Grantees must monitor grant and subgrant supported activities to assure compliance with applicable Federal requirements and that performance goals are being achieved. Grantee monitoring must cover each program, function or activity.

§ 66.41 Financial reporting states: "(a) General.

- (1) Except as provided in paragraphs (a) (2) and (5) of this section, grantees will use only the forms specified in paragraphs (a) through (e) of this section, and such supplementary or other forms as may from time to time be authorized by OMB, for:
  - (i) Submitting financial reports to Federal agencies, or
  - (ii) Requesting advances or reimbursements when letters of credit are not used.
- (2) Grantees need not apply the forms prescribed in this section in dealing with their sub-grantees. However, grantees shall not impose more burdensome requirements on sub-grantees."

We recommended that officials prepare all future required reports on a timely basis, and that they contact the Indiana Department of Homeland Security regarding whether or not prior reports not filed should now be filed.

LAKE COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

FINDING 2005-2, CASH MANAGEMENT

Federal Agency: U.S. Department of Homeland Security  
Federal Program: Homeland Security Grant Program  
CFDA Number: 97.067  
Award Number: C44P-4-067, C44-4-434  
Pass-Through: Indiana Department of Homeland Security

We reviewed the cash balances for the months of October and November of 2005. Cash balances of \$880,012 and \$994,554, respectively, for the months of October and November, were on hand. Each of these cash balances were in excess of 28% of the grant expenditures for the year. This grant was originally advanced to the County by the State, then, in August 2005, the State requested a refund of the unexpended cash balance of the grant. After that time, the grant became a "drawdown" type of grant. These excess cash balances represent a part of the original cash balance that was not expended in a timely manner.

OMB Circular 102 (Paragraph 2.a), states: "Agency methods and procedures for transferring funds shall minimize the time elapsing between the transfer to recipients of grants and cooperative agreements and the recipient's need for the funds."

The County is not in compliance with the cash management requirements for this program.

Failure to comply with this requirement could cause the County to be deemed ineligible to receive federal awards in the future.

We recommended that the County design and properly monitor procedures that would ensure that federal funds are requested as needed and disburse federal funds in a timely manner.



*Auditor Lake County*

LAKE COUNTY GOVERNMENT CENTER  
2293 NORTH MAIN STREET  
CROWN POINT, INDIANA 46307



## **SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

### **FINDING NO. 2004-4 CASH MANAGEMENT**

Original SBA Audit Report Number: B26324  
Auditee Contact Person: Linda James  
Title of Contact Person: Fiscal Officer, HIDTA  
Phone No: (219) 650-2470

**Status of Finding:**

Through the use of a newly implemented excel spreadsheet we will be able to document open purchase orders and cash balances prior to requesting cash advances enabling us to comply with all cash management requirements. An example of the new program is enclosed.

### **FINDING NO. 2004-5 MATCHING CONTROLS**

Original SBA Audit Report Number: B26324  
Auditee Contact Person: Milan Grozdanich  
Title of Contact Person: Executive Director, Dept.of Community Development  
Phone No: (219) 755-3225

**Status of Finding:**

As was recommended by the SBA, a match log has been established and is being maintained to document the type of match and the source of the match. An example of this log is included with this response.

### **FINDING NO. 2004-6 Cash Management Compliance**

**Original SBA Audit Report Number: B26324**

Auditee Contact Person: Diane WeissBradley/Mary Jo Smith  
Title of Contact Person: Project Director/Program Liason  
Phone Number: (219) 660-6833

Status of Finding:

All funds have been requested on a quaterly basis.

**FINDING NO. 2004-7 Allowable costs**

Original SBA Audit Report Number: B26324  
Auditee Contact Person: Diane WeissBradley/Mary Jo Smith  
Title of Contact Person: Project Director/Program Liaison  
Phone Number: (219) 660-6833

Status of Finding:

The current JABG Grant does not have any agencies under contract for additional programs. The Project Liaison is under a consulting contract. Under the terms of her contract she is now in compliance with the county's payment of invoices.

**FINDING NO. 2004-8 Earmarking and Internal Controls**

Original SBA Audit Report Number: B26324  
Auditee Contact Person: Diane WeissBradley/Mary Jo Smith  
Title of Contact Person: Project Director/Program Director  
Phone Number: (219) 660-6833

Status of Finding:

The Project Liaison is now under contract as a consultant, meeting approval of the County Commissioners.

**FINDING NO. 2004-9 Reporting of Unpaid Obligations**

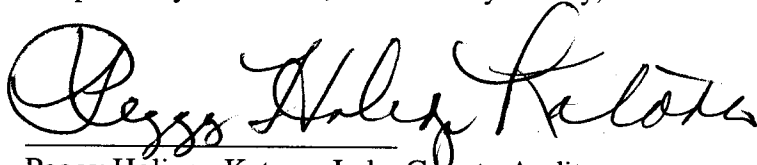
Original SBA Audit Report Number: B26324  
Auditee Contact Person: Diane WeissBradley/Mary Jo Smith  
Title of Contact Person: Project Director/Program Director  
Phone Number: (219) 660-6833

Status of Finding:

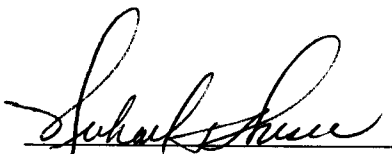
Homeland Security has been in contact with the State Emergency Management Agency. The necessary reports were filed, however, these reports were late per the guidelines set forth by The State Homeland Security Grant Program.

In 2005 the State changed the procedure for the disbursement of funds therefore, this finding should never happen again.

Respectfully submitted, this 10<sup>th</sup> day of July, 2006



Peggy Hologna Katona  
Peggy Hologna Katona, Lake County Auditor



Michael T. Wieser  
Michael T. Wieser, Director of Finance



*Auditor Lake County*

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**CORRECTIVE ACTION PLAN**

FINDING NO. 2005-1 REPORTING

Original SBA Audit Report Number:  
Auditee Contact Person: Jodi Richmond  
Title of Contact Person: Deputy Director  
Lake County Homeland Security/Emergency Mgmt.

Phone Number: (219) 755-3549

Corrective Action and Plan submitted:  
Lake County Homeland Security/Emergency Management has contacted The Indiana Department of Homeland Security and has implemented a program that consists of an online grant- monitor from which the required quarterly reports can be generated.

FINDING NO. 2005-2 CASH MANAGEMENT

Original SBA Audit Report Number:  
Auditee Contact Person: Jodi Richmond  
Title of Contact Person: Deputy Director  
Lake County Homeland Security/Emergency Mgmt.

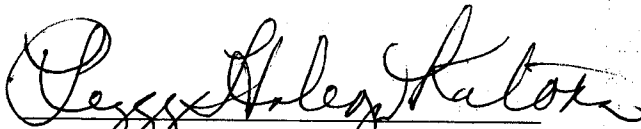
Phone Number: (219) 755-3549


Response Submitted:  
The cash balances noted in this finding were eventually returned to the State Homeland Security Grant Program.  
The State has changed the procedure used in obtaining funds. With this change, funds will be transferred only after a claim has been presented. This will prevent the problem cited in this finding.

Auditee Contact Person: Jodi E. Richmond  
Title of Contact Person: Deputy Director, Lake County Emergency Mgmt. Agcy.  
Phone Number: (219) 755-3549

Corrective Plan:  
Please refer to the attached responses from the above named person.

Respectfully submitted, this 16<sup>th</sup> day of October, 2006

  
Peggy Holmgren Katona, Lake County Auditor

  
Michael T. Wieser, Director of Finance

LAKE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on October 16, 2006, with Peggy Holinga Katona, Auditor; Michael T. Wieser, Director of Finance; Will A. Smith, Jr., President of the County Council; Roosevelt Allen, Jr., member of the Board of County Commissioners; Delvert E. Cole, Office Administrator to the Board of County Commissioners; and John S. Dull, Attorney for the Board of County Commissioners.