

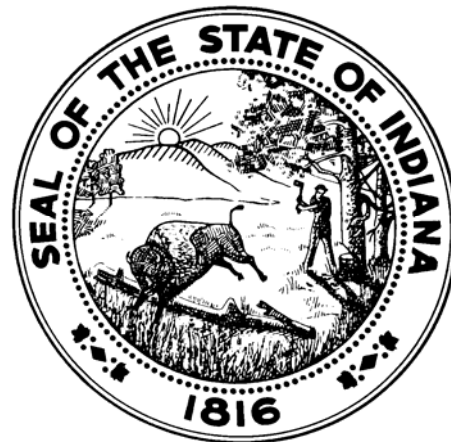
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**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

ANNUAL FINANCIAL REPORT

2005

OWEN COUNTY, INDIANA



**FILED**  
12/29/2006



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Angie Lawson	01-01-05 to 12-31-08
Treasurer	Irma Jean Franklin	01-01-03 to 12-31-06
Clerk	Nick Robertson	01-01-03 to 12-31-06
Sheriff	Harley E. Melton	01-01-03 to 12-31-06
Recorder	Julie Bandy	01-01-03 to 12-31-06
President of the Board of County Commissioners	Wiley Truesdel	01-01-05 to 12-31-06
President of the County Council	Patty Edwards	01-01-05 to 12-31-06



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF OWEN COUNTY, INDIANA

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 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 November 21, 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 are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Combining Schedules, as listed in the table of contents, and Schedule of Long-term Debt are presented for additional analysis and are not 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 Long-Term Debt has not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

November 21, 2006



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

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 OWEN COUNTY, INDIANA

We have audited the financial statements of Owen County (County), as of and for the year ended December 31, 2005, and have issued our report thereon dated November 21, 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.

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.

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

November 21, 2006

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

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>			<u>Net (Disbursement) Receipt and Changes in Net Assets</u>
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	<u>Primary Government</u>
					<u>Governmental Activities</u>
Primary government:					
Governmental activities:					
General government	\$ 2,175,877	\$ 124,125	\$ 712,841	\$ 304,620	\$ (1,034,291)
Public safety	3,168,511	1,034,746	111,467	151,098	(1,871,200)
Highways and streets	3,914,622	-	233,572	2,014,026	(1,667,024)
Sanitation	109,959	-	104,531	-	(5,428)
Health and welfare	1,416,611	476,216	330,844	34,463	(575,088)
Interest on long-term debt	<u>25,530</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(25,530)</u>
Total primary government	<u>\$ 10,811,110</u>	<u>\$ 1,635,087</u>	<u>\$ 1,493,255</u>	<u>\$ 2,504,207</u>	<u>(5,178,561)</u>
General receipts:					
Property taxes					2,893,619
Other local sources					2,389,542
Excise tax					388,160
Riverboat revenue sharing					137,377
Unrestricted investment earnings					<u>178,878</u>
Total general receipts					<u>5,987,576</u>
Change in net assets					809,015
Net assets - beginning					<u>7,320,047</u>
Net assets - ending					<u>\$ 8,129,062</u>
 <u>Assets</u>					
Cash and investments					\$ 324,946
Restricted assets:					
Cash and investments					<u>7,804,116</u>
Total assets					<u>\$ 8,129,062</u>
 <u>Net Assets</u>					
Restricted for:					
Highways and streets					\$ 1,389,348
Public safety					1,059,845
Health and welfare					1,205,049
Other purposes					4,149,874
Unrestricted					<u>324,946</u>
Total net assets					<u>\$ 8,129,062</u>

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

OWEN 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	County Highway	Welfare Family and Children	County Economic Development Income Tax	Other Governmental Funds	Totals
<b>Receipts:</b>						
Taxes	\$ 1,480,776	\$ -	\$ 126,889	\$ -	\$ 1,285,954	\$ 2,893,619
Licenses and permits	-	-	-	-	70,838	70,838
Intergovernmental	160,854	1,773,601	-	-	707,129	2,641,584
Excise tax	197,667	-	17,109	-	173,384	388,160
Other local sources	1,536,429	-	757	581,341	271,015	2,389,542
Charges for services	73,404	-	-	-	1,561,682	1,635,086
Fines and forfeits	72,398	-	-	-	30,198	102,596
Other	385,986	229,458	204,870	-	586,566	1,406,880
<b>Total receipts</b>	<b>3,907,514</b>	<b>2,003,059</b>	<b>349,625</b>	<b>581,341</b>	<b>4,686,766</b>	<b>11,528,305</b>
<b>Disbursements:</b>						
General government	1,636,317	-	-	-	539,560	2,175,877
Public safety	2,015,746	-	-	-	1,152,765	3,168,511
Highways and streets	-	1,946,965	-	-	530,577	2,477,542
Sanitation	-	-	-	-	109,959	109,959
Health and welfare	-	-	438,391	-	978,220	1,416,611
Debt service:						
Principal	-	-	-	-	300,000	300,000
Interest	-	-	-	-	25,530	25,530
Capital outlay:						
Highways and streets	-	-	-	47,225	998,035	1,045,260
<b>Total disbursements</b>	<b>3,652,063</b>	<b>1,946,965</b>	<b>438,391</b>	<b>47,225</b>	<b>4,634,646</b>	<b>10,719,290</b>
Excess (deficiency) of receipts over disbursements	255,451	56,094	(88,766)	534,116	52,120	809,015
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	-	91,819	91,819
Transfers out	-	-	-	-	(91,819)	(91,819)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	255,451	56,094	(88,766)	534,116	52,120	809,015
Cash and investment fund balance - beginning	69,495	921,244	981,847	1,081,757	4,265,704	7,320,047
Cash and investment fund balance - ending	\$ 324,946	\$ 977,338	\$ 893,081	\$ 1,615,873	\$ 4,317,824	\$ 8,129,062
<b>Cash and Investment Assets - December 31</b>						
Cash and investments	\$ 324,946	\$ -	\$ -	\$ -	\$ -	\$ 324,946
Restricted assets:						
Cash and investments	-	977,338	893,081	1,615,873	4,317,824	7,804,116
<b>Total cash and investment assets - December 31</b>	<b>\$ 324,946</b>	<b>\$ 977,338</b>	<b>\$ 893,081</b>	<b>\$ 1,615,873</b>	<b>\$ 4,317,824</b>	<b>\$ 8,129,062</b>
<b>Cash and Investment Fund Balance - December 31</b>						
Restricted for:						
Highways and streets	\$ -	\$ 977,338	\$ -	\$ -	\$ 412,010	\$ 1,389,348
Public safety	-	-	-	-	1,059,845	1,059,845
Health and welfare	-	-	893,081	-	311,968	1,205,049
Other purposes	-	-	-	1,615,873	2,534,001	4,149,874
Unrestricted	324,946	-	-	-	-	324,946
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 324,946</b>	<b>\$ 977,338</b>	<b>\$ 893,081</b>	<b>\$ 1,615,873</b>	<b>\$ 4,317,824</b>	<b>\$ 8,129,062</b>

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

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

	Pension Trust Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Employer	\$ 80,000	\$ -	\$ -
Plan members	10,420	-	-
Other	<u>1,043</u>	<u>-</u>	<u>-</u>
Total contributions	<u>91,463</u>	<u>-</u>	<u>-</u>
Investment earnings:			
Net increase in fair value of investments	19,549	-	-
Interest and dividends	<u>19,492</u>	<u>-</u>	<u>-</u>
Net investment earnings	<u>39,041</u>	<u>-</u>	<u>-</u>
Agency fund additions	<u>-</u>	<u>-</u>	<u>48,031,187</u>
Total additions	<u>130,504</u>	<u>-</u>	<u>48,031,187</u>
Deductions:			
Benefits	30,322	-	-
Administrative and general	8,195	-	-
Agency fund deductions	<u>-</u>	<u>-</u>	<u>47,615,395</u>
Total deductions	<u>38,517</u>	<u>-</u>	<u>47,615,395</u>
Excess of total additions over total deductions	91,987	-	415,792
Cash and investment fund balance - beginning	<u>619,222</u>	<u>18,502</u>	<u>1,295,010</u>
Cash and investment fund balance - ending	<u>\$ 711,209</u>	<u>\$ 18,502</u>	<u>\$ 1,710,802</u>

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

OWEN COUNTY  
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

Primary Government: Owen County

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

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 non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

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

The County reports the following major governmental funds:

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

The highway fund accounts for maintenance, construction and reconstruction of county highways.

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 economic development income tax fund accounts for the county income tax receipts distributed by the Auditor of State. As of July 1, 2005, such tax revenues may be used for any lawful purpose.

OWEN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Additionally, the County reports the following fund types:

The pension trust funds account for the activities of the sheriff's pension trust and the sheriff's benefit 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 of Owen County.

Agency funds account for assets held by the County as an agent on behalf of others and serve as control of accounts for certain cash transactions during the time they are a liability to the County.

C. Measurement Focus and Basis of Accounting

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

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

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges. Elimination of these charges would distort the direct costs and program receipts reported for the various functions concerned.

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

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Capital Assets

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

OWEN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

3. Long-Term Debt

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

4. Equity Classification

Government-Wide Statements

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

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

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

Fund Financial Statements

Governmental fund equity is classified as fund balance.

E. Receipts

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

F. Internal and Interfund Balances and Activities

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

Fund Financial Statements

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

OWEN COUNTY  
 NOTES TO FINANCIAL STATEMENTS  
 (Continued)

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. The effects of interfund services between funds, if any, are not eliminated in the Statement of Activities – Cash and Investment Basis.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

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
Children's Psychiatric Residency	\$ 24,005
Cumulative Capital Development	56,365
Jail Housing	37,339
Recycling	31,414
Total	\$ 149,123

These disbursements were funded by available fund balance.

OWEN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

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

2. Investments

Authorization for investment activity is stated in Indiana Code 5-13. The Sheriff's Merit Board has not established an investment policy for the Sheriff's Retirement and Benefit Pension Plan. As of December 31, 2005, the County had the following investments:

Investment Type	Primary Government Market Value
U.S. Treasuries and Securities	\$ 83,237
U.S. Agencies	59,909
Mutual Funds	49,888
Corporate Bonds	39,116
Corporate Stock	495,276
Total	\$ 727,426

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.

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

OWEN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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.

Investment Custodial Credit Risk

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

The Sheriff's Merit Board has not adopted an investment policy for custodial credit risk for investments. At December 31, 2005, the Sheriff's Retirement and Benefit Pension Plans held investments in U.S. Treasuries and Securities, U.S. Agencies, Mutual Funds, Corporate Bonds and Corporate Stock in the amount of \$727,426. Of these investments, \$727,426 is held by the investment's counterparty, not in the name of the Sheriff's Pension Plan.

Interest Rate Risk

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

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

Investment Type	Investment Maturities (in Years)		
	Less Than 1	1-2	More Than 2
U.S. Treasuries and Securities	\$ 10,000	\$ 40,341	\$ 32,896
U.S. Agencies	-	30,696	29,213
Corporate Bonds	-	-	39,116
Totals	<u>\$ 10,000</u>	<u>\$ 71,037</u>	<u>\$ 101,225</u>

OWEN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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.

<u>Standard and Poor's Rating</u>	<u>Moody's Rating</u>	<u>County's Investments Corporate Bonds</u>
AAA	Aaa	\$ 3,133
AA	Aa	2,995
A	A	27,113
BBB	Baa	<u>6,480</u>
Total		<u>\$ 39,721</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.

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	Other governmental	<u>\$ 91,819</u>

The County typically uses transfers to fund ongoing operating subsidies.

C. Restatements and Reclassifications

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. Prior period adjustments represent corrections to reported balances.

<u>Opinion Unit</u>	<u>Balance as Reported December 31, 2004</u>	<u>Fund Reclassification</u>	<u>Prior Period Adjustments</u>	<u>Balance as Restated January 1, 2005</u>
Fiduciary Funds - Pension Trust	\$ 674,852	\$ -	\$ (55,630)	\$ 619,222
Fiduciary Funds - Agency Funds	917,676	364,500	12,834	1,295,010
Other Governmental Funds	6,693,810	(364,500)	-	6,329,310

OWEN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

IV. Other Information

A. Risk Management

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

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

Job Related Illnesses or Injuries to Employees

During 1994, the County joined with other governmental entities in the Indiana Public Employers Plan, Inc., a public entity risk pool currently operating as a common risk management and insurance program for 350 member governmental entities. This risk pool was formed in 1990. The purpose of the risk pool is to provide a medium for the funding and administration of workers' compensation benefits. The County pays an annual premium to the risk pool for its workers' compensation coverage. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$1,000,000 per insured event.

B. Related Party Transactions

During the period for which financial statements are presented, the County had material transactions with Owen County Security Center and EMS Building Corporation in relation to holding corporation lease payments in the amount of \$323,463. As of December 31, 2005, the amount of \$327,306 was due to Owen County Security Center and EMS Building Corporation.

C. Holding Corporation

The County has entered into a capital lease with Owen County Security Center and EMS Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the County. The lessor has been determined to be a related party of the County. Lease payments during the year totaled \$323,463.

D. Administration of Welfare Programs

The County is required to provide certain funding for administrative costs of welfare programs, the Hospital Care for Indigent Program, and 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.

OWEN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

E. Pension Plans

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

1. Public Employees' Retirement Fund

Plan Description

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

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

Public Employees' Retirement Fund  
Harrison Building, Room 800  
143 West Market Street  
Indianapolis, I 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.

OWEN 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

	PERF	County Police Retirement Plan	County Police Benefit Plan
Annual required contribution	\$ 116,564	\$ 70,657	\$ 5,650
Interest on net pension obligation	(6,998)	(3,981)	-
Adjustment to annual required contribution	7,974	6,148	-
Annual pension cost	117,540	72,824	5,650
Contributions made	133,261	74,350	5,650
Decrease in net pension obligation	(15,721)	(1,526)	-
Net pension obligation, beginning of year	(96,520)	(56,869)	-
Net pension obligation, end of year	\$ (112,241)	\$ (58,395)	\$ -

OWEN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

	PERF	County Police Retirement Plan	County Police Benefit Plan
Contribution rates:			
County	4.5%	21%	2%
Plan members	3%	None	None
Actuarial valuation date	07-01-04	01-01-04	01-01-04
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed
Amortization period	40 years	40 years	40 years
Amortization period (from date)	07-01-97	12-31-97	12-31-97
Asset valuation method	4 year smoothed market	4 year smoothed market	4 year smoothed market

Actuarial Assumptions

Investment rate of return	7.25%	7%	7%
Projected future salary increases:			
Total	5%	5%	5%
Attributed to inflation	4%	4%	4%
Attributed to merit/seniority	1%	1%	1%
Cost-of-living adjustments	2%	2%	0%

\* 2.75% converted members; 4% nonconverted members

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-03	\$ 147,978	86%	\$ (58,120)
	06-30-04	92,907	141%	(96,520)
	06-30-05	117,540	143%	(112,241)
County Police Retirement Plan	12-31-03	74,456	100%	(56,895)
	12-31-04	73,854	102%	(56,869)
	12-31-05	72,824	102%	(58,395)
County Police Benefit Plan	12-31-03	6,248	100%	-
	12-31-04	6,172	100%	-
	12-31-05	5,650	100%	-

OWEN COUNTY  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-03	\$ 2,171,521	\$ 1,875,107	\$ 296,414	116%	\$ 2,580,686	11%
07-01-04	2,218,946	2,135,508	83,438	104%	2,724,825	3%
07-01-05	2,325,797	2,464,621	(138,824)	94%	2,693,096	(5%)

County Police Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
10-01-01	\$ 471,687	\$ 571,425	\$ (99,738)	83%	\$ 273,857	(36%)
10-01-02	524,307	524,307	-	100%	341,638	0%
10-01-03	506,225	506,225	-	100%	331,196	0%
10-01-04	670,495	670,495	-	100%	336,477	0%
10-01-05	771,274	771,274	-	100%	344,245	0%

OWEN 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 Health	Local Road and Street	Accident Report	Firearms Training	Election and Registration	Surveyor's Corner Perpetuation	Supplemental Adult Probation Services
<b>Receipts:</b>							
Taxes	\$ 95,509	\$ -	\$ -	\$ -	\$ 31,382	\$ -	\$ -
Licenses and permits	19,900	-	-	-	-	-	-
Intergovernmental	13,448	503,764	-	-	4,418	-	-
Charges for services	3,880	-	2,573	-	-	7,410	96,934
Fines and forfeits	-	-	-	-	-	-	-
Other	928	4,114	-	4,289	50	-	-
<b>Total receipts</b>	<b>133,665</b>	<b>507,878</b>	<b>2,573</b>	<b>4,289</b>	<b>35,850</b>	<b>7,410</b>	<b>96,934</b>
<b>Disbursements:</b>							
General government	-	-	-	-	42,764	1,188	-
Public safety	-	-	3,181	6,086	-	-	46,398
Highways and streets	-	530,577	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Health and welfare	113,530	-	-	-	-	-	-
<b>Debt service:</b>							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
<b>Capital outlay:</b>							
Highways and streets	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>113,530</b>	<b>530,577</b>	<b>3,181</b>	<b>6,086</b>	<b>42,764</b>	<b>1,188</b>	<b>46,398</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>20,135</b>	<b>(22,699)</b>	<b>(608)</b>	<b>(1,797)</b>	<b>(6,914)</b>	<b>6,222</b>	<b>50,536</b>
<b>Other financing sources (uses)</b>							
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>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>20,135</b>	<b>(22,699)</b>	<b>(608)</b>	<b>(1,797)</b>	<b>(6,914)</b>	<b>6,222</b>	<b>50,536</b>
<b>Cash and investment fund balance - beginning</b>	<b>58,086.00</b>	<b>434,709.00</b>	<b>4,904.00</b>	<b>9,547.00</b>	<b>58,724.00</b>	<b>11,018.00</b>	<b>70,675.00</b>
<b>Cash and investment fund balance - ending</b>	<b>\$ 78,221</b>	<b>\$ 412,010</b>	<b>\$ 4,296</b>	<b>\$ 7,750</b>	<b>\$ 51,810</b>	<b>\$ 17,240</b>	<b>\$ 121,211</b>
<b>Cash and Investment Assets - December 31</b>							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Restricted assets:</b>							
Cash and investments	78,221	412,010	4,296	7,750	51,810	17,240	121,211
<b>Total cash and investment assets - December 31</b>	<b>\$ 78,221</b>	<b>\$ 412,010</b>	<b>\$ 4,296</b>	<b>\$ 7,750</b>	<b>\$ 51,810</b>	<b>\$ 17,240</b>	<b>\$ 121,211</b>
<b>Cash and Investment Fund Balance - December 31</b>							
<b>Restricted for:</b>							
Highways and Streets	\$ -	\$ 412,010	\$ -	\$ -	\$ -	\$ -	\$ -
Public Safety	-	-	4,296	7,750	-	-	121,211
Health and Welfare	78,221	-	-	-	-	-	-
Other purposes	-	-	-	-	51,810	17,240	-
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 78,221</b>	<b>\$ 412,010</b>	<b>\$ 4,296</b>	<b>\$ 7,750</b>	<b>\$ 51,810</b>	<b>\$ 17,240</b>	<b>\$ 121,211</b>

OWEN 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	Recorder's Records Perpetuation	Emergency Medical Services	(Pretrial Diversion) County User Fee	Local Health Maintenance	Sheriff's Commissary	Emergency Planning and Right To Know
Receipts:							
Taxes	\$ -	\$ -	\$ 304,944	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	42,937	-	17,779	-	-
Charges for services	3,559	34,509	449,383	-	-	58,709	-
Fines and forfeits	-	-	-	30,198	-	-	-
Other	-	-	132	-	9,491	-	191
<b>Total receipts</b>	<b>3,559</b>	<b>34,509</b>	<b>797,396</b>	<b>30,198</b>	<b>27,270</b>	<b>58,709</b>	<b>191</b>
Disbursements:							
General government	-	19,140	-	-	-	-	-
Public safety	4,606	-	-	22,378	-	78,972	1,940
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Health and welfare	-	-	680,851	-	32,997	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
Highways and streets	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>4,606</b>	<b>19,140</b>	<b>680,851</b>	<b>22,378</b>	<b>32,997</b>	<b>78,972</b>	<b>1,940</b>
Excess (deficiency) of receipts over disbursements	(1,047)	15,369	116,545	7,820	(5,727)	(20,263)	(1,749)
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,047)	15,369	116,545	7,820	(5,727)	(20,263)	(1,749)
Cash and investment fund balance - beginning	11,872.00	58,210.00	57,078.00	65,308.00	12,100.00	36,676.00	4,832.00
Cash and investment fund balance - ending	<u>\$ 10,825</u>	<u>\$ 73,579</u>	<u>\$ 173,623</u>	<u>\$ 73,128</u>	<u>\$ 6,373</u>	<u>\$ 16,413</u>	<u>\$ 3,083</u>
<b>Cash and Investment Assets - December 31</b>							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	10,825	73,579	173,623	73,128	6,373	16,413	3,083
<b>Total cash and investment assets - December 31</b>	<u>\$ 10,825</u>	<u>\$ 73,579</u>	<u>\$ 173,623</u>	<u>\$ 73,128</u>	<u>\$ 6,373</u>	<u>\$ 16,413</u>	<u>\$ 3,083</u>
<b>Cash and Investment Fund Balance - December 31</b>							
Restricted for:							
Highways and Streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Safety	10,825	-	-	73,128	-	16,413	3,083
Health and Welfare	-	-	173,623	-	6,373	-	-
Other purposes	-	73,579	-	-	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 10,825</u>	<u>\$ 73,579</u>	<u>\$ 173,623</u>	<u>\$ 73,128</u>	<u>\$ 6,373</u>	<u>\$ 16,413</u>	<u>\$ 3,083</u>

OWEN 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 Drug Fee Community	Project Income Corrections	Community Corrections	Guardian Ad Litem and Special Advocate Services	Health Department Immunization	Project Income Sheriff	Supplemental Public Defender Services
<b>Receipts:</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	115,616	140,614	22,953	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	14,163	-	-	-	10,194	-	30,342
<b>Total receipts</b>	<b>14,163</b>	<b>115,616</b>	<b>140,614</b>	<b>22,953</b>	<b>10,194</b>	<b>-</b>	<b>30,342</b>
<b>Disbursements:</b>							
General government	-	-	-	-	-	-	-
Public safety	-	124,095	136,365	-	-	1,596	15,755
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Health and welfare	15,319	-	-	6,790	16,238	-	-
<b>Debt service:</b>							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
<b>Capital outlay:</b>							
Highways and streets	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>15,319</b>	<b>124,095</b>	<b>136,365</b>	<b>6,790</b>	<b>16,238</b>	<b>1,596</b>	<b>15,755</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(1,156)</b>	<b>(8,479)</b>	<b>4,249</b>	<b>16,163</b>	<b>(6,044)</b>	<b>(1,596)</b>	<b>14,587</b>
<b>Other financing sources (uses)</b>							
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>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(1,156)</b>	<b>(8,479)</b>	<b>4,249</b>	<b>16,163</b>	<b>(6,044)</b>	<b>(1,596)</b>	<b>14,587</b>
<b>Cash and investment fund balance - beginning</b>	<b>10,569.00</b>	<b>99,877.00</b>	<b>5,782.00</b>	<b>9,355.00</b>	<b>7,868.00</b>	<b>21,325.00</b>	<b>69,960.00</b>
<b>Cash and investment fund balance - ending</b>	<b>\$ 9,413</b>	<b>\$ 91,398</b>	<b>\$ 10,031</b>	<b>\$ 25,518</b>	<b>\$ 1,824</b>	<b>\$ 19,729</b>	<b>\$ 84,547</b>
<b>Cash and Investment Assets - December 31</b>							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Restricted assets:</b>							
Cash and investments	9,413	91,398	10,031	25,518	1,824	19,729	84,547
<b>Total cash and investment assets - December 31</b>	<b>\$ 9,413</b>	<b>\$ 91,398</b>	<b>\$ 10,031</b>	<b>\$ 25,518</b>	<b>\$ 1,824</b>	<b>\$ 19,729</b>	<b>\$ 84,547</b>
<b>Cash and Investment Fund Balance - December 31</b>							
<b>Restricted for:</b>							
Highways and Streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Safety	-	91,398	10,031	-	-	19,729	84,547
Health and Welfare	9,413	-	-	25,518	1,824	-	-
Other purposes	-	-	-	-	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 9,413</b>	<b>\$ 91,398</b>	<b>\$ 10,031</b>	<b>\$ 25,518</b>	<b>\$ 1,824</b>	<b>\$ 19,729</b>	<b>\$ 84,547</b>

OWEN 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)

	Emergency Telephone System	Soil and Water	Jail Housing	Building Department	Sheriff's K-9	Recycling	Building Department Nonreverting Fund
<b>Receipts:</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	50,938	-	-	-
Intergovernmental	-	5,000	109,961	-	-	-	-
Charges for services	256,826	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	-	-	-	5,824	104,531	-
<b>Total receipts</b>	<b>256,826</b>	<b>5,000</b>	<b>109,961</b>	<b>50,938</b>	<b>5,824</b>	<b>104,531</b>	<b>-</b>
<b>Disbursements:</b>							
General government	-	5,000	-	38,276	-	-	820
Public safety	101,291	-	102,039	-	5,900	-	-
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	109,959	-
Health and welfare	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
Highways and streets	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>101,291</b>	<b>5,000</b>	<b>102,039</b>	<b>38,276</b>	<b>5,900</b>	<b>109,959</b>	<b>820</b>
Excess (deficiency) of receipts over disbursements	155,535	-	7,922	12,662	(76)	(5,428)	(820)
<b>Other financing sources (uses)</b>							
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	155,535	-	7,922	12,662	(76)	(5,428)	(820)
Cash and investment fund balance - beginning	34,386.00	2,407.00	132,684.00	132,837.00	8,653.00	79,595.00	877.00
Cash and investment fund balance - ending	<u>\$ 189,921</u>	<u>\$ 2,407</u>	<u>\$ 140,606</u>	<u>\$ 145,499</u>	<u>\$ 8,577</u>	<u>\$ 74,167</u>	<u>\$ 57</u>
<b>Cash and Investment Assets - December 31</b>							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	189,921	2,407	140,606	145,499	8,577	74,167	57
<b>Total cash and investment assets - December 31</b>	<b>\$ 189,921</b>	<b>\$ 2,407</b>	<b>\$ 140,606</b>	<b>\$ 145,499</b>	<b>\$ 8,577</b>	<b>\$ 74,167</b>	<b>\$ 57</b>
<b>Cash and Investment Fund Balance - December 31</b>							
Restricted for:							
Highways and Streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Safety	189,921	-	140,606	-	8,577	-	-
Health and Welfare	-	-	-	-	-	-	-
Other purposes	-	2,407	-	145,499	-	74,167	57
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 189,921</b>	<b>\$ 2,407</b>	<b>\$ 140,606</b>	<b>\$ 145,499</b>	<b>\$ 8,577</b>	<b>\$ 74,167</b>	<b>\$ 57</b>

OWEN 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)

	Platting and Aerials Fund	Cops Fast Grant Equipment	Juvenile Incentive Block Grant	LHM Tobacco Settlement	E - 911	Clerk's Records Perpetuation	Local Planning Council
<b>Receipts:</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	5,000	16,684	-	-	-
Charges for services	-	-	-	-	344,351	5,442	-
Fines and forfeits	-	-	-	-	-	-	-
Other	6,622	-	-	-	-	-	9,570
<b>Total receipts</b>	<b>6,622</b>	<b>-</b>	<b>5,000</b>	<b>16,684</b>	<b>344,351</b>	<b>5,442</b>	<b>9,570</b>
<b>Disbursements:</b>							
General government	11,053	-	-	-	-	5,637	7,022
Public safety	-	-	10,200	-	446,857	-	-
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Health and welfare	-	-	-	11,523	-	-	-
<b>Debt service:</b>							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
<b>Capital outlay:</b>							
Highways and streets	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>11,053</b>	<b>-</b>	<b>10,200</b>	<b>11,523</b>	<b>446,857</b>	<b>5,637</b>	<b>7,022</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(4,431)</b>	<b>-</b>	<b>(5,200)</b>	<b>5,161</b>	<b>(102,506)</b>	<b>(195)</b>	<b>2,548</b>
<b>Other financing sources (uses)</b>							
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>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(4,431)</b>	<b>-</b>	<b>(5,200)</b>	<b>5,161</b>	<b>(102,506)</b>	<b>(195)</b>	<b>2,548</b>
<b>Cash and investment fund balance - beginning</b>	<b>13,456.00</b>	<b>1,885.00</b>	<b>5,200.00</b>	<b>1,155.00</b>	<b>313,603.00</b>	<b>3,111.00</b>	<b>32,582.00</b>
<b>Cash and investment fund balance - ending</b>	<b>\$ 9,025</b>	<b>\$ 1,885</b>	<b>\$ -</b>	<b>\$ 6,316</b>	<b>\$ 211,097</b>	<b>\$ 2,916</b>	<b>\$ 35,130</b>
<b>Cash and Investment Assets - December 31</b>							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Restricted assets:</b>							
Cash and investments	9,025	1,885	-	6,316	211,097	2,916	35,130
<b>Total cash and investment assets - December 31</b>	<b>\$ 9,025</b>	<b>\$ 1,885</b>	<b>\$ -</b>	<b>\$ 6,316</b>	<b>\$ 211,097</b>	<b>\$ 2,916</b>	<b>\$ 35,130</b>
<b>Cash and Investment Fund Balance - December 31</b>							
<b>Restricted for:</b>							
Highways and Streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Safety	-	1,885	-	-	211,097	-	-
Health and Welfare	-	-	-	6,316	-	-	-
Other purposes	9,025	-	-	-	-	2,916	35,130
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 9,025</b>	<b>\$ 1,885</b>	<b>\$ -</b>	<b>\$ 6,316</b>	<b>\$ 211,097</b>	<b>\$ 2,916</b>	<b>\$ 35,130</b>

OWEN 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)

	Property Reassessment	Allen Hall Paramedic Fund	Investigators Office Space	Owen County Regional Sewer District	Narcotics Investigation Equipment	Owen County Court Facilitation Project	Sales Disclosure
<b>Receipts:</b>							
Taxes	\$ 118,703	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	16,713	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	26,299	-	-	-	-	13,313	7,503
<b>Total receipts</b>	<b>161,715</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,313</b>	<b>7,503</b>
<b>Disbursements:</b>							
General government	61,325	-	-	-	-	-	17,775
Public safety	-	-	360	-	-	10,301	-
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
Highways and streets	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>61,325</b>	<b>-</b>	<b>360</b>	<b>-</b>	<b>-</b>	<b>10,301</b>	<b>17,775</b>
Excess (deficiency) of receipts over disbursements	100,390	-	(360)	-	-	3,012	(10,272)
<b>Other financing sources (uses)</b>							
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	100,390	-	(360)	-	-	3,012	(10,272)
Cash and investment fund balance - beginning	621,376.00	1,215.00	816.00	1,076.00	1,574.00	3,498.00	12,992.00
Cash and investment fund balance - ending	\$ 721,766	\$ 1,215	\$ 456	\$ 1,076	\$ 1,574	\$ 6,510	\$ 2,720
<b>Cash and Investment Assets - December 31</b>							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	721,766	1,215	456	1,076	1,574	6,510	2,720
<b>Total cash and investment assets - December 31</b>	<b>\$ 721,766</b>	<b>\$ 1,215</b>	<b>\$ 456</b>	<b>\$ 1,076</b>	<b>\$ 1,574</b>	<b>\$ 6,510</b>	<b>\$ 2,720</b>
<b>Cash and Investment Fund Balance - December 31</b>							
Restricted for:							
Highways and Streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Safety	-	-	456	-	1,574	6,510	-
Health and Welfare	-	-	-	1,076	-	-	-
Other purposes	721,766	1,215	-	-	-	-	2,720
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 721,766</b>	<b>\$ 1,215</b>	<b>\$ 456</b>	<b>\$ 1,076</b>	<b>\$ 1,574</b>	<b>\$ 6,510</b>	<b>\$ 2,720</b>

OWEN 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)

	Riverboat Revenue Sharing	Middle Way House Grant	Administrative Fee-Probation	EMT/MTS	Emergency Transportation	Solid Waste Grant	Community Foundation Grant OC Court
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	137,377	12,767	-	-	-	-	-
Charges for services	-	-	15,562	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	-	-	71,166	-	-	-
<b>Total receipts</b>	<b>137,377</b>	<b>12,767</b>	<b>15,562</b>	<b>71,166</b>	<b>-</b>	<b>-</b>	<b>-</b>
Disbursements:							
General government	68,763	12,767	-	-	-	-	25
Public safety	-	-	17,262	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Health and welfare	-	-	-	85,161	4,000	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
Highways and streets	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>68,763</b>	<b>12,767</b>	<b>17,262</b>	<b>85,161</b>	<b>4,000</b>	<b>-</b>	<b>25</b>
Excess (deficiency) of receipts over disbursements	68,614	-	(1,700)	(13,995)	(4,000)	-	(25)
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	68,614	-	(1,700)	(13,995)	(4,000)	-	(25)
Cash and investment fund balance - beginning	234,433.00	-	12,244.00	23,497.00	4,000.00	25.00	527.00
Cash and investment fund balance - ending	<u>\$ 303,047</u>	<u>\$ -</u>	<u>\$ 10,544</u>	<u>\$ 9,502</u>	<u>\$ -</u>	<u>\$ 25</u>	<u>\$ 502</u>
<b>Cash and Investment Assets - December 31</b>							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	303,047	-	10,544	9,502	-	25	502
<b>Total cash and investment assets - December 31</b>	<b>\$ 303,047</b>	<b>\$ -</b>	<b>\$ 10,544</b>	<b>\$ 9,502</b>	<b>\$ -</b>	<b>\$ 25</b>	<b>\$ 502</b>
<b>Cash and Investment Fund Balance - December 31</b>							
Restricted for:							
Highways and Streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Safety	-	-	10,544	-	-	-	-
Health and Welfare	-	-	-	9,502	-	25	-
Other purposes	303,047	-	-	-	-	-	502
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 303,047</b>	<b>\$ -</b>	<b>\$ 10,544</b>	<b>\$ 9,502</b>	<b>\$ -</b>	<b>\$ 25</b>	<b>\$ 502</b>

OWEN 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)

	Rainy Day Fund	Community Emergency Response Team	Drug Court	Emergency Management Fund	Extension Office Work Study	Help America Vote Act Reimb.	Howesville Ditch
<b>Receipts:</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	7,500	-	-	126,000	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	1,104	-	7,525	1,305	-	1,755
<b>Total receipts</b>	<b>-</b>	<b>1,104</b>	<b>7,500</b>	<b>7,525</b>	<b>1,305</b>	<b>126,000</b>	<b>1,755</b>
<b>Disbursements:</b>							
General government	100,023	1,035	-	-	1,227	124,800	1,755
Public safety	-	-	1,000	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
Highways and streets	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>100,023</b>	<b>1,035</b>	<b>1,000</b>	<b>-</b>	<b>1,227</b>	<b>124,800</b>	<b>1,755</b>
Excess (deficiency) of receipts over disbursements	(100,023)	69	6,500	7,525	78	1,200	-
<b>Other financing sources (uses)</b>							
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	(100,023)	69	6,500	7,525	78	1,200	-
Cash and investment fund balance - beginning	417,981.00	-	-	-	-	-	-
Cash and investment fund balance - ending	\$ 317,958	\$ 69	\$ 6,500	\$ 7,525	\$ 78	\$ 1,200	\$ -
<b>Cash and Investment Assets - December 31</b>							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	317,958	69	6,500	7,525	78	1,200	-
<b>Total cash and investment assets - December 31</b>	<b>\$ 317,958</b>	<b>\$ 69</b>	<b>\$ 6,500</b>	<b>\$ 7,525</b>	<b>\$ 78</b>	<b>\$ 1,200</b>	<b>\$ -</b>
<b>Cash and Investment Fund Balance - December 31</b>							
Restricted for:							
Highways and Streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Safety	-	-	6,500	7,525	-	-	-
Health and Welfare	-	-	-	-	-	-	-
Other purposes	317,958	69	-	-	78	1,200	-
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 317,958</b>	<b>\$ 69</b>	<b>\$ 6,500</b>	<b>\$ 7,525</b>	<b>\$ 78</b>	<b>\$ 1,200</b>	<b>\$ -</b>

OWEN 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)

	Mortgage Fee Fund	Prosecutor Incentive	Public Safety Foundation	Sheriff's Fuel Reimbursement	Sheriff's Medical Reimbursement	South Central Community Action	Tax Sale Costs
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	28,637	-	-	-	-	-
Charges for services	3,360	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	-	2,116	3,895	13,774	4,740	15,788
<b>Total receipts</b>	<b>3,360</b>	<b>28,637</b>	<b>2,116</b>	<b>3,895</b>	<b>13,774</b>	<b>4,740</b>	<b>15,788</b>
Disbursements:							
General government	3,085	-	-	-	-	4,740	11,340
Public safety	-	-	1,836	573	13,774	-	-
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
Highways and streets	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>3,085</b>	<b>-</b>	<b>1,836</b>	<b>573</b>	<b>13,774</b>	<b>4,740</b>	<b>11,340</b>
Excess (deficiency) of receipts over disbursements	275	28,637	280	3,322	-	-	4,448
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	275	28,637	280	3,322	-	-	4,448
Cash and investment fund balance - beginning	-	-	-	-	-	-	-
<b>Cash and investment fund balance - ending</b>	<b>\$ 275</b>	<b>\$ 28,637</b>	<b>\$ 280</b>	<b>\$ 3,322</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,448</b>
<b>Cash and Investment Assets - December 31</b>							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	275	28,637	280	3,322	-	-	4,448
<b>Total cash and investment assets - December 31</b>	<b>\$ 275</b>	<b>\$ 28,637</b>	<b>\$ 280</b>	<b>\$ 3,322</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,448</b>
<b>Cash and Investment Fund Balance - December 31</b>							
Restricted for:							
Highways and Streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Safety	-	28,637	280	3,322	-	-	-
Health and Welfare	-	-	-	-	-	-	-
Other purposes	275	-	-	-	-	-	4,448
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 275</b>	<b>\$ 28,637</b>	<b>\$ 280</b>	<b>\$ 3,322</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,448</b>

OWEN 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)

	Local Health Maintenance Tobacco	Owen County Security Center- EMS Building Corporation	Cumulative Bridge	Cumulative Capital Development	Freedom Bridge	Totals
<b>Receipts:</b>						
Taxes	\$ -	\$ 291,301	\$ 341,101	\$ 103,013	\$ -	\$ 1,285,953
Licenses and permits	-	-	-	-	-	70,838
Intergovernmental	-	41,014	48,026	14,504	-	1,151,529
Charges for services	-	-	-	-	-	1,561,681
Fines and forfeits	-	-	-	-	-	30,198
Other	-	-	103,336	-	112,507	586,567
<b>Total receipts</b>	<b>-</b>	<b>332,315</b>	<b>492,463</b>	<b>117,517</b>	<b>112,507</b>	<b>4,686,766</b>
<b>Disbursements:</b>						
General government	-	-	-	-	-	539,560
Public safety	-	-	-	-	-	1,152,765
Highways and streets	-	-	-	-	-	530,577
Sanitation	-	-	-	-	-	109,959
Health and welfare	11,811	-	-	-	-	978,220
<b>Debt service:</b>						
Principal	-	300,000	-	-	-	300,000
Interest	-	25,530	-	-	-	25,530
<b>Capital outlay:</b>						
Highways and streets	-	-	505,497	120,558	371,980	998,035
<b>Total disbursements</b>	<b>11,811</b>	<b>325,530</b>	<b>505,497</b>	<b>120,558</b>	<b>371,980</b>	<b>4,634,646</b>
Excess (deficiency) of receipts over disbursements	(11,811)	6,785	(13,034)	(3,041)	(259,473)	52,120
<b>Other financing sources (uses)</b>						
Transfers in	-	-	91,819	-	-	91,819
Transfers out	-	-	-	-	(91,819)	(91,819)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>91,819</b>	<b>-</b>	<b>(91,819)</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(11,811)	6,785	78,785	(3,041)	(351,292)	52,120
Cash and investment fund balance - beginning	11,888.00	36,723	444,257	205,384	351,292	4,265,704
Cash and investment fund balance - ending	\$ 77	\$ 43,508	\$ 523,042	\$ 202,343	\$ -	\$ 4,317,824
<b>Cash and Investment Assets - December 31</b>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Restricted assets:</b>						
Cash and investments	77	43,508	523,042	202,343	-	4,317,824
<b>Total cash and investment assets - December 31</b>	<b>\$ 77</b>	<b>\$ 43,508</b>	<b>\$ 523,042</b>	<b>\$ 202,343</b>	<b>\$ -</b>	<b>\$ 4,317,824</b>
<b>Cash and Investment Fund Balance - December 31</b>						
<b>Restricted for:</b>						
Highways and Streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 412,010
Public Safety	-	-	-	-	-	1,059,845
Health and Welfare	77	-	-	-	-	311,968
Other purposes	-	43,508	523,042	202,343	-	2,534,001
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 77</b>	<b>\$ 43,508</b>	<b>\$ 523,042</b>	<b>\$ 202,343</b>	<b>\$ -</b>	<b>\$ 4,317,824</b>

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

	County Prosecutor's Trust	Emergency Medical Services Trust	EMS Special Donation	Community Corrections Trust	County Child Advocacy Fund	Tax Distribution	Sewage Collections
Additions:							
Agency fund additions	\$ 2,216	\$ 542,877	\$ 1,906	\$ 226,402	\$ -	\$ 17,030,901	\$ 1,606
Deductions:							
Agency fund deductions	1,795	501,100	228	231,934	100	17,030,901	1,606
Excess (deficiency) of total additions over total deductions	421	41,777	1,678	(5,532)	(100)	-	-
Cash and investment fund balance - beginning	6,937	609	962	20,423	100	-	140
Cash and investment fund balance - ending	<u>\$ 7,358</u>	<u>\$ 42,386</u>	<u>\$ 2,640</u>	<u>\$ 14,891</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 140</u>

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

	Food Registration Fund	Education Plate Fees	State Timber	Document Fees	Bail Bond Extraditions	Dome Preservation	Tax Sale Redemption
Additions:							
Agency fund additions	\$ 10,660	\$ 750	\$ 4,244	\$ 7,538	\$ -	\$ -	\$ 12,807
Deductions:							
Agency fund deductions	12,497	881	8,638	-	384	-	9,691
Excess (deficiency) of total additions over total deductions	(1,837)	(131)	(4,394)	7,538	(384)	-	3,116
Cash and investment fund balance - beginning	7,519	187	4,394	5,248	384	11,851	212
Cash and investment fund balance - ending	<u>\$ 5,682</u>	<u>\$ 56</u>	<u>\$ -</u>	<u>\$ 12,786</u>	<u>\$ -</u>	<u>\$ 11,851</u>	<u>\$ 3,328</u>

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

	Surplus Tax Sale	State Settlement	Inheritance Tax	Surplus Tax	Congressional School Interest	Surplus Dog Tax	County Sheriff
Additions:							
Agency fund additions	\$ 788,451	\$ 137,311	\$ 324,386	\$ 15,684	\$ 441	\$ 2,910	\$ 98,302
Deductions:							
Agency fund deductions	138,272	137,311	254,729	47,511	56	2,910	98,214
Excess (deficiency) of total additions over total deductions	650,179	-	69,657	(31,827)	385	-	88
Cash and investment fund balance - beginning	50,605	-	57,711	31,827	12,088	-	675
Cash and investment fund balance - ending	<u>\$ 700,784</u>	<u>\$ -</u>	<u>\$ 127,368</u>	<u>\$ -</u>	<u>\$ 12,473</u>	<u>\$ -</u>	<u>\$ 763</u>

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

	Infraction Judgment	Clerk of the Circuit Court	Welfare Trust	Mass Prop	Sur Tax	Sheriff's Inmate Trust	County Recorder
Additions:							
Agency fund additions	\$ 34,568	\$ 2,913,074	\$ 8,706	\$ -	\$ 239,223	\$ 50,958	\$ 118,840
Deductions:							
Agency fund deductions	33,865	2,849,889	617	5,097	239,223	51,349	118,651
Excess (deficiency) of total additions over total deductions	703	63,185	8,089	(5,097)	-	(391)	189
Cash and investment fund balance - beginning	2,203	192,827	58,463	5,097	-	1,294	9,123
Cash and investment fund balance - ending	<u>\$ 2,906</u>	<u>\$ 256,012</u>	<u>\$ 66,552</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 903</u>	<u>\$ 9,312</u>

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

	County Treasurer	Coroner's Training and Continuing Education	City/Town Court Costs	State Sales Disclosure Fee	Building Department	State Fines and Forfeitures	Wheel Tax
Additions:							
Agency fund additions	<u>\$ 23,292,271</u>	<u>\$ 522</u>	<u>\$ 6,218</u>	<u>\$ 833</u>	<u>\$ 20,302</u>	<u>\$ 2,744</u>	<u>\$ 39,822</u>
Deductions:							
Agency fund deductions	<u>23,246,084</u>	<u>569</u>	<u>-</u>	<u>802</u>	<u>20,502</u>	<u>1,038</u>	<u>39,822</u>
Excess (deficiency) of total additions over total deductions	46,187	(47)	6,218	31	(200)	1,706	-
Cash and investment fund balance - beginning	<u>236,037</u>	<u>117</u>	<u>8,338</u>	<u>30</u>	<u>200</u>	<u>175</u>	<u>-</u>
Cash and investment fund balance - ending	<u>\$ 282,224</u>	<u>\$ 70</u>	<u>\$ 14,556</u>	<u>\$ 61</u>	<u>\$ -</u>	<u>\$ 1,881</u>	<u>\$ -</u>

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

	Payroll	Cataract Water Grant	Interstate Compact Fee	Child Restraint Fine	Car Camera	Children's Psychiatric
Additions:						
Agency fund additions	\$ 1,826,464	\$ 25,343	\$ 262	\$ 100	\$ 14,112	\$ 56,461
Deductions:						
Agency fund deductions	1,852,176	42,012	637	100	22,029	77,722
Excess (deficiency) of total additions over total deductions	(25,712)	(16,669)	(375)	-	(7,917)	(21,261)
Cash and investment fund balance - beginning	104,352	16,669	375	-	8,312	53,429
Cash and investment fund balance - ending	<u>\$ 78,640</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 395</u>	<u>\$ 32,168</u>

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

	Health Department	Homeland Security	CEDIT Capital Project Plan Fund	Excess Levy	Levy Excess Welfare	Total
Additions:						
Agency fund additions	\$ 45,838	\$ -	\$ 102,737	\$ 20,303	\$ 2,094	\$ 48,031,187
Deductions:						
Agency fund deductions	45,842	21,374	467,237	-	-	47,615,395
Excess (deficiency) of total additions over total deductions	(4)	(21,374)	(364,500)	20,303	2,094	415,792
Cash and investment fund balance - beginning	223	21,374	364,500	-	-	1,295,010
Cash and investment fund balance - ending	<u>\$ 219</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,303</u>	<u>\$ 2,094</u>	<u>\$ 1,710,802</u>

OWEN COUNTY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT

For The Year Ended December 31, 2005

Description of Asset	Ending Balance	Due Within One Year
Governmental Activities:		
Capital leases:		
Security Center & EMS Building	\$ 327,306	\$ 327,306
Notes and loans payable	83,672	64,171
Bonds payable:		
General obligation bonds:		
1998 Jail Renovation & Landfill Closure	770,388	262,779
2000 Freedom Bridge #99	384,755	194,760
Total governmental activities long-term debt	\$ 1,566,121	\$ 849,016

OWEN 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  
Clerk of the Circuit Court  
County Emergency Medical Services  
County Sheriff

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF OWEN COUNTY, INDIANA

Compliance

We have audited the compliance of the Owen 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.

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)

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 noncompliance with 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. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

November 21, 2006

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

Federal Grantor Agency/Pass-Through Entity Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Pass-Through Indiana Department of Commerce Community Development Block Grant	14.228	CF03-112	\$ 25,343
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Pass-Through Indiana Criminal Justice Institute Juvenile Accountability Incentive Block Grant Community Against Rape Initiative	16.523	16-5-23	5,000 <u>12,767</u>
Total for federal grantor agency			<u>17,767</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation Highway Planning and Construction	20.205	BRO-9960 (14)	<u>112,040</u>
<u>U.S. GENERAL SERVICES ADMINISTRATION</u>			
Pass-Through Indiana Secretary of State Election Reform Payments	39.011		<u>126,000</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-Through Indiana Department of Child Services Child Support Enforcement Prosecutor Expenditures Clerk Expenditures Incentive Expenditures Indirect Costs	93.563		75,291 29,374 25,187 <u>12,854</u>
Total for federal grantor agency			<u>142,706</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security Public Assistance Grants Disaster 1542 Snow Emergency 3197 Disaster 1573	97.036		7,199 28,461 <u>138,915</u>
Total for program			<u>174,575</u>
Community Emergency Response Team (CERT)	97.054		<u>1,104</u>
Total for federal grantor agency			<u>175,679</u>
Total federal awards expended			<u>\$ 599,535</u>

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

OWEN 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 Owen 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
Community Development Block Grant	14.228	\$ <u>25,343</u>

OWEN 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? none reported

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

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

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
93.563	Child Support Enforcement
97.036	Public Assistance Grants

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

OWEN COUNTY  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

OWEN COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on November 21, 2006, with Angie Lawson, Auditor, Wiley Truesdel, President of the Board of County Commissioners; and Patty Edwards, President of the County Council.