

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

ANNUAL FINANCIAL REPORT

2006

ELKHART COUNTY, INDIANA



FILED

09/06/2007

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	David L. Hess	01-01-04 to 12-31-10
Treasurer	Larry R. Ernest	01-01-05 to 12-31-08
Clerk	Stephanie Burgess	01-01-03 to 12-31-10
Sheriff	Michael Books	01-01-03 to 12-31-10
Recorder	Christopher J. Anderson	01-01-04 to 12-31-10
President of the Board of County Commissioners	Phil R. Stiver Terry Rodino	01-01-06 to 12-31-06 01-01-07 to 12-31-07
President of the County Council	John K. Letherman	01-01-06 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF ELKHART 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 Elkhart County (County), as of and for the year ended December 31, 2006, which collectively comprise the County's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

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

In our opinion, except that the omission of the component unit of the County referred to in the preceding paragraph results in incomplete presentation, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 2006, 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 July 30, 2007, 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.

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

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

The Management's Discussion and Analysis, Schedules of Funding Progress, and Budgetary Comparison Schedules, 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.

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

STATE BOARD OF ACCOUNTS

July 30, 2007



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

TO: THE OFFICIALS OF ELKHART COUNTY, INDIANA

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Elkhart County, as of and for the year ended December 31, 2006, which collectively comprise the County's basic financial statements and have issued our report thereon dated July 30, 2007. The opinions to the financial statements were qualified due to omission of the component unit of Elkhart County which results in an incomplete presentation of the basic United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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

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

Compliance and Other Matters

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

This report is intended solely for the information and use of the Town'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

July 30, 2007

**County of Elkhart, Indiana
Management's Discussion and Analysis
December 31, 2006**

This discussion and analysis highlights the County of Elkhart's financial activities for the year ending December 31, 2006. We hope you will find this discussion helpful in assessing the County's financial condition. Please read it in conjunction with the County's financial statements and accompanying notes, which follow this discussion and analysis.

Financial Highlights

2006 turned out as a very positive year for Elkhart County government. Several factors came together which had a positive impact on the County's financial position. By far the most significant event has to be the long-term impact of the Major Moves money from the State of Indiana. The receipt of \$24,947,709 by the County is unprecedented in the County's history. This money has been placed in a special non-reverting fund to be used for future infrastructure projects and road maintenance. This Major Moves Fund as established will underpin future highway construction and maintenance for the coming decades.

The other positive highlight is the year end cash balance of the County's General Fund. After several years of a declining cash balance in the General Fund, the trend was reversed. This was accomplished through the efforts of the County Council by controlling budget increases for all departments. The second factor which increased the cash balance was an increase in the distribution of the County Adjusted Gross Income Tax (CAGIT) funds from the State of Indiana.

The tables below show a comparison of the distribution of CAGIT funds and the last five years cash balance of the County's General Fund as of December 31, 2006.

CAGIT RECEIVED

Fiscal Year	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
CAGIT Received	\$16,940,339	\$10,297,395	\$9,490,504	\$9,128,164	\$10,731,683

GENERAL FUND DECEMBER 31, 2006 CASH BALANCE

Fiscal Year	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
	\$16,019,100	\$8,517,651	\$13,912,214	\$12,751,888	\$15,602,935

Basic Financial Statements

The Governmental Accounting Standards Board (GASB), in accordance with GASB Statement No. 34, requires the County to present its financial statements as government-wide statements and fund financial statements. Prior to 2005 the State Board of Accounts provided the County with a modified Accrual Audit. Because this is the second year of a Cash Audit, we can now compare 2005 to 2006. However, any comparison to years prior to 2005 will be flawed due to a Cash Audit being compared to a modified Accrual Audit.

As previously stated, the basic financial statements of the County consist of the following:

1. Government-wide statements.
2. Fund financial statements.

Government-wide statements include the Statement of Cash and Investments and the Statement of Cash Activities. Government-wide statements report on two major categories of services:

- Governmental activities, these statements encompass most of the County's basic services that are provided to its citizens.
- Business-type activity, this statement covers the Elkhart County Solid Waste Department (landfill) and a new Storm Water Utility Department.

Governmental activities include most of the County's basic services that are provided to its citizens, such as the general government, Highway, Sheriff's Department and Parks Department.

Fund financial statements are broadly categorized as governmental and proprietary. Separate financial statements are presented for each of these fund categories.

- Governmental funds include the General Fund, County Family and Children and, Criminal Justice Facility Construction Fund and the Major Move Fund. These funds report what most people consider the basic government services. Governmental Funds report the four major funds separately, with all other funds combined into one total. This statement provides a detailed short term view of the County's general government operations and the basic services it provides. This information will help you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs.
- Proprietary (enterprise) funds encompass the business-type activities of the County. For Elkhart County this statement reflects the financial activity of the Elkhart County Solid Waste Department which is the County Landfill and the Storm Water Utility Department.

Condensed Financial Data

For the year ended December 31, 2006, cash net assets changed as follows:

	<u>Governmental Activities</u>	<u>Business Activities</u>	<u>Total</u>
Beginning Cash Net Assets	\$108,036,316	\$29,179,754	\$137,216,070
Increase in Cash Net Assets	(\$783,729)	(\$556,255)	(\$1,339,984)
Ending Cash Net Assets	\$107,252,587	\$28,623,499	\$135,876,086

The following table outlines the net assets of the Governmental Funds and the County's business-type activities.

Cash and Investment Assets – December 31

	<u>Total Governmental</u>	<u>Total Business Type Activities</u>
Cash and Investments	\$ 70,652,961	\$ 21,915,420
Restricted assets:		
Cash and Investments	\$ 32,389,162	\$ 6,708,079
Total cash and investment assets – Dec. 31	\$103,042,123	\$ 28,623,499

Cash and Investment Fund Balance – December 31

Restricted for:		
Public Safety	\$ 81,053	
Debt Service	\$ 7,360,400	
Highway & Streets	\$ 24,947,709	
Restricted for:		
Capital projects		\$ 2,422,606
Landfill closure and post closure		\$ 4,285,473
Unrestricted	<u>\$ 70,652,961</u>	<u>\$ 21,915,420</u>
Total cash and investment fund balance – December 31	\$ 103,042,123	\$ 28,623,499

Fund Analysis

In reviewing the major funds of the governmental activities, the following changes were observed.

General Fund:

The cash and investment balance of the general fund increased by \$2,851,047. As noted earlier, this increase is a result of increased revenue and an increase in the County's Adjusted Gross Income Tax. As noted earlier in this report CAGIT increased by \$1,603,519 for 2006 over the amount received in 2005.

County Family and Children Fund:

The balance of the Family and Children Fund was reduced by \$2,068,243 which was a direct result of the County Council reducing the cash operating balance by appealing the tax levy. The ending balance, however, is sufficient to cover the cash flow needs of that department. The expenditures of the department vary depending on the case load and the needs of the individuals in the system.

Criminal Justice Facility Construction Fund:

The revenue for this fund comes from the proceeds of the Bond sale. As payments are made to the Contractor the balance is reduced. The \$38,699,658 reflects the cash disbursements for jail construction in 2006.

County Major Moves Construction Fund:

The balance for Major Moves Construction Fund stood at \$24,947,709 as of December 31, 2006. Currently, there are no projects being funded by the Major Moves Construction Fund. Future projects are currently in the conceptual stage. The Fund is invested and the investments mature periodically throughout the year. Investments of this Fund did not mature in 2006 due to the short time the Fund had been invested. Future analysis for 2007 will show the investment income as it matures

Other Governmental Funds:

This group of funds encompasses the rest of the funds for the purpose of the audit. All funds were grouped together for reporting purposes. This group of funds grew by \$4,403,961 in 2006.

Capital Asset and Long-Term Debt Activity:

A discussion of the financial health of the County cannot be complete without considering total investments in capital assets. As of December 31, 2006, Elkhart County had a total of \$381,783,657 invested in capital assets net of accumulated depreciation. These assets were divided between Governmental Activities and Business Activities.

The following table highlights the total assets and the amounts contributed to Governmental Assets and Business Assets.

	Governmental Activities	Business Type	Total
Land	\$ 889,041	\$1,252,839	\$ 2,141,880
Buildings	\$ 11,242,591	\$1,360,578	\$ 12,603,169
Improvements	\$ 1,189,464	\$ 70,893	\$ 1,260,357
Equipment	\$ 5,791,189	\$2,330,174	\$ 8,121,363
Infrastructure	\$260,378,258		\$260,378,258
Construction in Progress	\$ 96,222,522	\$ 728,856	\$ 96,951,378
Totals	\$375,713,065	\$5,743,340	\$381,456,405

As a comparison between 2005 and 2006 the total net capital assets for 2005 were valued at \$311,094,432. As a comparison to December 31, 2005, Elkhart County had an increase in total capital assets of \$70,361,973 for 2006. A major contributor to this increase is the Criminal Justice Facility which is construction in progress. For 2006, the total construction work in progress amounted to \$96,951,378.

Long Term Debt:

As of December 31, 2005, the total amount of long term debt stood at \$72,499,389. Of this amount \$59,345,000 is attributed to the Criminal Justice Facility project. In addition, the total amount of Long Term Capital Leases which are attributable to the Criminal Justice Facility amounted to \$9,900,000 as of December 31, 2006. The final Capital Lease for the Facility did not take place until 2007 and therefore is not reflected in this document.

Overall Analysis:

An overall analysis of the finances of Elkhart County shows positive growth for 2006. An increase of \$70,361,973 in total net capital assets is a direct result of expansion of the County's infrastructure and the Criminal Justice Facilities.

The increase in the year end balance of the County's General Fund by \$2,851,047 is very positive and will help provide a cushion against future operational costs. As noted in the Financial Highlight at the beginning of this Management Discussion and Analysis, Elkhart County also experienced an increase of \$1,603,519 in CAGIT revenues in 2006. That real growth plus the strong year end cash balance should improve the County's overall General Fund balance for 2007.

REQUEST FOR INFORMATION

The financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of Elkhart County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Elkhart County Auditor, 117 N. Second Street, Goshen, Indiana, 46526, or by email at dhess@elkhartcounty.com

ELKHART COUNTY
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For The Year Ended December 31, 2006

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	\$ 35,661,058	\$ 3,966,154	\$ 4,069,343	\$ -	\$ (27,625,561)	\$ -	\$ (27,625,561)
Public safety	62,349,983	3,047,354	1,720,389	460,756	(57,121,484)	-	(57,121,484)
Highways and streets	15,720,059	466,548	107,800	35,811,607	20,665,896	-	20,665,896
Health and welfare	23,037,378	1,596,704	4,759,846	-	(16,680,828)	-	(16,680,828)
Economic development	772,279	400	18,500	-	(753,379)	-	(753,379)
Culture and recreation	1,479,781	193,693	281,636	-	(1,004,452)	-	(1,004,452)
Debt service	5,682,403	-	-	-	(5,682,403)	-	(5,682,403)
Total governmental activities	<u>144,702,941</u>	<u>9,270,853</u>	<u>10,957,514</u>	<u>36,272,363</u>	<u>(88,202,211)</u>	<u>-</u>	<u>(88,202,211)</u>
Business-type activities:							
Landfill	5,470,708	4,357,206	-	-	-	(1,113,502)	(1,113,502)
Storm Water	52,775	27,745	-	-	-	(25,030)	(25,030)
Total business-type activities	<u>5,523,483</u>	<u>4,384,951</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,138,532)</u>	<u>(1,138,532)</u>
Total primary government	<u>\$ 150,226,424</u>	<u>\$ 13,655,804</u>	<u>\$ 10,957,514</u>	<u>\$ 36,272,363</u>	<u>(88,202,211)</u>	<u>(1,138,532)</u>	<u>(89,340,743)</u>
General receipts:							
Property taxes					40,942,272	-	40,942,272
Certified shares					19,614,005	-	19,614,005
Economic development income tax					4,308,712	-	4,308,712
Hotel/motel taxes					1,266,563	-	1,266,563
Wheel tax					235,815	-	235,815
Riverboat					555,717	-	555,717
Unrestricted investment earnings					6,050,476	582,277	6,632,753
Other					14,444,922	-	14,444,922
Total general receipts					<u>87,418,482</u>	<u>582,277</u>	<u>88,000,759</u>
Change in net assets					(783,729)	(556,255)	(1,339,984)
Net assets - beginning					108,036,316	29,179,754	137,216,070
Net assets - ending					<u>\$ 107,252,587</u>	<u>\$ 28,623,499</u>	<u>\$ 135,876,086</u>
<u>Assets - Cash Basis</u>							
Cash and investments					\$ 74,863,425	\$ 21,915,420	\$ 96,778,845
Restricted assets:							
Cash and investments					32,389,162	6,708,079	39,097,241
Total assets					<u>\$ 107,252,587</u>	<u>\$ 28,623,499</u>	<u>\$ 135,876,086</u>
<u>Net Assets</u>							
Restricted for:							
Capital projects					\$ 25,028,762	\$ 2,422,606	\$ 27,451,368
Debt service					7,360,400	-	7,360,400
Other purposes					-	4,285,473	4,285,473
Unrestricted					74,863,425	21,915,420	96,778,845
Total net assets					<u>\$ 107,252,587</u>	<u>\$ 28,623,499</u>	<u>\$ 135,876,086</u>

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

ELKHART 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, 2006

	General	County Family and Children	Criminal Justice Facility Construction	County Major Moves Construction	Other Governmental Funds	Totals
Receipts:						
Taxes	\$ 30,931,190	\$ 9,461,102	\$ -	\$ -	\$ 25,975,075	\$ 66,367,367
Licenses and permits	198,619	-	-	-	668,945	867,564
Intergovernmental	3,865,723	3,294,524	-	24,947,709	15,677,638	47,785,594
Charges for services	1,888,728	-	-	-	3,774,867	5,663,595
Fines and forfeits	1,029,016	-	-	-	482,768	1,511,784
Other	8,632,361	807,757	6,984,620	-	5,201,441	21,626,179
Total receipts	46,545,637	13,563,383	6,984,620	24,947,709	51,780,734	143,822,083
Disbursements:						
General government	30,875,144	-	-	-	3,810,247	34,685,391
Public safety	10,561,306	-	-	-	5,880,646	16,441,952
Highways and streets	-	-	-	-	6,711,911	6,711,911
Health and welfare	2,272,731	15,549,276	-	-	5,215,371	23,037,378
Culture and recreation	-	-	-	-	1,441,913	1,441,913
Urban redevelopment and housing	-	-	-	-	764,590	764,590
Debt service:						
Principal	49,648	-	-	-	2,615,810	2,665,458
Interest	2,610	-	-	-	3,014,335	3,016,945
Capital outlay:						
General government	-	-	-	-	1,675,373	1,675,373
Public safety	-	-	38,699,658	-	7,208,373	45,908,031
Highways and streets	-	-	-	-	9,008,148	9,008,148
Culture and recreation	-	-	-	-	37,868	37,868
Urban redevelopment and housing	-	-	-	-	7,689	7,689
Total disbursements	43,761,439	15,549,276	38,699,658	-	47,392,274	145,402,647
Excess (deficiency) of receipts over disbursements	2,784,198	(1,985,893)	(31,715,038)	24,947,709	4,388,460	(1,580,564)
Other financing sources (uses):						
Transfers in	265,000	-	-	-	2,435,315	2,700,315
Transfers out	(198,151)	(82,350)	-	-	(2,419,814)	(2,700,315)
Total other financing sources (uses)	66,849	(82,350)	-	-	15,501	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,851,047	(2,068,243)	(31,715,038)	24,947,709	4,403,961	(1,580,564)
Cash and investment fund balance - beginning	12,751,888	8,780,940	31,796,091	-	51,293,768	104,622,687
Cash and investment fund balance - ending	\$ 15,602,935	\$ 6,712,697	\$ 81,053	\$ 24,947,709	\$ 55,697,729	103,042,123

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.

4,210,464

Net assets of governmental activities \$ 107,252,587

Cash and Investment Assets - December 31

Cash and investments	\$ 15,602,935	\$ 6,712,697	\$ -	\$ -	\$ 48,337,329	\$ 70,652,961
Restricted assets:						
Cash and investments	-	-	81,053	24,947,709	7,360,400	32,389,162
Total cash and investment assets - December 31	\$ 15,602,935	\$ 6,712,697	\$ 81,053	\$ 24,947,709	\$ 55,697,729	\$ 103,042,123

Cash and Investment Fund Balance - December 31

Restricted for:						
Public safety	\$ -	\$ -	\$ 81,053	\$ -	\$ -	\$ 81,053
Highways and streets	-	-	-	24,947,709	-	24,947,709
Debt service	-	-	-	-	7,360,400	7,360,400
Unrestricted	15,602,935	6,712,697	-	-	48,337,329	70,652,961
Total cash and investment fund balance - December 31	\$ 15,602,935	\$ 6,712,697	\$ 81,053	\$ 24,947,709	\$ 55,697,729	\$ 103,042,123

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

ELKHART 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, 2006

	Landfill	Other Enterprise Fund	Total	Internal Service Funds
Operating receipts:				
Charges for services	\$ 4,326,673	\$ 27,745	\$ 4,354,418	\$ -
Insurance proceeds	-	-	-	10,711,007
Other	30,533	-	30,533	-
	<u>4,357,206</u>	<u>27,745</u>	<u>4,384,951</u>	<u>10,711,007</u>
Total operating receipts				
Operating disbursements:				
Salaries and wages	753,962	31,999	785,961	-
Sanitation	4,716,746	-	4,716,746	-
Material and supplies	-	5,035	5,035	-
Contractual services	-	15,741	15,741	-
Insurance disbursements	-	-	-	10,011,301
	<u>5,470,708</u>	<u>52,775</u>	<u>5,523,483</u>	<u>10,011,301</u>
Total operating disbursements				
Excess (deficiency) of operating receipts over operating disbursements	<u>(1,113,502)</u>	<u>(25,030)</u>	<u>(1,138,532)</u>	<u>699,706</u>
Nonoperating receipts (disbursements):				
Interest and investment receipts	582,277	-	582,277	97,129
	<u>582,277</u>	<u>-</u>	<u>582,277</u>	<u>97,129</u>
Excess (deficiency) of receipts over disbursements and nonoperating receipts (disbursements)	(531,225)	(25,030)	(556,255)	796,835
Cash and investment fund balance - beginning	<u>29,179,754</u>	<u>-</u>	<u>29,179,754</u>	<u>3,413,629</u>
Cash and investment fund balance - ending	<u>\$ 28,648,529</u>	<u>\$ (25,030)</u>	<u>\$ 28,623,499</u>	<u>\$ 4,210,464</u>
<u>Cash and Investment Assets - December 31</u>				
Cash and investments	\$ 21,940,450	\$ (25,030)	\$ 21,915,420	\$ 4,210,464
Restricted assets:				
Cash and investments	6,708,079	-	6,708,079	-
	<u>6,708,079</u>	<u>-</u>	<u>6,708,079</u>	<u>-</u>
Total cash and investment assets - December 31	<u>\$ 28,648,529</u>	<u>\$ (25,030)</u>	<u>\$ 28,623,499</u>	<u>\$ 4,210,464</u>
<u>Cash and Investment Fund Balance - December 31</u>				
Restricted for:				
Capital projects	\$ 2,422,606	\$ -	\$ 2,422,606	\$ -
Landfill closure and post closure	4,285,473	-	4,285,473	-
Unrestricted	21,940,450	(25,030)	21,915,420	4,210,464
	<u>21,940,450</u>	<u>(25,030)</u>	<u>21,915,420</u>	<u>4,210,464</u>
Total cash and investment fund balance - December 31	<u>\$ 28,648,529</u>	<u>\$ (25,030)</u>	<u>\$ 28,623,499</u>	<u>\$ 4,210,464</u>

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

ELKHART COUNTY
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For The Year Ended December 31, 2006

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Fund</u>	<u>Agency Funds</u>
Additions:			
Contributions:			
Employer	\$ 523,834	\$ -	\$ -
Plan members	<u>87,525</u>	<u>-</u>	<u>-</u>
Total contributions	<u>611,359</u>	<u>-</u>	<u>-</u>
Investment earnings:			
Net increase in fair value of investments	1,298,576	-	-
Interest	<u>337,473</u>	<u>-</u>	<u>-</u>
Total investment earnings	1,636,049	-	-
Less investment disbursements	<u>(169,029)</u>	<u>-</u>	<u>-</u>
Net investment earnings	<u>1,467,020</u>	<u>-</u>	<u>-</u>
Agency fund additions	<u>-</u>	<u>-</u>	<u>615,135,993</u>
Total additions	<u>2,078,379</u>	<u>-</u>	<u>615,135,993</u>
Deductions:			
Benefits	612,863	-	-
Refunds of contributions	93,048	-	-
Administrative and general	21,295	-	-
Agency fund deductions	<u>-</u>	<u>-</u>	<u>614,633,028</u>
Total deductions	<u>727,206</u>	<u>-</u>	<u>614,633,028</u>
Excess of total additions over total deductions	1,351,173	-	502,965
Cash and investment fund balance - beginning	<u>13,858,996</u>	<u>45,862</u>	<u>11,112,373</u>
Cash and investment fund balance - ending	<u>\$ 15,210,169</u>	<u>\$ 45,862</u>	<u>\$ 11,615,338</u>

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

ELKHART 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:	Elkhart County
Blended Component Unit:	Elkhart County Solid Waste Management District

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

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

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other 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.

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 county family and children fund accounts for expenditures related to care of wards of the State, child welfare services and adoption services. Financing is provided by a specific property tax levy and state distributions.

ELKHART COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

The criminal justice facility construction fund accounts for expenditures related to the construction of the new county corrections complex facilities. Financing is provided by the issuance of the county complex bonds, series 2004.

The county major moves construction fund accounts for expenditures made for construction of highways, roads and bridges. Financing was provided by a distribution from the proceeds of the 75 year lease of the state's toll road.

The County reports the following major proprietary fund:

The landfill fund accounts for the expenditures related to the operation and capital improvements of the County owned and operated landfill. Financing is provided by the charges for services assessed on users of the landfill.

Additionally, the County reports the following fund types:

The internal service funds account for property and workman's liability and employees' medical coverage.

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 Elkhart County public school corporations.

Agency funds account for assets held by the County as an agent for other local governmental agencies, the State and individuals. The funds also account for employee payroll costs, pensions and payroll deductions.

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.

ELKHART 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).

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.

Fund Financial Statements

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

ELKHART COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

E. Receipts and Disbursements

1. Program Receipts

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

2. Operating Receipts and Disbursements

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

F. Internal and Interfund Balances and Activities

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

Fund Financial Statements

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

Government-Wide Financial Statements

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

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

ELKHART 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.

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

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

B. Cash and Investment Balance Deficits

At December 31, 2006, there were a number of reimbursement-type grant funds with deficits in cash and investments which is acceptable due to the nature of the funds. These deficits will 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. 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, 2006, the County had the following investments:

ELKHART COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Investment Type	Sheriff's Retirement and Benefit Pension Plans
Government sponsored enterprises	\$ 562,533
U.S. agencies	1,117,728
Mutual funds	16,133
Corporate stock	11,327,785
Corporate bonds	1,660,854
Total	\$ 14,685,033

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 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.

ELKHART COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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, 2006, the Sheriff's Retirement and Benefit Pension Plans held investments in Government Sponsored Enterprises, U.S. Agencies, Mutual Funds, Corporate Stock and Corporate Bonds in the amount of \$14,685,033. Of these investments \$14,685,033 are 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.

Sheriff's Retirement and Benefit Pension Plans:

Investment Type	Investment Maturities (in Years)		
	Less Than 1	1-2	More Than 2
Government sponsored enterprises	\$ 67,696	\$ 208,294	\$ 286,543
U.S. agencies	-	339,518	778,210
Mutual funds	16,133	-	-
Corporate stock	11,327,785	-	-
Corporate bonds	66,124	27,543	1,567,187
Totals	<u>\$ 11,477,738</u>	<u>\$ 575,355</u>	<u>\$ 2,631,940</u>

Credit Risk

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

ELKHART COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Sheriff's Retirement and Benefit Pension Plans:

Standard and Poor's Rating	Moody's Rating	Sheriff Pension Plan's Investments		
		Government Sponsored Enterprise	U.S. Agencies	Corporate Bonds
AAA	Aaa	\$ 562,533	\$ 1,117,728	\$ 111,526
AA	Aa	-	-	387,483
A	A	-	-	672,044
BBB	Baa	-	-	359,821
BB	Ba	-	-	30,743
Other rating	Other rating	-	-	49,927
Unrated	Unrated	-	-	49,310
Totals		<u>\$ 562,533</u>	<u>\$ 1,117,728</u>	<u>\$ 1,660,854</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. Neither the County nor the Sheriff's Merit Board has 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. There were no investments that were more than 5% of the total investments.

Foreign Currency Risk

Neither the County nor the Sheriff's Merit Board has a formal policy in regards to foreign currency risk. The Sheriff's Retirement and Benefit Pension Plan has 50 corporate stocks susceptible to foreign currency risk and in total, the investments have a fair value of \$3,191,567.

B. Interfund Transfers

Interfund transfers for the year ended December 31, 2006, were as follows:

Transfer From	Transfer To	2006
General Fund	Other governmental	\$ 198,151
County Family and Children	Other governmental	82,350
Other governmental	General Fund	265,000
Other governmental	Other governmental	<u>2,154,814</u>
Total		<u>\$ 2,700,315</u>

The County typically uses transfers for cash flow purposes as provided by various statutory provisions. In 2006, transfers were made for taxes collected in excess of the levy and to meet bond requirements.

ELKHART 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.

Medical Benefits to Employees, Retirees and Dependents

The primary government has chosen to establish a risk financing fund for risks associated with employee health insurance. The risk financing fund is accounted for in the Group 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 \$115,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. A premium is charged to each fund that accounts for payroll. The total charge allocated to each of the funds is calculated using the number of employees paid by the fund. Provisions are also made for unexpected and unusual claims.

Torts; Theft of, Damage to and Destruction of Assets; Errors and Omissions; and Natural Disasters

The primary government has chosen to establish a risk financing fund for risks associated with Property and General Liability. The risk financing fund is accounted for in the Property and Liability 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 \$100,000 per loss and \$6,000,000 in aggregate per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. The entire premium is charged to the General Fund, Commissioners budget. Provisions are also made for unexpected and unusual claims.

Job Related Illnesses or Injuries to Employees

The primary government has chosen to establish a risk financing fund for risks associated with Workmen's Compensation. The risk financing fund is accounted for in the Workmen's Compensation 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 \$200,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. The entire premium is charged to the General Fund, Commissioners budget. Provisions are also made for unexpected and unusual claims.

B. Holding Corporation

The County has entered into a capital lease with Elkhart County Correctional Complex 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 \$523,000.

C. Subsequent Events

In 2007, the County entered into an additional capital lease for \$8,565,000 to complete the correctional facility. Additionally, the County refunded \$26,335,000 of the 2004 Correction Complex Bonds by the issuance of \$29,840,000 Corrections Complex Refunding Bonds, Series 2007.

ELKHART COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

D. Landfill Closure and Postclosure Care Costs

State and federal law and regulations require the County to place a final cover on its municipal landfill when it stops accepting solid waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. The County is required by state and federal laws and regulation to make contributions to a trust to finance closure and postclosure care, obtain a line of credit, obtain a bond in an amount sufficient to finance the estimated closure and postclosure care costs, obtain insurance or fulfill the financial requirements set forth in 329 IAC 2-12. The County has chosen to make annual contributions to a trust. At December 31, 2006, cash and cash equivalents of \$4,285,473 are held for these purposes. This asset is reported as a restricted asset on the balance sheet. The County expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology, applicable laws or regulations, for example), these costs may need to be covered by future landfill users or from future tax revenue.

E. Conduit Debt Obligation

From time to time, the County has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not recognized as liabilities of the County.

From January 1, 1985 to December 31, 2006, the County issued sixty-six series of Industrial Revenue Bonds. The original issue amount payable for thirty-two series issued after July 1, 1995, was \$118,830,940. The aggregate principal amount payable for the thirty-five series issued prior to July 1, 1995, could not be determined; however, their original issue amounts totaled \$36,460,000.

F. Postemployment Benefits

In addition to the pension benefits described below, the County provides postemployment health and dental benefits, as authorized by Indiana Code 5-10-8, to all employees who retire from the County meeting the following criteria: age 65 with 4 years of service; age 62 with 10 years of service; age 50 with 15 year of service; or age 50 with 20 years of service for Sheriff's Department employees and dispatchers. Currently, 141 retirees meet these eligibility requirements. The County and retirees provide 48% and 52%, respectively, of these postemployment benefits. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. During the year ended December 31, 2006, disbursements of \$339,936 were recognized for postemployment benefits.

G. Administration of Welfare Programs

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

ELKHART COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

H. 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.

ELKHART COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Funding Policy and Annual Pension Cost

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

3. County Police Benefit Plan

Plan Description

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

Funding Policy and Annual Pension Cost

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

Actuarial Information for the Above Plans

	<u>PERF</u>	<u>County Police Retirement Plan</u>	<u>County Police Benefit Plan</u>
Annual required contribution	\$ 1,221,509	\$ 135,845	\$ 14,802
Interest on net pension obligation	(35,823)	(35,557)	-
Adjustment to annual required contribution	<u>40,823</u>	<u>51,254</u>	<u>-</u>
Annual pension cost	1,226,509	151,542	14,802
Contributions made	<u>1,063,266</u>	<u>207,862</u>	<u>14,802</u>
Increase (decrease) in net pension obligation	163,243	(56,320)	-
Net pension obligation, beginning of year	<u>(494,105)</u>	<u>(474,097)</u>	<u>-</u>
Net pension obligation, end of year	<u>\$ (330,862)</u>	<u>\$ (530,417)</u>	<u>\$ -</u>

ELKHART COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

	PERF	County Police Retirement Plan	County Police Benefit Plan
Contribution rates:			
County	4.63%	5.1%	.6%
Plan members	3%	3%	None
Actuarial valuation date	07-01-06	01-01-07	01-01-07
Actuarial cost method	Entry age	Frozen Entry age	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	75% of expected actuarial value plus 25% of market value	4 year smoothed market	4 year smoothed market

* The aggregate cost method does not identify or separately amortize unfunded actuarial liabilities. The actuarial present value of projected benefits of the group in excess of the actuarial value of assets is allocated on a level basis over the earnings of the group.

<u>Actuarial Assumptions</u>	PERF	County Police Retirement Plan	County Police Benefit Plan
Investment rate of return	7.25%	7%	7%
Projected future salary increases:			
Total	5%	5%	5%
Attributed to inflation	4%	4%	4%
Attributed to merit/seniority	1%	1%	1%
Cost-of-living adjustments	2%	2%	0%

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-04	\$ 833,264	105%	\$ (473,268)
	06-30-05	975,118	102%	(494,105)
	06-30-06	1,226,509	109%	(330,862)
County Police Retirement Plan	12-31-04	185,327	64%	(436,944)
	12-31-05	198,219	88%	(474,097)
	12-31-06	151,542	137%	(530,417)
County Police Benefit Plan	12-31-04	18,397	0%	-
	12-31-05	16,054	0%	-
	12-31-06	14,802	0%	-

ELKHART 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)
07-01-04	\$ 20,143,872	\$ 20,501,337	\$ (357,465)	98%	\$ 20,526,186	(2%)
07-01-05	20,930,143	23,527,193	(2,597,050)	89%	20,883,205	(12%)
07-01-06	22,826,201	23,630,779	(804,578)	97%	21,293,154	(4%)

County Police Retirement Pension 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)	Excess AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-02	\$ 12,960,164	\$ 12,960,164	\$ -	100%	\$ 2,723,762	0%
01-01-03	12,789,241	12,789,241	-	100%	2,521,514	0%
01-01-04	13,237,602	13,237,602	-	100%	2,717,357	0%
01-01-05	13,782,712	13,782,712	-	100%	2,676,144	0%
01-01-06	14,399,702	14,399,702	-	100%	2,659,501	0%
01-01-07	14,999,187	14,999,187	-	100%	2,714,641	0%

ELKHART COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES
GENERAL FUND
For The Year Ended December 31, 2006

	General Fund			
	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes				
Property	\$ 28,581,370	\$ 28,581,370	\$ 30,931,190	\$ 2,349,820
Licenses and permits	500,000	500,000	198,619	(301,381)
Intergovernmental	2,756,435	2,756,435	3,865,723	1,109,288
Charges for services	2,466,362	2,466,362	1,888,728	(577,634)
Fines and forfeits	795,000	795,000	1,029,016	234,016
Other	2,044,451	2,044,451	8,632,361	6,587,910
Total revenues	37,143,618	37,143,618	46,545,637	9,402,019
Expenditures:				
Current:				
General government:				
Clerk of Circuit Court	1,527,692	1,528,792	1,385,509	143,283
County Auditor	591,561	600,975	547,147	53,828
County Treasurer	319,824	343,324	307,018	36,306
County Recorder	265,529	265,529	235,902	29,627
County Surveyor	306,857	312,981	286,124	26,857
County Assessor	342,863	342,863	270,894	71,969
Baugo Assessor	122,500	122,500	113,782	8,718
Benton Assessor	9,030	9,030	8,850	180
Cleveland Assessor	127,000	131,815	122,148	9,667
Clinton Assessor	12,556	12,556	12,174	382
Concord Assessor	309,621	312,187	284,921	27,266
Elkhart Assessor	173,967	173,967	158,789	15,178
Harrison Assessor	9,327	9,327	9,135	192
Jackson Assessor	10,380	10,380	10,180	200
Jefferson Assessor	12,775	12,775	11,444	1,331
Locke Assessor	11,133	11,133	10,615	518
Middlebury Assessor	20,681	20,681	17,542	3,139
Olive Assessor	7,131	7,131	6,672	459
Osolo Assessor	243,207	251,260	231,501	19,759
Union Assessor	8,255	8,255	7,244	1,011
Washington Assessor	41,612	42,112	38,736	3,376
York Assessor	13,997	13,997	11,602	2,395
County Council	100,815	103,215	94,512	8,703
County Commissioners	11,396,684	12,106,612	11,591,649	514,963
Code Enforcement	437,047	454,195	409,241	44,954
Plan Commission	405,156	427,324	352,950	74,374
County Drainage Board	9,200	9,200	9,100	100
Veterans Service Officer	130,039	130,994	125,653	5,341
Weights and Measures	71,167	71,572	65,346	6,226
Buildings and Grounds	1,998,919	2,196,219	2,021,664	174,555
Data Processing	509,815	513,465	455,032	58,433
Personnel Department	296,244	318,892	285,324	33,568
Microfilm Department	99,024	100,669	95,258	5,411
Soil and Water	134,264	134,264	108,165	26,099
County Extension	501,447	506,581	487,587	18,994
Property Tax Board of Appeal	28,850	28,850	23,126	5,724
County General Incentive	154,889	154,889	21,528	133,361
Title IV-D Grant (Prosecuting Attorney)	931,386	992,857	949,923	42,934

ELKHART COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES
GENERAL FUND
For The Year Ended December 31, 2006
(Continued)

	General Fund			Variance With Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Expenditures (continued):				
Current (continued):				
General government (continued):				
Circuit Court	256,951	301,951	235,825	66,126
Circuit Court Juvenile	244,122	259,220	208,490	50,730
Superior Court 1	255,213	294,461	223,176	71,285
Superior Court 2	244,483	247,351	196,586	50,765
Superior Court 3	341,082	364,157	305,550	58,607
Superior Court 4	196,614	206,814	176,298	30,516
Superior Court 5	271,352	317,702	282,225	35,477
Court Magistrate Goshen	33,798	33,798	26,920	6,878
Court Services	2,275,104	2,284,381	2,083,693	200,688
Court Magistrate Elkhart	32,256	32,256	29,188	3,068
Superior Court 6	226,080	245,780	217,827	27,953
IV-D Court	149,108	153,688	112,045	41,643
Public Defender	795,433	813,633	737,021	76,612
Substance Abuse	274,307	276,907	250,929	25,978
Total general government	<u>27,288,347</u>	<u>28,625,467</u>	<u>26,269,760</u>	<u>2,355,707</u>
Public safety:				
County Sheriff	9,257,683	9,580,509	8,890,818	689,691
Prosecuting Attorney	1,399,373	1,470,343	1,211,641	258,702
Emergency Management	82,397	82,397	68,979	13,418
County Commissioners	100,000	100,000	100,000	-
Victim Assistance	269,788	366,129	289,868	76,261
Total public safety	<u>11,109,241</u>	<u>11,599,378</u>	<u>10,561,306</u>	<u>1,038,072</u>
Health and welfare:				
County Coroner	195,739	236,839	222,310	14,529
County Commissioners	1,864,843	2,050,421	2,050,421	-
Total health and welfare	<u>2,060,582</u>	<u>2,287,260</u>	<u>2,272,731</u>	<u>14,529</u>
Nondepartment: Unappropriated Fund	<u>7,000</u>	<u>7,000</u>	<u>4,657,642</u>	<u>(4,650,642)</u>
Total expenditures	<u>40,465,170</u>	<u>42,519,105</u>	<u>43,761,439</u>	<u>(1,242,334)</u>
Other financing sources (uses):				
Operating transfers in	-	-	265,000	265,000
Operating transfers out	16,840	16,840	(198,151)	(214,991)
Total other financing sources (uses)	<u>16,840</u>	<u>16,840</u>	<u>66,849</u>	<u>50,009</u>
Net change in fund balances	(3,304,712)	(5,358,647)	2,851,047	10,694,362
Fund balances - beginning	<u>12,751,888</u>	<u>12,751,888</u>	<u>12,751,888</u>	<u>-</u>
Fund balances - ending	<u>\$ 9,447,176</u>	<u>\$ 7,393,241</u>	<u>\$ 15,602,935</u>	<u>\$ 10,694,362</u>

ELKHART COUNTY
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULES
 MAJOR FUND
 For The Year Ended December 31, 2006

	County Family and Children Fund			Variance With Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Taxes	\$ 9,329,718	\$ 9,329,718	\$ 9,461,102	\$ 131,384
Intergovernmental	3,829,818	3,829,818	3,294,524	(535,294)
Other	205,000	205,000	807,757	602,757
Total revenues	<u>13,364,536</u>	<u>13,364,536</u>	<u>13,563,383</u>	<u>198,847</u>
Expenditures:				
Interest on Loan	100	100	-	100
Medicaid Rehab Option	450,000	450,000	190,921	259,079
Foster Parent Insurance	100	100	-	100
Child Welfare Service	200,000	200,000	108,492	91,508
Foster Care Therapeutic	1,425,000	1,425,000	967,198	457,802
Care Wards/Foster Home	1,400,000	1,400,000	1,327,931	72,069
Care Wards/Institution	8,160,000	8,160,000	7,856,645	303,355
Medical/Dental/Burial - Wards	100,000	100,000	92,108	7,892
Independent Living Wards	20,000	20,000	13,814	6,186
Preservation Services	2,200,000	2,200,000	1,342,472	857,528
Adoption - Hard to Place	2,700,000	2,700,000	2,365,022	334,978
Unappropriated - Refund and Other	-	-	1,284,673	(1,284,673)
Total expenditures	<u>16,655,200</u>	<u>16,655,200</u>	<u>15,549,276</u>	<u>1,105,924</u>
Other financing uses:				
Operating transfers out	-	-	(82,350)	(82,350)
Net change in fund balances	(3,290,664)	(3,290,664)	(2,068,243)	(989,427)
Fund balances - beginning	<u>8,780,940</u>	<u>8,780,940</u>	<u>8,780,940</u>	<u>-</u>
Fund balances - ending	<u>\$ 5,490,276</u>	<u>\$ 5,490,276</u>	<u>\$ 6,712,697</u>	<u>\$ (989,427)</u>

ELKHART 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, 2006

	Special Revenue						
	Health	Public Safety Communication	Parks and Recreation	2006 Cumulative Reassessment	Election Board/ Voter Registration	County Property Sold	Emergency Telephone System
Receipts:							
Taxes	\$ 1,588,751	\$ 1,327,802	\$ 1,294,207	\$ 267,767	\$ 249,916	\$ -	\$ -
Licenses and permits	644,835	-	-	-	-	-	-
Intergovernmental	207,104	140,030	117,677	24,347	471,578	-	-
Charges for services	-	-	6,577	-	-	-	1,083,105
Fines and forfeits	-	-	-	-	-	-	-
Other	10,288	14,019	4,073	44,931	385	1,995,727	20,839
Total receipts	2,450,978	1,481,851	1,422,534	337,045	721,879	1,995,727	1,103,944
Disbursements:							
General government	-	-	-	70,457	339,191	-	-
Public safety	-	1,426,686	-	-	-	-	605,164
Highways and streets	-	-	-	-	-	-	-
Health and welfare	2,644,355	-	-	-	-	-	-
Culture and recreation	-	-	1,345,061	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	22,088	-	-	-	105,777
Interest	-	-	711	-	-	-	27,152
Capital outlay:							
General government	-	-	-	-	450,000	-	-
Public safety	-	-	-	-	-	90,633	-
Highways and streets	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Total disbursements	2,644,355	1,426,686	1,367,860	70,457	789,191	90,633	738,093
Excess (deficiency) of receipts over disbursements	(193,377)	55,165	54,674	266,588	(67,312)	1,905,094	365,851
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	(19,950)	(12,019)	(12,305)	(3,252)	(2,460)	-	-
Total other financing sources (uses)	(19,950)	(12,019)	(12,305)	(3,252)	(2,460)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(213,327)	43,146	42,369	263,336	(69,772)	1,905,094	365,851
Cash and investment fund balance - beginning	812,893	283,198	219,808	1,265,758	682,594	608,241	638,247
Cash and investment fund balance - ending	<u>\$ 599,566</u>	<u>\$ 326,344</u>	<u>\$ 262,177</u>	<u>\$ 1,529,094</u>	<u>\$ 612,822</u>	<u>\$ 2,513,335</u>	<u>\$ 1,004,098</u>
Cash and Investment Assets - December 31							
Cash and investments	\$ 599,566	\$ 326,344	\$ 262,177	\$ 1,529,094	\$ 612,822	\$ 2,513,335	\$ 1,004,098
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - December 31	<u>\$ 599,566</u>	<u>\$ 326,344</u>	<u>\$ 262,177</u>	<u>\$ 1,529,094</u>	<u>\$ 612,822</u>	<u>\$ 2,513,335</u>	<u>\$ 1,004,098</u>
Cash and Investment Fund Balance - December 31							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	599,566	326,344	262,177	1,529,094	612,822	2,513,335	1,004,098
Total cash and investment fund balance - December 31	<u>\$ 599,566</u>	<u>\$ 326,344</u>	<u>\$ 262,177</u>	<u>\$ 1,529,094</u>	<u>\$ 612,822</u>	<u>\$ 2,513,335</u>	<u>\$ 1,004,098</u>

ELKHART 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, 2006
 (Continued)

	Special Revenue						Hazard Waste Disposal Tax
	Economic Development Commission	NE TIF Economic Development Authority	County Highway	Rainy Day	Local Road and Street	Hotel/Motel Tax	
Receipts:							
Taxes	\$ 459,945	\$ -	\$ 235,815	\$ -	\$ -	\$ 1,266,563	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	8,039,784	-	1,399,183	-	-
Charges for services	-	-	136,217	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	-	244,305	-	19,655	-	-
Total receipts	459,945	-	8,656,121	-	1,418,838	1,266,563	-
Disbursements:							
General government	-	-	-	-	-	1,250,487	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	5,243,953	-	1,330,494	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	27,223	-	-	-	-
Interest	-	-	2,774	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	2,986,252	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Total disbursements	-	-	8,260,202	-	1,330,494	1,250,487	-
Excess (deficiency) of receipts over disbursements	459,945	-	395,919	-	88,344	16,076	-
Other financing sources (uses):							
Transfers in	-	459,945	-	-	-	-	-
Transfers out	(459,945)	(459,945)	-	-	-	-	-
Total other financing sources (uses)	(459,945)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	395,919	-	88,344	16,076	-
Cash and investment fund balance - beginning	8,564	-	3,908,183	37,719	675,420	124,652	19,727
Cash and investment fund balance - ending	<u>\$ 8,564</u>	<u>\$ -</u>	<u>\$ 4,304,102</u>	<u>\$ 37,719</u>	<u>\$ 763,764</u>	<u>\$ 140,728</u>	<u>\$ 19,727</u>
Cash and Investment Assets - December 31							
Cash and investments	\$ 8,564	\$ -	\$ 4,304,102	\$ 37,719	\$ 763,764	\$ 140,728	\$ 19,727
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - December 31	<u>\$ 8,564</u>	<u>\$ -</u>	<u>\$ 4,304,102</u>	<u>\$ 37,719</u>	<u>\$ 763,764</u>	<u>\$ 140,728</u>	<u>\$ 19,727</u>
Cash and Investment Fund Balance - December 31							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	8,564	-	4,304,102	37,719	763,764	140,728	19,727
Total cash and investment fund balance - December 31	<u>\$ 8,564</u>	<u>\$ -</u>	<u>\$ 4,304,102</u>	<u>\$ 37,719</u>	<u>\$ 763,764</u>	<u>\$ 140,728</u>	<u>\$ 19,727</u>

ELKHART 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, 2006
 (Continued)

	Special Revenue						
	Unsafe Building	Abandoned Vehicles	Dental Project Grant	Health Maintenance	Tuberculosis Outreach	Prenatal Substance Abuse Grant	Childhood Lead Poisoning Prevention
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	42,251	70,128	49,674	53,898	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	17,600	-	5	-	-	18,000
Total receipts	-	17,600	42,251	70,133	49,674	53,898	18,000
Disbursements:							
General government	-	25,594	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	30,791	52,114	49,934	43,660	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Total disbursements	-	25,594	30,791	52,114	49,934	43,660	-
Excess (deficiency) of receipts over disbursements	-	(7,994)	11,460	18,019	(260)	10,238	18,000
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(7,994)	11,460	18,019	(260)	10,238	18,000
Cash and investment fund balance - beginning	3,722	27,914	(12,296)	12,906	(10,713)	(12,216)	-
Cash and investment fund balance - ending	<u>\$ 3,722</u>	<u>\$ 19,920</u>	<u>\$ (836)</u>	<u>\$ 30,925</u>	<u>\$ (10,973)</u>	<u>\$ (1,978)</u>	<u>\$ 18,000</u>
Cash and Investment Assets - December 31							
Cash and investments	\$ 3,722	\$ 19,920	\$ (836)	\$ 30,925	\$ (10,973)	\$ (1,978)	\$ 18,000
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - December 31	<u>\$ 3,722</u>	<u>\$ 19,920</u>	<u>\$ (836)</u>	<u>\$ 30,925</u>	<u>\$ (10,973)</u>	<u>\$ (1,978)</u>	<u>\$ 18,000</u>
Cash and Investment Fund Balance - December 31							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	3,722	19,920	(836)	30,925	(10,973)	(1,978)	18,000
Total cash and investment fund balance - December 31	<u>\$ 3,722</u>	<u>\$ 19,920</u>	<u>\$ (836)</u>	<u>\$ 30,925</u>	<u>\$ (10,973)</u>	<u>\$ (1,978)</u>	<u>\$ 18,000</u>

ELKHART 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, 2006
 (Continued)

	Special Revenue						
	Diabetes Grant	MCH Grant	WIC Grant	Public Health Coordinator Grant	Guardian Ad Litem	Child and Family Advocacy Grant	Highway Safety Grant
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	8,283	181,222	641,814	38,255	12,789	34,391	107,800
Charges for services	-	244,911	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	2,614	504	-	-	-	8,434
Total receipts	8,283	428,747	642,318	38,255	12,789	34,391	116,234
Disbursements:							
General government	-	-	-	-	12,789	39,382	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	137,464
Health and welfare	9,010	449,095	647,012	47,510	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Total disbursements	9,010	449,095	647,012	47,510	12,789	39,382	137,464
Excess (deficiency) of receipts over disbursements	(727)	(20,348)	(4,694)	(9,255)	-	(4,991)	(21,230)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(727)	(20,348)	(4,694)	(9,255)	-	(4,991)	(21,230)
Cash and investment fund balance - beginning	(1,461)	74,544	(50,271)	(2,270)	-	4,991	54,528
Cash and investment fund balance - ending	<u>\$ (2,188)</u>	<u>\$ 54,196</u>	<u>\$ (54,965)</u>	<u>\$ (11,525)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,298</u>
Cash and Investment Assets - December 31							
Cash and investments	\$ (2,188)	\$ 54,196	\$ (54,965)	\$ (11,525)	\$ -	\$ -	\$ 33,298
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - December 31	<u>\$ (2,188)</u>	<u>\$ 54,196</u>	<u>\$ (54,965)</u>	<u>\$ (11,525)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,298</u>
Cash and Investment Fund Balance - December 31							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(2,188)	54,196	(54,965)	(11,525)	-	-	33,298
Total cash and investment fund balance - December 31	<u>\$ (2,188)</u>	<u>\$ 54,196</u>	<u>\$ (54,965)</u>	<u>\$ (11,525)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,298</u>

ELKHART 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, 2006
 (Continued)

	Special Revenue						
	Center for Community Justice	March of Dimes Grant	Emergency Planning/ Right to Know	Juvenile Accountability Grant	Economic Development Promotion	Edward Byrne Memorial	
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	42,671	-	18,872	22,220	-	40,209	51,636
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	24,217	-	-	-	-	7
Total receipts	42,671	24,217	18,872	22,220	-	40,209	51,643
Disbursements:							
General government	-	-	-	9,414	-	-	-
Public safety	59,057	-	21,697	-	-	40,209	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	19,153	-	-	-	-	49,078
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	500	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Total disbursements	59,057	19,153	21,697	9,414	500	40,209	49,078
Excess (deficiency) of receipts over disbursements	(16,386)	5,064	(2,825)	12,806	(500)	-	2,565
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	(2,785)	-	-	-
Total other financing sources (uses)	-	-	-	(2,785)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(16,386)	5,064	(2,825)	10,021	(500)	-	2,565
Cash and investment fund balance - beginning	16,386	5,140	166,616	(10,021)	14,741	-	(5,767)
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 10,204</u>	<u>\$ 163,791</u>	<u>\$ -</u>	<u>\$ 14,241</u>	<u>\$ -</u>	<u>\$ (3,202)</u>
Cash and Investment Assets - December 31							
Cash and investments	\$ -	\$ 10,204	\$ 163,791	\$ -	\$ 14,241	\$ -	\$ (3,202)
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - December 31	<u>\$ -</u>	<u>\$ 10,204</u>	<u>\$ 163,791</u>	<u>\$ -</u>	<u>\$ 14,241</u>	<u>\$ -</u>	<u>\$ (3,202)</u>
Cash and Investment Fund Balance - December 31							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	10,204	163,791	-	14,241	-	(3,202)
Total cash and investment fund balance - December 31	<u>\$ -</u>	<u>\$ 10,204</u>	<u>\$ 163,791</u>	<u>\$ -</u>	<u>\$ 14,241</u>	<u>\$ -</u>	<u>\$ (3,202)</u>

ELKHART 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, 2006
 (Continued)

	Special Revenue						
	STOP Grant Victim Assistance	Community Corrections Grant	Prosecuting Attorney Special Project Fee	COPS Grant	Fatal Alcohol Crash Grant	Community and Rural Affairs	Prosecutor IV-D Incentive
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	20,877	1,132,981	-	-	174,520	12,500	16,117
Charges for services	-	-	271,236	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	-	1,130	-	-	-	-
Total receipts	20,877	1,132,981	272,366	-	174,520	12,500	16,117
Disbursements:							
General government	-	-	263,181	-	-	-	102,629
Public safety	-	824,612	-	-	154,198	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	27,168	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	12,500	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Total disbursements	27,168	824,612	263,181	-	154,198	12,500	102,629
Excess (deficiency) of receipts over disbursements	<u>(6,291)</u>	<u>308,369</u>	<u>9,185</u>	<u>-</u>	<u>20,322</u>	<u>-</u>	<u>(86,512)</u>
Other financing sources (uses):							
Transfers in	-	-	300,000	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	300,000	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(6,291)</u>	<u>308,369</u>	<u>309,185</u>	<u>-</u>	<u>20,322</u>	<u>-</u>	<u>(86,512)</u>
Cash and investment fund balance - beginning	<u>(268)</u>	<u>75,292</u>	<u>-</u>	<u>8,461</u>	<u>(34,488)</u>	<u>-</u>	<u>136,363</u>
Cash and investment fund balance - ending	<u>\$ (6,559)</u>	<u>\$ 383,661</u>	<u>\$ 309,185</u>	<u>\$ 8,461</u>	<u>\$ (14,166)</u>	<u>\$ -</u>	<u>\$ 49,851</u>
Cash and Investment Assets - December 31							
Cash and investments	\$ (6,559)	\$ 383,661	\$ 309,185	\$ 8,461	\$ (14,166)	\$ -	\$ 49,851
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - December 31	\$ (6,559)	\$ 383,661	\$ 309,185	\$ 8,461	\$ (14,166)	\$ -	\$ 49,851
Cash and Investment Fund Balance - December 31							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>(6,559)</u>	<u>383,661</u>	<u>309,185</u>	<u>8,461</u>	<u>(14,166)</u>	<u>-</u>	<u>49,851</u>
Total cash and investment fund balance - December 31	\$ (6,559)	\$ 383,661	\$ 309,185	\$ 8,461	\$ (14,166)	\$ -	\$ 49,851

ELKHART 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, 2006
 (Continued)

	Special Revenue						
	Clerk IV-D Incentive	Big City/ County Seat Belt Grant	Accident Report	Firearms Training	DARE Program Donations	User Fees	Justice Assistance Grant
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	24,110	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	22,530	-	-	23,563	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	-	22,530	24,110	-	23,563	-
Disbursements:							
General government	41,457	-	-	-	-	-	-
Public safety	-	3,874	12,615	6,407	-	16,364	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Total disbursements	41,457	3,874	12,615	6,407	-	16,364	-
Excess (deficiency) of receipts over disbursements	(41,457)	(3,874)	9,915	17,703	-	7,199	-
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(41,457)	(3,874)	9,915	17,703	-	7,199	-
Cash and investment fund balance - beginning	81,092	3,874	22,336	4,249	469	74,683	6,590
Cash and investment fund balance - ending	<u>\$ 39,635</u>	<u>\$ -</u>	<u>\$ 32,251</u>	<u>\$ 21,952</u>	<u>\$ 469</u>	<u>\$ 81,882</u>	<u>\$ 6,590</u>
<u>Cash and Investment Assets - December 31</u>							
Cash and investments	\$ 39,635	\$ -	\$ 32,251	\$ 21,952	\$ 469	\$ 81,882	\$ 6,590
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - December 31	<u>\$ 39,635</u>	<u>\$ -</u>	<u>\$ 32,251</u>	<u>\$ 21,952</u>	<u>\$ 469</u>	<u>\$ 81,882</u>	<u>\$ 6,590</u>
<u>Cash and Investment Fund Balance - December 31</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	39,635	-	32,251	21,952	469	81,882	6,590
Total cash and investment fund balance - December 31	<u>\$ 39,635</u>	<u>\$ -</u>	<u>\$ 32,251</u>	<u>\$ 21,952</u>	<u>\$ 469</u>	<u>\$ 81,882</u>	<u>\$ 6,590</u>

ELKHART 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, 2006
 (Continued)

	Special Revenue						
	Jury Pay Fees	Drug Confiscation and Eradication	County Economic Development Commission	Supplemental Public Defender	County Law Enforcement Continuing Education	County Drug Free Community	Adult Probation Services
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	426,440
Fines and forfeits	45,423	-	-	136,532	11,870	199,379	-
Other	-	-	400	-	467	1,428	2,337
Total receipts	45,423	-	400	136,532	12,337	200,807	428,777
Disbursements:							
General government	-	-	-	73,310	-	-	532,887
Public safety	-	650	-	-	2,946	171,827	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	400	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Total disbursements	-	650	400	73,310	2,946	171,827	532,887
Excess (deficiency) of receipts over disbursements	45,423	(650)	-	63,222	9,391	28,980	(104,110)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(15,000)	-
Total other financing sources (uses)	-	-	-	-	-	(15,000)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	45,423	(650)	-	63,222	9,391	13,980	(104,110)
Cash and investment fund balance - beginning	82,153	650	3,100	115,861	20,419	265,827	222,178
Cash and investment fund balance - ending	<u>\$ 127,576</u>	<u>\$ -</u>	<u>\$ 3,100</u>	<u>\$ 179,083</u>	<u>\$ 29,810</u>	<u>\$ 279,807</u>	<u>\$ 118,068</u>
Cash and Investment Assets - December 31							
Cash and investments	\$ 127,576	\$ -	\$ 3,100	\$ 179,083	\$ 29,810	\$ 279,807	\$ 118,068
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - December 31	\$ 127,576	\$ -	\$ 3,100	\$ 179,083	\$ 29,810	\$ 279,807	\$ 118,068
Cash and Investment Fund Balance - December 31							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	127,576	-	3,100	179,083	29,810	279,807	118,068
Total cash and investment fund balance - December 31	\$ 127,576	\$ -	\$ 3,100	\$ 179,083	\$ 29,810	\$ 279,807	\$ 118,068

ELKHART 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, 2006
 (Continued)

	Special Revenue						
	Juvenile Probation Services	Extradition	Park Nonreverting Operating	Pretrial Diversion	Surveyor Corner Perpetuation	Recorder's Record Perpetuation	Plat Book Fees
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	49,336	-	76,379	-	41,526	266,694	43,525
Fines and forfeits	-	53,184	-	36,380	-	-	-
Other	160	-	4,382	-	-	-	-
Total receipts	49,496	53,184	80,761	36,380	41,526	266,694	43,525
Disbursements:							
General government	30,809	91,177	-	33,541	38,800	140,225	15,652
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	59,321	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Total disbursements	30,809	91,177	59,321	33,541	38,800	140,225	15,652
Excess (deficiency) of receipts over disbursements	18,687	(37,993)	21,440	2,839	2,726	126,469	27,873
Other financing sources (uses):							
Transfers in	2,785	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(250,000)	-
Total other financing sources (uses)	2,785	-	-	-	-	(250,000)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	21,472	(37,993)	21,440	2,839	2,726	(123,531)	27,873
Cash and investment fund balance - beginning	27,038	71,777	108,078	8,716	29,656	504,270	145,823
Cash and investment fund balance - ending	<u>\$ 48,510</u>	<u>\$ 33,784</u>	<u>\$ 129,518</u>	<u>\$ 11,555</u>	<u>\$ 32,382</u>	<u>\$ 380,739</u>	<u>\$ 173,696</u>
<u>Cash and Investment Assets - December 31</u>							
Cash and investments	\$ 48,510	\$ 33,784	\$ 129,518	\$ 11,555	\$ 32,382	\$ 380,739	\$ 173,696
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - December 31	<u>\$ 48,510</u>	<u>\$ 33,784</u>	<u>\$ 129,518</u>	<u>\$ 11,555</u>	<u>\$ 32,382</u>	<u>\$ 380,739</u>	<u>\$ 173,696</u>
<u>Cash and Investment Fund Balance - December 31</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	48,510	33,784	129,518	11,555	32,382	380,739	173,696
Total cash and investment fund balance - December 31	<u>\$ 48,510</u>	<u>\$ 33,784</u>	<u>\$ 129,518</u>	<u>\$ 11,555</u>	<u>\$ 32,382</u>	<u>\$ 380,739</u>	<u>\$ 173,696</u>

ELKHART 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, 2006
 (Continued)

	Special Revenue						
	Clerk's Record Perpetuation	County Misdemeanant	1st Responders Communication Grant	Special CAGIT	Electronic Map Generation	Hazard Analysis	Domestic Homeland Security- Part I
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	119,381	-	-	-	-	-
Charges for services	69,684	-	-	-	52,160	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	40	-	-	139,120	-	-	-
Total receipts	69,724	119,381	-	139,120	52,160	-	-
Disbursements:							
General government	76,493	87,184	-	-	91,483	-	-
Public safety	-	-	36,918	1,100,227	-	11,250	152,614
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Total disbursements	76,493	87,184	36,918	1,100,227	91,483	11,250	152,614
Excess (deficiency) of receipts over disbursements	(6,769)	32,197	(36,918)	(961,107)	(39,323)	(11,250)	(152,614)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(6,769)	32,197	(36,918)	(961,107)	(39,323)	(11,250)	(152,614)
Cash and investment fund balance - beginning	42,738	122,820	-	5,293,463	130,355	-	-
Cash and investment fund balance - ending	<u>\$ 35,969</u>	<u>\$ 155,017</u>	<u>\$ (36,918)</u>	<u>\$ 4,332,356</u>	<u>\$ 91,032</u>	<u>\$ (11,250)</u>	<u>\$ (152,614)</u>
Cash and Investment Assets - December 31							
Cash and investments	\$ 35,969	\$ 155,017	\$ (36,918)	\$ 4,332,356	\$ 91,032	\$ (11,250)	\$ (152,614)
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - December 31	\$ 35,969	\$ 155,017	\$ (36,918)	\$ 4,332,356	\$ 91,032	\$ (11,250)	\$ (152,614)
Cash and Investment Fund Balance - December 31							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	35,969	155,017	(36,918)	4,332,356	91,032	(11,250)	(152,614)
Total cash and investment fund balance - December 31	\$ 35,969	\$ 155,017	\$ (36,918)	\$ 4,332,356	\$ 91,032	\$ (11,250)	\$ (152,614)

ELKHART 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, 2006
 (Continued)

	Special Revenue						
	Domestic Homeland Security- Part II	Park Donations	Court House War Memorial Donation	Sexually Transmitted Diseases	Emergency Management	Tobacco Prevention and Cessation	Infraction Deferral Program
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	178,225	-	-	11,747	-	156,506	-
Charges for services	-	-	-	-	-	-	323,862
Fines and forfeits	-	-	-	-	-	-	-
Other	-	53,676	-	-	-	293	-
Total receipts	178,225	53,676	-	11,747	-	156,799	323,862
Disbursements:							
General government	-	-	-	-	-	-	321,184
Public safety	356,609	-	-	-	-	110,791	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	11,731	-	-	-
Culture and recreation	-	37,531	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Total disbursements	356,609	37,531	-	11,731	-	110,791	321,184
Excess (deficiency) of receipts over disbursements	(178,384)	16,145	-	16	-	46,008	2,678
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(300,000)
Total other financing sources (uses)	-	-	-	-	-	-	(300,000)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(178,384)	16,145	-	16	-	46,008	(297,322)
Cash and investment fund balance - beginning	178,384	178,568	413	(2,244)	49	(7,422)	306,726
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 194,713</u>	<u>\$ 413</u>	<u>\$ (2,228)</u>	<u>\$ 49</u>	<u>\$ 38,586</u>	<u>\$ 9,404</u>
Cash and Investment Assets - December 31							
Cash and investments	\$ -	\$ 194,713	\$ 413	\$ (2,228)	\$ 49	\$ 38,586	\$ 9,404
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - December 31	<u>\$ -</u>	<u>\$ 194,713</u>	<u>\$ 413</u>	<u>\$ (2,228)</u>	<u>\$ 49</u>	<u>\$ 38,586</u>	<u>\$ 9,404</u>
Cash and Investment Fund Balance - December 31							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	194,713	413	(2,228)	49	38,586	9,404
Total cash and investment fund balance - December 31	<u>\$ -</u>	<u>\$ 194,713</u>	<u>\$ 413</u>	<u>\$ (2,228)</u>	<u>\$ 49</u>	<u>\$ 38,586</u>	<u>\$ 9,404</u>

ELKHART 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, 2006
 (Continued)

	Special Revenue					
	Homeland Security Grant #2-2004	Counter Terrorism Response Grant	Children's Psychiatric Resident	Sales Disclosure	County Seizure Asset	Elkhart County Mitigation
Receipts:						
Taxes	\$ -	\$ -	\$ 642,641	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	282,531	-	58,433	-	-	14,600
Charges for services	-	-	-	26,930	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	-	94,497	-
Total receipts	282,531	-	701,074	26,930	94,497	14,600
Disbursements:						
General government	-	-	-	75	122,846	-
Public safety	347,381	36	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	1,129,948	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Total disbursements	347,381	36	1,129,948	75	122,846	-
Excess (deficiency) of receipts over disbursements	(64,850)	(36)	(428,874)	26,855	(28,349)	14,600
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(11,601)	-	-	-
Total other financing sources (uses)	-	-	(11,601)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(64,850)	(36)	(440,475)	26,855	(28,349)	14,600
Cash and investment fund balance - beginning	64,850	36	1,201,194	119,154	46,759	-
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 760,719</u>	<u>\$ 146,009</u>	<u>\$ 18,410</u>	<u>\$ 14,600</u>
<u>Cash and Investment Assets - December 31</u>						
Cash and investments	\$ -	\$ -	\$ 760,719	\$ 146,009	\$ 18,410	\$ 14,600
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 760,719</u>	<u>\$ 146,009</u>	<u>\$ 18,410</u>	<u>\$ 14,600</u>
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	760,719	146,009	18,410	14,600
Total cash and investment fund balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 760,719</u>	<u>\$ 146,009</u>	<u>\$ 18,410</u>	<u>\$ 14,600</u>

ELKHART 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, 2006
 (Continued)

	Special Revenue				Debt Service	
	Clean Water Indiana Grant	Redaction	Levy Excess	Sheriff's Commissary	Total Special Revenue	Bond and Interest Jail Facility 2004
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 7,333,407	\$ -
Licenses and permits	-	-	-	-	668,945	-
Intergovernmental	30,000	-	-	-	14,024,234	-
Charges for services	-	74,918	-	433,181	3,672,774	-
Fines and forfeits	-	-	-	-	482,768	-
Other	-	-	14,237	-	2,737,770	1,629,183
Total receipts	30,000	74,918	14,237	433,181	28,919,898	1,629,183
Disbursements:						
General government	-	-	-	-	3,810,247	-
Public safety	-	-	-	418,514	5,880,646	-
Highways and streets	-	-	-	-	6,711,911	-
Health and welfare	4,812	-	-	-	5,215,371	-
Culture and recreation	-	-	-	-	1,441,913	-
Urban redevelopment and housing	-	-	-	-	13,400	-
Debt service:						
Principal	-	-	-	-	155,088	2,045,000
Interest	-	-	-	-	30,637	2,838,242
Capital outlay:						
General government	-	47,400	-	-	497,400	-
Public safety	-	-	-	-	90,633	-
Highways and streets	-	-	-	-	2,986,252	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Total disbursements	4,812	47,400	-	418,514	26,833,498	4,883,242
Excess (deficiency) of receipts over disbursements	<u>25,188</u>	<u>27,518</u>	<u>14,237</u>	<u>14,667</u>	<u>2,086,400</u>	<u>(3,254,059)</u>
Other financing sources (uses):						
Transfers in	-	-	372,064	-	1,134,794	823,736
Transfers out	-	-	-	-	(1,549,262)	-
Total other financing sources (uses)	-	-	372,064	-	(414,468)	823,736
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	25,188	27,518	386,301	14,667	1,671,932	(2,430,323)
Cash and investment fund balance - beginning	-	-	489,936	94,550	19,806,005	9,790,723
Cash and investment fund balance - ending	\$ 25,188	\$ 27,518	\$ 876,237	\$ 109,217	\$ 21,477,937	\$ 7,360,400
<u>Cash and Investment Assets - December 31</u>						
Cash and investments	\$ 25,188	\$ 27,518	\$ 876,237	\$ 109,217	\$ 21,477,937	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	7,360,400
Total cash and investment assets - December 31	\$ 25,188	\$ 27,518	\$ 876,237	\$ 109,217	\$ 21,477,937	\$ 7,360,400
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,360,400
Unrestricted	25,188	27,518	876,237	109,217	21,477,937	-
Total cash and investment fund balance - December 31	\$ 25,188	\$ 27,518	\$ 876,237	\$ 109,217	\$ 21,477,937	\$ 7,360,400

ELKHART 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, 2006
 (Continued)

	Capital Projects					
	TIF-Millersburg Forest River	TIF-Middlebury South Agriculture	TIF-Middlebury South East	TIF-Middlebury East	TIF-North Baugo	EDIT
Receipts:						
Taxes	\$ 35,443	\$ 5,475	\$ 225,278	\$ 436,144	\$ 81	\$ 4,308,712
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	652,578
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	-	-	344,976
Total receipts	<u>35,443</u>	<u>5,475</u>	<u>225,278</u>	<u>436,144</u>	<u>81</u>	<u>5,306,266</u>
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	26,431	-	218,008	506,751	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	2,333,607
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Total disbursements	<u>26,431</u>	<u>-</u>	<u>218,008</u>	<u>506,751</u>	<u>-</u>	<u>2,333,607</u>
Excess (deficiency) of receipts over disbursements	<u>9,012</u>	<u>5,475</u>	<u>7,270</u>	<u>(70,607)</u>	<u>81</u>	<u>2,972,659</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	9,012	5,475	7,270	(70,607)	81	2,972,659
Cash and investment fund balance - beginning	<u>12,739</u>	<u>23,909</u>	<u>140,307</u>	<u>334,892</u>	<u>-</u>	<u>5,127,265</u>
Cash and investment fund balance - ending	<u>\$ 21,751</u>	<u>\$ 29,384</u>	<u>\$ 147,577</u>	<u>\$ 264,285</u>	<u>\$ 81</u>	<u>\$ 8,099,924</u>
<u>Cash and Investment Assets - December 31</u>						
Cash and investments	\$ 21,751	\$ 29,384	\$ 147,577	\$ 264,285	\$ 81	\$ 8,099,924
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - December 31	<u>\$ 21,751</u>	<u>\$ 29,384</u>	<u>\$ 147,577</u>	<u>\$ 264,285</u>	<u>\$ 81</u>	<u>\$ 8,099,924</u>
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>21,751</u>	<u>29,384</u>	<u>147,577</u>	<u>264,285</u>	<u>81</u>	<u>8,099,924</u>
Total cash and investment fund balance - December 31	<u>\$ 21,751</u>	<u>\$ 29,384</u>	<u>\$ 147,577</u>	<u>\$ 264,285</u>	<u>\$ 81</u>	<u>\$ 8,099,924</u>

ELKHART 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, 2006
 (Continued)

	Capital Projects					
	TIF-NE Corridor	Community Services Block Grant	Cumulative Capital Development	Cumulative Bridge	Criminal Justice Facilities	Cumulative Drain
Receipts:						
Taxes	\$ -	\$ -	\$ 1,249,580	\$ 919,334	\$ 8,882,322	\$ 455,014
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	146,957	166,103	-	58,514
Charges for services	-	-	21,600	-	-	27,150
Fines and forfeits	-	-	-	-	-	-
Other	33,574	-	8,912	42,994	237,602	29,579
Total receipts	33,574	-	1,427,049	1,128,431	9,119,924	570,257
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	415,722	-	-	-
Interest	-	-	145,456	-	-	-
Capital outlay:						
General government	-	-	551,100	-	-	616,440
Public safety	-	-	300,000	-	6,817,740	-
Highways and streets	319,314	-	-	1,719,976	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Total disbursements	319,314	-	1,412,278	1,719,976	6,817,740	616,440
Excess (deficiency) of receipts over disbursements	(285,740)	-	14,771	(591,545)	2,302,184	(46,183)
Other financing sources (uses):						
Transfers in	459,945	-	-	-	-	-
Transfers out	-	-	(12,305)	(9,053)	(823,736)	(4,540)
Total other financing sources (uses)	459,945	-	(12,305)	(9,053)	(823,736)	(4,540)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	174,205	-	2,466	(600,598)	1,478,448	(50,723)
Cash and investment fund balance - beginning	1,307,962	1,746	518,426	2,310,887	5,515,525	1,214,318
Cash and investment fund balance - ending	<u>\$ 1,482,167</u>	<u>\$ 1,746</u>	<u>\$ 520,892</u>	<u>\$ 1,710,289</u>	<u>\$ 6,993,973</u>	<u>\$ 1,163,595</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ 1,482,167	\$ 1,746	\$ 520,892	\$ 1,710,289	\$ 6,993,973	\$ 1,163,595
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - December 31	<u>\$ 1,482,167</u>	<u>\$ 1,746</u>	<u>\$ 520,892</u>	<u>\$ 1,710,289</u>	<u>\$ 6,993,973</u>	<u>\$ 1,163,595</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,482,167	1,746	520,892	1,710,289	6,993,973	1,163,595
Total cash and investment fund balance - December 31	<u>\$ 1,482,167</u>	<u>\$ 1,746</u>	<u>\$ 520,892</u>	<u>\$ 1,710,289</u>	<u>\$ 6,993,973</u>	<u>\$ 1,163,595</u>

ELKHART 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, 2006
 (Continued)

	Capital Projects					
	Major Bridge	HOME Consortium	Park Nonreverting Capital	General Drain Improvement	Total Capital Projects	Totals
Receipts:						
Taxes	\$ 2,124,285	\$ -	\$ -	\$ -	\$ 18,641,668	\$ 25,975,075
Licenses and permits	-	-	-	-	-	668,945
Intergovernmental	459,293	6,000	163,959	-	1,653,404	15,677,638
Charges for services	-	-	53,343	-	102,093	3,774,867
Fines and forfeits	-	-	-	-	-	482,768
Other	130,449	-	6,402	-	834,488	5,201,441
Total receipts	2,714,027	6,000	223,704	-	21,231,653	51,780,734
Disbursements:						
General government	-	-	-	-	-	3,810,247
Public safety	-	-	-	-	-	5,880,646
Highways and streets	-	-	-	-	-	6,711,911
Health and welfare	-	-	-	-	-	5,215,371
Culture and recreation	-	-	-	-	-	1,441,913
Urban redevelopment and housing	-	-	-	-	751,190	764,590
Debt service:						
Principal	-	-	-	-	415,722	2,615,810
Interest	-	-	-	-	145,456	3,014,335
Capital outlay:						
General government	-	-	-	10,433	1,177,973	1,675,373
Public safety	-	-	-	-	7,117,740	7,208,373
Highways and streets	1,648,999	-	-	-	6,021,896	9,008,148
Culture and recreation	-	-	37,868	-	37,868	37,868
Urban redevelopment and housing	-	7,689	-	-	7,689	7,689
Total disbursements	1,648,999	7,689	37,868	10,433	15,675,534	47,392,274
Excess (deficiency) of receipts over disbursements	1,065,028	(1,689)	185,836	(10,433)	5,556,119	4,388,460
Other financing sources (uses):						
Transfers in	-	-	-	16,840	476,785	2,435,315
Transfers out	(20,918)	-	-	-	(870,552)	(2,419,814)
Total other financing sources (uses)	(20,918)	-	-	16,840	(393,767)	15,501
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,044,110	(1,689)	185,836	6,407	5,162,352	4,403,961
Cash and investment fund balance - beginning	4,952,057	7,902	215,267	13,838	21,697,040	51,293,768
Cash and investment fund balance - ending	<u>\$ 5,996,167</u>	<u>\$ 6,213</u>	<u>\$ 401,103</u>	<u>\$ 20,245</u>	<u>\$ 26,859,392</u>	<u>\$ 55,697,729</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ 5,996,167	\$ 6,213	\$ 401,103	\$ 20,245	\$ 26,859,392	\$ 48,337,329
Restricted assets:						
Cash and investments	-	-	-	-	-	7,360,400
Total cash and investment assets - December 31	<u>\$ 5,996,167</u>	<u>\$ 6,213</u>	<u>\$ 401,103</u>	<u>\$ 20,245</u>	<u>\$ 26,859,392</u>	<u>\$ 55,697,729</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,360,400
Unrestricted	5,996,167	6,213	401,103	20,245	26,859,392	48,337,329
Total cash and investment fund balance - December 31	<u>\$ 5,996,167</u>	<u>\$ 6,213</u>	<u>\$ 401,103</u>	<u>\$ 20,245</u>	<u>\$ 26,859,392</u>	<u>\$ 55,697,729</u>

ELKHART 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, 2006

	Workman's Compensation Insurance	Group Insurance	Property and Liability Insurance	Total
Operating receipts:				
Insurance proceeds	\$ 196,043	\$ 9,514,457	\$ 1,000,507	\$ 10,711,007
Operating disbursements:				
Insurance disbursements	234,535	9,102,055	674,711	10,011,301
Excess (deficiency) of receipts over disbursements	(38,492)	412,402	325,796	699,706
Nonoperating receipts:				
Interest and investment receipts	27,223	61,350	8,556	97,129
Excess (deficiency) of receipts over disbursements and nonoperating receipts (disbursements)	(11,269)	473,752	334,352	796,835
Cash and investment fund balance - beginning	928,594	2,333,525	151,510	3,413,629
Cash and investment fund balance - ending	<u>\$ 917,325</u>	<u>\$ 2,807,277</u>	<u>\$ 485,862</u>	<u>\$ 4,210,464</u>
<u>Cash and Investment Assets - December 31</u>				
Cash and investments	<u>\$ 917,325</u>	<u>\$ 2,807,277</u>	<u>\$ 485,862</u>	<u>\$ 4,210,464</u>
<u>Cash and Investment Fund Balance - December 31</u>				
Unrestricted	<u>\$ 917,325</u>	<u>\$ 2,807,277</u>	<u>\$ 485,862</u>	<u>\$ 4,210,464</u>

ELKHART COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PENSION TRUST FUNDS
 For The Year Ended December 31, 2006

	<u>Sheriff's Pension Trust</u>	<u>Sheriff's Benefit Trust</u>	<u>Total</u>
Additions:			
Contributions:			
Employer	\$ 492,978	\$ 30,856	\$ 523,834
Plan members	<u>87,525</u>	<u>-</u>	<u>87,525</u>
Total contributions	<u>580,503</u>	<u>30,856</u>	<u>611,359</u>
Investment earnings:			
Net increase in fair value of investments	1,293,223	5,353	1,298,576
Interest	<u>334,515</u>	<u>2,958</u>	<u>337,473</u>
Total investment earnings	1,627,738	8,311	1,636,049
Less investment disbursements	<u>(167,892)</u>	<u>(1,137)</u>	<u>(169,029)</u>
Net investment earnings	<u>1,459,846</u>	<u>7,174</u>	<u>1,467,020</u>
Total additions	<u>2,040,349</u>	<u>38,030</u>	<u>2,078,379</u>
Deductions:			
Benefits	612,863	-	612,863
Refunds of contributions	93,048	-	93,048
Administrative and general	<u>11,102</u>	<u>10,193</u>	<u>21,295</u>
Total deductions	<u>717,013</u>	<u>10,193</u>	<u>727,206</u>
Excess of total additions over total deductions	1,323,336	27,837	1,351,173
Cash and investment fund balance - beginning	<u>13,770,307</u>	<u>88,689</u>	<u>13,858,996</u>
Cash and investment fund balance - ending	<u>\$ 15,093,643</u>	<u>\$ 116,526</u>	<u>\$ 15,210,169</u>

ELKHART COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2006

	Welfare Trust	Health Care for the Indigent	Medical Assistance to Wards	Children with Special Health Care Needs	Congressional School Interest	Surplus Tax	Surplus Tax Sale
Additions:							
Agency fund additions	\$ 13,622	\$ 1,068,158	\$ 211,707	\$ 288,691	\$ -	\$ 527,476	\$ 4,600,362
Deductions:							
Agency fund deductions	4,733	1,056,717	209,398	285,542	1,834	399,311	4,411,481
Excess (deficiency) of total additions over total deductions	8,889	11,441	2,309	3,149	(1,834)	128,165	188,881
Cash and investment fund balance - beginning	30,466	(11,441)	(2,309)	(3,149)	93,520	487,897	3,182,026
Cash and investment fund balance - ending	<u>\$ 39,355</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 91,686</u>	<u>\$ 616,062</u>	<u>\$ 3,370,907</u>

ELKHART COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2006
 (Continued)

	<u>Tax Sale Redemption</u>	<u>Surplus Dog Tax</u>	<u>State Fines and Forfeitures</u>	<u>Inheritance Tax</u>	<u>Special Death Benefits</u>	<u>Child Restraint</u>	<u>Distributable Share - Court Fees</u>
Additions:							
Agency fund additions	\$ 740,162	\$ 22,401	\$ 628,524	\$ 2,157,186	\$ 16,995	\$ 4,703	\$ 48,986
Deductions:							
Agency fund deductions	768,937	23,224	733,436	1,987,792	16,895	5,028	119,186
Excess (deficiency) of total additions over total deductions	(28,775)	(823)	(104,912)	169,394	100	(325)	(70,200)
Cash and investment fund balance - beginning	50,975	823	201,929	384,721	1,315	375	70,200
Cash and investment fund balance - ending	<u>\$ 22,200</u>	<u>\$ -</u>	<u>\$ 97,017</u>	<u>\$ 554,115</u>	<u>\$ 1,415</u>	<u>\$ 50</u>	<u>\$ -</u>

ELKHART COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2006
 (Continued)

	Peddler's License	Infraction Judgments	County Employee Benefit	Sewage Collection	New Paris Sewer Conservancy District	Education Plate Fee	Downtown Goshen Economic Improvement
Additions:							
Agency fund additions	\$ -	\$ 357,764	\$ 5,804,903	\$ 126,407	\$ 289,770	\$ 7,425	\$ 55,530
Deductions:							
Agency fund deductions	-	377,758	5,804,903	89,990	289,770	7,425	55,530
Excess (deficiency) of total additions over total deductions	-	(19,994)	-	36,417	-	-	-
Cash and investment fund balance - beginning	100	47,823	100,000	-	-	-	-
Cash and investment fund balance - ending	<u>\$ 100</u>	<u>\$ 27,829</u>	<u>\$ 100,000</u>	<u>\$ 36,417</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ELKHART COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2006
 (Continued)

	Coroner Training	Major Moves	Payroll	Distributable Property Tax	Motor Vehicle Excise Surtax	Motor Vehicle Excise Wheel Tax	After Settlement Collections
Additions:							
Agency fund additions	\$ 10,970	\$ 40,000,000	\$ 32,177,892	\$ 211,185,340	\$ 3,920,998	\$ 429,789	\$ 272,832,987
Deductions:							
Agency fund deductions	10,826	40,000,000	32,175,073	211,121,252	3,743,513	418,478	273,160,790
Excess (deficiency) of total additions over total deductions	144	-	2,819	64,088	177,485	11,311	(327,803)
Cash and investment fund balance - beginning	726	-	99,613	-	-	-	5,318,563
Cash and investment fund balance - ending	<u>\$ 870</u>	<u>\$ -</u>	<u>\$ 102,432</u>	<u>\$ 64,088</u>	<u>\$ 177,485</u>	<u>\$ 11,311</u>	<u>\$ 4,990,760</u>

ELKHART COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2006
 (Continued)

	Probation Court Services	Clerk's Trust	Rush Memorial	Sheriff's Inmate Trust	Sheriff's Trust	Work Release	Total
Additions:							
Agency fund additions	\$ 514,272	\$ 26,483,872	\$ 1,753	\$ 796,596	\$ 8,163,073	\$ 1,647,679	\$ 615,135,993
Deductions:							
Agency fund deductions	478,155	26,276,570	1,350	789,795	8,158,092	1,650,244	614,633,028
Excess (deficiency) of total additions over total deductions	36,117	207,302	403	6,801	4,981	(2,565)	502,965
Cash and investment fund balance - beginning	37,280	984,887	384	28,113	2,150	5,386	11,112,373
Cash and investment fund balance - ending	<u>\$ 73,397</u>	<u>\$ 1,192,189</u>	<u>\$ 787</u>	<u>\$ 34,914</u>	<u>\$ 7,131</u>	<u>\$ 2,821</u>	<u>\$ 11,615,338</u>

ELKHART COUNTY
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2006

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

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

<u>Primary Government</u>	<u>Ending Balance</u>	<u>Accumulated Depreciation</u>	<u>Net Ending Balance</u>
Governmental activities:			
Capital assets, not being depreciated:			
Land	\$ 889,041	\$ -	\$ 889,041
Construction in progress	96,222,522	-	96,222,522
Capital assets, being depreciated:			
Infrastructure	392,241,009	131,862,751	260,378,258
Buildings	52,103,447	40,860,856	11,242,591
Improvements other than buildings	4,585,227	3,395,763	1,189,464
Machinery and equipment	<u>18,332,884</u>	<u>12,541,695</u>	<u>5,791,189</u>
Total governmental activities	<u>\$ 564,374,130</u>	<u>\$ 188,661,065</u>	<u>\$ 375,713,065</u>

<u>Primary Government</u>	<u>Ending Balance</u>	<u>Accumulated Depreciation</u>	<u>Net Ending Balance</u>
Business-type activities:			
Landfill:			
Capital assets, not being depreciated:			
Land	\$ 1,252,839	\$ -	\$ 1,252,839
Construction in progress	728,856	-	728,856
Capital assets, being depreciated:			
Buildings	1,922,114	561,536	1,360,578
Improvements other than buildings	84,396	13,503	70,893
Machinery and equipment	<u>3,694,658</u>	<u>1,364,484</u>	<u>2,330,174</u>
Total business-type activities capital assets	<u>\$ 7,682,863</u>	<u>\$ 1,939,523</u>	<u>\$ 5,743,340</u>

ELKHART COUNTY
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT

For The Year Ended December 31, 2006

The county has entered into the following long-term debt:

Description of Debt	Principal Ending Balance	Principal Due Within One Year
<u>Governmental Activities:</u>		
Revenue bonds:		
2004 Corrections Complex	\$ 49,930,000	\$ 1,375,000
Capital Leases:		
Correctional Complex # 1	9,415,000	-
Correctional Complex # 2	9,900,000	-
Computer system upgrade	93,852	50,731
Street sweeper	57,158	29,118
911 center telephone system	534,627	121,044
Total capital leases	20,000,637	200,893
Notes and loans payable:		
Hudson clinic loan	351,499	37,638
Guaranteed energy savings contract	2,217,253	399,489
Total notes and loans	2,568,752	437,127
Total governmental activities long-term debt	\$ 72,499,389	\$ 2,013,020

Debt service requirements to maturity:

Year ended December 31	Revenue bonds		Capital Leases		Notes and Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2007-2011	\$ 7,295,000	\$ 10,923,056	\$ 685,637	\$ 4,266,326	\$ 2,422,655	\$ 383,237
2012-2016	8,820,000	9,396,319	7,700,000	3,681,325	146,097	11,268
2017-2021	20,795,000	6,267,928	1,960,000	2,402,644	-	-
2022-2025	13,020,000	991,669	9,655,000	1,551,046	-	-
Totals	\$ 49,930,000	\$ 27,578,972	\$ 20,000,637	\$ 11,901,341	\$ 2,568,752	\$ 394,505

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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 46204-2769

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

TO: THE OFFICIALS OF ELKHART COUNTY, INDIANA

Compliance

We have audited the compliance of the Elkhart 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, 2006. 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, 2006.

Internal Control Over Compliance

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

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

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

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

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

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

July 30, 2007

ELKHART COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2006

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 AGRICULTURE</u>			
Pass-Through Indiana Department of Health Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	MWSSNP-2.5:WC 1-2(IN) FY 05-06 MWSSNP-2.5:WC 1-2(IN) FY 06-07	\$ 550,104 96,045
Total for Federal Grantor Agency			<u>646,149</u>
<u>U.S. DEPARTMENT OF INTERIOR</u>			
Pass-Through Indiana Department of Natural Resources Historic Preservation Fund Grants in Aid	15.904		<u>26,990</u>
Outdoor Recreation - Acquisition, Development and Planning	15.916		<u>150,000</u>
Total for Federal Grantor Agency			<u>176,990</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Direct Grants			
Juvenile Accountability Incentive Block Grants	16.523	04-JB-002	<u>5,492</u>
Bulletproof Vest Partnership Program	16.607		<u>1,579</u>
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2005-DJ-BX-0879 2006-DJ-BX-0893	516 <u>39,693</u>
Total for Program			<u>40,209</u>
Pass-Through Indiana Criminal Justice Institute Juvenile Justice and Delinquency Prevention - Allocation to States	16.540		
		04-JF-003 05-JF-008	6,596 <u>20,031</u>
Total for Program			<u>26,627</u>
Crime Victim Assistance	16.575		
		04VA170 05VA029 05VA030 05VA032 05VA151 06VA030	6,937 16,694 12,487 10,440 57,590 <u>58,201</u>
Total for Program			<u>162,349</u>
Violence Against Women Formula Grants	16.588	05-ST-014 06-ST-014	15,219 <u>11,949</u>
Total for Program			<u>27,168</u>
Total for Federal Grantor Agency			<u>263,424</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation Highway Planning and Construction Cluster Highway Planning and Construction	20.205	Bridge re-inspection STP-9920	112,506 <u>2,991</u>
Total for Cluster			<u>115,497</u>
Pass-Through Indiana Criminal Justice Institute Highway Safety Cluster State and Community Highway Safety	20.600	FACT - J8 06-03-08-04 FACT - 154AL 07-02-02-02 PT-06-04-07-08 154AL06-03-03-04	134,824 19,945 44,151 <u>56,345</u>
Total for Program			<u>255,265</u>

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

ELKHART COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2006
(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 (continued)</u>			
Pass-Through Indiana Criminal Justice Institute (continued)			
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	PT-07-04-01-18 KB-07-030-01-13	6,809 <u>30,159</u>
Total for Program			<u>36,968</u>
Total for Cluster			<u>292,233</u>
Total for Federal Grantor Agency			<u>407,730</u>
<u>ENVIRONMENTAL PROTECTION AGENCY</u>			
Direct Grants			
Brownfields Assessment and Cleanup Cooperative Agreements	66.818		<u>12,791</u>
Pass-Through Indiana Department of Environmental Management			
Nonpoint Source Implementation Grants	66.460	A305-3-671 - Heaton Lake	<u>7,689</u>
Total for Federal Grantor Agency			<u>20,480</u>
<u>ELECTION ASSISTANCE COMMISSION</u>			
Pass-Through Indiana Secretary of State			
Help America Vote Act Requirements Payments	90.401		<u>426,412</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-Through Indiana Department of Health			
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	FY 2006	<u>50,502</u>
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	FY 05 119-19 FY 06 119-19	11,917 <u>35,593</u>
Total for Program			<u>47,510</u>
Pass-Through Indiana Department of Children's Services			
Child Support Enforcement	93.563	Prosecutor's Expenditures Clerk's Expenditures Indirect Costs	925,548 108,159 <u>15,929</u>
Total for Program			<u>1,049,636</u>
Pass-Through Indiana Department of Health			
HIV Prevention Activities - Health Department Based	93.940	AIDS119-5	<u>46,880</u>
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	FY 2006	<u>11,731</u>
Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems	93.988	FY 05 FY 06	4,331 <u>4,679</u>
Total for Program			<u>9,010</u>
Maternal and Child Health Services Block Grant to the States	93.994	FY 06 FY 07 FY 06 Dental FY 06 Tobacco prenatal FY 07 Tobacco prenatal	148,393 29,832 30,791 28,130 <u>15,464</u>
Total for Program			<u>252,610</u>
Total for Federal Grantor Agency			<u>1,467,879</u>
<u>DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security			
Emergency Management Performance Grants	97.042	FY 2006	<u>31,144</u>
Citizen Corp	97.053		<u>1,145</u>

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

ELKHART COUNTY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For The Year Ended December 31, 2006
 (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>DEPARTMENT OF HOMELAND SECURITY (continued)</u>			
Pass-Through Indiana Department of Homeland Security (continued)			
Homeland Security Grant Program	97.067	FY 2003 Part II	178,225
		FY 2003 Part II - Hoosier Safety	36,918
		Hazard Analysis	11,250
		FY 2005 SHSP	227,289
		FY 2005 LETPP	115,195
		FY 2005 EMPG	<u>26,577</u>
Total for Program			<u>595,454</u>
Total for Federal Grantor Agency			<u>627,743</u>
Total Federal Awards Expended			<u>\$ 4,036,807</u>

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

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

II. Subrecipients

Of the federal expenditures presented in the schedule, the County provided federal awards to subrecipients as follows for the year ended December 31, 2006:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>2006</u>
Crime Victim Assistance	16.575	<u>\$ 83,625</u>

ELKHART COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Qualified

Internal control over financial reporting:
 Material weaknesses identified? no
 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
90.401	Help America Vote Act Requirement Payments
93.563	Child Support Enforcement

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

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

ELKHART COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

ELKHART COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 30, 2007, with David L. Hess, Auditor; Terry Rodino, President of the Board of County Commissioners; and John K. Letherman, President of the County Council.