

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

ANNUAL FINANCIAL REPORT

2006

PUTNAM COUNTY, INDIANA



**FILED**

10/24/2007



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Stephanie Campbell	01-01-05 to 12-31-08
Treasurer	Janet Deaton	01-01-03 to 12-31-10
Clerk	Opal Sutherlin Marty Watts	01-01-03 to 12-31-06 01-01-07 to 12-31-10
Sheriff	Mark Frisbee	01-01-03 to 12-31-10
Recorder	Marty Watts Jeanette Summitt	01-01-03 to 12-31-06 01-01-07 to 12-31-10
President of the Board of County Commissioners	Dennis O'Hair Kristina Warren	01-01-06 to 12-31-06 01-01-07 to 12-31-07
President of the County Council	Mitchell Proctor	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 PUTNAM COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Putnam 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 number of component units 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 units of the County referred to in the preceding paragraph results in incomplete presentation, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 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 August 2, 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 Schedules of Funding Progress, as listed in the Table of Contents, are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

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

STATE BOARD OF ACCOUNTS

August 2, 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 PUTNAM COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Putnam County (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 August 2, 2007. The opinion to the financial statements was qualified due to omission of a significant component unit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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

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

Compliance and Other Matters

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

This report is intended solely for the information and use of the County's management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

August 2, 2007



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

Functions/Programs	Disbursements	Program Receipts			Net Receipt and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:					
Governmental activities:					
General government	\$ 5,702,928	\$ 1,217,665	\$ 362,903	\$ 1,410,336	\$ (2,712,024)
Public safety	5,892,070	2,070,637	1,598,580	-	(2,222,853)
Highways and streets	4,575,224	-	3,035,641	-	(1,539,583)
Health and welfare	2,945,909	200,168	580,424	-	(2,165,317)
Total primary government	\$ 19,116,131	\$ 3,488,470	\$ 5,577,548	\$ 1,410,336	(8,639,777)
General receipts:					
Property taxes					5,205,732
County adjusted gross income taxes					2,363,384
Economic development income taxes					1,193,747
Excise taxes					964,005
Riverboat revenue sharing					133,993
Other local sources					117,687
Loans					600,000
Unrestricted investment earnings					486,433
Other general receipts					847,891
Total general receipts					11,912,872
Change in net assets					3,273,095
Net assets - beginning					10,404,179
Net assets - ending					\$ 13,677,274
<u>Assets</u>					
Cash and investments					\$ 1,074,873
Restricted assets:					
Cash and investments					12,602,401
Total assets					\$ 13,677,274
<u>Net Assets</u>					
Restricted for:					
Public safety					\$ 5,923,824
Highways and streets					3,798,856
Health and welfare					1,022,078
Other purposes					1,857,643
Unrestricted					1,074,873
Total net assets					\$ 13,677,274

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

PUTNAM 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	Hazardous Waste	County Highway	Cumulative Bridge	Welfare Family and Children	Other Governmental Funds	Totals
<b>Receipts:</b>							
Taxes	\$ 5,357,654	\$ -	\$ 412,693	\$ 1,005,900	\$ 1,487,615	\$ 1,604,514	\$ 9,868,376
Intergovernmental	352,195	1,150,814	2,652,452	31,400	448,414	2,352,603	6,987,878
Charges for services	999,890	-	-	-	119,573	2,369,008	3,488,471
Other	683,699	7,857	201,423	119,466	101,379	330,677	1,444,500
<b>Total receipts</b>	<b>7,393,438</b>	<b>1,158,671</b>	<b>3,266,568</b>	<b>1,156,766</b>	<b>2,156,981</b>	<b>6,656,802</b>	<b>21,789,225</b>
<b>Disbursements:</b>							
General government	2,818,056	-	-	-	-	2,884,872	5,702,928
Public safety	2,929,997	236,609	-	-	-	2,725,464	5,892,070
Highways and streets	-	-	2,679,911	1,116,338	-	778,975	4,575,224
Health and welfare	298,605	-	-	-	1,722,336	324,968	2,345,909
<b>Total disbursements</b>	<b>6,046,658</b>	<b>236,609</b>	<b>2,679,911</b>	<b>1,116,338</b>	<b>1,722,336</b>	<b>6,714,279</b>	<b>18,516,131</b>
Excess (deficiency) of receipts over disbursements	1,346,780	922,062	586,657	40,428	434,645	(57,477)	3,273,095
<b>Other financing sources (uses):</b>							
Other receipts	-	-	-	-	600,000	271,907	871,907
Other disbursements	(271,907)	-	-	-	(600,000)	-	(871,907)
<b>Total other financing sources (uses)</b>	<b>(271,907)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>271,907</b>	<b>-</b>
Excess of receipts and other financing sources over disbursements and other financing uses	1,074,873	922,062	586,657	40,428	434,645	214,430	3,273,095
Cash and investment fund balance - beginning	-	3,639,920	748,129	2,153,571	358,691	3,503,868	10,404,179
<b>Cash and investment fund balance - ending</b>	<b>\$ 1,074,873</b>	<b>\$ 4,561,982</b>	<b>\$ 1,334,786</b>	<b>\$ 2,193,999</b>	<b>\$ 793,336</b>	<b>\$ 3,718,298</b>	<b>\$ 13,677,274</b>
<b><u>Cash and Investment Assets - December 31</u></b>							
Cash and investments	\$ 1,074,873	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,074,873
Restricted assets:							
Cash and investments	-	4,561,982	1,334,786	2,193,999	793,336	3,718,298	12,602,401
<b>Total cash and investment assets - December 31</b>	<b>\$ 1,074,873</b>	<b>\$ 4,561,982</b>	<b>\$ 1,334,786</b>	<b>\$ 2,193,999</b>	<b>\$ 793,336</b>	<b>\$ 3,718,298</b>	<b>\$ 13,677,274</b>
<b><u>Cash and Investment Fund Balance - December 31</u></b>							
Restricted for:							
Public safety	\$ -	\$ 4,561,982	\$ -	\$ -	\$ -	\$ 1,361,842	\$ 5,923,824
Highways and streets	-	-	1,334,786	2,193,999	-	270,071	3,798,856
Health and welfare	-	-	-	-	793,336	228,742	1,022,078
Other purposes	-	-	-	-	-	1,857,643	1,857,643
Unrestricted	1,074,873	-	-	-	-	-	1,074,873
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 1,074,873</b>	<b>\$ 4,561,982</b>	<b>\$ 1,334,786</b>	<b>\$ 2,193,999</b>	<b>\$ 793,336</b>	<b>\$ 3,718,298</b>	<b>\$ 13,677,274</b>

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

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

	Pension Trust Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Employer	\$ 114,585	\$ -	\$ -
Plan members	17,227	-	-
Other	8,814	-	-
Total contributions	140,626	-	-
Investment earnings:			
Net increase in fair value of investments	61,319	-	-
Interest	740	-	-
Total investment earnings	62,059	-	-
Agency fund additions	-	-	112,086,687
Total additions	202,685	-	112,086,687
Deductions:			
Benefits	48,560	-	-
Refunds of contributions	5,793	-	-
Administrative and general	7,124	-	-
Agency fund deductions	-	-	114,184,740
Total deductions	61,477	-	114,184,740
Excess (deficiency) of total additions over total deductions	141,208	-	(2,098,052)
Cash and investment fund balance - beginning	1,447,622	25,000	4,323,473
Cash and investment fund balance - ending	\$ 1,588,830	\$ 25,000	\$ 2,225,421

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

PUTNAM 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: Putnam County

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

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

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. However, the County has no business-type activities.

Fund Financial Statements

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

The County reports the following major governmental funds:

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

The hazardous waste fund accounts for the County's portion of the State tax imposed on the disposal of taxable hazardous waste in a facility located in the County. Indiana Code 6-6-6.6-3 outlines exactly the purposes for which the fund may be used.

PUTNAM COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

The county highway fund is used for the construction, reconstruction and maintenance of the County's highways, including the purchase, rental and repair of equipment, acquisition of rights of way, and purchase of supplies necessary to carry out the construction, reconstruction and maintenance of the highways.

The cumulative bridge fund accounts for the cost of the construction, repair and maintenance of bridges, approaches and grade separations.

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

Additionally, the County reports the following fund types:

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

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

Agency funds account for assets held by the County as an agent for other local governmental units and the State of Indiana, and serve as control of accounts for certain cash transactions during the time they are a liability to the County.

C. Measurement Focus and Basis of Accounting

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

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

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

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

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.

PUTNAM COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

2. Capital Assets

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

3. Long-Term Debt

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

4. Equity Classification

Government-Wide Statements

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

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

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

Fund Financial Statements

Governmental fund equity is classified as fund balance.

E. Receipts and Disbursements

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

F. Internal and Interfund Balances and Activities

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

Fund Financial Statements

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

PUTNAM COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

Government-Wide Financial Statements

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

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

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

Prior to the first required publication, the fiscal officer of the County submits to the governing board a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. In September of each year, the governing board, through the passage of 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, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines and state statute:

PUTNAM COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Fund	2006
Local Health Maintenance	\$ 815
Phoenix Community Corrections	20,214
Victims Assistance	5,640
Bioterrorism Coordinator Grant	5,218
State Homeland Security Program	14,708
Indiana Department of Homeland Security Laptop Grant	11,250
Payroll Withholdings	177,685

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

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

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

2. Investments

Authorization for investment activity is stated in Indiana Code 5-13. The Sheriff's Merit Board has not established an investment policy for the Sheriff's Retirement and Benefit Pension Plan. As of December 31, 2006, the County had the following investments:

Investment Type	Sheriff's Retirement and Benefit Pension Plans
U.S. treasuries and securities	\$ 19,864
U.S. agencies	114,478
Mutual funds	100,000
Corporate stock	604,476
Corporate bonds	657,040
 Total	 <u>\$ 1,495,858</u>



PUTNAM COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Investment Policies

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

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 U.S. Treasuries and Securities, U.S. Agencies, Mutual Funds, Corporate Stock and Corporate Bonds in the amount of \$1,495,858. Of these investments, \$1,495,858 is held by the investment's counterparty, not in the name of the Sheriff's Pension Plan.

PUTNAM COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Interest Rate Risk

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

The Sheriff's Merit Board 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
U.S. treasuries and securities	\$ -	\$ -	\$ 19,864
U.S. agencies	44,854	-	69,624
Corporate bonds	54,884	95,339	506,817
Totals	<u>\$ 99,738</u>	<u>\$ 95,339</u>	<u>\$ 596,305</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.

Sheriff's Retirement and Benefit Pension Plans:

Standard and Poor's Rating	Moody's Rating	County's <u>Investments</u> Corporate Bonds
AAA	Aaa	\$ 60,212
AA	Aa	115,134
A	A	101,140
Unrated	Unrated	<u>380,554</u>
Total		<u>\$ 657,040</u>

Concentration of Credit Risk

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

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

PUTNAM COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Foreign Currency Risk

The County does not have a formal policy in regards to foreign currency risk.

B. Restatements and Reclassifications

For the year ended December 31, 2006, certain changes have been made to the financial statements to more appropriately reflect financial activity of the County. The following schedule presents a summary of restated beginning balances by opinion unit:

Opinion Unit	Balance as Reported December 31, 2005	Fund Reclassification	New Funds	Prior Period Adjustments	Balance as Restated January 1, 2006
Major Funds	\$ 6,541,620	\$ 358,691	\$ -	\$ -	\$ 6,900,311
Nonmajor Governmental Funds	3,862,560	(358,691)	-	-	3,503,869

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; and natural disasters.

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

B. 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.

C. 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,

PUTNAM COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

through the PERF Board, most requirements of the system and give the County authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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

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

Funding Policy and Annual Pension Cost

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

2. County Police Retirement Plan

Plan Description

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

Funding Policy and Annual Pension Cost

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

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.

PUTNAM COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Funding Policy and Annual Pension Cost

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

Actuarial Information for the Above Plans

	PERF	County Police Retirement Plan	County Police Benefit Plan
Annual required contribution	\$ 232,038	\$ 94,791	\$ 11,362
Interest on net pension obligation	(5,329)	(232)	-
Adjustment to annual required contribution	6,073	359	-
Annual pension cost	232,782	94,918	11,362
Contributions made	190,420	85,583	11,362
Increase in net pension obligation	42,362	9,335	-
Net pension obligation, beginning of year	(73,505)	(3,317)	-
Net pension obligation, end of year	\$ (31,143)	\$ 6,018	\$ -

	PERF	County Police Retirement Plan	County Police Benefit Plan
Contribution rates:			
County	4.5%	18%	2%
Plan members	3%	6%	6%
Actuarial valuation date	07-01-05	01-01-05	01-01-05
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed
Amortization period	40 years	40 years	40 years
Amortization period (from date)	07-01-97	12-31-97	12-31-97
Asset valuation method	4 year smoothed market	4 year smoothed market	4 year smoothed market

Actuarial Assumptions

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

PUTNAM COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Three Year Trend Information

	<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
PERF	06-30-04	\$ 163,926	112%	\$ (71,256)
	06-30-05	190,201	101%	(73,505)
	06-30-06	232,782	100%	(31,143)
County Police Retirement Plan	12-31-03	62,321	71%	2,899
	12-31-04	79,770	89%	(3,317)
	12-31-05	94,918	108%	6,018
County Police Benefit Plan	12-31-03	6,888	100%	-
	12-31-04	9,463	100%	-
	12-31-05	11,362	100%	-

PUTNAM COUNTY  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-04	\$ 2,875,746	\$ 3,023,334	\$ (147,588)	95%	\$ 3,896,124	(4%)
07-01-05	3,027,952	3,517,923	(489,971)	86%	4,008,360	(12%)
07-01-06	3,300,009	3,636,966	(336,957)	91%	4,203,771	(8%)

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 (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-01	\$ 1,275,240	\$ 1,275,240	\$ -	100%	\$ 370,317	0%
01-01-02	1,286,004	1,286,004	-	100%	421,055	0%
01-01-03	1,270,688	1,270,688	-	100%	421,044	0%
01-01-04	1,284,767	1,284,767	-	100%	431,731	0%
01-01-05	1,348,400	1,348,400	-	100%	490,042	0%
01-01-06	1,501,204	1,501,204	-	100%	518,669	0%

PUTNAM 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

	Local Road and Street	Aviation	County Health	Local Health Maintenance	Aviation Grant	Surveyor's Corner Perpetuation
Receipts:						
Taxes	\$ 228,000	\$ -	\$ 136,622	\$ -	\$ -	\$ -
Intergovernmental	340,539	-	1,502	29,854	1,410,337	-
Charges for services	-	39,834	60,462	-	-	10,610
Other	17,609	7,824	19,752	8	-	2,000
<b>Total receipts</b>	<b>586,148</b>	<b>47,658</b>	<b>218,338</b>	<b>29,862</b>	<b>1,410,337</b>	<b>12,610</b>
Disbursements:						
General government	-	74,170	-	-	1,115,516	3,381
Public safety	-	-	-	-	-	-
Highways and streets	718,032	-	-	-	-	-
Health and welfare	-	-	139,650	26,017	-	-
<b>Total disbursements</b>	<b>718,032</b>	<b>74,170</b>	<b>139,650</b>	<b>26,017</b>	<b>1,115,516</b>	<b>3,381</b>
Excess (deficiency) of receipts over disbursements	(131,884)	(26,512)	78,688	3,845	294,821	9,229
Other financing sources:						
Other Receipts	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(131,884)	(26,512)	78,688	3,845	294,821	9,229
Cash and investment fund balance - beginning	368,481	32,119	(27,439)	(4,660)	26,312	34,262
Cash and investment fund balance - ending	<u>\$ 236,597</u>	<u>\$ 5,607</u>	<u>\$ 51,249</u>	<u>\$ (815)</u>	<u>\$ 321,133</u>	<u>\$ 43,491</u>
<b>Cash and Investment Assets - December 31</b>						
Total cash and investment assets - December 31	<u>\$ 236,597</u>	<u>\$ 5,607</u>	<u>\$ 51,249</u>	<u>\$ (815)</u>	<u>\$ 321,133</u>	<u>\$ 43,491</u>
<b>Cash and Investment Fund Balance - December 31</b>						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	236,597	-	-	-	-	-
Health and welfare	-	-	51,249	(815)	-	-
Other purposes	-	5,607	-	-	321,133	43,491
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 236,597</u>	<u>\$ 5,607</u>	<u>\$ 51,249</u>	<u>\$ (815)</u>	<u>\$ 321,133</u>	<u>\$ 43,491</u>



PUTNAM 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)

	Recorder's Records Perpetuation	Local Emergency Planning	EMA Service	Youth Awareness	Supplemental Adult Probation Services	County User Fee
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	4,764	-	-	-	606
Charges for services	64,951	-	-	-	168,966	118,031
Other	10	-	-	-	224	150
	<u>64,961</u>	<u>4,764</u>	<u>-</u>	<u>-</u>	<u>169,190</u>	<u>118,787</u>
Total receipts						
Disbursements:						
General government	85,204	-	-	-	-	-
Public safety	-	10,496	-	-	122,515	97,241
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
	<u>85,204</u>	<u>10,496</u>	<u>-</u>	<u>-</u>	<u>122,515</u>	<u>97,241</u>
Total disbursements						
Excess (deficiency) of receipts over disbursements	<u>(20,243)</u>	<u>(5,732)</u>	<u>-</u>	<u>-</u>	<u>46,675</u>	<u>21,546</u>
Other financing sources:						
Other Receipts	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(20,243)</u>	<u>(5,732)</u>	<u>-</u>	<u>-</u>	<u>46,675</u>	<u>21,546</u>
Cash and investment fund balance - beginning	<u>63,387</u>	<u>10,899</u>	<u>1,640</u>	<u>665</u>	<u>153,501</u>	<u>59,220</u>
Cash and investment fund balance - ending	<u>\$ 43,144</u>	<u>\$ 5,167</u>	<u>\$ 1,640</u>	<u>\$ 665</u>	<u>\$ 200,176</u>	<u>\$ 80,766</u>
<u>Cash and Investment Assets - December 31</u>						
Total cash and investment assets - December 31	<u>\$ 43,144</u>	<u>\$ 5,167</u>	<u>\$ 1,640</u>	<u>\$ 665</u>	<u>\$ 200,176</u>	<u>\$ 80,766</u>
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
Public safety	\$ -	\$ 5,167	\$ 1,640	\$ 665	\$ 200,176	\$ 80,766
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Other purposes	43,144	-	-	-	-	-
	<u>43,144</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash and investment fund balance - December 31	<u>\$ 43,144</u>	<u>\$ 5,167</u>	<u>\$ 1,640</u>	<u>\$ 665</u>	<u>\$ 200,176</u>	<u>\$ 80,766</u>

PUTNAM 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)

	Sheriff's Donation	County Corrections	Accident Report	Firearms Training	Clerk's Record Perpetuation	Covered Bridge
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	22,520	-	-	-	11,250
Charges for services	-	-	2,668	10,090	10,821	-
Other	3,400	98	-	-	-	2,395
<b>Total receipts</b>	<b>3,400</b>	<b>22,618</b>	<b>2,668</b>	<b>10,090</b>	<b>10,821</b>	<b>13,645</b>
Disbursements:						
General government	-	-	-	-	15,068	-
Public safety	-	22,337	5,608	14,323	-	-
Highways and streets	-	-	-	-	-	60,943
Health and welfare	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>22,337</b>	<b>5,608</b>	<b>14,323</b>	<b>15,068</b>	<b>60,943</b>
Excess (deficiency) of receipts over disbursements	3,400	281	(2,940)	(4,233)	(4,247)	(47,298)
Other financing sources:						
Other Receipts	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,400	281	(2,940)	(4,233)	(4,247)	(47,298)
Cash and investment fund balance - beginning	11,433	2,182	4,302	11,816	9,496	80,772
Cash and investment fund balance - ending	<u>\$ 14,833</u>	<u>\$ 2,463</u>	<u>\$ 1,362</u>	<u>\$ 7,583</u>	<u>\$ 5,249</u>	<u>\$ 33,474</u>
<b>Cash and Investment Assets - December 31</b>						
Total cash and investment assets - December 31	<u>\$ 14,833</u>	<u>\$ 2,463</u>	<u>\$ 1,362</u>	<u>\$ 7,583</u>	<u>\$ 5,249</u>	<u>\$ 33,474</u>
<b>Cash and Investment Fund Balance - December 31</b>						
Restricted for:						
Public safety	\$ 14,833	\$ 2,463	\$ 1,362	\$ 7,583	\$ -	\$ -
Highways and streets	-	-	-	-	-	33,474
Health and welfare	-	-	-	-	-	-
Other purposes	-	-	-	-	5,249	-
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 14,833</u>	<u>\$ 2,463</u>	<u>\$ 1,362</u>	<u>\$ 7,583</u>	<u>\$ 5,249</u>	<u>\$ 33,474</u>

PUTNAM 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)

	Prosecutor Title IV-D	Clerk Title IV-D	Jury Fee	Sheriff Reimbursements	Stop Women's Abuse Team	DNR Fines
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	7,114	1,421	-	-	35,010	-
Charges for services	-	-	8,329	-	-	-
Other	-	-	-	41,897	-	-
<b>Total receipts</b>	<b>7,114</b>	<b>1,421</b>	<b>8,329</b>	<b>41,897</b>	<b>35,010</b>	<b>-</b>
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	4,850	47,671	35,010	-
Highways and streets	-	-	-	-	-	-
Health and welfare	11,629	4,477	-	-	-	-
<b>Total disbursements</b>	<b>11,629</b>	<b>4,477</b>	<b>4,850</b>	<b>47,671</b>	<b>35,010</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	(4,515)	(3,056)	3,479	(5,774)	-	-
Other financing sources:						
Other Receipts	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(4,515)	(3,056)	3,479	(5,774)	-	-
Cash and investment fund balance - beginning	18,570	36,478	1,962	17,498	-	3,000
Cash and investment fund balance - ending	<u>\$ 14,055</u>	<u>\$ 33,422</u>	<u>\$ 5,441</u>	<u>\$ 11,724</u>	<u>\$ -</u>	<u>\$ 3,000</u>
<b>Cash and Investment Assets - December 31</b>						
Total cash and investment assets - December 31	<u>\$ 14,055</u>	<u>\$ 33,422</u>	<u>\$ 5,441</u>	<u>\$ 11,724</u>	<u>\$ -</u>	<u>\$ 3,000</u>
<b>Cash and Investment Fund Balance - December 31</b>						
Restricted for:						
Public safety	\$ -	\$ -	\$ 5,441	\$ 11,724	\$ -	\$ 3,000
Highways and streets	-	-	-	-	-	-
Health and welfare	14,055	33,422	-	-	-	-
Other purposes	-	-	-	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 14,055</u>	<u>\$ 33,422</u>	<u>\$ 5,441</u>	<u>\$ 11,724</u>	<u>\$ -</u>	<u>\$ 3,000</u>

PUTNAM 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)

	Moving Beyond Abuse Fee	Title IV-D Unappropriated	Title III Federal Government	Welfare Reform Legislation	Bail Bond	Rainy Day Fund
<b>Receipts:</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	11,852	-	-	-	-
Charges for services	-	-	-	-	-	-
Other	-	-	-	-	-	256
<b>Total receipts</b>	<b>-</b>	<b>11,852</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>256</b>
<b>Disbursements:</b>						
General government	-	-	-	-	-	29,010
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	30,976	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>30,976</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,010</b>
Excess (deficiency) of receipts over disbursements	-	(19,124)	-	-	-	(28,754)
<b>Other financing sources:</b>						
Other Receipts	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(19,124)	-	-	-	(28,754)
Cash and investment fund balance - beginning	9	36,281	108,113	5,000	310	30,725
Cash and investment fund balance - ending	<u>\$ 9</u>	<u>\$ 17,157</u>	<u>\$ 108,113</u>	<u>\$ 5,000</u>	<u>\$ 310</u>	<u>\$ 1,971</u>
<b>Cash and Investment Assets - December 31</b>						
Total cash and investment assets - December 31	<u>\$ 9</u>	<u>\$ 17,157</u>	<u>\$ 108,113</u>	<u>\$ 5,000</u>	<u>\$ 310</u>	<u>\$ 1,971</u>
<b>Cash and Investment Fund Balance - December 31</b>						
<b>Restricted for:</b>						
Public safety	\$ 9	\$ -	\$ -	\$ -	\$ 310	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	17,157	-	5,000	-	-
Other purposes	-	-	108,113	-	-	1,971
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 9</u>	<u>\$ 17,157</u>	<u>\$ 108,113</u>	<u>\$ 5,000</u>	<u>\$ 310</u>	<u>\$ 1,971</u>

PUTNAM 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)

	Pretrial Diversion	County Law Enforcement Continuing Education	Family Counseling Facilitator Project	Home Detention	Phoenix Community Corrections	Community Transition Program
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	2,000	-	102,137	46,410
Charges for services	138,221	10,250	20,133	322,504	-	-
Other	12,636	-	-	296	-	-
<b>Total receipts</b>	<b>150,857</b>	<b>10,250</b>	<b>22,133</b>	<b>322,800</b>	<b>102,137</b>	<b>46,410</b>
Disbursements:						
General government	-	-	-	-	-	-
Public safety	134,276	13,972	-	245,167	111,640	34,312
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	26,939	-	-	-
<b>Total disbursements</b>	<b>134,276</b>	<b>13,972</b>	<b>26,939</b>	<b>245,167</b>	<b>111,640</b>	<b>34,312</b>
Excess (deficiency) of receipts over disbursements	16,581	(3,722)	(4,806)	77,633	(9,503)	12,098
Other financing sources:						
Other Receipts	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	16,581	(3,722)	(4,806)	77,633	(9,503)	12,098
Cash and investment fund balance - beginning	147,412	90,658	15,205	128,386	(10,711)	(2,635)
Cash and investment fund balance - ending	<u>\$ 163,993</u>	<u>\$ 86,936</u>	<u>\$ 10,399</u>	<u>\$ 206,019</u>	<u>\$ (20,214)</u>	<u>\$ 9,463</u>
<b>Cash and Investment Assets - December 31</b>						
Total cash and investment assets - December 31	<u>\$ 163,993</u>	<u>\$ 86,936</u>	<u>\$ 10,399</u>	<u>\$ 206,019</u>	<u>\$ (20,214)</u>	<u>\$ 9,463</u>
<b>Cash and Investment Fund Balance - December 31</b>						
Restricted for:						
Public safety	\$ 163,993	\$ 86,936	\$ -	\$ 206,019	\$ (20,214)	\$ 9,463
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	10,399	-	-	-
Other purposes	-	-	-	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 163,993</u>	<u>\$ 86,936</u>	<u>\$ 10,399</u>	<u>\$ 206,019</u>	<u>\$ (20,214)</u>	<u>\$ 9,463</u>

PUTNAM 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)

	Criminal Justice Grant	Pull-Over Grant	DOC Revenue Ordinance 8/5/1996	Supplemental Juvenile Probation Services	Plat Book	Sale R.E. Property
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	542,114	24,695	18,571	-
Other	-	-	541	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total receipts	-	-	542,655	24,695	18,571	-
Disbursements:						
General government	-	-	-	-	8,963	-
Public safety	-	-	676,734	13,379	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total disbursements	-	-	676,734	13,379	8,963	-
Excess (deficiency) of receipts over disbursements	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	(134,079)	11,316	9,608	-
Other financing sources:						
Other Receipts	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	(134,079)	11,316	9,608	-
Cash and investment fund balance - beginning	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	136	1,793	143,661	35,922	19,085	56,730
Cash and investment fund balance - ending	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 136	\$ 1,793	\$ 9,582	\$ 47,238	\$ 28,693	\$ 56,730
<u>Cash and Investment Assets - December 31</u>						
Total cash and investment assets - December 31	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 136	\$ 1,793	\$ 9,582	\$ 47,238	\$ 28,693	\$ 56,730
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
Public safety	\$ 136	\$ 1,793	\$ 9,582	\$ 47,238	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Other purposes	-	-	-	-	28,693	56,730
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total cash and investment fund balance - December 31	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 136	\$ 1,793	\$ 9,582	\$ 47,238	\$ 28,693	\$ 56,730

PUTNAM 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)

	Children's Psychiatric Residency	Building Department Permits	Building Department Listings	Supplemental Public Defender Services	County Extradition	Property Reassessment 2006
Receipts:						
Taxes	\$ 13,519	\$ -	\$ -	\$ -	\$ -	\$ 126,535
Intergovernmental	-	-	-	-	-	-
Charges for services	-	62,465	3,900	19,778	-	-
Other	-	4	-	-	16,520	18,244
<b>Total receipts</b>	<b>13,519</b>	<b>62,469</b>	<b>3,900</b>	<b>19,778</b>	<b>16,520</b>	<b>144,779</b>
Disbursements:						
General government	-	47,556	6,587	-	-	197,042
Public safety	-	-	-	5,472	16,995	-
Highways and streets	-	-	-	-	-	-
Health and welfare	6,070	-	-	-	-	-
<b>Total disbursements</b>	<b>6,070</b>	<b>47,556</b>	<b>6,587</b>	<b>5,472</b>	<b>16,995</b>	<b>197,042</b>
Excess (deficiency) of receipts over disbursements	<u>7,449</u>	<u>14,913</u>	<u>(2,687)</u>	<u>14,306</u>	<u>(475)</u>	<u>(52,263)</u>
Other financing sources:						
Other Receipts	-	-	-	-	-	271,907
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	7,449	14,913	(2,687)	14,306	(475)	219,644
Cash and investment fund balance - beginning	<u>41,722</u>	<u>18,686</u>	<u>5,877</u>	<u>20,742</u>	<u>12,409</u>	<u>270,795</u>
Cash and investment fund balance - ending	<u>\$ 49,171</u>	<u>\$ 33,599</u>	<u>\$ 3,190</u>	<u>\$ 35,048</u>	<u>\$ 11,934</u>	<u>\$ 490,439</u>
<b>Cash and Investment Assets - December 31</b>						
Total cash and investment assets - December 31	<u>\$ 49,171</u>	<u>\$ 33,599</u>	<u>\$ 3,190</u>	<u>\$ 35,048</u>	<u>\$ 11,934</u>	<u>\$ 490,439</u>
<b>Cash and Investment Fund Balance - December 31</b>						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ 35,048	\$ 11,934	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	49,171	-	-	-	-	-
Other purposes	-	33,599	3,190	-	-	490,439
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 49,171</u>	<u>\$ 33,599</u>	<u>\$ 3,190</u>	<u>\$ 35,048</u>	<u>\$ 11,934</u>	<u>\$ 490,439</u>

PUTNAM 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)

	County Drug Free Community	Domestic Violence Prosecutor	Victims Assistance	Child Advocacy Fund	Bioterrorism Coordinator Grant	Tobacco Settlement Grant
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	25,021	-	42,952	9,854
Charges for services	30,532	-	-	-	-	-
Other	-	476	4,670	-	-	-
	<u>30,532</u>	<u>476</u>	<u>29,691</u>	<u>-</u>	<u>42,952</u>	<u>9,854</u>
Total receipts						
Disbursements:						
General government	-	-	-	-	-	-
Public safety	13,345	-	33,760	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	39,223	2,697
	<u>13,345</u>	<u>-</u>	<u>33,760</u>	<u>-</u>	<u>39,223</u>	<u>2,697</u>
Total disbursements						
Excess (deficiency) of receipts over disbursements	<u>17,187</u>	<u>476</u>	<u>(4,069)</u>	<u>-</u>	<u>3,729</u>	<u>7,157</u>
Other financing sources:						
Other Receipts	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	17,187	476	(4,069)	-	3,729	7,157
Cash and investment fund balance - beginning	<u>8,692</u>	<u>150</u>	<u>(1,571)</u>	<u>300</u>	<u>(8,947)</u>	<u>24,985</u>
Cash and investment fund balance - ending	<u>\$ 25,879</u>	<u>\$ 626</u>	<u>\$ (5,640)</u>	<u>\$ 300</u>	<u>\$ (5,218)</u>	<u>\$ 32,142</u>
<u>Cash and Investment Assets - December 31</u>						
Total cash and investment assets - December 31	<u>\$ 25,879</u>	<u>\$ 626</u>	<u>\$ (5,640)</u>	<u>\$ 300</u>	<u>\$ (5,218)</u>	<u>\$ 32,142</u>
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
Public safety	\$ 25,879	\$ 626	\$ (5,640)	\$ 300	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	(5,218)	32,142
Other purposes	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 25,879</u>	<u>\$ 626</u>	<u>\$ (5,640)</u>	<u>\$ 300</u>	<u>\$ (5,218)</u>	<u>\$ 32,142</u>



PUTNAM 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)

	Tobacco Master Trust	Bioterrorism Grant	Health Dept. Illegal Dumping	EMA Homeland 2003	EMA Sirens Project	EMA
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	21,031	4,429	-	-	-	24,295
Charges for services	-	-	-	-	-	-
Other	2,030	3,112	802	-	92	-
<b>Total receipts</b>	<b>23,061</b>	<b>7,541</b>	<b>802</b>	<b>-</b>	<b>92</b>	<b>24,295</b>
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	24,295
Highways and streets	-	-	-	-	-	-
Health and welfare	29,293	7,997	-	-	-	-
<b>Total disbursements</b>	<b>29,293</b>	<b>7,997</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,295</b>
Excess (deficiency) of receipts over disbursements	(6,232)	(456)	802	-	92	-
Other financing sources:						
Other Receipts	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(6,232)	(456)	802	-	92	-
Cash and investment fund balance - beginning	27,509	457	100	-	2,368	-
Cash and investment fund balance - ending	<u>\$ 21,277</u>	<u>\$ 1</u>	<u>\$ 902</u>	<u>\$ -</u>	<u>\$ 2,460</u>	<u>\$ -</u>
<b>Cash and Investment Assets - December 31</b>						
Total cash and investment assets - December 31	<u>\$ 21,277</u>	<u>\$ 1</u>	<u>\$ 902</u>	<u>\$ -</u>	<u>\$ 2,460</u>	<u>\$ -</u>
<b>Cash and Investment Fund Balance - December 31</b>						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ 2,460	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	21,277	1	902	-	-	-
Other purposes	-	-	-	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 21,277</u>	<u>\$ 1</u>	<u>\$ 902</u>	<u>\$ -</u>	<u>\$ 2,460</u>	<u>\$ -</u>

PUTNAM 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)

	EMA Planning Grant	EMA Cert Grant	EMA Flashover Grant	EMA Homeland Security Grant	EMA Law Enforcement Grant	EMA Hoosier Safety
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	1	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	-	-	-	-	(1)	-
Other financing sources:						
Other Receipts	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	(1)	-
Cash and investment fund balance - beginning	1	447	1	1	1	316
Cash and investment fund balance - ending	<u>1</u>	<u>447</u>	<u>1</u>	<u>1</u>	<u>-</u>	<u>316</u>
<b>Cash and Investment Assets - December 31</b>						
Total cash and investment assets - December 31	<u>\$ 1</u>	<u>\$ 447</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 316</u>
<b>Cash and Investment Fund Balance - December 31</b>						
Restricted for:						
Public safety	\$ 1	\$ 447	\$ 1	\$ 1	\$ -	\$ 316
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 1</u>	<u>\$ 447</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 316</u>

PUTNAM 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)

	Emergency Response Services (911)	Council Match Moore Estate Donation	Cumulative Jail	Cumulative Courthouse Bldgs.	Economic Warchest (EDIT)	Annex Renovations (EDIT)
Receipts:						
Taxes	\$ -	\$ -	\$ 45,243	\$ 88,848	\$ -	\$ -
Intergovernmental	88,754	-	-	-	-	-
Charges for services	429,121	-	-	-	-	-
Other	11,984	-	15,728	7,234	-	-
<b>Total receipts</b>	<b>529,859</b>	<b>-</b>	<b>60,971</b>	<b>96,082</b>	<b>-</b>	<b>-</b>
Disbursements:						
General government	-	-	-	65,252	-	13,833
Public safety	580,188	-	125,130	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
<b>Total disbursements</b>	<b>580,188</b>	<b>-</b>	<b>125,130</b>	<b>65,252</b>	<b>-</b>	<b>13,833</b>
Excess (deficiency) of receipts over disbursements	(50,329)	-	(64,159)	30,830	-	(13,833)
Other financing sources:						
Other Receipts	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(50,329)	-	(64,159)	30,830	-	(13,833)
Cash and investment fund balance - beginning	93,503	10,000	404,006	186,581	39,924	97,204
Cash and investment fund balance - ending	<u>\$ 43,174</u>	<u>\$ 10,000</u>	<u>\$ 339,847</u>	<u>\$ 217,411</u>	<u>\$ 39,924</u>	<u>\$ 83,371</u>
<b>Cash and Investment Assets - December 31</b>						
Total cash and investment assets - December 31	<u>\$ 43,174</u>	<u>\$ 10,000</u>	<u>\$ 339,847</u>	<u>\$ 217,411</u>	<u>\$ 39,924</u>	<u>\$ 83,371</u>
<b>Cash and Investment Fund Balance - December 31</b>						
Restricted for:						
Public safety	\$ 43,174	\$ -	\$ 339,847	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Other purposes	-	10,000	-	217,411	39,924	83,371
Total cash and investment fund balance - December 31	<u>\$ 43,174</u>	<u>\$ 10,000</u>	<u>\$ 339,847</u>	<u>\$ 217,411</u>	<u>\$ 39,924</u>	<u>\$ 83,371</u>

PUTNAM 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)

	New Annex Building (EDIT)	Comprehensive Plan (EDIT)	County Share EDIT Tax	Sales Disclosure - Assessing	Alternative Disp. Fee Circuit	Circuit Court Supplemental Probation
Receipts:						
Taxes	\$ -	\$ 80,000	\$ 885,747	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	5,655	4,250	-
Other	-	-	-	513	-	-
Total receipts	-	80,000	885,747	6,168	4,250	-
Disbursements:						
General government	-	25,660	910,666	7,560	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total disbursements	-	25,660	910,666	7,560	-	-
Excess (deficiency) of receipts over disbursements	-	54,340	(24,919)	(1,392)	4,250	-
Other financing sources:						
Other Receipts	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	54,340	(24,919)	(1,392)	4,250	-
Cash and investment fund balance - beginning	200,000	70,000	26,593	8,856	4,143	1,565
Cash and investment fund balance - ending	<u>\$ 200,000</u>	<u>\$ 124,340</u>	<u>\$ 1,674</u>	<u>\$ 7,464</u>	<u>\$ 8,393</u>	<u>\$ 1,565</u>
<u>Cash and Investment Assets - December 31</u>						
Total cash and investment assets - December 31	<u>\$ 200,000</u>	<u>\$ 124,340</u>	<u>\$ 1,674</u>	<u>\$ 7,464</u>	<u>\$ 8,393</u>	<u>\$ 1,565</u>
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ 8,393	\$ 1,565
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Other purposes	200,000	124,340	1,674	7,464	-	-
Total cash and investment fund balance - December 31	<u>\$ 200,000</u>	<u>\$ 124,340</u>	<u>\$ 1,674</u>	<u>\$ 7,464</u>	<u>\$ 8,393</u>	<u>\$ 1,565</u>

PUTNAM 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)

	Operating Grant Soil and Water Conserv. District	SWCD Salary Supplement	Sheriff Deputy Grant	Emergency Management	Sheriff's Commissary	Web Site Fund
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	10,672	-	-	-	18,562	-
Charges for services	-	-	-	-	222,408	-
Other	-	8,400	-	-	-	324
<b>Total receipts</b>	<b>10,672</b>	<b>8,400</b>	<b>-</b>	<b>-</b>	<b>240,970</b>	<b>324</b>
Disbursements:						
General government	11,490	10,588	-	-	-	1,323
Public safety	-	-	-	-	230,737	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
<b>Total disbursements</b>	<b>11,490</b>	<b>10,588</b>	<b>-</b>	<b>-</b>	<b>230,737</b>	<b>1,323</b>
Excess (deficiency) of receipts over disbursements	(818)	(2,188)	-	-	10,233	(999)
Other financing sources:						
Other Receipts	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(818)	(2,188)	-	-	10,233	(999)
Cash and investment fund balance - beginning	1,087	2,800	1,398	63	52,964	1,809
Cash and investment fund balance - ending	<u>\$ 269</u>	<u>\$ 612</u>	<u>\$ 1,398</u>	<u>\$ 63</u>	<u>\$ 63,197</u>	<u>\$ 810</u>
<u>Cash and Investment Assets - December 31</u>						
Total cash and investment assets - December 31	<u>\$ 269</u>	<u>\$ 612</u>	<u>\$ 1,398</u>	<u>\$ 63</u>	<u>\$ 63,197</u>	<u>\$ 810</u>
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
Public safety	\$ -	\$ -	\$ 1,398	\$ 63	\$ 63,197	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Other purposes	269	612	-	-	-	810
Total cash and investment fund balance - December 31	<u>\$ 269</u>	<u>\$ 612</u>	<u>\$ 1,398</u>	<u>\$ 63</u>	<u>\$ 63,197</u>	<u>\$ 810</u>

PUTNAM 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)

	Asset Forfeiture	Security Protection	Sexual Assault Fee	Microfilm Support Fund	E911 Donations	Family Court Grant
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	35	-	-	-	-	3,000
Charges for services	-	17,380	700	969	-	-
Other	131,053	-	-	-	25	-
<b>Total receipts</b>	<b>131,088</b>	<b>17,380</b>	<b>700</b>	<b>969</b>	<b>25</b>	<b>3,000</b>
Disbursements:						
General government	256,003	-	-	-	-	-
Public safety	-	-	-	-	-	3,000
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
<b>Total disbursements</b>	<b>256,003</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,000</b>
Excess (deficiency) of receipts over disbursements	(124,915)	17,380	700	969	25	-
Other financing sources:						
Other Receipts	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(124,915)	17,380	700	969	25	-
Cash and investment fund balance - beginning	154,355	-	-	-	-	-
Cash and investment fund balance - ending	<u>\$ 29,440</u>	<u>\$ 17,380</u>	<u>\$ 700</u>	<u>\$ 969</u>	<u>\$ 25</u>	<u>\$ -</u>
<b>Cash and Investment Assets - December 31</b>						
Total cash and investment assets - December 31	<u>\$ 29,440</u>	<u>\$ 17,380</u>	<u>\$ 700</u>	<u>\$ 969</u>	<u>\$ 25</u>	<u>\$ -</u>
<b>Cash and Investment Fund Balance - December 31</b>						
Restricted for:						
Public safety	\$ -	\$ 17,380	\$ 700	\$ -	\$ 25	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Other purposes	29,440	-	-	969	-	-
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 29,440</u>	<u>\$ 17,380</u>	<u>\$ 700</u>	<u>\$ 969</u>	<u>\$ 25</u>	<u>\$ -</u>

PUTNAM 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)

	Law Enforcement Terrorism Prevention Program	Hazmat Tech X3	State Homeland Security Program	Indiana Department of Homeland Security Laptop Grant	Totals
Receipts:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,604,514
Intergovernmental	34,092	-	42,590	-	2,352,603
Charges for services	-	600	-	-	2,369,008
Other	-	-	370	-	330,677
<b>Total receipts</b>	<b>34,092</b>	<b>600</b>	<b>42,960</b>	<b>-</b>	<b>6,656,802</b>
Disbursements:					
General government	-	-	-	-	2,884,872
Public safety	34,092	-	57,668	11,250	2,725,464
Highways and streets	-	-	-	-	778,975
Health and welfare	-	-	-	-	324,968
<b>Total disbursements</b>	<b>34,092</b>	<b>-</b>	<b>57,668</b>	<b>11,250</b>	<b>6,714,279</b>
Excess (deficiency) of receipts over disbursements	-	600	(14,708)	(11,250)	(57,477)
Other financing sources:					
Other Receipts	-	-	-	-	271,907
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	600	(14,708)	(11,250)	214,430
Cash and investment fund balance - beginning	-	-	-	-	3,503,868
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 600</u>	<u>\$ (14,708)</u>	<u>\$ (11,250)</u>	<u>\$ 3,718,298</u>
<u>Cash and Investment Assets - December 31</u>					
Total cash and investment assets - December 31	<u>\$ -</u>	<u>\$ 600</u>	<u>\$ (14,708)</u>	<u>\$ (11,250)</u>	<u>\$ 3,718,298</u>
<u>Cash and Investment Fund Balance - December 31</u>					
Restricted for:					
Public safety	\$ -	\$ 600	\$ (14,708)	\$ (11,250)	\$ 1,361,842
Highways and streets	-	-	-	-	270,071
Health and welfare	-	-	-	-	228,742
Other purposes	-	-	-	-	1,857,643
<b>Total cash and investment fund balance - December 31</b>	<b><u>\$ -</u></b>	<b><u>\$ 600</u></b>	<b><u>\$ (14,708)</u></b>	<b><u>\$ (11,250)</u></b>	<b><u>\$ 3,718,298</u></b>

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

	Police Retirement Trust	Police Benefit Trust	Totals
Additions:			
Contributions:			
Employer	\$ 103,325	\$ 11,260	\$ 114,585
Plan members	17,227	-	17,227
Other	8,814	-	8,814
Total contributions	129,366	11,260	140,626
Investment receipts:			
Net increase (decrease) in investments	68,006	(6,687)	61,319
Interest	619	121	740
Total investment receipts	68,625	(6,566)	62,059
Total additions	197,991	4,694	202,685
Deductions:			
Benefits	46,160	2,400	48,560
Refunds of contributions	5,793	-	5,793
Administrative and general	6,870	254	7,124
Total deductions	58,823	2,654	61,477
Excess of total additions over total deductions	139,168	2,040	141,208
Cash and investment fund balance - beginning	1,234,549	213,073	1,447,622
Cash and investment fund balance - ending	\$ 1,373,717	\$ 215,113	\$ 1,588,830



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

	<u>EDIT Tax Distributions</u>	<u>Welfare Trust</u>	<u>Tax Sale Surplus</u>	<u>Tax Sale Redemption</u>	<u>Surplus Tax</u>	<u>Surplus Dog Tax</u>
Additions:						
Agency fund additions	<u>\$ 1,322,357</u>	<u>\$ 46,457</u>	<u>\$ -</u>	<u>\$ 476,445</u>	<u>\$ 81,157</u>	<u>\$ 7,991</u>
Deductions:						
Agency fund deductions	<u>1,312,834</u>	<u>68,800</u>	<u>1,907,583</u>	<u>485,177</u>	<u>18,919</u>	<u>5,382</u>
Excess (deficiency) of total additions over total deductions	9,523	(22,343)	(1,907,583)	(8,732)	62,238	2,609
Cash and investment fund balance - beginning	<u>27,644</u>	<u>44,809</u>	<u>2,106,350</u>	<u>16,895</u>	<u>368,211</u>	<u>-</u>
Cash and investment fund balance - ending	<u>\$ 37,167</u>	<u>\$ 22,466</u>	<u>\$ 198,767</u>	<u>\$ 8,163</u>	<u>\$ 430,449</u>	<u>\$ 2,609</u>

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

	<u>State Fines and Forfeitures</u>	<u>Infraction Judgments</u>	<u>Inheritance Tax</u>	<u>Congressional Interest</u>	<u>Sales Disclosure State Training</u>	<u>City/Town Court Costs</u>
Additions:						
Agency fund additions	<u>\$ 6,124</u>	<u>\$ 101,877</u>	<u>\$ 726,313</u>	<u>\$ 981</u>	<u>\$ 1,131</u>	<u>\$ 15,077</u>
Deductions:						
Agency fund deductions	<u>2,094</u>	<u>145,750</u>	<u>673,744</u>	<u>500</u>	<u>1,725</u>	<u>31,068</u>
Excess (deficiency) of total additions over total deductions	4,030	(43,873)	52,569	481	(594)	(15,991)
Cash and investment fund balance - beginning	<u>883</u>	<u>49,350</u>	<u>112,962</u>	<u>14,574</u>	<u>684</u>	<u>31,068</u>
Cash and investment fund balance - ending	<u><u>\$ 4,913</u></u>	<u><u>\$ 5,477</u></u>	<u><u>\$ 165,531</u></u>	<u><u>\$ 15,055</u></u>	<u><u>\$ 90</u></u>	<u><u>\$ 15,077</u></u>

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

	Tax Distribution	CVET Distribution	Coroner's Donation	CAGIT Distribution	Riverboat Wagering Tax	Cash Bonds (Bidder Receipts)
Additions: Agency fund additions	\$ 44,863,430	\$ 221,692	\$ -	\$ 5,276,829	\$ 226,660	\$ -
Deductions: Agency fund deductions	44,843,922	221,692	-	5,276,829	226,660	-
Excess (deficiency) of total additions over total deductions	19,508	-	-	-	-	-
Cash and investment fund balance - beginning	-	-	200	33	-	4,843
Cash and investment fund balance - ending	<u>\$ 19,508</u>	<u>\$ -</u>	<u>\$ 200</u>	<u>\$ 33</u>	<u>\$ -</u>	<u>\$ 4,843</u>

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

	Timber Sales	Excise Surtax	Wheel Tax	Education Plate Fee	County Payroll	Health Insurance Trust
Additions:						
Agency fund additions	\$ 7,317	\$ 530,199	\$ 100,526	\$ 1,200	\$ 5,326,197	\$ 308,017
Deductions:						
Agency fund deductions	7,317	530,199	100,526	1,219	5,326,197	224,820
Excess (deficiency) of total additions over total deductions	-	-	-	(19)	-	83,197
Cash and investment fund balance - beginning	-	-	-	19	-	443,800
Cash and investment fund balance - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 526,997

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

	Innkeepers Tax Fund	Financial Institutions Tax	Payroll Withholdings	Treasurer	Clerk	Recorder
Additions:						
Agency fund additions	<u>\$ 216,502</u>	<u>\$ 187,798</u>	<u>\$ 3,185,897</u>	<u>\$ 40,741,959</u>	<u>\$ 4,735,657</u>	<u>\$ 210,196</u>
Deductions:						
Agency fund deductions	<u>196,980</u>	<u>187,798</u>	<u>3,287,349</u>	<u>40,903,403</u>	<u>4,874,431</u>	<u>228,719</u>
Excess (deficiency) of total additions over total deductions	19,522	-	(101,452)	(161,444)	(138,774)	(18,523)
Cash and investment fund balance - beginning	<u>-</u>	<u>-</u>	<u>(76,233)</u>	<u>569,805</u>	<u>509,984</u>	<u>21,125</u>
Cash and investment fund balance - ending	<u>\$ 19,522</u>	<u>\$ -</u>	<u>\$ (177,685)</u>	<u>\$ 408,361</u>	<u>\$ 371,210</u>	<u>\$ 2,603</u>

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

	<u>Sheriff's Trust</u>	<u>Probation and Community Corrections</u>	<u>Health</u>	<u>Planning Commission</u>	<u>County Home</u>
Additions:					
Agency fund additions	<u>\$ 2,388,543</u>	<u>\$ 501,645</u>	<u>\$ 61,116</u>	<u>\$ 102,059</u>	<u>\$ 84,290</u>
Deductions:					
Agency fund deductions	<u>2,319,774</u>	<u>501,837</u>	<u>69,596</u>	<u>100,876</u>	<u>83,702</u>
Excess (deficiency) of total additions over total deductions	68,768	(192)	(8,480)	1,183	588
Cash and investment fund balance - beginning	<u>14,628</u>	<u>34,952</u>	<u>8,530</u>	<u>3,215</u>	<u>4,840</u>
Cash and investment fund balance - ending	<u><u>\$ 83,396</u></u>	<u><u>\$ 34,760</u></u>	<u><u>\$ 50</u></u>	<u><u>\$ 4,398</u></u>	<u><u>\$ 5,428</u></u>

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

	State Sales Disclosure Forms	Interstate Compact Reimbursement	Mortgage Fee State	Capital Recovery Systems	Totals
Additions:					
Agency fund additions	\$ 4,524	\$ 525	\$ 6,248	\$ 11,752	\$ 112,086,687
Deductions:					
Agency fund deductions	6,900	750	9,668	-	114,184,740
Excess (deficiency) of total additions over total deductions	(2,376)	(225)	(3,420)	11,752	(2,098,052)
Cash and investment fund balance - beginning	2,736	263	3,910	3,393	4,323,473
Cash and investment fund balance - ending	<u>\$ 360</u>	<u>\$ 38</u>	<u>\$ 490</u>	<u>\$ 15,145</u>	<u>\$ 2,225,421</u>

PUTNAM 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 completed in the current and prior years have not been reported.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 1,213,700
Infrastructure	-
Buildings	7,901,000
Improvements other than buildings	185,700
Machinery and equipment	<u>7,163,556</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 16,463,956</u>



PUTNAM COUNTY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT

For The Year Ended December 31, 2006

Description of Asset	Ending Balance	Due Within One Year
Governmental Activities:		
Capital leases:		
County jail	\$ 4,195,000	\$ 285,000
Four police vehicles	74,300	29,655
Five police vehicles	153,084	26,910
Excavator	58,784	28,915
Airport hangars	27,428	13,361
Highway truck	61,089	19,437
Three highway motor graders	559,025	60,000
Notes and loans payable	<u>284,730</u>	<u>93,595</u>
Total governmental activities long-term debt	<u>\$ 5,413,440</u>	<u>\$ 556,873</u>

PUTNAM COUNTY  
OTHER REPORTS

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

County Auditor  
Board of County Commissioners  
County Department of Aviation  
County Home  
County Planning Commission  
County Sheriff  
County Treasurer

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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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 PUTNAM COUNTY, INDIANA

Compliance

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

In our opinion, the County complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2006. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2006-1.

Internal Control Over Compliance

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

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

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

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

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

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

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

August 2, 2007

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

Federal Grantor Agency/Pass-Through Entity Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Direct Grant			
Edward Byrne Memorial Justice Assistance Grant Program	16.738		\$ 18,384
Pass-Through Indiana Criminal Justice Institute			
Juvenile Accountability Incentive Block Grants	16.523	05-JB-021	4,300
Crime Victim Assistance	16.575	05-VA-109 06-VA-117 06-VA-118	14,169 11,967 15,379
Total for program			41,515
Violence Against Women Formula Grants	16.588	05-ST-045 06-ST-047	14,441 15,373
Total for program			29,814
Total for federal grantor agency			94,013
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Direct Grant			
Airport Improvement Program	20.106	3-18-0030-05 3-18-0030-06 3-18-0030-08 3-18-0030-09	21,470 82,559 639,983 405,166
Total for federal grantor agency			1,149,178
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-Through Indiana State Department of Health			
Centers for Disease Control - Investigations and Technical Assistance	93.283	BPRS-166-2 BPRS-04-A2SNS67	39,223 6,783
Total for program			46,006
Pass-Through Indiana Family and Social Services Administration			
Child Support Enforcement	93.563		
Child Support Expenditures			163,816
Incentive Expenditures			47,081
Indirect Costs			32,448
Total for program			243,345
Total for federal grantor agency			289,351
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security			
Homeland Security Grant Program	97.067	FY 2005	57,668
State Homeland Security Program	97.073	FY 2004	11,250
Law Enforcement Terrorism Prevention Program	97.074	FY 2005	34,092
Total for federal grantor agency			103,010
Total federal awards expended			\$ 1,635,552

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

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

II. Subrecipients

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

Program Title	Federal CFDA Number	2006
Violence Against Women Formula Grants	16.588	<u>\$ 29,814</u>

PUTNAM 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? yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
20.106	Airport Improvement Program

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

FINDING 2006-1, MISAPPROPRIATION OF FEDERAL GRANT FUNDS

Federal Agency: U.S. Department of Justice  
Federal Program: Edward Byrne Memorial Justice Assistance Grant Program  
CFDA Number: 16.738



PUTNAM COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

OMB Circular A-133, Part 6, states: "As a condition of receiving Federal awards, non-Federal entities agree to comply with applicable laws, regulations, and the provisions of contract and grant agreements, and to maintain internal control to provide reasonable assurance of compliance with these requirements."

Indiana Code 35-43-4-2 provides in part: "Sec.2 (a) A person who knowingly or intentionally exerts unauthorized control over property of another person, with intent to deprive the other person of any part of its value or use, commits theft, a Class D felony."

The County Sheriff's Department failed to establish internal controls to provide reasonable assurance regarding the reliability of financial information and records and compliance with laws and regulations. Controls over the receipting, disbursing, recording, and accounting for federal grant funds were inadequate to protect against invalid transactions, inaccurate records and financial statements, and incorrect decision making.

George Alexander was hired as an independent contractor by the County Sheriff on May 24, 2004, for the position of "Ombudsman." As Ombudsman, George Alexander was the sole individual responsible for applying for Federal Grant funds for the County Sheriff Department and the subsequent disbursement, recordkeeping and reporting of the Grant funds.

On September 14, 2006, Edward Byrne Memorial Justice Assistance Grant Program funds in the amount of \$18,364 were directly deposited by the U.S. Department of Justice into the County Sheriff Department's Special Projects bank account, which is used exclusively for Grant transactions. On September 15, 2006, a cash withdrawal of \$18,403 was posted on the bank statement. The supporting documentation for the disbursement, presented by George Alexander, was an invoice previously paid by the County. The vendor, when contacted, confirmed that its records did not reflect a second payment of \$18,403 by the County. Transaction detail obtained from the bank indicated that the September 15, 2006, withdrawal was made in the form of a cashier's check payable to and endorsed "George Alexander/PCSO." Bank documentation showed that the cashier's check had been cashed by George Alexander with \$16,903 deposited to his personal bank accounts and \$1,500 received in cash.

When questioned about the \$18,403 cashier's check payable to and endorsed by him, George Alexander was unable to explain the transaction. The Indiana State Police were then contacted by the County Sheriff to conduct an investigation.

A subsequent examination of 2005 bank transactions identified a deposit of Edward Byrne Memorial Justice Assistance Grant Program funds on December 15, 2005, in the amount of \$27,143. A withdrawal by cashier's check of the \$27,143 was made on December 16, 2005, by George Alexander. Bank documentation revealed that \$25,143 had been deposited to George Alexander's personal bank accounts and the remaining \$2,000 had been received in cash.

Police Block Grant (CFDA No. 16.592) and Bulletproof Vest Partnership Program (CFDA No. 16.607) Federal Grant funds were also received in 2005. Cash withdrawals of these Grant funds from the County Sheriff's Special Projects account by George Alexander in the amount of \$13,915 were identified. Of the \$13,915 withdrawn, \$10,200 was deposited the same day into George Alexander's personal accounts.

George Alexander has been charged with two counts of Class D felony theft related to the misappropriation of Federal Grant funds subsequently deposited to his personal bank account and the amounts received in cash.

PUTNAM COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

We recommended that the County Sheriff close the Special Projects bank account. A fund should be established in the County Auditor's and County Treasurer's ledgers for each Federal Grant awarded to the County Sheriff's Department in order to record and process the grant transactions, thereby increasing the segregation of duties and accuracy of financial information and reporting. The Grant funds would then be subject to advertising, appropriating, and approval prior to disbursement by the Board of County Commissioners, adding additional controls to ensure the safeguarding of cash and other assets.

PUTNAM COUNTY  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.



**PUTNAM COUNTY AUDITOR  
STEPHANIE CAMPBELL**

August 2, 2007

State Board of Accounts  
Attn: Sharon Coopriider  
100 N Senate Ave.  
Room E418, 4<sup>th</sup> Floor  
Indianapolis, IN 46204

RE: Federal Agency: U.S. Department of Justice  
Federal Program: Edward Byrne Memorial Justice Assistance Grant Program  
CFDA Number: 16.738

Dear Ms. Coopriider:

The County Council found out about the federal finding by reading the Banner Graphic newspaper article. They were very concerned with what had happened. Their attorney was contacted and asked what they could do to help prevent this from happening again.

The attorney, Elizabeth South, drew up an ordinance for the County Council to review for approval. The ordinance has been advertised by the Auditor to be heard on August 21, 2007 at 6:30 p.m. by the Council. The ordinance will go out to all banks in Putnam County. It will be directing the banks to not open any account for a county office without the County Council's authorization.

A memo will be sent out to each department directing them to send all required funding through the Auditor's Office. A copy of the ordinance will be given to them as well.

Sincerely,

Stephanie Campbell  
Putnam County Auditor

PUTNAM COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on August 2, 2007, with Stephanie Campbell, Auditor; and Kristina Warren, President of the Board of County Commissioners.