

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

ANNUAL FINANCIAL REPORT

2007

LAWRENCE COUNTY, INDIANA



FILED

07/17/2008

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Billie J. Turney	01-01-05 to 12-31-08
Treasurer	Debbie Thompson	01-01-05 to 12-31-08
Clerk	Julie Chase Brinegar Myron D. Rainey	01-01-05 to 12-31-07 01-01-08 to 12-31-08
Sheriff	Samuel J. Craig	01-01-07 to 12-31-10
Recorder	Myron D. Rainey Jessica Allen	01-01-05 to 12-31-07 01-01-08 to 12-31-08
President of the Board of County Commissioners	William Spreen David A. Flinn	01-01-07 to 12-31-07 01-01-08 to 12-31-08
President of the County Council	Ross Jean Mike Branham	01-01-07 to 12-31-07 01-01-08 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF LAWRENCE COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lawrence County (County), as of and for the year ended December 31, 2007, 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, 2007, 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 June 10, 2008, 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, as listed in the Table of Contents, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Capital Assets and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

June 10, 2008



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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 LAWRENCE COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lawrence County (County), as of and for the year ended December 31, 2007, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 10, 2008. The opinions to the financial statements were qualified due to omission of the component units of Lawrence County which results in incomplete presentation. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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

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

Compliance and Other Matters

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

We noted certain matters that we reported to management in a separate letter dated May 12, 2008.

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

June 10, 2008

LAWRENCE COUNTY
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For The Year Ended December 31, 2007

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts			<u>Net (Disbursement) Receipt and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Primary government:					
Governmental activities:					
General government	\$ 7,370,313	\$ 1,327,375	\$ 201,823	\$ -	\$ (5,841,115)
Public safety	4,690,786	2,157,990	-	-	(2,532,796)
Highways and streets	5,210,092	-	2,978,275	150,688	(2,081,129)
Aviation	72,420	-	-	-	(72,420)
Health and welfare	2,871,573	3,487	77,147	-	(2,790,939)
Sanitation	438,586	-	-	-	(438,586)
Culture and recreation	-	238,702	-	-	238,702
Principal and interest on indebtedness	1,691,357	-	-	-	(1,691,357)
Total primary government	<u>\$ 22,345,127</u>	<u>\$ 3,727,554</u>	<u>\$ 3,257,245</u>	<u>\$ 150,688</u>	<u>(15,209,640)</u>
General receipts:					
Property taxes					7,588,351
Intergovernmental					1,185,304
Other local sources					6,211,552
Grants and contributions not restricted to specific programs					187,605
Investment earnings					<u>534,456</u>
Total general receipts					<u>15,707,268</u>
Change in net assets					497,628
Net assets - beginning					<u>7,813,831</u>
Net assets - ending					<u>\$ 8,311,459</u>
 <u>Assets</u>					
Cash and investments					\$ 1,099,146
Restricted assets:					
Cash and investments					<u>7,212,313</u>
Total assets					<u>\$ 8,311,459</u>
 <u>Net Assets</u>					
Restricted for:					
General government					\$ 610,227
Public safety					1,209,688
Highways and streets					1,502,506
Aviation					88,622
Health and welfare					806,029
Debt service					451,716
Capital outlay					2,543,525
Unrestricted					<u>1,099,146</u>
Total net assets					<u>\$ 8,311,459</u>

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

LAWRENCE 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, 2007

	General	County Highway	Family and Children	Cumulative Capital Development	Cumulative Bridge	Other Governmental Funds	Totals
Receipts:							
Taxes	\$ 6,646,272	\$ 890,328	\$ 1,339,201	\$ 139,386	\$ 798,054	\$ 1,667,652	\$ 11,480,893
Licenses and permits	-	-	-	-	-	3,487	3,487
Intergovernmental	616,561	2,564,599	193,196	20,109	115,129	1,118,542	4,628,136
Charges for services	908,870	-	656,279	-	-	568,509	2,133,658
Fines and forfeits	257,074	-	-	-	-	1,333,335	1,590,409
Interfund loans	300,000	-	-	300,000	-	-	600,000
Other	642,687	44,350	-	-	150,688	47,874	885,599
Total receipts	9,371,464	3,499,277	2,188,676	459,495	1,063,871	4,739,399	21,322,182
Disbursements:							
General government	6,973,038	-	-	-	-	299,525	7,272,563
Public safety	2,976,895	-	-	-	-	1,713,890	4,690,785
Highways and streets	-	3,469,475	-	-	587,680	425,747	4,482,902
Aviation	-	-	-	-	-	72,420	72,420
Health and welfare	-	-	2,364,117	-	-	507,457	2,871,574
Sanitation	438,586	-	-	-	-	-	438,586
Debt service:							
Principal	-	-	538,150	-	-	723,561	1,261,711
Interest	-	-	13,386	-	-	416,260	429,646
Capital outlay:							
Highways and streets	-	-	-	465,762	261,428	-	727,190
Aviation	-	-	-	-	-	97,750	97,750
Total disbursements	10,388,519	3,469,475	2,915,653	465,762	849,108	4,256,610	22,345,127
Excess (deficiency) of receipts over disbursements	(1,017,055)	29,802	(726,977)	(6,267)	214,763	482,789	(1,022,945)
Other financing sources (uses):							
Transfers in	490,626	-	53,053	-	-	205,797	749,476
Transfers out	(10,301)	-	-	-	-	(739,175)	(749,476)
Other receipts	949,348	1,973	569,188	-	-	64	1,520,573
Total other financing sources (uses)	1,429,673	1,973	622,241	-	-	(533,314)	1,520,573
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	412,618	31,775	(104,736)	(6,267)	214,763	(50,525)	497,628
Cash and investment fund balance - beginning	657,329	1,426,935	560,775	940,961	1,394,068	2,833,763	7,813,831
Cash and investment fund balance - ending	\$ 1,069,947	\$ 1,458,710	\$ 456,039	\$ 934,694	\$ 1,608,831	\$ 2,783,238	\$ 8,311,459
Cash and Investment Assets - Ending							
Cash and investments	\$ 1,069,947	\$ -	\$ -	\$ -	\$ -	\$ 29,199	\$ 1,099,146
Restricted assets:							
Cash and investments	-	1,458,710	456,039	934,694	1,608,831	2,754,039	7,212,313
Total cash and investment assets - ending	\$ 1,069,947	\$ 1,458,710	\$ 456,039	\$ 934,694	\$ 1,608,831	\$ 2,783,238	\$ 8,311,459
Cash and Investment Fund Balance - Ending							
Restricted for:							
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 610,227	\$ 610,227
Public safety	-	-	-	-	-	1,209,688	1,209,688
Highways and streets	-	1,458,710	-	-	-	43,796	1,502,506
Aviation	-	-	-	-	-	88,622	88,622
Health and welfare	-	-	456,039	-	-	349,990	806,029
Debt service	-	-	-	-	-	451,716	451,716
Capital outlay	-	-	-	934,694	1,608,831	-	2,543,525
Unrestricted	1,069,947	-	-	-	-	29,199	1,099,146
Total cash and investment fund balance - ending	\$ 1,069,947	\$ 1,458,710	\$ 456,039	\$ 934,694	\$ 1,608,831	\$ 2,783,238	\$ 8,311,459

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

LAWRENCE COUNTY
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For The Year Ended December 31, 2007

	Pension Trust Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Employer	\$ 404,555	\$ -	\$ -
Investment earnings:			
Interest	74,166	-	-
Net increase in fair value of investments	63,514	-	-
Total investment earnings	137,680	-	-
Agency fund additions	-	-	110,235,776
Total additions	542,235	-	110,235,776
Deductions:			
Benefits	283,448	-	-
Administrative and general	38,739	-	-
Agency fund deductions	-	-	108,292,698
Total deductions	322,187	-	108,292,698
Excess of total additions over total deductions	220,048	-	1,943,078
Cash and investment fund balance - beginning	2,095,288	15,582	2,395,707
Cash and investment fund balance - ending	\$ 2,315,336	\$ 15,582	\$ 4,338,785

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

LAWRENCE 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:	Lawrence County
Blended Component Unit:	Lawrence County Detention Center Holding Corporation
Blended Component Unit:	Lawrence County Indiana Courthouse Annex Building Corporation
Discretely Presented Component Unit:	Dunn Memorial Hospital
Discretely Presented Component Unit:	Lawrence County Solid Waste Management District
Discretely Presented Component Unit:	Lawrence County Tourism Commission

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

Dunn Memorial Hospital, Lawrence County Solid Waste Management District, and Lawrence County Tourism Commission, discretely presented component units, and Lawrence County Detention Center Holding Corporation and the Lawrence County Indiana Courthouse Annex Building Corporation, blended component units, have 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.

Related Organizations

The County's officials are also responsible for appointing the members of the boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointments.

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 nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. There are no business-type activities to report at this time.

LAWRENCE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 county highway fund is used for construction, reconstruction and maintenance of the highways of the County.

The family and children fund provides services to children who are adjudicated CHINS or delinquents; families for which there is an informal adjustment; service referral agreement; or for individuals receiving assistance for adoption. Expenses for child welfare services, care of wards in foster homes, and care of wards in therapeutic homes are also made from this fund.

The cumulative bridge fund is used for the cost of construction, maintenance, and repair of bridges, approaches, and grade separations as authorized by Indiana Code 8-16-3-1.

The cumulative capital development fund is used to account for receipts and disbursements authorized by Indiana Code 36-9-14.5-2 and Indiana Code 36-9-14.5-8.

Additionally, the County reports the following fund types:

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

Agency funds account for assets held by the County as an agent for other entities 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.

LAWRENCE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

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

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Capital Assets

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

3. Long-Term Debt

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

4. Equity Classification

Government-Wide Statements

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

a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.

b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

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

Fund Financial Statements

Governmental fund equity is classified as fund balance.

LAWRENCE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

E. Program Receipts

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

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 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.
2. 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.

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.

LAWRENCE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

B. Disbursements in Excess of Appropriations

For the year ended December 31, 2007, disbursements exceeded budgeted appropriations in the following funds by the amounts below:

Fund	2007
County Highway	\$ 107,008
Cumulative Bridge	74,117
Jail Lease Rental	1,190
Property Reassessment	168
Total	\$ 182,483

These disbursements were funded by available fund balances.

C. Cash and Investment Balance Deficits

At December 31, 2007, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines and state statute:

Fund	2007
Victim Assistance	\$ 12,741
National Forest	1,263

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

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

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

LAWRENCE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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, 2007, the County had the following investments:

Investment Type	Sheriff's Retirement and Benefit Pension Plans
U.S. treasuries and securities	\$ 219,108
U.S. agencies	292,653
Mutual funds	160,152
Corporate bonds	249,971
Corporate stock	1,561,691
Total	\$ 2,483,575

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 County to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

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

Additionally, the County may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the County's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency,

LAWRENCE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 Sheriff's Merit Board has not adopted an investment policy for custodial credit risk for investments. At December 31, 2007, the Sheriff's Retirement and Benefit Pension Plans held investments in U.S. Treasury Securities, U.S. Agencies, mutual equity funds, mutual bond funds, corporate bonds, and corporate stocks in the amount of \$2,483,575. Of these investments \$2,483,575 are held by the investment's counterparty, not in the name of the Sheriff's Pension Plan.

Interest Rate Risk

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

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

Sheriff's Retirement and Benefit Pension Plans:

Investment Type	Investment Maturities (in Years)		
	Less Than 1	1-2	More Than 2
U.S. treasuries and securities	\$ 52,013	\$ 47,260	\$ 119,835
U.S. agencies	-	65,100	227,553
Mutual funds	160,152	-	-
Corporate bonds	52,015	57,416	140,540
Corporate stock	1,561,691	-	-
Totals	<u>\$ 1,825,871</u>	<u>\$ 169,776</u>	<u>\$ 487,928</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.

LAWRENCE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Sheriff's Retirement and Benefit Pension Plans:

Standard and Poor's Rating	Moody's Rating	County's Investments		
		Mutual Funds	Corporate Bonds	Government Sponsored Enterprise
AAA	Aaa	\$ -	\$ 20,449	\$ -
AA	Aa	-	95,456	-
A	A	-	105,796	-
BBB	Baa	-	28,270	-
Unrated	Unrated	160,152	-	292,653
Totals		<u>\$ 160,152</u>	<u>\$ 249,971</u>	<u>\$ 292,653</u>

Concentration of Credit Risk

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

The Sheriff's Merit Board has not adopted a policy for the concentration of credit risk. More than 5% of the Sheriff's Retirement and Benefit investments are in U.S. Treasury Securities, U.S. Agencies, corporate bonds, corporate stock and mutual fund stock. These investments represent 9%, 12%, 10%, 63%, and 6%, respectively, of the total investments.

Foreign Currency Risk

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

B. Interfund Transfers

Interfund transfers for the year ended December 31, 2007, were as follows:

Transfer From	Transfer To	2007
General Fund	Other governmental funds	\$ 10,301
Other governmental funds	General Fund	490,626
Other governmental funds	Family and Children Fund	53,053
Other governmental funds	Other governmental funds	195,496
Total		<u>\$ 749,476</u>

The County typically uses transfers for cash flow purposes as provided by various statutory provisions.

LAWRENCE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Restatements and Reclassifications

For the year ended December 31, 2007, certain changes have been made to the financial statements to more appropriately reflect financial activity of the County. The names of some funds have been changed. The following schedule presents a summary of restated beginning balances by opinion unit. New Funds represents the inclusion of existing funds which were not presented in the prior report.

Opinion Unit	Prior Fund Name	Current Fund Name	Balance as Reported December 31, 2006	Fund Reclassification	New Funds	Balance as Restated January 1, 2007
Governmental funds	Lewy Excess Special Revenue Fund	Lewy Excess Special Revenue Fund	\$ 471,493	\$ (471,493)	\$ -	\$ -
Fiduciary funds	Lewy Excess Special Revenue Fund	Lewy Excess Special Revenue Fund	-	471,493	-	471,493
Governmental funds	Lewy Excess Welfare Fund	Lewy Excess Welfare Fund	31,188	(31,188)	-	-
Fiduciary funds	Lewy Excess Welfare Fund	Lewy Excess Welfare Fund	-	31,188	-	31,188
Governmental funds	Lawrence County Tourism Commission		70,739	(70,739)	-	-
Fiduciary funds	Sheriff's Evidence Fund		-	-	15,575	15,575
Fiduciary funds	Tax Sale Redemption Fund		122,637	-	-	-
Fiduciary funds		Tax Sale Redemption Fund	-	121,283	-	121,283
Fiduciary funds		Tax Sale Redemption 2006 Fund	-	1,354	-	1,354
Fiduciary funds	Tax Sale Surplus Fund		208,714	-	-	-
Fiduciary funds		Tax Sale Surplus Fund	-	(282)	-	(282)
Fiduciary funds		Tax Sale Surplus 2006 Fund	-	208,996	-	208,996
Fiduciary funds	County Clerk Fund		591,577	-	-	-
Fiduciary funds		Clerk Trust Fund	-	20,975	-	20,975
Fiduciary funds		Clerk ISETS Fund	-	570,602	-	570,602
Funds renamed:						
Governmental funds	Criminal Justice Fund	Crime Control Fund				
Governmental funds	Auditor Transfer Fund	Plat Book Fund				
Governmental funds	County Corrections Fund	Misdemeanant Fund				
Governmental funds	Health Immunization Grant Fund	Tobacco Settlement Fund				
Governmental funds	Jail Counselor Grant Fund	Pathways Fund				

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

Job Related Illnesses or Injuries to Employees

During 2003, the County joined a public entity risk pool, the Indiana Public Employer's Plan, Inc., currently operating as a common risk management and insurance program for member governmental entities. This risk pool was formed in 1989 for the purpose of providing a medium for

LAWRENCE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

the funding and administration of workers' compensation claims. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$1,000,000 per insured event.

B. Holding Corporations

The County has entered into a capital lease with the Lawrence County Detention Center Holding Corporation. The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the County. The lessor has been determined to be a related party of the County. Lease payments during the year totaled \$680,000.

The County has entered into a capital lease with Lawrence County Indiana Courthouse Annex Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the County. The lessor has been determined to be a related party of the County. Lease payments during the year totaled \$259,642.

C. Subsequent Events

On January 22, 2008, the Lawrence County Council adopted an ordinance authorizing the issuance of \$300,000 of tax anticipation warrants for the Family and Children Fund. The warrants will be issued from the Monroe Bank at an interest rate of 2.25%.

D. Conduit Debt Obligation

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

As of December 31, 2007, there was one series of Economic Development Revenue Bonds outstanding with an aggregate principal amount payable of \$353,171.

The County has authorized the issue of Tax Increment Revenue Bonds for the purpose of raising money for property acquisition, economic development and redevelopment in Lawrence County Economic Development Area, Allocation Area No. 1. The bonds were subsequently sold by private negotiated sale at a price of 100%. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds.

As of December 31, 2007, there was one series of Tax Increment Revenue Bonds outstanding with an aggregate principal amount payable of \$91,539.

E. 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.

LAWRENCE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

F. Pension Plans

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

1. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

2. County Police Retirement Plan

Plan Description

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

Funding Policy and Annual Pension Cost

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

LAWRENCE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

3. County Police Benefit Plan

Plan Description

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

Funding Policy and Annual Pension Cost

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

Actuarial Information for the Above Plans

	<u>PERF</u>	<u>County Police Retirement Plan</u>	<u>County Police Benefit Plan</u>
Annual required contribution	\$ 330,109	\$ 183,656	\$ 69,749
Interest on net pension obligation	(4,942)	4,001	-
Adjustment to annual required contribution	<u>5,632</u>	<u>(6,179)</u>	<u>-</u>
Annual pension cost	330,799	181,478	69,749
Contributions made	<u>276,860</u>	<u>155,369</u>	<u>69,749</u>
Increase in net pension obligation	53,939	26,109	-
Net pension obligation, beginning of year	<u>(68,163)</u>	<u>57,155</u>	<u>-</u>
Net pension obligation, end of year	<u><u>\$ (14,224)</u></u>	<u><u>\$ 83,264</u></u>	<u><u>\$ -</u></u>

LAWRENCE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

	PERF	County Police Retirement Plan	County Police Benefit Plan
Contribution rates:			
County	6%	21%	6.5%
Plan members	3%	6%	6%
Actuarial valuation date	07-01-06	01-01-06	01-01-06
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%

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-05	\$ 286,015	92%	\$ (68,163)
	06-30-06	330,799	97%	(14,224)
	06-30-07	N/A	N/A	N/A
County Police Retirement Plan	12-31-05	178,629	85.4%	57,155
	12-31-06	181,478	85.6%	83,264
	12-31-07	N/A	N/A	N/A
County Police Benefit Plan	12-31-05	72,507	100%	-
	12-31-06	69,749	100%	-
	12-31-07	N/A	N/A	N/A

N/A = Not available

LAWRENCE 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)
07-01-05	\$ 4,562,226	\$ 5,431,213	\$ (868,987)	84%	\$ 5,325,712	(16%)
07-01-06	5,105,098	5,484,610	(379,512)	93%	5,642,594	(7%)
07-01-07	*	*	*	*	*	*

County Police Retirement Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-02	\$ 1,657,949	\$ 1,657,949	\$ -	100%	\$ 882,345	0%
07-01-03	1,641,095	1,641,095	-	100%	881,157	0%
07-01-04	1,690,515	1,690,515	-	100%	949,796	0%
07-01-05	1,925,196	1,925,196	-	100%	965,015	0%
07-01-06	2,174,864	2,919,918	(745,054)	74%	1,000,987	(74%)
07-01-07	*	*	*	*	*	*

*Information is not available

LAWRENCE 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, 2007

	Local Road and Street	Aviation	Accident Report	Firearms Training	Health	Children Psychiatric Residential Treatment	Sheriff Equipment Donations
Receipts:							
Taxes	\$ -	\$ 101,124	\$ -	\$ -	\$ 214,546	\$ 151,685	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	413,675	23,324	-	-	30,952	21,881	-
Charges for services	-	51,349	2,775	21,065	-	-	1,104
Fines and forfeits	-	-	-	-	82,454	-	-
Other	-	307	-	-	22,377	-	-
Total receipts	413,675	176,104	2,775	21,065	350,329	173,566	1,104
Disbursements:							
General government	-	-	-	-	-	-	-
Public safety	-	-	2,382	8,741	-	-	1,104
Highways and streets	423,474	-	-	-	-	-	-
Aviation	-	72,420	-	-	-	-	-
Health and welfare	-	-	-	-	317,474	84,563	-
Debt service:							
Principal	-	18,950	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
Aviation	-	-	-	-	-	-	-
Total disbursements	423,474	91,370	2,382	8,741	317,474	84,563	1,104
Excess (deficiency) of receipts over disbursements	(9,799)	84,734	393	12,324	32,855	89,003	-
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	(8,248)	-	-	-	-	-
Other receipts	-	19	-	-	-	-	-
Total other financing sources (uses)	-	(8,229)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(9,799)	76,505	393	12,324	32,855	89,003	-
Cash and investment fund balance - beginning	35,397	11,349	8,069	4,594	47,996	39,878	24
Cash and investment fund balance - ending	\$ 25,598	\$ 87,854	\$ 8,462	\$ 16,918	\$ 80,851	\$ 128,881	\$ 24
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	25,598	87,854	8,462	16,918	80,851	128,881	24
Total cash and investment assets - ending	\$ 25,598	\$ 87,854	\$ 8,462	\$ 16,918	\$ 80,851	\$ 128,881	\$ 24
Cash and Investment Fund Balance - Ending							
Restricted for:							
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	8,462	16,918	-	-	24
Highways and streets	25,598	-	-	-	-	-	-
Aviation	-	87,854	-	-	-	-	-
Health and welfare	-	-	-	-	80,851	128,881	-
Debt service	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-
Total cash and investment fund balance - ending	\$ 25,598	\$ 87,854	\$ 8,462	\$ 16,918	\$ 80,851	\$ 128,881	\$ 24

LAWRENCE 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, 2007
 (Continued)

	Crime Control	Emergency Management	Family Court	Law Enforcement Continuing Education	Clerk's Records Perpetuation	Infraction Deferral Program	Emergency Response Services
Receipts:							
Taxes	\$ -	\$ 39,628	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	5,718	-	-	-	-	-
Charges for services	-	-	-	1,542	-	-	-
Fines and forfeits	26,971	-	-	-	19,215	57,206	347,344
Other	-	755	-	-	-	-	-
Total receipts	<u>26,971</u>	<u>46,101</u>	<u>-</u>	<u>1,542</u>	<u>19,215</u>	<u>57,206</u>	<u>347,344</u>
Disbursements:							
General government	-	-	-	-	22,666	-	-
Public safety	21,333	43,693	30,950	1,000	-	60,793	273,670
Highways and streets	-	-	-	-	-	-	-
Aviation	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
Aviation	-	-	-	-	-	-	-
Total disbursements	<u>21,333</u>	<u>43,693</u>	<u>30,950</u>	<u>1,000</u>	<u>22,666</u>	<u>60,793</u>	<u>273,670</u>
Excess (deficiency) of receipts over disbursements	<u>5,638</u>	<u>2,408</u>	<u>(30,950)</u>	<u>542</u>	<u>(3,451)</u>	<u>(3,587)</u>	<u>73,674</u>
Other financing sources (uses):							
Transfers in	396	-	-	-	-	-	-
Transfers out	-	-	-	(6,823)	-	-	-
Other receipts	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>396</u>	<u>-</u>	<u>-</u>	<u>(6,823)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>6,034</u>	<u>2,408</u>	<u>(30,950)</u>	<u>(6,281)</u>	<u>(3,451)</u>	<u>(3,587)</u>	<u>73,674</u>
Cash and investment fund balance - beginning	<u>(5,247)</u>	<u>38,394</u>	<u>66,875</u>	<u>6,823</u>	<u>4,505</u>	<u>23,198</u>	<u>128,016</u>
Cash and investment fund balance - ending	<u>\$ 787</u>	<u>\$ 40,802</u>	<u>\$ 35,925</u>	<u>\$ 542</u>	<u>\$ 1,054</u>	<u>\$ 19,611</u>	<u>\$ 201,690</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	<u>787</u>	<u>40,802</u>	<u>35,925</u>	<u>542</u>	<u>1,054</u>	<u>19,611</u>	<u>201,690</u>
Total cash and investment assets - ending	<u>\$ 787</u>	<u>\$ 40,802</u>	<u>\$ 35,925</u>	<u>\$ 542</u>	<u>\$ 1,054</u>	<u>\$ 19,611</u>	<u>\$ 201,690</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
General government	\$ -	\$ -	\$ -	\$ -	\$ 1,054	\$ -	\$ -
Public safety	787	40,802	35,925	542	-	19,611	201,690
Highways and streets	-	-	-	-	-	-	-
Aviation	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-
Total cash and investment fund balance - ending	<u>\$ 787</u>	<u>\$ 40,802</u>	<u>\$ 35,925</u>	<u>\$ 542</u>	<u>\$ 1,054</u>	<u>\$ 19,611</u>	<u>\$ 201,690</u>

LAWRENCE 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, 2007
 (Continued)

	Drug Free Community	Emergency Planning and Right to Know	Property Reassessment	Supplemental Juvenile Probation Service	Supplemental Adult Probation Service	Adapt User Fee	Recorder's Records Perpetuation
Receipts:							
Taxes	\$ -	\$ -	\$ 151,685	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	5,126	21,881	-	-	-	-
Charges for services	-	-	-	-	-	-	56,056
Fines and forfeits	46,528	-	-	23,988	106,933	127,215	-
Other	-	2	13,300	-	-	-	-
Total receipts	46,528	5,128	186,866	23,988	106,933	127,215	56,056
Disbursements:							
General government	-	-	160,777	-	-	-	41,367
Public safety	39,212	84	-	21,475	103,048	139,033	-
Highways and streets	-	-	-	-	-	-	-
Aviation	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
Aviation	-	-	-	-	-	-	-
Total disbursements	39,212	84	160,777	21,475	103,048	139,033	41,367
Excess (deficiency) of receipts over disbursements	7,316	5,044	26,089	2,513	3,885	(11,818)	14,689
Other financing sources (uses):							
Transfers in	-	-	-	191	5,000	57,890	-
Transfers out	(13,134)	-	-	(5,000)	-	(27,544)	-
Other receipts	-	-	-	-	-	-	-
Total other financing sources (uses)	(13,134)	-	-	(4,809)	5,000	30,346	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,818)	5,044	26,089	(2,296)	8,885	18,528	14,689
Cash and investment fund balance - beginning	81,575	12,621	345,446	2,296	(6,346)	(18,506)	52,006
Cash and investment fund balance - ending	\$ 75,757	\$ 17,665	\$ 371,535	\$ -	\$ 2,539	\$ 22	\$ 66,695
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	75,757	17,665	371,535	-	2,539	22	66,695
Total cash and investment assets - ending	\$ 75,757	\$ 17,665	\$ 371,535	\$ -	\$ 2,539	\$ 22	\$ 66,695
Cash and Investment Fund Balance - Ending							
Restricted for:							
General government	\$ -	\$ -	\$ 371,535	\$ -	\$ -	\$ -	\$ 66,695
Public safety	75,757	17,665	-	-	2,539	22	-
Highways and streets	-	-	-	-	-	-	-
Aviation	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-
Total cash and investment fund balance - ending	\$ 75,757	\$ 17,665	\$ 371,535	\$ -	\$ 2,539	\$ 22	\$ 66,695

LAWRENCE 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, 2007
 (Continued)

	County User Fee	Covered Bridge	Local Health Maintenance	Community Corrections Home Detention	Pretrial Diversion	Guardian Ad Litem	Plat Book
Receipts:							
Taxes	\$ -	\$ 1,850	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	41,424	-	-	4,359	-
Charges for services	-	-	-	118,643	25,231	-	11,365
Fines and forfeits	11,558	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	11,558	1,850	41,424	118,643	25,231	4,359	11,365
Disbursements:							
General government	4,509	-	-	-	-	406	9,194
Public safety	-	-	-	105,679	20,672	-	-
Highways and streets	-	2,273	-	-	-	-	-
Aviation	-	-	-	-	-	-	-
Health and welfare	-	-	20,026	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
Aviation	-	-	-	-	-	-	-
Total disbursements	4,509	2,273	20,026	105,679	20,672	406	9,194
Excess (deficiency) of receipts over disbursements	7,049	(423)	21,398	12,964	4,559	3,953	2,171
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	(13,825)	-	-	-
Other receipts	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	(13,825)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	7,049	(423)	21,398	(861)	4,559	3,953	2,171
Cash and investment fund balance - beginning	87,333	18,621	25,944	35,509	(586)	4,651	6,909
Cash and investment fund balance - ending	\$ 94,382	\$ 18,198	\$ 47,342	\$ 34,648	\$ 3,973	\$ 8,604	\$ 9,080
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	94,382	18,198	47,342	34,648	3,973	8,604	9,080
Total cash and investment assets - ending	\$ 94,382	\$ 18,198	\$ 47,342	\$ 34,648	\$ 3,973	\$ 8,604	\$ 9,080
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
General government	\$ 94,382	\$ -	\$ -	\$ -	\$ -	\$ 8,604	\$ 9,080
Public safety	-	-	-	34,648	3,973	-	-
Highways and streets	-	18,198	-	-	-	-	-
Aviation	-	-	-	-	-	-	-
Health and welfare	-	-	47,342	-	-	-	-
Debt service	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-
Total cash and investment fund balance - ending	\$ 94,382	\$ 18,198	\$ 47,342	\$ 34,648	\$ 3,973	\$ 8,604	\$ 9,080

LAWRENCE 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, 2007
 (Continued)

	Misdemeanant	Surveyor's Corner Perpetuation	Jury Fee	Barclay Homeland Security Grant	Rainy Day	Work Release	Community Corrections Project Income
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	52,549	-	-	49,139	-	-	-
Charges for services	-	10,996	-	-	-	1,304	-
Fines and forfeits	-	-	8,371	-	-	-	74,789
Other	-	-	40	-	-	-	5,196
Total receipts	52,549	10,996	8,411	49,139	-	1,304	79,985
Disbursements:							
General government	-	25,592	-	-	-	-	-
Public safety	66,282	-	3,605	49,139	-	-	102,849
Highways and streets	-	-	-	-	-	-	-
Aviation	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
Aviation	-	-	-	-	-	-	-
Total disbursements	66,282	25,592	3,605	49,139	-	-	102,849
Excess (deficiency) of receipts over disbursements	(13,733)	(14,596)	4,806	-	-	1,304	(22,864)
Other financing sources (uses):							
Transfers in	-	-	-	-	43,203	-	9,470
Transfers out	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	43,203	-	9,470
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(13,733)	(14,596)	4,806	-	43,203	1,304	(13,394)
Cash and investment fund balance - beginning	57,108	30,126	90	-	-	61,840	190,604
Cash and investment fund balance - ending	<u>\$ 43,375</u>	<u>\$ 15,530</u>	<u>\$ 4,896</u>	<u>\$ -</u>	<u>\$ 43,203</u>	<u>\$ 63,144</u>	<u>\$ 177,210</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 43,203	\$ -	\$ -
Restricted assets:							
Cash and investments	43,375	15,530	4,896	-	-	63,144	177,210
Total cash and investment assets - ending	\$ 43,375	\$ 15,530	\$ 4,896	\$ -	\$ 43,203	\$ 63,144	\$ 177,210
Cash and Investment Fund Balance - Ending							
Restricted for:							
General government	\$ -	\$ 15,530	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	43,375	-	4,896	-	-	63,144	177,210
Highways and streets	-	-	-	-	-	-	-
Aviation	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	43,203	-	-
Total cash and investment fund balance - ending	\$ 43,375	\$ 15,530	\$ 4,896	\$ -	\$ 43,203	\$ 63,144	\$ 177,210

LAWRENCE 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, 2007
 (Continued)

	Sheriff's Commissary	Tobacco Settlement	Levy Excess Special Revenue	Coroner's Education	Operation Pullover	Public Defender	Sheriff's Wireless System
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	3,487	-	-	-
Intergovernmental	-	25,720	-	-	6,275	-	-
Charges for services	224,236	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	89	216,288
Other	-	-	-	-	-	-	-
Total receipts	224,236	25,720	-	3,487	6,275	89	216,288
Disbursements:							
General government	-	-	-	-	-	-	-
Public safety	182,432	-	-	3,487	5,923	-	67,987
Highways and streets	-	-	-	-	-	-	-
Aviation	-	-	-	-	-	-	-
Health and welfare	-	28,007	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
Aviation	-	-	-	-	-	-	-
Total disbursements	182,432	28,007	-	3,487	5,923	-	67,987
Excess (deficiency) of receipts over disbursements	<u>41,804</u>	<u>(2,287)</u>	<u>-</u>	<u>-</u>	<u>352</u>	<u>89</u>	<u>148,301</u>
Other financing sources (uses):							
Transfers in	-	24,064	-	-	-	-	-
Transfers out	-	-	(471,493)	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total other financing sources (uses)	-	24,064	(471,493)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	41,804	21,777	(471,493)	-	352	89	148,301
Cash and investment fund balance - beginning	<u>25,090</u>	<u>(5,655)</u>	<u>471,493</u>	<u>-</u>	<u>6,408</u>	<u>21,144</u>	<u>116,762</u>
Cash and investment fund balance - ending	<u>\$ 66,894</u>	<u>\$ 16,122</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,760</u>	<u>\$ 21,233</u>	<u>\$ 265,063</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	66,894	16,122	-	-	6,760	21,233	265,063
Total cash and investment assets - ending	\$ 66,894	\$ 16,122	\$ -	\$ -	\$ 6,760	\$ 21,233	\$ 265,063
Cash and Investment Fund Balance - Ending							
Restricted for:							
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	66,894	-	-	-	6,760	21,233	265,063
Highways and streets	-	-	-	-	-	-	-
Aviation	-	-	-	-	-	-	-
Health and welfare	-	16,122	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-
Total cash and investment fund balance - ending	\$ 66,894	\$ 16,122	\$ -	\$ -	\$ 6,760	\$ 21,233	\$ 265,063

LAWRENCE 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, 2007
 (Continued)

	Circuit Court Bail and Pretrial Services Agency	Superior I Bail and Pretrial Services Agency	Superior II Bail and Pretrial Services Agency	LEP Subgrant FEMA	Bio-Terrorism Preparedness	Runway Paving Grant	Family Relations
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	59,094	-
Charges for services	-	-	20,068	-	-	-	-
Fines and forfeits	2,364	8,486	-	-	-	-	21,140
Other	-	-	-	-	-	-	-
Total receipts	2,364	8,486	20,068	-	-	59,094	21,140
Disbursements:							
General government	-	-	-	-	-	-	-
Public safety	-	13,857	11,752	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Aviation	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	21,195
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
Aviation	-	-	-	-	-	97,750	-
Total disbursements	-	13,857	11,752	-	-	97,750	21,195
Excess (deficiency) of receipts over disbursements	2,364	(5,371)	8,316	-	-	(38,656)	(55)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	8,248	-
Transfers out	-	(1,720)	(12,161)	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(1,720)	(12,161)	-	-	8,248	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,364	(7,091)	(3,845)	-	-	(30,408)	(55)
Cash and investment fund balance - beginning	6,640	12,389	5,734	16	1,240	31,176	4,193
Cash and investment fund balance - ending	\$ 9,004	\$ 5,298	\$ 1,889	\$ 16	\$ 1,240	\$ 768	\$ 4,138
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	9,004	5,298	1,889	16	1,240	768	4,138
Total cash and investment assets - ending	\$ 9,004	\$ 5,298	\$ 1,889	\$ 16	\$ 1,240	\$ 768	\$ 4,138
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	9,004	5,298	1,889	16	1,240	-	-
Highways and streets	-	-	-	-	-	-	-
Aviation	-	-	-	-	-	768	-
Health and welfare	-	-	-	-	-	-	4,138
Debt service	-	-	-	-	-	-	-
Unrestricted							
Total cash and investment fund balance - ending	\$ 9,004	\$ 5,298	\$ 1,889	\$ 16	\$ 1,240	\$ 768	\$ 4,138

LAWRENCE 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, 2007
 (Continued)

	Energy Savings Project	Levy Excess Welfare	Investigation Cash	Accident Investigation	Probation Administration Fee	County Adult Offender Interstate	Police Training
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	1,994	-	-	-
Fines and forfeits	-	-	-	-	35,257	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	-	-	1,994	35,257	-	-
Disbursements:							
General government	-	31,188	-	-	-	-	-
Public safety	-	-	-	1,250	24,562	-	-
Highways and streets	-	-	-	-	-	-	-
Aviation	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
Aviation	-	-	-	-	-	-	-
Total disbursements	-	31,188	-	1,250	24,562	-	-
Excess (deficiency) of receipts over disbursements	-	(31,188)	-	744	10,695	-	-
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	6,823
Transfers out	(2,645)	-	-	-	(10,359)	-	-
Other receipts	-	-	-	-	-	-	-
Total other financing sources (uses)	(2,645)	-	-	-	(10,359)	-	6,823
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,645)	(31,188)	-	744	336	-	6,823
Cash and investment fund balance - beginning	2,645	31,188	572	2,280	(336)	450	4,104
Cash and investment fund balance - ending	\$ -	\$ -	\$ 572	\$ 3,024	\$ -	\$ 450	\$ 10,927
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	-	-	572	3,024	-	450	10,927
Total cash and investment assets - ending	\$ -	\$ -	\$ 572	\$ 3,024	\$ -	\$ 450	\$ 10,927
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	572	3,024	-	450	10,927
Highways and streets	-	-	-	-	-	-	-
Aviation	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-
Total cash and investment fund balance - ending	\$ -	\$ -	\$ 572	\$ 3,024	\$ -	\$ 450	\$ 10,927

LAWRENCE 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, 2007
 (Continued)

	Prosecutor's Impact Fund	Bio-Terrorism District Grant Number 1	Bio-Terrorism District Grant Number 2	Community Transitional Program	Non Violence Program Probation	OVWI Drug Court	Alternative Dispute Resolution
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	15,305	67,955	7,350
Other	-	-	-	-	-	-	-
Total receipts	-	-	-	-	15,305	67,955	7,350
Disbursements:							
General government	-	-	-	-	-	-	-
Public safety	-	-	1,456	-	11,215	66,730	-
Highways and streets	-	-	-	-	-	-	-
Aviation	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
Aviation	-	-	-	-	-	-	-
Total disbursements	-	-	1,456	-	11,215	66,730	-
Excess (deficiency) of receipts over disbursements	-	-	(1,456)	-	4,090	1,225	7,350
Other financing sources (uses):							
Transfers in	-	-	-	3,292	-	9,652	-
Transfers out	(31,950)	-	-	(2,100)	(6,129)	(16,611)	-
Other receipts	-	-	-	-	-	-	-
Total other financing sources (uses)	(31,950)	-	-	1,192	(6,129)	(6,959)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(31,950)	-	(1,456)	1,192	(2,039)	(5,734)	7,350
Cash and investment fund balance - beginning	31,950	66	2,548	3,163	2,042	5,925	13,350
Cash and investment fund balance - ending	\$ -	\$ 66	\$ 1,092	\$ 4,355	\$ 3	\$ 191	\$ 20,700
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	-	66	1,092	4,355	3	191	20,700
Total cash and investment assets - ending	\$ -	\$ 66	\$ 1,092	\$ 4,355	\$ 3	\$ 191	\$ 20,700
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	66	1,092	4,355	3	191	20,700
Highways and streets	-	-	-	-	-	-	-
Aviation	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-
Total cash and investment fund balance - ending	\$ -	\$ 66	\$ 1,092	\$ 4,355	\$ 3	\$ 191	\$ 20,700

LAWRENCE 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, 2007
 (Continued)

	State Homeland Security 2004	Juvenile Community Service	Public Health Coordinator	Astronaut Sign Donations	Homeland Security 2006	Pocket of Need Immunization	Juvenile Drug Court
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	22,627	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	5,710	-	-	-	-	-
Other	199	-	-	-	-	-	-
Total receipts	199	5,710	22,627	-	-	-	-
Disbursements:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	23,299	-	-
Highways and streets	-	-	-	-	-	-	-
Aviation	-	-	-	-	-	-	-
Health and welfare	-	-	22,857	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
Aviation	-	-	-	-	-	-	-
Total disbursements	-	-	22,857	-	23,299	-	-
Excess (deficiency) of receipts over disbursements	199	5,710	(230)	-	(23,299)	-	-
Other financing sources (uses):							
Transfers in	-	-	-	-	18,000	-	-
Transfers out	-	-	-	(3,630)	-	(4,977)	-
Other receipts	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	(3,630)	18,000	(4,977)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	199	5,710	(230)	(3,630)	(5,299)	(4,977)	-
Cash and investment fund balance - beginning	(199)	4,190	4,014	3,630	5,371	4,977	25,933
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 9,900</u>	<u>\$ 3,784</u>	<u>\$ -</u>	<u>\$ 72</u>	<u>\$ -</u>	<u>\$ 25,933</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	-	9,900	3,784	-	72	-	25,933
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ 9,900</u>	<u>\$ 3,784</u>	<u>\$ -</u>	<u>\$ 72</u>	<u>\$ -</u>	<u>\$ 25,933</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	9,900	-	-	72	-	25,933
Highways and streets	-	-	-	-	-	-	-
Aviation	-	-	-	-	-	-	-
Health and welfare	-	-	3,784	-	-	-	-
Debt service	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 9,900</u>	<u>\$ 3,784</u>	<u>\$ -</u>	<u>\$ 72</u>	<u>\$ -</u>	<u>\$ 25,933</u>

LAWRENCE 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, 2007
 (Continued)

	Boot Camp	OVWI Trust Fee	Tobacco Settlement Grant	Immunization	Emergency Gas Award	Redacting Fees	Pandemic Flu
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	19,806	-
Fines and forfeits	-	5,704	-	12,925	-	-	-
Other	-	-	127	66	-	-	-
Total receipts	-	5,704	127	12,991	-	19,806	-
Disbursements:							
General government	-	-	-	-	800	2,088	-
Public safety	3,625	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Aviation	-	-	-	-	-	-	-
Health and welfare	-	-	5,428	7,746	-	-	161
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
Aviation	-	-	-	-	-	-	-
Total disbursements	3,625	-	5,428	7,746	800	2,088	161
Excess (deficiency) of receipts over disbursements	(3,625)	5,704	(5,301)	5,245	(800)	17,718	(161)
Other financing sources (uses):							
Transfers in	4,300	-	-	-	-	-	-
Transfers out	-	(5,704)	(24,064)	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total other financing sources (uses)	4,300	(5,704)	(24,064)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	675	-	(29,365)	5,245	(800)	17,718	(161)
Cash and investment fund balance - beginning	1,227	118	52,845	37,921	800	18,176	2,387
Cash and investment fund balance - ending	\$ 1,902	\$ 118	\$ 23,480	\$ 43,166	\$ -	\$ 35,894	\$ 2,226
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	1,902	118	23,480	43,166	-	35,894	2,226
Total cash and investment assets - ending	\$ 1,902	\$ 118	\$ 23,480	\$ 43,166	\$ -	\$ 35,894	\$ 2,226
Cash and Investment Fund Balance - Ending							
Restricted for:							
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,894	\$ -
Public safety	1,902	118	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Aviation	-	-	-	-	-	-	-
Health and welfare	-	-	23,480	43,166	-	-	2,226
Debt service	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-
Total cash and investment fund balance - ending	\$ 1,902	\$ 118	\$ 23,480	\$ 43,166	\$ -	\$ 35,894	\$ 2,226

LAWRENCE 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, 2007
 (Continued)

	HAVA Title III	Safe Haven NICS Grant	Dell Homeland Security	Victim Assistance	Extension Donations	Juvenile Alcohol and Drug Intervention and Prevention	Juvenile Detention Alternative
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	4,839	5,382	17,901	16,904	-	-	73,415
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	-	-	-	500	-	5,005
Total receipts	4,839	5,382	17,901	16,904	500	-	78,420
Disbursements:							
General government	-	-	-	-	938	-	-
Public safety	-	5,382	17,901	14,078	-	-	68,957
Highways and streets	-	-	-	-	-	-	-
Aviation	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
Aviation	-	-	-	-	-	-	-
Total disbursements	-	5,382	17,901	14,078	938	-	68,957
Excess (deficiency) of receipts over disbursements	4,839	-	-	2,826	(438)	-	9,463
Other financing sources (uses):							
Transfers in	-	-	-	-	-	5	-
Transfers out	-	-	-	-	-	-	(5)
Other receipts	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	5	(5)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,839	-	-	2,826	(438)	5	9,458
Cash and investment fund balance - beginning	-	-	-	(15,567)	862	(5)	(8,652)
Cash and investment fund balance - ending	4,839	-	-	(12,741)	424	-	806
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ -	\$ -	\$ (12,741)	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	4,839	-	-	-	424	-	806
Total cash and investment assets - ending	4,839	-	-	(12,741)	424	-	806
Cash and Investment Fund Balance - Ending							
Restricted for:							
General government	\$ 4,839	\$ -	\$ -	\$ -	\$ 424	\$ -	\$ -
Public safety	-	-	-	-	-	-	806
Highways and streets	-	-	-	-	-	-	-
Aviation	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Unrestricted	-	-	-	(12,741)	-	-	-
Total cash and investment fund balance - ending	4,839	-	-	(12,741)	424	-	806

LAWRENCE 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, 2007
 (Continued)

	Compass	National Forest	Law Enforcement 2006	Drug Seizures	Marijuana Grant	Pathways	Stop Violence
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	12,171	-	-	-	55,499	3,397
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	2,190	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	2,190	12,171	-	-	-	55,499	3,397
Disbursements:							
General government	-	-	-	-	-	-	-
Public safety	-	13,451	79	-	-	72,136	3,397
Highways and streets	-	-	-	-	-	-	-
Aviation	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
Aviation	-	-	-	-	-	-	-
Total disbursements	-	13,451	79	-	-	72,136	3,397
Excess (deficiency) of receipts over disbursements	2,190	(1,280)	(79)	-	-	(16,637)	-
Other financing sources (uses):							
Transfers in	-	-	-	-	-	15,263	-
Transfers out	-	-	(18,000)	-	-	-	-
Other receipts	-	-	-	-	-	45	-
Total other financing sources (uses)	-	-	(18,000)	-	-	15,308	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,190	(1,280)	(18,079)	-	-	(1,329)	-
Cash and investment fund balance - beginning	-	17	18,079	1,116	77	1,348	3
Cash and investment fund balance - ending	\$ 2,190	\$ (1,263)	\$ -	\$ 1,116	\$ 77	\$ 19	\$ 3
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ (1,263)	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	2,190	-	-	1,116	77	19	3
Total cash and investment assets - ending	\$ 2,190	\$ (1,263)	\$ -	\$ 1,116	\$ 77	\$ 19	\$ 3
Cash and Investment Fund Balance - Ending							
Restricted for:							
General government	\$ 2,190	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	1,116	77	19	3
Highways and streets	-	-	-	-	-	-	-
Aviation	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Unrestricted	-	(1,263)	-	-	-	-	-
Total cash and investment fund balance - ending	\$ 2,190	\$ (1,263)	\$ -	\$ 1,116	\$ 77	\$ 19	\$ 3

LAWRENCE 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, 2007
 (Continued)

	Police Office Equipment	Welfare Emergency Loans	Jail Lease Rental	Courthouse Plaza Lease Rental	Sofaland Lease Rent	County Hospital Bond	Totals
Receipts:							
Taxes	\$ -	\$ -	\$ 632,704	\$ 220,012	\$ 154,418	\$ -	\$ 1,667,652
Licenses and permits	-	-	-	-	-	-	3,487
Intergovernmental	-	-	91,275	31,739	22,276	-	1,118,542
Charges for services	975	-	-	-	-	-	568,509
Fines and forfeits	-	-	-	-	-	-	1,333,335
Other	-	-	-	-	-	-	47,874
Total receipts	975	-	723,979	251,751	176,694	-	4,739,399
Disbursements:							
General government	-	-	-	-	-	-	299,525
Public safety	-	-	6,190	-	-	-	1,713,890
Highways and streets	-	-	-	-	-	-	425,747
Aviation	-	-	-	-	-	-	72,420
Health and welfare	-	-	-	-	-	-	507,457
Debt service:							
Principal	-	-	449,611	125,000	130,000	-	723,561
Interest	-	-	225,389	134,643	56,228	-	416,260
Capital outlay:							
Aviation	-	-	-	-	-	-	97,750
Total disbursements	-	-	681,190	259,643	186,228	-	4,256,610
Excess (deficiency) of receipts over disbursements	975	-	42,789	(7,892)	(9,534)	-	482,789
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	205,797
Transfers out	-	(53,053)	-	-	-	-	(739,175)
Other receipts	-	-	-	-	-	-	64
Total other financing sources (uses)	-	(53,053)	-	-	-	-	(533,314)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	975	(53,053)	42,789	(7,892)	(9,534)	-	(50,525)
Cash and investment fund balance - beginning	2,000	53,053	144,360	135,270	146,582	141	2,833,763
Cash and investment fund balance - ending	\$ 2,975	\$ -	\$ 187,149	\$ 127,378	\$ 137,048	\$ 141	\$ 2,783,238
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,199
Restricted assets:							
Cash and investments	2,975	-	187,149	127,378	137,048	141	2,754,039
Total cash and investment assets - ending	\$ 2,975	\$ -	\$ 187,149	\$ 127,378	\$ 137,048	\$ 141	\$ 2,783,238
Cash and Investment Fund Balance - Ending							
Restricted for:							
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 610,227
Public safety	2,975	-	-	-	-	-	1,209,688
Highways and streets	-	-	-	-	-	-	43,796
Aviation	-	-	-	-	-	-	88,622
Health and welfare	-	-	-	-	-	-	349,990
Debt service	-	-	187,149	127,378	137,048	141	451,716
Unrestricted	-	-	-	-	-	-	29,199
Total cash and investment fund balance - ending	\$ 2,975	\$ -	\$ 187,149	\$ 127,378	\$ 137,048	\$ 141	\$ 2,783,238

LAWRENCE COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PENSION TRUST FUNDS
 For The Year Ended December 31, 2007

	County Police Retirement Plan Fund	County Police Benefit Plan Fund	Totals
Additions:			
Contributions:			
Employer	\$ 339,153	\$ 65,402	\$ 404,555
Investment receipts:			
Interest	68,708	5,458	74,166
Net increase in fair value of investments	53,075	10,439	63,514
Total investment receipts	121,783	15,897	137,680
Total additions	460,936	81,299	542,235
Deductions:			
Benefits	148,651	134,797	283,448
Administrative and general	36,060	2,679	38,739
Total deductions	184,711	137,476	322,187
Excess (deficiency) of total additions over total deductions	276,225	(56,177)	220,048
Cash and investment fund balance - beginning	1,872,004	223,284	2,095,288
Cash and investment fund balance - ending	\$ 2,148,229	\$ 167,107	\$ 2,315,336

LAWRENCE COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2007

	City and Town Court Costs	Congressional School Interest	Tax Sale Surplus	Tax Sale Redemption	Surplus Tax	State Fair Board	State Fines and Forfeitures
Additions:							
Agency fund additions	\$ 17,232	\$ 1,472	\$ 103,369	\$ 7,321	\$ 262,390	\$ 12,338	\$ 369
Deductions:							
Agency fund deductions	24,548	-	50,306	127,394	135,305	12,338	347
Excess (deficiency) of total additions over total deductions	(7,316)	1,472	53,063	(120,073)	127,085	-	22
Cash and investment fund balance - beginning	14,800	8,505	(282)	121,283	25,546	-	50
Cash and investment fund balance - ending	<u>\$ 7,484</u>	<u>\$ 9,977</u>	<u>\$ 52,781</u>	<u>\$ 1,210</u>	<u>\$ 152,631</u>	<u>\$ -</u>	<u>\$ 72</u>

LAWRENCE COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2007
 (Continued)

	State Sales Disclosure Fee	State Forestry Tax	Overweight Vehicle Fines	Recorder	Sheriff	Infraction Judgments	Inheritance Tax
Additions:							
Agency fund additions	\$ 6,303	\$ 24,676	\$ 4,214	\$ 222,406	\$ 737,495	\$ 40,431	\$ 1,022,308
Deductions:							
Agency fund deductions	<u>6,398</u>	<u>24,676</u>	<u>4,214</u>	<u>224,691</u>	<u>729,692</u>	<u>40,431</u>	<u>1,138,880</u>
Excess (deficiency) of total additions over total deductions	(95)	-	-	(2,285)	7,803	-	(116,572)
Cash and investment fund balance - beginning	<u>110</u>	<u>-</u>	<u>-</u>	<u>18,659</u>	<u>205</u>	<u>-</u>	<u>285,671</u>
Cash and investment fund balance - ending	<u>\$ 15</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,374</u>	<u>\$ 8,008</u>	<u>\$ -</u>	<u>\$ 169,099</u>

LAWRENCE COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2007
 (Continued)

	Treasurer	Payroll	Sheriff's Inmate Trust	Education Plate Fees	Innkeepers Tax	Sheriff Retirement	Mortgage Fees State Share
Additions:							
Agency fund additions	\$ 46,656,910	\$ 5,459,691	\$ 230,521	\$ 4,913	\$ 200,000	\$ 22,487	\$ 5,925
Deductions:							
Agency fund deductions	46,359,855	5,984,411	229,546	4,913	200,000	23,748	5,925
Excess (deficiency) of total additions over total deductions	297,055	(524,720)	975	-	-	(1,261)	-
Cash and investment fund balance - beginning	479,867	535,253	6,674	423	-	1,261	-
Cash and investment fund balance - ending	<u>\$ 776,922</u>	<u>\$ 10,533</u>	<u>\$ 7,649</u>	<u>\$ 423</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LAWRENCE COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2007
 (Continued)

	Child Restraint Violation Fines	Riverboat Tax Distribution	Children With Special Health Needs	Health Care for Indigent	Medical Assistance to Wards	Homestead Credit Rebate	Tax Distribution
Additions:							
Agency fund additions	\$ 625	\$ 289,574	\$ 51,248	\$ 482,971	\$ 9,318	\$ 1,629,380	\$ 45,512,926
Deductions:							
Agency fund deductions	625	289,574	48,624	458,806	8,779	-	45,418,210
Excess (deficiency) of total additions over total deductions	-	-	2,624	24,165	539	1,629,380	94,716
Cash and investment fund balance - beginning	-	2,002	(2,624)	(24,165)	(539)	-	230
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 2,002</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,629,380</u>	<u>\$ 94,946</u>

LAWRENCE COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2007
 (Continued)

	<u>Tax Sale Redemption 2006</u>	<u>Tax Sale Surplus 2006</u>	<u>State Welfare Excise Tax Allocation</u>	<u>Payroll Excess</u>	<u>Tax Sale Redemption 2007</u>	<u>Tax Sale Surplus 2007</u>
Additions:						
Agency fund additions	\$ 33,446	\$ 71,531	\$ 60,237	\$ 124,988	\$ 16,572	\$ 504,139
Deductions:						
Agency fund deductions	<u>34,800</u>	<u>223,421</u>	<u>54,556</u>	-	<u>16,572</u>	<u>130,695</u>
Excess (deficiency) of total additions over total deductions	(1,354)	(151,890)	5,681	124,988	-	373,444
Cash and investment fund balance - beginning	<u>1,354</u>	<u>208,996</u>	<u>10,971</u>	-	-	-
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 57,106</u>	<u>\$ 16,652</u>	<u>\$ 124,988</u>	<u>\$ -</u>	<u>\$ 373,444</u>

LAWRENCE COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2007
 (Continued)

	<u>Surplus Dog</u>	<u>Death Benefit</u>	<u>Tax Sale Redemption 2007</u>	<u>Prosecutor's Bad Check Collections</u>	<u>Sheriff Evidence</u>	<u>Health Department</u>
Additions:						
Agency fund additions	\$ 157	\$ 4,680	\$ 45,673	\$ 86,971	\$ -	\$ 120,639
Deductions:						
Agency fund deductions	-	4,680	31,223	87,220	-	120,472
Excess (deficiency) of total additions over total deductions	157	-	14,450	(249)	-	167
Cash and investment fund balance - beginning	<u>(157)</u>	<u>-</u>	<u>13,753</u>	<u>6,880</u>	<u>15,575</u>	<u>12,519</u>
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,203</u>	<u>\$ 6,631</u>	<u>\$ 15,575</u>	<u>\$ 12,686</u>

LAWRENCE COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2007
 (Continued)

	Clerk Trust	Clerk ISETS	Probation Gifts/Trusts	Sales Disclosure	Welfare Trust	Totals
Additions:						
Agency fund additions	\$ 3,104,042	\$ 3,003,842	\$ -	\$ 6,287	\$ 33,759	\$ 110,235,776
Deductions:						
Agency fund deductions	3,102,224	2,923,899	-	4,800	5,900	108,292,698
Excess (deficiency) of total additions over total deductions	1,818	79,943	-	1,487	27,859	1,943,078
Cash and investment fund balance - beginning	20,975	570,602	228	7,863	53,219	2,395,707
Cash and investment fund balance - ending	<u>\$ 22,793</u>	<u>\$ 650,545</u>	<u>\$ 228</u>	<u>\$ 9,350</u>	<u>\$ 81,078</u>	<u>\$ 4,338,785</u>

LAWRENCE COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2007

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

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

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 1,418,400
Infrastructure	22,614,206
Buildings	20,837,600
Machinery and equipment	<u>5,683,924</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 50,554,130</u>

LAWRENCE COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2007

The County has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
Courthouse Annex	\$ 2,680,000	\$ 264,680
Detention Center	830,007	680,000
Notes and loans payable	22,021	17,920
Bonds payable:		
General obligation bonds:		
2004 Sofaland building bonds	<u>1,185,000</u>	<u>185,541</u>
Total governmental activities debt	<u>\$ 4,717,028</u>	<u>\$ 1,148,141</u>

LAWRENCE COUNTY
OTHER REPORTS

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

County Auditor
County Recorder
County Treasurer
County Sheriff
County Board of Aviation

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF LAWRENCE COUNTY, INDIANA

Compliance

We have audited the compliance of Lawrence 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, 2007. 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, 2007.

Internal Control Over Compliance

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

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

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

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

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

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

June 10, 2008

LAWRENCE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2007

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Pass-Through Indiana Criminal Justice Institute Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	05-JF-010 06-JF-017	\$ 15,763 <u>41,980</u>
Total for program			<u>57,743</u>
Crime Victim Assistance	16.575	06VA077 07VA065	12,583 <u>13,391</u>
Total for program			<u>25,974</u>
Residential Substance Abuse Treatment for State Prisoners	16.593	03-PT-005 06-RT-002	29,100 <u>30,841</u>
Total for program			<u>59,941</u>
Edward Byrne Memorial Justice Assistance Grant Program	16.738	06DJ001	<u>73,428</u>
Total for federal grantor agency			<u>217,086</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation Highway Planning and Construction Cluster Highway Planning and Construction	20.205	BR-NBIS(571)DESNO0600239	<u>24,960</u>
Pass-Through Indiana Criminal Justice Institute Highway Safety Cluster State and Community Highway Safety	20.600	OP-2007-01-02-17 OP-08-01-02-21	3,896 <u>1,996</u>
Total for cluster			<u>5,892</u>
Direct Grant Airport Improvement Program	20.106	3-18-0005-04 3-18-0005-05	23,046 <u>58,877</u>
Total for program			<u>81,923</u>
Total for federal grantor agency			<u>112,775</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-Through Indiana State Department of Health Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	BPRS 146-2	160 <u>51,231</u>
Total for program			<u>51,391</u>

The accompanying note is an integral part of the Schedule of Expenditures of Federal Awards.

LAWRENCE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2007
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)</u>			
Pass-Through Indiana Department of Child Services			
Child Support Enforcement	93.563		
County Prosecutor Expenditures			154,453
Child Support-Clerk			66,848
Child Support - Title IVD Collection Incentive			38,255
Indirect Cost			<u>69,775</u>
Total for program			<u>329,331</u>
Total for federal grantor agency			<u>380,722</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security			
Homeland Security Grant Program (2004)	97.004		
2003 (Part II) State Homeland Security Grant Program		EDS#C44P-7-203	<u>6,034</u>
Homeland Security Grant Program	97.067		
		2005 LETPP	<u>79</u>
State Homeland Security Program	97.073		
2004 State Homeland Security Program		EDS#C44P-7-203	<u>43,105</u>
Total for federal grantor agency			<u>49,218</u>
Total federal awards expended			<u>\$ 759,801</u>

The accompanying note is an integral part of the Schedule of Expenditures of Federal Awards.

LAWRENCE COUNTY
NOTE 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 Lawrence 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.

LAWRENCE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Qualified

Internal control over financial reporting:
 Material weaknesses identified? no
 Reportable conditions identified that are not considered to be material weaknesses? None reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:
 Material weaknesses identified? no
 Reportable conditions identified that are not considered to be material weaknesses? none reported

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

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

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
93.563	Child Support Enforcement
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? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

LAWRENCE COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

LAWRENCE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on June 10, 2008, with Billie J. Tumey, Auditor; and David A. Flinn, President of the Board of County Commissioners. Our audit disclosed no material items that warrant comment at this time.