

STATEMENT OF NET ASSETS

JUNE 30, 2006

	<i>Primary Government</i>		
	Governmental Activities	Business-type Activities	Total
ASSETS			
CURRENT:			
Cash and short-term investments.....	\$ 450,563	\$ 2,050,681	\$ 2,501,244
Receivables, net of allowance for uncollectibles:			
Intergovernmental.....	18,696	1,230,799	1,249,495
Other.....	-	68,545	68,545
Inventory.....	-	185,837	185,837
NONCURRENT:			
Capital assets not being depreciated.....	480,172	6,619,980	7,100,152
Capital assets, net of accumulated depreciation.....	<u>1,575,345</u>	<u>18,795,773</u>	<u>20,371,118</u>
TOTAL ASSETS.....	<u>2,524,776</u>	<u>28,951,615</u>	<u>31,476,391</u>
LIABILITIES			
CURRENT:			
Warrants payable.....	242,667	1,747,313	1,989,980
Accrued payroll.....	6,344	-	6,344
Accrued interest.....	-	13,510	13,510
Other liabilities.....	38,744	283,850	322,594
Customer deposits payable.....	-	5,000	5,000
Compensated absences.....	46,000	22,000	68,000
Bonds and notes payable.....	-	900,000	900,000
NONCURRENT:			
Compensated absences.....	80,000	15,000	95,000
Bonds and notes payable.....	<u>-</u>	<u>500,000</u>	<u>500,000</u>
TOTAL LIABILITIES.....	<u>413,755</u>	<u>3,486,673</u>	<u>3,900,428</u>
NET ASSETS			
Invested in capital assets, net of related debt.....	2,055,517	24,015,753	26,071,270
Restricted for:			
Capital outlay.....	-	1,230,799	1,230,799
Other purposes.....	18,205	-	18,205
Unrestricted.....	<u>37,299</u>	<u>218,390</u>	<u>255,689</u>
TOTAL NET ASSETS.....	<u>\$ 2,111,021</u>	<u>\$ 25,464,942</u>	<u>\$ 27,575,963</u>

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

FISCAL YEAR ENDED JUNE 30, 2006

		Program Revenues			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue
Primary Government:					
Governmental Activities:					
County commissioners.....	\$ 174,855	\$ -	\$ -	\$ -	\$ (174,855)
Parking clerk.....	260,144	270,928	-	-	10,784
Courthouse.....	92,262	34,568	-	-	(57,694)
Treasurer.....	210,169	-	-	-	(210,169)
Registry of deeds.....	344,823	296,562	43,728	-	(4,533)
Civil defense.....	6,030	-	-	-	(6,030)
Health council.....	2,543	-	-	-	(2,543)
Health and human services.....	81,549	-	11,001	-	(70,548)
Engineering.....	74,679	-	-	-	(74,679)
Retiree benefits.....	215,604	-	-	-	(215,604)
Veterans agent.....	41,425	-	-	-	(41,425)
Testing laboratory.....	41,858	33,808	-	-	(8,050)
Recreation.....	45,826	3,565	-	-	(42,261)
Rodent control.....	63,319	14,733	-	-	(48,586)
House of corrections/sheriff.....	3,417,357	247,121	1,814,287	-	(1,355,949)
Other expenditures.....	218,706	-	-	-	(218,706)
Total Governmental Activities.....	5,291,149	901,285	1,869,016	-	(2,520,848)
Business-Type Activities:					
Airport.....	5,914,928	5,156,309	139,655	2,017,192	1,398,228
Total Primary Government.....	\$ 11,206,077	\$ 6,057,594	\$ 2,008,671	\$ 2,017,192	\$ (1,122,620)

See notes to basic financial statements.

(Continued)

STATEMENT OF ACTIVITIES (Continued)

FISCAL YEAR ENDED JUNE 30, 2006

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Changes in net assets:			
Net (expense) revenue from previous page.....	\$ (2,520,848)	\$ 1,398,228	\$ (1,122,620)
<i>General revenues:</i>			
Town assessments.....	734,483	-	734,483
County deeds excise tax.....	1,296,192	-	1,296,192
Grants and contributions not restricted to specific programs.....	2,850	-	2,850
Unrestricted investment income.....	18,352	14,780	33,132
Miscellaneous.....	126,544	-	126,544
Transfers, net	170,135	(170,135)	-
Legal settlement appeal (see note 12).....	353,731	-	353,731
Total general revenues and transfers.....	2,702,287	(155,355)	2,546,932
Change in net assets.....	181,439	1,242,873	1,424,312
<i>Net Assets:</i>			
Beginning of year.....	1,929,582	24,222,069	26,151,651
End of year.....	\$ 2,111,021	\$ 25,464,942	\$ 27,575,963

(Concluded)

**GOVERNMENTAL FUNDS
BALANCE SHEET**

JUNE 30, 2006

	General	Sheriff	Other Special Revenue	County Capital Projects	Total Governmental Funds
ASSETS					
Cash and short-term investments.....	\$ 278,108	\$ 107,538	\$ 64,817	\$ 100	\$ 450,563
Receivables, net of uncollectibles:					
Intergovernmental.....	11,415	6,344	937	-	18,696
TOTAL ASSETS.....	\$ 289,523	\$ 113,882	\$ 65,754	\$ 100	\$ 469,259
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Warrants payable.....	\$ 107,782	\$ 112,384	\$ 22,501	\$ -	\$ 242,667
Accrued payroll.....	-	6,344	-	-	6,344
Other liabilities.....	34,206	2,298	2,240	-	38,744
TOTAL LIABILITIES.....	141,988	121,026	24,741	-	287,755
FUND BALANCES:					
Reserved for:					
Encumbrances and continuing appropriations....	-	82,351	-	-	82,351
Unreserved:					
Undesignated, reported in:					
General fund.....	147,535	-	-	-	147,535
Special revenue funds.....	-	(89,495)	41,013	-	(48,482)
Capital projects funds.....	-	-	-	100	100
TOTAL FUND BALANCES.....	147,535	(7,144)	41,013	100	181,504
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 289,523	\$ 113,882	\$ 65,754	\$ 100	\$ 469,259

See notes to basic financial statements.

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TOTAL FUND BALANCES TO THE STATEMENT OF NET ASSETS**

JUNE 30, 2006

Total governmental fund balances.....	\$ 181,504
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....	2,055,517
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Compensated absences.....	<u>(126,000)</u>
Net assets of governmental activities.....	<u>\$ 2,111,021</u>

See notes to basic financial statements.

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FISCAL YEAR ENDED JUNE 30, 2006

	General	Deeds Excise	Sheriff	Other Special Revenue	County Capital Projects	Total Governmental Funds
REVENUES:						
Town assessments.....	\$ 734,483	\$ -	\$ -	\$ -	\$ -	\$ 734,483
State grants.....	43,728	-	1,814,290	13,848	-	1,871,866
Courthouse rental.....	34,568	-	-	-	-	34,568
Registry of deeds.....	296,562	1,296,192	-	-	-	1,592,754
Dog license revenue.....	-	-	-	11,950	-	11,950
Beach fees.....	3,565	-	-	-	-	3,565
Parking fees.....	37,597	-	-	233,356	-	270,953
Communication center.....	127,317	-	-	-	-	127,317
Health and environment.....	33,809	-	-	-	-	33,809
Investment income.....	17,514	-	781	32	-	18,327
Miscellaneous.....	128,937	-	120,193	-	-	249,130
TOTAL REVENUES.....	1,458,080	1,296,192	1,935,264	259,186	-	4,948,722
EXPENDITURES:						
Current:						
County commissioners.....	170,141	-	-	-	-	170,141
Parking clerk.....	37,484	-	-	222,660	-	260,144
Courthouse.....	92,262	-	-	-	-	92,262
Treasurer.....	210,677	-	-	-	-	210,677
Registry of deeds.....	331,720	-	-	-	-	331,720
Civil defense.....	6,030	-	-	-	-	6,030
Health council.....	2,543	-	-	-	-	2,543
Health and human services.....	68,791	-	-	11,763	-	80,554
Engineering.....	73,862	-	-	-	-	73,862
Retiree benefits.....	215,604	-	-	-	-	215,604
Veterans agent.....	38,857	-	-	2,568	-	41,425
Health and environment.....	34,025	-	-	-	-	34,025
Recreation.....	41,985	-	-	-	-	41,985
Rodent control.....	58,380	-	-	-	-	58,380
House of corrections/sheriff.....	-	-	4,195,390	-	-	4,195,390
Other expenditures.....	261,640	-	1,928	44,249	-	307,817
TOTAL EXPENDITURES.....	1,644,001	-	4,197,318	281,240	-	6,122,559
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(185,921)	1,296,192	(2,262,054)	(22,054)	-	(1,173,837)
OTHER FINANCING SOURCES (USES):						
Transfers in - corrections maintenance of effort.....	-	-	465,881	-	-	465,881
Transfers out - corrections maintenance of effort.....	(465,881)	-	-	-	-	(465,881)
Transfers in - retirees' health insurance.....	91,135	-	-	-	-	91,135
Transfers in - cost allocations.....	113,520	-	-	-	-	113,520
Transfers out - cost allocations.....	-	(2,114)	(30,000)	(2,406)	-	(34,520)
Transfers in - deeds excise.....	323,520	-	970,558	-	-	1,294,078
Transfers out - deeds excise.....	-	(1,294,078)	-	-	-	(1,294,078)
Transfers in - other.....	-	-	16,000	-	-	16,000
Transfers out - other.....	(16,000)	-	-	-	-	(16,000)
TOTAL OTHER FINANCING SOURCES (USES)...	46,294	(1,296,192)	1,422,439	(2,406)	-	170,135
NET CHANGE IN FUND BALANCES.....	(139,627)	-	(839,615)	(24,460)	-	(1,003,702)
FUND BALANCES AT BEGINNING OF YEAR.....	287,162	-	832,471	65,473	100	1,185,206
FUND BALANCES AT END OF YEAR.....	\$ 147,535	\$ -	\$ (7,144)	\$ 41,013	\$ 100	\$ 181,504

See notes to basic financial statements.

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

FISCAL YEAR ENDED JUNE 30, 2006

Net change in fund balances - total governmental funds.....	\$ (1,003,702)
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay.....	852,574
Depreciation expense.....	<u>(132,275)</u>

Net effect of reporting capital assets.....	720,299
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Net change in compensated absences accrual.....	22,000
Net change in court judgments accrual.....	<u>442,842</u>

Net effect of recording long-term liabilities and amortizing deferred losses.....	<u>464,842</u>
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Change in net assets of governmental activities.....	\$ <u><u>181,439</u></u>
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See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF NET ASSETS

JUNE 30, 2006

	Business-type Activities - Airport Enterprise Funds
ASSETS	
CURRENT:	
Cash and short-term investments.....	\$ 2,050,681
Receivables, net of allowance for uncollectibles:	
Intergovernmental.....	1,230,799
Departmental and other.....	68,545
Inventory.....	185,837
Total current assets.....	3,535,862
NONCURRENT:	
Capital assets not being depreciated.....	6,619,980
Capital assets, net of accumulated depreciation.....	18,795,773
Total noncurrent assets.....	25,415,753
TOTAL ASSETS.....	28,951,615
LIABILITIES	
CURRENT:	
Warrants payable.....	1,747,313
Accrued interest.....	13,510
Customer deposits payable.....	5,000
Other liabilities.....	283,850
Compensated absences.....	22,000
Bonds and notes payable.....	900,000
Total current liabilities.....	2,971,673
NONCURRENT:	
Compensated absences.....	15,000
Bonds and notes payable.....	500,000
Total noncurrent liabilities.....	515,000
TOTAL LIABILITIES.....	3,486,673
NET ASSETS	
Invested in capital assets, net of related debt.....	24,015,753
Restricted for:	
Capital outlay.....	1,230,799
Unrestricted.....	218,390
TOTAL NET ASSETS.....	\$ 25,464,942

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

FISCAL YEAR ENDED JUNE 30, 2006

	Business-type Activities - Airport Enterprise Funds
<u>OPERATING REVENUES:</u>	
Charges for services.....	\$ 889,036
Intergovernmental.....	139,655
Fuel.....	3,507,187
Business park.....	684,454
Wastewater revenue.....	<u>75,632</u>
TOTAL OPERATING REVENUES	<u>5,295,964</u>
<u>OPERATING EXPENSES:</u>	
Cost of services and administration.....	1,797,552
Fuel.....	2,494,967
Water facilities.....	87,571
Wastewater facilities.....	172,946
Transportation security.....	138,110
Depreciation.....	<u>1,194,109</u>
TOTAL OPERATING EXPENSES	<u>5,885,255</u>
OPERATING INCOME (LOSS).....	<u>(589,291)</u>
<u>NONOPERATING REVENUES (EXPENSES):</u>	
Investment income.....	14,780
Interest expense.....	(29,673)
Intergovernmental.....	<u>2,017,192</u>
TOTAL NONOPERATING REVENUES (EXPENSES), NET.....	<u>2,002,299</u>
INCOME (LOSS) BEFORE TRANSFERS.....	<u>1,413,008</u>
<u>TRANSFERS:</u>	
Transfers out - retirees' health insurance.....	(91,135)
Transfers out - cost allocations.....	<u>(79,000)</u>
TOTAL TRANSFERS.....	<u>(170,135)</u>
CHANGE IN NET ASSETS.....	1,242,873
NET ASSETS AT BEGINNING OF YEAR.....	<u>24,222,069</u>
NET ASSETS AT END OF YEAR.....	<u>\$ 25,464,942</u>

See notes to basic financial statements.

**PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS**

FISCAL YEAR ENDED JUNE 30, 2006

	Business-type Activities - Airport Enterprise Funds
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	
Receipts from customers and users.....	\$ 5,195,148
Receipts from other governments.....	117,127
Payments to vendors.....	(3,539,652)
Payments to employees.....	(1,033,844)
NET CASH FROM OPERATING ACTIVITIES.....	738,779
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>	
Transfers out.....	(170,135)
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES.....	(170,135)
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>	
Proceeds from the issuance of bonds and notes.....	2,400,000
Capital grants.....	3,137,314
Acquisition and construction of capital assets.....	(3,358,577)
Principal payments on bonds and notes.....	(1,700,000)
Interest expense.....	(31,850)
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....	446,887
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>	
Investment income.....	14,780
NET CHANGE IN CASH AND SHORT-TERM INVESTMENTS.....	1,030,311
CASH AND SHORT-TERM INVESTMENTS AT BEGINNING OF YEAR.....	1,020,370
CASH AND SHORT-TERM INVESTMENTS AT END OF YEAR.....	\$ 2,050,681
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:</u>	
Operating income (loss).....	\$ (589,291)
Adjustments to reconcile operating income (loss) to net cash from operating activities:	
Depreciation.....	1,194,109
Changes in assets and liabilities:	
Departmental and other.....	33,839
Intergovernmental.....	(22,528)
Inventory.....	(35,941)
Warrants payable.....	142,361
Liabilities due depositors.....	5,000
Other liabilities.....	186,250
Accrued compensated absences.....	5,000
Court judgments.....	(180,020)
Total adjustments.....	1,328,070
NET CASH FROM OPERATING ACTIVITIES.....	\$ 738,779

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS

JUNE 30, 2006

	<u>Agency Funds</u>
ASSETS	
CURRENT:	
Cash and short-term investments.....	\$ <u>63,535</u>
LIABILITIES	
Other liabilities.....	\$ <u>63,535</u>

See notes to basic financial statements.