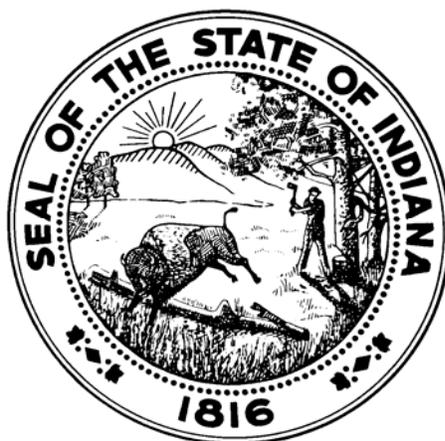


**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

ANNUAL FINANCIAL REPORT

2006

JAY COUNTY, INDIANA



**FILED**

05/09/2007



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Freda Corwin	01-01-04 to 12-31-07
Treasurer	Frances Milthaler	01-01-05 to 09-10-06
	Sandy Calwallader (Interim)	09-11-06 to 10-06-06
	Jada M. LeMaster	10-07-06 to 11-07-06
	Sandy Calwallader (Interim)	11-08-06 to 11-30-06
	Robin Alberson	12-01-06 to 12-31-08
Clerk	Jane Ann Runyon	01-01-05 to 12-31-08
Sheriff	Todd Penrod	01-01-03 to 12-31-06
	Larry R. Newton	01-01-07 to 12-31-10
Recorder	Betty St. Myers	01-01-04 to 12-31-07
President of the Board of County Commissioners	Milo M. Miller, Jr.	01-01-06 to 12-31-07
President of the County Council	Marilyn Coleman	01-01-06 to 12-31-07



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

TO: THE OFFICIALS OF JAY COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jay County (County), as of and for the year ended December 31, 2006, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

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

In our opinion, except that the omission of the component units of the County referred to in the preceding paragraph results in incomplete presentation, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 2006, and the respective cash receipts and cash disbursements during the year then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated April 16, 2007, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Our report on compliance and on internal control over financial reporting should be read along with this report.

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

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

The Schedules of Funding Progress, Schedule of Contributions From the Employer and Other Contributing Entities 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 a required part of the basic financial statements. The Combining Schedules, as listed in the table of contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of 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

April 16, 2007



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF JAY COUNTY, INDIANA

We have audited the financial statements of Jay County (County), as of and for the year ended December 31, 2006, and have issued our report thereon dated April 16, 2007. The opinion to the financial statements was qualified due to the omission of component units. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

STATE BOARD OF ACCOUNTS

April 16, 2007

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

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net Receipts (Disbursements) and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Primary government:				
Governmental activities:				
General government	\$ 3,721,470	\$ 475,902	\$ 454,800	\$ (2,790,768)
Public safety	3,390,501	389,680	303,096	(2,697,725)
Highways and streets	4,062,478	51,740	2,909,490	(1,101,248)
Health and welfare	1,627,678	28,507	279,249	(1,319,922)
Economic development	1,426,666	-	-	(1,426,666)
Stormwater drainage	625,479	-	-	(625,479)
	<u>14,854,272</u>	<u>945,829</u>	<u>3,946,635</u>	<u>(9,961,808)</u>
Total primary government				
General receipts:				
Property taxes				4,775,012
Income taxes				2,701,782
Other taxes				786,879
Special assessments				1,012,051
Unrestricted grants				211,012
Unrestricted investment earnings				574,918
Other receipts				527,331
				<u>10,588,985</u>
Total general and other receipts				
				627,177
Change in net assets				
				10,495,655
Net assets - beginning				
				<u>11,122,832</u>
Net assets - ending				
				<u>\$ 11,122,832</u>
<u>Assets</u>				
Cash and investments				\$ 2,289,333
Restricted assets:				
Cash and investments				<u>8,833,499</u>
Total assets				
				<u>\$ 11,122,832</u>
<u>Net Assets</u>				
Restricted for:				
Public safety				\$ 1,550,653
Highways and streets				4,154,494
Health and welfare				780,792
Economic development				704,121
Stormwater drainage				914,224
Other purposes				729,215
Unrestricted				
				<u>2,289,333</u>
Total net assets				
				<u>\$ 11,122,832</u>

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

JAY COUNTY  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
GOVERNMENTAL FUNDS  
For The Year Ended December 31, 2006

	General	Highway	Cumulative Bridge	Other Governmental Funds	Totals
<b>Receipts:</b>					
Taxes	\$ 4,158,018	\$ 66,197	\$ 452,894	\$ 2,922,569	\$ 7,599,678
Special assessments	-	-	-	1,012,051	1,012,051
Intergovernmental	646,927	2,662,178	86,954	1,425,583	4,821,642
Charges for services	421,113	33,917	-	444,895	899,925
Fines and forfeits	76,470	-	-	160,816	237,286
Other	643,949	26,612	-	240,306	910,867
<b>Total receipts</b>	<b>5,946,477</b>	<b>2,788,904</b>	<b>539,848</b>	<b>6,206,220</b>	<b>15,481,449</b>
<b>Disbursements:</b>					
General government	2,497,824	-	-	1,223,646	3,721,470
Public safety	1,959,512	-	-	1,430,989	3,390,501
Highways and streets	-	2,159,865	398,628	1,503,985	4,062,478
Health and welfare	523,842	-	-	1,103,836	1,627,678
Economic development	211,100	-	-	1,215,566	1,426,666
Stormwater drainage	206,883	-	-	418,596	625,479
<b>Total disbursements</b>	<b>5,399,161</b>	<b>2,159,865</b>	<b>398,628</b>	<b>6,896,618</b>	<b>14,854,272</b>
Excess (deficiency) of revenue over (under) disbursements	547,316	629,039	141,220	(690,398)	627,177
<b>Other financing sources (uses)</b>					
Transfers in	655,187	-	-	2,047,814	2,703,001
Transfers out	(1,167,706)	-	-	(1,535,295)	(2,703,001)
<b>Total other financing sources (uses)</b>	<b>(512,519)</b>	<b>-</b>	<b>-</b>	<b>512,519</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	34,797	629,039	141,220	(177,879)	627,177
Cash and investment fund balance - beginning	1,779,403	1,068,964	1,396,296	6,250,992	10,495,655
Cash and investment fund balance - ending	<u>\$ 1,814,200</u>	<u>\$ 1,698,003</u>	<u>\$ 1,537,516</u>	<u>\$ 6,073,113</u>	<u>\$ 11,122,832</u>
<b>Cash and Investment Assets - December 31</b>					
Cash and investments	<u>\$ 1,814,200</u>	<u>\$ 1,698,003</u>	<u>\$ 1,537,516</u>	<u>\$ 6,073,113</u>	<u>\$ 11,122,832</u>
<b>Cash and Investment Fund Balance - December 31</b>					
<b>Restricted for:</b>					
Public safety	\$ -	\$ -	\$ -	\$ 1,550,653	\$ 1,550,653
Highways and streets	-	1,698,003	1,537,516	918,975	4,154,494
Health and welfare	-	-	-	780,792	780,792
Economic development	-	-	-	704,121	704,121
Stormwater drainage	-	-	-	914,224	914,224
Other purposes	-	-	-	729,215	729,215
Unrestricted	1,814,200	-	-	475,133	2,289,333
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 1,814,200</u>	<u>\$ 1,698,003</u>	<u>\$ 1,537,516</u>	<u>\$ 6,073,113</u>	<u>\$ 11,122,832</u>

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

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

	<u>Pension Trust Fund</u>	<u>Private-Purpose Trust Fund</u>	<u>Agency Funds</u>
Additions:			
Contributions:			
Employer	\$ 127,896	\$ -	\$ -
Plan members	<u>11,959</u>	<u>-</u>	<u>-</u>
Total contributions	<u>139,855</u>	<u>-</u>	<u>-</u>
Investment earnings:			
Net increase in fair value of investments	30,239	-	-
Interest and dividends	41,148	-	-
Other	<u>7,388</u>	<u>-</u>	<u>-</u>
Net investment earnings	78,775	-	-
Agency fund additions	<u>-</u>	<u>-</u>	<u>30,365,989</u>
Total additions	<u>218,630</u>	<u>-</u>	<u>30,365,989</u>
Deductions:			
Benefits	40,242	-	-
Refunds of contributions	1,383	-	-
Insurance premiums	2,564	-	-
Administrative and general	28,891	-	-
Agency fund deductions	<u>-</u>	<u>-</u>	<u>30,033,826</u>
Total deductions	<u>73,080</u>	<u>-</u>	<u>30,033,826</u>
Excess of total additions over total deductions	145,550	-	332,163
Cash and investment fund balance - beginning	<u>1,291,619</u>	<u>22,822</u>	<u>896,550</u>
Cash and investment fund balance - ending	<u>\$ 1,437,169</u>	<u>\$ 22,822</u>	<u>\$ 1,228,713</u>

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

JAY 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 and emergency medical service), highways and streets, health welfare and social services, public improvements, planning and zoning, and general administrative services.

The County's financial reporting entity is composed of the County only.

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

The Jay County Hospital and the Jay County Solid Waste Management District 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.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

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

The County reports the following major governmental funds:

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

The highway fund accounts for activities relating to the maintenance of county roads.

The cumulative bridge fund accounts for activities of building and repairing bridges.

JAY COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Additionally, the County reports the following fund types:

The pension trust fund accounts for the activities of the sheriff's pension fund, which accumulates resources for pension benefit payments.

The private-purpose trust fund accounts for the congressional school principal fund, which holds assets from which the interest is used to help finance public education.

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

C. Measurement Focus and Basis of Accounting

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

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

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

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.

JAY COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

4. Equity Classification

Government-Wide Statements

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

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

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

Fund Financial Statements

Governmental fund equity is classified as fund balance.

E. Receipts and Disbursements

Program Receipts

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

F. Internal and Interfund Balances and Activities

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

Fund Financial Statements

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

JAY COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Government-Wide Financial Statements

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

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

II. Stewardship, Compliance and Accountability

Budgetary Information

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

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

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

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

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

JAY 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, 2006, the County had the following investments:

Investment Type	Sheriff's Retirement and Benefit Pension Plans
U.S. Treasuries and securities	\$ 197,934
U.S. Agencies	143,952
Corporate bonds	16,433
Common stock	1,076,681
Mutual funds	89,285
Total	\$ 1,524,285

Investment Policies

Indiana Code 5-13-9 authorizes the County to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the unit to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

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

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

JAY COUNTY  
 NOTES TO FINANCIAL STATEMENTS  
 (Continued)

United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

The Sheriff's Pension Plan is not subject to the same investment laws as the county. The Sheriff's Merit Board has not adopted an investment policy for interest rate and credit risk.

Investment Custodial Credit Risk

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

The Sheriff's Merit Board has not adopted an investment policy for custodial credit risk for investments. At December 31, 2006, the Sheriff's Retirement and Benefit Pension Plans held investments in corporate stocks and bonds, mutual funds and federal agency bonds in the amount of \$1,180,209. All of these investments 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.

Investment Type	Investment Maturities (in Years)		
	Less Than 1	1-2	More Than 2
U.S. Treasuries and securities	\$ -	\$ 12,936	\$ 184,998
U.S. Agencies	-	-	143,952
Corporate bonds	-	-	160,385
Common stock	1,076,681	-	-
Mutual funds	89,285	-	-
Totals	<u>\$ 1,165,966</u>	<u>\$ 12,936</u>	<u>\$ 489,335</u>

JAY COUNTY  
 NOTES TO FINANCIAL STATEMENTS  
 (Continued)

Credit Risk

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

Standard and Poor's Rating	Corporate Bonds	Government Sponsored Enterprise
AAA	\$ 1,888	\$ 107,264
AA	6,000	7,293
Unrated	8,545	29,395
Totals	\$ 16,433	\$ 143,952

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. However, no single issuer accounts for over 5% of their investments.

Foreign Currency Risk

The County does not have a formal policy in regards to foreign currency risk. There are no investments in foreign currency.

B. Interfund Transfers

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

Transfer From	Transfer To	2006
General Fund	Other governmental	\$ 1,167,706
Other governmental	General Fund	655,187
Other governmental	Other governmental	880,108
Total		\$ 2,703,001

The County typically uses transfers to fund ongoing operating subsidies and to transfer the portion of state-shared revenues from the General Fund to the debt service fund for current-year debt service requirements.

JAY COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

IV. Other Information

A. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and job related illnesses or injuries to employees.

The risks of torts; theft of, damage to, and destruction of assets; and errors and omissions 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 1992, the County joined with other governmental entities to form the Indiana Public Employer's Plan, a public entity risk pool currently operating as a common risk management and insurance program for approximately 350 member governmental entities. This risk pool was formed in 1989. The purpose of the risk pool is to provide a medium for the funding and administration of workers compensation claims. The County pays an annual premium to the risk pool for its coverage. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$1,000,000 per insured event.

B. Administration of Welfare Programs

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

C. Pension Plans

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

a. 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.

JAY COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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.

Information to segregate the assets/liabilities and the actuarial study figures between the County and the Utilities is not available.

b. 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.

c. 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.

JAY COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Funding Policy and Annual Pension Cost

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

Actuarial Information for the Above Plans

	PERF	County Police Retirement Plan	County Police Benefit Plan
Annual required contribution	\$ 173,541	\$ 118,057	\$ 7,525
Interest on net pension obligation	675	1,284	-
Adjustment to annual required contribution	<u>(770)</u>	<u>(1,844)</u>	<u>-</u>
Annual pension cost	173,446	117,497	7,525
Contributions made	<u>166,110</u>	<u>124,931</u>	<u>7,525</u>
Increase (decrease) in net pension obligation	7,336	(7,434)	-
Net pension obligation, beginning of year	<u>9,315</u>	<u>18,343</u>	<u>-</u>
Net pension obligation, end of year	<u>\$ 16,651</u>	<u>\$ 10,909</u>	<u>\$ -</u>

	PERF	County Police Retirement Plan	County Police Benefit Plan
Contribution rates:			
County	5.5%	30%	3%
Plan members	3%	6%	6%
Actuarial valuation date	07-01-05	01-01-07	01-01-07
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

JAY COUNTY  
 NOTES TO FINANCIAL STATEMENTS  
 (Continued)

<u>Actuarial Assumptions</u>	<u>PERF</u>	<u>County Police Retirement Plan</u>	<u>County Police Benefit Plan</u>
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

	<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
PERF	06-30-03	\$ 188,998	57%	\$ (33,097)
	06-30-04	169,166	75%	9,315
	06-30-05	173,446	98%	16,651
County Police Retirement Plan	12-31-04	112,126	109%	27,633
	12-31-05	110,844	108%	18,343
	12-31-06	117,497	109%	10,909
County Police Benefit Plan	12-31-04	9,047	100%	-
	12-31-05	8,524	100%	-
	12-31-06	7,525	100%	-

JAY 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)
07-01-03	\$ 2,956,466	\$ 3,271,338	\$ (314,872)	90%	\$ 3,169,745	(10%)
07-01-04	2,980,320	3,291,779	(311,459)	91%	3,197,229	(10%)
07-01-05	3,113,687	3,945,162	(831,475)	79%	3,419,390	(24%)

County Police Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-02	\$ 730,094	\$ 1,038,216	\$ (308,122)	70%	\$ 389,294	(79%)
01-01-03	800,324	1,105,569	(305,245)	72%	396,973	(77%)
01-01-04	923,046	1,221,582	(298,536)	76%	394,963	(76%)
01-01-05	1,047,588	1,326,700	(279,112)	79%	400,944	(70%)
01-01-06	1,234,272	1,534,156	(299,884)	80%	409,143	(73%)
01-01-07	1,432,777	1,715,005	(282,228)	84%	396,075	(71%)

JAY COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2006

	Excess Levy	Surveyor's Corner Perpetuation	Property Reassessment	Clerk's Record Retention	Administrative Fee	Recorder's Records Perpetuation	Redacting Fee
<b>Receipts:</b>							
Taxes	\$ -	\$ -	\$ 83,785	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Intergovernmental	-	-	8,651	-	-	-	-
Charges for services	-	5,155	-	-	-	30,826	8,288
Fines and forfeits	-	-	-	3,710	12,133	-	-
Other	-	-	11,415	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>5,155</b>	<b>103,851</b>	<b>3,710</b>	<b>12,133</b>	<b>30,826</b>	<b>8,288</b>
<b>Disbursements:</b>							
General government	-	-	108,514	-	-	29,707	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Stormwater drainage	-	3,419	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>3,419</b>	<b>108,514</b>	<b>-</b>	<b>-</b>	<b>29,707</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	-	1,736	(4,663)	3,710	12,133	1,119	8,288
<b>Other financing sources (uses)</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	(55,604)	-	(5,400)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(55,604)</b>	<b>-</b>	<b>(5,400)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(55,604)	1,736	(10,063)	3,710	12,133	1,119	8,288
Cash and investment fund balance - beginning	63,266	28,156	332,268	9,193	26,224	136,227	-
Cash and investment fund balance - ending	<u>\$ 7,662</u>	<u>\$ 29,892</u>	<u>\$ 322,205</u>	<u>\$ 12,903</u>	<u>\$ 38,357</u>	<u>\$ 137,346</u>	<u>\$ 8,288</u>
<b>Cash and Investment Assets - December 31</b>							
Cash and investments	<u>\$ 7,662</u>	<u>\$ 29,892</u>	<u>\$ 322,205</u>	<u>\$ 12,903</u>	<u>\$ 38,357</u>	<u>\$ 137,346</u>	<u>\$ 8,288</u>
<b>Cash and Investment Fund Balance - December 31</b>							
<b>Restricted for:</b>							
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Stormwater drainage	-	-	-	-	-	-	-
Other purposes	-	29,892	322,205	12,903	38,357	137,346	8,288
Unrestricted	7,662	-	-	-	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 7,662</u>	<u>\$ 29,892</u>	<u>\$ 322,205</u>	<u>\$ 12,903</u>	<u>\$ 38,357</u>	<u>\$ 137,346</u>	<u>\$ 8,288</u>

JAY COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2006  
 (Continued)

	Plat Book	Electronic Map Generation	Convention and Tourism	Sales Disclosure	Cannabus/ Marijuana Eradication	Health Insurance	ALS Donations
<b>Receipts:</b>							
Taxes	\$ -	\$ -	\$ 56,687	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	7,108	577	-	2,835	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	1	-	-	-	1,255	-
<b>Total receipts</b>	<b>7,108</b>	<b>578</b>	<b>56,687</b>	<b>2,835</b>	<b>-</b>	<b>1,255</b>	<b>-</b>
<b>Disbursements:</b>							
General government	-	-	-	3,835	-	568,964	-
Public safety	-	-	-	-	-	-	500
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Economic development	-	-	46,717	-	-	-	-
Stormwater drainage	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>-</b>	<b>46,717</b>	<b>3,835</b>	<b>-</b>	<b>568,964</b>	<b>500</b>
Excess (deficiency) of receipts over disbursements	7,108	578	9,970	(1,000)	-	(567,709)	(500)
<b>Other financing sources (uses)</b>							
Transfers in	-	-	-	-	-	1,079,587	-
Transfers out	-	-	-	-	-	(520,000)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>559,587</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	7,108	578	9,970	(1,000)	-	(8,122)	(500)
Cash and investment fund balance - beginning	50,898	2,412	40,049	5,325	829	40,281	500
Cash and investment fund balance - ending	<u>\$ 58,006</u>	<u>\$ 2,990</u>	<u>\$ 50,019</u>	<u>\$ 4,325</u>	<u>\$ 829</u>	<u>\$ 32,159</u>	<u>\$ -</u>
<b>Cash and Investment Assets - December 31</b>							
Cash and investments	<u>\$ 58,006</u>	<u>\$ 2,990</u>	<u>\$ 50,019</u>	<u>\$ 4,325</u>	<u>\$ 829</u>	<u>\$ 32,159</u>	<u>\$ -</u>
<b>Cash and Investment Fund Balance - December 31</b>							
<b>Restricted for:</b>							
Public safety	\$ -	\$ -	\$ -	\$ -	\$ 829	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Economic development	-	-	50,019	-	-	-	-
Stormwater drainage	-	-	-	-	-	-	-
Other purposes	58,006	2,990	-	4,325	-	32,159	-
Unrestricted	-	-	-	-	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<b><u>\$ 58,006</u></b>	<b><u>\$ 2,990</u></b>	<b><u>\$ 50,019</u></b>	<b><u>\$ 4,325</u></b>	<b><u>\$ 829</u></b>	<b><u>\$ 32,159</u></b>	<b><u>\$ -</u></b>

JAY COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2006  
 (Continued)

	JEMS Fund Raisers	Retirement Center Donations	Court Appointed Special Advocate	Juvenile Probation Service	Adult Probation Services	Pretrial Diversion	County Forfeiture
<b>Receipts:</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	1,407
Fines and forfeits	-	-	26,660	2,059	33,316	2,209	-
Other	95	404	-	-	-	-	-
<b>Total receipts</b>	<b>95</b>	<b>404</b>	<b>26,660</b>	<b>2,059</b>	<b>33,316</b>	<b>2,209</b>	<b>1,407</b>
<b>Disbursements:</b>							
General government	-	-	27,280	-	-	-	-
Public safety	105	-	-	-	10,955	2,650	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	8,952	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Stormwater drainage	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>105</b>	<b>8,952</b>	<b>27,280</b>	<b>-</b>	<b>10,955</b>	<b>2,650</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	(10)	(8,548)	(620)	2,059	22,361	(441)	1,407
<b>Other financing sources (uses)</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(10)	(8,548)	(620)	2,059	22,361	(441)	1,407
Cash and investment fund balance - beginning	10	8,676	17,185	4,953	127,333	2,577	11,012
Cash and investment fund balance - ending	\$ -	\$ 128	\$ 16,565	\$ 7,012	\$ 149,694	\$ 2,136	\$ 12,419
<b>Cash and Investment Assets - December 31</b>							
Cash and investments	\$ -	\$ 128	\$ 16,565	\$ 7,012	\$ 149,694	\$ 2,136	\$ 12,419
<b>Cash and Investment Fund Balance - December 31</b>							
<b>Restricted for:</b>							
Public safety	\$ -	\$ -	\$ -	\$ 7,012	\$ 149,694	\$ 2,136	\$ 12,419
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	128	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Stormwater drainage	-	-	-	-	-	-	-
Other purposes	-	-	16,565	-	-	-	-
Unrestricted	-	-	-	-	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<b>\$ -</b>	<b>\$ 128</b>	<b>\$ 16,565</b>	<b>\$ 7,012</b>	<b>\$ 149,694</b>	<b>\$ 2,136</b>	<b>\$ 12,419</b>

JAY COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2006  
 (Continued)

	Extradition	County Corrections	Community Transition Program	Community Correction - Home Detention	Local Road and Street	Health	Health Maintenance
<b>Receipts:</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 141,907	\$ -
Special assessments	-	-	-	-	-	-	-
Intergovernmental	-	15,597	22,258	-	207,118	14,652	33,139
Charges for services	-	-	-	-	-	25,303	3,204
Fines and forfeits	-	-	-	45,904	-	-	-
Other	-	-	-	-	-	3,687	728
<b>Total receipts</b>	<b>-</b>	<b>15,597</b>	<b>22,258</b>	<b>45,904</b>	<b>207,118</b>	<b>185,549</b>	<b>37,071</b>
<b>Disbursements:</b>							
General government	-	-	-	-	-	-	-
Public safety	-	17,704	12,595	16,690	-	-	-
Highways and streets	-	-	-	-	219,305	-	-
Health and welfare	-	-	-	-	-	166,331	31,249
Economic development	-	-	-	-	-	-	-
Stormwater drainage	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>17,704</b>	<b>12,595</b>	<b>16,690</b>	<b>219,305</b>	<b>166,331</b>	<b>31,249</b>
Excess (deficiency) of receipts over disbursements	-	(2,107)	9,663	29,214	(12,187)	19,218	5,822
<b>Other financing sources (uses)</b>							
Transfers in	-	-	250	-	-	-	-
Transfers out	-	-	-	-	-	(17,318)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>250</b>	<b>-</b>	<b>-</b>	<b>(17,318)</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(2,107)	9,913	29,214	(12,187)	1,900	5,822
Cash and investment fund balance - beginning	2,228	25,861	330	150,610	74,625	108,198	19,387
Cash and investment fund balance - ending	<u>\$ 2,228</u>	<u>\$ 23,754</u>	<u>\$ 10,243</u>	<u>\$ 179,824</u>	<u>\$ 62,438</u>	<u>\$ 110,098</u>	<u>\$ 25,209</u>
<b>Cash and Investment Assets - December 31</b>							
Cash and investments	<u>\$ 2,228</u>	<u>\$ 23,754</u>	<u>\$ 10,243</u>	<u>\$ 179,824</u>	<u>\$ 62,438</u>	<u>\$ 110,098</u>	<u>\$ 25,209</u>
<b>Cash and Investment Fund Balance - December 31</b>							
<b>Restricted for:</b>							
Public safety	\$ 2,228	\$ 23,754	\$ 10,243	\$ 179,824	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	62,438	-	-
Health and welfare	-	-	-	-	-	110,098	25,209
Economic development	-	-	-	-	-	-	-
Stormwater drainage	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 2,228</u>	<u>\$ 23,754</u>	<u>\$ 10,243</u>	<u>\$ 179,824</u>	<u>\$ 62,438</u>	<u>\$ 110,098</u>	<u>\$ 25,209</u>

JAY COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2006  
 (Continued)

	Tobacco Cessation - Prevention	Family and Children	Child Psychiatric Residential Treatment	General Drain Improvement	Backhoe/Dozer Repair and Replacement	Drainage Maintenance	Wabash Cleanouts
Receipts:							
Taxes	\$ -	\$ 541,963	\$ 54,347	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	340,755	-
Intergovernmental	18,099	116,021	5,611	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	61,665	-	884	-	-	-
Total receipts	<u>18,099</u>	<u>719,649</u>	<u>59,958</u>	<u>884</u>	<u>-</u>	<u>340,755</u>	<u>-</u>
Disbursements:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	17,566	691,379	20,413	-	-	-	-
Economic development	-	-	-	-	-	-	-
Stormwater drainage	-	-	-	73,758	59,267	282,041	111
Total disbursements	<u>17,566</u>	<u>691,379</u>	<u>20,413</u>	<u>73,758</u>	<u>59,267</u>	<u>282,041</u>	<u>111</u>
Excess (deficiency) of receipts over disbursements	<u>533</u>	<u>28,270</u>	<u>39,545</u>	<u>(72,874)</u>	<u>(59,267)</u>	<u>58,714</u>	<u>(111)</u>
Other financing sources (uses)							
Transfers in	-	-	-	64,458	61,868	-	-
Transfers out	-	-	-	(50,115)	-	(125,677)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,343</u>	<u>61,868</u>	<u>(125,677)</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>533</u>	<u>28,270</u>	<u>39,545</u>	<u>(58,531)</u>	<u>2,601</u>	<u>(66,963)</u>	<u>(111)</u>
Cash and investment fund balance - beginning	<u>28,697</u>	<u>352,579</u>	<u>195,733</u>	<u>82,388</u>	<u>68,838</u>	<u>885,128</u>	<u>874</u>
Cash and investment fund balance - ending	<u>\$ 29,230</u>	<u>\$ 380,849</u>	<u>\$ 235,278</u>	<u>\$ 23,857</u>	<u>\$ 71,439</u>	<u>\$ 818,165</u>	<u>\$ 763</u>
<u>Cash and Investment Assets - December 31</u>							
Cash and investments	<u>\$ 29,230</u>	<u>\$ 380,849</u>	<u>\$ 235,278</u>	<u>\$ 23,857</u>	<u>\$ 71,439</u>	<u>\$ 818,165</u>	<u>\$ 763</u>
<u>Cash and Investment Fund Balance - December 31</u>							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	29,230	380,849	235,278	-	-	-	-
Economic development	-	-	-	-	-	-	-
Stormwater drainage	-	-	-	23,857	71,439	818,165	763
Other purposes	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 29,230</u>	<u>\$ 380,849</u>	<u>\$ 235,278</u>	<u>\$ 23,857</u>	<u>\$ 71,439</u>	<u>\$ 818,165</u>	<u>\$ 763</u>

JAY COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2006  
 (Continued)

	Clerk IV-D Incentives	Prosecutor Title IV-D	Jury Fee	Ambulance Replacement	VIN Checks	Supplemental Public Defender Services	Inmate Medical
<b>Receipts:</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Intergovernmental	8,356	22,396	-	-	-	-	-
Charges for services	-	-	-	-	996	-	1,948
Fines and forfeits	-	-	4,924	-	-	3,100	-
Other	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>8,356</b>	<b>22,396</b>	<b>4,924</b>	<b>-</b>	<b>996</b>	<b>3,100</b>	<b>1,948</b>
<b>Disbursements:</b>							
General government	3,527	-	18,992	-	-	8,219	-
Public safety	-	4,499	-	-	-	-	120
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Stormwater drainage	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>3,527</b>	<b>4,499</b>	<b>18,992</b>	<b>-</b>	<b>-</b>	<b>8,219</b>	<b>120</b>
Excess (deficiency) of receipts over disbursements	4,829	17,897	(14,068)	-	996	(5,119)	1,828
<b>Other financing sources (uses)</b>							
Transfers in	-	10,665	-	47,758	-	-	-
Transfers out	-	(30,117)	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(19,452)</b>	<b>-</b>	<b>47,758</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,829	(1,555)	(14,068)	47,758	996	(5,119)	1,828
Cash and investment fund balance - beginning	31,379	30,058	39,434	59,349	4,120	9,019	2,107
<b>Cash and investment fund balance - ending</b>	<b>\$ 36,208</b>	<b>\$ 28,503</b>	<b>\$ 25,366</b>	<b>\$ 107,107</b>	<b>\$ 5,116</b>	<b>\$ 3,900</b>	<b>\$ 3,935</b>
<b>Cash and Investment Assets - December 31</b>							
Cash and investments	\$ 36,208	\$ 28,503	\$ 25,366	\$ 107,107	\$ 5,116	\$ 3,900	\$ 3,935
<b>Cash and Investment Fund Balance - December 31</b>							
<b>Restricted for:</b>							
Public safety	\$ -	\$ 28,503	\$ -	\$ 107,107	\$ 5,116	\$ -	\$ 3,935
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Stormwater drainage	-	-	-	-	-	-	-
Other purposes	36,208	-	25,366	-	-	3,900	-
Unrestricted	-	-	-	-	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 36,208</b>	<b>\$ 28,503</b>	<b>\$ 25,366</b>	<b>\$ 107,107</b>	<b>\$ 5,116</b>	<b>\$ 3,900</b>	<b>\$ 3,935</b>

JAY COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
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 For The Year Ended December 31, 2006  
 (Continued)

	Emergency Medical Service	Accident Report	Firearms Training	Drug Free Community	Drug Free	Deferral	Sheriff Continuing Education
<b>Receipts:</b>							
Taxes	\$ 455,913	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Intergovernmental	47,071	-	-	-	-	-	-
Charges for services	330,692	1,369	4,150	-	3,214	-	-
Fines and forfeits	-	-	-	14,144	-	11,310	1,347
Other	180	-	-	-	-	1,105	-
<b>Total receipts</b>	<b>833,856</b>	<b>1,369</b>	<b>4,150</b>	<b>14,144</b>	<b>3,214</b>	<b>12,415</b>	<b>1,347</b>
<b>Disbursements:</b>							
General government	-	-	-	-	-	-	-
Public safety	741,162	-	5,980	16,000	2,225	13,985	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Stormwater drainage	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>741,162</b>	<b>-</b>	<b>5,980</b>	<b>16,000</b>	<b>2,225</b>	<b>13,985</b>	<b>-</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>92,694</b>	<b>1,369</b>	<b>(1,830)</b>	<b>(1,856)</b>	<b>989</b>	<b>(1,570)</b>	<b>1,347</b>
<b>Other financing sources (uses)</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	(139,536)	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(139,536)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(46,842)</b>	<b>1,369</b>	<b>(1,830)</b>	<b>(1,856)</b>	<b>989</b>	<b>(1,570)</b>	<b>1,347</b>
Cash and investment fund balance - beginning	599,290	4,841	10,724	15,322	1,771	28,295	3,057
<b>Cash and investment fund balance - ending</b>	<b>\$ 552,448</b>	<b>\$ 6,210</b>	<b>\$ 8,894</b>	<b>\$ 13,466</b>	<b>\$ 2,760</b>	<b>\$ 26,725</b>	<b>\$ 4,404</b>
<b>Cash and Investment Assets - December 31</b>							
Cash and investments	<b>\$ 552,448</b>	<b>\$ 6,210</b>	<b>\$ 8,894</b>	<b>\$ 13,466</b>	<b>\$ 2,760</b>	<b>\$ 26,725</b>	<b>\$ 4,404</b>
<b>Cash and Investment Fund Balance - December 31</b>							
<b>Restricted for:</b>							
Public safety	\$ 552,448	\$ 6,210	\$ 8,894	\$ 13,466	\$ 2,760	\$ 26,725	\$ 4,404
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Stormwater drainage	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 552,448</b>	<b>\$ 6,210</b>	<b>\$ 8,894</b>	<b>\$ 13,466</b>	<b>\$ 2,760</b>	<b>\$ 26,725</b>	<b>\$ 4,404</b>

JAY COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2006  
 (Continued)

	Emergency Telephone System	Emergency Planning/ Right to Know	Cumulative Capital Development	Rainy Day	Rainy Day Surplus EDIT	CEDIT Special Revenue	Economic Development Income Tax
<b>Receipts:</b>							
Taxes	\$ -	\$ -	\$ 180,403	\$ -	\$ -	\$ 703,782	\$ 703,782
Special assessments	184,254	-	-	-	-	-	-
Intergovernmental	67,886	4,914	18,627	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	409	18,565	-	3,085	-	52,041
<b>Total receipts</b>	<b>252,140</b>	<b>5,323</b>	<b>217,595</b>	<b>-</b>	<b>3,085</b>	<b>703,782</b>	<b>755,823</b>
<b>Disbursements:</b>							
General government	-	-	-	-	-	-	-
Public safety	245,363	5,317	-	-	-	-	-
Highways and streets	-	-	882,313	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	690,816	478,033
Stormwater drainage	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>245,363</b>	<b>5,317</b>	<b>882,313</b>	<b>-</b>	<b>-</b>	<b>690,816</b>	<b>478,033</b>
Excess (deficiency) of receipts over disbursements	6,777	6	(664,718)	-	3,085	12,966	277,790
<b>Other financing sources (uses)</b>							
Transfers in	-	-	-	223,537	264,827	-	235,055
Transfers out	(21,600)	-	-	-	(235,055)	-	(264,827)
<b>Total other financing sources (uses)</b>	<b>(21,600)</b>	<b>-</b>	<b>-</b>	<b>223,537</b>	<b>29,772</b>	<b>-</b>	<b>(29,772)</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(14,823)	6	(664,718)	223,537	32,857	12,966	248,018
Cash and investment fund balance - beginning	331,778	8,938	768,151	243,934	88,175	-	272,086
Cash and investment fund balance - ending	<u>\$ 316,955</u>	<u>\$ 8,944</u>	<u>\$ 103,433</u>	<u>\$ 467,471</u>	<u>\$ 121,032</u>	<u>\$ 12,966</u>	<u>\$ 520,104</u>
<b>Cash and Investment Assets - December 31</b>							
Cash and investments	<u>\$ 316,955</u>	<u>\$ 8,944</u>	<u>\$ 103,433</u>	<u>\$ 467,471</u>	<u>\$ 121,032</u>	<u>\$ 12,966</u>	<u>\$ 520,104</u>
<b>Cash and Investment Fund Balance - December 31</b>							
<b>Restricted for:</b>							
Public safety	\$ 316,955	\$ 8,944	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	103,433	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Economic development	-	-	-	-	121,032	12,966	520,104
Stormwater drainage	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-
Unrestricted	-	-	-	467,471	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<b><u>\$ 316,955</u></b>	<b><u>\$ 8,944</u></b>	<b><u>\$ 103,433</u></b>	<b><u>\$ 467,471</u></b>	<b><u>\$ 121,032</u></b>	<b><u>\$ 12,966</u></b>	<b><u>\$ 520,104</u></b>

JAY COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2006  
 (Continued)

	Victim Assistance	CER Team Subgrant	EMA Comp. Planning Grant	First Responder Equipment	Housing Grant	Community Corrections 2006-07	Community Corrections 2005-06
<b>Receipts:</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Intergovernmental	12,749	-	-	-	167,946	37,699	41,579
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>12,749</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>167,946</b>	<b>37,699</b>	<b>41,579</b>
<b>Disbursements:</b>							
General government	-	-	-	-	-	-	-
Public safety	12,752	11,754	1,631	5	-	73,556	41,264
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	167,946	-	-
Economic development	-	-	-	-	-	-	-
Stormwater drainage	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>12,752</b>	<b>11,754</b>	<b>1,631</b>	<b>5</b>	<b>167,946</b>	<b>73,556</b>	<b>41,264</b>
Excess (deficiency) of receipts over disbursements	(3)	(11,754)	(1,631)	(5)	-	(35,857)	315
<b>Other financing sources (uses)</b>							
Transfers in	-	-	-	-	-	59,809	-
Transfers out	-	-	-	-	-	-	(70,046)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>59,809</b>	<b>(70,046)</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3)	(11,754)	(1,631)	(5)	-	23,952	(69,731)
Cash and investment fund balance - beginning	11,845	506	2,174	5	-	-	69,731
Cash and investment fund balance - ending	<u>\$ 11,842</u>	<u>\$ (11,248)</u>	<u>\$ 543</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,952</u>	<u>\$ -</u>
<b>Cash and Investment Assets - December 31</b>							
Cash and investments	<u>\$ 11,842</u>	<u>\$ (11,248)</u>	<u>\$ 543</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,952</u>	<u>\$ -</u>
<b>Cash and Investment Fund Balance - December 31</b>							
<b>Restricted for:</b>							
Public safety	\$ 11,842	\$ (11,248)	\$ 543	\$ -	\$ -	\$ 23,952	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Stormwater drainage	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<b><u>\$ 11,842</u></b>	<b><u>\$ (11,248)</u></b>	<b><u>\$ 543</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 23,952</u></b>	<b><u>\$ -</u></b>

JAY COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
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 For The Year Ended December 31, 2006  
 (Continued)

	Rural Transportation Grant	Bioterrorism PRS-A	Bulletproof Vests	Operation Pullover	Homeland Security	Court Interpreter
<b>Receipts:</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Intergovernmental	453,800	55,450	2,915	4,644	-	1,000
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	-	4	-
<b>Total receipts</b>	<u>453,800</u>	<u>55,450</u>	<u>2,915</u>	<u>4,644</u>	<u>4</u>	<u>1,000</u>
<b>Disbursements:</b>						
General government	453,800	-	-	-	-	808
Public safety	-	49,982	-	5,079	5,758	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Stormwater drainage	-	-	-	-	-	-
<b>Total disbursements</b>	<u>453,800</u>	<u>49,982</u>	<u>-</u>	<u>5,079</u>	<u>5,758</u>	<u>808</u>
Excess (deficiency) of receipts over disbursements	-	5,468	2,915	(435)	(5,754)	192
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	5,468	2,915	(435)	(5,754)	192
Cash and investment fund balance - beginning	4	17,994	-	1,062	6,217	509
Cash and investment fund balance - ending	<u>\$ 4</u>	<u>\$ 23,462</u>	<u>\$ 2,915</u>	<u>\$ 627</u>	<u>\$ 463</u>	<u>\$ 701</u>
<b>Cash and Investment Assets - December 31</b>						
Cash and investments	<u>\$ 4</u>	<u>\$ 23,462</u>	<u>\$ 2,915</u>	<u>\$ 627</u>	<u>\$ 463</u>	<u>\$ 701</u>
<b>Cash and Investment Fund Balance - December 31</b>						
<b>Restricted for:</b>						
Public safety	\$ -	\$ 23,462	\$ 2,915	\$ 627	\$ 463	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Stormwater drainage	-	-	-	-	-	-
Other purposes	4	-	-	-	-	701
Unrestricted	-	-	-	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 4</u>	<u>\$ 23,462</u>	<u>\$ 2,915</u>	<u>\$ 627</u>	<u>\$ 463</u>	<u>\$ 701</u>

JAY COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2006  
 (Continued)

	Homeland Security Grant	Host Fee - Infrastructure	Infrastructure	Sheriff's Buy Money	Sheriff's Commissary	Totals
<b>Receipts:</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,922,569
Special assessments	-	-	487,042	-	-	1,012,051
Intergovernmental	37,405	-	-	-	-	1,425,583
Charges for services	-	17,823	-	-	-	444,895
Fines and forfeits	-	-	-	-	-	160,816
Other	-	-	-	100	84,683	240,306
<b>Total receipts</b>	<b>37,405</b>	<b>17,823</b>	<b>487,042</b>	<b>100</b>	<b>84,683</b>	<b>6,206,220</b>
<b>Disbursements:</b>						
General government	-	-	-	-	-	1,223,646
Public safety	39,483	-	-	100	93,775	1,430,989
Highways and streets	-	-	402,367	-	-	1,503,985
Health and welfare	-	-	-	-	-	1,103,836
Economic development	-	-	-	-	-	1,215,566
Stormwater drainage	-	-	-	-	-	418,596
<b>Total disbursements</b>	<b>39,483</b>	<b>-</b>	<b>402,367</b>	<b>100</b>	<b>93,775</b>	<b>6,896,618</b>
Excess (deficiency) of receipts over disbursements	(2,078)	17,823	84,675	-	(9,092)	(690,398)
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	-	-	2,047,814
Transfers out	-	-	-	-	-	(1,535,295)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>512,519</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,078)	17,823	84,675	-	(9,092)	(177,879)
Cash and investment fund balance - beginning	-	-	650,606	4,545	31,116	6,250,992
Cash and investment fund balance - ending	<u>\$ (2,078)</u>	<u>\$ 17,823</u>	<u>\$ 735,281</u>	<u>\$ 4,545</u>	<u>\$ 22,024</u>	<u>\$ 6,073,113</u>
<b>Cash and Investment Assets - December 31</b>						
Cash and investments	<u>\$ (2,078)</u>	<u>\$ 17,823</u>	<u>\$ 735,281</u>	<u>\$ 4,545</u>	<u>\$ 22,024</u>	<u>\$ 6,073,113</u>
<b>Cash and Investment Fund Balance - December 31</b>						
<b>Restricted for:</b>						
Public safety	\$ (2,078)	\$ -	\$ -	\$ 4,545	\$ 22,024	\$ 1,550,653
Highways and streets	-	17,823	735,281	-	-	918,975
Health and welfare	-	-	-	-	-	780,792
Economic development	-	-	-	-	-	704,121
Stormwater drainage	-	-	-	-	-	914,224
Other purposes	-	-	-	-	-	729,215
Unrestricted	-	-	-	-	-	475,133
<b>Total cash and investment fund balance - December 31</b>	<u>\$ (2,078)</u>	<u>\$ 17,823</u>	<u>\$ 735,281</u>	<u>\$ 4,545</u>	<u>\$ 22,024</u>	<u>\$ 6,073,113</u>

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

	After Settlement Collections	County Wheel Tax	Surplus Tax	Surplus Dog Tax	Tax Sale Redemption	Surplus Tax Sale	Financial Institutions Tax
Additions:							
Agency fund additions	\$ 270,787	\$ 81,481	\$ 15,040	\$ 6,891	\$ 31,032	\$ 716,944	\$ 126,125
Deductions:							
Agency fund deductions	302,566	81,481	13,810	7,136	24,104	179,556	126,125
Excess (deficiency) of total additions over total deductions	(31,779)	-	1,230	(245)	6,928	537,388	-
Cash and investment fund balance - beginning	302,566	-	2,027	245	-	78,563	-
Cash and investment fund balance - ending	<u>\$ 270,787</u>	<u>\$ -</u>	<u>\$ 3,257</u>	<u>\$ -</u>	<u>\$ 6,928</u>	<u>\$ 615,951</u>	<u>\$ -</u>

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

	Commercial Vehicle Excise Tax	County Surtax	Payroll	State Sales Disclosure Fee	Coroners Continuing Education	Mortgage Recording Fee	Dental Insurance
Additions:							
Agency fund additions	\$ 128,518	\$ 282,194	\$ 5,061,836	\$ 2,825	\$ 1,009	\$ 3,101	\$ 300
Deductions:							
Agency fund deductions	128,518	282,194	5,054,521	2,845	1,023	3,223	303
Excess (deficiency) of total additions over total deductions	-	-	7,315	(20)	(14)	(122)	(3)
Cash and investment fund balance - beginning	-	-	74,107	255	91	325	64
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 81,422</u>	<u>\$ 235</u>	<u>\$ 77</u>	<u>\$ 203</u>	<u>\$ 61</u>

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

	Other Insurance	City and Town Court Costs	Infraction Judgments	Overweight Vehicle Fines	Motor Vehicle Inspection	Welfare Trust	Certified Shares
Additions:							
Agency fund additions	\$ 100,000	\$ 3,258	\$ 41,426	\$ 800	\$ 2,000	\$ -	\$ 2,084,711
Deductions:							
Agency fund deductions	100,499	-	39,480	800	2,000	275	2,084,711
Excess (deficiency) of total additions over total deductions	(499)	3,258	1,946	-	-	(275)	-
Cash and investment fund balance - beginning	499	56,347	2,678	-	-	752	-
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 59,605</u>	<u>\$ 4,624</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 477</u>	<u>\$ -</u>

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

	Property Tax Replacement Credit	Forest Land	Education Plate Fee Distribution	User Fee	Congressional School Interest	Inheritance Tax
Additions:						
Agency fund additions	\$ 694,904	\$ 2,406	\$ 1,013	\$ 669	\$ 1,309	\$ 421,436
Deductions:						
Agency fund deductions	694,904	2,406	1,013	5,036	1,369	476,666
Excess (deficiency) of total additions over total deductions	-	-	-	(4,367)	(60)	(55,230)
Cash and investment fund balance - beginning	-	-	-	12,544	10,194	138,705
Cash and investment fund balance - ending	\$ -	\$ -	\$ -	\$ 8,177	\$ 10,134	\$ 83,475

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

	<u>State Fines and Forfeitures</u>	<u>Special Death Benefit Fee</u>	<u>Child Restraint Violations</u>	<u>Riverboat Revenue Sharing</u>	<u>Tax Distribution</u>	<u>Clerk of the Courts</u>
Additions:						
Agency fund additions	<u>\$ 26,936</u>	<u>\$ 2,175</u>	<u>\$ -</u>	<u>\$ 137,221</u>	<u>\$ 16,977,146</u>	<u>\$ 2,204,731</u>
Deductions:						
Agency fund deductions	<u>22,099</u>	<u>1,215</u>	<u>150</u>	<u>137,221</u>	<u>16,977,146</u>	<u>2,348,416</u>
Excess (deficiency) of total additions over total deductions	4,837	960	(150)	-	-	(143,685)
Cash and investment fund balance - beginning	<u>2,707</u>	<u>100</u>	<u>150</u>	<u>-</u>	<u>-</u>	<u>206,049</u>
Cash and investment fund balance - ending	<u><u>\$ 7,544</u></u>	<u><u>\$ 1,060</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 62,364</u></u>

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

	Prosecuting Attorney	Recorder	Sheriff	Sheriff's Inmate Trust	Retirement Center	Total
Additions:						
Agency fund additions	\$ 20,369	\$ 104,082	\$ 482,858	\$ 83,222	\$ 245,234	\$ 30,365,989
Deductions:						
Agency fund deductions	20,369	104,082	482,068	83,807	240,689	30,033,826
Excess (deficiency) of total additions over total deductions	-	-	790	(585)	4,545	332,163
Cash and investment fund balance - beginning	-	50	210	1,734	5,588	896,550
Cash and investment fund balance - ending	\$ -	\$ 50	\$ 1,000	\$ 1,149	\$ 10,133	\$ 1,228,713

JAY COUNTY  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2006

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

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 780,684
Buildings	3,213,987
Improvements other than buildings	14,704,289
Machinery and equipment	<u>5,441,366</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 24,140,326</u>

JAY COUNTY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT

For The Year Ended December 31, 2006

The County has entered into the following debt issues:

Description of Asset	Ending Balance	Due Within One Year
Governmental Activities:		
Capital leases:		
Road Patcher	\$ 18,676	\$ 18,676
Bulldozer	60,552	19,470
Long-term loan payable:		
Excavator	10,930	10,930
Short-term loan payable:		
Dump Truck	<u>65,120</u>	<u>65,120</u>
Total debt issues	<u>\$ 155,278</u>	<u>\$ 114,196</u>

JAY COUNTY  
OTHER REPORTS

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

County Sheriff

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 JAY COUNTY, INDIANA

### Compliance

We have audited the compliance of the Jay County (County) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2006. The County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, the County complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2006.

### Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

STATE BOARD OF ACCOUNTS

April 16, 2007

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

Federal Grantor Agency/Pass-Through Entity Program Title/Project Title	Federal CFDA Number	Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Pass-Through Indiana Housing and Community Development Authority Community Development Block Grants/State's Program	14.228	HD-005-003	\$ 167,946
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Pass-Through Indiana Criminal Justice Institute Crime Victim Assistance	16.575	06-VA-055	12,752
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation Public Transportation for Rural and Small Urban Areas	20.509	06021986	453,800
Pass-Through Indiana Criminal Justice Institute State and Community Highway Safety	20.600	OP-06-02-03-04 OP-07-01-01-09	1,524 620
Total for program			2,144
Total for federal grantor agency			455,944
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-Through Indiana State Department of Health Centers for Disease - Investigations and Technical Assistance	93.283	BPRS 137-2	49,982
Pass-Through Indiana Family and Social Services Administration Child Support Enforcement Prosecuting Attorney Clerk of the Circuit Court Collection Incentives Indirect Costs	93.563		48,787 20,201 29,284 16,109
Total for program			114,381
Total for federal grantor agency			164,363
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security State Domestic Preparedness Equipment Support Program	97.004	FY 2004 ODP-05-SHSP	5,758 39,484
Total for program			45,242
Community Emergency Response Teams	97.054	FY 2002 FY 2005	1,631 11,754
Total for program			13,385
Total for federal grantor agency			58,627
Total federal awards expended			\$ 859,632

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

JAY COUNTY  
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Jay 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.

JAY 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
20.509	Public Transportation for Rural and Small Urban Areas

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

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

JAY COUNTY  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

JAY COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on April 16, 2007, with Freda Corwin, Auditor; Nancy Culy, Auditor-elect; Milo M. Miller, Jr., President of the Board of County Commissioners; and Marilyn Coleman, President of the County Council. Our audit disclosed no material items that warrant comment at this time.