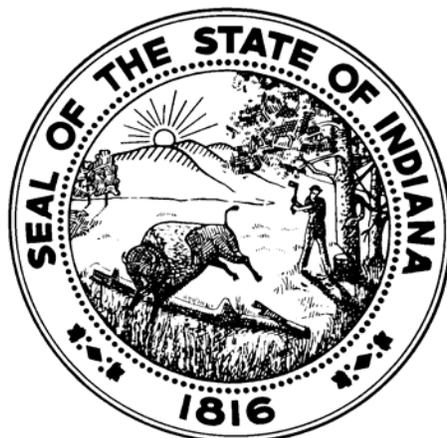


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

ANNUAL FINANCIAL REPORT

2006

JENNINGS COUNTY, INDIANA



FILED
08/30/2007

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Edwin B. Judd Janice L. Ramey	01-01-03 to 12-31-06 01-01-07 to 12-31-10
Treasurer	Ruth Ann Horstman	01-01-05 to 12-31-08
Clerk	Janice L. Ramey Ronald E. Bloemer	01-01-03 to 12-31-06 01-01-07 to 12-31-10
Sheriff	Earl L. Taggart Stephan D. Hoppock	01-01-03 to 12-31-06 01-01-07 to 12-31-10
Recorder	Sandra R. Vance Mary E. Hendrix	01-01-03 to 12-31-06 01-01-07 to 12-31-10
President of the Board of County Commissioners	Robert R. Willhite Richard B. Schneider	01-01-06 to 12-31-06 01-01-07 to 12-31-07
President of the County Council	Kenneth W. Pettit Edward Maschino	01-01-06 to 12-31-06 01-01-07 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF JENNINGS COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jennings 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.

In our opinion, 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 July 3, 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.

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.

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

The Schedule of Funding Progress, as listed in the Table of Contents, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

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

STATE BOARD OF ACCOUNTS

July 3, 2007



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

TO: THE OFFICIALS OF JENNINGS COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jennings County (County), as of and for the year ended December 31, 2006, which collectively comprise the County's basic financial statements and have issued our report thereon dated July 3, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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

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

Compliance and Other Matters

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

We noted certain matters that we reported to management in a separate letter dated July 3, 2007.

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

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

STATE BOARD OF ACCOUNTS

July 3, 2007

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

Functions/Programs	Disbursements	Program Receipts			Net (Disbursement) Receipt and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
					Governmental Activities	Total
Primary government:						
Governmental activities:						
General government	\$ 2,652,161	\$ 571,978	\$ 411,881	\$ -	\$ (1,668,302)	\$ (1,668,302)
Public safety	4,918,230	816,420	979,717	-	(3,122,093)	(3,122,093)
Highways and streets	2,394,322	-	2,639,902	-	245,580	245,580
Sanitation	322,537	-	33,837	356,476	67,776	67,776
Health and welfare	2,550,801	133,933	799,571	-	(1,617,297)	(1,617,297)
Economic development	1,481,229	-	-	-	(1,481,229)	(1,481,229)
Culture and recreation	265,780	44,538	19,937	-	(201,305)	(201,305)
Debt service	771,000	-	-	-	(771,000)	(771,000)
Capital outlay	780,305	-	-	30,255	(750,050)	(750,050)
Total primary government	<u>\$ 16,136,365</u>	<u>\$ 1,566,869</u>	<u>\$ 4,884,845</u>	<u>\$ 386,731</u>	<u>(9,297,920)</u>	<u>(9,297,920)</u>
General receipts:						
Property taxes					5,607,449	5,607,449
Other local sources					3,589,936	3,589,936
Interest income					266,392	266,392
Grants and contributions not restricted to specific programs					9,297	9,297
Unrestricted intergovernmental receipts					41,251	41,251
Special items:						
Gaming tax					173,392	173,392
Insurance proceeds					239,878	239,878
Intergovernmental disbursements					(272,756)	(272,756)
Nonoperating - rent					6,000	6,000
Other operating receipts					12,188	12,188
Total general receipts and special items					<u>9,673,027</u>	<u>9,673,027</u>
Change in net assets					375,107	375,107
Net assets - beginning					<u>6,048,820</u>	<u>6,048,820</u>
Net assets - ending					<u>\$ 6,423,927</u>	<u>\$ 6,423,927</u>
<u>Assets</u>						
Cash and investments					\$ 1,519,407	\$ 1,519,407
Restricted assets:						
Cash and investments					<u>4,904,520</u>	<u>4,904,520</u>
Total assets					<u>\$ 6,423,927</u>	<u>\$ 6,423,927</u>
<u>Net Assets</u>						
Restricted for:						
General government					\$ 413,941	\$ 413,941
Public safety					743,962	743,962
Highways and streets					756,272	756,272
Sanitation					109,716	109,716
Health and welfare					1,284,006	1,284,006
Culture and recreation					123,776	123,776
Economic development					157,468	157,468
Debt service					397,769	397,769
Capital outlay					917,610	917,610
Unrestricted					<u>1,519,407</u>	<u>1,519,407</u>
Total net assets					<u>\$ 6,423,927</u>	<u>\$ 6,423,927</u>

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

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

	General	County Highway	County Family and Children	Local Rainy Day	Cumulative Bridge	Other Governmental Funds	Totals
Receipts:							
Taxes	\$ 4,810,393	\$ -	\$ 1,301,536	\$ -	\$ 443,705	\$ 2,641,751	\$ 9,197,385
Intergovernmental	231,462	2,349,846	502,296	-	10,287	2,392,328	5,486,219
Charges for services	1,014,672	-	-	-	-	552,197	1,566,869
Other	517,572	-	-	-	-	10,183	527,755
Total receipts	6,574,099	2,349,846	1,803,832	-	453,992	5,596,459	16,778,228
Disbursements:							
General government	2,040,970	-	-	-	-	611,191	2,652,161
Public safety	3,565,363	-	-	-	-	1,352,867	4,918,230
Highways and streets	-	2,128,992	-	-	-	265,330	2,394,322
Sanitation	10,055	-	-	-	-	312,482	322,537
Health and welfare	262,421	-	1,604,406	-	-	683,974	2,550,801
Culture and recreation	203,152	-	-	-	-	62,628	265,780
Economic development	-	-	-	-	-	1,481,229	1,481,229
Debt service:							
Principal	-	-	-	-	-	525,000	525,000
Interest	-	-	-	-	-	246,000	246,000
Capital outlay:							
Highways and streets	-	-	-	-	466,983	-	466,983
Special assessments	140,919	-	-	-	-	172,403	313,322
Total disbursements	6,222,880	2,128,992	1,604,406	-	466,983	5,713,104	16,136,365
Excess (deficiency) of receipts over disbursements	351,219	220,854	199,426	-	(12,991)	(116,645)	641,863
Other financing sources (uses):							
Intergovernmental	(213,682)	-	-	-	-	(59,074)	(272,756)
Transfers in	4,447	90,000	-	-	-	170,000	264,447
Transfers out	(210,000)	-	-	-	-	(54,447)	(264,447)
Other receipts	6,000	-	-	-	-	-	6,000
Total other financing sources (uses)	(413,235)	90,000	-	-	-	56,479	(266,756)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(62,016)	310,854	199,426	-	(12,991)	(60,166)	375,107
Cash and investment fund balance - beginning	706,843	407,621	812,277	697,721	801,026	2,623,332	6,048,820
Cash and investment fund balance - ending	\$ 644,827	\$ 718,475	\$ 1,011,703	\$ 697,721	\$ 788,035	\$ 2,563,166	\$ 6,423,927
Cash and Investment Assets - December 31							
Cash and investments	\$ 644,827	\$ -	\$ -	\$ 697,721	\$ -	\$ 176,859	\$ 1,519,407
Restricted assets:							
Cash and investments	-	718,475	1,011,703	-	788,035	2,386,307	4,904,520
Total cash and investment assets - December 31	\$ 644,827	\$ 718,475	\$ 1,011,703	\$ 697,721	\$ 788,035	\$ 2,563,166	\$ 6,423,927
Cash and Investment Fund Balance - December 31							
Restricted for:							
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 413,941	\$ 413,941
Public safety	-	-	-	-	-	743,962	743,962
Highways and streets	-	718,475	-	-	-	37,797	756,272
Sanitation	-	-	-	-	-	109,716	109,716
Health and welfare	-	-	1,011,703	-	-	272,303	1,284,006
Culture and recreation	-	-	-	-	-	123,776	123,776
Economic development	-	-	-	-	-	157,468	157,468
Debt service	-	-	-	-	-	397,769	397,769
Capital outlay	-	-	-	-	788,035	129,575	917,610
Unrestricted	644,827	-	-	697,721	-	176,859	1,519,407
Total cash and investment fund balance - December 31	\$ 644,827	\$ 718,475	\$ 1,011,703	\$ 697,721	\$ 788,035	\$ 2,563,166	\$ 6,423,927

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

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

	Pension Trust Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Employer	\$ 82,047	\$ -	\$ -
Other	<u>-</u>	<u>269</u>	<u>-</u>
Total contributions	<u>82,047</u>	<u>269</u>	<u>-</u>
Investment earnings:			
Net in fair value of investments	<u>76,918</u>	<u>-</u>	<u>-</u>
Total investment earnings	<u>76,918</u>	<u>-</u>	<u>-</u>
Net investment earnings	<u>76,918</u>	<u>-</u>	<u>-</u>
Agency fund additions	<u>-</u>	<u>-</u>	<u>62,621,662</u>
Total additions	<u>158,965</u>	<u>269</u>	<u>62,621,662</u>
Deductions:			
Benefits	36,680	-	-
Administrative and general	14,666	-	-
Agency fund deductions	<u>-</u>	<u>-</u>	<u>62,748,242</u>
Total deductions	<u>51,346</u>	<u>-</u>	<u>62,748,242</u>
Excess (deficiency) of total additions over total deductions	107,619	269	(126,580)
Cash and investment fund balance - beginning	<u>1,018,279</u>	<u>11,476</u>	<u>1,377,742</u>
Cash and investment fund balance - ending	<u>\$ 1,125,898</u>	<u>\$ 11,745</u>	<u>\$ 1,251,162</u>

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

JENNINGS COUNTY
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

The County was established under the laws of the State of Indiana. The County operates under a Council-Commissioner form of government and provides the following services: public safety (police), highways and streets, health, welfare and social services, culture and recreation, public improvements, planning and zoning, and general administrative services.

The County's financial reporting entity is composed of the following:

Primary Government: Jennings County

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

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 county highway fund is used for constructing and maintaining County roads.

The local rainy day fund accounts for the transfer of unused and unencumbered funds at year-end remaining, in funds consisting of amounts raised by a general or special tax levy on all taxable property of the County.

The cumulative bridge fund is used for capital projects pertaining to the construction, reconstruction, and maintenance of County bridges.

JENNINGS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

The county family and children fund is funded by local taxes and distributions from the State of Indiana and is used to provide welfare assistance.

Additionally, the County reports the following fund types:

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

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

Agency funds account for assets held by the County as an agent for other governmental entities, private organizations, and individuals and serve as control of accounts for certain cash transactions during the time they are a liability to the County.

C. Measurement Focus and Basis of Accounting

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

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

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes. Elimination of these charges would distort the direct costs and program receipts reported for the various functions concerned.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to people outside the government (enterprise funds) or other departments or agencies primarily within the government (internal service funds). The County does not have any proprietary funds.

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

JENNINGS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

2. Capital Assets

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

3. Long-Term Debt

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

4. Equity Classification

Government-Wide Statements

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

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

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

Fund Financial Statements

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

E. Receipts and Disbursements

1. Program Receipts

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

2. Operating Receipts and Disbursements

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

JENNINGS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

F. Internal and Interfund Balances and Activities

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

Fund Financial Statements

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

Government-Wide Financial Statements

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

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

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

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

JENNINGS COUNTY
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

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

B. Disbursements in Excess of Appropriations

For the year ended December 31, 2006, disbursements exceeded budgeted appropriations in the following funds by the amounts below:

Fund	2006
County Family and Children	<u>\$ 136,409</u>

These disbursements were funded by excise fund balance.

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

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

2. Investments

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

Investment Type	Sheriff's Retirement and Benefit Pension Plans Market Value
Mutual funds	<u>\$ 1,040,266</u>

JENNINGS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Investment Policies

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

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

Additionally, the County may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the unit's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

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

B. Interfund Transfers

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

<u>Transfer From</u>	<u>Transfer To</u>	<u>2006</u>
General Fund	County Highway	\$ 90,000
	Other nonmajor governmental	120,000
Other nonmajor governmental	General Fund	4,447
	Other nonmajor governmental	<u>50,000</u>
Total		<u>\$ 264,447</u>

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

JENNINGS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

IV. Other Information

A. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents (excluding postemployment benefits); and natural disasters.

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

Job Related Illnesses or Injuries to Employees

During 2001, the County joined the Indiana Public Employers' Plan, Inc., a public entity risk pool currently operating as a common risk management and insurance program for 376 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 job related illnesses or injuries to employees. 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. The risk pool obtains independent coverage for insured events in excess of the \$1,000,000 limit.

B. Holding Corporations

The County has entered into a capital lease with Jennings County Building Corporation and Jennings County EDIT Corporation (the lessors). The lessors were organized as not-for-profit corporations pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the government. Lease payments during the year totaled \$770,000 and \$340,675, respectively.

C. Pledge of Revenues by City and Town

The County entered into a capital lease for road improvements, which also benefited the City of North Vernon and the Town of Vernon. The City of North Vernon and the Town of Vernon have pledged to the County the amounts of \$125,000 and \$8,300, respectively, per year of their share of the Economic Development Income Tax. The County will apply this revenue to the lease payment. The pledged revenue will be for the term of the lease, which will end in 2007.

D. 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.

JENNINGS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

E. Subsequent Events

In March of 2007, the County entered into a lease agreement to purchase two Kenworth Trucks for the Highway Department. The lease of \$84,319 is to be paid from the Highway Fund.

F. Pension Plans

Agent Single-Employer Defined Benefit Pension Plans

1. 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.

2. County Police Benefit Plan

Plan Description

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

Funding Policy and Annual Pension Cost

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

JENNINGS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Actuarial Information for the Above Plans

	County Police Retirement Plan	County Police Benefit Plan
Annual required contribution	\$ 61,114	\$ 11,540
Interest on net pension obligation	1,917	-
Adjustment to annual required contribution	<u>(2,753)</u>	<u>-</u>
Annual pension cost	60,278	11,540
Contributions made	<u>58,460</u>	<u>11,540</u>
Increase in net pension obligation	1,818	-
Net pension obligation, beginning of year	<u>27,392</u>	<u>-</u>
Net pension obligation, end of year	<u>\$ 29,210</u>	<u>\$ -</u>

	County Police Retirement Plan	County Police Benefit Plan
Contribution rates:		
County	10%	3%
Plan members	3%	None
Actuarial valuation date	01-01-07	01-01-07
Actuarial cost method	Entry age	Aggregate
Amortization method	Level percentage of projected payroll, closed	*
Amortization period	40 years	*
Amortization period (from date)	12-31-97	*
Asset valuation method	Market value	Market value

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

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

JENNINGS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
County Police Retirement Plan	12-31-04	\$ 54,967	85.3%	\$ 27,392
	12-31-05	56,858	96.2%	26,004
	12-31-06	60,278	95.7%	29,210
County Police Benefit Plan	12-31-04	13,121	100%	-
	12-31-05	13,411	100%	-
	12-31-06	11,540	100%	-

JENNINGS COUNTY
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

County Police Retirement Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-02	\$ 675,751	\$ 675,751	\$ -	100%	\$ 427,573	0%
01-01-03	688,950	688,950	-	100%	477,560	0%
01-01-04	738,515	738,515	-	100%	486,418	0%
01-01-05	826,204	826,204	-	100%	491,934	0%
01-01-06	950,961	950,961	-	100%	488,605	0%
01-01-07	1,059,911	1,059,911	-	100%	399,594	0%

JENNINGS 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

	Riverboat	County Health	Local Road and Street	Accident Report	Firearms Training	Alcohol and Drug Program
Receipts:						
Taxes	\$ -	\$ 197,202	\$ -	\$ -	\$ -	\$ -
Intergovernmental	173,392	5,114	287,056	-	8,995	-
Charges for services	-	70,392	-	7,546	-	63,541
Other	-	-	-	-	-	-
Total receipts	173,392	272,708	287,056	7,546	8,995	63,541
Disbursements:						
General government	32,072	-	-	-	-	-
Public safety	-	-	-	8,136	30	-
Highways and streets	-	-	265,330	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	239,723	-	-	-	59,175
Culture and recreation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
Special assessments	-	-	-	-	-	-
Total disbursements	32,072	239,723	265,330	8,136	30	59,175
Excess (deficiency) of receipts over disbursements	141,320	32,985	21,726	(590)	8,965	4,366
Other financing sources (uses):						
Intergovernmental	(59,074)	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	(50,000)	-	-	-	-	-
Total other financing sources (uses)	(109,074)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	32,246	32,985	21,726	(590)	8,965	4,366
Cash and investment fund balance - beginning	94,306	74,257	16,071	625	1,061	10,351
Cash and investment fund balance - ending	<u>\$ 126,552</u>	<u>\$ 107,242</u>	<u>\$ 37,797</u>	<u>\$ 35</u>	<u>\$ 10,026</u>	<u>\$ 14,717</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ 126,552	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	-	107,242	37,797	35	10,026	14,717
Total cash and investment assets - December 31	<u>\$ 126,552</u>	<u>\$ 107,242</u>	<u>\$ 37,797</u>	<u>\$ 35</u>	<u>\$ 10,026</u>	<u>\$ 14,717</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	35	10,026	-
Highways and streets	-	-	37,797	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	107,242	-	-	-	14,717
Culture and recreation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	126,552	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 126,552</u>	<u>\$ 107,242</u>	<u>\$ 37,797</u>	<u>\$ 35</u>	<u>\$ 10,026</u>	<u>\$ 14,717</u>

JENNINGS 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)

	Surveyor's Corner Perpetuation	Supplemental Adult Probation Services	Juvenile Probation Users	Recorder's Records Perpetuation	Local Emergency Planning and Right to Know	County Sheriff's Donation
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	7,365	-	11,559	-	-	-
Charges for services	-	50,732	-	33,150	-	-
Other	-	-	-	-	-	8,288
Total receipts	7,365	50,732	11,559	33,150	-	8,288
Disbursements:						
General government	5,039	-	-	33,948	-	-
Public safety	-	41,959	4,398	-	-	7,688
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
Special assessments	-	-	-	-	-	-
Total disbursements	5,039	41,959	4,398	33,948	-	7,688
Excess (deficiency) of receipts over disbursements	2,326	8,773	7,161	(798)	-	600
Other financing sources (uses):						
Intergovernmental	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	(4,447)	-
Total other financing sources (uses)	-	-	-	-	(4,447)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,326	8,773	7,161	(798)	(4,447)	600
Cash and investment fund balance - beginning	24,243	39,963	44,254	15,928	4,447	12
Cash and investment fund balance - ending	<u>\$ 26,569</u>	<u>\$ 48,736</u>	<u>\$ 51,415</u>	<u>\$ 15,130</u>	<u>\$ -</u>	<u>\$ 612</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	26,569	48,736	51,415	15,130	-	612
Total cash and investment assets - December 31	<u>\$ 26,569</u>	<u>\$ 48,736</u>	<u>\$ 51,415</u>	<u>\$ 15,130</u>	<u>\$ -</u>	<u>\$ 612</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
General government	\$ 26,569	\$ -	\$ -	\$ 15,130	\$ -	\$ -
Public safety	-	48,736	51,415	-	-	612
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 26,569</u>	<u>\$ 48,736</u>	<u>\$ 51,415</u>	<u>\$ 15,130</u>	<u>\$ -</u>	<u>\$ 612</u>

JENNINGS 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)

	Local Health Maintenance	Sheriffs Commissary	Special Vehicle Inspection	Emergency Telephone System	Property Reassessment Fund	County Drug Free Community
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 78,881	\$ -
Intergovernmental	33,139	-	-	443,320	-	-
Charges for services	-	165,157	20	-	1,960	23,376
Other	-	-	-	1,895	-	-
Total receipts	<u>33,139</u>	<u>165,157</u>	<u>20</u>	<u>445,215</u>	<u>80,841</u>	<u>23,376</u>
Disbursements:						
General government	-	-	-	-	164,062	-
Public safety	-	169,150	-	566,961	-	18,997
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	44,820	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
Special assessments	-	-	-	-	-	-
Total disbursements	<u>44,820</u>	<u>169,150</u>	<u>-</u>	<u>566,961</u>	<u>164,062</u>	<u>18,997</u>
Excess (deficiency) of receipts over disbursements	<u>(11,681)</u>	<u>(3,993)</u>	<u>20</u>	<u>(121,746)</u>	<u>(83,221)</u>	<u>4,379</u>
Other financing sources (uses):						
Intergovernmental	-	-	-	-	-	-
Transfers in	-	-	-	100,000	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(11,681)</u>	<u>(3,993)</u>	<u>20</u>	<u>(21,746)</u>	<u>(83,221)</u>	<u>4,379</u>
Cash and investment fund balance - beginning	<u>61,930</u>	<u>5,780</u>	<u>65</u>	<u>301,682</u>	<u>390,697</u>	<u>18,711</u>
Cash and investment fund balance - ending	<u>\$ 50,249</u>	<u>\$ 1,787</u>	<u>\$ 85</u>	<u>\$ 279,936</u>	<u>\$ 307,476</u>	<u>\$ 23,090</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	<u>50,249</u>	<u>1,787</u>	<u>85</u>	<u>279,936</u>	<u>307,476</u>	<u>23,090</u>
Total cash and investment assets - December 31	<u>\$ 50,249</u>	<u>\$ 1,787</u>	<u>\$ 85</u>	<u>\$ 279,936</u>	<u>\$ 307,476</u>	<u>\$ 23,090</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ 307,476	\$ -
Public safety	-	1,787	85	279,936	-	23,090
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	50,249	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 50,249</u>	<u>\$ 1,787</u>	<u>\$ 85</u>	<u>\$ 279,936</u>	<u>\$ 307,476</u>	<u>\$ 23,090</u>

JENNINGS 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)

	Court Appointed Special Advocate	Law Enforcement	Operation Pull-over	Economic Development Income Tax	S.I.S.W.D. Grant	Domestic Violence
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ 1,471,173	\$ -	\$ -
Intergovernmental	-	-	-	-	-	17,768
Charges for services	5,463	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	5,463	-	-	1,471,173	-	17,768
Disbursements:						
General government	-	-	-	-	-	-
Public safety	5,463	11,285	-	-	-	17,768
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	8,099	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Economic development	-	-	-	1,481,229	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
Special assessments	-	-	-	-	-	-
Total disbursements	5,463	11,285	-	1,481,229	8,099	17,768
Excess (deficiency) of receipts over disbursements	-	(11,285)	-	(10,056)	(8,099)	-
Other financing sources (uses):						
Intergovernmental	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(11,285)	-	(10,056)	(8,099)	-
Cash and investment fund balance - beginning	-	11,287	6,637	167,524	8,893	-
Cash and investment fund balance - ending	\$ -	\$ 2	\$ 6,637	\$ 157,468	\$ 794	\$ -
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	-	2	6,637	157,468	794	-
Total cash and investment assets - December 31	\$ -	\$ 2	\$ 6,637	\$ 157,468	\$ 794	\$ -
Cash and Investment Fund Balance - December 31						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	2	6,637	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	794	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Economic development	-	-	-	157,468	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	\$ -	\$ 2	\$ 6,637	\$ 157,468	\$ 794	\$ -

JENNINGS 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)

	Community Corrections	Covered Bridge	Supplemental Public Defender	Care Initiative	D.A.R.E.	Animal Control
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	18,245	2,500	54,389	9,831	-	16,000
Charges for services	-	-	-	-	-	4,511
Other	-	-	-	-	-	-
Total receipts	18,245	2,500	54,389	9,831	-	20,511
Disbursements:						
General government	-	-	-	-	-	-
Public safety	17,272	-	50,308	-	-	82,114
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	9,831	-	-
Culture and recreation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
Special assessments	-	-	-	-	-	-
Total disbursements	17,272	-	50,308	9,831	-	82,114
Excess (deficiency) of receipts over disbursements	973	2,500	4,081	-	-	(61,603)
Other financing sources (uses):						
Intergovernmental	-	-	-	-	-	-
Transfers in	-	-	-	-	-	50,000
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	50,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	973	2,500	4,081	-	-	(11,603)
Cash and investment fund balance - beginning	-	8,587	12,375	292	37	74,893
Cash and investment fund balance - ending	<u>\$ 973</u>	<u>\$ 11,087</u>	<u>\$ 16,456</u>	<u>\$ 292</u>	<u>\$ 37</u>	<u>\$ 63,290</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	973	11,087	16,456	292	37	63,290
Total cash and investment assets - December 31	<u>\$ 973</u>	<u>\$ 11,087</u>	<u>\$ 16,456</u>	<u>\$ 292</u>	<u>\$ 37</u>	<u>\$ 63,290</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	973	-	16,456	-	37	63,290
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	292	-	-
Culture and recreation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	11,087	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 973</u>	<u>\$ 11,087</u>	<u>\$ 16,456</u>	<u>\$ 292</u>	<u>\$ 37</u>	<u>\$ 63,290</u>

JENNINGS 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	Children's Psych	Equitable Share Law Enforcement	Drug Abuse Prevention	Adult Probation Superior Court	Jury Fees
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	4,080	516	-	5,584	80,492	9,589
Charges for services	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	4,080	516	-	5,584	80,492	9,589
Disbursements:						
General government	-	-	-	-	-	-
Public safety	6,145	-	-	45,545	69,069	12,092
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	46,956	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
Special assessments	-	-	-	-	-	-
Total disbursements	6,145	46,956	-	45,545	69,069	12,092
Excess (deficiency) of receipts over disbursements	(2,065)	(46,440)	-	(39,961)	11,423	(2,503)
Other financing sources (uses):						
Intergovernmental	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,065)	(46,440)	-	(39,961)	11,423	(2,503)
Cash and investment fund balance - beginning	2,065	83,592	66	45,544	121,837	14,641
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 37,152</u>	<u>\$ 66</u>	<u>\$ 5,583</u>	<u>\$ 133,260</u>	<u>\$ 12,138</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	-	37,152	66	5,583	133,260	12,138
Total cash and investment assets - December 31	<u>\$ -</u>	<u>\$ 37,152</u>	<u>\$ 66</u>	<u>\$ 5,583</u>	<u>\$ 133,260</u>	<u>\$ 12,138</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	66	5,583	133,260	12,138
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	37,152	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ -</u>	<u>\$ 37,152</u>	<u>\$ 66</u>	<u>\$ 5,583</u>	<u>\$ 133,260</u>	<u>\$ 12,138</u>

JENNINGS 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)

	Deferral Program	Area Plan Nonreverting	Law Enforcement Continuing Education	Court Security	Innkeepers Tax	4-D Child Support Impact
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 29,763	\$ -
Intergovernmental	19,595	3,000	-	29,385	-	-
Charges for services	-	101,245	351	-	-	-
Other	-	-	-	-	-	-
Total receipts	19,595	104,245	351	29,385	29,763	-
Disbursements:						
General government	-	187,922	-	-	-	-
Public safety	21,629	-	-	29,065	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	30,000	-
Economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
Special assessments	-	-	-	-	-	-
Total disbursements	21,629	187,922	-	29,065	30,000	-
Excess (deficiency) of receipts over disbursements	(2,034)	(83,677)	351	320	(237)	-
Other financing sources (uses):						
Intergovernmental	-	-	-	-	-	-
Transfers in	-	20,000	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	20,000	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,034)	(63,677)	351	320	(237)	-
Cash and investment fund balance - beginning	24,099	65,357	2,229	540	30,572	22,639
Cash and investment fund balance - ending	<u>\$ 22,065</u>	<u>\$ 1,680</u>	<u>\$ 2,580</u>	<u>\$ 860</u>	<u>\$ 30,335</u>	<u>\$ 22,639</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	22,065	1,680	2,580	860	30,335	22,639
Total cash and investment assets - December 31	<u>\$ 22,065</u>	<u>\$ 1,680</u>	<u>\$ 2,580</u>	<u>\$ 860</u>	<u>\$ 30,335</u>	<u>\$ 22,639</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
General government	\$ -	\$ 1,680	\$ -	\$ -	\$ -	\$ -
Public safety	22,065	-	2,580	860	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	22,639
Culture and recreation	-	-	-	-	30,335	-
Economic development	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 22,065</u>	<u>\$ 1,680</u>	<u>\$ 2,580</u>	<u>\$ 860</u>	<u>\$ 30,335</u>	<u>\$ 22,639</u>

JENNINGS 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's Document Storage Fee	Criminal Records	Nonreverting Prisoner Reimbursement	Victim's of Crime Assistance	Tax Sale Costs	Pretrial Diversion
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	8,981	485	21,369	8,989	49,419	4,887
Charges for services	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	8,981	485	21,369	8,989	49,419	4,887
Disbursements:						
General government	9,907	-	-	-	40,678	-
Public safety	-	552	12,628	8,989	-	6,533
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
Special assessments	-	-	-	-	-	-
Total disbursements	9,907	552	12,628	8,989	40,678	6,533
Excess (deficiency) of receipts over disbursements	(926)	(67)	8,741	-	8,741	(1,646)
Other financing sources (uses):						
Intergovernmental	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(926)	(67)	8,741	-	8,741	(1,646)
Cash and investment fund balance - beginning	52,998	226	159	-	20,910	17,555
Cash and investment fund balance - ending	<u>\$ 52,072</u>	<u>\$ 159</u>	<u>\$ 8,900</u>	<u>\$ -</u>	<u>\$ 29,651</u>	<u>\$ 15,909</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 29,651	\$ -
Restricted assets:						
Cash and investments	52,072	159	8,900	-	-	15,909
Total cash and investment assets - December 31	<u>\$ 52,072</u>	<u>\$ 159</u>	<u>\$ 8,900</u>	<u>\$ -</u>	<u>\$ 29,651</u>	<u>\$ 15,909</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
General government	\$ 52,072	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	159	8,900	-	-	15,909
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	29,651	-
Total cash and investment fund balance - December 31	<u>\$ 52,072</u>	<u>\$ 159</u>	<u>\$ 8,900</u>	<u>\$ -</u>	<u>\$ 29,651</u>	<u>\$ 15,909</u>

JENNINGS 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)

	Transfer Fee	Supplemental Circuit Probation Services	Supplemental Superior Probation Services	Supplemental Juvenile Probation Services	Sales Disclosure Local	Bio-Terrorism
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	7,710	8,604	22,716	5,729	4,425	5,843
Charges for services	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	7,710	8,604	22,716	5,729	4,425	5,843
Disbursements:						
General government	8,246	-	-	-	-	-
Public safety	-	10,846	17,633	8,998	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	6,547
Culture and recreation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
Special assessments	-	-	-	-	-	-
Total disbursements	8,246	10,846	17,633	8,998	-	6,547
Excess (deficiency) of receipts over disbursements	(536)	(2,242)	5,083	(3,269)	4,425	(704)
Other financing sources (uses):						
Intergovernmental	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(536)	(2,242)	5,083	(3,269)	4,425	(704)
Cash and investment fund balance - beginning	5,991	3,162	5,829	5,575	9,784	1,137
Cash and investment fund balance - ending	<u>\$ 5,455</u>	<u>\$ 920</u>	<u>\$ 10,912</u>	<u>\$ 2,306</u>	<u>\$ 14,209</u>	<u>\$ 433</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ 5,455	\$ -	\$ -	\$ -	\$ 14,209	\$ -
Restricted assets:						
Cash and investments	-	920	10,912	2,306	-	433
Total cash and investment assets - December 31	\$ 5,455	\$ 920	\$ 10,912	\$ 2,306	\$ 14,209	\$ 433
Cash and Investment Fund Balance - December 31						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	920	10,912	2,306	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	433
Culture and recreation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	5,455	-	-	-	14,209	-
Total cash and investment fund balance - December 31	\$ 5,455	\$ 920	\$ 10,912	\$ 2,306	\$ 14,209	\$ 433

JENNINGS 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)

	Landfill Closure	Park Nonreverting Capital	Cumulative Courthouse	Pass-Through Loan	Courthouse Bond Redemption	Muscatatuck Refuge
Receipts:						
Taxes	\$ -	\$ -	\$ 98,601	\$ -	\$ 766,131	\$ -
Intergovernmental	-	-	2,270	-	17,698	19,937
Charges for services	-	44,538	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	44,538	100,871	-	783,829	19,937
Disbursements:						
General government	-	-	-	1,281	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	32,628	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	525,000	-
Interest	-	-	-	-	246,000	-
Capital outlay:						
Special assessments	-	-	172,403	-	-	-
Total disbursements	-	32,628	172,403	1,281	771,000	-
Excess (deficiency) of receipts over disbursements	-	11,910	(71,532)	(1,281)	12,829	19,937
Other financing sources (uses):						
Intergovernmental	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	11,910	(71,532)	(1,281)	12,829	19,937
Cash and investment fund balance - beginning	10,448	61,594	190,020	1,773	384,940	-
Cash and investment fund balance - ending	<u>\$ 10,448</u>	<u>\$ 73,504</u>	<u>\$ 118,488</u>	<u>\$ 492</u>	<u>\$ 397,769</u>	<u>\$ 19,937</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ -	\$ 492	\$ -	\$ -
Restricted assets:						
Cash and investments	10,448	73,504	118,488	-	397,769	19,937
Total cash and investment assets - December 31	\$ 10,448	\$ 73,504	\$ 118,488	\$ 492	\$ 397,769	\$ 19,937
Cash and Investment Fund Balance - December 31						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	10,448	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	73,504	-	-	-	19,937
Economic development	-	-	-	-	-	-
Debt service	-	-	-	-	397,769	-
Capital outlay	-	-	118,488	-	-	-
Unrestricted	-	-	-	492	-	-
Total cash and investment fund balance - December 31	\$ 10,448	\$ 73,504	\$ 118,488	\$ 492	\$ 397,769	\$ 19,937

JENNINGS 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)

	Solid Waste System	Public Health Preparedness	RESPECT Grant	Community Service	Tobacco Settlement	Campbell Township Sewer Grant
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	33,837	54,001	23,475	8,519	-	356,476
Charges for services	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	33,837	54,001	23,475	8,519	-	356,476
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	-	2,046	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	29,233	-	-	-	-	275,150
Health and welfare	-	53,275	23,476	-	-	-
Culture and recreation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
Special assessments	-	-	-	-	-	-
Total disbursements	29,233	53,275	23,476	2,046	-	275,150
Excess (deficiency) of receipts over disbursements	4,604	726	(1)	6,473	-	81,326
Other financing sources (uses):						
Intergovernmental	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,604	726	(1)	6,473	-	81,326
Cash and investment fund balance - beginning	6,317	1,375	1	1,482	18,454	6,227
Cash and investment fund balance - ending	<u>\$ 10,921</u>	<u>\$ 2,101</u>	<u>\$ -</u>	<u>\$ 7,955</u>	<u>\$ 18,454</u>	<u>\$ 87,553</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	10,921	2,101	-	7,955	18,454	87,553
Total cash and investment assets - December 31	<u>\$ 10,921</u>	<u>\$ 2,101</u>	<u>\$ -</u>	<u>\$ 7,955</u>	<u>\$ 18,454</u>	<u>\$ 87,553</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	7,955	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	10,921	-	-	-	-	87,553
Health and welfare	-	2,101	-	-	18,454	-
Culture and recreation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 10,921</u>	<u>\$ 2,101</u>	<u>\$ -</u>	<u>\$ 7,955</u>	<u>\$ 18,454</u>	<u>\$ 87,553</u>

JENNINGS 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)

	Interpreter Grant	Local Emergency Planning Grant	County Misdemeanant	Electronic Map	Emergency Management Nonreverting
Receipts:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	500	8,305	10,500	500	18,982
Charges for services	-	-	-	-	-
Other	-	-	-	-	-
Total receipts	<u>500</u>	<u>8,305</u>	<u>10,500</u>	<u>500</u>	<u>18,982</u>
Disbursements:					
General government	600	-	-	-	-
Public safety	-	87	10,500	-	2,650
Highways and streets	-	-	-	-	-
Sanitation	-	-	-	-	-
Health and welfare	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Economic development	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay:					
Special assessments	-	-	-	-	-
Total disbursements	<u>600</u>	<u>87</u>	<u>10,500</u>	<u>-</u>	<u>2,650</u>
Excess (deficiency) of receipts over disbursements	<u>(100)</u>	<u>8,218</u>	<u>-</u>	<u>500</u>	<u>16,332</u>
Other financing sources (uses):					
Intergovernmental	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(100)</u>	<u>8,218</u>	<u>-</u>	<u>500</u>	<u>16,332</u>
Cash and investment fund balance - beginning	550	8,736	-	-	-
Cash and investment fund balance - ending	<u>\$ 450</u>	<u>\$ 16,954</u>	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ 16,332</u>
Cash and Investment Assets - December 31					
Cash and investments	\$ -	\$ -	\$ -	\$ 500	\$ -
Restricted assets:					
Cash and investments	450	16,954	-	-	16,332
Total cash and investment assets - December 31	<u>\$ 450</u>	<u>\$ 16,954</u>	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ 16,332</u>
Cash and Investment Fund Balance - December 31					
Restricted for:					
General government	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	450	-	-	-	16,332
Highways and streets	-	-	-	-	-
Sanitation	-	-	-	-	-
Health and welfare	-	16,954	-	-	-
Culture and recreation	-	-	-	-	-
Economic development	-	-	-	-	-
Debt service	-	-	-	-	-
Capital outlay	-	-	-	-	-
Unrestricted	-	-	-	500	-
Total cash and investment fund balance - December 31	<u>\$ 450</u>	<u>\$ 16,954</u>	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ 16,332</u>

JENNINGS 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)

	HAVA Title III Voting	Homeland Security LETPP	Judicial Technology Grant	Pandemic Assessment	Race Gender Interpreter Grant
Receipts:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	126,750	86,331	636	2,000	500
Charges for services	-	-	-	-	-
Other	-	-	-	-	-
Total receipts	126,750	86,331	636	2,000	500
Disbursements:					
General government	126,750	-	636	-	50
Public safety	-	86,331	-	-	-
Highways and streets	-	-	-	-	-
Sanitation	-	-	-	-	-
Health and welfare	-	-	-	1,990	-
Culture and recreation	-	-	-	-	-
Economic development	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay:					
Special assessments	-	-	-	-	-
Total disbursements	126,750	86,331	636	1,990	50
Excess (deficiency) of receipts over disbursements	-	-	-	10	450
Other financing sources (uses):					
Intergovernmental	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	10	450
Cash and investment fund balance - beginning	-	-	-	-	-
Cash and investment fund balance - ending	\$ -	\$ -	\$ -	\$ 10	\$ 450
Cash and Investment Assets - December 31					
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:					
Cash and investments	-	-	-	10	450
Total cash and investment assets - December 31	\$ -	\$ -	\$ -	\$ 10	\$ 450
Cash and Investment Fund Balance - December 31					
Restricted for:					
General government	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	450
Highways and streets	-	-	-	-	-
Sanitation	-	-	-	-	-
Health and welfare	-	-	-	10	-
Culture and recreation	-	-	-	-	-
Economic development	-	-	-	-	-
Debt service	-	-	-	-	-
Capital outlay	-	-	-	-	-
Unrestricted	-	-	-	-	-
Total cash and investment fund balance - December 31	\$ -	\$ -	\$ -	\$ 10	\$ 450

JENNINGS 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)

	Rescue 20 FEMA Grant	Recorder Security Protection	SINBAD Grant	Death Benefit	Totals
Receipts:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 2,641,751
Intergovernmental	35,550	-	163,356	1,335	2,361,529
Charges for services	-	11,014	-	-	582,996
Other	-	-	-	-	10,183
Total receipts	35,550	11,014	163,356	1,335	5,596,459
Disbursements:					
General government	-	-	-	-	611,191
Public safety	-	-	-	-	1,352,867
Highways and streets	-	-	-	-	265,330
Sanitation	-	-	-	-	312,482
Health and welfare	34,825	-	163,356	-	683,974
Culture and recreation	-	-	-	-	62,628
Economic development	-	-	-	-	1,481,229
Debt service:					
Principal	-	-	-	-	525,000
Interest	-	-	-	-	246,000
Capital outlay:					
Special assessments	-	-	-	-	172,403
Total disbursements	34,825	-	163,356	-	5,713,104
Excess (deficiency) of receipts over disbursements	725	11,014	-	1,335	(116,645)
Other financing sources (uses):					
Intergovernmental	-	-	-	-	(59,074)
Transfers in	-	-	-	-	170,000
Transfers out	-	-	-	-	(54,447)
Total other financing sources (uses)	-	-	-	-	56,479
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	725	11,014	-	1,335	(60,166)
Cash and investment fund balance - beginning	-	-	-	-	2,623,332
Cash and investment fund balance - ending	<u>\$ 725</u>	<u>\$ 11,014</u>	<u>\$ -</u>	<u>\$ 1,335</u>	<u>\$ 2,563,166</u>
Cash and Investment Assets - December 31					
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 176,859
Restricted assets:					
Cash and investments	725	11,014	-	1,335	2,386,307
Total cash and investment assets - December 31	<u>\$ 725</u>	<u>\$ 11,014</u>	<u>\$ -</u>	<u>\$ 1,335</u>	<u>\$ 2,563,166</u>
Cash and Investment Fund Balance - December 31					
Restricted for:					
General government	\$ -	\$ 11,014	\$ -	\$ -	\$ 413,941
Public safety	-	-	-	-	743,962
Highways and streets	-	-	-	-	37,797
Sanitation	-	-	-	-	109,716
Health and welfare	725	-	-	1,335	272,303
Culture and recreation	-	-	-	-	123,776
Economic development	-	-	-	-	157,468
Debt service	-	-	-	-	397,769
Capital outlay	-	-	-	-	129,575
Unrestricted	-	-	-	-	176,859
Total cash and investment fund balance - December 31	<u>\$ 725</u>	<u>\$ 11,014</u>	<u>\$ -</u>	<u>\$ 1,335</u>	<u>\$ 2,563,166</u>

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

	County Treasurer	Special Death Benefit	Tax Sale Redemption	Tax Sale Surplus	Mortgage Fee	Tax Increment	Clearing Fund
Additions:							
Agency fund additions	\$ 25,133,105	\$ 145	\$ 56,556	\$ 157,659	\$ 3,583	\$ 71,716	\$ 213,682
Deductions:							
Agency fund deductions	25,328,748	145	52,585	134,123	3,673	104,193	213,682
Excess (deficiency) of total additions over total deductions	(195,643)	-	3,971	23,536	(90)	(32,477)	-
Cash and investment fund balance - beginning	365,779	-	266	236,577	2,213	32,477	-
Cash and investment fund balance - ending	<u>\$ 170,136</u>	<u>\$ -</u>	<u>\$ 4,237</u>	<u>\$ 260,113</u>	<u>\$ 2,123</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Inheritance Tax	Surplus Tax	Congressional Interest	Tax Distributions	Infraction Judgments	Payroll Withholdings	Surplus Dog Tax
Additions:							
Agency fund additions	\$ 244,676	\$ 17,612	\$ 488	\$ 29,294,448	\$ 26,053	\$ 2,073,081	\$ 2,872
Deductions:							
Agency fund deductions	238,992	20,937	739	29,288,743	35,135	2,066,632	2,872
Excess (deficiency) of total additions over total deductions	5,684	(3,325)	(251)	5,705	(9,082)	6,449	-
Cash and investment fund balance - beginning	62,329	3,434	8,419	-	22,230	19,970	-
Cash and investment fund balance - ending	<u>\$ 68,013</u>	<u>\$ 109</u>	<u>\$ 8,168</u>	<u>\$ 5,705</u>	<u>\$ 13,148</u>	<u>\$ 26,419</u>	<u>\$ -</u>

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

	Education Plate Fees	County User Fee	Local DNR Law Enforcement	Coroner's Training and Continuing Education	State Sales Disclosure Fee Fund	City and Town Court Costs
Additions:						
Agency fund additions	\$ 1,369	\$ -	\$ -	\$ 1,049	\$ 4,425	\$ 9,602
Deductions:						
Agency fund deductions	1,463	-	1,372	1,007	5,465	-
Excess (deficiency) of total additions over total deductions	(94)	-	(1,372)	42	(1,040)	9,602
Cash and investment fund balance - beginning	94	155	1,926	543	3,355	824
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 155</u>	<u>\$ 554</u>	<u>\$ 585</u>	<u>\$ 2,315</u>	<u>\$ 10,426</u>

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

	Fines and Forfeitures	Welfare Trust	County Law Enforcement Continuing Education	Interstate Compact Fee	Muscatatuck Park	EMS Clearing
Additions:						
Agency fund additions	\$ 17,338	\$ 119,357	\$ 7,012	\$ 325	\$ 45,854	\$ 297,610
Deductions:						
Agency fund deductions	16,608	116,435	5,282	366	44,619	297,839
Excess (deficiency) of total additions over total deductions	730	2,922	1,730	(41)	1,235	(229)
Cash and investment fund balance - beginning	2,253	81,613	19,593	291	13	25,115
Cash and investment fund balance - ending	<u>\$ 2,983</u>	<u>\$ 84,535</u>	<u>\$ 21,323</u>	<u>\$ 250</u>	<u>\$ 1,248</u>	<u>\$ 24,886</u>

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

	Clerk Of the Circuit Court	Area Plan Commission	County Auditor	County Sheriff	Health Department	County Animal Control
Additions:						
Agency fund additions	\$ 3,671,049	\$ 96,321	\$ 17,558	\$ 492,039	\$ 53,017	\$ 4,856
Deductions:						
Agency fund deductions	3,596,458	100,321	17,558	505,520	53,017	4,856
Excess (deficiency) of total additions over total deductions	74,591	(4,000)	-	(13,481)	-	-
Cash and investment fund balance - beginning	448,435	4,050	50	22,655	-	100
Cash and investment fund balance - ending	<u>\$ 523,026</u>	<u>\$ 50</u>	<u>\$ 50</u>	<u>\$ 9,174</u>	<u>\$ -</u>	<u>\$ 100</u>

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

	Inmate Trust	County Hospital Care for the Indigent	Medical Assistance To Wards	Children With Special Health Care Needs	Sewer Lein Fund	Total
Additions:						
Agency fund additions	\$ 165,961	\$ 241,573	\$ 37,468	\$ 26,622	\$ 15,581	\$ 62,621,662
Deductions:						
Agency fund deductions	167,613	241,573	37,468	26,622	15,581	62,748,242
Excess (deficiency) of total additions over total deductions	(1,652)	-	-	-	-	(126,580)
Cash and investment fund balance - beginning	12,983	-	-	-	-	1,377,742
Cash and investment fund balance - ending	<u>\$ 11,331</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,251,162</u>

JENNINGS COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2006

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

General infrastructure assets are included if acquired (purchased, constructed, or donated) after July 1, 1980, or if they received major renovations, restorations, or improvements after that date. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 213,989
Infrastructure	77,380,627
Buildings	9,215,277
Improvements other than buildings	995,621
Machinery and equipment	<u>6,078,454</u>
 Total governmental activities, capital assets not being depreciated	 <u><u>\$ 93,883,968</u></u>

JENNINGS COUNTY
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT

For The Year Ended December 31, 2006

Description of Asset	Ending Balance	Due Within One Year
Governmental Activities:		
Capital leases:		
Manatron	\$ 49,169	\$ 15,861
E911 Motorola	296,668	-
New Holland Tractor/Mower	28,269	13,923
3-International Dump Trucks	43,507	43,507
Backhoe	4,372	4,372
Jeep	2,504	2,504
Computer System 03	69,343	34,672
County Highway Truck	56,644	18,274
E911 Equipment	5,719	3,784
Sheriff Cars	6,241	-
Gradall County Highway	120,739	28,475
Dodge Truck	69,742	-
Notes and loans payable:		
FSSA Loan	606,056	93,944
Bonds payable:		
General obligation bonds:		
CEDIT	165,000	165,000
Courthouse Annex/Jail	5,100,000	545,000
Total governmental activities long-term debt	<u>\$ 6,623,974</u>	<u>\$ 969,317</u>

JENNINGS COUNTY
OTHER REPORTS

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

County Sheriff
Clerk of the Circuit Court
County Auditor
Animal Control Board

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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 JENNINGS COUNTY, INDIANA

Compliance

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

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

As described in item 2006-1 in the accompanying Schedule of Findings and Questioned Costs, the County did not comply with requirements regarding Reporting that are applicable to its State Homeland Security Program. Compliance with such requirements is necessary, in our opinion, for the County to comply with requirements applicable to that program.

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

Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A control deficiency in a County's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in item 2006-1 of the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses. Of the significant deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs, we consider item 2006-1, to be material weaknesses.

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

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

STATE BOARD OF ACCOUNTS

July 3, 2007

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

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Pass-Through Lt. Governor's Office of Community and Rural Affairs Community Development Block Grants/State's Program Community Focus Fund	14.228	CF-04-221	\$ <u>356,476</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Pass-Through Indiana Criminal Justice Institute Crime Victim Assistance Victims of Crime Act Victim Assistance	16.575	06-VA-058	<u>16,757</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-Through Indiana Department of Health Centers for Disease Control and Prevention - Investigations and Technical Assistance Public Health Preparedness and Response for Bioterrorism	93.283	BPRS 139-5	<u>55,951</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-Through Indiana Department of Child Services Child Support Enforcement Prosecutors Expenses Clerk's Expenses Indirect Cost Title 4-D Incentives	93.563	FY2006 FY2006 FY2006 FY2006	92,236 9,297 20,420 <u>36,891</u>
Total for program			<u>158,844</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security State Homeland Security Program (SHSP) SINBAD	97.073	FY2006	<u>163,356</u>
<u>U.S. FEDERAL EMERGENCY MANAGEMENT AGENCY</u>			
Direct Grant FEMA Exhaust Grant		FY2006	<u>35,550</u>
<u>U.S. ELECTION ASSISTANCE COMMISSION</u>			
Pass-Through Indiana Secretary of State State Election Assistance Election Assistance	90.401	FY2006	<u>126,750</u>
Total federal awards expended			<u>\$ <u>913,684</u></u>

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

JENNINGS 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 Jennings 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.

JENNINGS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

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?	yes
Reportable conditions identified that are not considered to be material weaknesses?	no

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
14.228	Community Development Block Grants/State's Program
97.073	State Homeland Security Program

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

Auditee qualified as low-risk auditee? no

JENNINGS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

Finding 2006-1, Reporting

Federal Agency: U.S. Department of Homeland Security
Federal Program: State Homeland Security Grant Program
CFDA Numbers: 97.073
Pass-Through Entity: Indiana Department of Homeland Security

The County did not file the reports required by the grant agreements with the State pass-through agency. Quarterly reports are required for grants awarded under the State Homeland Security Grants (SHSGP) Program, CFDA 97.073.

The reports were not filed because the County has not implemented adequate internal control procedures to ensure the timely filing of grant reports to the State pass-through agency, and the State pass-through agency did not notify the County when reports were not received by the due dates. Without the reports the State pass-through agency would not be able to monitor the grant cash balances, expenditures, budget compliance, interest earnings, and etc., for the various projects.

The County's duties and responsibilities section of the SHSGP grant agreement states in part: "The Sub-grantee shall submit to the State quarterly reports . . ."

The County should implement internal control procedures which will ensure that required grant reports are filed in a timely manner for current and future grant projects.

JENNINGS COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

Jennings County Health Department
200 East Brown St., P.O. Box 323, Vernon, Indiana 47282
Phone: (812) 352-3024 Fax: (812) 352-030
Email: jcclerk@localhealth.in.gov

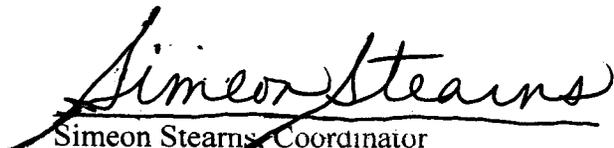
State Board of Accounts
402 West Washington St. E418
Indianapolis, IN 46207

CORRECTION ACTION PLAN
2006 Audit Finding

Contact Person: Simeon Stearns
Title: Coordinator, Jennings County Health Preparedness
Phone Number: 812-352-3024
Expected Completion Date: June 18, 2007

Finding No. 2006-1, Homeland Security Grant Program, Reporting

The grant close out was sent to the Indiana Department of Homeland Security (IDHS) on June 18, 2007. During 2006 the IDHS implemented a new on-line grants management tracking system. This process will ensure that the county is compliant with the reporting requirements stated in the grant agreements.


Simeon Stearns, Coordinator
Jennings County Health Preparedness

6-15-2007 (Date)

JENNINGS COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 3, 2007, with Janice L. Ramey, Auditor; Jim Lamb, County Council member; and Bob Willhite, County Commissioner.